Another consideration that has broader application is the question of foreign investment. The case has been very strongly made that textiles, like other industries, should defend their home markets by establishing their own foreign factories, thus participating in growing markets outside the United States. There are fewer and fewer large American industries that have not entered international markets through direct investment abroad, largely to sell in the foreign market rather than simply supply the U.S. market. One of these exceptions appears to be steel. Such industries should consider how they can take advantage of the global opportunities for their products, their know-how, their unexcelled merchandising and distributive ability, and their efficient management. If they were to do so in poorer countries, they would also make fundamental contributions to sound economic growth.

These are some of the observations derived from the examination of the industrial sectors in the trade negotiations. They may seem far afield from the topic of negotiations, but they serve again to illustrate that tariff negotiations as they have been conducted in the Kennedy Round have been exceptionally fruitful in terms of deepening our understanding of the industries that are the subjects of the negotiations.

Part V of my five-part report is still to come. It will deal with other-than-tariff trade problems, especially dumping, international patents, and other matters, many of which will absorb our attentions in future international trade efforts.

I have been told that I have become knowledgeable in events that are past, the implication of course being that the knowledge is now useless. I reject this theory. Nowhere is the aphorism "Past is Prologue" more applicable than the just-completed Kennedy negotiations on tariff and trade. The many lessons learned from the wealth of detail of this negotiation will instruct, enlighten, and shape future action. They are the basis for a beginning of a new, more fruitful kind. Coming through years of negotiations concentrated on tariffs is like passing through a high mountain range and emerging to find some remaining foothills to traverse, and to see, a little distance beyond, a lush plain. The plain is lush, but hazy—its outlines dim. We are in the unique position of being able now as we look down over it to shape the economic conditions that will be in force there. The question is, what courses of action should we take?

The Kennedy Round itself holds the seeds of the answer. It made innovations in areas like agriculture, nontariff barriers, and problems of the developing countries that were very meaningful and basic.

In the area of agriculture, I have already identified above what I consider to be the main problem: Government interference. Here, one course of action would seem to be establish more effective international consultative institutions to deal with domestic policies as they affect international trade and impinge on the domestic agriculture policies of other countries.

In the area of nontariff barriers, much work study has to be done. I will simply mention some of the more obvious matters that are considered to be problems: border taxes and export rebates, Government buying regulations, valuation and tariff nomenclature problems. These