

Trade policy *per se* clearly did not rank high on anyone's priority list at this time. For example, at the beginning of 1963, shortly after the conclusion of the Dillon Round, the U.S. perspective on the international economic landscape, as summed up in the Economic Report of the President released in January of that year, continued to suggest a certain complacency. The chapter on the international economy opens as follows:

"The international economy has undergone a remarkable transformation in the past decade. For many years after World War II, import quotas, discriminatory trade practices, and exchange restrictions on all forms of international payments characterized the bulk of international transactions. Though further progress needs to be made, much of this restrictive legacy has now been swept away."¹³

There is no sign here of American concern over the state of the trading system or the failure of the Dillon Round to advance trade policy *per se*. This, coupled with the predominant role of geopolitical considerations in shaping the outcome of the Dillon Round, is a clear sign of a more important role emerging for broader contextual factors. This marks the Dillon Round as the beginning of a transition phase in the development and implementation of trade policy.

It is, however, rather prophetic that the above-cited passage continued with the following comment on developments in the international payments area:

"This transformation culminated in the formal acceptance by the major European countries in early 1961 of the

strong Western Europe as a bulwark against communism overrode other considerations at this time.

¹³ *Economic Report of the President* (Washington: Council of Economic Advisors, 1963), p. 91.