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# FOREIGN

MAY

1956

# AGRICULTURE



World Sugar Problem  
No Coffee Shortage  
Eclipse of Lysenko  
Osaka Trade Fair



UNITED STATES DEPARTMENT OF AGRICULTURE • FOREIGN AGRICULTURAL SERVICE

To report and interpret world agricultural developments.



### The Osaka Trade Fair

On pages 12 and 13 of this issue, we are pleased to report a significant event—the International Trade Fair at Osaka, Japan. What makes it particularly significant to us is the popularity that food products from U.S. farms enjoyed there. In one week's time, many of the 400,000 Japanese consumers who saw the agricultural exhibit sampled the rolls, "ala" (a wheat product), cheese, milk, ice cream, and cigarettes that were handed out in modern advertising style. This exhibit, we were pleased to hear, was an outstanding hit of the fair.

As economies of countries improve and levels of living rise, there is demand for more variety in food products. Food habits are not always as tradition-bound as we think—witness the vast difference between our own meals and those served by our grandmothers. The international trade fair is a happy device for bringing to the attention of world consumers the great variety of healthful, wholesome foods, as well as other agricultural commodities, available from the United States.

The Department of Agriculture and U.S. private industry are cooperating in this new sales promotion venture. The idea is to let our foreign friends "see, taste, and feel" our farm products.

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# The World Sugar Problem

**SUGAR, LIKE MANY OTHER AGRICULTURAL COMMODITIES, is a surplus product in producing countries—and yet all over the world there are millions of people who never get enough sugar.**

How to resolve this paradox is one of the problems facing the International Sugar Conference which is meeting in New York this month to examine the International Sugar Agreement. This agreement was signed in London, October 1953, and went into effect January 1 the following year. Though the Agreement is slated to run for 5 years, it provides that during this third year, 1956, its effectiveness shall be examined, especially with regard to quotas and prices.

Little purpose would be served in attempting to anticipate the detailed amendments that may be made or proposed. It is worth-

Adapted from an address delivered by Lawrence Myers, Director, Sugar Division, Commodity Stabilization Service, U.S. Department of Agriculture, before the Sugar Club of New York, February 20, 1956.



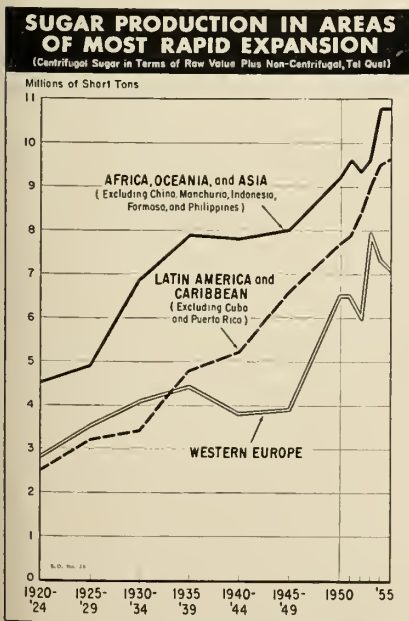
Ox-drawn carts transport sugarcane to the refinery near Ponce, Puerto Rico. Under the U.S. Sugar Act, Puerto Rico has held production in line with quotas granted on the U.S. market.

while, however, to consider some of the basic conditions that shaped thinking in the original negotiation of the Agreement and that probably will shape thinking during the coming negotiations.

The International Sugar Agreement grew out of developments following World War II. In broad outline these developments were similar to those following World War I. After World War I the sugar industry expanded until the early 30's when sugar prices hit an alltime low—about 75 cents per hundred pounds. At that time sugar production was more concentrated than it is today. Accordingly, it was possible to deal with

the world sugar problem by cutting back production in three of the four major exporting countries—in Cuba and Indonesia, under the Chadbourne Plan (1931), and in the Philippines and other U. S. areas, under the U. S. Sugar Act (first enacted in 1934). By 1937 it became evident that any really effective control required the participation of more countries. Conferences were held. An agreement was signed. Then came World War II, and the controls were dropped. During the war sugar production declined in the countries engaged in the war. After the war, it first regained the prewar level and then skyrocketed to almost 1½ times that level.

Because of the prospective sugar surplus situation, the Cuban Government in 1948 proposed that work be started on a new international sugar agreement. But while the negotiations were going on in London, the Korean fighting started a new inflationary movement that was difficult to control in 1950 and got somewhat out of hand in 1951. As a result of these conditions, production expanded sharply in many countries which had not been engaged in World War II, as well as in most of the war-torn areas. By the time the International Sugar Agreement was finally negotiated in 1953 a surplus had already developed.





W. R. Grace & Co.



Sugar Magazine

At left, workman on 10,000-acre sugar plantation at Paramonga, Peru, irrigates field of 4-month-old cane. Above, sugarcane is dumped into hoppers at factory in Recife, Brazil. South America produces over twice as much sugar as in the 20's.

The goal of the Agreement is to adjust production to demand. More specifically, the Agreement sets forth three general objectives: (1) to stabilize prices at equitable levels; (2) to increase the consumption of sugar; and (3) to maintain purchasing power in the sugar exporting countries and permit the maintenance of fair living standards and wage rates in such areas. The third of these objectives was to be achieved through the attainment of the other two.

As a price stabilizing mechanism, the Agreement provides for export quotas to hold the surplus supplies in check until world consumption can catch up. The 23 countries that are members of the Agreement account for about 64 percent of world sugar production and about 60 percent of world consumption. They also account for 66 percent of the net imports of sugar and 81 percent of the net exports. The Agreement has helped to stabilize the price of raw sugar on the world market at about \$3.25 per hundred pounds.

Impressive as this is, it fails to reveal certain important details. One of these is the major shift in world sugar production which has taken place since the 1920's. During that decade Cuba, Formosa, In-

donesia, and the Philippines collectively produced close to 9 million tons a year—a third of the world's sugar. Last year they produced 8.4 million tons—but that was less than 18 percent of the world total; world production was 21 million tons higher.

What is the source of this increasing world production of sugar? In the United States and Canada the trend of production is upward, but in both countries consumption has been increasing more rapidly than production with the result that imports have also been increasing. In the vast Communist-dominated area from Poland and Czechoslovakia on the west to China and Manchuria on the east, the information available, even though it may be open to question, reflects no major upward turn in production. Moreover, production per capita is low. This area has become a significant importer of sugar in the past 2 years.

To find the sources of the recent increased production it is necessary to look to the rest of the world. In Western Europe, production for 1955 was 7.4 million tons, or 2.3 times the average for the decade of the 1920's. In Africa, Asia, and Oceania (excluding the Communist countries of China and Man-

churia and the older exporting countries of Formosa, Indonesia, and the Philippines) production last year totaled 10.8 million tons—also 2.3 times the average for the 1920's. And in Latin America and the Caribbean (other than Cuba and Puerto Rico) it amounted to 9.5 million tons, or 3.3 times the average for the 1920's.

In some of the areas where sugar production has been increasing the most, the people are rapidly raising their standard of living and consuming more sugar. In part, this increased production is for protected home or preferential markets, where the sugar displaces supplies that otherwise would be taken from the world market. But part sells on the free export market.

The second objective of the Agreement, that of expanding sugar consumption, has had scant attention. Yet probably the most satisfactory, and certainly the least objectionable, method of dealing with the world sugar surplus would be to increase consumption, especially in those countries where per capita consumption is extremely low.

There are many of these areas throughout the world. Asia (excluding the U.S.S.R.) with 55 percent of the world's population, in 1954 consumed only 22 percent of

the world's sugar; and Africa, with 8 percent of the world's population, consumed 4 percent. Even in the more technically advanced areas of the world, there are disparities in consumption levels. Western Europe, with 12 percent of the world's population, consumed 22 percent of the 1953-54 crop, whereas the United States, with only half the population of Europe, consumed 18 percent.

Fortunately, world sugar consumption is increasing. But many impediments place excessive burdens on sugar consumption—low standards of living, low per capita income, and taxation, for example.

In many countries of the world sugar is used as a revenue vehicle. Per capita income in these countries is only a fraction of the average U. S. income; but sugar costs from 10 cents a pound—U. S. price—to twice as much and more.

The failure of the International Sugar Council to carry out any significant work to date in helping expand world sugar consumption is due in part to difficulties with which an international organization is not in a position to cope. Nevertheless, the Council could serve as an information agency that would aid indirectly in bringing about a greater utilization of sugar. And at the same time, governments meeting in conferences could direct their efforts toward reducing those trade barriers that produce this paradox of surplus sugar that millions of people can't afford to buy.

The problems before the International Sugar Conference, therefore, may be thus summarized:

#### (1) Expanding coverage.

A program that could control production and exports of only a few countries would not provide sufficient leverage for controlling the world sugar surplus and supporting the world sugar market over any extended period of time.

None of the international agreements or programs undertaken since World War I has cut production in areas now supplying nearly 60 percent of world production.

## Attache Service Personnel Visit "The Hill"



As part of their orientation before going to overseas posts, new members of the FAS attaché service visit "the Hill" to meet with members of the Subcommittee for Agriculture, House Appropriations Committee. *Left, reading clockwise*, Congressmen Charles B. Deane (N.C.), Fred Marshall (Minn.), Jamie L. Whitten, subcommittee chairman (Miss.), H. Carl Andersen (Minn.), Walt Horan (Wash.), and Charles W. Vursell (Ill.); *standing left*, Ross P. Pope, subcommittee executive secretary; *standing right*, Fred W. Traeger, assistant attaché, Brazil, Elmer Hallowell, attaché, Thailand, Reed Needles, FAS area officer, and Gustave Burmeister, FAS assistant administrator; *seated*, Quentin R. Bates, attaché training officer, Robert H. Reed, attaché, the Netherlands, and secretaries Charlotte Newman, Colombia, Iris Nichols, Indonesia, Ruth Bertovich, Korea, and Ruth Stiebling, Venezuela.

