

Danish export subsidies. But competitive subsidies are not a permanent solution. We have therefore begun intensive discussions in the GATT of the whole poultry problem. We have also made a good start toward reaching an agreed solution to the problem of the rules governing border taxes and are working in a special GATT group on the many problems that remain in other nontariff barriers.

Finally, let me say that the request for tariff negotiating authority in the administration's bill is limited, in part, because of a strong belief that a thorough review of our trade policy is required. For example, new insights into the complex problems of nontariff barriers, of regional bloc trade, of the relationship between American investment abroad and exports, and of the problems of the trade of developing countries are necessary before there can be a major new negotiation. These and other new developments will require an intensive review—both within this Government and in the GATT. Indeed, I believe that this has also been the point of view of the Congress, as evidenced by recent hearings before the Joint Economic Committee, the Senate Finance Committee, and, above all, the hearings beginning here today.

Such a review can lead to new approaches. But the basic objectives of our trade policy should not be in question. That policy—developed with the aid of the Congress, and especially of this committee, has been pursued by every American administration for over 30 years. It is vigorously supported by this one, and it forms, we believe, the essential basis for the continuing expansion of world—and particularly of American trade.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Mr. Ambassador. Mr. Ullman.

Mr. ULLMAN. Thank you, Mr. Chairman. I want to say, Mr. Ambassador and Secretaries, you have made an imposing case, but I am not sure you have addressed yourselves as completely to some of these problems as some of us would want.

I am worried about several things that are happening on the world scene. I have always supported the reciprocal trade program. I think all of us recognize that increased trade throughout the world is absolutely mandatory if we are to continue a free world, a strong free world, but there are new developments on the world scene during recent years that give us great cause for concern.

Sometimes we worry that we are attempting to follow old patterns where the actual situation is changing around the world, and the old formulas don't fit.

I am concerned about the Common Market. It has been said that the whole concept of the Common Market can very well undermine the basis of the reciprocal trade patterns.

Would you address yourself, Ambassador, to the basic issue of the Common Market and the fact that the internal barriers are being broken down within the Common Market? This is bound to have a very strong impact upon the individual countries and their trading situation with the United States; this is bound to replace imports from America by imports from those countries because of those greatly reduced barriers within the market itself.

Ambassador ROTH. Mr. Congressman, I think the point you raise is a valid one. As I indicated in my testimony, the administration felt, really for the very reason that you raise, that it was not appropriate