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REMARKS BY SENATOR HUBERT H. HUMPHREY

NEW YORK MANAGEMENT CLUB

New York, New York  
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I am pleased to come to you today to share a few of my concerns in the field of international trade.

As executives for one of our countries' finest international business organizations all of you are aware of the complexity of world economic relationships.

I'm sure the impact of the recent disruptions and adjustments in the international monetary sphere has been significant on your company.

The nations of the world have done much to work out new world monetary arrangements which reflect the far reaching changes in the world economy over the past 20 years.

Equally important is the need to use the coming round of trade negotiations to rebuild a framework for the continued expansion of international commerce.

Over the past two decades America has played the leading role in opening world markets. As a result of our policies consumers have enjoyed freer access to the goods and services of all nations.

Throughout this period I have been one of the primary proponents of trade liberalization.

Today I want to voice a note of concern as the United States moves into another major round of trade negotiations. If we are to make progress in these trade discussions there are a few items which I believe must be considered.

First, we must recognize the new economic strength of our major trading partners and deal with these powers with a firmness and respect appropriate to their economic equality.

Second, we must begin to establish principles and guidelines on which we all can agree. Unless we have an overall goal in common for trade negotiations we will end up in a "who can get the most" contest which will serve few in the long run.

Finally, we must call for immediate attention to the unfair restrictions and discriminatory practices which characterize many industries in the service sector of the world economy.

Our policymakers and negotiators must realize that in 1973 we face a vastly changed world economic climate from 1962. And the most important change is the economic strength of our trading partners.

I think past negotiations have been influenced by our desire to help speed the economic growth of other countries. While our cooperation and assistance have been crucial in rebuilding the devastated economies of Europe and Japan after the second world war we must now realize that these nations now compete with the United States in world markets on equal footing.

In the last round of trade negotiations we did not push as hard as I think we could have because we did not want to disrupt the movement toward European unification.

Europe now has progressed far along the road to economic union. And certainly the Common Market is now strong enough to bear its responsibilities to international economic cooperation on its own.

The role that the United States has played in assisting international trade and economic development is admirable. But if significant progress is to be made in the trade talks the United States is going to have to take a much different stance. Many of our friends in Europe are making statements which seem to contradict the goals of economic cooperation.

Some of our friends think that jawboning and dogmatism will force the United States back into a position of acquiescence.

It is already apparent from the initial bargaining position adopted by the European Community that it is going to be extremely difficult to work out much from the nine on agriculture or anything else.

It seems that the European Community is looking back at the Kennedy round and betting that the United States would settle for something rather than nothing.

We must make it clear that this is not the case.

If the trade negotiations are going to move toward constructive consultation we must show our trading partners that we are not going to accept patent arguments and rationalizations for the exclusion of whole sectors of their economy from negotiations. I am referring to agriculture.

The European Community cannot expect the United States or the other nations of the world to ignore again the need in agricultural trade liberalization. It is certainly long overdue. I am very discouraged that after a decade the Community still considers its discriminatory barriers of agricultural protection above negotiation.

It is essential that we restore a spirit of cooperation as we begin our trade discussions. We must be aware that the success or failure of these discussions will be felt for many decades to come.

The benefits of forty years of trade liberalization are unquestioned. The expansion of international trade has been responsible for an unprecedented world economic growth -- growth that has resulted in a marked improvement in the standard of living for consumers throughout the world.

Now we must call for a reaffirmation of the basic tenets upon which the GATT is founded, non-discrimination, reciprocity and international consultation.

However, before we begin talking about individual commodities we must sit down and decide on a set of goals and objectives. Unless we can begin the trade discussions by a commitment to a few things we can all agree on, the only guide to negotiation will be national self-interest. Finally, we must call upon our trade negotiators to give appropriate attention to the discriminatory practices encountered by our service industries doing business abroad.

I'm sure that this is one area that I don't have to tell you about. Favoritism toward national air carriers by foreign governments, discrimination in airport facilities and services and economic combinations prohibited by anti-trust laws in this country offer the foreign airline advantages which serve to place our own airlines at a competitive handicap. These are areas that must receive attention in the context of the next round of trade negotiations. The adjustments are long overdue.

