

Mr. ROTH. They had developed a formula which we said would be acceptable to determine access, based upon the so-called self-sufficiency ratio, that is the ratio of production to consumption. In this base period we felt that domestic production should be around 85 to 86 percent of total consumption. Their last offer was considerably in excess of that. In other words, what they wanted was a level for imports which would give their own producers some possibility of growth. The EEC was insistent on this, and the British were insistent on it. That was one part of the problem.

The second part of the problem—

Senator MILLER. May I ask you before you leave that part of the problem, what was wrong about that from our standpoint?

Mr. ROTH. From our standpoint, in an agreement that lasted at the most for 3 years, we felt that at no time during that period would the access formula actually come into effect and that their formula allowed their own producers too much room to grow. And it wasn't worthwhile paying for this, as we felt that in the feed grain area our exports to the Community, which is more and more a meat consuming area, will grow.

Senator MILLER. But may I ask, the way it came out, haven't we given them just as much if not more room to grow?

Mr. ROTH. But we are not paying for it.

I will come back to this, but may I go on to some other aspects of this problem?

Senator MILLER. Yes.

Mr. ROTH. In order to have an access formula that really works, at a point you get almost into a rigid sharing of markets when the formula comes into effect. We found domestic resistance to this concept. We also felt that a complicated formula such as the self-sufficiency formula would be very difficult to explain. It would be very difficult in particular to explain why we paid something that wouldn't really give us what we thought we were getting. It was much simpler to get a minimum price that would set a higher base than present world wheat prices, and secondly, to get some help in food aid which would do two things: one, take part of the burden, which we have carried alone off our shoulders; and secondly, take a certain amount of wheat off the commercial market.

There is one other aspect of this. The Community and the British—but the Community in particular—said that if you want a minimum price for wheat you should also accept one for feed grain. We couldn't accept that, because the way our trade goes in feed grains we have to have price inflexibility, and because we didn't feel Congress would accept this. But we were caught in this position, saying we wanted a minimum price on wheat but not on feed grains.

So basically what we did in the final weeks was to negotiate an agreement that relates just to wheat. In feed grains, as I said, we feel that we have an expanding market. And this access formula was not that important.

Senator MILLER. On this 1 million tons of food aid, which was one of the trade offers, do I understand that this 1 million tons of food aid from the Common Market countries represents a net increase of 1 million tons of food aid over and above what they have now been supplying?