to Canada. In this whole area we go to free trade. So I think in both agriculture and industry—machinery parts is another area—we will have an expansion of trade with Canada that could be fairly major.

The big disappointment—to talk about the negative as well as the positive—the biggest disappointment in terms of what we got from the European Community was their failure to make substantial cuts in the area of advancing technology, such as business machines. In steel, aluminum, and textiles, none of the countries made very substantial cuts. But in most other areas of industry, I think we have the opportunity for substantial increases in exports.

Representative REUSS. Without anticipating the detailed studies which you are now in the course of making, pick off some other bright spots. You have said electrical production machinery for Canada is down from 22½ to 15. Obviously that is all good. What are some of the other bright spots that can bring smiles to some of our American exporters?

Mr. ROTH. May I perhaps go to another question and look up some of these major areas?

Chemicals, for instance, would be one, particularly if Congress passed the American Selling Price.

Representative REUSS. Perhaps you and your associates could file at this point in the record a fuller detailed listing. I think that might be very good.

Mr. ROTH. I would be glad to.

(The list requested was subsequently filed for the record and appears beginning p. 50.)

Representative REUSS. I have one question addressed to Mr. Ioanes.

In Mr. Schnittker's statement he said, as a general principle of world agricultural trade, that those who can produce abundantly, inexpensively and well should produce and should be leaders in trade. How does that excellent precept apply to world production of sugar and particularly tropical sugar? Is that the way we are doing things in this commodity?

Mr. IOANES. It doesn't fit in exactly. The most efficient producers of sugar in the world are centered primarily in Latin America. And the United States has for some time under legislation provided, as you know, for a division of the market between home producers and importers, and has shown preference in this area. Our costs of production are higher than in most parts of the world. So to that extent there may be some clash between the principle and the acts we do.

Now, for this to really work we must take the major developed countries of the world and sell this principle. In other words, it will be impossible to sell the concept of reduced production, greater imports of a commodity like sugar, to the United States unless the other major consuming and relatively less efficient producers are also prepared to reduce their protection.

Representative REUSS. German and French beet sugar, for example, is uneconomic.

Mr. IOANES. There is no question about this. Their costs are higher than ours. And the Community is not only moving to a position of self-sufficiency in sugar beets, they are probably moving to an export position. So if this principle became one that an area like the EEC would observe, we would have to anticipate their moving in another direction, moving away from self-sufficiency.