

said that there shall be special preference for domestic suppliers in Government procurement programs, but did not designate what that special preference should be. The President, in 1954, through Executive order, laid down some very specific price preferences. And it would be in that kind of an area of administration and presidential flexibility where the area of negotiation now lies. And this was the case in antidumping.

Mr. GREENWALD. I wonder if I could come back to Mr. Widnall's question. I think most people feel that the effect of the Kennedy Round; that is, the relationship between the Kennedy Round and nontariff barriers, is that as the tariff barriers are reduced two things happen. One, as the nature of the nontariff barrier becomes clear and as tariffs fall it is evident that they have a greater impact than tariff barriers. Tariff barriers are not that significant so the people who want a higher degree of protection not only in the United States but in other countries will look to nontariff barriers. Second, I think the comments of both Mr. McQuade and Mr. McNeill have made it clear that you can't talk about nontariff barriers as a general category as you can about tariff barriers. Negotiations to deal with tariffs are possible because they are fairly easily identifiable, and represent a common technique of protection that all countries have pursued for years. But when you come to nontariff barriers, as Mr. McNeill pointed out, you get involved in purely national legislation, tax systems, fiscal systems, and it gets extremely complicated. They are related to national economic policies that aren't adopted purely in terms of international trade and are extremely difficult to deal with. Therefore, it would be hard to have a negotiation that tried to cover all nontariff barriers.

What we have been trying to do is deal with nontariff barriers as appropriate, and sometimes in different forums. For example, we have tried to tackle the border tax issue in the OECD through its relationship to economic policy in something called the "adjustment process"—trying to convince countries in good balance-of-payments situations—surplus earners—that they shouldn't take action on taxes which is contrary to the policy that a good creditor nation should follow. There is also the issue of government procurement which is a problem mainly of the industrialized countries. We have pursued it in the OECD in the terms that Mr. McNeill suggested—trying to arrive at a uniform system of government procurement practices. The real problem, it turns out, is that we have a law, we have open competitive bidding, but other countries in the world use much more subtle methods to achieve "buy national" purposes.

So our first effort there has been to get agreement on the publication of bids and publication of the results of the bids and the system of competitive bidding. And this is what we have to try to deal with rather than going immediately to the question of what is the percentage of preference, because some of them have come to us very blandly and said, we don't have anything like a Buy American Act. We found, though, that the results are actually the same achieved through a much more subtle, devious method. So each nontariff barrier has to be looked at individually, not only the methods of negotiation, but the forum in many cases may be different, depending on the kind of nontariff barriers it is and how we can best tackle it. Nontariff barriers are an important problem, and they will be more important as time goes on.