

Consensus or Confrontation:
International Economic Policy
at the Crossroads

Report of Senators Long and Ribicoff

to the

COMMITTEE ON FINANCE
UNITED STATES SENATE

Russell B. Long, Chairman

Subcommittee on International Trade

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Consensus or Confrontation: International Economic Policy at the Crossroads

In August and early September we traveled on behalf of the Committee on Finance to London, Geneva, Berne, Vienna, Bonn, Munich, and Paris to take stock of the international economic situation, in connection with the Trade Agreements oversight functions of the Committee and in connection with legislative proposals on energy, raw materials, health care, and other economic matters within the Committee's purview.

In London, we exchanged views with:

The Rt. Hon. Edmund Dell, Paymaster General, H.M. Treasury;

The Rt. Hon. Peter Shore, Secretary of State for Trade;

Sir Gordon Richardson, Governor of the Bank of England;

Mr. Derek Mitchell and Mr. John Kirbyshire of the Bank of England;

Sir Frank McFadzean, Chairman, Shell Transport and Trading Company and Managing Director, Royal Dutch Shell Group, and Chairman-elect, British Airways;

The Rt. Hon. Lord Carrington, Leader of the Opposition in the House of Lords (former Secretary of State for Energy);

Mr. Richard Dobson, Chairman of British American Tobacco Company and President-elect of the Confederation of British Industries;

Mr. William Frazer, Chairman of British Insulated Callender's Cables Ltd.;

Mr. David Orr, Chairman of Unilever Limited;

Mr. Hugh Corbet, Director, Trade Policy Research Centre;

Mr. Dick DeBruyne, a Managing Director, Royal Dutch Shell Group;

Mr. Robert M. Hart, Director, Shell International Petroleum Company;

Mr. Gordon McLoughlin, Executive Secretary, Nuffield Provincial Hospitals Trust.

In Geneva, we had intensive briefings by Ambassador Walker, the U.S. Deputy Special Representative for Trade Negotiations and the leader of the U.S. Delegation to the Multilateral Trade Negotiations. We also met with other officials including:

Ambassador Olivier Long, Director-General of the GATT;

Mr. Gardner Patterson, Deputy Director-General of the GATT;

Ambassador Rodney Grey, Leader of the Canadian Delegation to the Multilateral Trade Negotiations;

Mr. Gamani Correa, Secretary-General of the United Nations Conference on Trade and Development.

In Berne, we discussed the trade talks and the general economic situation with various officials including:

Ambassador Paul Jolles, Swiss Federal Council;

Ambassador Raymond Probst, Swiss Delegate for Trade Negotiations;

Ambassador Klaus Jacobi, Swiss Delegate for Trade Negotiations;

Mr. Arthur Dunkel, Chief Delegate of Switzerland to the Multilateral Trade Negotiations.

In Vienna, we discussed the general economic and political climate for current trade and economic talks, both in the Western World and between the West and the Soviet Union and Eastern Europe, with the Head of the Austrian Government, Chancellor Bruno Kreisky.

We also held discussions on energy with the secretariat of OPEC and the International Atomic Energy Agency. Officials of the latter agency also set up for us intensive briefings on the world nuclear energy outlook.

Others with whom we held discussions included:

Chief M. O. Feyide, Secretary-General, Organization of Petroleum Exporting Countries;

Mohamed Said Ait Chaalal, Chief of Administration, OPEC;

Dr. John A. Hall, Deputy Director General, International Atomic Energy Agency (IAEA);

Dr. Rudolf Rometsch, Inspector General, IAEA;

Mr. Robert Skjoeldebrand, IAEA;

Mr. Robert Catlin, IAEA;

Mr. Enzo Iansitt, IAEA;

Mr. John McCullen, IAEA;

Mr. Maurice Fried, IAEA.

In Germany, Senator Long met with various officials and businessmen in Munich, including: Anton Jaumann, Economics Minister of Bavaria.

