Proposed Department of International Trade, A;Note

Christine M. North

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NOTES

A PROPOSED DEPARTMENT OF INTERNATIONAL TRADE

The time has come to establish a Department of International Trade. For the past fifty years, numerous cabinet-level offices have shared responsibility for creating and implementing foreign trade policy.¹ Although the Constitution designates the responsibility for foreign trade commerce to Congress,² Congress has historically delegated that authority to the Executive.³ Presently, the Executive has no single mechanism for analyzing, formulating and implementing foreign trade policy. Rather, the decisions are made on an ad-hoc basis without a guiding philosophy or coordinating mechanism.⁴ This lack of coherent trade policy has left our trading partners befuddled and discouraged⁵ and inhibited the growth of U.S. export trade.⁶

The importance of trade cannot be overstated.⁷ Despite trade's ever increasing

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1. For the first one hundred or more years of this country's existence, international trade policy was "primitive to non-existent." S. COHEN, THE MAKING OF U.S. INTERNATIONAL ECONOMIC POLICY 7 (1977). It consisted mostly of tariffs which Congress legislated in order to protect certain domestic products. The Executive branch's only role in this process was to collect the import duties through the Customs offices. In 1934, Congress made its first official delegation of trade policy authority to the President via the Reciprocal Trade Agreements Act of 1934. Since 1934, the Executive has taken an ever increasing role in the creation and implementation of foreign trade policy. For further explanation of the early history of trade policy formation, see id. at 6-7.

Until 1962, the Department of State exercised the dominant role in trade policy. See Graham, The Reorganization of Trade Policymaking: Prospects and Problems, 13 CORNELL INT'L L. J. 221 (1980). In 1962 there was a move in Congress to take foreign trade out of the State Department and put it in the Commerce Department. However, as one knowledgeable observer described it, the proposal to consolidate trade policy formulation in Commerce resulted in "an explosion from Labor and Agriculture saying no, Commerce represents industry and we are not having that . . . . Out of default it went to the Executive because no one could figure out where else he (sic) should put it." To Create a Department of International Trade and Investment: Hearings on S. 1990 Before the Senate Commission on Governmental Affairs, 95th Cong., 2nd Sess. (1978) (statement of Harald B. Malmgren, former deputy Special Trade Representative) [hereinafter cited as Hearings on S. 1990]. In 1971, a report to the President found that over 60 government agencies are involved in foreign economic policymaking. Williams Commission Report, p. 275; United States International Economic Policy in an Interdependent World, report to the President submitted by the Commission on International Trade and Investment Policy, July 1971 (GPO, 1977).

2. U.S. Const. Art. I, § 8 provides: "The Congress shall have the power . . . to regulate commerce with foreign nations."

3. The Reciprocal Trade Agreements Act of 1934 was the first official delegation of authority to the Executive. This initial delegation gave the State Department the authority to negotiate bilateral agreements and signaled the beginning of the Executive's interest and influence through the State Department. See S. COHEN, supra note 1, at 7.

4. The idea of policy formulation as ad hoc and crisis-oriented will be developed later in this article. See infra notes 40-44 and accompanying text. Briefly, no mechanism exists at present to anticipate such trade crises as the old embargo of 1973 or the Soviet grain transactions of the mid-1970's. When crises arise, the Executive must react in a limited time with limited choices. As a result, policies are reactive instead of preventive. See Cook & Williamson, Improving U.S. Policymaking in International Trade, 14 COLUM. J. WORLD BUS. 16 (1979). See also infra notes 42 and 43.

5. See infra notes 16 and 28-30.

6. Drawing from the information infra note 16, when our trade representatives are unable to speak with one voice, their bargaining position is weakened and trade negotiations are slowed. The end result is trade at a less efficient pace than is possible, and a consequent slowing of growth.

7. Four percent of the work force in the United States is directly dependent on exports alone. As much as ten percent of the work force is indirectly supported by exports. S. COHEN, supra note 1, at 233. The United States is the world's largest agricultural exporter, supplying almost 20% of world agricul-
relevance to U.S. economic health, critics are quick to point out that the present approach to trade is not in the best interests of the United States. As the trade deficit soars past the $120 billion mark, members of Congress, regardless of their political affiliation, must ensure that foreign trade interests are given the consideration they deserve. Rather than subordinating foreign trade interests to other foreign policy goals, Congress must create a process by which variables of every trade decision are systematically analyzed. This note will examine the inadequacies of the current approach to foreign trade policy creation, analyze proposed alternatives to trade policy formulation, and propose a solution to the trade policy dilemma.

EXISTING PROBLEMS IN POLICY FORMATION AND IMPLEMENTATION

Four major problems currently exist in the formation of the United States' trade policy. First, numerous agencies attempt to create their own limited version of trade policy to fit their specific needs. Second, the United States has no single, credible negotiator to represent it at all multilateral and bilateral trade negotiations. Third, the agencies that negotiate the agreements are often not responsible for implementing those agreements, thereby resulting in inconsistent and sporadic implementation. Fourth, researchers are structurally separated from decisionmakers with the result that crises are not foreseen. When crises arise, decisions result that are not in the best interests of the country since they are made quickly in order to avoid a worsening of the crisis.

The first critical problem is the multiplicity of sources of trade policy. Trade policy currently emanates from over fifteen different federal agencies and departments, each having a legitimate although in some cases peripheral interest in trade. See COUNCIL OF ECONOMIC ADVISORS, THE ECONOMIC REPORT OF THE PRESIDENT 1984 121-23.

8. See, e.g., Moynihan, Global Trade: To Get the U.S. Act Together, N. Y. TIMES May 3, 1983, at A26, col 4. "America has done itself and the world some considerable service by pressing liberal trade policies over the past 40 years. Still, it is clear that the pure free trade theory is no longer serving us well." Id.

9. "The 1983 deficit in merchandise trade was about $65 billion, approaching twice the previous record, which was set in 1982. A deficit in the neighborhood of $110 billion is forecast for 1984, three times the 1982 level." ECONOMIC REPORT OF THE PRESIDENT 1984 supra note 7, at 42-43. The actual trade deficit for 1985, however, was far above the projected estimate. The Commerce Department reported that the foreign merchandise trade deficit for 1984 was a record $123.3 billion. For January 1985, the monthly deficit was $10.3 billion, up 28% from December, 1984. After reviewing the January figures, Commerce Secretary Baldrige predicted that the 1985 deficit would be $140 billion. N.Y. Times, March 1, 1985, at D6, col. 1.

