them from being used as "engines of growth" and as the sources of rapidly expanding foreign exchange earnings that developing countries need if they are to purchase development tools and provide their people with the commodities needed for an improved level of living.

In both developed and developing nations, groups of producers, marketing, transportation, and export firms have developed production and distribution facilities geared to the continued export of certain commodities. They compete in world markets with other exporters, and in many cases with domestic producers in the importing nation. They seek policies which will enhance their ability to compete, and protest against measures which make exportation more difficult. Very frequently they are fairly specialized producers of the product or marketing services; alternatives are significantly less remunerative to the resources involved, and may require substantial costly and time consuming readjustments. Not infrequently their political influence is substantially based upon a variety of social, political, and economic strengths. In many cases a significant concentration occurs in a geographical area, so that an entire community, perhaps an entire state, perceives that its welfare is intimately related to a continued export flow. Thus, both leadership and a significant fraction of an electorate perceive their economic and political interests in common and seek to impose certain policies.

At the national level the perception of national problems may take on similar views, but with differences. Exports earn foreign exchange which translates to income for the producers and processors, but represents a source of development tools, imported consumer goods, and a base for international loans in the view of national policymakers. Or, expanded farm exports can help redress an adverse balance of payments and strengthen a nation's international financial position. Few nations are able to long ignore the problems of its exporters.

Developing nations, as indicated in the previous section, seek measures which counter instability and raise the level of prices received. Individually, they adopt devices which artificially enhance their competitive position (or offset discrimination imposed by importers). These devices include such items as favorable exchange rates for some or all exports, tied international sales and purchases, and the sale by semi-official agencies at losses for a period of time. Typically export taxes are major sources of government revenue; the rate of taxes may be reduced to stimulate or maintain exports.

Developed countries are subject to similar pressures, although export trade in farm products are critical to their international well-being. Internal agricultural policy may provide modern inputs at less than cost, as in a number of European countries, thus increasing domestic production of many products, some of which may be exported. More important, these stronger economies have sufficient resources to subsidize exports, if they deem it in their interest to do so. Although various arguments have been advanced to defend or condemn such measures, most nations tend to view them as a form of dumping adverse to the interests of other exporting nations. The United States engages in this activity, for some 15 commodities in 1965–66 with expenditures for nearly $600 million (table 10). Some progress has been made through changes in domestic farm policy in cutting the number of commodities receiving subsidies and reducing the amount of payment.