A tremendous challenge faces the men who will meet at Geneva to discuss the future structure of world trade. The enormity of the task they face seems appalling. The complexity of the issues makes past negotiations look simple by comparison.

In the past, the focus of negotiations has been around reducing tariffs. But now it has become apparent that barriers -- such as subsidies, incentives, customs procedures and even health and safety standards to mention a few, are even more important than tariffs in restricting world trade.

It is obvious that these issues touch the core of national domestic policies, and it will be difficult to find common grounds. Certainly you cannot ban national standards, but you can provide rules for harmonizing them and guidelines for managing them among nations. Such goals are crucial if we are to realize substantive gains in this round of trade negotiations.

Two things can happen in the years and months ahead. We can continue in a spirit of distrust, and this will certainly result in the breakdown of cooperative talks and a favorable environment for the expansion for international trade. The implications for the economic welfare of the world could be disastrous. And the rhetoric I hear coming from both sides indicates that such an outcome is a real threat.

The other alternative is a recommitment to the liberalization of world trade toward the development of trade policies which do not restrict the movement of goods and services. We can move toward building a base upon which all nations can share in the prosperity which economic growth provides, and toward economic cooperation and a reduction of the pressures which can lead to international conflicts. The importance of insisting upon the latter road is obvious. The stakes in terms of the welfare of consumers and producers throughout the world are just too great to do otherwise.

# # # # #

Food - Energy - Foreign Policy  
~~Trade - Energy - Food~~

Energy - Need National Policy

Just as we  
 had in  
 space Prog.  
 after Sputnik

- must be self-sufficient
- cannot be at mercy of foreign suppliers
- Set goal -
- set date
- establish system to mobilize resources
- concerned to buy time

REMARKS BY SENATOR HUBERT H. HUMPHREY

- ⊗ Use our food Power
  - ⊗ seek cooperation of Allies
- NEW YORK MANAGEMENT CLUB

President - A. J. Dawson

NEW YORK, NEW YORK

Willis Payer

Joe Lianellie Proche  
 NOVEMBER 7, 1973

Mr Willis Payer Sen. U.P. Pan Am

Mr A.V. (Bud) Pelling V.P. ~~Sen.~~ Pan Am.

⊙ Sam Poyor (was into some)

Barnes Buesten

Stanley Hewitz

JDS  
Les Walker

2  
Brent  
 with  
 & equipment  
 smart &  
 strong

Explores Dawson leaving

Rung  
Arthur

*not delivered -  
not released*

I AM PLEASED TO COME TO YOU TODAY TO SHARE A FEW OF  
MY CONCERNS IN THE FIELD OF INTERNATIONAL TRADE.

AS EXECUTIVES FOR ONE OF OUR COUNTRIES' FINEST  
INTERNATIONAL BUSINESS ORGANIZATIONS, ALL OF YOU ARE AWARE  
OF THE COMPLEXITY OF WORLD ECONOMIC RELATIONSHIPS.

I'M SURE THE IMPACT OF THE RECENT DISRUPTIONS AND  
ADJUSTMENTS IN THE INTERNATIONAL MONETARY SPHERE HAS BEEN  
SIGNIFICANT ON YOUR COMPANY.

THE NATIONS OF THE WORLD HAVE DONE MUCH TO WORK OUT  
NEW WORLD MONETARY ARRANGEMENTS WHICH REFLECT THE FAR  
REACHING CHANGES IN THE WORLD ECONOMY OVER THE PAST 20 YEARS.

EQUALLY IMPORTANT IS THE NEED TO USE THE COMING ROUND OF TRADE NEGOTIATIONS TO REBUILD A FRAMEWORK FOR THE CONTINUED EXPANSION OF INTERNATIONAL COMMERCE.