10. See Hearings on S. 1990, supra note 1. Senator William V. Roth Jr. (R-Del.) noted that there "has been a feeling—whether it was a Democratic or Republican administration—that there has been no effective policy." Id. at 30. Neither party has been able to overcome the institutional problems of trade policy making. Bipartisan efforts are needed to accomplish effective trade reorganization.

11. See infra notes 15, 20, 45, and 63.

12. The fifteen include the Office of the United States Trade Representative, the departments of Commerce, State, Treasury, Agriculture, Transportation, Defense, Energy, and the Interior, the federal agencies including the International Trade Commission, the Export-Import Bank, the Overseas Private Investment Corporation, the Council for Economic Advisors, the National Security Council, and the Agency for International Development. For a discussion of the lack of coordination between these agencies on foreign trade issues, see Graham, supra note 1. One commentator contends that the list of agencies which participate in trade policy formulation is theoretically endless. See S. COHEN supra note 1, at 52-57.

13. Other departments' interests in trade are legitimate for two reasons. First, policy goals of other agencies are at times inextricably linked to trade interests, so that to properly fulfill its duties, a department must sometimes concern itself with trade issues. For example, the Defense Department is concerned with the sale of high technology to Eastern Bloc countries because of its vast implications for defense
in trade policy. Since there is no single clearinghouse or “trade-broker”, each agency researches, formulates, and struggles to implement its own trade policy tailored to its peculiar needs and point of view. Consequently, conflicting policies emerge while costly resources are wasted performing redundant research on trade issues. One notable example is the East-West trade negotiations. At least five government departments or agencies have East-West trade bureaus per-

and national security. Second, interests of many departments have been legitimized by congressional approval of their participation in trade activities either by statute or practice. See infra note 21.

14. Some agencies have peripheral interests in that the primary purpose of the agency or department is not trade. Rather, isolated elements of trade arise as an ancillary interest of the department.

15. Secretary of Commerce Malcolm Baldridge, in support of legislation proposing a merger of the Office of the USTR and the Commerce Department, argued: “[T]rade policy has to be brokered among the other Cabinet departments, instead of being advocated. Yet all of those other departments act as advocates for their own interests, which sometimes turn into competing interests. Witness Defense policy or Treasury policy—those policies are actively advocated by their departments. Trade is not; the brokering involved too often forces trade policy into the lowest common denominator acceptable to the rest of the executive branch. Again, we end up lacking strong policy because of our institutional problems.” Baldridge, At Last, Hope for Coherent Policy, N.Y. Times, June 19, 1983, at C2, col. 3.

16. Numerous examples demonstrate the conflicting trade policies emerging from U.S. agencies. In the 1978 Senate hearings on the creation of a new trade department, Harald Malmgren, former deputy Special Trade Representative, spoke of the confusion surrounding the emergence of trade policy and of the embarrassment in which trade negotiators often find themselves because of their inability to speak for the entire United States Government or to implement their agreements. Specifically, he pointed out that tariff concessions made at the negotiating table can be undone by exchange rate uncertainty, an area not controlled or influenced by the trade negotiator. When trading partners press for comprehensive agreements, negotiators are forced to admit their lack of authority, weakening their bargaining position. Malmgren points out that this division of responsibility is exploited by aggressive foreign negotiators. Hearings on S. 1990, supra note 1, at 30.

Six years later, the problem persists. A recent illustration is the December 1983 meeting of the Organization for Economic Cooperation and Development (OECD). While U.S. Trade Representative William E. Brock was in Paris negotiating an OECD agreement setting policies for the Export-Import Bank (Ex-Im Bank), Commerce Undersecretary for International Trade Lionel E. Olmer was urging the president of the Ex-Im Bank to implement a conflicting policy designed to protect the American steel industry. Brock was negotiating for an agreement among industrialized nations to eliminate subsidies for loans for steel mills built in the Third World while still giving nonsubsidized loans to those able to afford them. Olmer, on the other hand, was urging a policy to completely halt all loans, cutting off all future financing of Third World steel mills by the Ex-Im Bank. Olmer believed this approach was required by the “severely depressed steel market and dramatically increased competition for steel imports from developing countries.” N.Y. Times, Dec. 26, 1983, at D1 col. 6. According to Robert W. Crandall, senior fellow at the Brookings Institution and a steel specialist, Olmer’s suggested policy “would amount to a new form of protectionism—banning Western technology from developing countries to protect the dying dinosaurs of the developed world.” Id. Olmer’s protectionist policy is typical of Commerce’s desire to protect existing domestic industry regardless of long-term cost. Brock, however, urges a policy open to free trade and competition and adamantly opposes protectionist policies. N.Y. Times, May 5, 1983, at D3, col. 4. These two conflicting policies reflect the deep philosophical divergence between the two offices on overall trade policy goals. Conflicting signals confuse our trading partners, severely undermining the USTR’s negotiating authority, ultimately leading the country down an uncertain path for future trade development.

17. Daniel Minchew, testified:

I find inefficiency and waste stemming from redundancy of effort and resources among the economic agencies, making our trade policy apparatus at times resemble a costly imitation of the dark ages . . . . There’s an East-West trade bureau in Treasury, Commerce, State, and Defense. Congress wanted more information so U.S.I.T.C. gives Congress quarterly reports on East-West trade . . . . When you find the East-West trade redundancy multiplied several times over in the Federal trade establishment, it makes me think you can bring together a Department that in total will be much smaller than the sum of all the people presently involved in trade policy and probably able to do a more effective job.


forming virtually the same research functions.\textsuperscript{19} Problems arise when each agency manipulates its research data to arrive at conclusions that support that agency's inherently limited goals rather than the goals of a comprehensive trade policy.\textsuperscript{20}

To be sure, Congress has mandated some division of policymaking authority.\textsuperscript{21} Often, however, the departments and agencies have expanded the scope of the delegated power as their needs have necessitated. Their authority in the new areas has legitimized itself through custom and usage. In order to clarify what is indeed the legitimate authority of each department and agency, Congress needs new legislation which specifically delegates each element of trade policy formulation to one central organization.

In 1979, Congress and President Carter attempted a clarification of the Congressional mandates on trade issues by allocating clear-cut responsibility for specific trade activities in the Reorganization Plan No. 3 of 1979.\textsuperscript{22} The 1979 Reorganization Plan sought to delegate policymaking and negotiations to the newly formed Office of the United States Trade Representative (USTR)\textsuperscript{23} and granted the day-to-day implementation of those policies to the Commerce Depart-

\textsuperscript{19} The five departments or agencies are Treasury, Commerce, State, Defense and The International Trade Commission. \textit{See supra} note 17.

