

international cooperation—a stock-taking operation, painful as it may be, will be promoted on the widest possible international basis.

I am aware that such exercise has been already started in the United States on a national basis, but an international approach is needed. I am confident that through an objective analysis, through a sincere give-and-take attitude, a process of gradual elimination will be initiated. For too long Americans and Europeans have been accusing each other of ill-doings, with the result that only the faults of the other side were emphasized, in a fruitless and frustrating exercise. A more direct confrontation might serve the more constructive purpose to turn the criticism inward. In this connection may I suggest that it might be well that the trade policy study President Johnson has asked Ambassador Roth to undertake over the next year be matched by or combined with a similar study to be undertaken by the EEC, which should be prompted to do it, and another by EFTA on the United Kingdom.

Some quiet, off the record contacts among the Atlantic protagonists of world trade may serve some of the purposes outlined in the very good paper presented to this subcommittee by Mr. Robert Schwenger, that is, to coordinate the economic activities of governments—at least across the Atlantic—without resorting to arbitrary political pressures.

Such an approach is even more necessary now that, having almost dismantled the custom tariff fortress, governments will be subject to severe pressure and tempted to restore protectionist policies and practices on a nontariff basis. No doubt, we must be vigilant.

When looking to American-European trade relations, assuming that the process of elimination of tariff barriers may continue to the very successful end, the nontariff area offers the greatest opportunity for further cooperation.

Some adequate arrangements will have to be made, also, with regard to the implications of the growing technological gap between the United States and Europe. As you know, we are faced here with a rather hazy problem, because a clear-cut definition of the gap is still to be found. Nevertheless, I believe that informed circles would not any longer doubt that a gap exists.

Specifically, the problem that affects international trade is the question as to how technology should be transferred from one country to another and from one company to another.

Here again, I believe that a liberalistic approach should be adopted, and that the countries which lag behind in technological development should not shield themselves under a protective structure, whether custom or otherwise, least they are condemned to a progressive underdeveloped status; conversely, countries which are ahead in technological development, should not indulge in monopolistic attitudes least they themselves are tempted by ephemeral advantages and thus isolate themselves from the rest of the world.

We must keep in mind that the main feature of our contemporary world is interdependence, and that any action intended to ignore reality can only produce damages for all.

I would like to mention in this connection that an important Conference on Trans-Atlantic Technological Imbalance and Cooperation was sponsored by the Scientific Technological Committee of the