In the trade-policy community, we—and they—gave up the search for a compromise some time ago. A code of second-class citizenship was drawn up and formally adopted as Part IV of the basic GATT rules. We talk—at the UNCTAD, the GATT, the ECOSOC, and elsewhere—but it is an open secret that nothing substantial is expected to come of it very soon, either for trade or development.

Meanwhile, in other channels, we go on quite determinedly with aid and also with trade. Development and trade are sometimes discussed in quantitative, realistic relation to one another.

The deliberating approach would give an open, multilateral framework for that kind of discussion. There would be legal equality. Both the industrial countries and the less-developed would discuss and explain the trade effects of their own policies. National objectives would not be challenged. In the questioning and analyzing, the slow process of reciprocal "north-south" understanding and identification would be publicly advanced.

The interrelation of ideas and policy is such that, for the industrial countries to take a dynamic, purposive policy attitude toward the trade of the less-developed countries, they must first have a mature attitude regarding their own trade relationships. The dozen-odd separate industrial governments in the private-ownership world must first recognize, publicly and institutionally, that the trade flows among themselves trace arteries internal to a growing production organism which they are fated to govern cooperatively. They will then see a new urgency for extending the industrial process rapidly into the less-industrialized population masses—radical though the necessary measures might be.

And this might work both ways. The less-developed countries might then be able to accept publicly that their own major advances are associated with advances in the industrial countries—that economic discrepancies are decreased by a mutually beneficial production process, not by closing "gaps" as such.

Industrialization in the less-developed countries in our time calls for multiplying the total world production plant many times—and varying and adapting it at the same time. Cooperative involvement in purposive public discussion of specific problems of the trade which unites us progressively as development succeeds would bring a kinetic faith in success—that the gains will be worth the costs.

b. Agricultural Policy

Because of world surpluses of important field crops, most governments by 1934 interfered regularly in their domestic markets in order to support crop-producers' incomes; hence, they could not be expected to free trade to let normal market forces reduce those incomes. As early as January 1938, the late Leslie A. Wheeler had the Department of Agriculture put out annual surveys of agricultural policies throughout the world in order that our trade policy could be based on knowledge of the trade-barrier facts. In planning and negotiating the GATT, therefore, we were able to reach understanding on a synthesis of the two policy fields.

Essentially, the GATT understanding was that, where governments intervene to support domestic producers' incomes for a commodity in surplus due to special market inadequacies, those governments must treat international trade in the commodity fairly—judged by trade in previous representative periods and by changes in comparative international advantage. Where differences arise as to what is fair in a specific case, the interested governments must consult with one another and seek agreement. Government action maintained pursuant to such an agreement is given a general exemption from the GATT trade-barrier-reduction rules.

When post-war surpluses began to appear with the recovery of foreign production, the solution agreed upon in the GATT was contested and often ignored. By the time of the Kennedy Round, however, there had been a gradual—although perhaps reluctant—return to it.

The deliberating approach would reinforce the GATT solution by making its application the subject of public, factual, international examination. It would underline the different needs of different commodities as part of a normal continuum of trade problems rather than treating them all together as a publicly perplexing trade-policy dilemma.

A major source of difference lies in cost structures. There is a large land-rent component in field-crop costs. This and other fixed costs militate toward cutthroat