markets for these products have been eroded by the development of synthetics. For the developing countries dependent on these products the central objective must be to increase the efficiency of their production and marketing so as to meet the competition of synthetic substitutes on a price and quality basis.

There is, however, a wide range of temperate agricultural products in which the poor countries face an array of protective tariff and quota barriers that limit their access to the markets of the rich countries, and of subsidized exports from the rich countries that compete against them in third markets.

The developing countries are pressing for trade liberalization in these products. The prospects for substantial liberalization are not good. In virtually all developed countries, domestic agriculture is insulated in varying degrees from the free play of demand and supply by high price supports, direct subsidies, and import controls. The average income of the farm sector in the rich countries tends to be below that of other sectors in their economies, and the array of protective measures is intended to maintain and increase the income of this sector as a matter of equity.

The developing countries do not challenge the desirability of maintaining farm incomes in the advanced countries but they ask that measures to protect such incomes not be applied in ways that stimulate excessive production. Thus they urge that in lieu of high price supports, farmers' incomes be maintained by direct payments that do not inhibit consumption or unduly stimulate production.

We have recognized that agricultural support policies can have restrictive and disruptive effects on international trade. In the case of cotton, wheat, and feed grains, we have shifted from high price supports to direct payments and we have made our farm payments contingent on producers' cooperation with acreage control. Where surpluses have developed, we have stored them rather than dump them, or made them available on concessional terms to improve the diet and assist the development of low-income countries unable to purchase food on commercial terms. And we have taken precautions to insure that these food aid programs do not interfere with the normal pattern of international trade.

The developing countries have also asked the rich importing countries so to manage their farm economies as to give them a share in their markets and a share in the growth of these markets.

While existing U.S. legislation restricts sugar imports, we have set aside 35 to 40 percent of U.S. sugar requirements for imports. And in the case of meats, the present law permits imports equal to about 5 percent of domestic production before quotas would come into play.

The developing countries have urged the rich countries to assist their farmers by some form of adjustment assistance, of the kind applicable in industry, rather than through protective devices. We are to a considerable extent using a form of adjustment assistance in the farm sector. Thus we are helping marginal farmers to move out of agricultural through our cropland adjustment program and through training programs to enable them to develop skills in industrial employment.