\textsuperscript{20} For example, the Department of Defense has an Assistant Secretary of Defense for International Security Policy whose duties, according to the \textit{Office of the Federal Register, United States Government Manual} 1984/85 164 (1984) [hereinafter cited as \textit{Government Manual}], “include oversight of DOD activities relating to . . . East-West economic policy, including East-West trade, [and] technology transfer issues . . . .” The Defense Department’s analysis of a certain issue, for instance sale of computers to an Eastern bloc country, will focus on issues important to the Defense Department, not on maximizing trade opportunities or boosting an industry in the United States. This is not to say that defense considerations might not be more valid on this or any issue. Rather, when trade issues are repeatedly subordinated to other policy goals and are used merely as tools by other departments, it is not surprising that trade policy as a whole is an incoherent conglomeration of conflicting policies. If trade policy has merit, which our economic position strongly suggests it does, then it must have its own forum for systematic analysis and implementation.

\textsuperscript{21} Congress has given trade functions to a number of agencies:


2) The Commerce Department, under Reorganization Plan No. 3, § 2(c), acquired an Undersecretary for International Trade to oversee and coordinate Commerce’s “operational responsibilities” in trade.

3) The Department of State has an Undersecretary for Economic Affairs who advises the Secretary of State on foreign economic policy, including international monetary affairs and trade. The Bureau of Economic and Business Affairs has overall responsibility for formulating and implementing policy regarding foreign economic matters, including trade policy. \textit{Government Manual, supra} note 20, at 385. Furthermore, the 1979 Reorganization Plan (§ 7) specifically did not remove the State Department’s power and involvement in trade issues. \textit{See infra} note 29.

4) The Department of the Treasury has an Assistant Secretary for International Affairs whose duties include the formulation and execution of international monetary and trade policies. 31 U.S.C. § 1001 (1982). \textit{See also Government Manual, supra} note 20, at 437.

5) The Department of Defense and its Secretary, established in 5 U.S.C. 101 (1977), have oversight of trade issues concerning East-West trade and technology transfers. \textit{See supra} note 20.

\textsuperscript{22} Reorganization Plan No. 3 of 1979, 44 Fed. Reg. 69273, 93 Stat. 1381 (1979). Under pressure from Congress, President Carter joined with the Senate Finance Committee and the House Ways and Means Committee to formulate a reorganization proposal to consolidate most trade responsibilities in the Office of the U.S. Trade Representative and the Department of Commerce. The plan intended to shift responsibility among the existing agencies to reduce the roles of the State and Treasury Departments. \textit{See Graham, supra} note 1.

\textsuperscript{23} The United States Trade Representative is appointed by the President with the consent of the Senate. The office of the USTR is an office within the Executive branch. The trade representative is required to “report directly” to the President and Congress, but tends to act as an agent of the President. Section 1(b)(1) of the Reorganization Plan states that the Trade Representative shall “serve as principal advisor to the President on international trade policy.” \textit{See also} § 19 U.S.C. 2171.
ment.\textsuperscript{24} Unfortunately, many of the Reorganization Plan's directives were not complied with, particularly at the highest levels of policymaking.\textsuperscript{25} Specifically, the Commerce Department and the USTR have ignored this Congressional attempt to better delineate authority and have continued their tug of war over which office will lead the trade negotiations and which will have the final say on policy implementation.\textsuperscript{26}

The struggle among the numerous agencies over trade policy formulation gives rise to a second crucial problem: the United States has no single trade negotiator. The 1979 Reorganization Plan purported to give the USTR a clear mandate to represent the United States in all multilateral trade negotiations.\textsuperscript{27} Despite this intended clarification, the Commerce Department continues to intervene and attempt to negotiate international trade agreements.\textsuperscript{28} The problem of no single negotiator is exacerbated when other departments decide to assert leadership on trade issues important to their own policy goals.\textsuperscript{29} Multiple negotiators propound

\textsuperscript{24} Section 1(b)(2) of the Reorganization Plan No. 3 gave the USTR (formerly the Special Representative for Trade Negotiations (STR)) responsibility to conduct international trade negotiations. Section 2(1), in conjunction with specifics contained in the President's message, ordered Commerce to implement those agreements. See President's Message to Congress, 39 \textit{Weekly Comp. Pres. Docs.} 1729 (Sept. 25, 1979). For a more complete discussion of how the reorganization plan redistributed responsibilities, see Graham, \textit{supra} note 1, at 231-34.

\textsuperscript{25} See \textit{infra} notes 28-30.

\textsuperscript{26} For a comprehensive history of this struggle, see Graham, \textit{supra} note 1.

\textsuperscript{27} Section 1(2) of Reorg. Plan No. 3, \textit{supra} note 22.

\textsuperscript{28} The 1979 Reorganization gave the USTR's office "lead responsibility for the conduct of international trade negotiations." \textit{Id.} However, it simultaneously gave the Secretary of Commerce "operational responsibility for major nonagricultural international trade functions of the United States Government, including . . . monitoring compliance with international trade agreements to which the United States is a party." \textit{Id.} at § 2(a). The Commerce Department, frustrated from implementing agreements it has not negotiated, has often chosen to thrust itself into the negotiating forum.

A good example of the Commerce Department's intervention is reported in Madison, \textit{Trade Focus: MITI Anyone? 15 Nat. J. 665 (1983)}. According to Madison:

\textit{It was difficult to tell, for example, who was the lead negotiator in last year's high technology working group. Both James M. Murphy at the trade office and Clyde V. Prestowitz at Commerce were described as being in charge. Before U.S. Trade Representative William Brock could announce the high-tech agreement in Tokyo, Commerce had issued a press release in Washington. More recently, Commerce and the trade office have been fighting about who will negotiate with the Japanese over the targeted-industries issue. While David R. MacDonald, deputy trade representative to USTR Bill Brock, insists that the trade office has the lead, Commerce is making a pitch for participation.}

Then there is the story of two negotiators, one from Commerce, one from the trade office, sent to Europe last month to try to settle a major U.S.-European Community dispute. The two set up parallel negotiating sessions without including their counterpart. And each was aware all the time that the other was making the same appointments.

\textit{Id.} Thus, the 1979 Reorganization only served to institutionalize existing problems. See also \textit{supra} note 17 describing conflict in the OECD talks.

