

"Finally, attention must be given to the question of whether Public Law 480 inhibits development through adverse effects upon agriculture. The evidence here is equivocal. Additional imported farm products have helped prevent consumer protests and permitted an expansion of industry without necessarily a concomitant, supporting expansion in internal agriculture and marketed supplies. This is development, even if it is one-sided, and may contain a fatal weakness. (Development theory is not sufficiently advanced to permit a final judgment.) In some countries agricultural development appears to have been discouraged as a consequence of Public Law 480 imports. In other countries, Public Law 480 imports have either become an agricultural development resource, or have been neutralized through internal policy adjustments—thus encouraging or not discouraging the simultaneous development of local agriculture."

VI. THE U.S. INTERESTS IN AGRICULTURAL TRADE

Annual reviews and day-by-day decisionmaking by Congress and the executive agencies deal mainly with the immediate and direct interests of the United States. Papers such as these emphasize the long-term and the broad, sometimes less, direct aspects of U.S. interests in one or another public issue. Neither approach should ignore the other; but the pressure of events and administration emphasizes the short run. The attainment of short-term goals can be a step toward improved long-term relations, but, not infrequently, the short term is at least partially in conflict with the long term. With these thoughts we turn to an examination of U.S. interests in agricultural trade.

U.S. INTERESTS

Agricultural trade relates to a number of economic, social, political, and humanitarian interests of the United States. Those that seem to be most important are listed below; it is presumptuous to suggest the relative importance of each to Members of Congress. In fact, one of the purposes of this set of hearings, is for your Committee to recommend on the importance of this topic to the United States. We will try, on the basis of the past, to suggest some of the interests that seem to be important. Briefly, the United States has the following interest in agricultural trade:

1. Agricultural exports provide about 20 percent of U.S. export earnings.
2. The export market represents a large outlet, 35 to 50 percent, for certain commodities, notably wheat, feed grains, cotton, tobacco, soy beans, and certain other fats and oils.
3. International agricultural trade brings to U.S. consumers a wide range of tropical and semitropical products at reasonable cost, which contributes to a higher level of living.
4. Agricultural product exports make a significant contribution to the network of world trade, which increases the economic interdependence between the United States and the major world trading nations. Such interrelationships have many important, though subtle, influences toward reducing the likelihood of conflict among these nations.