

countries. Secretary Ball in his statement mentioned his efforts to bring about this sort of a solution, and he said he was not too successful. How would you suggest that this be done in the light of present world conditions?

Mr. ROCKEFELLER. I would hope that after the completion of the Kennedy Round negotiations that perhaps there might be a better opportunity to pursue this than previously. For 4 years we were bogged down by negotiations on tariffs. That is behind us. And it seems to me it is worth a good, hard try in this direction again.

Chairman BOGGS. Mr. Ball, would you care to comment on that?

Mr. BALL. I wouldn't start the negotiations, Mr. Chairman, with the European countries, I would start it with the U.S. Congress, because I think that at the end of the road we wouldn't have a prayer of getting the Congress to pass a generalized preferential enactment for the benefit of the less-developed countries.

Let me say that I agree with Mr. Rockefeller in principle. He and I disagree on very few things, and on this particular one I fully agree with him. But as I suggested in my statement, I think it is politically unrealistic. When I was in the Government I was probably more responsible than anyone for what a lot of people regarded as a negative view on the question of generalized preferences for less-developed countries. My feeling was that we would do an enormous disservice to encourage the less-developed countries to believe that this was going to work when, in fact, it wouldn't. In view of the character of the products that the less-developed countries are most capable of producing, which are primarily light manufactures, whenever they now begin to ship any substantial quantities of such products to the United States, Congress and the administration are faced with demands for mandatory quotas or some other kind of arrangement that would restrict the introduction of such goods. There is the aboriginal cry of cheap labor, which is loudly heard.

I think that the possibility of our being able to reverse the process and say that not only will we refrain from imposing mandatory quotas limiting the import of these goods, but we are going to provide preferences to make it easier for the less-developed countries to produce for our markets—I just don't think it is possible. That was always my feeling, and, therefore, I did gain the reputation of being negative on this issue. The European countries talked a good game, but when one got down to hard discussion with them, I had a feeling that they were being disingenuous with the less-developed countries, because they weren't going to grant generalized preferences any more than we were. Our record with the less-developed countries is generally better than the record of European countries, except in those special areas where they have preferential regimes which constitute happy hunting grounds for their own industrialists.

I don't want to be too dogmatic, but I would be enormously surprised if Congress were prepared to provide the authority in the Executive to grant generalized preferences for manufactured goods to the less-developed countries. We have a situation now where the steel industry is complaining because of import competition from countries like Japan, and again the argument is based on the fact that labor costs are so much cheaper. Now, do you seriously think that Congress