

to point out that we need to do many more things as well, that we cannot stick to the old simplicity of the idea of freeing such things as tariffs, and that we have got to take the matter much further. We have become quite accustomed to the idea that in order to help the less developed territories we must be prepared to depart from pure free trading doctrine in order to help the weaker parties.

And I think it is worth mentioning that something of the same issue arises between industrialized countries in the so-called technological gap which there is between the United States and Western Europe.

This again is one of the arguments most frequently used by those who are urging Western Europe to separate itself from the United States. I am not going to spend much time on it. It is not strictly, I suppose, a question of trading policy. It is more a question of investment policy. And it largely concerns the great American corporations which engage in international investment on a large scale.

The only point I would like to leave with you on this is that it seems to me that there are many great American corporations highly experienced in the field of overseas investment which have realized that in order to avoid political resentments against American power, against the taking over of local industries by American companies, they have to adjust their policies. They have to accept something which in the purely commercial sense may be less than the best solution for them. I think it would be very wise of them to do so, because unless this does happen—and perhaps in particular unless rather special steps are taken to see that a substantial amount of advanced research is done in countries outside the United States—I am afraid there may be a tendency to put up certain barriers to the free interchange of technology and investment between Europe and the United States just at a time when we would like to see the opposite happen. The fact that this situation is no fault of the United States, indeed it is precisely due to the fact that they are technologically excellent, and that their industrial management is normally better than that of other people, doesn't affect the fact that there are political disadvantages which may result unless the problem is fully recognized.

In conclusion, I would like to say that it is well realized, certainly in my country, and I think in most other countries of the Western World, that we owe a great deal to U.S. policies in recent decades for the liberalization which has occurred. If the United States had taken a different line, we would be very much more sharply separated from each other technically and politically than we in fact are. It is of enormous importance to all of us that the United States should maintain this attitude of wishing to see trade on a multilateral basis and freer so far as it can be made freer.

We are encouraged to think that this will go on by our experience of U.S. policy in the past, which has shown that, even at the cost of short-term inconvenience, the United States is often prepared to take the long view.

(The prepared statement of Mr. Younger follows:)

PREPARED STATEMENT OF KENNETH YOUNGER

I am grateful to you, Mr. Chairman and to this subcommittee for the honour you have done to me in inviting me as a non-American to participate in your hearings on future United States Foreign Trade Policy. Now that the Kennedy