

during much of the negotiating period, namely, that we might be faced with an inward looking, highly protectionist European Community, this fear, is much less likely to be realized than was then thought. I do not believe that great differences of doctrine about trade have been thrown up in these negotiations either between Britain and Europe, or Britain and the United States, or the United States and the Community. I think there has been a high degree of doctrinal agreement, and most of the difficulties have arisen out of the pull and push of sectional interests.

I would like to say a few things about the less-developed countries, realizing, as we all do, that the United Nations Conference on Trade and Development is due to assemble next year, and that we shall not be allowed simply to sit back and forget that the less-developed countries were not so satisfied as they might have been with the outcome of the Kennedy Round.

So far as preferences are concerned, I would hope that the more-developed countries may be a little nearer together than they were in the Conference in 1964. At that time, as I understand it, the United States was opposed to preferences of all kinds on the ground that they were a legacy of imperialism which was no longer appropriate. The Community upheld its preferences because it said that this protection was required by the struggling economies of what had been formerly the dependent territories. While Britain at the end put forward a proposal generalizing these various systems, giving preferences to all less-developed countries alike.

I would hope that that proposal might be seen now to have made some progress.

I have seen many references in your statement, Mr. Chairman, to President Johnson's speech at Punta del Este in which he seemed to be accepting the idea of some temporary arrangement which would enable preferential treatment to be given, not to the regions based on old imperial systems, but to all underdeveloped countries by all developed countries.

I have some reason, though it is not a very firm one, for thinking that the European Community might be moving in the same direction, at least so far as thinking in the Commission in Brussels is concerned, though I understand that no decisions have been taken which would enable the Community to negotiate on this basis at the present time.

I would hope that the U.S. policy might begin to move in the direction of a concept of this kind. And in this connection I would like to mention the proposal of the Director General of GATT that the concepts we agreed on in the Kennedy Round might be applied more rapidly to the developing countries. I realize that there are difficulties about that, not least, perhaps, the difficulties of new legislation. But I would hope that this might have favorable consideration in this country.

Of course, it is not only preferences that are of interest to the developing world; indeed other questions are of greater importance. I think perhaps in my paper I have rather underplayed the interest of less developed countries in having better access to the markets of developed countries for their manufactured and semimanufactured goods. They say, not without reason, that we are always telling them