For their own welfare, producers in protected areas where the price of sugar is guaranteed need to concern themselves with the long-time welfare of unprotected producers who must sell in the world market.

Care needs to be taken to make certain that the Agreement does not become an umbrella that established exporting countries are required to hold over new ones.

The full weight of available information must be brought to bear on proposed programs for expanding sugar production. An adequate educational program covering current developments and long-range prospects should be effective in preventing much unwise expansion.

#### (2) Increasing consumption.

Similarly, every effort must be made to expand world sugar consumption. Under no condition must the International Sugar Agreement become a mechanism for checking consumption.

#### (3) Stabilizing prices.

Since any revised International Sugar Agreement probably will provide only a modest degree of control over world production and exports, its price objectives must be modest. Moreover, the Agreement must provide sufficient flexibility to permit all needed actions that will lead to a healthier world sugar economy.

# What About COMPETITION from the *Middle East?*

How much has the Middle East developed its agricultural potentials? What plans does each Middle Eastern country have for the future development of agricultural exports? These questions are of considerable interest to other exporting nations, including the United States. Already Middle Eastern countries are competing with the United States for world markets in cotton, wheat and barley, tobacco, citrus fruits, nuts, and dried fruits.

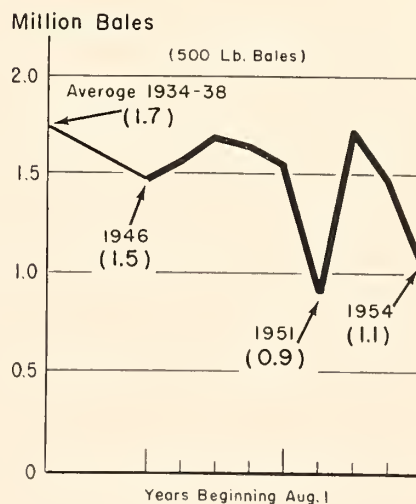
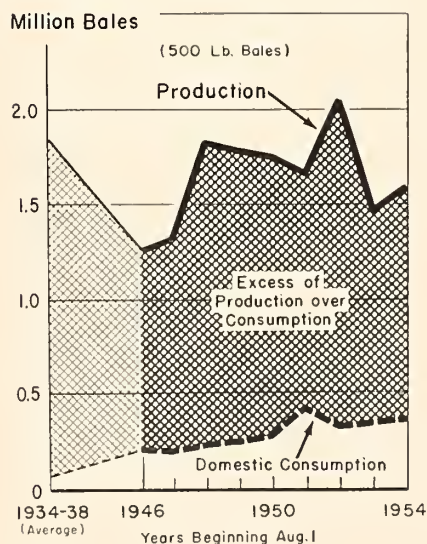
## Part I: Cotton

IN THE MIDDLE EAST, five countries stand out as present or potential cotton competitors: Egypt, Iran, Iraq, Syria, and Turkey. All are seeking to maintain and increase cotton production and exports. But their situations vary widely. A great traditional producer like Egypt cannot be fairly compared to a fast-moving beginner like Syria. So, in the charts that follow, each country is considered separately.

By W. GARTH THORBURN  
Africa and Middle East  
Analysis Branch  
Foreign Agricultural Service

The major producer and exporter of cotton in the Middle East is Egypt; and long staple cotton is its big source of foreign exchange. Here is the trend in its exports:

### EGYPT: Cotton



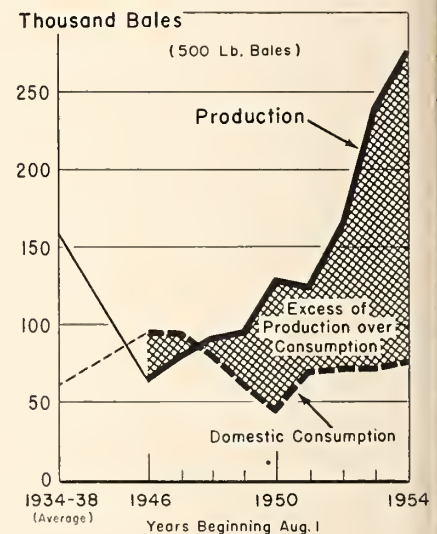
Since World War II, Egypt has frequently curbed cotton acreage in favor of wheat. In 1954, how-

ever, farmers were permitted to plant cotton freely. The result was a cotton surplus in 1955. Egypt's position in the world cotton market worsened as its stocks grew and as uncertainty developed over world prices. In the fall of 1955, cotton acreage was again limited.

Any plans for increased cotton area would conflict with the urgent need for more wheat production, and so must probably wait until the proposed High Dam at Aswan makes more total crop area available.

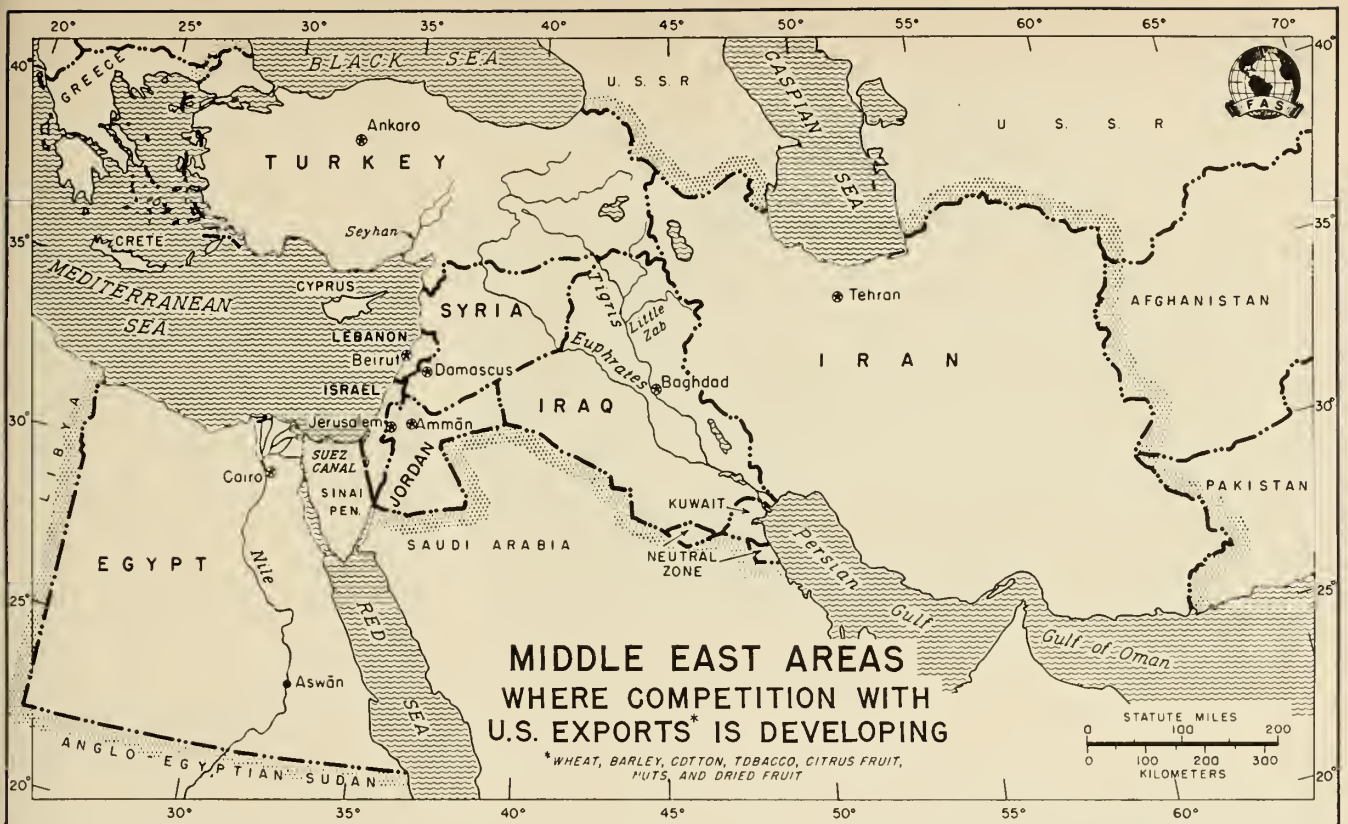
The difficulties of growing the longer staple cottons and the insufficient premium prices now being offered are pushing Egyptian growers toward shorter staple cotton, comparable with American upland. Meanwhile, the young extra-long-staple industry of the United States has been expanding. Thus, more and more of Egypt's cotton crop is coming into direct competition with U. S. growths.

### IRAN: Cotton



During the war, cotton production in Iran was cut in half. It did not completely recover until 1952, when it forged well ahead of pre-war. Iran achieved this expansion in cotton with no apparent sacrifice of food crops. Favorable weather helped, as did irrigation and land reclamation, better insect control, and improved cultural practices.



