

Remarks of the

Vice President

To the Public Advisory Committee

for Trade Negotiations

March 4, 1965

Ladies and gentlemen, I should like first to thank you for the support you have given your Government in this difficult and demanding task of trade negotiations. You have come here in the fine American tradition of voluntary service. And you have come here to represent, not your own interest -- be it commerce, industry, agriculture, or labor -- but the national interest.

It is about the over-riding national interest in the success of the Kennedy Round that I want to speak briefly today. As you know, great changes have taken place in

the world economy in recent years. The most dramatic has been the emergence of multi-nation trading blocs -- first the European Common Market in 1958, then the European Free Trade Association, the Central American Common Market, the Latin American Free Trade Association, and doubtless more to come.

These trading blocs offer great potential opportunities to American exporters. The wider markets they are bringing into existence have brought greater prosperity to all their members. They have become better customers than before for all kinds of American products -- and they should be even better customers in the future.

But there are dangers as well as opportunities in these new developments. The danger is that one or another of these new trading blocs may turn inward upon itself, and that its members may tend to take in each other's washing at the expense of its Western partners,

including the United States.

In this fashion, world trade -- which is and should be a seamless web stretching across all national boundaries -- could be balkanized.

I want to make it clear that I am speaking of what might happen, unless we take timely action to forestall it -- not what has actually happened. So far, trade has increased steadily not only within the various blocs, but among them and with outsiders such as ourselves as well.

But there are already warning signs of dangers to come. A year and a half ago, as you will recall, we found ourselves involved in the so-called "chicken war." Now, despite the firm action our Government took at that time, we find that our poultry exports to the Common Market have been sharply reduced by the operation of its common

agricultural policy.

There are opportunities for trade expansion and there are dangers of a new kind of protectionism. The Kennedy Round offers us our best -- indeed, our only -- means of realizing the opportunities and averting the dangers. By a general liberalization of trade, both in industrial and agricultural products, we seek to maintain and strengthen the essential economic unity of the free world, at the same time that the members of the new blocs are realizing the benefits of stepped-up trade among themselves.

We have, as you all know, a difficult balance of payments problem. But the President, in framing a program to deal with it, has explicitly and rightly rejected any resort to "beggar my neighbor" policies in trade.

Likewise, although the Common Market is going through a difficult transition in agriculture, we have the right to expect that it will not seek to solve its problems at the expense of its outside suppliers, including the United States. I had a long and frank talk with a fellow Vice President -- Dr. Sicco Mansholt, the Vice President of the Common Market -- when he visited here last month, and I assure you I made this point very clear to him.

So far, I have been talking economics. But there is a larger political dimension to all of this as well -- and a vital one. We live at a time when the tides of nationalism are running very high, and when the free world is no longer held together by a sharp sense of shared danger. Divisive tendencies are very strong, and sometimes they seem close to prevailing.

In these circumstances, the success of the Kennedy

Round can help greatly to knit the free nations -- industrial and developing countries alike -- closer together. Its failure could leave them dangerously divided.

That is why the job that Governor Herter, Ambassador Bill Roth and their staff are doing is vitally important -- as well as complex and difficult. I very much appreciate the support you have given them in the past twelve months. And I assure you that we in the Government will spare no effort to make these negotiations a success.

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