FEDERAL RESERVE BANK OF RICHMOND

MONTHLY REVIEW

FEDERAL RESERVE BANK OF RICHMOND
INCORPORATED MAY 18, 1914
5-E

MAY 1968

A businessman engaged in international trade may easily become confused these days by the varied array of free trade areas, common markets, and trade agreements that vie for his attention. Since the Second World War an outburst of togetherness has occurred that is unparalleled in history. Industrially developed as well as less-developed nations have taken to economic cooperation in their attempts to achieve greater prosperity. In Central America a five-nation common market has performed remarkably well since its founding in 1960, and in East Africa three countries recently initiated a free trade area. But particularly in Western Europe international organizations have mushroomed. The General Agreement on Tariffs and Trade, the European Economic Community, the European Free Trade Association, and the Organization for Economic Cooperation and Development that are headquartered there, all make their own regulations that affect international trade.

United States foreign policy generally has taken a very positive attitude toward these attempts at cooperation. This country played an important role in the early postwar European cooperation movement. It was in part because Marshall Plan aid was made conditional upon coordination of the many national reconstruction programs that they were successfully organized.

This article tells in broad outline the story of postwar European economic cooperation.

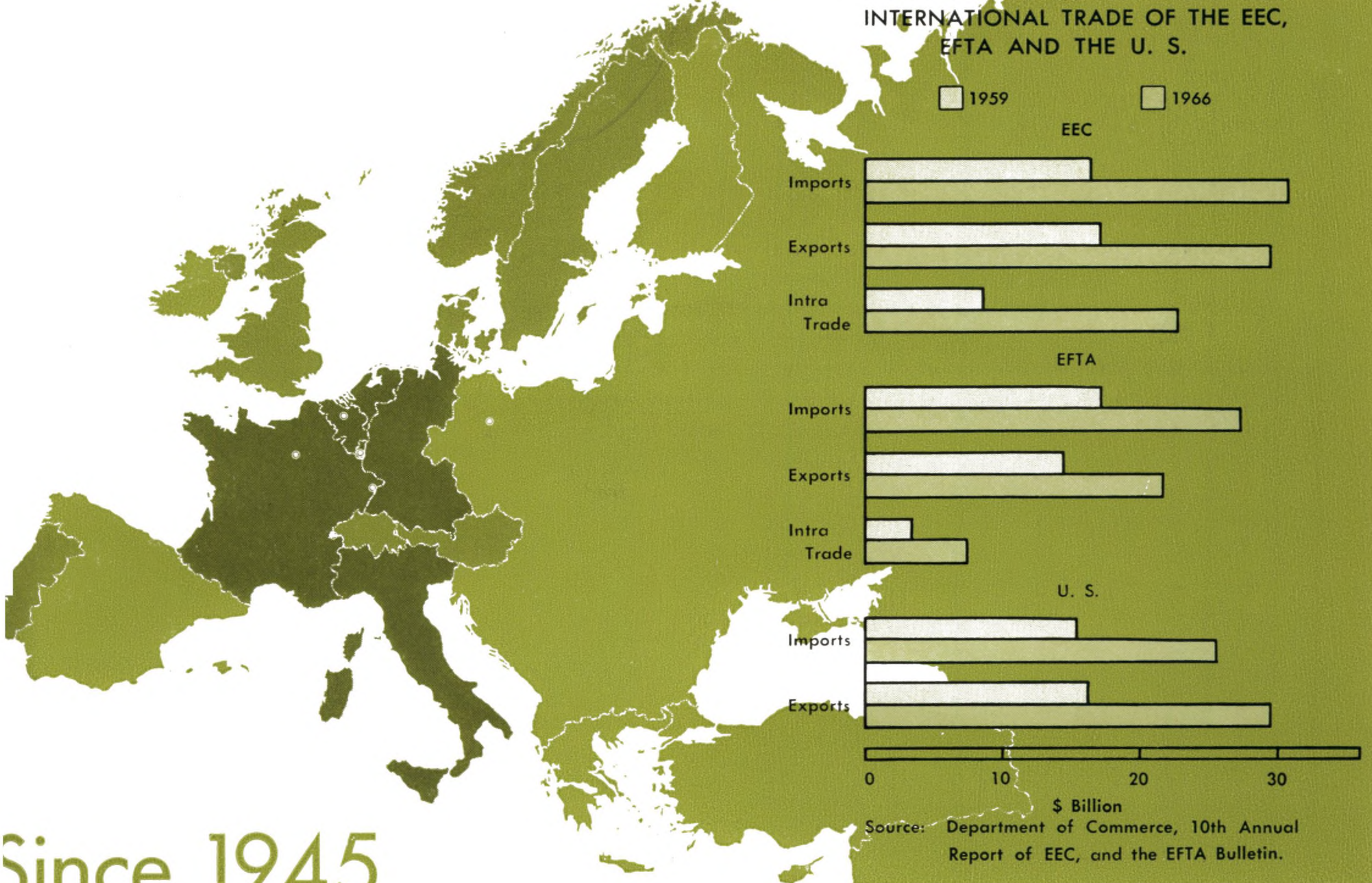
Economic Cooperation In Europe

The Early Postwar Years: 1945-1948 In the immediate aftermath of World War II, the need for international cooperation was widely recognized, but the odds seemed very much against any successful attempt. Most European nations faced acute reconstruction problems. Much of their productive capacity had been destroyed and capital to rebuild was painfully lacking. Dollars to pay for capital goods imports from the U. S., the only potential supplier at the time, were in short supply. To protect their foreign currency reserves, most governments restricted the convertibility of their currencies and employed import, export and capital movement controls. Moreover, the prevailing bilateral trade pattern which was aimed at an equilibrium with each individual trading partner rather than an overall equilibrium, seriously hampered a revival of international trade.

In such an atmosphere of rigid national trade and exchange restrictions the American proposal to establish an International Trade Organization (ITO) that would deal with all aspects of international commercial relations could only meet with cautious optimism in Europe. Two years of negotiations ultimately proved fruitless when in 1948 the nations involved failed to ratify the proposed charter for the organization. The most likely explanation for this is that the ITO tried to achieve too much too soon.