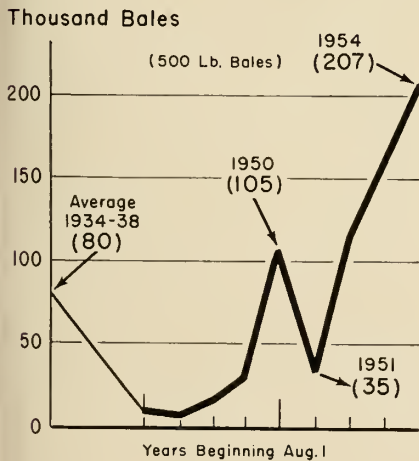


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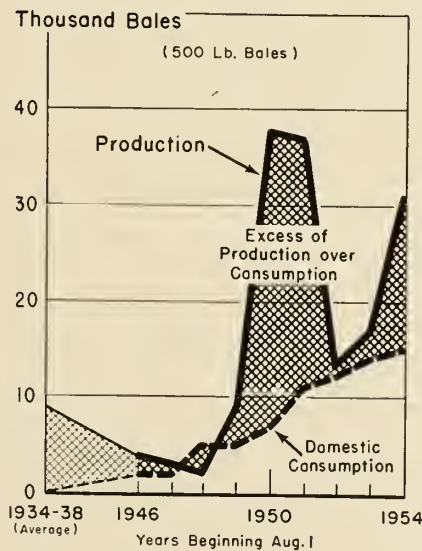
FOREIGN AGRICULTURAL SERVICE

Exports nearly disappeared during the war. By 1950, however, they had regained the prewar level, and by 1954 were more than double prewar, as this chart shows:



Iran has its sights set at production of a million bales a year. This fourfold increase hardly seems possible. But increased irrigation and land reclamation might raise production by 125,000 bales in the next 5 years, if prices remain stable. Much will depend on whether production can be mechanized, for the reclaimable land is thinly settled.

### IRAQ: Cotton

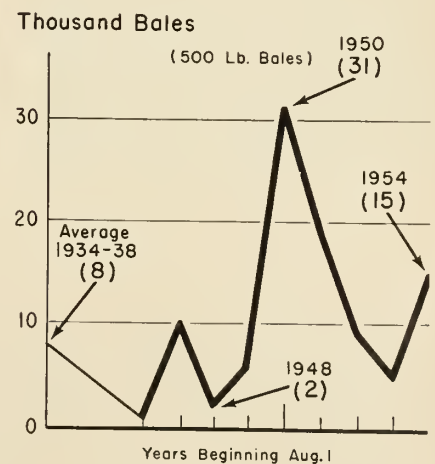


Not yet an important producer of cotton, Iraq is listed here because it has made progress, and because it has definite plans for the future.

Food crops are at present the major goal of Iraq's agricultural development. However, the Lesser Zab River project, when completed, will provide more irrigated land for cotton. As in Iran, the area due to be irrigated is sparsely

settled, and any increase in cotton would require full mechanization. Still, Iraq is likely to attain a substantial cotton output in the next 10 years.

So far, production has varied widely from year to year, and as this chart shows, no definite trend has yet developed in exports:



Like Iran, Syria has its sights set at cotton production of a million bales, to be achieved within 10 years. Unlike Iran, however, Syria

(Continued on page 16)



Brazilian worker loading coffee for export. While world production of coffee has increased, Brazil is the only country with a real surplus.

Rise in coffee prices due to demand for mild blending types.

## No Coffee Shortage This Year

WHAT DOES THE CURRENT RISE in coffee prices mean? Another shortage? Another year when U.S. coffee drinkers have to cut their daily consumption?

According to the laws of supply and demand, rising prices usually indicate scarcity. Thus it would seem that, in view of current price levels, the world is experiencing another period of short coffee supplies and high prices similar to that of 1953-54. Yet actually this is not the case. World production of coffee increased at least 18 percent this season — 1955-56 — over last year; moreover, it is possible that the relatively small carryovers from 1954-55 may be doubled this year despite a rise in world requirements.

This seeming contradiction has caused considerable surprise — and confusion. Nor can it be explained easily. But the apparent answer is related to the supply situation for mild coffees.

American coffee drinkers use a blended coffee. For every pound of Brazilian coffee imported, roughly one pound of mild coffee is also

imported. Since Brazil has produced a surplus crop this year, the problem lies with the mild coffees, which are produced by every coffee growing country in the Western Hemisphere except Brazil. Any actual or implied scarcity of mild coffee exerts as much influence on the market as a scarcity of Brazils.

### Crop Reports Too Low

Since December 1955, it is believed that U.S. roasters and importers have purchased coffee on the basis of pessimistic crop reports which indicated a scarcity of mild coffees this season. These purchases in excess of a previous level of requirements may have created a temporary scarcity of milds. The sudden increased demand for mild coffees resulted in a greatly strengthened price for these coffees, which, in turn, pulled up the price for Brazils, although the differential between the two prices is abnormally large.

Is this scarcity of mild coffees real or artificial? On the basis of FAS estimates, it appears to be the latter. During 1954-55 the mild

coffee countries produced 12.6 million bags of coffee for export, of which the world required only 11.6 million bags. The FAS estimate for 1955-56 totals 12.4 million bags. To this can be added the Colombian carryovers from last season, of between 1.7 million and 2.3 million bags, bringing the total of mild coffees available for export this year to between 14.1 million and 14.7 million bags. Allowing for both Colombian carryovers and a 10-percent increase in world consumption, this supply of mild coffee is more than adequate to meet world requirements.

With regard to the overall coffee situation, both mild and Brazilian, the FAS December estimate of 38.2 million bags exportable production for 1955-56 now appears low. The correct total is more likely to be 39 million bags. With world requirements ranging between 34 million and 35 million bags this season, this leaves a surplus of from 4 million to 5 million bags from the crop.

### Surplus in Brazil

Actually, the only real surplus is in Brazil. It is believed that at the end of 1955-56 world carryovers will approximate 6 months' supply of coffee. The bulk of these will be in Brazil, where stocks should total close to 12 million bags on June 30, 1956. The balance of the

carryovers will be found in the United States, which now holds about 6 weeks' stock on hand each month; in Colombia, which normally carries over between 1 million and 1.5 million bags on September 30; and in Europe. In Africa, it is believed that relatively smaller surpluses, in excess of normal carryovers, are accumulating.

As far as the U.S. importer is concerned, only a portion of the Brazilian carryovers can be considered exportable surpluses. Of the total 12 million bags anticipated as carryovers, approximately 3.5 million bags may be termed "working stocks" or "normal" carryovers. Also, the Brazilian Government is holding 3.2 million bags, which are reportedly of low quality, so that the remaining 5 million bags represent the real surplus.

In Colombia, FAS estimates exportable production at 6.5 million bags for 1955-56. Other reputable sources place it between 5 million and 6 million. But, even if the lowest figure of 5 million were correct, Colombia has carryover stocks from 1954-55 of 1.7 million to 2.3 million bags, so that under no circumstances will less coffee be exported than was shipped out in 1954-55 (5.1 million bags). By February 29, 1956, Colombia had exported 2.9 million bags for the marketing year, compared with 1.9 million in the previous season. It is reported that an additional 300,000 bags were shipped out through another country.

### Mexican Crop Reduced

While Mexican coffee production was hit hard by drought and hurricanes this season, the damage was concentrated in three large producing areas on the Gulf Coast, where production was reduced some 40 percent. It is possible that this figure of 40 percent was misinterpreted as applying to Mexico's entire coffee crop, thus furthering the apprehension about the mild coffee scarcities. However, the overall damage to Mexico's crop appears to be about 18 percent to a

potential output of 1.6 million bags exportable, resulting in about 1.2 million bags for export as against 1.4 million in 1954-55.

In Central America, most of the coffee producers are experiencing an off-year in the biennial cycle of yield fluctuation. But this biennial decline is more than offset by increased production in the Caribbean areas. Cuba has begun to export heavily this season; and Haiti and the Dominican Republic have recovered strongly from the weather damage sustained in 1954-55. On December 5, 1955, the FAS published an estimate for Central America and the Caribbean areas which totaled 4.0 million bags, or about the same as exportable output in 1954-55. To date the total estimate appears firm, although individual country totals must be revised upward or downward.

### International Agreement Proposed

For the coffee-producing countries of the world rising coffee prices, whether caused by real or artificial shortages, are of great concern. In the United States, as a result of the two notable price-rise periods in 1950 and 1953, per capita consumption of coffee declined from 18.5 pounds in 1949 to 14.7 pounds in 1954. With the decline in the price of coffee in 1954-55, U.S. coffee consumption recovered to 15.2 pounds per person, and, if USDA forecasts are correct, will probably reach 15.5 pounds in 1956.

The concern of the U. S. coffee

*(Continued on page 22)*



Coffee cherries are hand picked, then spread out to dry. At night, as shown below, they are raked into mounds for covering.



Coffee trees, planted with crotalaria for cover and soil improvement, in Guatemala, a mild-coffee producer.



# Guatemala To Protect Local Industry AND DIVERSIFY TRADE

By KATHRYN H. WYLIE  
Latin American Analysis Branch  
Foreign Agricultural Service

**G**UATEMALAN TRADE POLICIES have been moving toward protection of local industry and diversification of foreign trade since the termination last fall of the bilateral trade agreement between the United States and Guatemala.

The most recent step in this direction is the Guatemalan Government's decree, on February 28, increasing import duties on fats and oils. Those in the previous agreement on which duties have been raised are lard, which increased from 5 to 7 cents per gross kilogram, and crude cottonseed oil, with an increase from 2 to 15 cents per kilogram. Duties on other fats and oils not in the agreement were also raised sharply, including among other products: Margarine, oleomargarine, and other artificial butter, which rose from 1 to 20 cents per gross kilogram; and unrefined sesame, peanut, and coconut oils, which rose from 2 to 10 cents per kilogram. Protection of domestic industry was given as the reason for the duty increases on lard and the other fats and oils.

