The underlying objective in U.S. agricultural trade policy must continue to be of orienting agricultural trade flows on the basis of efficiency. In other words, those who can produce abundantly, inexpensively, and well should produce and should be leaders in trade.

There will be exceptions, of course. If some countries insist on producing at heavy cost simply because they are so inclined and have the money, we can't prevent them. But we can try in every way we know to show them that they are wrong and where they are wrong.

We should focus our attention on individual products or, at most, product groups, and we should seek to deal in depth with the barriers affecting these so that when we have reached an accord, we have some hope that it will stick. It doesn't help to lop off one barrier only to have another take its place because we have not gotten at the root of the trouble. And I think we should start these explorations among key countries in the very near future.

We must recognize that we have to work with and adapt the support systems which exist to the international economy we want. In the Kennedy Round, the United States supported this kind of pragmatic approach. We wanted to isolate the system in each country and see the full depth and scope of the barrier in its own setting. The EEC, however, supported a different approach. They seemed to want to introduce certain common elements into every country's system, such as international reference prices and variable levies, which characterize their system. This was clearly impossible. With patience and effort, existing systems can possibly be oriented toward freer international trade based on efficiency in production. They cannot be abruptly overturned or replaced, however, to accord with anyone's preconceived plan for market organization.

THE DEVELOPING WORLD

Let's also recognize that the Kennedy Round had more significance for the industrialized nations than it had for the developing countries.

The United States tried hard to make it a more meaningful round for the less developed countries. In agriculture we cut and in many cases eliminated duties on tropical products valued at almost $120 million—products such as Indian cashew nuts, Brazil nuts, Philippine desiccated coconut, and so on. We committed ourselves not to put duties on fresh bananas and other products now duty free amounting to about another $140 million. And we also cut duties on some temperate products—in which the developing countries had a trade interest approaching $70 million. I know of no other area of the world that did as much in this way as the United States.

The legitimate needs of the developing countries can be only partially met through this conventional trade route. President Johnson said last April, at Punta del Este:

> We are ready to explore with other industrialized countries—and with our own people—the possibility of temporary preferential tariff advantages for all developing countries in the markets of all the industrialized countries.

These are ways in which we can help the developing countries to grow—to develop their agricultural economies, for economic growth in Asia, Africa, and Latin America depends to an increasing extent upon agricultural development.