Senator Ribicoff in Bonn conferred with various officials on a wide range of trade, energy, and economic issues, including:

Dr. Kurt Birrenbach, Member of the German Bundestag;

Mr. Peter Hermes, State Secretary, Ministry of Foreign Affairs;

Dr. Dieter Hiss, Economic Adviser to the Chancellor of Germany;

Frau Helga Steeg, Director-General for Trade, Ministry of Finance;

Dr. Hans Weber, Director-General, Ministry of Finance;

Dr. Reinhardt Loosch, Deputy Director-General, Ministry of Research and Technology;

Dr. Bartelth, General Director, Kraftwerke Union.

In Paris, we consulted with a variety of public and private figures in French political and economic life including:

Pierre Broselette, Secretary-General of the Staff of the President of France;

Mr. Robert Marjolin, Economist, Former Vice-President of the European Community;

Mr. Jean-Rene Bernard, Chairman, Interagency Coordination Committee for European Community Affairs;

Mr. Jacques Servan-Schreiber, Publisher and Writer;

Mr. Francois Heilbronner, Economic Adviser to the Prime Minister of France;

Mr. Ulf Lantzke, Administrator, International Energy Agency.

We would like to take this opportunity to thank the personnel of our American embassies who assisted us, and in many cases, helped arrange our discussions.

THE WORLD ECONOMIC SITUATION

From our individual points of view, we sought in this trip for the Committee on Finance to assess the economic outlook, and to find out what the trends and opinions were among Government officials and people in the private sector in Europe, regarding the many economic problems confronting the industrialized countries of the Western World.¹ We were particularly concerned with the implications for the U.S. in trade, energy, and the general economic growth and inflationary outlook.

There is widespread recognition that the power balances of the world have shifted more in the first half of the 1970's than in any comparable recent period. The emergence of the OPEC cartel as a major economic power bloc is the most dramatic element of the shift. But other factors were also at work: gyrations in exchange rates; sudden food shortages; inflationary pressures; resource shortages followed by new resource politics; synchronization of boom and recession throughout the Western World; the energy crunch; broadening of economic relations with the Communist world. The new militancy of the poorer nations of the world is rapidly becoming a part of this new balance of forces.

The changing sense of power and how to use it is no longer based on old concepts of geopolitics and military strength. It is increasingly based on ecopolitics--on the application of economic pressure by one nation upon another; by the yielding or withholding of materials or finances; by the willingness or unwillingness to work together to solve common problems.

The changing power relationships, based upon changing economic relationships, is widely recognized. But we also found a widespread feeling that no nation has yet found a way to cope adequately with the new ecopolitics. On the contrary, every industrialized country seems to feel threatened. Everyone is in search of a leader to pull the Western World together and lead it out of present crises.

The alleged "crisis of leadership" is an idea that seems to be taking hold everywhere. It is a dangerous idea because it allows all nations to escape

¹ U.S., European Community, Canada, Japan, and the other industrialized nations which are members of the Organization for Economic Cooperation and Development (OECD) in Paris.

reality and blame others for their predicament. After our conversations in Europe, we find few governments, or even individual officials, who are prepared to become followers of some nation chosen to be leader. In fact, we think there is a "crisis of followership" just as much, or more, than a "crisis of leadership".

Western Europe looks to the United States to take the lead in putting forward new initiatives. This is in large part due to the assessment that the United States is the only nation with the economic strength to lead. The U.S. economy, giant of the Western World, becomes the mythical hero which will save the West. This feeling is accentuated and stimulated by the belief that the U.S. economy is pulling out of its recession with vigor—while the other Western economies are still in trouble. Statements by high Washington officials that strong recovery is here and boom times are at hand for the U.S. economy have created an illusion of strength which vastly exceeds the present U.S. economic realities. There has been so much optimistic talk at home, in attempts to raise the level of confidence, that U.S. spokesmen have persuaded the other nations that the U.S. economy is in great shape. The OPEC nations clearly believed, prior to their late September decision this year to raise oil prices by ten percent, that the U.S. economy had moved well up the recovery road. They relied on statements of high officials that our domestic strength had returned and on statements that we could "live with" a price increase for oil at this time.

