

that these problems do touch all aspects of Government, and that it would be far preferable to do what was done, to create an Office of Science and Technology in the Executive Office of the President to coordinate these types of functions in the existing agencies. I can see the merit in what the administration has proposed; namely, to merge these two Departments, to try and bring the functions that are easily brought in, but not to strip all economic function from the other departments necessarily.

Mr. TROWBRIDGE. Well, we hope to be able, as I say, to build on the basic building blocks of the two existing departments, and add to them in such a way as to get a very imaginative proposal, and one that is going to be one of consolidation of functions, and make the President's job a little bit easier in that he has got an awful lot of people reporting directly to him, and lots of conflicting voices that he has got to listen to. I think it would be better to have them under a roof where you can pull them together from the national viewpoint.

Representative RUMSFELD. Britain, of course, is making a strong bid to enter the Common Market. I get the feeling that they aren't terribly optimistic about entering within the immediate period, but that they are quite optimistic about the possibility of entering some time by 1970 or thereabouts, or somewhat before.

Let's assume that Britain does get in. What would be the short-run effect in 1 to 2 years on the United States, and the longer run effect, specifically say beyond 2 to 4 years?

Mr. TROWBRIDGE. Well, I think the short-run effect has to be measured really on the basis of how the Kennedy Round comes out, because if the United Kingdom joins with the Common Market she would presumably go through with the obligations of the Kennedy Round. The external tariff common to all countries would hopefully have been reduced by the Kennedy Round, and that our trade, or the trade barriers between us and them would be substantially reduced.

I think really we have approached this whole concept of a regional common market recognizing that there are going to be some additional tariff barriers and hurdles that our trade will have to overcome.

Representative RUMSFELD. What particular segments will be the hardest hit?

Mr. TROWBRIDGE. By the creation of the Common Market?

Representative RUMSFELD. By Britain's entry? What segments of our society would feel the greatest impact from this, on U.S. exports?

Mr. TROWBRIDGE. I find that a little hard to answer right offhand, Congressman. Could I ask my friend Mr. Robert McNeill to counsel me on that one or to make a comment?

Mr. McNEILL. I was afraid, sir, he was going to do that. We honestly don't know what the answer to your question is.

In terms of U.S. exports, it is likely that in a short run there would be certainly no major adverse impact that would be discernible to us. In the long run, in terms of U.S. exports, we think it perhaps would be beneficial for Britain to enter the Common Market with all that that would mean for expansion of that market, the generation of increased income, and therefore provide a larger magnet for imports from this and other countries.

Representative RUMSFELD. You don't see any harmful effects to the United States short run or long term from this possibility of Great Britain entering into the Common Market?