

And this is perhaps one of the more important developments that it might be possible to tackle if we could reach the point of an international discussion of the sugar situation. This hasn't been possible so far, for two reasons, as spelled out in our paper. One, Cuba has not been willing to consider a realistic export quota which would have to be part of any plan. And, secondly, some of the industrialized countries, particularly the EEC, are not yet willing to consider the possibility of limiting their own expansion of production.

Representative REUSS. Cuba's position, of course, I would judge, resulted not only from its sugar production potential, but from its international political position. Do you need Cuba to work out an international sugar agreement? I don't see why. If Cuba wants to be a dog in the manger on sugar, I don't see why she couldn't be hermetically sealed from the non-dog-in-the-manger world.

Mr. GREENWALD. I don't pretend to be a sugar expert. I will try to answer that, subject to correction by the people who have followed sugar in much greater detail than I have. But my impression is that it would be hard to isolate as large a producer as Cuba from the international market and from an international marketing agreement, if that is what you contemplate. It is not just the question of Cuba's direct exports on the world market, but she also has a long-term contract with the Soviet Union. What this means is that you would have to isolate the Soviet Union, too, because what the Soviet Union has apparently been doing is exporting some of the sugar. It is not clear whether it is a direct reexport of the Cuban sugar that she had to take under a long-term arrangement, or whether she is using the Cuban sugar domestically and then exporting her own beet production. But these two elements would make it extremely difficult to try to reach an agreement without their accepting commitments under the arrangement.

Representative REUSS. You say the settlements. Is the other settlement the EEC's present production policy?

Mr. GREENWALD. Well, certainly the anticipated production—what they have been talking about in terms of their targets for production. The common agricultural policy as it applies to sugar, will apparently lead to substantial increases in production within the Community.

Representative REUSS. We have not been as high level in our deprecating the EEC's sugar outrages as we have been in, let us say, the President's excellent Punta del Este observations on trade preferences or LDC manufactured goods; have we?

Mr. GREENWALD. If you mean has the President made a statement on EEC sugar policy, the answer is "No".

Representative REUSS. Who has deprecated that, and at what level?

Mr. GREENWALD. I don't know that it has been formally the subject of a deprecatory official statement by the U.S. Government. The way it really came out—and it wouldn't have come out, I guess, in formal public statements—is that the Secretary General of the UNCTAD, Dr. Prebisch, proposed that there be a standstill on production among the industrialized countries. The U.S. response was a positive one. We thought this was perhaps one way—an intermediate way—to deal with the sugar problem. But it hasn't been possible to achieve agree-