it possible to reduce commercial imports, thereby reducing the volume of additional imports and increasing the amount of industrial goods and non-surplus farm products imported * * *

"The economic events which led the United States to inaugurate this program in 1954 and to expand it in ensuing years are not necessarily limited to a desire for economic development among the poorer nations. In fact, the program became one of the ways in which the structural weakness of the national economy (not of agricultural policy alone) could be made less onerous. These events are likely to be repeated in other advanced nations. Several western European countries, and the European Common Market, look upon overseas disposal as a convenient tool of policy. Subscriptions to the world food program reflect the same forces as those underlying the Public Law 480 program. Advances in agricultural productivity similar to those of the United States are well underway in the advanced nations—based upon reduced price uncertainty, improved technology, better management, more capital, more nonfarm produced inputs, and farm consolidation. These additional supplies move to markets where price and income elasticities are moderate and declining as economic growth pushes up individual incomes. The combination of low price elasticities and low downward supply response threaten to provide lower farm prices and incomes. In many countries of Western Europe there is good reason to expect a political response which supports and continues price policies which bring "surpluses" into being; in some commodities, they already exist."

"These countries too, have economic and humanitarian reasons to send surpluses overseas, to aid development and improve nutrition * * *

"The convenient marriage which Public Law 480 represents stems from the substantial resources which developed countries must commit in order not to produce certain commodities, while the less-developed world hesitates to commit substantial resources to expand production of the same or similar commodities. If the world is short of food and prepared to insure that adequate supplies are made available, then the resource cost of producing additional supplies may well be less, in the shortrun, if produced in presently developed nations and distributed at low or zero prices where needed.

"Whatever the merits of a temporary program, it does have both short-term and long-term difficulties. First, the possibility of Public Law 480 supplies at low cost may postpone making fundamental structural adjustments both in sending and in receiving countries. The economy of each is less strong than it might be. Second, the commodities in surplus may not be the commodities most needed for development or for better nutrition. Public Law 480 has done little to reduce the apparent substantial protein deficiencies especially prevalent in South Asia. Third, for the developed countries at least, the process of structural adjustment is in operation, and, there is no assurance that surplus commodities will be available for an indefinite period. Fourth, with the high rate of population increase in underdeveloped nations, it seems unlikely that the developed nations alone can continuously expand food production to feed them. The local country almost certainly must supply the majority of the necessary increased food needs * * *