In terminating the trade agreement, which had been in effect since 1936, the Guatemalan Government stated that it had difficulties applying the provisions because of the nature of its tariff laws. Guatemala is now revising and modernizing its whole tariff structure. The revision will involve entirely new nomenclature and consolidation of existing taxes, customs duties, and other charges into one tariff rate.

The termination of the agreement will not result in any changes of duty for products imported into the United States since

all items on which tariff concessions were given to Guatemala in 1936 are either on the free list or, if dutiable, are now bound in trade agreements entered into by the United States with other countries.

For items imported into Guatemala from the United States, however, there is now no agreement to hold the duties at any given level. Duties on fresh, refrigerated, and salted meat already have increased. Other agricultural products in the bilateral treaty, no longer covered by most-favored nation treatment, include bacon, ham, sausages, canned meats, dried, evaporated and condensed milk, butter, cheese, wheat and wheat flour, cereals, cornstarch, fresh grapes, unspecified fresh, dried, evaporated, or

canned fruits, preserved and pickled vegetables, and leaf tobacco.

Since the termination of the U.S.-Guatemalan trade agreement, Guatemala has negotiated bilateral trade arrangements with several other countries, which would indicate that efforts are being made to diversify foreign trade. On October 17, Guatemala and France exchanged notes establishing a simple commercial agreement; and on December 31 an agreement was signed between Guatemala and Spain. Both of these documents grant reciprocal most-favored-nation treatment to the products of the other country and to foreign exchange transactions.

*(Continued on page 22)*

## Indonesia, United States Sign Largest P. L. 480 Agreement



Indonesian Foreign Minister Anak Agung Gde Agung shakes hands with U.S. Ambassador Hugh S. Cumming, Jr., after signing the \$135 million Title I, Public Law 480 agreement, in Djakarta. This agreement, largest single surplus commodity contract negotiated with any country, provides for sale of \$92 million (export prices) of milk powder, tobacco, cotton, rice, and flour.

# Better Year Ahead For Turkey's Agriculture

By W. Garth Thorburn

Africa and Middle East Analysis Branch  
Foreign Agricultural Service

**T**URKEY'S AGRICULTURAL OUTLOOK for 1956 is favorable. Good weather conditions during the late fall of 1955 may produce a bumper crop of grains similar to the 1953 record production. Since grains—wheat, barley, and rye—are Turkey's most import exports, the realization of such a crop will help stabilize Turkish economy.

Turkey's economy depends upon its agricultural exports. A poor crop year not only weakens the country economically but endangers its position as a "Free World" country. After the drought of 1954, Turkey appealed to the United States for help. Even so, by November 1955, Turkey's economy had dropped to so critical a level that the cabinet had to resign.

Since Turkey is a strong competitor of the United States in world agricultural markets, particularly for such crops as wheat, cotton, and tobacco, the outlook by commodities is significant:

## Grains

Encouraged by favorable predictions, the Turkish Government is moving large quantities of bread grains and feed grains into the export market and is entering into agreements to expand its export sales. The government was moving cautiously until the harvest was assured; but, owing to pressure from creditor nations, it had to meet export obligations and hence depleted stocks held by Toprak, the state marketing agency. As a result, despite the fact that the 1955 wheat crop was the second largest on record, Turkey has requested shipment of U.S. wheat under foreign aid and Public Law 480 programs. This grain is to fulfill local requirements of 75,000 tons per month, which is needed for urban and military populations.

Under Turkey's 5-year plan for agriculture, 8.1 million tons is the goal set for wheat in 1956. While

the 1955 harvest fell short of this figure by 665,000 tons, its realization in 1956 is possible, in view of the 1953 harvest of 8.2 million tons.

## Commercial Crops

Turkey is counting heavily upon increased cotton production to aid stabilization. In 1955, because of disease and insect damage in the Adana area, production was less than 135,000 tons, which was below the 1954 figure of 142,000 tons, even though an additional 80,000 acres were planted. Barring the occurrence of a similar situation, the cotton crop is bound to be larger in 1956, probably reaching 160,000 tons. According to Turkey's 5-year plan, production is projected at 307,000 tons by 1960, but conservative U.S. estimates place it at slightly over 200,000 tons.

Tobacco production in Turkey is well ahead of the 5-year-plan estimate. In 1955, production was 115,000 tons, or 1,000 tons above the figure for 1953. But increased prices and the fear of devaluation of Turkish currency kept U.S. companies—the largest purchasers of Turkish tobacco—from buying their share of the 1955 crop. This makes it difficult to predict what production will be in 1956; nevertheless, it is expected that the Tobacco Monopoly in Turkey will continue to exert strong efforts to maintain or increase output, particularly for export.

## Sugar

Production of sugar beets in 1955 soared to a high of 1.6 million tons, or 40 percent above 1954 production. Eleven sugar companies produced 250,000 tons of sugar compared with 178,000 tons in 1954.

All of this went into the domestic market. A larger crop is anticipated for this year, when 15 refineries will be in operation; and on the basis of this Turkey is making plans to export sugar. By 1960 it is hoped that sugar beet production will be about 250 percent greater than in 1954.

## Fruits and Nuts

Late spring frosts and rain during the drying season reduced exports of dried fruits in 1955 below those of 1954, particularly exports of raisins. Of the fresh fruits, the apple harvest totaled 185,000 metric tons, or 24,000 tons above 1954. Cherries, plums, quinces, figs, and pears increased slightly over the previous year, while apricots dropped 56,000 tons. Good growing conditions will naturally increase the 1956 fruit crop over the poor one of 1955.

Nuts are one of Turkey's major crops, particularly filberts. The 1955 crop was the poorest since 1950, but prospects for 1956 seem favorable.

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## Cover Photograph

### U.S. Wheat in Egypt

Bags of U.S. wheat are moved from the *Ital Vega* to docks at Alexandria, Egypt. This wheat is part of the 335,000 tons Egypt is buying from the United States under Title I of Public Law 480, for which Egyptian currency is being accepted in payment. A portion of this currency is expected to be used to help develop normal commercial markets in Egypt for U.S. agricultural commodities on a mutually beneficial basis.



Gateway to the Japan International Trade Fair, held April 8-22, at Osaka. This fair is the fourth of a series at which U.S. farm products are being introduced to foreign consumers around the world: First, Cologne, Germany, Oct. 1-9, 1955; second, Bogota, Colombia, Nov. 25-Dec. 11, 1955; third, Ciudad Trujillo, Dominican Republic, Dec. 20, 1955-Feb. 27, 1956. Also scheduled are these: Fifth, Barcelona, Spain, June 1-20; sixth, Rome, Italy, June 17-24; seventh, London, England, Aug. 28-Sept. 15; eighth, Salonika, Greece, Sept. 2-18.

#### Simple Aim

The Agriculture Department started out with a simple aim—promoting the sale of U.S. surplus agricultural products in Japan.

But in so doing this exhibit is also pounding home another message—how to go about selling an idea and a product. For Japanese visitors to the American pavilion are being treated to a first-hand view of American sales promotion techniques in high gear.

It didn't take long for the word to get around on opening day that the Americans were passing out free rolls, cheese, milk, ice cream, wheat samples, and cigarettes. Before long, the line to the dairy counter, one of the last in the exhibit, was snaking through the entire hall and threatened to wind up outside the building.

The free goodies were by no means the only attraction. Passing out the milk and ice cream was "Miss American Milk Maid," vivacious 20-year-old Ruth Peterson, who was raised on a Minnesota farm and who provides compelling evidence of what bottled carbohydrates can do at least for the girls.

#### Cigarette Exhibit

A complete cigarette production line was set up by the Japan Monopoly Corporation to turn out

## The U. S. at Trade Fairs: FOURTH, OSAKA

The United States agricultural exhibit at the Japan International Trade Fair, Osaka, received high praise. Here is what Igor Oganessoff of the *Nippon Times* had to say about it.

Tokyo, Japan, April 16.—With the help of some lively demonstrations, tons of free samples, and a houseful of pretty girls, the American pavilion at the Japan International Trade Fair in Osaka is packing them in.

The exhibition is sponsored jointly by the U. S. Department of Agriculture and the Department of Commerce. And from the outset we must admit that the Agriculture Department clearly has the edge in terms of eye-catching motion and color.



**COTTON:** A pretty hostess in a dress made from U.S. cotton greets U.S. Ambassador John M. Allison and his wife.



**SOYBEANS:** This display tells the soybean story, from U.S. field to finished Japanese foods.

"Pearl" cigarettes (using American tobacco) for distribution to visitors.

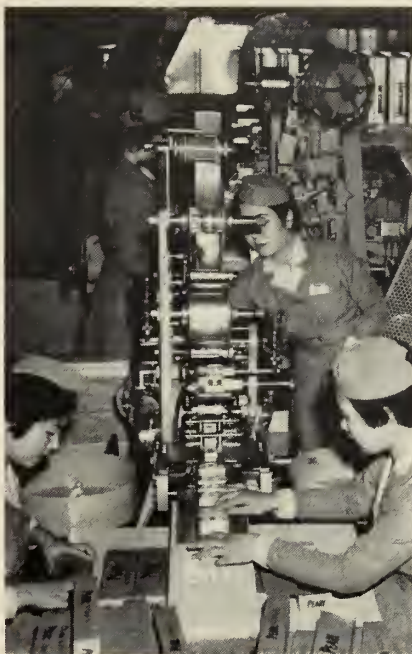
**Cotton Exhibit**

One cotton textile exhibit featured a cluster of pretty Japanese models clad in cotton dresses. Another, which killed two birds with one stone, was an actual clothing production line equipped with sewing machines, each handling one operation in the assembly of gym slacks.

Besides the gallons of ice cream and milk distributed at the dairy counter, visitors were treated to slabs of layer cake baked on the spot from packaged American cake mixes. Coffee buns were also passed out further along the line.