The GATT The lengthy ITO discussions did, however, have some influence. In 1947 several negotiators, realizing that faster progress could be made in a limited area, started a series of meetings that ultimately led to the signing of the General Agreement on Tariffs and Trade (GATT). The agreement provided for substantial reductions in the members' tariffs and froze current free entry lists. The GATT is based on the principle of absolute nondiscrimination, but its Article 24 explicitly leaves open the possibility of establishing regional customs unions or free trade areas. Since the agreement was signed, both the European Community and the European Free Trade Association obtained waivers of the GATT's basic principle under this provision.

In the two decades since its formation, the GATT has proved an important forum for discussions on international trade problems. At its annual meetings such subjects as import valuation, dumping, and



Since 1945

the use of quotas by less developed countries are discussed. Recently the U. S.-initiated Kennedy Round negotiations for an across-the-board major reduction of trade barriers took place in the framework of the GATT.

The Benelux On a more regional basis, the year 1948 saw the implementation of a customs union between Belgium, the Netherlands, and Luxembourg. As planned in 1944, the partners had gradually abolished the duties on their mutual trade and had introduced a common tariff schedule for imported goods. The higher aim of an economic union in which cross-border migration and capital movements would also be free and in which economic policies would be harmonized appeared harder to achieve. Due to the different economic problems of Belgium and the Netherlands in the reconstruction period, this phase could not be introduced until 1958.

Hailed at its formation as the road toward West European unity, the Benelux today seems to have lost much of its appeal. This can be attributed partly to the emergence of the broader European Economic Community which incorporates the Benelux as well as France, Italy, and Germany. Yet, the Benelux can continue to perform a useful function. As a bloc within the EEC, it can introduce liberalizations which cannot yet be effected in the Six as a whole. Thus it can continue to stage "experiments in economic unity."

The Marshall Plan and the OEEC The GATT, although an important step forward toward trade revival, did not touch the root of the postwar European economic problem. What was really needed was capital to pay for the reconstruction. The aid given by the U. S. until that time was too fragmentary to accomplish the desired results.

On June 5, 1947, Secretary of State George Marshall announced that the U. S. was willing to extend large-scale financial help to European nations, provided they would coordinate their recovery plans. Following intense negotiations, sixteen countries agreed on a common European Recovery Plan that was subsequently approved by Congress in April 1948. During the next three and a half years Congress authorized about $12 billion in funds.

