

PANEL DISCUSSION ON FREE PRESS AND FREE TRADE

Chicago, Illinois
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A1: What is the connection between free press and free trade?

- I. Free market operates most efficiently when accurate and timely information is fully available to all market participants.
 - A. Free press is important to this free flow of information—in part because a free press creates the infrastructure required for accurate information to be relayed between consumers, producers and investors efficiently.
 - B. The very existence of a free press goes hand-in-hand with the legal and social systems necessary for free markets.
 - C. Transparency, honesty, integrity and accountability necessary for a free press—also, protect market participants generally and promote efficient market interactions

A2: What can VOA do to represent the commercial interests of the Midwest internationally?

- I. Midwest’s commercial interests best represented by explaining the benefits of open markets and free trade.
 - A. Midwest doesn’t need or deserve special treatment — only open markets in which to compete fairly.

- B. Chicago Fed research on exchange rates indicates competitiveness of Midwestern producers—strong dollar didn't affect Midwest's major trading partners.
- C. Construction equipment is an example of major Midwest industry that thrived whenever barriers to free trade have come down (see December conference summary).
- D. Agriculture, in contrast to an area where we should have competitive advantage internationally to has been hard hit by European regulation, quotas and other trade barriers.

A3: What can VOA and the other U.S. international broadcasters as a whole do to advance the free trade and free markets?

I. Promote better understanding of the benefits of open markets for all parties.

- A. Shift the debate away from jobs and toward the benefits for consumers. Clarify the idea that open markets reduce prices, expand the range of all of our choices, spur competition and quality improvements, improve technology transfer.
- B. Point out that openness of U.S. markets has enabled the strong U.S. economy to absorb foreign goods at a time of relative weakness in the rest of the world - U.S. served as a buffer for the rest of the world.
- C. Encourage fair and unbiased coverage of both costs and benefits of open market—address short-term employment and social tensions that may be caused by free trade so that the public is prepared for them.
- D. If appropriate, draw on your own experience as a trade negotiator to talk about specific cases and suggested ways that the VOA could provide information to help encourage open markets (suggested by Bruce Sherman at VOA).

II. A free press is the first step to the free flow of objective information.

- A. Free flow extends beyond traditional media outlets.
- B. Internet—booming usage of World Wide Web indicate the demand for free flow of information.
- C. Internet also makes it harder to control information—state control more difficult.
- D. When citizens have more information more exposure to different ways of life it's more difficult to maintain repressive government.

III. Y2

- A. Importance of free flow of information indicated by Y2K
- B. Recent Gallup poll sponsored by federal bank regulators reveals that more Y2K information is better—people exposed to more Y2K information aren't panicked, but feel more confident.
- C. Poll indicated that radio and TV primary sources of Y2K information.
- D. Reinforces that people do act more rationally when they are armed with accurate information.
- E. Reason why Fed has been actively communicating its confidence that U.S. financial system will be prepared for Y2K.

IV. Abroad, free press key step to efficient market interaction and eventual integration into the international economy.

- A. Economists have argued that greater transparency in business and government could remedy some of the economic troubles of countries involved in the Asian economic crisis.
- B. Greater transparency would break down systems of nepotism and corruption that cause markets to operate less efficiently, and which reduce the confidence of international investors.