And many a Japanese businessman on Sunday brought home to his wondering wife a little cellophane package of "Ala," described as "bulgor wheat" and a nutritive food product.

The accent throughout the agricultural section was on a simple thought—that the grain and dairy products the U.S. is selling, loaning, or giving away are, in a phrase, "good" for you. In the heat of criticism over the American surplus agricultural program, the notion that these surplus products can make people in food-deficit areas healthier is all too often forgotten.



**TOBACCO, above:** Pearl cigarettes, of U.S. leaf, being made at the fair. **GRAIN, below:** Eastern and Western palates enjoy cake from U.S. mixes.



**DAIRY PRODUCTS:** Many stand in line to taste U.S. milk, cheese, ice cream.





Photographs by Graham Quate

The Central Plain of Thailand is a vast lake during the rice-growing season. Thai farmers use harrow-plow to prepare fields after they have been flooded by either rain or irrigation.



Floating water wheel elevates river water for irrigation of small fields.

# Thailand to Increase Rice Output With IRRIGATION

By MARGARET BEVER  
Far East Analysis Branch  
Foreign Agricultural Service

Thailand, which vies with Burma for first place among the rice-exporting countries of the world, has embarked upon an extensive program to greatly increase its rice production in the next few years.

Rice dominates the agriculture and economy of Thailand. To the Thai people it is the primary food item. To the Thai Government it is the chief earner of revenue and foreign exchange. Rice production, which from 1929-30 to 1947-48 fluctuated

between 2.4 million and 3.5 million metric tons (milled rice), has climbed steadily to a peak of 5.3 million tons in 1953-54. Similarly, as an earner of foreign exchange, rice has jumped from 46 percent of the value of all exports in 1937 to 59 percent during the period 1948-54.

Thailand today supplies 25 to 30 percent of the rice on world markets. But Thailand has weather problems which cause wide fluctua-

tions in its rice production. The country as a whole has a rainy season from May to October and a dry season from November to April. Because of these extremes and because of yearly rainfall variations, the government has initiated an extensive program of irrigation. When the projects now underway are completed, it is anticipated that irrigation will be extended to 2.5 million acres and that rice production will rise by 800,000 metric tons annually.

## Irrigation Projects

The Chao Phraya project, which represents Thailand's major effort toward a year-round controlled water supply, will be finished sometime in 1957 or 1958. Located in the Central Plain, where the coun-

Young Thai woman prepares rice seedlings for transplanting. Seedlings are tied and topped before being set out in flooded rice fields.



Rice is also grown in upland areas, but, since the stand is usually light, water from the Chao Phraya Dam will irrigate these fields.





try's rice production is concentrated, this project consists of a large dam which will turn aside water for flooding the rice fields in dry season and, as a byproduct, will produce 60 million kilowatt hours of electric power annually.

To make full use of the facilities of the dam, small ditches and control dikes are being constructed, which will take in and drain off water from the rice plots as required. Some 75,000 acres will benefit from these ditching and diking operations, resulting in an estimated increase in production of around 20 percent. The country's export target for the 5-year period following the completion of the Chao Phraya project is placed at around 2 million tons.

The Yarn Hee multiple-purpose dam is a still larger irrigation project, which, when completed, will increase rice production. By making cheaper hydro-electric power available, water can be pumped from the deep channels in the flooded Central Plain to areas which at present cannot be served economically by gravity flow canals. This will permit two crops a year on lands which have been producing only one marginal crop.

In northeast Thailand a pond irrigation program—referred to as "tank irrigation" in the Far East—is being developed. Runoff water during the rainy season is caught in large ponds and stored; in the dry season this water is used for irrigation, livestock, and domestic uses. First tried out in 1947, this method has made great progress in the past few years. At present there are 71 such irrigation projects and 37 in the process of construction.

#### **Fertility Programs**

Thailand is not relying entirely on irrigation to increase its rice production. A start has been made in both fertilization and seed improvement programs. Rice yields since 1945 have averaged 715 pounds (milled rice) per acre compared with 910 pounds in the prewar period. Because of high prices fertilizers are not commonly used except for raising seedlings.

## **Tobacco Exports May Decline**

U.S. tobacco exports in 1956 can hardly be expected to maintain the pace of 1955—the best year for tobacco exporters in nearly a decade. Increasing foreign production, growing competition, and greater restrictions on U.S. leaf are some of the factors that indicate smaller exports.

Increased supplies of competitive tobaccos appear to be the main factor. Reports from Southern Rhodesia—the United States' principal rival in the tobacco export trade—indicate a much larger crop of flue-cured tobacco than last year. The amount of tobacco available for export in India, Greece, and Turkey also will be much larger in 1956 than in 1955. Another factor is the increase during 1955 of stocks of U.S. leaf abroad, particularly in the United Kingdom and Japan.

Prices for some popular export grades of U.S. leaf from the 1955 crop were considerably higher than for the previous season—thus adding to the export problem. An apparent shift in the pattern of purchases by domestic manufacturers, who took considerably more of the lower and medium export grades from the 1955 crop, may also tend to restrict foreign buying of some types of leaf.

Trade barriers present another

handicap to the flow of U.S. tobacco abroad. Much of the tobacco in world trade now moves under the provisions of bilateral arrangements, covering the exportation of tobacco in exchange for industrial raw materials and manufactured goods. The number of these trading arrangements appears to be growing. In addition, strict licensing systems govern imports of U.S. tobacco in a number of countries. Preference tariffs and monopoly practices also operate to the disadvantage of U.S. exports.

Specific problems in a number of markets also may tend to reduce exports from the United States this year. In the Philippine Republic, for example, restrictive measures on tobacco imports—part of a drive toward self-sufficiency—sharply cut the U.S. share of leaf tobacco that Philippine manufacturers used last year. Under existing legislation governing imports, prospects for 1956 appear even less bright.

On the favorable side, though they will probably be offset by these limiting factors, are the increasing demand for cigarettes made from light tobacco and the generally worldwide acceptance of U.S. leaf as a standard of quality whenever body, flavor, and aroma are desired characteristics.

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However, since the end of 1949 the ratio between fertilizer and rice prices has become more favorable, and, at the present time, there is a policy of heavy subsidization under way to enable cultivators to secure fertilizer at more reasonable prices. Experiments have shown that a combination of nitrogenous and phosphatic fertilizers applied in optimum amounts can increase yields of rice very substantially. It is expected that the area fertilized will gradually increase if this rice-fertilizer price ratio remains favorable.

With regard to the seed pro-

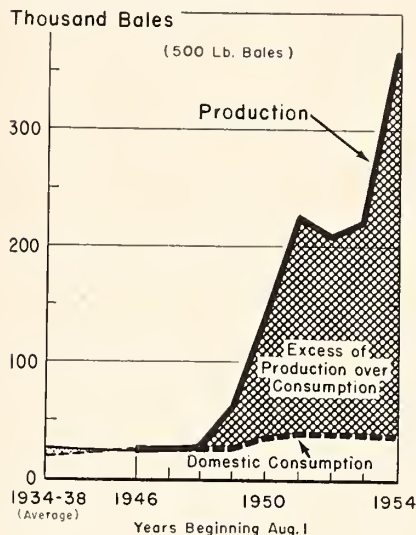
gram, the government is making a well organized effort to find improved, adapted varieties of higher yielding plants and to provide farmers with seeds from these plants. In addition, various incentives are being offered to increase production. Taxes on farmlands are low and water to rice farmers is free. The export trade in rice, a state monopoly during the postwar period, has been recently opened to commercial channels. To speed up expansion, government departments have acquired heavy power equipment to transform jungle into fertile fields.

## What About The Middle East

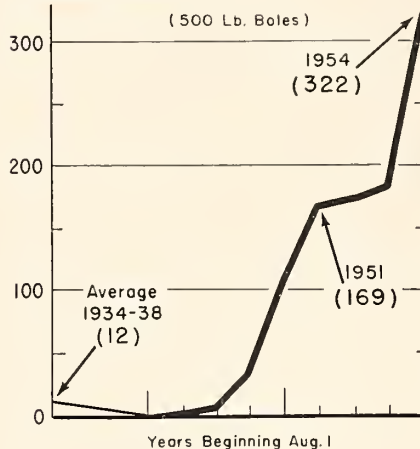
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may be able to reach this goal. In 1955 it was producing nearly 15 times as much cotton as in 1934-38,

### SYRIA: Cotton



### Thousand Bales

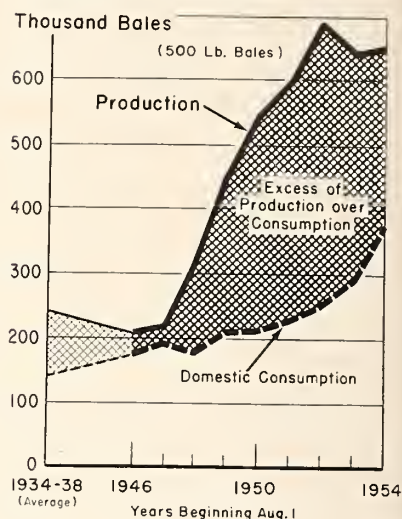


For 1956-57, Syria expects a 20-percent increase in acreage and a

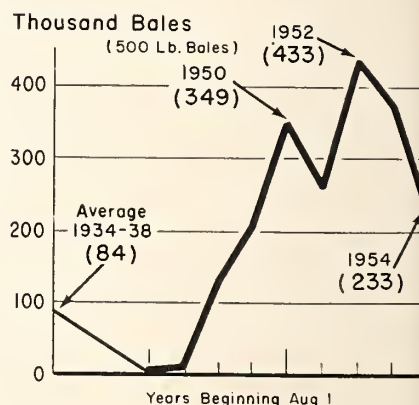
40-percent increase in production.

