

there are others in which the trade barrier effect is incidental to the pursuit of some other objective perhaps. Such a matter as health or safety. We are now seeing international discussions about the automobile safety arrangements which have to be adopted in this country, because they cause problems for foreign producers.

Price rules, and domestic business practice arrangements, all begin to come into the picture. And so all manner of things are drawn into what used to be simple trade negotiations about tariffs and quotas. Not the least of the problems are those surrounding border taxes which raise very complex issues and which are now, I think, only beginning to be properly analyzed.

All this need for getting into new, more complex fields has been the result of success in removing the traditional barriers to trade. And oddly, in a field where there has been much less success, perhaps even retrogression, that is, in agriculture, I find that a somewhat similar conclusion is indicated.

Far more clearly than before we are now made to see that a large part of the structure of trade barriers in agriculture, ours as well as those of the rest of the world, derive from domestic agricultural policies. And therefore, if we want to do something about these barriers, I think we have to be willing to talk internationally about the policies themselves, about such matters as prices, production controls, surplus disposal. There was a start on that in the Kennedy Round, but it failed to come to a successful conclusion, in my opinion, with the exception of the partial success in the grains agreement on surplus disposal.

Now, I do not suggest that it is easy for us or for any other country to undertake this kind of a negotiation, to talk internationally about things which are already difficult domestically. We may not be willing or able, or others may not be, to carry on the negotiations on that basis. In that case it looks as if we must accept the fact that we are facing an impasse of the sort that we have lived with for 20 years or more, but with the important difference that our exports, American exports, will be more seriously affected this time than in the past.

Once again, the problem I mentioned in regard to nontariff barriers arises. For in spite of the logic of treating agriculture separately, that may not work because it is not of equal importance as a trade matter to every country.

With regard to trade with less-developed countries, I think I shall leave the intricacies to others, with perhaps one comment. There is something of a paradox here. It seems to me that more novel ideas are being discussed with regard to LDC trade, in such matters as preferences and commodity agreements than in the other fields where I have said we need new approaches. And yet, in my opinion, some of this discussion of novelties conceals a very old-fashioned and simple problem. And that is the willingness of the developed countries to accept competition from the less-developed ones. If they are not willing to do that, then I think that any of the array of devices that are being talked about will turn out to be rather disappointing to all concerned. However, I do not exclude the possibility that precisely through the discussion of such matters as preferences—which in my opinion should have been treated as the second question, not the first—we might arrive at the basic issue. That is to say, preferences may prove to be the road to providing freer access.