

interest to U.S. producers were those on canned tomato paste and sauce where the duty was cut by 20 percent and on canned whole tomatoes where the cut reached 30 percent. We reduced the duties slightly on champagne and vermouth, but not on the major still wines.

Tobacco

On tobacco our major negotiation was with the EEC. The EEC agreed to scale down from 28 to 23 percent the ad valorem duty on unmanufactured tobacco and to set the maximum charge at 15 cents a pound instead of 17.2. This will help. Even though U.S. tobacco will have to pay the maximum, it will pay less than it did formerly, which means we'll be on more even terms with our competitors. In return, we cut our duty on oriental cigarette leaf by 10 percent, for the benefit of Greece and Turkey—EEC affiliates. We did not cut duties on cigar tobaccos nor on cigarettes.

When the United Kingdom cuts its Commonwealth preference of 21.5 cents to 17.2 cents, as proposed, our leaf will be more competitive in the British market. The United Kingdom proposal is tied to our removal of the American selling price system of valuation.

Austria, Denmark, and Sweden granted duty-free bindings on tobacco, and Finland cut its duties 50 percent.

We were disappointed in not obtaining tobacco concessions from Australia, which has erected very high trade barriers around its tobacco industry.

Dairy and poultry products

We also hoped for more than we got in the dairy and poultry area. Our biggest disappointment was the continued failure of the EEC countries to give us market access for fresh frozen poultry and to agree to meaningful limits on EEC chicken export subsidies. We did get a 19-percent reduction on canned poultry from the EEC, but exports to that area are small when compared to the market for the frozen product we had up to 1963. This remains a problem for us.

Japan reduced the duty on whole turkeys from 20 to 15 percent.

Our principal concessions in the dairy area were tariff cuts on Swiss and Roquefort, and certain Italian cheeses. These types do not come under the section 22 quota system.

Those are the highlights of the concessions exchanged. I would characterize the net result of the Kennedy Round as "modest liberalization." It will improve our access to markets.

LOOKING AHEAD

American agriculture came to the Kennedy Round in a spirit of expectation. We sought a general lowering of agricultural trade barriers which would give efficient farmers, ours and in other countries, a greater opportunity to sell competitively in the world's expanding markets. We looked on the Kennedy Round as a means of helping world trade in general and our own export drive in particular.

To some extent, our expectations were realized. Considering the problems encountered, we emerged with far better results than we thought possible during some of the darkest days when negotiations almost broke off.