For further expansion in cotton, however, Syria will need capital expenditures for additional irrigation facilities, and there is some doubt whether enough water will be available.

### TURKEY: Cotton



The stimulus of the Korean war helped raise Turkey's cotton production and exports to record levels in 1952. Subsequent crops and exports were somewhat smaller. This chart shows prewar and postwar cotton exports:



Cotton, a major source of foreign exchange for Turkey, is so important in the country's economy that the government hopes to maintain production and the value of exports at the highest possible levels. An irrigation dam in the Seyhan River, to be finished this year, will provide water for complete irrigation of cotton land now

## First Annual Review Of German Agricultural Law

West Germany shares with most other countries of the world the problem that per capita income in agriculture is greatly below per capita income in other segments of the economy. In addition, net income per acre and per person drops as size of farm declines and as more of the total farm area goes into grassland.

These facts were brought out in the first annual review of West Germany's agriculture, submitted to Parliament at the end of February. The annual review is called for in the agricultural law that came into force on September 5, 1955 (see *Foreign Agriculture*, September 1955). It reports on the economic situation and financial results of agriculture and indicates what measures, legislative or otherwise, the government proposes to

correct or counteract unsatisfactory conditions or developments.

Among the corrective measures that the West German Government has proposed, and that Parliament has basically approved, is assistance to family farms and to those farms whose structure is a particular handicap to efficient production. These measures include subsidies and tax relief aiming to reduce operating expenses and to improve methods of production and marketing. Advisory and extension services also are to be strengthened. In the field of improvements for the structure of agriculture, the Federal Government will support, by special grants, the efforts of the State Governments to bring about a more rapid consolidation of scattered farm holdings.

partly irrigated. By 1965 a canal system now in the planning stage will bring much new land under irrigation. The government estimates that 120,000 acres of this land will be put into cotton, and that cotton production—which was 600,000 bales in 1955—will reach 1.4 million bales by 1960. A much more conservative estimate by the U. S. Overseas Mission in Turkey puts the potential increase at 300,000 bales. Any additional cotton might well be consumed locally, for Turkey is trying to expand its textile industry. Or this cotton might be put on the world market, in view of the foreign exchange shortage that exists in Turkey as in most Middle Eastern countries. In that case, exchange would be needed for buying finished textiles.

### Export Position

The U. S. share in the world cotton market has declined considerably; the Middle Eastern share has held steady. In 1934-38, foreign consumption of cotton averaged 23 million bales a year, the United States supplying about 23 percent and the Middle East about 8 percent. In 1945-49, while the major textile-producing countries were recovering from the war, foreign cotton consumption was only 19.1 million bales. Of this, the United States supplied 21.5 percent; the Middle Eastern share also was smaller. In 1950-54, however, foreign consumption of cotton grew rapidly, averaging 25.2 million bales a year. Average U. S. exports during this period remained the same, but the U. S. share of the total was only about 16 percent. The Middle Eastern share, however, was about the same as before the war.

World cotton prices in recent years have strongly affected sales by certain Middle Eastern countries. Egypt, for example, increased its cotton stocks during 1955 because of unwillingness to sell at the world price. Syria, on the other hand, could sell its cotton at or below the world price if necessary; for

# Britain Increases Agricultural Guarantees

A \$70 million yearly increase in agricultural guarantees to United Kingdom farmers was decided upon in the government's 1956 farm price review, conducted in accordance with the Agricultural Act, 1947.

This increase, announced March 15, 1956, is designed to offset in part the increase in farm costs, estimated at \$126 million a year for all commodities, and at \$90 million for supported commodities. It also takes into account the annual increase in farming efficiency, which is broadly estimated at some \$84 million for agriculture as a whole, or about 2 percent of gross output.

In setting the new pattern of agricultural guarantees, the government aims at giving farmers added incentives to substitute home-grown feeds for imported feeds and to economize otherwise on the use of imported materials. According to the White Paper (Comd. 9721, *Annual Review and Determination on Guarantees, 1956*) production shifts in this direction will "increase the net output of agriculture more economically than would an indiscriminate expansion of end-products; and will bring greater and more certain relief to the balance of payments."

The new schedule is effective March 21, 1956, for livestock products and for crops of the 1957 harvest. It shows an increase in the guaranteed price for fat cattle (by as much as 10 percent), and for fat sheep and lambs, which utilize mainly home-grown feed, especially grass. The guarantee for fat hogs, which are more dependent on im-

ported feed, is decreased by 1 percent. For milk the guarantee is slightly higher, for hen eggs it remains unchanged, and for duck eggs and wool it is lower. Among the crops, barley and especially oats guarantees are up, whereas wheat and rye guarantees are down -5 percent for wheat. Potato and sugar beet guarantees are also up.

The new price guarantees account for about four-fifths of the total increase in the value of agricultural guarantees. Increases in production grants account for the other fifth; these include higher subsidies for nitrogen and phosphate fertilizers, for marginal production schemes, and for steer calves. Grants will also be made toward the construction of silos.

Higher agricultural guarantees do not necessarily mean higher costs to the Exchequer, since payments on commodities must be made only if, and to the extent that, farm prices fall below the guaranteed prices. At the 1955 farm price review, agricultural guarantees for 1955-56 were increased by \$78 million, but, according to the latest estimate available, the cost to the Exchequer for the financial year ending March 31, 1956, dropped by about \$76 million, to \$598 million. Net farm income for 1955-56, including the guarantee payment, is forecast at \$839 million.

Farm income is also supported by consumer subsidies, chiefly the subsidy on milk. The cost of the milk subsidy has been running about \$100 million a year, but a cut to be made July 1 will save some \$48 million.

This year, for the first time, the farmers' unions did not agree with the price review determinations. Their main objections are that these determinations do not sufficiently allow for the increase in costs on small farms. They also object strongly to the change in the guarantee price system for fatstock.

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normally it not only supplies its own food grain needs, but gets foreign exchange from grain exports.

It can hardly be said that the

(Continued on next page)

# Eclipse of Lysenko: New Leadership in USSR Agriculture

Russia has new leadership in agriculture. Trofim D. Lysenko, long-time czar of agricultural research, has been replaced by P. P. Lobanov, former Deputy Prime Minister. And moving into the Deputy Prime Minister post is V. V. Matskevich, Minister of Agriculture and head of the Soviet agricultural delegation to the United States last summer.



V. V. Matskevich

In reporting the changes, the Soviet press did not indicate whether Matskevich had been released from his position as Minister of Agriculture. But, in his new higher position, he will doubtless exercise greater authority

than heretofore in directing Soviet agriculture.

Chief interest in the shift in the top echelon of agricultural officialdom lies in the eclipse of Lysenko, who reportedly resigned at his own request as President of the Lenin Academy of Agricultural Sciences, which coordinates agricultural research in the Soviet Union.

During the Stalin era, and especially after the war, Lysenko ruled not only agricultural research but all biological sciences. He gained international notoriety for his opposition to Mendelian genetics, insisting on inheritance of acquired characteristics due entirely to the effects of environmental factors, a theory which is rejected by science the world over as well as by

reputable Russian scientists. (See: Robert C. Cook, "Soviet Genetics," *Foreign Agriculture*, January 1953. pp. 13-15).

With the unlimited mandate given him by the Stalin Administration, Lysenko imposed his pseudo-scientific dogmas on Russian science. Retardation of agricultural research and faulty farm practices advocated by Lysenko doubtless contributed to the serious weakness of Soviet agriculture with which the post-Stalin regime has been so much preoccupied.

Criticism of Lysenko's theoretical views began in the Soviet Union toward the end of the Stalin regime. Since Stalin's death it has become sharper. Last year, Lysenko and his school were accused in the Soviet *Botanical Journal* of harmful opposition to research on corn hybrids. This is a serious charge in view of the importance of hybrid varieties for expanding corn production on which the Khrushchev regime is firmly set.

Thus, evidence has accumulated that, since Stalin's death, Lysenko has no longer played his old dictatorial role in the field of agricultural and biological research. His removal from the presidency of the Lenin Academy of Agricultural Sciences makes his exit official. This act of the Kremlin, which coincides with the current de-Stalinization drive, should have an unshackling effect on the progress of Russian agricultural sciences.

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## Citrus Industry Boosted In Southern Rhodesia

The United Kingdom, one of the world's best citrus markets, is finding increasing supplies of citrus in the Commonwealth countries as those areas continue to expand production.

Recent news of such expansion comes from Southern Rhodesia, where one of the largest citrus estates in southern Africa is planning to expand its citrus acreage fivefold in the next 10-15 years. It is the 50,000-acre Mazoe Citrus Estate.

Approximately 1,000 acres are now planted in citrus. On the 350 acres bearing, 250,000 boxes of lemons and oranges were produced in 1955. For 1956, when the productive area will total 500 acres, the crop is estimated at 315,000 boxes.

About one-third of this is sold in the Federation of Southern Rhodesia, Northern Rhodesia, and Nyasaland and the remaining two-thirds processed into 6-1 juice concentrate and shipped to the United Kingdom.

New land on the Estate is being cleared of its original tree cover and planted to cultivated crops. After 1 or 2 years under these crops, the land is then planted in citrus. Soil in this area is deep and heavy, and the existing dam on the Estate holds sufficient water to supply the planned 5,000 acres, even over a 2-year dry period. However, since the trees do not attain the growth and height of most U.S. citrus trees, the number of trees per acre must be increased about one-third to equal U.S. yields.