Some individuals recognize the truth—which is that the U.S. economy is still very shaky, and is facing a very weak recovery with a chance that the recovery will break down after a very short period. But politics is shaped by popular opinions, and the optimistic pronouncements of our nation's political leaders have persuaded the wider public of the world that the U.S. is in good shape to take on further burdens.

Our statistics are dangerously misleading in this foreign assessment of U.S. strength. Again and again the distorted image of the U.S. trade balance resulting from our reporting methods—different from almost every other major trading nation—gives rise to the illusion that our trade surplus is really fat. Periodic announcements out of Washington that the U.S. trade surplus is up again are rarely qualified by explanations that the figures are badly inflated relative to the figures of other nations.

We also found a widespread tendency to underestimate the severity of the U.S. recession relative to their own recessions. We frequently found, for example, that the U.S. unemployment rates were significantly higher than those in Europe, but that this was not well-known. A recent Library of Congress study indicates that when put on a reasonably comparable basis unemployment rates in the U.S. have been the highest among the major Western economies. The following Table provides a striking comparison:

	1st quarter	2d quarter	July	August
United States.....	8.3	8.9	8.4	8.4
Canada.....	7.0	7.3	7.2	7.3
Australia.....	3.9	4.3	4.9
Japan.....	1.7	1.8	1.9
France.....	4.6	5.2	5.5	5.4
Germany.....	3.1	4.1	4.8	4.9
Great Britain.....	3.5	4.3	5.3	5.7
Italy.....	3.0	4.0
Sweden.....	1.5	1.8	1.5	1.6

We thus found that leaders abroad think us much stronger than we are, and therefore look to the U.S. to bail them out of their own economic troubles. Yet we also felt very strongly that if the U.S. were to take a strong lead, and suggest a program of its own, there would be strong political reaction against becoming puppets of the U.S.

In other words, the U.S. is not in a sufficiently strong economic position to enable it to carry a disproportionate share of the burden of pulling the West together, nor are the other nations really prepared politically to follow U.S. direction.

THE NEED FOR CONSENSUS

The time has come to work together with the other industrialized nations, in an atmosphere of candor, trust and cooperation, without reference to who is leader and who is follower. The impressions we gained concerning the style of U.S. diplomacy at the present time is that U.S. methods of dealing with other nations rarely encourage cooperation in finding solutions and often embarrass leaders of other nations. The style of working in secret and springing surprise announcements and initiatives from Washington, and especially from the State Department, creates embarrassment and hostility rather than support. This style makes headlines at home and trouble abroad. It should end.

There is no lasting value in secrecy and surprise. The issues of ecopolitics involve all of us— as businesses, farmers, workers, consumers— and many of our interested parties have strong views. This is true of every nation in the Western World of market economies. Our internal politics are caught up with the economic plight of our people, and this is as it should be. But this means that our interested groups must be consulted *before* policies are announced, and *before* deals are made with foreign nations. It also

means that the interest groups in other nations, and the various agencies of other governments, have to have opportunity to comment and shape new programs which directly affect them. The politics of participation demand wider consultation and greater confidence in "working with the system."

The U.S. cannot and should not act as the single fount of wisdom and source of initiatives in the Western World. The U.S. must stop playing headline politics and stop being obsessed with secrecy and surprise and child-like insistence that every new idea must be an American idea.

While we were in Europe, the Kissinger package of proposals for dealing with the problems of the developing world was sprung on the world through a speech at the General Assembly. There are many good ideas in the speech. But not all of these ideas are American. Many of them had been suggested by leaders of developing nations. Some of them had been proposals made by such leaders as Prime Minister Wilson and Prime Minister Miki. Some of them are the consensus view of many governments at this time.