OVER THE PAST TWO DECADES AMERICA HAS PLAYED THE LEADING ROLE IN OPENING WORLD MARKETS. AS A RESULT OF OUR POLICIES CONSUMERS HAVE ENJOYED FREER ACCESS TO THE GOODS AND SERVICES OF ALL NATIONS.

THROUGHOUT THIS PERIOD I HAVE BEEN ONE OF THE PRIMARY *advocates* ~~PROponents~~ OF TRADE LIBERALIZATION.

TODAY I WANT TO VOICE A NOTE OF CONCERN AS THE UNITED STATES MOVES INTO ANOTHER MAJOR ROUND OF TRADE NEGOTIATIONS. IF WE ARE TO MAKE PROGRESS IN THESE TRADE DISCUSSIONS THERE ARE A FEW ITEMS WHICH I BELIEVE MUST BE CONSIDERED.

FIRST, WE MUST RECOGNIZE THE NEW ECONOMIC STRENGTH OF  
OUR MAJOR TRADING PARTNERS AND DEAL WITH THESE POWERS WITH A  
FIRMNESS AND RESPECT APPROPRIATE TO THEIR ECONOMIC EQUALITY,

↳ SECOND, WE MUST BEGIN TO ESTABLISH PRINCIPLES AND GUIDE-  
LINES ON WHICH WE ALL CAN AGREE. UNLESS WE HAVE AN OVERALL GOAL  
IN COMMON FOR TRADE NEGOTIATIONS WE WILL END UP IN A "WHO CAN  
GET THE MOST" CONTEST WHICH WILL SERVE FEW IN THE LONG RUN.

↳ FINALLY, WE MUST CALL FOR IMMEDIATE ATTENTION TO THE  
UNFAIR RESTRICTIONS AND DISCRIMINATORY PRACTICES WHICH  
CHARACTERIZE MANY INDUSTRIES IN THE SERVICE SECTOR OF THE  
WORLD ECONOMY.

OUR POLICYMAKERS AND NEGOTIATORS MUST REALIZE THAT IN  
1973 WE FACE A VASTLY CHANGED WORLD ECONOMIC CLIMATE FROM *that of*  
1962. AND THE MOST IMPORTANT CHANGE IS THE ECONOMIC STRENGTH  
OF OUR TRADING PARTNERS.

~~I THINK~~ PAST NEGOTIATIONS HAVE BEEN INFLUENCED BY  
OUR DESIRE TO HELP SPEED THE ECONOMIC GROWTH OF OTHER  
COUNTRIES. WHILE OUR COOPERATION AND ASSISTANCE HAVE BEEN  
CRUCIAL IN REBUILDING THE DEVASTATED ECONOMIES OF EUROPE AND  
JAPAN AFTER THE SECOND WORLD WAR, WE MUST NOW REALIZE THAT THESE  
NATIONS NOW COMPETE WITH THE UNITED STATES IN WORLD MARKETS  
ON EQUAL FOOTING *or Better*.

IN THE LAST ROUND OF TRADE NEGOTIATIONS WE DID NOT PUSH AS HARD AS ~~WE MIGHT~~ <sup>we might</sup> HAVE BECAUSE WE DID NOT WANT TO DISRUPT THE MOVEMENT TOWARD EUROPEAN UNIFICATION.

*But,* EUROPE NOW HAS PROGRESSED FAR ALONG THE ROAD TO ECONOMIC UNION, AND CERTAINLY THE COMMON MARKET IS NOW STRONG ENOUGH TO BEAR ITS RESPONSIBILITIES TO INTERNATIONAL ECONOMIC COOPERATION ON ITS OWN.

THE ROLE THAT THE UNITED STATES HAS PLAYED IN ASSISTING INTERNATIONAL TRADE AND ECONOMIC DEVELOPMENT IS ADMIRABLE. BUT IF SIGNIFICANT PROGRESS IS TO BE MADE IN THE TRADE TALKS THE UNITED STATES IS GOING TO HAVE TO TAKE A MUCH DIFFERENT STANCE.

MANY OF OUR FRIENDS IN EUROPE ARE MAKING STATEMENTS WHICH SEEM TO CONTRADICT THE GOALS OF ECONOMIC COOPERATION.