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## What About the Middle East

*(Continued from page 17)*

Middle East is at this time responsible for the continued decline of the U.S. position on the world cotton market. The relatively large individual gains made by Syria and Iran in exports have been more than canceled by the recent losses in Egypt. But, as these countries supply more and more of their own cotton needs, and as they bring new cotton land into full production, U.S. cotton growers may find increasing competition from the growers of the Middle East.

# Liberalization of Europe's Dollar Trade

Countries of the OEEC—the Organization for European Economic Co-operation — have long been major markets for agricultural products, including those of the United States. But the impact of World War II upon their economies, and the general disorganization of international economic relations that followed in the wake of the war, made them maintain or impose many quantitative restrictions on trade with dollar countries. Only in the past 3 years have these restrictions been liberalized. A review of that liberalization was recently published by OEEC (*Liberalisation of Europe's Dollar Trade*, March 1956, Paris); abstracts from it follow:

Liberalization lists for products of the United States and Canada are at present in force in all member countries of OEEC except Norway and Turkey. During the 15 months from September 30, 1954, to January 1, 1956, the percentage of freed products in the total private imports of the member countries as a whole from the United States and Canada (calculated on the basis of 1953 imports) rose from 44 percent to 54 percent. As in the case of intra-European liberalization, *these percentages do not take account of state trading, which plays an important part in the agricultural imports of the member countries.*

The highest percentage of liberalization is in agricultural and food products<sup>1</sup> and the lowest in manufactured goods. The overall percentages, for the total figure and for each category taken separately, are strongly influenced by the liberalization percentages achieved by the United Kingdom. In 1953, the private imports of the United Kingdom from the United States and Canada accounted for 42 percent of the private imports of the member countries as a whole.

<sup>1</sup> NOTE.—If State-traded commodities were included in the liberalization calculations, this conclusion would not apply.

## Germany

In Germany the first list of liberalization introduced on February 17, 1954, covered 1,800 of the 6,000 items of the statistical foreign trade list; they were mainly raw materials and basic products. Among them were raw cotton, linters, raw tobacco, tallow for industrial use, certain hides, a number of industrial raw materials, and certain tools, electrical machinery, transport equipment, apparatus, and instruments.

The second liberalization list, which came into force on November 9, 1954, covered about 1,800 items, mainly semifinished and finished products.

The third list, applied on May 28, 1955, covered some 600 items. Among them were oilseeds, oil for industrial purposes, cellulose, and various basic or manufactured chemical products.

The following figures show the percentage of products liberalized, for all products and for each category since February 1954:

	Food and feed-stuffs	Raw materials	Manufactured products	Total
Feb. 1954 .....	51	51	74	54
Nov. 1954 .....	7	7	5	5
May 1955 .....	26	4	—	9
Total .....	77	62	79	68

## Austria

In Austria, the liberalization measures put into force on July 15, 1955, affected 65 customs items and 8 percent of imports on private account. The agricultural sector, where liberalization amounts to 3 percent, includes spices, pineapples,

hops, fats and oils for industrial purposes, whisky, natural fruit juice, certain canned fruits, and canned fish.

## Benelux Countries

The Benelux countries introduced a common list of liberalization for the dollar area on June 1, 1954, which is the same, with few exceptions, as the common list applied to OEEC countries. The freed products can move freely between the three Benelux countries. The list includes frozen meat, tinned milk, wheat (Belgium only), barley, maize, rice, cocoa, oilseeds, certain oils and fats, preserved fruits, and tobacco. Among the raw materials are a great number of mineral and chemical products, petroleum oils, fertilizers, carbon black, raw cotton, certain hides and skins, and rubber.

## Denmark

In Denmark, the first liberalization list, which came into force on February 23, 1955, for trade with the dollar area as a whole, affected more than 200 products or groups of products, which represented 38 percent of imports on private account in 1953. Among the agricultural commodities freed were hops, raw tobacco, oilseeds (except soya and linseed), various seeds, and natural resins and gums. Among the raw materials included on the list are, in particular, natural and synthetic rubber, certain timbers, paper pulp, wool, and cotton.

The second list of liberalization applied on November 1, 1955, af-

Percentage of freed products compared with the private imports of the member countries as a whole from the United States and Canada

[On the basis of the import figures for 1953]

Liberalization in force on—	Food and feedstuffs	Raw materials	Manufactured products	Total
September 30, 1954	64	64	27	44
January 1, 1956	71	55	36	54

fectured some 80 products or groups of products, among which are rice, cocoa, soya, animal feedingstuffs, vegetable fibres, hides and skins, and other products.

The following figures show the percentage of products liberalized, for all products and for each category since February 1955:

	Food and feed-stuffs	Raw materials	Manufactured products	Total
Feb. 23, 1955	44	42	29	38
Nov. 1, 1955	77	45	41	55

### France

In France, the liberalization list, which came into force on January 1, 1956, applies to raw materials (9 percent) and manufactured products (14 percent) and covers 11 percent of private imports in 1953. No important agricultural products were included.

### Greece

In Greece, all imports from the dollar area as well as from OEEC countries were liberalized upon devaluation of the currency in April 1953 with these exceptions: (1) Certain products imported under "Procurement Authorizations" of the Foreign Operations Administration (wheat and flour, rice, coffee, coal); (2) 13 groups of equipment (such as certain agricultural implements, dynamos and electric motors, certain special machinery and parts); and (3) 9 groups of luxury goods.

### Ireland

In Ireland, since October 7, 1954, importers have no longer been required to obtain permission from the Exchange Control authorities to import certain basic products. The control of imports from the dollar area is exercised in Ireland through exchange control, as quantitative restrictions apply to only a limited number of products and are administered on a nondiscriminatory basis. Such basic products as are not on the other hand subject either to quantitative restrictions or to government trading are there-

fore entirely freed and the liberalization percentage represents a total of 15 percent. In the agricultural sector, liberalization has reached 7 percent and affects rice, unmilled rye, macaroni, etc., bakery products, meat and fish meal, peas, potatoes, clover seeds, and animal and vegetable oils and fats. In the raw materials sector, liberalization has reached 43 percent and affects raw hides and skins (but not furs), leather, essential vegetable oils, timber, plywood and veneer sheets, and textile fibers.

### Iceland

In Iceland, a list of products freed for all areas, which bears on about 240 tariff positions, was put in force on June 22, 1953. Among these products are cereals, flour, raw coffee, fruit juices, certain oils, raw cotton, hemp, certain steel products, nonferrous metals, refined petroleum, aviation spirit, certain lubricants, certain textiles, and various manufactured products.

### Italy

In Italy, in addition to the 64 tariff items already liberalized, a new list of liberalization for the dollar area covering 75 tariff items was applied on August 10, 1954. Oilcake and meal are the only important agricultural products listed.

### Portugal

In Portugal, the liberalization list, which came into force on August 6, 1955, covers 112 customs items representing 53 percent of imports on private account. In agricultural products, where liberalization has reached 92 percent, are gums and resins, raw tobacco, wheat, and certain types of canned food. [Note, however, that wheat and tobacco are under monopoly control.]

### United Kingdom

In the United Kingdom, a number of important food and feeding-

stuffs and raw materials were liberalized before October 1, 1954. Among these were wheat, barley, maize, oats, flour, dried white beans, soybeans, animal feedstuffs, certain oilseeds, nuts and oils, margarine, cotton, waste flax and tow, and various industrial materials.

A number of new products were added after October 1, 1954. Dried peas and various seeds were freed in October 1954, various animal fats and oils in January 1955, lard in February 1955, and cottonseed, maize products, wheat germ, gluten, certain types of hides and skins, cotton linters, turpentine, rosin, etc., in April 1955. The following figures show the percentage of products liberalized, for all products and for each category, since October 1, 1954:

	Food and feed-stuffs	Raw materials	Manufactured products	Total
Oct. 1, 1954...	72	53	4	49
Jan. 1, 1956...	73	70	5	56

### Sweden

In Sweden, a first list of liberalization vis-à-vis the dollar area was applied on October 1, 1954. Among the agricultural products freed were rice, gums, resins, and many processed foodstuffs—for instance, canned and dried fruits. Among the freed raw materials were fertilizers; hides, skins and leather; synthetic rubber; wood and sawn mill products; cotton; and wool.

### Switzerland

In Switzerland, the same free list applies to the dollar area as to member countries of the OEEC. This list covers all imports with the exception of certain livestock for meat production, breeding and draught; certain pork products and fresh and tinned meat; various fresh fruits and vegetables; cut flowers and live plants; wine in the cask; casein; farm tractors; lorries; and motor buses. Peaches, dead poultry, and eggs were freed in July 1955.

# PEOPLE IN THE NEWS



## Clifford R. Hope Honored by OPEDA



The Foreign Agricultural Service and other U.S. Department of Agriculture agencies will

lose a good friend on "the Hill" when Clifford R. Hope, Congressman from Kansas for 30 years, retires at the end of the present term. In honor of his retirement, OPEDA, the Organization of Professional Employees of the Department of Agriculture, gave a dinner for him on May 3, which was attended by many of his friends in the Department.

Mr. Hope, who has served longer in the House of Representatives than any Kansan, has maintained a special interest in foreign agricultural matters. During all his years in Congress he has served on the House Committee on Agriculture, and at the same time has represented this country at international agricultural conferences. He was a member of the U.S. delegation at the first meeting of the United Nations Food and Agriculture Organization, in 1945, and has attended all subsequent meetings in the same capacity. In 1948-49 and again in 1952, he was Congressional advisor to the U.S. delegation to the international wheat conferences.