\textsuperscript{29} Often, the President is forced to arbitrate disputes among the numerous trade policy making agencies, as demonstrated by this account of an incident involving the State Department. The importance of presidential action when agencies are deadlocked is underlined by a case involving auto imports from Japan. During Japanese Foreign Minister Kayodoshi Ito's visit to the United States in March, the \textit{Washington Post} reported that then-Secretary of State Alexander Haig "had taken charge of the administration's sensitive talks with Japan on auto imports, planting his flag in a new policy frontier to the surprise of the Japanese and the consternation of U.S. Trade Representative Bill Brock." \textit{Wash. Post.}, Mar. 25, 1981 at A1, col. 5. The article sparked a strong response from USTR spokesmen and congressional trade leaders in both the Senate and House. Haig defended his involvement by maintaining that "the issue of foreign trade is a fundamental aspect of the nation's foreign policy." Haig further maintained that although the USTR is charged by statute with responsibility for trade policy across the board, the foreign policy aspect of the issue required that State Department and USTR have joint responsibility. Ahearn, \textit{Political Determinants of U.S. Trade Policy}, 26 \textit{Orbis} 418, 424 (1982).

In many respects Haig was correct. While the 1979 Reorganization Plan did give all negotiating powers to the USTR, it also stated in § 7, entitled "Responsibility of the Secretary of State," that "[n]othing in this reorganization plan is intended to derogate from the responsibility of the Secretary of State for advising the President on foreign policy matters, including the foreign policy aspects of international trade and trade related matters." § 7 Reorg. Plan No. 3, \textit{supra} note 22. Thus, Haig may
multiple policies which undermine the credibility of any one negotiator and confuse U.S. trading partners. The negotiating process stalls and ultimately becomes ineffective or even counterproductive.

The third crucial problem with the existing trade policy is that its structure impedes the flow of information to and from policymakers. Policy, once negotiated, is extremely difficult to implement since the agencies which formulate the policy are not responsible for its implementation. Specifically, the 1979 Reorganization Plan gave the sole responsibility for negotiating the General Agreement on Tariffs and Trade (GATT) issues to the USTR. The plan, however, gave the Commerce Department responsibility for implementing the GATT agreements.

It then completed the cycle of confusion by giving the USTR responsibility for policy supervision and coordination of all GATT matters. This system of dual responsibility for different aspects of the same issues causes discord between policy and practice. The Commerce Department’s interpretation or understanding of a trade agreement can be intentionally or accidentally different than that of the USTR. As a result, the policy implemented may be radically different than the policy agreed upon. Furthermore, although the USTR has statutory responsi-

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30. This problem has existed for sometime:
   [There is a need to] lend a focus to our Government Agreements on Tariffs and Trade and other trade organization activities which have in the past been diffused by having as many as a dozen agencies representing us at a single conference. Foreign delegates should perhaps be forgiven if they have wondered just how many American governments there are since there were so many diverse opinions from supposedly one delegation.

31. Typical of how the lack of a single leader slows down the decisionmaking process was the response to the Russian cancellation of grain purchases in the mid-1970’s.
   It was a typical example. We [the Office of the STR] couldn’t handle it. Everything stops when you get to a crisis . . . . Sometimes the STR can scurry and do it—sometimes not . . . . [In this case he couldn’t]. . . . Friday it got worse, and we had to get into a meeting with Kissinger and the Russians and we stopped the world grain market all weekend and created utter chaos doing that.

32. GATT is a body of rules as well as an international organization intended to expedite international trade. Periodic rounds of world-wide negotiations are held where tariff and trade agreements are reached. The General Agreement on Tariffs and Trade, Basic Instruments and Selected Documents (1969).

33. Reorg. Plan No. 3, supra note 22, § 1(b)2.

34. Id., § 2a.

35. Id., § 1(b)3(a).

36. Commerce could intentionally “misinterpret” the USTR’s intention in an agreement. For instance, by yielding to its domestic bias, Commerce may decide not to effectively implement an agreement that it believes would harm domestic industry.

37. Congress might simply misunderstand an agreement it did not negotiate.

38. An example of the Commerce Department attempting to implement an agreement different than the one agreed up on by the USTR at a multilateral negotiating session is discussed at supra note 16. The Commerce Department was directing the Export-Import Bank to follow a policy that would protect domestic steel production. The USTR was simultaneously finalizing an agreement at a meeting of the Organization for Economic Development that was directly contrary to the policy advocated by the Commerce Department. This situation highlights an ambiguity that remains after the implementation of The Reorganization Plan of 1979. Section 1(3)(a) gave the USTR responsibility for policy guidance for the OECD while § 3 gave both the USTR and the Secretary of Commerce equal positions to serve “ex officio and without vote” as members of the Board of Directors of the Export-Import Bank. Thus, the USTR was implementing an agreement that it did not have the power to enforce. The Commerce
bility for properly implementing the agreements, it lacks the means and staff to adequately do so.\textsuperscript{39} The USTR-Commerce dichotomy is only the most obvious example of what occurs with every other agency that attempts to comply with USTR-negotiated agreements.

The fourth crucial problem with existing trade policy is that the structure for developing trade policy prevents the flow of information from the research staff to the policymakers. Policymakers and researchers tend to address the same problem within different conceptual frameworks. Structural separation further complicates the problem, so that research done in a targeted area often does not flow to policy planners or negotiators.\textsuperscript{40} Because the negotiators work separately from the analysts, they are often unaware of the true parameters of certain problem areas\textsuperscript{41} and fail to anticipate future problems that are detectable.\textsuperscript{42} Trade problems which could have been avoided are not recognized until they reach crisis proportions.\textsuperscript{43} In the crisis situation, ad hoc remedies are thrown together without indepth planning or realization of the consequences on foreign trade or do-

In sum, the existing foreign trade structure has four major problems. First, numerous agencies develop self-serving and limited trade policies without regard for overall trade policy.\textsuperscript{45} Second, no single credible negotiator presents the
United States' trade position at all multilateral and bilateral trade negotiations. Third, since the agencies that negotiate trade agreements frequently do not implement them, implementation of trade agreements is often sporadic and inconsistent. Fourth, the structural separation of researchers from decisionmakers leads to crisis-oriented ad hoc trade policies which are often not in the country's best economic interests. 46

ALTERNATIVE SOLUTIONS

Congress has not ignored the problems in foreign trade structure. Over the past five years, Congress has suggested several different proposals to resolve the problems of foreign trade policymaking and implementation. A review of these proposals will reveal their shortcomings and illustrate the essential elements of a successful comprehensive proposal.

