



Expanded foreign trade and technical assistance favored by Secretary of Agriculture Benson

IMPORTS AND declining exports are two knotty problems facing American agriculture today, according to Secretary of Agriculture Ezra T. Benson. With the end of the easy-export period, which resulted from emergency wartime and postwar foreign requirements, a sound foreign trade policy based on long-time objectives must be established.

It was with these ideas in mind that the U. S. Department of Agriculture's Advisory Committee on Foreign Agricultural Trade and Technical Assistance met recently in Washington. The 13-member committee represents all phases of agriculture, including farm organizations; production, marketing, and exporting associations; and land-grant colleges and universities. Following his meeting with the committee, Mr. Benson issued a statement of his views on foreign agricultural trade and technical assistance.

Mr. Benson notes that foreign aid programs can no longer be relied upon to move any substantial part of American farm products into foreign markets. A return to normal market development and maintenance through private trade, however, faces such handicaps as quotas, embargoes, currency restrictions, and exchange regulations. These have grown up as a result of unbalanced trade, low productivity, and political considerations. On the domestic scene, price support programs, some of which lead to prices above the world level, further complicate the issue.

Important factors involved in a sound foreign trade policy, Mr. Benson believes, include a new trade policy, extension of the Reciprocal Trade Agreements Act, expansion of trade, expansion of USDA's Foreign Agricultural Service, revised domestic programs, and more technical assistance.

In formulating a new foreign trade policy, Mr. Benson says, the U.S. must recognize certain basic criteria. These include the truisms that trade is a two-way street and that the value of exports must equal that of imports; that the U.S. is a creditor nation; and that national interests must precede those of particular commodities or services.

No new trade policy will be formulated until the over-all foreign economic policy has been established. The latter will not be formulated until a bipartisan commission, which is considering all aspects of the problem, has completed its studies by the early part of 1954. In any policy determinations, Mr. Benson believes that representatives of the agricultural economy should have a strong voice. One important aspect of the trade policy will relate to reciprocal trade. Mr. Benson agrees with President Eisenhower that the expiring Reciprocal Trade Agreements Act should be extended for one year until detailed recommendations can be presented.

Mr. Benson favors simplification of U.S. customs laws, eventual restoration of currency convertibility, and development of stable conditions abroad to encourage the flow of private capital. Greater use should be made of credit facilities, such as those available from the Export-Import Bank, to move agricultural commodities.

Within the agricultural field Mr. Benson favors strengthening USDA's Foreign Agricultural Service. This agency seeks to keep domestic agriculture informed of world market developments. This agency should maintain closer working relationships with agricultural attaches in American embassies abroad and should place increased emphasis on basic research in the fields of supply, demand, and trade in farm products.

Certain domestic farm programs and trade policies which are in conflict with the expansion of foreign trade should be reconsidered to avoid ultimate disadvantages to both the national interest and to agriculture.

In cases where domestic farm prices are supported at noncompetitive levels above world prices, there is a tendency toward excessive imports. Unless protective devices are used to keep out such imports, the imports interfere with domestic price programs, and the domestic price in effect becomes the world price.

Mr. Benson believes that there must be effective mechanisms to prevent such occurrences. This calls for a protective mechanism of general applicability reached through objective procedures rather than protective devices directed to specific commodities. To accomplish this objective, Mr. Benson favors strengthening the Agricultural Adjustment Act (Sec. 22) in place of the more arbitrary Sec. 104 of the Defense Production Act. Sec. 104 allows import restrictions on dairy products.

Trade between highly industrialized nations and those whose economics depend on supplying raw materials generally works to the economic advantage of the industrial nation. On the other hand, trade flourishes between countries with advanced economies.

Technical Assistance Needed

Because of this, Mr. Benson says, it is to the advantage of American agriculture in the long run to foster advancement of foreign nations. Technical assistance programs are considered essential to this advancement.

A technical assistance program, however, should not be tied to economic or military aid programs but rather should stand on its own feet. Technical aid projects should be undertaken only at the request of the foreign country and should fit in with domestic programs of that country. American aid should be limited primarily to advising and training in those techniques which have proved helpful in domestic agricultural development. Research, extension services, and education fall in this category. The Government should enlist the cooperation of state land-grant colleges and universities in this program. The program in general should be developed on a long-range basis.

Administration of a technical assistance program should be centered in a single agency which has its own funds. The technical work, however, should be carried out by personnel of existing government technical agencies.

The foreign agricultural technical assistance program should be coordinated with the domestic agricultural program. Mr. Benson feels that USDA is in the best position to do this.