

nology becomes more widely distributed. Also, an expansion in the membership of the EEC may lead to changes in the patterns of commodity movement among the countries included and excluded. Countries like the United States will face both export and import problems, if such changes in membership occur, as we and other nations adjust to new market conditions.

H. The rapid growth in population and some increases in income in the less-developed countries lead to high rates of increase in the domestic demand for food in the less-developed nations. Despite substantial increases in agricultural production, many of these countries have required concessional imports from the United States. The evidence indicates a continued basis for a food aid program for the next decade, at least. A substantial program of family planning can influence the need for a food aid program after 1980, but the potential heavy consumers of concessional food aid during the 1970's are already born. Without population control, the "need" for food aid will increase continuously. With U.S. surplus stocks reduced, coupled with the recent expansion in commercial exports, future commitments for concessional shipments will need to be considered more carefully in relation to current production.

I. The relation of trade and domestic interests is becoming ever more comprehensive and interrelated. The United States has a complex pattern of interests in agricultural trade. This interest includes but goes far beyond the economic interest in a large volume of exports. It includes trade from developing countries as a partial substitute for foreign aid. It includes the support which growth in trade can make to improved economic welfare of people around the world. It includes the economic welfare of U.S. farmers and marketing agencies who produce and distribute for the export market. It includes the simple humanitarian interest in making bread, rice, and better nutrition more possible than before. These and more are elements of the broad U.S. interest in agricultural trade.

J. These interests continue to present the United States with major challenges and opportunities for policy leadership. Our efforts should seek to increase the competitive structure of world markets and at the same time encourage cooperation among nations in dealing with food aid and the trading problems of less developed countries. Exploration of appropriate policies and possibilities for coordinated international action needs to continue on such important issues as: (1) Methods of reducing the conflict between domestic agricultural policy and international trade policy, (2) provision and financing of all aid including food aid, (3) preferential trading relations and reduction of barriers on imports from developing countries, (4) financial arrangements and marketing aids to permit expanded trade and improved export possibilities for developing countries, and (5) the purpose and role of international commodity arrangements in future improvement of international agricultural markets.

The bases for the above statements are elaborated and discussed in the following report. We deal first with the agricultural trade patterns, next with certain pervasive problems relevant to agricultural commodities, then with trade problems and policies among the developed, and the less-developed nations. We close with some comments on the U.S. interests in agricultural trade in the short run and long.