

Second, restraint in pursuing export programs is also needed. Market promotion in developed countries if inappropriately handled can lead to inconsistencies to serious consequences for competing countries as well in those countries whose market is at stake. Market promotion further often leads to forceful representation of commodity interests in international discussions and often does little to sell more farm products; rather it contributes to tensions which make international negotiations difficult.

This is not to say that all efforts at expanding foreign outlets should be avoided, e.g., those that inform and attempt to discover market requirements. Market expansion based on economic forces should be welcome as should expansion based on overall and mutually acceptable reduction in trade barriers both on industrial and agricultural products. Trade expansion through vigorous pressures for reduction of barriers on specific commodities sometimes contrary to the welfare of an always smaller country or through special commodity arrangements are more questionable.

The pursuit of reduced interference with trade among advanced countries must continue to represent an important part of our international policy. Meaningful negotiation, however, normally requires that each country to the negotiation have something to gain from agreement or to lose if it fails to bargain. Meaningful reciprocity therefore must be sought or by implication some parties to the bargain must be willing to forego full reciprocity. Given the conditions in agricultural production, with wide disparities in production costs among countries plus our own willingness to place commodities on world markets below production cost it is not surprising that major agricultural price concessions were not achieved in the Kennedy Round.

Progress in the future will depend on the reciprocal willingness of both exporters and importers to reduce protection of domestic agriculture and this in turn depends on accelerating the process of change in countries with an inefficient agriculture and in adjusting the level of total resources in agriculture to fit the needs of domestic and world markets. While immediate and sharp reductions in agricultural trade barriers among advanced countries are probably not feasible meaningful improvement should be possible through time. As suggested recently:

"Considerable gains could be achieved by adopting changes in agriculture and food policies that over a period of years will permit expansion to occur most rapidly in areas with the greatest comparative advantage. Policies should be implemented in such a way that they encourage desirable international specialization and should not seek to maintain traditional commodity relations where this interferes with shifts in line with comparative advantage. With reduction in artificial stimuli for all high cost production, wherever it exists, the general balance of international resource use would be gradually improved. This allocation must be secured within the framework of total resource commitment that is in line with potential rates of expansion of domestic and world markets and the potential rates of diffusion of economic growth among regions and areas."³²

The second major issue among advanced countries is achieving the basis for cooperation in meeting the trade and aid needs of developing

³² OECD, "Agriculture and Economic Growth," op. cit.