conducted by sector because the important participants were both large exporters and large importers, no effort was made to exchange comparable reductions on similar products.

When we decided what products to except from our linear offers, we not only held out those products explicitly reserved by the act but took great care to avoid injury to domestic industries. In making these decisions we had the benefit of the advice of business and labor groups and the expert advice of the Tariff Commission. Thousands of pages of testimony were submitted and analyzed.

But care in making our own offers was not enough to insure reciprocity. In the closing months, indeed even the closing days of the negotiation, when it became clear that some other countries were not able to match the traiff reductions we were prepared to make, we substantially reduced concessions we had offered. And where the economic conditions of domestic industries had changed since our initial offers, we withdrew concessions in order to be sure that the intent of the Trade Expansion Act was fully carried out. For example, in the final few weeks we withdrew 80 percent of our original offer in the steel sector and sharply reduced our offer covering fabricated aluminum products. We drastically scaled down our entire offer on agricultural products and our original offers on cotton textiles and textiles of manmade fibers.

The benefits of these negotiations will reach every person in the United States: the millions of workmen and farmers who produce goods for exports; the port workers and service industries that benefit from trade; industries that use imported materials; and consumers who benefit from lower prices and a wider choice of goods. And the entire economy, we believe, will benefit from the incentive to more efficient production provided by competition.

In the Kennedy round, the United States took its greatest step forward toward the objectives that have been the goal of American commercial policy for three decades—a policy adopted consciously by the Congress and the executive branch under both Democratic and Republican administrations and one in which, of course, this committee has played a leading role. That policy helped to pull us and the world out of the depths of depression and has been pursued by every administration since the first Trade Agreements Act was enacted in 1934. But we cannot afford to relax. If we hesitate in our forward movement toward an orderly trading world we are certain to slip backward. The administration bill you have before you will help to keep us headed in the right direction.

This bill is not designed, however, like the Trade Expansion Act of 1962, to present a complete program for future action. At the direction of the President, the executive branch is studying the whole area of international trading relations so that we can make at a later date overall recommendations concerning our future policy.

Our policy recommendations, when they are made, will reflect the knowledge and the concerns of Congress, business, labor, and professional groups. But in the meantime there are certain steps that cannot wait. These are incorporated in the bill that the President has asked your committee and the Congress to consider.

The bill contains provisions in three basic fields: authority that will permit the United States to continue its participation in the GATT