In the U. S. an "Economic Cooperation Administration" was set up to administer and supervise the aid program. In Europe, the Paris-based "Organization for European Economic Cooperation" (OEEC) was established to allocate Marshall Plan funds and to promote cooperation among members. The OEEC moreover aimed at a reduction in trade barriers and at an unrestricted payments system. In reviewing its record, three major accomplishments stand out: (1) the installation of machinery for close European economic cooperation; (2) the elimination of quotas in member trade through a system of liberalization rounds; and (3) the creation of the European Payments Union which successfully battled restrictions on inter-member payments flows.

In 1960 the OEEC was transformed into the OECD, the "Organization for Economic Cooperation and Development." The change in name accentuated the larger functions that the organization had taken on, and was consistent with the broadening of membership to include the U. S., Canada, and Japan.

The OEEC-OECD was and still is an inter-governmental organization; that is, it has no supra-national powers. The Council, formed by representatives of the member countries, makes its decisions by unanimous vote. Most day-to-day matters are handled by the Executive Committee assisted by a Secretariat and numerous technical committees. Besides a multitude of studies and statistical information the OECD annually publishes surveys of the economic situation in each of the member countries. On the basis of a report prepared by the nation concerned, a team from other nations examines her economy and might make suggestions on a change in policy. Though the OECD has no way to enforce its recommendations, its prestige gives its voice a certain authority.

The EPU and the BIS The European Payments Union (EPU), set up among the OEEC members in 1950, tackled the restrictions on inter-member payments flows. The inconvertibility of most currencies had induced many governments to maintain a bilateral payments equilibrium and to impose controls to that end. The EPU functioned as a clearing house. Monthly each member central bank would send a survey of her net position vis-a-vis each other member central bank to the Bank for International Settlements (BIS), EPU's administrator in Basle. The BIS would then consolidate these net debts and claims into an overall net debt to or claim on the Union, expressed in EPU-units, equal to the U. S. dollar. In this way multilateral settlements replaced bilateral ones. Following certain rules debtor countries could get credit from the BIS and creditor countries had to give credit to the BIS. As the years went by less credit was asked and given and direct payment became more current. In 1958 most members had reached a situation of full and immediate settlement. As convertibility was restored and its aim was attained, the EPU was liquidated.

The BIS today serves as an important forum for discussions on international monetary problems. It also plays an important role in the network of swap arrangements between the world's leading central banks.

The ECSC Until the formation of the European Coal and Steel Community in Paris in 1951, European cooperation had mostly taken the form of noncommitting collaboration. Now, however, six countries, Germany, France, Italy, the Netherlands, Belgium, and Luxembourg agreed to integrate their coal and steel industries and place them under an independent and supra-national High Authority. To establish this common market, the partners vowed to eliminate all mutual customs duties and quotas, all discrimination based on nationality, all restrictive practices and all forms of state assistance for these products. They also agreed to a common duty to be levied at the external frontier. Six years later the same countries signed the Treaty of Rome, thereby creating the European Economic Community, often called the Common Market, and the European Atomic Energy Community (Euratom). In July 1967, the executive branches of these three organizations were merged into one 14-member Commission of the European Community. The Commission resides in Brussels where it employs some 3,000 "Eurocrats." The Court of Justice of the European Community is based in Luxembourg and the Common European Parliament, formed by members of the national parliaments, convenes in Strasburg, France.

During its lifetime the High Authority of the ECSC has had to deal with a profoundly changing European coal and steel market. In view of this it has endeavored to make the necessary adjustments and to avoid social and economic disruptions.

The EEC The 1957 Treaty of Rome extended the principles on which the ECSC had been based to the economies of the six member countries as a whole. Its aim was to create an economic union in which not only flows of goods, services, capital, and labor would be unhampered, but in which also a common policy on agriculture, transport, competition, and foreign trade would be in force. In addition a harmonization of the social, monetary, economic, and regional policies was envisaged.

In the decade since its founding, the EEC has made considerable headway toward these objectives. By July 1968, two years ahead of schedule, all internal tariffs and quotas will have disappeared, and external tariffs on imported goods will be identical. The significant effect of this on the pattern and volume of trade can be seen in the chart. The Community is the largest trader in the world. Between 1958 and 1966 intra-Community trade increased by about 235% to a total of $22.8 billion. This compares with a 91% increase in EEC's imports from the rest of the world to about $31 billion in 1966, and an 85% rise in exports to around $29.4 billion in 1966.

