It is out of the need for orderly trade that the General Agreement on Tariffs and Trade was established and that the United States Congress has enacted the Trade Expansion Act and further simplified customs procedures.

It is due to the need for even greater economic cooperation that we in Farmers Union have supported a well-defined world food policy, additional international commodity agreements on the order of those in effect for sugar, wheat and coffee.

We in Farmers Union want the United States to follow intelligent, enlightened and humanitarian foreign economic policies. But we do not want to see the total cost of such policies loaded upon farmers' already sore backs, or for that matter on the backs of coal miners or any other small group of the labor force.

In the case of both exports and imports, programs and policies should be established as they have been in the case of International Wheat Agreement and the Sugar Act, to spread the costs to all the people instead of putting all of them directly on the small number of producers concerned.

Certainly present is the challenge to North American agriculture from the developing common market or Western Europe which suggests that we proceed with initiative and good will but at the same time mindful of several underlying principles which would guide us.

(1) As a general principle, we in Farmers Union urge that no United States farmer (or other producer), whom we expect to remain in production, to produce for export or to meet the competition of imports, at any price less than full parity.

(2) There are probably some industries in which the entire need and demand can be met continuously and safely through complete dependence on imports. In such cases, we urge that these injured domestic industries be helped to make adjustments by means other than excluding exports, such as through conversion to other lines, extension of unemployment insurance, assistance in retraining workers, and outright purchase, where required. We know of no domestically produced agricultural commodity to which this applies.

(3) Program and policies affecting agricultural imports and exports should be designed to provide full parity returns to domestic producers in ways that will be consistent with minimum hindrance to international trade and economic operation, and preferably by methods that will spread the costs to all people in accordance with ability to pay, rather than through increased retail prices to consumers.

To be more specific: Notwithstanding any other provision of law, whenever a reduction in import duties will result in decreasing income and employment in a domestic industry or result in reducing prices received by farmers so that such prices reflect less than 100 percent of parity, we urge that the President be authorized and directed to instruct the Secretary of Agriculture to initiate and put into operation a domestic farm price support program for the affected agricultural commodities through compensatory payments in combination with other means of price support at a level reflecting 100 percent of parity.

We need to realize that the European Common Market is a reality. It would seem reasonable that the inevitable should be approached with a creative vigor. We should not wait for time and events to drag us in, but move in at the greatest point of advantage.

Therefore, we believe that it is in the interest of the American farm economy to enter with domestic price patterns which enable farmers a fair economic return and, at the same time, enable transitions to proceed on an equitable basis.

Since World War II, we have known that an Economic Union of the Free World Community, whether we like it or not, is inevitable. It is high time that we move toward greater economic cooperation with other nations of the free world in ways that provide fair returns to family farmers.

Differences in agricultural policies, cost of production, inflationary pressures, investment in farming and custom and tradition are all factors that must be considered in trying to arrive at some common trade policy. The European Economic Community, for example, has not fully resolved those differences between member countries and this continues to be a most perplexing problem. It was a major roadblock to present negotiations in the Kennedy Round.

*Every major agricultural producing nation in the world which has a democratic government responsible to its primary producers has developed programs and policies designed to increase the bargaining power of such producers in the market place. We find this true in farming, fisheries and lumber.* International agreements, therefore, continue to be proposed by the United States as instruments through which to expand trade to the benefit of both importing and exporting nations.