

This has often been attempted between two countries at a time or among several countries with respect to a single problem. These attempts have not been adequate because the many barriers are interdependent. Every country has its own kind of restriction, adapted to its own situation, and can hardly be expected to throw off its peculiar armor unless the other kinds of armor, employed by other countries, are thrown off at the same time. What is needed is a broad and yet detailed agreement, among many nations, dealing at one time with many different sorts of governmental restrictions upon trade, reducing all of them at once on a balanced and equitable basis, and stating rules and principles within which the restrictions permitted to remain should be administered. To prepare such an agreement should be one of the main tasks of the International Conference on Trade and Employment.

The Proposals now published afford a basis on which agreement might be reached. Rules are suggested to limit quotas and embargoes to carefully defined cases and to avoid discrimination in their application. Provision is made for the substantial reduction of tariffs and the elimination of tariff preferences. Subsidies, especially subsidies on exports, would be brought under supervision. Local taxes on imported products would be limited to rates no higher than those levied on like products produced at home. Agencies of governments conducting foreign trade would be asked to give fair treatment to the commerce of friendly states, to make their purchases and sales on economic grounds, and to avoid using a monopoly of imports to afford excessive protection to domestic producers. On these and other points the Proposals try to state fair principles acceptable to all and of benefit to all.

The proof of any principle is in its application. Therefore, effective preparation for the Conference must include detailed negotiations on trade barriers to commence as soon as possible. These negotiations should get down to cases, seeking to reduce tariffs, to eliminate preferences, and to lighten or remove other barriers to trade, whatever they may be.

In the United States, such negotiations are conducted under the Reciprocal Trade Agreements Act, which was renewed by Congress in June 1945 with an increase of the authority conferred upon the President. The use of that authority is one of the most important contributions which the United States can make to the success of the Conference.

Accordingly, this country should undertake negotiations under the Trade Agreements Act with several other governments as soon as a mutually satisfactory basis can be found, the required notices published, the statutory public hearings held, and their results considered. These negotiations cannot practically be conducted with all countries at the same time, but the effort should be to get forward with the work, commencing before the general Conference convenes and continuing until every friendly country has participated in the enterprise.

Together, if they will, the countries of the world now have it in their power to free their trade from excessive governmental barriers. When that happens and to the extent that it happens, more ships will sail with fuller cargoes, more men will be employed, more goods will be produced, and more people will have better things to eat and wear and otherwise consume.

## II. RELEASE FROM RESTRICTIONS IMPOSED BY PRIVATE COMBINES AND CARTELS

Trade may also be restricted by business interests in order to obtain the unfair advantage of monopoly.

In many lines this has not happened, but in others, as experience discloses, firms have banded together to restrain competition by fixing common selling prices, by dividing the world into exclusive markets, by curtailing production, by suppressing technology and invention, by excluding their rivals from par-