Restrictions on capital movements and migration of persons within the Community are being abolished gradually. At the moment, for instance, capital flows relating to medium- and long-term loans and transactions in listed securities are entirely free. Proposals to remove obstacles to a free access of issuers of another member country to the various capital markets are being discussed. Today also, workers can move freely from one member country to another without losing their social security rights, and efforts are being made to reach complete freedom in the establishment of businesses.

The Community's position towards competition is slowly taking shape. In principle all cartels and similar market agreements are forbidden. The Commission can, however, waive this regulation if specific conditions are met. A large number of requests for authorization is under study.

In matters of external trade policy the Six increasingly act as a unity. At the Kennedy Round discussions, for instance, the Commission represented the member countries. In recent years the Commission has negotiated various trade pacts and has signed two association agreements, with Greece in 1961 and with Turkey in 1963. Both countries will eventually become full members of the Community. During the transition period they can apply for loans from the Community's European Investment Bank to help finance their development projects.

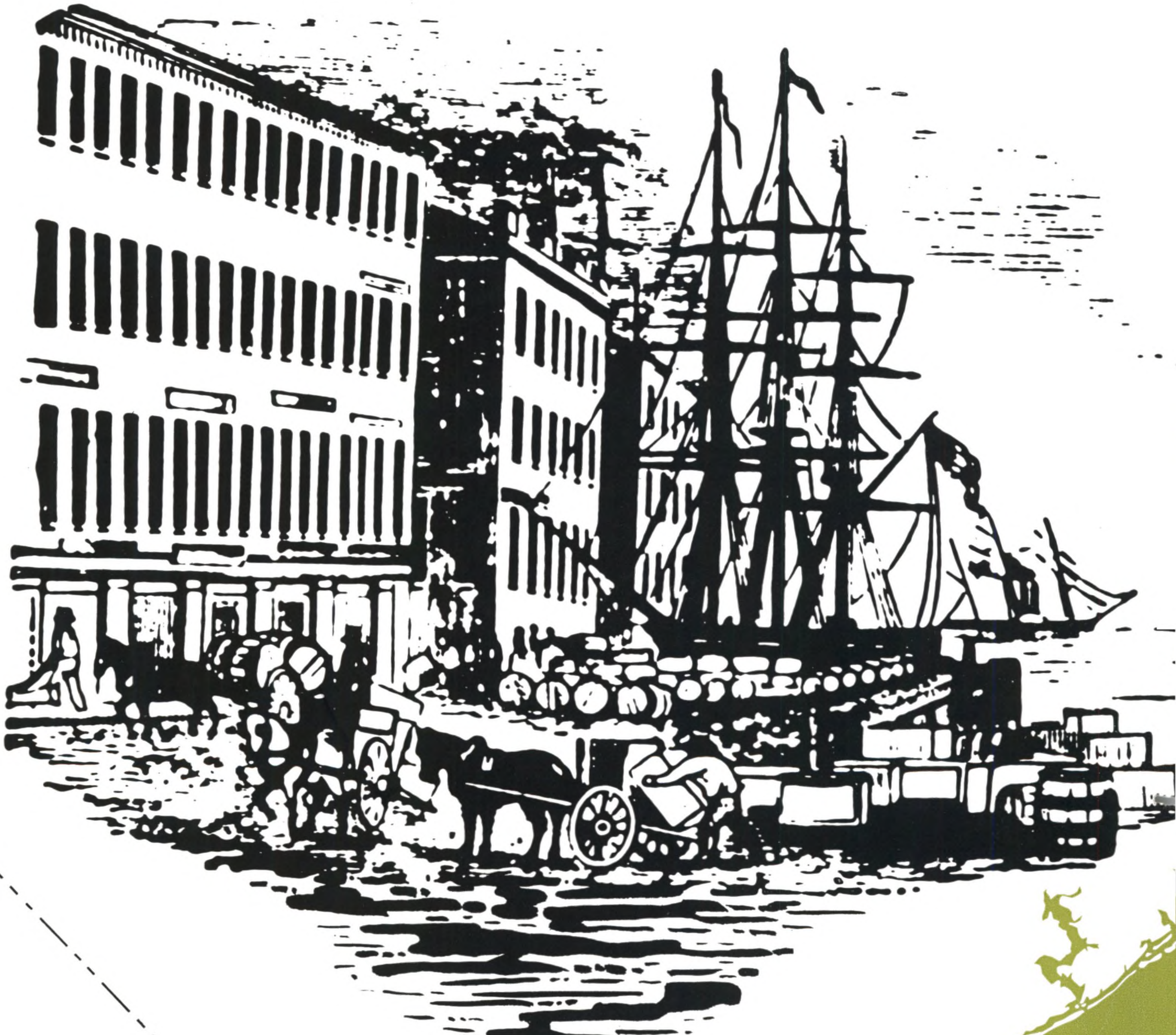
A special association arrangement was worked out in 1958 and renegotiated in 1963 with 18 states in Africa and Madagascar, mostly former French territories. The aim, the creation of a free trade area between the Community and each of the eighteen countries, will largely be achieved this coming July. In addition to this the Six set up a $730 million fund to help finance the economic and social development of these nations.