SOME OF OUR FRIENDS THINK THAT JAWBONING AND DOGMATISM WILL FORCE THE UNITED STATES BACK INTO A POSITION OF ACQUIESCENCE.

IT IS ALREADY APPARENT FROM THE INITIAL BARGAINING POSITION ADOPTED BY THE EUROPEAN COMMUNITY THAT IT IS GOING TO BE EXTREMELY DIFFICULT TO WORK OUT MUCH FROM THE NINE ON AGRICULTURE OR ANYTHING ELSE.

IT SEEMS THAT THE EUROPEAN COMMUNITY IS LOOKING BACK AT THE KENNEDY ROUND AND BETTING THAT THE UNITED STATES WOULD SETTLE FOR SOMETHING RATHER THAN NOTHING.

WE MUST MAKE IT CLEAR THAT THIS IS NOT THE CASE.

IF THE TRADE NEGOTIATIONS ARE GOING TO MOVE TOWARD CONSTRUCTIVE CONSULTATION WE MUST SHOW OUR TRADING PARTNERS THAT WE ARE NOT GOING TO ACCEPT PATENT ARGUMENTS AND RATIONALIZATIONS FOR THE EXCLUSION OF WHOLE SECTORS OF THEIR ECONOMY FROM NEGOTIATIONS. I AM REFERRING TO AGRICULTURE.

THE EUROPEAN COMMUNITY CANNOT EXPECT THE UNITED STATES OR THE OTHER NATIONS OF THE WORLD TO IGNORE AGAIN THE NEED IN AGRICULTURAL TRADE LIBERALIZATION. IT IS CERTAINLY LONG OVERDUE. I AM VERY DISCOURAGED THAT AFTER A DECADE THE COMMUNITY STILL CONSIDERS ITS DISCRIMINATORY BARRIERS OF AGRICULTURAL PROTECTION ABOVE NEGOTIATION.

IT IS ESSENTIAL THAT WE RESTORE A SPIRIT OF COOPERATION AS WE BEGIN OUR TRADE DISCUSSIONS. WE MUST BE AWARE THAT THE SUCCESS OR FAILURE OF THESE DISCUSSIONS WILL BE FELT FOR MANY DECADES TO COME.

THE BENEFITS OF FORTY YEARS OF TRADE LIBERALIZATION ARE UNQUESTIONED. THE EXPANSION OF INTERNATIONAL TRADE HAS BEEN RESPONSIBLE FOR AN UNPRECEDENTED WORLD ECONOMIC GROWTH -- GROWTH THAT HAS RESULTED IN A MARKED IMPROVEMENT IN THE STANDARD OF LIVING FOR CONSUMERS THROUGHOUT THE WORLD.

NOW WE MUST CALL FOR A REAFFIRMATION OF THE BASIC TENETS UPON WHICH THE GATT IS FOUNDED, NON-DISCRIMINATION, RECIPROCITY AND INTERNATIONAL CONSULTATION.

HOWEVER, BEFORE WE BEGIN TALKING ABOUT INDIVIDUAL  
COMMODITIES WE MUST SIT DOWN AND DECIDE ON A SET OF GOALS  
AND OBJECTIVES. UNLESS WE CAN BEGIN THE TRADE DISCUSSIONS  
BY A COMMITMENT TO A FEW THINGS WE CAN ALL AGREE ON, THE  
ONLY GUIDE TO NEGOTIATION WILL BE NATIONAL SELF-INTEREST.  
FINALLY, WE MUST CALL UPON OUR TRADE NEGOTIATORS TO GIVE  
APPROPRIATE ATTENTION TO THE DISCRIMINATORY PRACTICES  
ENCOUNTERED BY OUR SERVICE INDUSTRIES DOING BUSINESS ABROAD.

