

Agriculture performs several functions in promoting economic growth. It supplies the food required by urban populations, otherwise precious foreign exchange must be used for food imports. It must generate some of the raw materials for industry, earn foreign exchange, and make labor available for industrial construction and expansion. Agriculture also must provide part of the capital accumulation needed for further growth, as well as being a market for such industrial products as fertilizer, farm machinery, and a broad variety of manufactured consumers' goods. To the extent that a country's foreign agriculture promotes general economic growth, to that extent, it creates a basis for commercial trade.

U.S. help with this agricultural development goes far beyond just being a good market. We are spending hundreds of millions of dollars to finance the transfer of American farming techniques; improvement of transportation, marketing, and irrigation facilities; establishment of extension service, cooperatives, credit systems; purchases of American-made farm equipment, pesticides, and fertilizer; and research on soils and seeds.

For many years the United States has been loaning know-how through the Agency for International Development and its predecessor agencies, and through programs operated by State universities and private consulting organizations. More recently these programs have been broadened to include the Department of Agriculture, through establishment of an International Development Service, which is financed by and works closely with AID.

We have furnished over \$18 billion worth of food aid since 1954. We insist now that this aid be accompanied by a major self-help effort on the part of the countries receiving it. We also are insisting these days that other countries help us carry a part of the burden, through the India aid consortium, world food program, and other multinational aid efforts.

Altogether, progress is being made in meeting the world's food problem. And progress is being made almost everywhere in the vital area of economic development.

IN CONCLUSION

American agriculture has immense influence in world affairs. This influence will grow as both populations and per capita incomes of the world's people rise and strengthen demand for the food and fiber we can produce with such efficiency.

But trade, ultimately, is the conduit through which the bounty that is ours can reach foreign consumers. Fundamental to that trade is the extent to which the world's people allow comparative advantage to function. That's why the solution of trade problems is so important. The Kennedy Round resolved only some of agriculture's trade problems. Many remain. But I think the Kennedy Round did help clarify the thinking of our own participants and of our trading partners. It gave us new insight and perspective as we try again; and we must try again and keep trying. Only as trade in food and agricultural products is allowed to flow in a relatively unrestricted manner will the world's people share, as they should, in all the good things that our modern science and technology can make available.