Departmental Solutions

Department of International Trade and Investment

In 1977, Senators William Roth, Jr. (R-Del.) and Abraham Ribicoff (D-N.Y.) introduced a bill to establish a Department of International Trade and Investment (DITI). 47 The bill, S. 1990, proposed transferring to DITI the functions and duties of several commissions, organizations, and departments. 48

Although hearings on S. 1990 were held in 1978, 49 the bill was never reported out of the Senate Committee on Governmental Affairs. 50 S. 1990 had the right
idea of concentrating all foreign trade programs in one area, but in some ways it went too far. The bill would have transferred too many lower-management, daily business activities to the new Department. For example, S. 1990 gave the new Secretary responsibility for all the functions of the Export-Import Bank.51 This would include responsibility for the general banking business that the Export-Import Bank performs.52 This is a relatively trivial matter in comparison with the other major policy functions the new department would be resolving. The agencies are much better equipped to handle their own daily management affairs.53 The matter which does need to be clarified is from whom should the agency receive supervision and policy direction. As long as it is clear which office — Commerce or the USTR — is to give the Export-Import Bank its policy direction, then further intervention is unnecessary, especially in daily activities. In addition to the minor functions of some important, though small, agencies, S. 1990 also delegated to the new department responsibilities of several ancillary agencies such as the U.S. Customs Service. S. 1990 also delegated to the DITI all of the domestic economic analysis bureaus presently in the Commerce Department.54 The total of all these new delegations would have made DITI too cumbersome to function efficiently.

**Department of Economic Affairs**

At the Senate hearings on S. 1990, witnesses proposed alternative approaches to organizing a new Department of Trade.55 One alternative was a Department of Economic Affairs that would handle both domestic and international economic issues.56 This proposal, however, contains the same flaw as S. 1990 —overburdening the new Department through the inclusion of domestic economic affairs. Inclusion of the domestic sector blurs the trade focus and would make a new Department prone to advocating policies that protect domestic sectors rather than promote foreign trade.57 A trade policy disproportionately concerned with domestic industry stunts existing trade programs and discourages the establishment of new trade agreements by shutting the door to imports.58

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51. S. 1990, supra note 47, § 6(f).
52. 12 U.S.C. § 635 (a) provides that the “objects and purposes of the [Ex-Im] bank shall be to aid in financing and to facilitate exports and imports and the exchange of commodities . . . . [I]n connection with and in furtherance of its objects and purposes, the bank is authorized and empowered to do a general banking business except that of circulation . . . .”
Neither the Secretary nor the staff of a trade department should be spending time on “general banking business” or other lower-level, though important, matters. Rather, they should be geared to broader policy issues with an oversight mechanism to observe implementation of daily activities.
53. One of the chief advantages of the Ex-Im Bank is its autonomy. It is a self-sustaining organization that attempts to remain competitive with export credit subsidized by foreign governments. It attempts to supplement and encourage private capital rather than competing with it. *U.S. Trade Expansion Efforts and Problems: Field Hearing at Iowa State University before the Subcomm. on Monetary and Fiscal Policy of the Joint Economic Committee, 97th Cong., 2nd Sess. (1982)* (testimony of Richard Heldridge, then Director-Designate, U.S. Export-Import Bank of Washington, D.C.).
56. *Id.*
57. See *N.Y. Times* May 5, at D3, col. 4. See *also infra* note 58.
58. The *Economic Report to the President* 1984, supra note 7, has succinctly stated the problem of protectionism:

Protectionism usually succeeds in increasing the income of the sector seeking protection. However, it imposes costs on other sectors that more than outweigh the benefits for the protected sector. These costs are of three kinds. First are the effects on the purchasing power of consumers. A tariff or quota on imports cannot succeed in raising the prices received by domestic consumers. Second are the effects on our industries that use the output of the sector in
The development of a Department of Trade focusing only on the promotion of foreign trade would avoid such problems. At the hearings on S. 1990, former Deputy Special Trade Representative Harald Malmgren suggested linking the new trade department with national security or foreign policy institutions. This format, however, would continue to subordinate trade issues to other pertinent, but separate, considerations without resolving existing problems.

Agency Solutions

Two interagency solutions to the trade policy dilemma have been proposed. One proposal suggests an interagency format with a “lead agency” responsible for coordinating the trade activities of all the departments. This format does not create any new bureaucracy since existing agencies would continue to perform the daily trade activities. Congress could shuffle the responsibility for specific trade activities among existing departments through legislation, or it could allow the lead agency to make all necessary delegations of responsibility. A second interagency proposal involves the creation of a council to coordinate and guide the State, Commerce, Treasury, and other departments in setting trade policy.

The problem with both of these interagency proposals, however, is that they would not resolve the existing overassumption of authority by certain departments. Agencies would be hesitant to subordinate themselves to what has in the past been a coequal agency or department. Since the proposal does not suggest the creation of a new staff which would be loyal to this new council or agency, the fighting between existing departments would continue without a mediator or unbiased referee. Furthermore, an agency lacking departmental status also lacks the requisite efficiency and authority to implement its decisions. Without a staff to

question as an input into their own productive process. Protection for the Steel industry raises costs for candy manufacturers, and so forth. Third are the effects on export industries. The dollars that foreign countries earn by selling to the U.S. market are useless to them unless, sooner or later, they spend them on U.S. exports. Usually it is difficult to identify the specific U.S. export industry that would benefit from increased trade. When the dollars come back to the United States, it will not necessarily be in the form of spending by the same foreigners that originally earned them, nor in the same year. But in one recent example, the connection is clear: China has indicated that if the United States cuts off imports of textiles from it, China will cease purchases of agricultural products from the United States.

Id. at 58-59.

60. Graham, supra note 1, at 229.
61. This has been referred to as the “minimalist” approach since it requires a minimum amount of reorganization. See id. at 230. For an example, see H.R. 4567, 96th Cong., 1st Sess. (1979).
62. Id. at 230. Such a council would be similar to the now defunct Council on International Economic Policy which functioned inefficiently in the early 1970's. In 1976, Congress chose not to extend the CIEP's mandate due to its poor performance. See S. COHEN, supra note 1, at 69-73.
63. Minchew testified that one of the CIEP's chief problems was lack of department status, which limited its authority and its weight. He went on to say "I think if you have a Cabinet level officer making the arguments for trade policy decisions, a Cabinet level officer is more likely to swing his or her weight effectively with other Cabinet officers" thereby ensuring that trade issues will not be subordinated to other administration goals without proper consideration. Hearings on S. 1990, supra note 1, at 12. Minchew also said: "[I]f the head of a department if going to be able to hold his own against the Secretary of State, the Secretary of Treasury, the Secretary of Agriculture, the Secretary of Commerce, or Labor or Defense, that person is going to have to have Cabinet-level status" . . . . Id. at 15 (testimony of Daniel Minchew, Chairman in 1978 of USITC).
64. Minchew stated: "Over the past decade, I have watched the Federal Government's approach to international trade policy. . . . What I have seen is the growing inadequacy of an interagency committee system which, when it was first conceived to deal with trade problems, worked very well, but more recently, as the pace of this nation's involvement in international trade has picked up, has found itself increasingly unable to cope."

