is putting up a million tons of food aid, and this will subtract from the Common Market food supply, and therefore give us a better opportunity for exports. But only 2 or 3 days ago there was an article in the New York Times indicating that the Common Market had decided to increase their support prices for domestic produced grains, and the forecast was that they would substantially increase their production. So, I question whether this will, in fact, subtract from their market.

Mr. WITT. Senator Miller, the question here is: What are we comparing? Is this new price policy a direct consequence of the Kennedy Round negotiation, or would it have come anyway? Which shall be the basis for comparison? But more important, the food that we are discussing is in part denatured and fed to livestock, from France in particular, as reduced internal barriers facilitate flows into other parts of the European Common Market And a certain amount has been subsidized and exported into other parts of the world. Since Europe produces much soft wheat, it is not possible to use it all, and it has been necessary to import high protein wheat to prepare the kind of flour that is needed.

Now in the present situation, with this new agreement we substract a million tons, to be distributed through something like a food-for-progress program on some kind of basis to the developing countries. It is not in Europe to feed to livestock, and it is not there to mix in with the other wheat, and produce flours for the population.

However, if there is in the present or future a deliberate policy on the part of the European countries to increase their food production and their wheat production so as to provide this extra wheat which they are committed to providing for distribution to the rest of the world, to that extent, of course, it is contrary to what I am suggesting here.

If you will permit me, Mr. Chairman, I will be glad to extend my remarks on this matter in a subsequent submission for the record.

Chairman BOGGS. Without objection, you have permission.

(Material subsequently filed by Professor Witt appears below:)

MICHIGAN STATE UNIVERSITY,
East Lansing, Mich., July 24, 1967.

Hon. HALE BOGGS,
Joint Economic Committee, Congress of the United States,
Washington, D.C.

DEAR MR. BOGGS: This letter is a further response to Senator Miller's question at the Hearings last Wednesday, and represents a request to respond to your invitation to extend our remarks.

Professor Sorenson, who worked with me in preparing the study paper, provided me with the enclosed statement on the questions posed by Senator Miller, namely: will the price changes by the EEC lead to a net increase in grains production? You will note from 8 that no net increase is anticipated, but that some shifts in trade may occur This could mean a smaller rate of increase in North American exports to the EEC but greater opportunity elsewhere.

Very truly yours,

LAWRENCE W. WITT.

EXTENSION OF REMARKS OF LAWRENCE W. WITT

The following statement dated June 27, 1967 prepared by George E. Rossmiller is added to comment further on the questions raised by Senator Miller. It is based on research materials developed in a Michigan State University-U.S. Department of Agriculture Project on the EEC, under the direction of Vernon Sorenson and Dale E. Hathaway.