carried out so as to check inflation, reduce governmental spending, and strengthen the competitive position of U.S. industry in world markets.

We have emphasized to the Secretary of Commerce, and again today we stress to you that the significant longer term benefits of expanding trade and investment should not be penalized by any undue prolongation of controls.

Chairman PROXMIRE. Thank you, Mr. Norris.

Congressman Boggs?

Representative BOGGS. Mr. Chairman, I think these gentlemen have all made very fine statements. I have just one or two questions, because I have a meeting in just a few minutes. Mr. Cook, what measures do you suggest for the expansion of exports?

Mr. COOK. Well, I think the first thing that we should do as far as exports are concerned is to not enter into something like the International Grains Agreement which, as you will note, will raise the trading limits to a point which is out of kilter with the long-range price equilibrium as the professional economists have calculated it.

I think we get into a residual supply position. We are in that area in cotton anyway. We get even more in a residual supply position, and I am afraid that in view of what is being discussed in New Delhi right now at UNCTAD II that this is the beginning of another series of international commodity agreements, such as the famous coffee agreement which has cost us, I believe, something like $500 million to $800 million in excess prices. And I am doubtful that the money ever got exactly where everybody hoped it would get.

So, I would say that the current policies of the administration are excellent insofar as cotton, wheat, corn, and perhaps even soybeans, but anything that tends to restrict trade and step backward rather than look ahead, is a great mistake.

So, to be specific and responsive, do what we are doing, but let's don't turn the clock back.

Representative BOGGS. I don't quite follow you. The coffee agreement, for instance, I believe, was supported by every participating country. While it may have had some small effect upon the price to the consumers of the United States, it in turn has had a tremendous effect upon bolstering the economy of the affected countries, particularly in Latin America. What substitute would you have for that; foreign aid?

Mr. COOK. Well, I don't know that it really has had quite as much effect as you imply, because they are engaged now with a tremendous coffee surplus, and in Brazil they are plowing up coffee trees and putting them in cotton. So, I would argue, Mr. Boggs, a little bit with the statement that it has done quite as much good as it looked like it was going to do on paper, although I hasten to say I am not an expert on the International Coffee Agreement. It has cost us $500 million to $800 million over the life of the agreement in excess coffee payments.

Representative BOGGS. Aside from some of these international agricultural agreements, what other suggestions do you have?

Mr. COOK. Well, as I said before, the thing that gives incentive to a businessman more than anything else is his ability to keep money in his company or in his pocket, and an export tax rebate, which has been discussed, seems to me to be the wrong way to go about it.