Id. at 3 (testimony of Daniel Minchew). Senator Roth also commented about the inefficiency of the interagency system: "[W]hen we have several agencies dealing with the same problem, part of their
research issues and implement decisions, an agency would address trade issues in a haphazard manner and its management would tend to be crisis-oriented rather than preventive and well-planned.

The Commerce Department Solution

Senator Daniel P. Moynihan (D-N.Y.) has recently introduced a bill proposing that the Commerce Department absorb the entire office of the USTR; assume the trade functions of the Departments of Agriculture, Defense, Energy, Labor, State, Transportation, and Treasury; and include the Export-Import Bank, the Overseas Private Investment Corporation, the Small Business Administration, the International Development Agency, and the International Trade Commission. The Commerce Department was chosen because it was "the most available place" to coordinate policy. According to the United States Government Manual: "The Department of Commerce encourages, serves and promotes the nation's international trade. . . ." Despite this description, however, the Commerce Department is an inappropriate department to handle international as well as domestic trade since it tends to serve and promote domestic industry interests before the interests of international trade. Some associate Commerce with a protectionist philosophy and fear that if the Commerce Department and the USTR were to merge, the Commerce Department's domestic interests would dominate.

The most noteworthy feature of Senator Moynihan's bill is the inclusion of the trade functions of the Department of Agriculture. Despite the major role that agriculture plays in American foreign trade, Congressional proponents of a

65. An example of haphazard implementation of policy decisions was the Treasury Department's limited or nonexistent enforcement of the antidumping and countervailing duty laws. For a full discussion of this poor enforcement, see infra note 99 and Graham, supra note 1, at 227. See also supra note 44 for a discussion of haphazard decisionmaking.
66. See supra notes 40-44.
67. See supra note 48.
68. See supra note 48.
69. See supra note 48.
71. The Agency for International Development assists people of certain developing countries to develop their human and economic resources. It is part of the International Development Cooperation Agency. Government Manual, supra note 20, at 627, 629-33.
72. See supra note 48.
75. "Commerce tries to have domestic industry interests," says Harald B. Malmgren, ex-deputy STR. Hearings on S. 1990, supra note 1, at 33. Senator John Heinz (R-Pa.) responded that, "I get the impression that over the years no matter who was Secretary of Commerce that somehow it never gets very involved in these trade issues . . . . [Commerce] was created to be an advocate of a healthy private sector." Since this statement was made in 1978, Commerce, under the leadership of Malcolm Baldrige, has changed its philosophy in that has made a concerted effort to get involved in trade issues. However, this has only increased confusion at a point when the USTR's office could have handled these same issues quite well on its own under the leadership of William Brock. The existing conflict between Baldrige and Brock highlights the inadequacies of the present system.
77. See supra note 67.
78. The United States supplies almost 20% of world agricultural trade (see supra note 7). In fiscal 1983, agricultural exports amounted to $34.8 billion, about one-quarter of total farm sales revenue. Besides
change in our foreign trade structure have avoided the controversial step of including agriculture among the responsibilities of a new trade department. Despite this controversy and anticipated farm lobby opposition, legislators must recognize the crucial importance of including agriculture in any comprehensive trade policy formulation. By so doing, agriculture and the entire country will benefit. Thus, despite the opposition, legislators must resolve themselves to including agriculture among the responsibilities of a new Department of Trade.

In January 1983, Senator William Roth (R-Del.) introduced the Trade Reorganization Act of 1983 to create a new and independent Department of Trade. Although this bill, S. 121, meets one of the crucial needs of any reorganization by limiting the Commerce Department’s mandate regarding trade negotiations, it still has major flaws. S. 121 proposes a major consolidation without precisely defining the roles of the Departments of State and Treasury in foreign trade. Congress should clarify this ambiguity to avoid the duplication and power struggles that currently exist. The bill also fails to clarify which department has ultimate responsibility and authority over agricultural trade matters. Finally, the

79. The other plans discussed here have not included agriculture. In fact, S. 121, 98th Cong., 1st Sess., 129 Cong. Rec. S593 (1983), specifically stated that it was a bill “to consolidate our nonagricultural trade responsibilities.” (Emphasis added.) Including agriculture is highly controversial because the Agriculture Department does not want to lose control of its trading powers and subject itself to the ill-effects of another situation similar to the boggled Russian grain deal. “[T]he powerful farm lobbies will fight this tooth and nail.” Bingham, U.S. Trade That Goes Beyond Commerce, N.Y. Times, May 9, 1983, p. A18. The trade and Reagan plans is that they do not disturb the Agriculture Department’s domain over farm exports—commonly regarded as politically untouchable.” N.Y. Times, Apr. 27, 1983, at A26, col. 1. An excellent discussion of the inclusion of agricultural trade can be found in American Enterprise Institute for Public Policy Research, Proposals to Establish a Department of Trade (1984) at 39-41.

80. The entire country will benefit by avoiding incidents like the failed Russian grain deal. See supra note 78. If agricultural concerns had been integrated into the entire trade policy making process, such a major sale would only have been consummated after analyzing the ramifications on the entire system. Since the United States supplies 20% of the world’s grain, it is a powerful trade weapon, see supra note 7. This, however, is precisely what the Agricultural Department fears—that it will be used merely as a weapon and not in the best interest of agricultural producers. When including it in a new trade department, Congress must carefully circumscribe the limits the new department will have over agricultural sales.

81. S. 121. The Trade Reorganization Act of 1983, supra note 79.

82. Section 6(2)(c) of S. 121 specifically states that Commerce’s functions relating to “negotiation and implementation of bilateral and multilateral commercial agreements and trade agreements with foreign countries” will be transferred to the new trade department. Id. This is crucial to avoid redundant negotiating parties which send incorrect or conflicting messages to trading partners.