The EFTA Though invited to join the new Community, many OEEC partners, fearing loss of national sovereignty, felt that they could not do so. In the case of Britain, Commonwealth ties and special agricultural problems also played a role. The other OEEC members did, however, step up discussions among themselves, and in 1959 Britain, Denmark, Norway, Sweden, Austria, Switzerland, and Portugal agreed to form the European Free Trade Area. In June 1961, about one year after the EFTA had come into force, Finland was accepted as an associate member.

EFTA's scope is more limited than the Community's. Its aim is to create a free trade area for its members' industrial goods, by abolishing mutual tariffs and quotas on the trade in these goods. In December 1966, three years ahead of schedule, this objective had been reached. Finland followed in January of this year. EFTA does not, however, establish a common duty for imports from non-member countries. Consequently, foreign producers will try to profit from the treatment that members give each other by bringing their goods into the free trade area via the member country with the lowest external tariff. Thereupon, they can forward them, free of duties, to the market for which they were intended. To stop these practices an extensive system of rules of origin was set up, and EFTA claims that application of these rules has not met with major difficulties.

EFTA's record, as shown in the chart, is not as impressive as the Community's. Since its foundation in 1959 intra-EFTA trade has gone up by 111% to $7.4 billion in 1966. The average annual rate of increase during that period was 11.4%, compared with 5.5% during the period 1953-1959. The Associations' trade with the EEC is, however, more important than the trade among its own members. In 1966 EFTA's imports from the Six amounted to about $11 billion and exports to that bloc were $7.7 billion. Yet, the gradual realization of the common external EEC tariff has begun to hurt. In 1966 the rate of increase of EFTA's exports to the Six was 4.4% compared with an average annual rate of 9.2% between 1959 and 1966. Though EFTA has reached its immediate aim, many important questions remain unanswered.

Jan H. W. Beunderman



FIFTH DISTRICT PORTS

North Carolina in 1967 ranked 11th among the states in total value of world trade. The picture was not always so bright, however; several decades ago, it ranked 15th. Due to the shoals reaching far out to sea from the "outer banks," most of the coast of North Carolina is inaccessible to large ships, but with the conclusion of World War II, steps were taken to increase the usefulness of the ports south of the outer banks. Wilmington, 28 miles from the ocean on the Cape Fear River, and Morehead City, 90 miles further north and three miles from the Atlantic near Camp LeJeune, were natural sites for coastal ports with their capable manpower, deep harbors, and sufficient transportation facilities to serve the industrial centers of the state. A third coastal port, Southport, on the estuary of the Cape Fear River, was isolated by its lack of rail transportation. □ In 1949, the North Carolina General Assembly authorized the establishment of the State Ports Authority. State owned ocean vessel cargo terminals were established at Wilmington and Morehead City. The Ports Authority is financed by direct appropriations of the General Assembly which issued General Obligation Bonds to raise the original $7.5 million for expansion of facilities at the two ports. Private industry also has made major investments in specialized services for its own use at the two state terminals. With the joint effort between state and private industry, the ports have grown steadily. In 1967, the two ports handled more than one million tons of cargo, 829 ships, 8,000 railroad cars and 25,000 tractor-trailers. It is estimated that by 1970 the ports will handle over three million tons of cargo. Major exports handled in order of their rank are tobacco, textile mill products, food and kindred products, paper and allied products, and chemicals and allied products. □ Aside from the two major coastal ports, North Carolina has a number of smaller ports. The river ports include Fayetteville, Washington, Elizabeth City, New Bern, and Greenville. These inland waters are traveled by barges and pleasure craft. Southport, on the coast, holds the promise of one day becoming a small commercial craft harbor. In 1959, a bond issue was passed providing the funds for the North Carolina Ports Authority to construct some type of harbor facility at Southport. In 1965, the Southport Boat Harbor was dedicated. It operates mainly as a pleasure craft marina.

