perts' plan outlined above except that the participants would be confined to the countries of Latin America and the United States.[10] Fluctuations in Latin American exports, however, are not confined to their exports to the United States. Nevertheless, the United States would be participating in a program which would compensate for total fluctuations in Latin American exports. Thus, a regional scheme, which includes only one major industrial country, would appear to raise serious difficulties as compared with one which included all or most of the countries of the free world.

E. PRIMARY COMMODITIES AND UNITED STATES AND WESTERN EUROPEAN COMMERCIAL POLICIES

The United States employs tariffs or quotas as a means of restricting imports of a number of primary products which are produced in the United States and, in the case of certain agricultural commodities, has adopted export subsidies for commodities exported in competition with the exports of primary producing countries. Protection to domestic producers or subsidies to exports are employed in the case of several agricultural commodities, including grains, cotton, wool, tobacco, and meats, and, in the case of minerals such as copper, lead, zinc, and petroleum. On the other hand, most primary products not produced domestically, including bananas, coffee, and cocoa, are on the free list. Although U.S. import restrictions and export subsidies undoubtedly reduce significantly the export markets of primary producing countries, it is almost impossible to quantify the effect of their elimination. For example, quotas on imports of minerals and petroleums reduce the quantity of exports to the United States, but they also maintain export prices at a somewhat higher level than would otherwise be the case. In the case of our export subsidies for certain agricultural products, their elimination might be accompanied by the removal of production and marketing controls in the United States with the result that, in the long run, U.S. exports of cotton and what might be larger and world prices lower than they are at the present time. In addition, U.S. noncommercial export programs, such as Public Law 480 sales, are highly advantageous to most developing countries that are recipients of such products, while at the same time minor damage may be done to foreign exporters of competing products. In citing these complications, however, we do not wish to give the impression that the elimination of tariffs and quotas on imports of primary products into the United States would not expand substantially the export earnings of other countries. For example, a recent study published by the National Planning Association has indicated that the elimination of U.S. import restrictions would result in increased sales of $850 million to $1.7 billion annually by Latin America alone.[11]

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[10] "Latin American Export Commodities: Market Problems," report of the group of experts on topic III of the agenda of the special meeting of the Inter-American Economic and Social Council, OAS Official Records, OEA/Ser. H/X.1, Pan American Union, Washington, August 1961, 46 pages.

[11] Louis O. Delwart, "The Future of Latin American Exports to the United States: 1965 and 1970," National Planning Association, Washington, 1960, p. 99, table 17.