83. S. 1990 supra note 47, specifically delineates what State (§ 6(b)(1-3)) and Treasury (§ 6(d)) lose, while S. 121 lacks this specificity.

84. Introducing S. 121, Senator Roth stated:

[O]verall responsibility for agricultural trade matters would remain with the Secretary of Agriculture. In cases that could affect trade in agricultural products, however, my legislation would require that the Secretaries of Trade and Agriculture consult closely. It would further mandate
bill can potentially create a protectionist-leaning bureaucracy by transferring to the new Trade Department all of the domestic sector economic analysis bureaus currently included in Commerce.\textsuperscript{85} Undoubtedly, these bureaus' domestic sector economic analysis is crucial to any judgment regarding the impact a trade policy will have on the domestic economy. Nevertheless, to avoid recreating a large, unmanageable, and ill-focused bureaucracy, these bureaus should not be embedded in the trade department. A more efficient solution would be to allow the Commerce Department to retain all domestic analysis functions and to encourage the Trade Department to consult Commerce for information and services when necessary. It is imperative for a new Trade Department to retain the efficiency of the current USTR office. Moving a large portion of the Commerce Department's 34,000 employees would not retain this efficiency.\textsuperscript{86} Rather, S. 121 would only create a bulky, cumbersome replica of the Commerce Department under a new title.

**PROPOSED SOLUTION: DEPARTMENT OF INTERNATIONAL TRADE**

The present Congressional proposals recognize the problems in trade policy organization without offering a comprehensive solution. Each proposal solves certain selected problems while ignoring others. After analyzing the flaws of each solution, it is clear that creating a cabinet-level department devoted solely to international trade would be the most effective means of resolving the problems discussed. Establishing such a department would effectively fulfill the constitutional mandate that Congress “regulate commerce with foreign nations.”\textsuperscript{87} Congress would retain minimal supervisory powers\textsuperscript{88} while allowing the Executive to retain ultimate authority to formulate policy. Most importantly, the new Department of International Trade would have a bureaucratic structure that would offer consistency and stability in policy formulation despite changes in administrations.\textsuperscript{89}

The creation of a new Department of Trade should effectively address all of the following issues in order to fully resolve the present problems in foreign trade policy formulation and implementation:

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that, in international negotiations and consultations involving agricultural commodities produced in significant quantities in the United States, the Secretary of Agriculture would vice-chair the U.S. delegations. This would guarantee that our producers of wheat, for example, would be strongly represented in talks affecting their markets and production decisions. 129 CONG. REC. S593, (daily ed. Jan. 26, 1983). Having the Secretary of Agriculture participate in the negotiations would help to ensure that negotiated treaties can feasibly be implemented. However, ultimate responsibility for trade in agricultural products must lie with the Trade Department precisely because of the importance of agriculture to the overall economic picture and because of the Agriculture Department's lack of expertise in trade and in the balancing of strategic and political needs. 85. S. 121 supra note 121, at \S\ 6(b)(1)(A),(B). See supra notes 58, 75, and 76 for a discussion of this protectionist tendency.

86. The Commerce Department has 34,457 employees. See supra note 39. The American Enterprise Institute estimates that non-trade activities account for one half the personnel in the Commerce Department. PROPOSAL TO ESTABLISH A DEPARTMENT OF TRADE, supra note 79.

87. U.S. CONST., art. I, \S\ 8.

88. Congress would retain the right to veto the Executive's nominations for Secretaries and Undersecretaries.

89. For the most part, only the high level officials change with each administration; thus, the vast majority of the underlying bureaucracy does not change, lendability to policy making and implementation. This may help overcome some critics' fear of change. According to Cohen, "[s]everal persons have expressed a preference for the existing fragmented, often inefficient system. They argue the latter represents a known given and is therefore preferable to the risk of having an efficient, fine-tuned apparatus fall under the control of the other side." Hearings on S. 1990, supra note 4, at 66 (testimony of Dr. Stephen D. Cohen, in 1978 an Assoc. Prof. at the School of Int'l Service, The American Univ., Wash. D.C.)
1. **Provide for a Sole Trade Negotiator.**

The mandate of a new Department of International Trade must state unequivocally that its head, or an immediate designee thereof, is the sole negotiator on all trade agreements to which the United States is a party. This will reduce unnecessary duplication of work, lessen internal struggles for power, and, most importantly, eliminate the conflicting signals often sent to U.S. trading partners.

2. **Retain Domestic Functions in Commerce.**

The new Department of International Trade should be strictly limited to foreign trade matters. Domestic sector analysis bureaus should remain in the Commerce Department where their research, analysis, and expertise can be tapped when needed by foreign trade analysts without recreating the same bulky bureaucracy.

3. **Include Agricultural Trade Issues.**

No comprehensive solution to the current trade policy problems can exclude agriculture. The critical role that agriculture plays in overall trade requires its inclusion in the new Department. The farm lobby must be overcome in order to improve international trade and attain a comprehensive trade philosophy. Exclusion of agriculture would only prolong the present problems of: a) lack of synchronization between agricultural and other trade issues, and b) lack of a single chief negotiator.

4. **Provide Complete Control Over Policy Implementation.**

Congress must give the new Department of International Trade full authority to implement trade decisions even when the decisions transcend traditional departmental boundaries. The authorizing legislation should clearly state that these other departments must relinquish their present authority, both statutory and customary, in specific areas relating to trade. The Secretary of International Trade can guide the policy of smaller agencies, such as the Export-Import Bank and Overseas Private Investment Corporation, as the USTR presently does through their boards of directors. Responsibility for daily implementation should remain within the smaller agencies themselves in order to ensure efficiency.

5. **Retain a Flexible, Policy-Oriented Structure.**

To promote maximum efficiency, the Department must remain small and manageable, performing only essential functions. Structural flexibility is essential to enable the Department to meet the changing national needs of industry, agriculture, and businesses of all size. The Department should be policy-oriented and thereby able to synthesize the strategic, political, and economic elements that are inherent in every trade decision. Such a structure promotes comprehensive decisions and precludes the need for other departments such as State, Treasury, and Defense to intervene and assert their authority.

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90. A good example is in the area of export controls. For a discussion of the "turf battle" over administration of export controls, see N.Y. Times, July 4, 1984, at A11, col. 3.

91. Stephen D. Cohen has suggested that a new trade department could be as small as 750 people, most of whom could be taken from existing positions in other departments. He also compared a possible reorganization of the United States to a successful French reorganization. S. COHEN, supra note 1, at 169.
Elimination of Internal Power Struggles.