Woodcut courtesy North Carolina State Ports Authority

The Executive Gap

When the economy approaches full employment, it is inevitable that shortages should develop. Typically, there are shortages of certain raw materials, of the more complex manufactured goods, and most frequently shortages of labor. Some types of labor shortages can be offset by using more machinery, or by changing the product being produced, or by altering the type of service being rendered; but the type of labor shortage most difficult to cope with is the shortage of executives.

There is no precise definition of an executive. One does not qualify as an executive by the attainment of a given age, or by a set of physical characteristics, or by any recognized course of education or training. There are executives of almost all ages, of both sexes, and of all races and creeds. Their educational backgrounds run from practically no formal training to the post-doctoral level. But all have one thing in common: they make things happen. They provide the inspiration, the guidance, and the leadership for all types of productive activity.

Trend in Demand The demand for executives closely follows fluctuations in general business activity. In the accompanying chart, prepared by Heidrick and Struggles, a national management consulting firm, it can be seen that demand dropped from a relatively high level just before the beginning of the recession in 1957. It rose again in 1958 as business picked up, then slackened slightly in the 1960 recession. Gains were moderate until the economy felt the stimulus of the 1964 tax cut, and the demand rose sharply to a peak in 1966. The "credit crunch" of 1966 was accompanied by a downturn, and there was relatively little increase in demand in 1967.

When we consider that this chart represents the demand for *additional* executives, it is remarkable how closely it follows the trend of business in general. It might be assumed, for example, that if the strong demands of 1955-56 were met, demand for new men would not immediately surge again with the pickup of business in 1958. But apparently the demand for new executive labor is just as sensitive to cyclical fluctuations as the demand for other types of labor.

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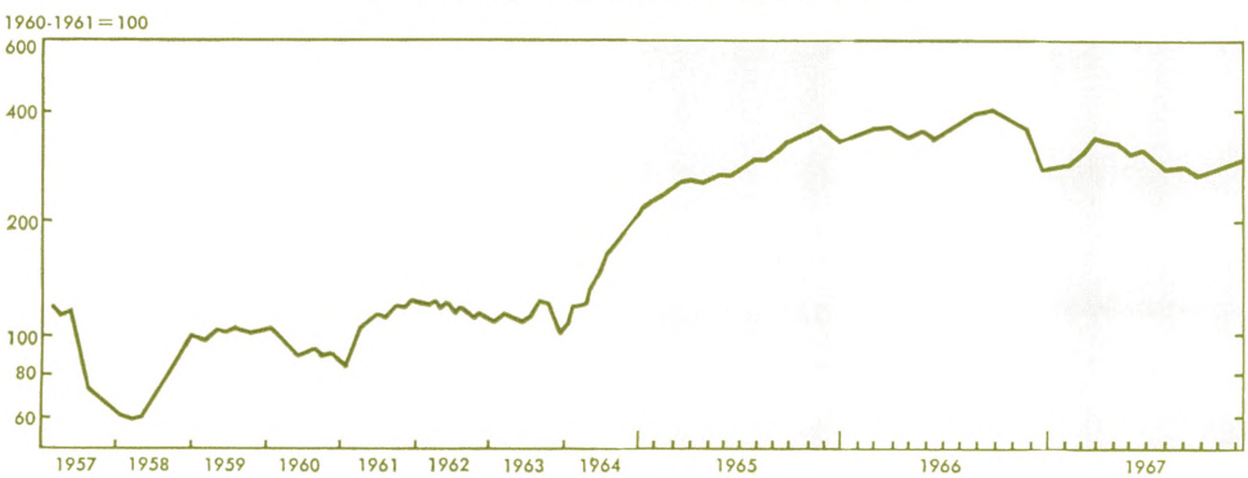
NATIONWIDE TREND IN DEMAND FOR EXECUTIVES

(3 Month Moving Average Adjusted for Seasonal Variation)



Source: Executrend, Heidrick and Struggles, Inc.

DEMAND BY EXECUTIVE CATEGORY

(3 Month Moving Average Adjusted for Seasonal Variation)

Source: Executrend, Heidrick and Struggles, Inc.

Over the past three years, demand for manufacturing executives has fluctuated most, and the steadiest growth has been in the financial area. In the fourth quarter of 1967, most of the demand for executives was in engineering. Out of 13,754 openings catalogued, 38% were in general engineering, 20% in defense engineering, 18% in finance, 10% in marketing, 8% in manufacturing, 4% in personnel, and 2% in general administration.

