

Chamber of Commerce  
of the United States

# WASHINGTON REPORT

## Chamber trade mission

### U.S. must avoid protectionism, become better trade partner

**ROME**—Unless Congress equips the U.S. Government with authority to seek more liberal arrangements in trade negotiations next fall, America's ability to maintain a high level of prosperity and job development will be jeopardized over the long run.

Avoiding protectionist legislation of the type exemplified by the Burke-Hartke bill is not enough, warned the executive vice president of the National Chamber, Arch Booth.

He asserted that positive steps must be taken by the United States to become more of a trading nation and seek accommodation with the growing European economic community. Only in this way can the U.S. maintain its strength in the world economy and thereby assure prosperity at home.

Mr. Booth expressed his views in a statement released here at the conclusion of a National Chamber mission that took him to meetings in nine cities in six countries to discuss trade, investment and monetary problems with government and business leaders, both American and European, and officials

of international organizations, including the European Community.

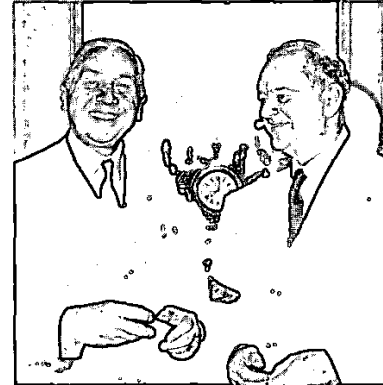
Meetings were held in London, Paris, Frankfurt, Bonn, Brussels, Zurich, Geneva, Milan and Rome.

In a fitting climax, Mr. Booth extended his itinerary to Madrid where he met and conferred with members of 11 West European and Mediterranean countries.

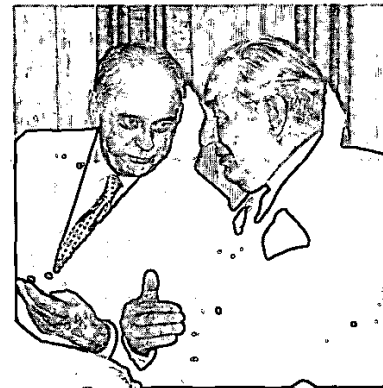
A report on the Chamber mission's findings has been requested by President Nixon. The report will also be presented to leaders in Congress and American business with specific recommendations. Mr. Booth's statement:

"One of our major findings from this mission is that Europeans are not convinced that we in the United States are serious about trade negotiations. They would like to see concrete evidence that we really mean business. Thus, our main task is to go back to the U.S. and secure a broad mandate from Congress that will allow us to participate meaningfully in trade negotiations next fall.

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Arch Booth is greeted by Jean Jacques Guerlain, president of Patronat, French employer organization . . .



. . . and confers with Dr. Ernest H. Fernholz, a director of DIHT, German business organization.

#### Highlights Inside

**Powell Memorandum**--"Attack on American Free Enterprise System"--is reprinted verbatim starting on page 3.

**Business urged to back Brock bill** to control federal spending--see page 11.

**Business confidence** in the economy hits new high--see page 11.

**Business in 1990**--still time to register for this important conference. Details on page 12.

#### Powell Memorandum

### Kilpatrick answers Jack Anderson

□ I'm James J. Kilpatrick.

Columnist Jack Anderson recently turned up a memorandum stamped "Confidential" that Supreme Court Justice Lewis F. Powell wrote in the summer of 1971. This was about two months before he was nominated to

**For Complete Memorandum  
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the high court, at a time when he was Private Citizen Powell, a highly-respected corporation lawyer in Richmond, Virginia.

Anderson's implication is that there was something very wrong with what Powell was suggesting to the business community at that time.

My answer to Jack Anderson is, "Nuts!"

Powell's advice was sound then and it is sound now. Writing as a private citizen, Powell advised businessmen to get on the offensive against those socialist-liberal forces whose avowed objective is to destroy the private enterprise system. He specifically advised businessmen to get into the courts.

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## Mission *(continued)*

"Until now our main effort at home has been to prevent protectionist legislation of the type contained in the Burke-Hartke bill. That is not enough. We must obtain from Congress new authority for our government to negotiate more liberal trading arrangements with other countries.