Could such a speech not be put forward in explicit recognition that many of the ideas came from other nations and that it was an effort to draft a consensus program, rather than dramatizing it as a major new U.S. conception? We don't make good legislation in our democratic process at home by forcing one man's views and legislative drafts on every other colleague. We share thoughts, share initiatives, and share credits, if we want to get the job done.

Such a speech is a good example of how not to work within the framework of ecopolitics. There was minimal consultation with those parts of the Congress which have implementing responsibility. There was little or no consultation and debate with the American people. There was no effort to consult with other governments. All because of a fascination with secrecy and surprise.

Even after the Kissinger proposals were sprung in the United Nations, the Secretary has failed to explain them to the Committee on Finance which has jurisdiction over foreign trade matters generally, in spite of repeated invitations by the Committee to the Secretary to appear.

How much more impressive would be an effort to build domestic and international consensus. Success would then be measured not in headlines but in degrees of confidence and cooperation.

OPEC AND THE EMERGING ROLE OF DEVELOPING NATIONS

During our conversations in the various capitals, and with representatives of the interests of developing nations and of the OPEC nations, we found that the developing world is politically committed to redressing what it believes to be a long period of unfair treatment. The OPEC nations in particular talk of a strong sense of the need for new arrangements and for redress for what they believe to be years of exploitation. This feeling of outrage, injustice, and revenge is a factor in the great controversy over

oil and raw materials in which the U.S. and the Western World finds itself, in confrontation with the poor nations and the newly emergent oil-rich nations.

We also sensed a desire to avoid outright confrontation on the part of the oil producing nations and the developing nations generally, in relation to the rich industrialized countries. We found a willingness to work out the difficulties in a cooperative framework, if the West, and especially the U.S., would cool the rhetoric on its side. We stressed with those who argued this way that the rhetoric of the developing nations was revolutionary and inflammatory, but it was pointed out that the U.S. rhetoric was laced with threats to break the back of raw materials cooperation among the developing world and intentions to "bust OPEC one way or another". In this connection we believe the rhetoric should be cooled on both sides.

When we suggested that OPEC nations should make a large contribution to the development of the less fortunate, the point was made that they are already doing so, but that it is best to help nations to find ways to improve themselves and become self-sustaining rather than merely extending a gratuity. By involving others in an aid program, we can gain from their suggestions, support, and contributions.

The upcoming "producer-consumer dialogue" among representatives of the industrialized nations, the oil-producing nations, and selected non-oil producing developing nations, which is being organized in Paris under the personal leadership of President Giscard d'Estaing, is a positive development. We believe the U.S. should have given support to this French approach to international cooperation much earlier. The economic problems cannot easily be separated from one another, and the fact that this *ad hoc* group will discuss all of the economic differences among the West, the oil-producers, and the poorer nations of the developing world is a logical and necessary step.

From what we learned in Europe, this special conference is not expected to negotiate concrete deals—that is a task for other, more broadly based organizations. Nonetheless, we believe the Executive Branch would be well advised to involve Congress closely in the evolution of these talks, especially representatives of those committees which would subsequently be responsible for the handling of implementing legislation and authorizations as a result of subsequent negotiations. The history of congressional disapproval of *ad referendum* agreements which have not involved prior congressional authorization or participation should be a warning to the executive not to enter into commitments without first involving the Congress.

THE NEED FOR ECONOMIC SUMMITRY

We also found that there was great concern that the Western nations may create problems for each other in the quest for economic recovery and full employment. European leaders have been suggesting that the time has

come for a summit dialogue on economic policy, preferably on the Presidential level. We had read previously in some of the Washington explanations of this suggestion that Europe was really just interested in getting the U.S. back to accepting fixed exchange rates, and that was the purpose of the summitry suggestion. We did not find this explanation when talking to the European officials. On the contrary, there seemed to be genuine concern that there was urgent need for common discussion of our respective national economic policies, and our common economic predicament. The feeling was that no nation can any longer solve all its problems by itself. We agree. We see no danger in meeting together, because nothing has to be agreed that we do not like. We do see political danger in baulking at such discussions, because it creates the impression that we don't care about the problems of our allies and major trading partners. World economic developments increasingly affect us at home. If we want to influence such developments, we have to be willing to work with other nations. The President should have no reservations about his attendance of the late November 1975, meeting with his fellow heads of governments in the West.