Part of the reason for this may be that an ever-broadening range of work is being done by people who may be considered executives. With the increasing complexity of business technology, it has become necessary to hire larger numbers of staff executives, who exercise little authority but do a great deal of work themselves, as compared with line executives, who constitute primarily a line of authority and communication from top management to employees. The physicists, chemists, economists, accountants, lawyers, and other professionals employed by business firms are executives in the sense that they influence corporate policy, and in some cases, are essential to the operation of the firm; but they may have few people working for them and often perform more actual labor than their subordinates. A firm may expand greatly with no increase in its structure of line executives; but if it depends heavily on staff professionals, any substantial increase in output requires more "executives." This not only ties the demand for executives more closely to the business cycle, but it also lengthens the average training time, for the route to the top increasingly tends to be through the professional ranks. As staff men move into top management, they give up their staff work and must be replaced with other staff men who require lengthy education and training.

Given the problems of producing executives, any surge in demand will inevitably result in shortages; but there are also other significant long-run influences on the supply. For example, the demands of government, the military establishment, and educational institutions have limited the supply of able personnel available to corporations. Also the relatively low birth rate of the 1930's resulted in a shortage of persons in the most appropriate age range for executives in the 1960's.

These factors might seem to encourage the promotion of young men to the executive level at an earlier age, but if that has been done, it apparently has been more than offset by retaining others beyond their normal retirement age. This is particularly evident because the average age of executives has risen in recent decades. A study by Wilbur G. Llewellen, under the sponsorship of the National Bureau of Economic Research, reveals that the average age of company officials is now higher than in 1940. Chief executive officers of 50 firms surveyed averaged 60 years of age in 1963, compared with 56 years in 1940, and ages of other top executives showed comparable increases. One reason for the increase in average age is that more slowly rising compensation together with higher taxes have made it more difficult financially for executives to retire. Another explanation may be that the lag in executive supply has made it more difficult to hire replacements.

The gap between supply and demand has brought significant changes in attitudes toward executive recruitment and development. At all levels, but especially at the college recruiting stage, firms are increasingly recognizing the management potential of women or members of minority groups, sources of executive talent which until recently were largely neglected.

The trend toward large numbers of staff executives has been beneficial to many of those who have had difficulty breaking into the executive ranks. A woman or a non-white, for example, is likely to be in demand as a physicist or a member of the legal staff in a firm that would hesitate to employ either as a production superintendent.

The growing executive gap has led to the proliferation of a type of institution which was very rare a few decades ago—the executive placement firm. These firms, sometimes called "head-hunters" or "personnel pirates" by their critics, came into existence in a variety of ways. Some represent an extension of management consulting; others grew out of employment agencies which had previously dealt with non-executive personnel. Agencies specializing in executive placement are generally of two types. First, there are those who offer career counselling which has as its goal either promotion in the client's company or an improved position through a change in employment. These agencies usually charge the client a fee. Second, there are executive search agencies who offer little counselling, but whose main objective is to match executives who are seeking improvement with employers who need executives. The employer usually pays fees charged by this type of agency.

Although placement agencies have sometimes been criticized for "raiding" an employer, it is widely recognized that they perform a useful service. Many companies which are well established but are relatively stable or are growing slowly train more executives than they can use effectively. If they hire sizable numbers of competent young people, some of them must ultimately be frustrated by lack of room at the top, and it is probably better for them to move into a rapidly growing firm where they are badly needed than to spend years attempting to repress their ambitions. The placement agency bridges the gap between those firms who train too many potential executives and those who train too few.

Harmon H. Haymes

SOYBEANS:
The "Cinderella" Crop

Soybeans, a comparative newcomer, might well be called the United States' "Cinderella" crop. From relative obscurity prior to World War II when they were grown primarily as a forage and green-manure crop, soybeans have become the nation's second most important income earner among all cash crops, outranked only by corn. Today soybeans are grown chiefly for the production of beans. The 1966 crop returned a handsome $2.5 billion in cash income to the nation's farmers compared with a mere $42.2 million in 1940.

