

4 Message to the Congress Transmitting Annual Report on the Trade Agreements Program for 1971.

January 9, 1973

To the Congress of the United States:

In accordance with Section 402(a) of the Trade Expansion Act of 1962, I transmit herewith the Sixteenth Annual Report of the President on the Trade Agreements Program. This report covers developments during the twelve months ending December 31, 1971.

That year marked an historic turning point in international economic relations. Deepening crises in the spring and summer of 1971 dramatized the obsolescence and inequity of the rules and mechanisms developed at the end of World War II. Against this background, the Administration announced in August a series of measures designed in part to prevent further damage to the United States economic position. More fundamentally, actions were taken to open the way for reforming the world trade and monetary systems through multilateral cooperation.

Concurrently with monetary consultations which led to the Smithsonian Agreements in December of 1971, the United States opened bilateral discussions with our major trading partners. These discussions yielded valuable reductions during 1972 in a number of foreign barriers to our exports. Even more significant, however, was the conclusion reached among the United States, the European Community and Japan that permanent solutions could only be found through broad-based negotiations. The result of the discussions was an agreement to work actively for the opening in 1973 of a new round of comprehensive negotiations involving all elements of trade policy.

The nations of the world now have the opportunity to open a new era of international relations characterized by negotiation rather than confrontation across the whole range of foreign policy issues.

Our key objectives in reform of the international trading system are to reduce existing tariff and nontariff barriers affecting agricultural as well as industrial products, to establish new rules for the fairer conduct of world trade, and to open new opportunities for the poorer nations to earn the foreign exchange required for their development. Such far-reaching goals can be achieved only within a framework which provides for the equitable sharing of benefits and responsibilities and which includes a safeguard system that allows time for industries adversely affected by foreign competition to adjust to shifts in trade patterns.

Proposals which will enable the United States to negotiate effectively are now under intensive study in the executive branch. In the coming months, the Administration will be working closely with members of the Congress to determine how we can best meet the challenges and seize the opportunities which lie ahead.

I am confident we will be able to establish a new international economic framework within which trade can expand on an equitable basis for all participants—contributing to peace and prosperity for all nations of the world.

RICHARD NIXON

The White House,
January 9, 1973.

NOTE: The 38-page report is entitled "Sixteenth Annual Report of the President of the

United States on the Trade Agreements Program—1971."