nomic growth. Exports of agricultural products from developing countries as a means of earning foreign exchange are important. The imports of agricultural products as a vehicle of development are of consequence, but easily overemphasized by the nation providing such products on a concessional basis. The importance of farm products in the export trade of developing nations makes them the object of significant political and policy discussions.

(3) International transfers of agricultural products have on various occasions in recent years played a special role in relief and welfare.

We will discuss these three criteria from at least two points of view in various parts of this paper. First, empirical data will be presented to indicate changes in the specific content of these criteria, be they technological advances, exports and foreign exchange earnings, or unilateral transfers, such as the food for peace program. Second, suggestions will be made on the values (objectives) implied by these criteria, and the extent to which the U.S. interests coincide with those of other nations, or of groups within them.

The major concern in this paper is agricultural primary products, but some of the data presented will include partially processed farm products. Some attention will be given to the development of synthetic materials which may substitute for agricultural primary products; also, the trade discrimination against processed raw materials will be discussed. We turn first to a discussion of trade patterns.

II. Present Patterns of Agricultural Trade

The value of agricultural primary products constituted 31 percent of total world trade for 1959–61.[1] Processed agricultural products would add another 1 to 2 percent to this figure. For the developing regions the proportions were: Latin America 57 percent, Middle East 22 percent (but 78 percent if oil exports were excluded), Asia and the Far East 64 percent, and 58 percent for Africa. For the developed nations, including those centrally planned, agricultural primary products represented 25 percent of their total exports (table 1). For the United States, agricultural exports were 23 percent of total exports in 1965 and 1966.

Going behind the trade figures, the reliance on agriculture in the developing nations is reemphasized. Agriculture typically represents 40–55 percent of the national product, and provides the main source of livelihood for 50–75 percent of the population. In contrast, in the developed countries 10–20 percent of the national product is derived from agriculture, with a similar small percent of the population deriving their livelihood therefrom. Despite these small percentages, there are regions within the developed countries in which the role of agriculture is fully as dominant as in typical developing nations.

The expansion of agricultural trade has lagged behind the growth in total trade, as indicated by the FAO statement:

"During the past decade international trade in agricultural primary products was characterized by a relatively slow growth of volume, falling unit values and terms of trade, and consequently a slower

[1] FAO Commodity Review 1964, special supplement: "Trade in Agricultural Commodities in the United Nations Development Decade," vol. 1. p. I–4.