ENERGY POLICY—NOT JUST OIL POLICY

We also discussed many of the specific issues which face our Western governments today. Foremost among these was the problem of energy. It became crystal clear to us that there was no solution to the world energy problem, and no sensible coherent program possible for the Western World, until the U.S. had an energy policy of its own. The U.S. demand on the world oil market is so large it dramatically affects the market conditions of all other nations. The U.S. search for substitutes is the key to hope for many nations.

This problem is not solely an oil problem. While Washington talks about oil, the rest of the world talks about energy. We found puzzlement in other nations over Executive Branch proposals that were thought to focus almost exclusively on the price of oil and gas with little attention to other sources of energy. The Europeans appear more active in developing commercial applications of solar energy technologies than we are in the United States. We found lack of understanding as to why the United States had no integrated energy policy to increase domestic supplies of coal, oil, gas, nuclear energy, and the exotic alternatives such as solar energy, while decreasing our reliance on imports and our dwindling domestic reserves of oil and gas. We found puzzlement over why our policymakers in the Executive Branch looked for savings on private transport through higher gasoline prices without simultaneously providing changes in policy regarding public transportation, so there would be an alternative.

The U.S. clearly must come up with an energy policy, and not just an oil policy. The time has come to pull the issues together.

In this connection, we spent a great deal of time in various capitals discussing the problems and possibilities of nuclear energy. Today, nuclear power already holds the clear prospect of providing cheaper electricity than any alternative. But nuclear power also brings up other issues of the security of our world from nuclear weapons.

It was made clear to us many times during the trip that the prospects for nuclear energy and the outlook for nuclear weapons proliferation both depend upon U.S. policy, and are both interrelated. Until 1972, the U.S., through the Atomic Energy Commission, was the main supplier of enriched uranium to other nations. Contracts for supply ran many years into the future, and many nations were content to secure their enriched uranium this way. In 1972, the Nixon Administration decided that further capacity for production should be in private hands, and the expansion of government capacity was ended. Contracts were cancelled and replaced by "conditional contracts". Immediately there was outrage abroad and a search for alternatives. The result has been major encouragement of technology transfer to developing nations of processes which can generate plutonium (which can be used for weapons as well) and the boosting of alternative suppliers. The U.S. had been sitting on a fantastic opportunity to remain the world's dominant supplier, with all of the commensurate trade benefits, and at the same time could have assured continuation of some control over the proliferation problem by doing the world's enrichment in the United States. Since 1972, private enterprise has not picked up the ball. The U.S. fumbled and the ball went to other nations.

This kind of major blunder in energy policy, with no sign of new directions, gets covered over in the U.S. debate about control or decontrol of oil and gas. Where is the Administration on this one?

TRADE NEGOTIATIONS

When we talked about other matters of common concern at this time, the question of trade policy and the current trade negotiations in Geneva was often raised. Our discussions in Geneva as well as in the other cities led us to the conclusion that the Geneva-based multilateral trade negotiations were moving slowly but productively. It was our judgment that major results could not be anticipated before 1977, and that this was probably desirable in view of the great complexity and political sensitivity of these trade talks. We believe that it would be most dangerous to let the talks dwindle into inactivity at this time, however, and stress that our impression is that protectionism will spread unless the cooperative approach slowly and painstakingly being worked out in Geneva makes continuous progress.

Thus we do not visualize any early combination of results, but we do urge continued seriousness of effort and intention, to avoid a wave of restrictive trade actions at a time of economic troubles for every nation.