"Unless we produce evidence that we are interested in meaningful reciprocal multilateral trade talks—and enter into serious negotiations—the tendency of the community to make special preferential agreements and to follow other practices harmful to America's economic interests will increase.

"Detailed recommendations will be included in our report following careful study. Tentatively, recommendations among the following lines seem imperative:

1. "That the U.S. Congress enact a trade bill empowering our government to enter into effective negotiations for new trade agreements next fall. This bill should grant the President authority to negotiate tariff reductions and eliminate nontariff barriers. It should include broad negotiating authority in both industrial goods and agricultural commodities.

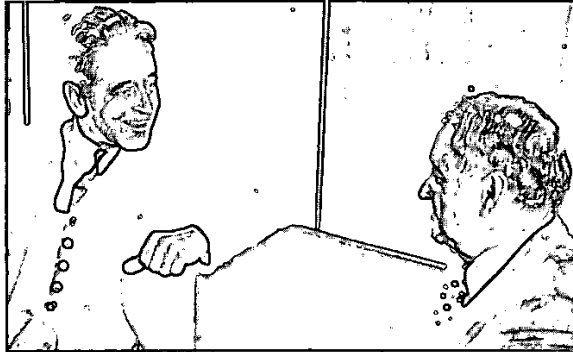
2. "That a system of generalized tariff preferences on U.S. imports of manufactured goods from developing countries be instituted in concert with other industrialized countries.

3. "Revise U.S. antitrust laws so as to give U.S. companies exporting and investing abroad more freedom to operate competitively.

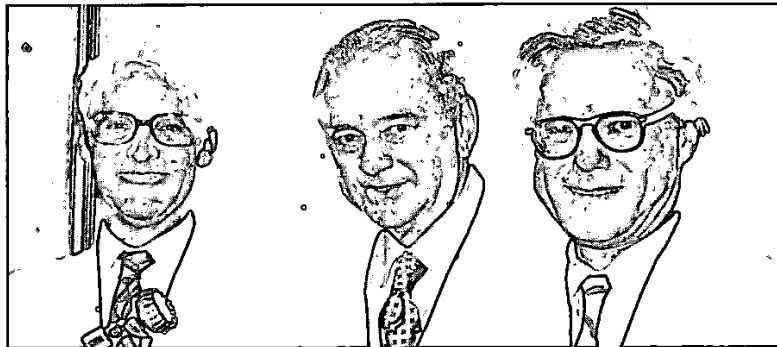
4. "Develop a wider export consciousness and improved export techniques among domestic American firms as opposed to relying largely on export services by U.S. Government personnel abroad.

5. "Start negotiations immediately to harmonize national environmental control policies so as to minimize inequitable effects of different national standards on trade flows.

6. "Continue to provide a climate for nondiscriminatory tax treatment for American exporters and investors overseas."



Mr. Booth discusses trade with Emile Noel, secretary general of EEC, in Brussels . . .



. . . and appears with David T. McGovern, left, American Club president, and Richard H. Moore, president of AmCham France.

## Powell Memorandum *(continued)*

"Under our constitutional system," he wrote, "especially with an activist-minded Supreme Court, the judiciary may be the most important instrument for social, economic and political change."

Well, I would ask my Brother Anderson: "What in the world is wrong with that advice?"

It is perfectly true. An activist Supreme Court has indeed become an important instrument for social, economic and political change. And it is equally true, as Private Citizen Powell said, that forces antagonistic to business for years have been using the courts to obtain their objectives.

Powell also suggested that business leaders set up a committee of outstanding independent scholars to examine textbooks in economics, political science and sociology.

I ask again: "What's wrong with that?" Every person with sense enough to come in out of the rain knows these textbooks are predominantly

biased against the free enterprise system and in favor of socialism in some degree. All Powell was urging was a fair balance.

Powell in private life was not only lawyer, but educator also. His dedication to true academic freedom needs no defense. But he was exactly right in his memorandum in saying that businessmen and conservatives generally should use their influence to get more conservatives on college faculties. Again, all Powell asked was balance. At present the ratio of liberal to conservative professors is about 99 to 1.

If business leaders have any sense—and this is sometimes doubtful—they will write to the Chamber of Commerce of the United States for a complete text of the Powell memorandum.

It may have been written when he was simply "Mister" Powell, but "Justice" Powell will never write a better opinion. I'm Jack J. Kilpatrick with SPECTRUM, CBS radio.