I'M SURE THAT THIS IS ONE AREA THAT I DON'T HAVE TO TELL  
YOU ABOUT. FAVORITISM TOWARD NATIONAL AIR CARRIERS BY  
FOREIGN GOVERNMENTS, DISCRIMINATION IN AIRPORT FACILITIES  
AND SERVICES AND ECONOMIC COMBINATIONS PROHIBITED BY ANTI-  
TRUST LAWS IN THIS COUNTRY OFFER THE FOREIGN AIRLINE ADVANTAGES

WHICH SERVE TO PLACE OUR OWN AIRLINES AT A COMPETITIVE

*disadvantage.*

~~HANDICAP~~, THESE ARE AREAS THAT MUST RECEIVE ATTENTION IN THE

CONTEXT OF THE NEXT ROUND OF TRADE NEGOTIATIONS. THE ADJUST-

MENTS ARE LONG OVERDUE.

A TREMENDOUS CHALLENGE FACES THE MEN WHO WILL MEET AT

GENEVA TO DISCUSS THE FUTURE STRUCTURE OF WORLD TRADE. ~~THE~~

~~ENORMITY OF THE TASK THEY FACE SEEMS APPALLING.~~ THE COMPLEXITY

OF THE ISSUES MAKES PAST NEGOTIATIONS LOOK SIMPLE BY COMPARISON.

IN THE PAST, THE FOCUS OF NEGOTIATIONS HAS BEEN AROUND

REDUCING TARIFFS. BUT NOW IT HAS BECOME APPARENT THAT

*Quotas,*

BARRIERS -- SUCH AS SUBSIDIES, INCENTIVES, CUSTOMS PROCEDURES

AND EVEN HEALTH AND SAFETY STANDARDS TO MENTION A FEW, ARE

EVEN MORE IMPORTANT THAN TARIFFS IN RESTRICTING WORLD TRADE.

IT IS OBVIOUS THAT THESE ISSUES TOUCH THE CORE OF NATIONAL DOMESTIC POLICIES, AND IT WILL BE DIFFICULT TO FIND COMMON GROUNDS. CERTAINLY YOU CANNOT BAN NATIONAL STANDARDS, BUT YOU CAN PROVIDE RULES FOR HARMONIZING THEM AND GUIDELINES FOR MANAGING THEM AMONG NATIONS. SUCH GOALS ARE CRUCIAL IF WE ARE TO REALIZE SUBSTANTIVE GAINS IN THIS ROUND OF TRADE NEGOTIATIONS.

TWO THINGS CAN HAPPEN IN THE YEARS AND MONTHS AHEAD. WE CAN CONTINUE IN A SPIRIT OF DISTRUST, AND THIS WILL CERTAINLY RESULT IN THE BREAKDOWN OF COOPERATIVE TALKS AND *an* *unf*AVORABLE ENVIRONMENT FOR THE EXPANSION FOR INTERNATIONAL TRADE..

THE IMPLICATIONS FOR THE ECONOMIC *warfare* ~~WARFARE~~ COULD BE DISASTROUS, AND THE RHETORIC I HEAR ~~BE~~ COMING FROM BOTH SIDES INDICATES THAT SUCH AN OUTCOME IS A REAL THREAT.

THE OTHER ALTERNATIVE IS A RECOMMITMENT TO THE LIBERALIZATION OF WORLD TRADE TOWARD THE DEVELOPMENT OF TRADE POLICIES WHICH DO NOT RESTRICT THE MOVEMENT OF GOODS AND SERVICES. WE CAN MOVE TOWARD BUILDING A BASE UPON WHICH ALL NATIONS CAN SHARE IN THE PROSPERITY WHICH ECONOMIC GROWTH PROVIDES, AND TOWARD ECONOMIC COOPERATION AND A REDUCTION OF THE PRESSURES WHICH CAN LEAD TO INTERNATIONAL CONFLICTS. THE IMPORTANCE OF INSISTING UPON THE LATTER ROAD IS OBVIOUS. THE STAKES IN TERMS OF THE WELFARE OF CONSUMERS AND PRODUCERS THROUGHOUT THE WORLD ARE JUST TOO GREAT TO DO OTHERWISE.

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