In the area of food, we were puzzled by the apparent continuation of old arguments between the U.S. and Europe over agricultural trade policy. In a new era of periodic shortage, where the only real arguments are involved with distributing food among the countries that have the means to pay and those that do not, it seems to us the old arguments lose much of their force. Politically, it would seem that the time is right for new ideas and a more cooperative approach to agriculture. Conditions have never been better for progress. Yet our impression is that the U.S. and the Europeans are both dug into trenches, fighting the last war instead of preparing together for the next. Negotiators primarily spend their time on procedures and on what committees will be allowed to discuss what issues, with minimal attention to what they want to say about the substance. There is urgent need for a new and coherent agricultural policy in the U.S. as well as in Europe.

JOB SECURITY

We also found that the "free world" economies are facing a crisis of worker confidence. To help meet this problem, these economies, including our own, must broaden the base of the private ownership of wealth. If the business corporations in Western Europe and the United States are to convince their workers that their best interests are served by the free enterprise system, those workers must feel themselves more a part of that system.

The American worker is better paid than his counterparts in other industrialized countries but has considerably less job security. For example, in Europe lay-offs must often be announced before they become effective. Work councils, which are independent of labor unions, oversee programs to retrain, transfer, and provide financial assistance to displaced workers. Some labor management contracts grant workers lifetime jobs. This is a well-known feature in the management-employee relationship in Japan, where the worker is guaranteed a job until he reaches retirement age. The productivity of the Japanese worker destroys the argument that such security leads to a lackadaisical attitude toward work. While we do not feel the U.S. can imitate the European or Japanese economic structures, it seems important to us that some means be found to create a sense of sharing by the American worker. No doubt, the insecurity of the American worker, particularly in times of recession, has created a considerable anti-business sentiment in this country.

Employee stock ownership plans can be helpful in this regard. They not only provide the workers with a greater stake in the profitability of the corporations they work for but also provide a mechanism for financing the monumental capital investment needs of our society.

LOOKING TO THE FUTURE

The U.S. Government faces a turbulent international economic situation. The world economy is in trouble, and this has implications for our own economy. All of the major trading nations are in the same situation, with recession, inflation, and potentially weak recovery in sight. Our economies are interdependent more than ever before.

This turbulent situation requires management. It requires new ideas, new concepts, for dealing with the ecopolitics of the future and not the geopolitics of the past. We are accustomed, in the search for new policies, to look to the Executive Branch to play the role of leader. However, in economic matters, the Executive has not always been alert to new developments.

It was the Senate, for example, which took the initiative to introduce issues of access to supply of scarce raw materials during the 1973-74 deliberations of the Trade Act of 1974. The Senate urged the Executive to negotiate on questions of raw material supply, and finally wrote into the Trade Act provisions authorizing and requiring such negotiations. Yet the Executive has to date done little to implement the provisions by negotiating on raw material problems.

In the same spirit, and in the light of our overall review of the international economic situation and our discussions with foreign officials and representatives of the private sector, we felt that other issues cried out for action. Prominent among these were the growing revelations about the role of bribery, indirect payments, kickbacks, unethical political contributions, and other disreputable activities in influencing and distorting world trade and commerce. We considered the issues and the public debate here and abroad, and decided that an international, multilateral effort is required to deal with the problems. American companies were not the only ones involved. Companies of many nations were doing the same things. And governments of many nations encouraged, authorized, condoned, or ignored such widespread practices. If a solution were to be found which did not harm American business relative to foreign firms, it would have to be a multilateral solution. Therefore, the Ribicoff-Long-Church Senate Resolution 265 was introduced upon our return from Europe. This Resolution calls for international negotiations within the framework of the GATT and in other appropriate international institutions. Yet the Administration was only luke-warm in its support when asked to testify on the Resolution. Emphasis was placed by the Executive Branch officials on the importance of the code on multinational enterprise being drafted in the OECD. On closer investigation, however, we found that this code was purely voluntary,

and was designed for an entirely different purpose. So we pressed forward with Senate action on S. Res. 265, and after the Committee reported this resolution favorably without any negative votes the Senate passed it on November 12 by a vote of 93 ayes to 0 nays.

