are frequently the high income primary producers, not the less developed countries. Some less developed countries, exporters of cotton, tobacco, and sugar, for example, would benefit directly from an easing of these restrictions.

The indirect benefits of an increase of the exports of even the high income primary producers are frequently overlooked. With larger exports these countries will import more, partly from industrial countries, but also partly from the less developed countries. Industrial and less developed countries alike, upon expansion of their exports, will import more from still other industrial and less developed countries. Thus, there will be a series of rounds of trade expansion, generated initially by the increase in exports of high income primary producing countries. The indirect effects eventually dwindle away, but not until they have lifted trade generally, including exports of less developed countries, to a higher plateau.

In addition to the tariffs an internal tax is levied on some agricultural products not produced domestically in Western Europe. For example, France has an import duty on coffee and tea as well as fiscal charges which are even higher. Tobacco and cocoa are usually subjected to very high fiscal charges. The purpose is to raise revenue. The effect is to reduce demand and exclude imports. An elimination of these duties and charges which do not protect domestic interests, would permit a substantial expansion of consumption imports of these products. The lost revenue could be made up through general taxation.

The United States, through a price support mechanism, heavily subsidizes some of its agricultural sector. One result has been to accumulate such products as wheat and cotton on a large scale. These products are marketed at world prices but under favorable terms which represent a real concession to the buyer. There are at least three effects of such transactions. U.S. domestic production and exports are maintained at a level above that which would be justified by the market. Competing sellers of these products export less of these products because of U.S. behavior and some have complained bitterly. In many cases the competing exporters have been high income primary producing, rather than less developed countries. Less developed countries however, have benefited substantially through the favorable terms on which the products have been made available.

A general liberalization of trade restrictions by industrial countries in agricultural products would certainly result in some improvements for less developed countries. The incidence would be varied with some benefiting little, others a great deal. Gains would be experienced by high income primary producers, and indirect benefits would raise all exports, including those of less developed countries. Direct benefits to less developed countries from an elimination of nonprotective duties and internal charges would be substantial. Elimination of quota restrictions would also aid less developed countries significantly.

2. Mineral policies

The minerals industries of Western Europe are not adequate to satisfy their own consumption requirements. Even in the United States, which is generally well endowed in minerals, the domestic industry no longer suffices to meet the domestic requirements and the