

Mr. WITT. Senator Javits, we have some experience with the predecessors of the commodity agreements, and with a number of commodity agreements. And out of this history most people who examine it decide that the consuming nations, exporting nations, both should be involved, at least if it is an important product. And in this respect I part company with what Mr. Pincus said in his testimony about letting the tea countries get together and exploit Great Britain's tea consumption to the extent that they can. Our experience with the existing commodity agreements on the whole is not very satisfactory. It has solved some short run problems. We find that many people still look at commodity agreements as having potential, whereas they look at exactly the same principle applied in domestic agriculture by the United States and a number of other countries as failures; yet they want to use international commodity agreements on an international basis with much less control of production, over the flow of the commodities. We become very sophisticated on many of the difficulties of wheat programs, corn programs, cotton programs, tobacco programs in the United States. And yet suggest that perhaps international commodity agreements can solve similar surplus problems on the international level. In fact, it is extremely difficult for a less-developed country to go as far as we have been able to go in having some control over production. If a commodity agreement is going to be effective, it means that you must have some influence on both the supply and the demand of the commodity. If you fail to control the supply, you create stocks, you create the necessity for some secondary disposal programs, or the agreement eventually will break down. An effective commodity agreement calls for a good deal more sophistication in management than is feasible in many cases.

So, I think that many people's hopes for these programs are simply not borne out by the practicability of actual operations, except as a short-term solution to a particular problem of price instability under unusual circumstances.

Senator JAVITS. Any other comments?

Professor Cooper?

Mr. COOPER. I would just like to comment briefly on your question about UNCTAD.

I believe that the United States should not feel that it has to go to UNCTAD with a proposal giving preferences. I know there is a feeling that when there is a big international conference, the United States traditionally is expected to take the initiative in those areas, and very often does. I also feel that UNCTAD has been a very useful organization for bringing into public focus many of the problems of the less-developed countries. But I do not think that we should be dragooned for so-called political reasons into policies that we think are not sensible. The political gains, that is, the psychological gains, the Brownie points that we get from such proposals, will be very short lived. We are not going to make friends forever by coming forward with preference proposals in UNCTAD. If it doesn't make sense on its merits or it isn't in our long-term interests, it seems to me we should not feel obliged to put forward some kind of preference arrangement merely in order to appear forthcoming in an international conference.