The trade bill proposed by the Executive Branch in 1973 was substantially altered by the Senate Finance Committee, and subsequently by the Congress as a whole, to deal with the realities of our economic situation today. The changes made resulted in a better instruction and authorization to our negotiators; it resulted in a better, more responsive system for managing our domestic procedures for import relief and it created a much closer, innovative working relationship between the Congress and the Executive.

In these cases Congress has been the innovator, and has played its constitutional role constructively. We believe the Executive Branch should make greater efforts in the future to work in cooperation with the Congress, so that the two branches of our government can pull together on behalf of the nation as a whole in our dealings with other nations.

There are many upcoming issues and pending negotiations between the U.S. government and foreign governments. For example, the speech presented on behalf of Secretary Kissinger to the Seventh Special Session of the General Assembly of the United Nations, on September 1, 1975, included numerous negotiating proposals. Many of the proposals contained in that speech would require Congressional implementation, and many of the proposals would in particular fall within the purview of the Committee on Finance. In this connection, we believe that the proposals for U.S. participation in certain types of "commodity arrangements" constitute basic trade agreements of the U.S., and should, within the intent and spirit of the various trade agreement acts, be considered by the Committee on Finance as part of its general reciprocal trade agreement authority. The drafters of the September 1 speech did not consult the Committee on Finance. In the future, we believe the presentation of such proposals, and their subsequent negotiation, should involve this Committee closely, given its proper role in the trade field.

In the future, we believe a closer Congressional-Executive working relationship could help prevent shocks to our economy and help in the formulation of solutions to new problems. For example, it was evident from our discussions abroad that various governments and oil companies were aware, long *before* the October War of 1973 between Arabs and Israelis and the subsequent oil embargo, that oil prices were likely to rise sharply in the period 1973-78. Prices, we found in explanations given to us in Europe, were already tending upwards in the two years prior to 1973, and forecasts were then being made for sharply increasing prices. We understand that the report of Peter Peterson to the President in the early spring of 1973 highlighted the likelihood of a coming oil crisis. Why, if there is so

much indication before crises come upon us, do we always end up being surprised as a nation? Part of the answer is in inadequate cooperation in our governmental process, so that facts are kept concealed in order to avoid public debate except when forced by crisis. We must as a nation do better.

NEED FOR A STRATEGY

Our conclusion from this survey of current thinking and exchange of views is that the U.S. needs a strategy for dealing with the new world of ecopolitics, and that the U.S. needs to work in cooperation with other nations much more than in the past.

Being called upon to lead, and then being criticized for trying to dominate, is not a good position to occupy. Nor is it helpful to assert independent leadership in a way which insults other nations and embarrasses their political leaders, causing them to express doubts. The time has come for cooperative and consultative diplomacy, generously sharing the credit for ideas as well as tangible contributions. This involves more openness at home with industry, agriculture, labor, and other American interests, and more openness abroad with other governments.

It is time to end the intellectual and bureaucratic separation of economic issues one from another, with parts of each specific issue scattered throughout the government machinery without any sense of overall purpose and general guidance from the top.

We need an overall concept of how we want to get on with other nations, to assure stable relations, orderly growth of world markets, and orderly supplies and prices to our own economy. If we do not want foreign developments in food markets, raw material markets, export markets, or investment markets to shock our home economy, we shall have to work harder with other nations to develop a fair and orderly global economic system. The system cannot be reformed overnight. We don't have all the answers at this time, and no one else has all the answers. The different perspectives around the world about what needs to be done vary enormously. But we can develop a more open, yet a closer relationship through discussion and hard negotiation, and we can articulate a strategy for the full range of ecopolitical issues.