Mr. Hope's travels have taken him to Russia, Iran, Egypt, Greece, and most of the countries in Western Europe, where in 1945 he helped make an economic survey for postwar planning.

## Graham Quate to Retire As Agricultural Attache



Village headman in the Striped Bamboo Mountains of Thailand shakes hands with Mr. Quate, the first American he had ever met.

When Graham S. Quate retires this June, Thailand will miss the familiar figure who for 6 years has traveled into the most remote parts of this Far Eastern Country, and FAS will lose one of its most experienced agricultural attachés.

Mr. Quate began his attaché career in 1944. His first post was in Guatemala, from where he also covered El Salvador and Honduras. Since 1949 he has been stationed in Thailand. Few agricultural attachés in the Far East have achieved as great an understanding of a country as has Mr. Quate. No place has been too remote for him to visit with his camera and notebook, and his interests have embraced not only Thailand's agricultural economy but its people and their customs as well.

In his retirement, Mr. Quate plans to work at his hobbies of photography and writing.

## Dr. Cardon Resigns FAO Position



Dr. Philip V. Cardon, Director-General of the Food and Agriculture Organization of the United Nations, resigned

from this position on March 6, for reasons of health. His term of office would have run until the next regular session of the FAO Conference in November 1957.

Dr. Cardon's election to FAO in December 1953 climaxed a lifelong career in agriculture that included research, teaching, farm magazine editorship, and administration. He has played an important part in the shaping of FAO policies since 1943 when he attended the historic meeting at Hot Springs, Va., which resulted in its formation. At the time he accepted the FAO post he was director of the USDA Graduate School.

## Brinkley Named Adviser To U.S. GATT Delegation



Homer L. Brinkley, executive vice-president of the National Council of Farmer Cooperatives and a leading figure in

international agriculture, recently served as one of the four advisers to the U.S. delegation at the Geneva conference of the nations represented in GATT, the General Agreement on Tariffs and Trade.

Mr. Brinkley has a wide range of first-hand experience in agricultural production and in marketing of farm commodities in both domestic and foreign markets. Before coming to Washington in 1952, he served as general manager of the American Rice Growers Association in Louisiana, which under his direction became the world's largest grower-owned marketing agency for rice.

In recent years, Mr. Brinkley has participated in many international agricultural conferences. He is a member of USDA's Advisory Committee on Foreign Agricultural Trade and Technical Assistance and of the National Agricultural Research Policy Committee. In 1954, he headed the Foreign Agricultural Trade Mission to Asia, one of four groups sent abroad by the President and USDA to survey opportunities for trade development in 35 countries.

## Fraser Heads FAS Market Development



Gordon A. Fraser, recently appointed FAS Assistant Administrator for market development, has responsibility for

Foreign Agricultural Service programs designed to help maintain and expand markets for U.S. farm products abroad. These include programs under Title I, Public Law 480.

A native of Oregon and an agricultural economist, Mr. Fraser has had a career that has included food and agricultural operations in Germany and administration of international wheat programs. He began the first while in the Army in Germany; later, from 1950 to 1952, he was Chief of the Food and Agricultural Division, High Commission to Germany. From 1949 to 1950 he was USDA representative to the International Wheat Council, London, and in 1952 was named Secretary to the Council, a post held until his present appointment.

## No Coffee Shortage

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trade with regard to reduced sales has been expressed in a determined advertising campaign to recapture this lost consumption. However, the important task to be done is

# TRADING POST



## Edible Oil Exports To Reach New Peak

Exports of cottonseed oil, soybean oil, and soybeans in terms of oil are expected to reach a record peak of 1.8 billion pounds by the end of the marketing year in September. This figure is 25 percent above the previous peak of 1954, and almost three times the average of the preceding 5 years. Moreover, it represents more than 30 percent of total U.S. production of these three commodities. With domestic demand also strong, stocks are being drawn upon and the carryover of edible

oils on September 30 will be relatively small.

The 1955-56 edible oil exports include approximately 600 million pounds moving under Title I of Public Law 480. Unusually small olive crops in the late fall of 1955 in the major Mediterranean olive-producing countries have resulted in short supplies of olive oil in Spain, Italy, and Greece, with the result that about 300 million pounds are being shipped to these countries under Public Law 480 programs. Poor sunflower-seed crops in Argentina in 1954 and 1955 led to a deficit of edible oils in that country, so that some 200

international in scope. The producing nations of the Western Hemisphere recognize this, and have been meeting this last year to promote an international coffee agreement which would stabilize coffee prices at a level fair to both consumers and producers. These nations hope to include African producers in this agreement. Africa produces almost one-fifth of the world's coffee exports, and to be effective the proposed export-quota type of agreement would require as close to 100 percent cooperation as possible.

## Guatemalan Trade

*(Continued from page 10)*

Guatemala is a hard currency country, the quetzal having been virtually free of all control for the past 10 years. It is on a par with the U.S. dollar. Normally the United States is the best customer Guatemala has for its exports and is the principal source of its im-

ports. Guatemala's trade balance with the United States is usually favorable by several million dollars. In 1954, for example, Guatemala sold the United States goods valued at \$68 million and bought goods from the United States at \$56 million.

U.S. exports to Guatemala of the principal agricultural products in 1954 were valued at \$7.7 million. Of this total, wheat flour accounted for \$2.1 million; lard, \$1.7 million; and dairy products, \$700,000. Guatemala supplied the United States in that year agricultural products valued at \$62.7 million, the most important items being coffee and bananas.

During recent years imports into Guatemala from Europe have increased, and the trade agreements recently entered into with Spain and France may have some effect in increasing Guatemala's exports to those areas. Higher import duties will undoubtedly reduce imports from all countries below the level they would otherwise attain.



million pounds of U.S. edible oils are being imported by Argentina and Chile. Other countries purchasing oils from the United States this year under Title I are Peru, Ecuador, Colombia, Turkey, Israel, Iran, and possibly Korea.

## Philippines Trying To Barter Sugar for Rice

With its 1955-56 rice crop estimated at 7,139 million pounds (rough rice)—only about 17,000 tons above gross requirements—the Philippine Republic will need to import rice this year to keep prices down. Since these imports will be considerably larger than would be necessary if adequate operating stocks were available, the Republic in recent months has been attempting to barter sugar for rice.

Efforts to conclude a barter of this nature with Iran and Burma did not materialize because of unsatisfactory terms. However, on March 14 an agreement was signed with Portugal for the exchange of 14,000 tons of sugar for the same amount of rice. Offers recently have been received from Thailand to barter rice for sugar.

## Norway Authorizes Canned Fruit Purchases

For the first time in 16 years Norway has authorized the use of dollars for the buying of canned fruit. Approximately \$560,000 will be made available for canned pineapple and peaches. For some time Norwegian consumers have traveled to Sweden especially to purchase these items.

## U. S. Farm Exports Gain in 1955

U.S. agricultural exports rose 5 percent in value and 9 percent in volume in 1955 over the previous calendar year. The total was \$3,193 million as against \$3,050 million in 1954. This gain was achieved despite a \$311-million drop in cotton exports.

## Burma Barter Rice For Soviet Goods

The Soviet Union and Burma recently concluded an agreement under which the USSR will take 400,000 tons of rice annually for 4 years. This is in addition to the 200,000 tons purchased this year. Burma will receive payment principally in the form of Soviet services and manufactured goods.

It is thought unlikely that the Russians will consume this large additional amount of rice; part of it undoubtedly will be resold in other markets. According to reports, some Soviet-purchased rice recently went to North Vietnam.

## New Program Promotes Soybean Sales in Japan

A program to expand markets for U.S. soybeans in Japan will be undertaken by the American Soybean Association, under an agreement with the U.S. Department of Agriculture. A first step will be a study to determine how the quality of U.S. soybeans compares with that of foreign beans. A Japanese-American soybean institute will also be established, in Japan, to facilitate trade relations between U.S. and Japanese soybean industries.

This program is made possible through use of a part of the Japanese currency accruing under Title I of Public Law 480, under which U.S. surplus farm products are sold abroad for local currencies.

## India Sets Up State Agency For Iron Curtain Trade

To promote trade with the state-trading Iron Curtain countries, India is establishing a state trading corporation of its own. It is a joint stock company, capitalized at 10 million rupees, or U.S. \$2,100,000.

India's state trading corporation will act for the many Indian traders who complain that they cannot negotiate as individuals with the vast government corporations of the Communist Bloc. It will ar-

range the sale of Indian products and the purchase of Iron Curtain goods for resale in India.

Whether this move signals the beginning of complete state trading in India is impossible to say. At least the early activities of the corporation will be confined to Communist countries.

## Chile Inaugurates New Exchange System

Chile's new import and exchange system, which went into effect on April 20, 1956, permits all authorized trading firms to import without quantitative restrictions any merchandise falling within certain broad categories. These include among others, animal products, agricultural products, food, and textiles.

## Australia Removes Hop Imports Barrier

U.S. hops now may be imported into Australia, as a result of the Australian Government's action on April 20. This action removed hops from the list of items that can be purchased only in nondollar areas because of dollar restrictions. Australian importers can now buy hops wherever they can get the lowest price.

In annual GATT bilateral discussions between the United States and Australia (since 1953), the United States has called Australia's attention to the import restrictions, which tended to discriminate unnecessarily against U.S. hops, and has pointed out that Australia's shift to a sterling market source had resulted in Australian importers paying a price far above the cost of quality hops available from the United States.

Australia at one time was a fairly important export outlet for U.S. hops, purchasing an average 664,200 pounds annually during the 5-year period ending September 30, 1950, when the currency restrictions were imposed. No U.S. hops have been sold in Australia since that time.

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## Exports in Perspective

Thousand Short Tons

