

I would not wish these comments to be misconstrued as implying that developing countries will obtain the major benefits from the Kennedy Round. It is quite clear that trade between the United States and other industrialized countries will be the major beneficiary. But the implication that nothing was done for the developing countries is very much wide of the mark.

We in the executive branch are delighted with the successful outcome of the Kennedy Round. We recognize that a period of reflection will be needed to assess—and digest—the results, and that it may be some time before the United States and other major industrialized countries will be ready to undertake another assault on the remaining barriers to trade. But I also would not wish to end this presentation by implying that the Kennedy Round is the end of the road. Indeed, as the President stated at Punta del Este, “The process of freeing trade from unnecessary restrictions will not come to an end when the current and important Kennedy Round negotiations are completed.”

Not all of the issues we and our negotiating partners had hoped to come to grips with during the Kennedy Round could be dealt with during the marathon sessions of the final months. One issue in particular of major interest to the developing countries has been left over for further consideration next fall. That is the question of extending the benefits of the Kennedy Round reductions to the developing countries without the normal staging requirement. The United States has not taken a firm position on this point. It would, of course, require specific legislative authority. If this were done in a preferential way, that is covering all products but for developing countries only, it would constitute a precedent for the longer term problem of temporary tariff advantages. We will be exploring this issue with our major trading partners over the coming months and, of course, with the Congress.

**TESTIMONY OF HON. JOSEPH A. GREENWALD, DEPUTY ASSISTANT
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Mr. GREENWALD. What we tried to do in our statement, Mr. Chairman, is to focus on the question of U.S. foreign trade policy and the problems of the developing countries.

I think by general consent this is one of the major trade policy areas which we perhaps have not yet dealt with adequately, and one we will have to face in the coming months and the coming years. Although I think the developing countries themselves have perhaps underestimated the benefits they will receive from the Kennedy Round, they have taken the position that the Kennedy Round was not really the answer to their problems, and that further steps would have to be taken designed specifically to deal with their trade flows.

We have laid out in the statement our estimates of what the benefits will be as a result of the Kennedy Round, which we think will not be limited just to the trade that is presently flowing from the developing countries, but also to additional trade that will emerge as they increase their developing industrialization.