

U.S. Must Learn to Compete

THE world isn't trading so much at "our store" any more. Between 1870 and 1970, our productive industries and agriculture exported more than we imported. Now we have become more dependent upon other countries for what we need and less competitive in selling what we produce on world markets.

The Commerce Department predicts the United States will run an international trade deficit of \$60 billion this year. It is costing jobs, reducing business profits, piling up farm surpluses, and stifling economic recovery or growth.

Some blame the value of the dollar and high interest rates. Others claim either that the United States has no export policy or that our policies hamper agricultural and industrial exports. Trade restrictions imposed by other countries also are blamed.

Certainly, all of these factors are involved, but the fundamental element is our ability to compete in the world market. Other nations are outselling this country in the international marketplace.

Union contracts, obtained by strikes or by threats of strikes, have resulted in high wages that give price advantages to other countries. Higher output per man-hour lowers production costs for our major trade rivals, and U.S. consumers rate many foreign-made products highly on quality.

Farmers have been hit hard by political actions that have raised questions of American re-

liability as a source of supplies. Threatened restrictions on soybean exports to Japan by the Nixon administration lost markets to Brazil. The new long-term agreement with the Soviet Union lacks about 20 percent of getting back grain trade lost during the export embargo imposed by former President Carter.

Agricultural exports have been a major factor in offsetting trade deficits, but the Department of Agriculture forecasts only \$35 billion in foreign commodity sales this year, compared to a recent all-time high of nearly \$45 billion.

For other countries to buy more of our products, they must get their hands on more dollars. In general, this means we must buy something they have to sell. Trade must be a two-way street.

There is much talk about "free trade," but international trade is no more free than political forces want it to be. Governments of most nations exercise strict control over imports and exports, so some are demanding similar political powers in the United States.

Those who cannot compete tend to demand protection in the form of import quotas, tariffs and subsidies. However, these devices have not solved trade problems where they have been used. If this country is to regain its place as a winner in world trade, the United States will have to become more competitive. We must produce quality products that we can sell at reasonable prices.