The new Department of International Trade must be a cabinet department to best fulfill its purposes. As a cabinet department, the new Department of International Trade would have equal status with the State, Defense, Commerce and Treasury Departments. Moreover, Congress must give the new Trade Department authority over these departments in limited and specified areas. This structure would give the new department unassailable authority on trade issues and would eliminate present struggles for power and glory.

ORGANIZATION OF A PROPOSED DEPARTMENT OF INTERNATIONAL TRADE

The key figure in the new Department of International Trade will be the secretary of the Department. Ideally, this person would also be the chief trade negotiator. This would ensure consistency in policy as it is received from the President and negotiated with U.S. trading partners. If, however, the negotiator's position is in itself a full-time job, then Congress should designate an opening for a Special Assistant for Trade Negotiations immediately under the secretary. The secretary would remain responsible for cabinet duties with the President and for management of the entire department including the Special Assistant for Trade Negotiations. The secretary would command three working units: Policy Control and Coordination; Research and Development; and Policy Implementation. (See appendix.)

Policy Control and Coordination

The Policy Control and Coordination (PCC) division would be the central coordinator through which all information would flow both horizontally, between the Research and Development (R & D) and the Policy Implementation divisions, and vertically, from the three divisions up to the Secretary. The PCC would have three functions, each of which would be carried out by a separate subunit. First, and of primary importance, is the coordination of goals. The subunit responsible for such coordination must fuse the current administration's trade goals with the goals emerging from the research and development think tanks. Second, PCC must anticipate developing areas of future needs. The responsible PCC subunit would search the spectrum of trade issues for potential trouble areas that, once recognized, would be referred to the R&D unit for more thorough research. As the R&D unit researches assigned areas, it may uncover new areas which PCC may decide to pursue further. Thus, suggestions of new areas to research will arise both out of PCC and R&D itself. Third, the PCC subunit should act as a review board to ensure that the implementation sector correctly translates the trade department goals into daily operations.

Research and Development

The second unit of a new Department of International Trade would be the

92. For example, the new department must have authority over the Commerce and State Departments in the area of trade negotiations; it must have authority over the Agriculture Department on agricultural trade issues and on negotiating agricultural trade agreements, and it must have authority over the Commerce and Treasury Departments on countervailing duty and export control issues.

93. At a March (1983) hearing, Baldrige sarcastically noted his view of the government's divided responsibility for trade functions: "The U.S. Trade Representative has all the glamorous work — making policy and negotiating — while Commerce does all the work." 41 CONG. Q. 899, May 7, 1983.

94. Such an organization would avoid the crises discussed. See supra notes 40-43.
Research and Development sector. This unit would also consist of three subunits: Economic, Strategic, and Political. These areas are singled out since they are intrinsically involved in any trade policy decision. The Economic subunit would analyze both the internal, domestic impact and the international economic ramifications of certain trade decisions. This subunit would rely on data and experts working in other governmental departments, notably the Commerce Department's domestic sector analysis bureaus. The Strategic subunit of R&D would concern itself with the nation's military and security interests as they interrelate with trade decisions. As a specific example, this unit would include among its responsibilities the East-West trade situation. The Political subunit would analyze all remaining nonmilitary and noneconomic trade situations having political ramifications either at home or abroad. For example, the Political subunit would consider issues such as sales of technology to Third World countries and human rights issues relating to trade. Matters which involve all three concerns, such as agricultural trade, would be analyzed accordingly by all three subunits of R&D.

In theory, no new position need be created to staff the new R&D division. Personnel and resources, notably experts in East-West trade, can be drawn from the existing trade staffs which will be eliminated by this reorganization. The Trade Department could absorb the USTR's office and the international trade units of Commerce in their entirety.

Policy Implementation

The third unit of the new Department of International Trade would be the Policy Implementation unit. This unit would implement the work of the other two units and the work of the negotiator. After the Executive outlines the general trade goals, the PCC and R&D units will research and coordinate these goals into specific policies. The chief negotiator articulates these goals at bilateral and multilateral sessions. Then the Policy Implementation unit would enforce the specific commitments of the negotiator. For example, the Implementation Unit's tasks could include overseeing the enforcement of the antidumping and countervailing duty laws. The Implementation Unit would need to have authority over certain areas of other departments in order to ensure that previous power struggles will

95. See supra notes 17-20.
96. A relevant trade issue is whether or not the United States should trade with countries such as South Africa, Chile, or Argentina which have a consistent pattern of human rights violations. The domestic political ramifications of such a decision, and the decision itself, would be analyzed in the PCC subunit.
97. Personnel and resources can be drawn from the numerous existing trade sections in the other departments. This can be done at all levels of the reorganization, beginning with the USTR's job and salary becoming that of the new Secretary of Trade. Trade could absorb the USTR's office and the international trade unit of Commerce in their entirety. Since no new people would need to be hired, start up costs could be minimized.
98. See supra note 17.
100. The implementation branch would need authority over the areas which Congress might choose not to include in the new department but which still relate to trade in some manner. An example is the customs area.
not be renewed. Congress should give the Implementation Unit ultimate authority to enforce international trade policies manifested in both specific treaty and nontreaty agreements.

CONCLUSION

The past confusion and obfuscation of national trade policy demands that Congress create a new cabinet-level Department of International Trade. For the good of the economy and the United States trade position as a whole, Congress must unite to solve the trade policy dilemma.101 A cabinet Department of International Trade would give the nation a single negotiator and an institutionalized mechanism for the research, creation, and implementation of a consistent national trade policy. Legislators faithful to the Constitution's mandate that Congress "regulate commerce with foreign nations" should realize that this can only be done effectively when this power is centralized and coordinated in a Department of International Trade.

Christine M. North*

101. Trade proposals have historically had difficulty in Congress because the issues involved cut across committee boundaries creating jurisdictional squabbles. See 15 NAT'L J. 1211, June 11, 1983 and the CONG. Q., May 7, 1983, at 899 for examples of this in dealing with S. 121. The Senate Finance Committee and the House Ways and Means Committee were the motivating forces behind the trade reorganization of 1979. See Graham, supra note 1, at 222. The Senate Finance Committee should once again pick up the lead and join forces with the eager Governmental Affairs Committee, chaired by Senator Roth, author of S. 1990 and S. 121, and lead the country towards a solution.

* B.S., Georgetown University, 1982; J.D. Candidate, Notre Dame Law School, 1985.
PROPOSED DEPARTMENT OF INTERNATIONAL TRADE