in this area. We welcome the full examination of the agreement by all Members of this Congress.

Nontariff barriers are the trade negotiation frontier of the future. We have a long way to go. One reason is that too often in business, in government, and in legislative bodies, the term "nontariff barrier" is used without precise definition, facts, or analysis. In preparing for the Kennedy Round, we often found it impossible to get the close and detailed information we needed to formulate a negotiating position. Often business had not done its own homework in this area, filled with analytical traps for the unwary.

For instance, what trade impairment will chemicals X, Y, and Z suffer in the German market because of an upward shift in their border taxes last January 1? We do not know, and the chemical industry does not know. It involves a study of the price consequences of the tax increase as well as a host of other factors. Oversimplified answers will not help.

For this reason, my office will hold public hearings shortly to enlist the advice, information, and expertise of business and agriculture in nontariff barriers, and in other areas of trade. Shortly thereafter, in Geneva, all the major trading nations will submit their own analyses of each other's nontariff barriers. This will lay a foundation for a later negotiation looking to the dismantling of as many as possible of these nontariff barriers—the most difficult, most complicated, and most tenacious of trade barriers.

However, events in the world are moving with such rapidity that certain kinds of nontariff barriers cannot await the conclusion of our trade study. An example of this is one I just mentioned, the effect of border tax adjustments on trade, which figured in the President's balance-of-payments message of January 1. We hope and expect to have this complex and often exaggerated problem examined in the GATT in the near future.

With respect to the developing countries, I need not tell this committee that the needs are great and the problems involved in meeting those needs equally great. There is certainly no easy way of bringing the economy of a developing country to the point of takeoff. Nevertheless, the developed countries must do all in their power through their own commercial policy to assist these countries.

Last year at Punta del Este, the President declared the willingness of the United States to explore with other developed countries the possibility of a joint program to grant generalized tariff preferences to the developing countries. A number of questions, however, require careful examination, such as the following:

What kinds of safeguards and what exceptions should be provided to protect sensitive domestic industries? What countries ought to benefit from these preferences? What kinds of products might be most appropriate in terms of the export prospects of developing countries? What should happen to existing preferential arrangements such as the Commonwealth and ECC preferences? How long a period of preference would be desirable? What margin of preference would be helpful, while at the same time not disrupting the U.S. market?

These questions, and others, were debated at a ministerial meeting of the OECD last November. The United States took the position that tariff preferences must be generalized and not of benefit only to a par-