

whether a consensus could be achieved on a generalized system of preferences which would be generally acceptable. In the course of this he said that he would naturally be consulting with private interests in the United States and the Congress as well, since, if we were to depart from our basic policy of most-favored-nation treatment, we would need legislation. Most-favored-nation treatment is the policy we have had, in conditional or unconditional form, for about 145 years or so. And I think that we are all agreed that we would have to examine the situation extremely carefully before we proposed legislation which would change such an important and longstanding policy.

This search for a consensus on an acceptable system of generalized preferences has already begun in the OÉCD. As is explained in the statement, there is a small group of four countries, the United States, the United Kingdom, Germany, and France, looking at the various issues involved to see whether we can come out with a generally acceptable system. Some of the problems that have arisen there are spelled out in the statement: such questions as how to make sure that preferences are temporary, how to define a developing country, and what happens to existing preferences, not only those enjoyed by the developing countries, but also the preferences enjoyed by the industrialized countries in some developing countries.

This work is to continue for the next 2 or 3 months. And the subject will then ultimately be considered in November at the ministerial meeting of the OECD.

If we can proceed along these lines toward the consensus that the President talked about, the ultimate objective would be to put before a meeting of the United Nations Conference on Trade and Development an outline of a generalized scheme which the industrialized countries would be willing to consider. This meeting takes place in New Delhi in February of next year. In the view of the developing countries, it would be a major step forward in providing help for them if the industrialized countries were to come forward with a generally acceptable scheme.

As far as the domestic situation is concerned, I think Ambassador Roth has already talked about his mandate from the President to work on trade policy. The question of preferences will be one of the major issues to be discussed in the study group and with other interested bodies in the United States, and with the Congress as well.

Then there will be international discussions.

And finally, as we see the timetable and if all goes along the lines I have outlined, we will probably be coming back to the Congress for legislation in early 1969. We need a period for reflection and analysis of new commercial policy developments before deciding what sort of legislation we should seek.

Although we would not be looking for legislative action for a couple of years, we certainly would continue to consult closely with the Congress at every step of the way to make sure we would have the understanding of what we were trying to do, and that this was a feasible policy to follow.

Thank you, Mr. Chairman.

Chairman Boggs. Thank you very much, Mr. Greenwald.

Mr. Reuss, do you have any questions?