The crop has also become one of this country's leading farm exports. From less than half a million bushels in 1940, shipments abroad in 1966 totaled 261.6 million bushels. Soybeans and soybean products, in fact, have been the top dollar earner among United States agricultural exports for the past several years. Before World War II, the United States was a net importer of oilseeds. But the dramatic expansion in soybean acreage and production that began during the war and has continued since has propelled this nation into a position of world leadership in oilseed production and trade. The United States in 1966, in fact, produced one-fourth of the world's output of oilseeds, oils, and fats and supplied 30% of world exports of these products. Its position in soybeans is even more dominant. Now the world's chief producer and exporter of soybeans, the United States accounts for about three-fourths of the world's production and around 90% of all soybeans moving in world trade.

Production Expands The nation's 1967 crop of soybeans totaled 972.7 million bushels and was produced on 39.7 million acres. Production, which has risen 75% since 1960, is now nearly 12½ times the output in 1940, while acreage harvested is 8¼ times the prewar level. Heaviest concentration of acreage is in the Corn Belt, but other important acreages are in the Mississippi Delta, Lake States, and the Atlantic Coast States. The Fifth District states, among this latter group, harvested 2.7 million acres of soybeans in 1967 and produced a crop of 64.2 million bushels, nearly 7% of the national total. District expansion of soybean acreage and production during the war years was not as rapid as that in the nation as a whole. Since 1950, however, both acreage and production have increased at a faster rate in the District than in the nation. As a result, District soybean acreage in 1967 was 10 times larger than in 1940 and production was 19 times greater. With these increases, soybeans have emerged as a major source of crop income in the District as well as in the nation. The 1966 crop, in fact, brought District farmers a record $133.4 million in cash income, second only to that from tobacco. Soybeans were harvested for beans on 18% of all farms in the District and in the nation in 1964 compared with around 4% in the prewar period, according to the Census of Agriculture.

Demand Grows Despite the tremendous expansion in soybean production and the high level of farm prices for soybeans, demand has kept pace with output. Since 1941, the average price received by farmers has been above the support price in all but four seasons. The crop continues to be produced without acreage allotment controls. Yet there has never been a serious surplus of soybeans. At 91 million bushels at the beginning of the 1967 marketing year, the carry-over is currently the highest on record.

The United States is still its own best customer for soybeans and soybean products despite the tremendous growth in foreign demand. Domestic crushings currently use 60% of the annual crop of beans, while domestic consumption accounts for 80% of the yearly output of both soybean oil and meal. Here at home crushings of beans for oil and meal have continued to move upward, advancing to a new record level of 551.3 million bushels in 1966. This was 2½ times 1953 crushings and more than 8½ times the 1940 figure. As crushings have increased, so also has the production of soybean oil and meal. Substantial increases in domestic use have accompanied the larger output, however. Utilization of both products has doubled since the early Fifties.

The biggest growth in demand for soybeans and soybean products has been in the export market. The real growth in this market has come since the early Fifties. United States shipments abroad as beans, which totaled a record 261.6 million bushels in 1966, accounted for about 30% of production contrasted with 15% of the crop in 1953 when exports were only 40.1 million bushels. Exports of soybean oil have increased even more rapidly—from 77 million pounds, only 3% of production, in 1953 to 1,062 million pounds, or about 20% of total output, in 1966. Soybean meal exports have soared even more during this same period, rising from 73,000 tons, or 1% of total output, to 2.7 million tons, or 20% of production. The main foreign customers are Japan, the Netherlands, West Germany, Canada, and more recently Spain. Japan, where soybeans are used widely for food, is the largest single foreign outlet.

Technology Creates Many Uses Modern technology, which has created such a wide variety of uses for soybean oil and meal, has been a veritable fairy godmother to the soybean. As older uses have expanded and new uses have been developed, the demand for soybeans has grown. Today many food and industrial products are made from both the oil and the meal. Ninety per cent of the soybean oil used in the United States goes into the manufacture of food products, mainly shortening, margarine, and cooking and salad oils. Soybean oil, in fact, comprises around three-fourths of all vegetable oils used in the production of each of these products. Paints and varnishes, resins and plastics, other drying oil products, linoleum and oil cloth, soap, and fatty acids are among the many industrial products made from soybean oil. Most soybean meal (estimates of United States use run as high as 95%) is used in the preparation of high-protein feeds for livestock and poultry. Soy flour and grits used in such things as breakfast cereals, bakery goods, macaroni, noodles, pancake mixes, and candies are but some of the food uses of the meal. Industrial uses include such items as fertilizer, cold water paints, adhesives, paper sizings, various coatings, emulsifiers, and sprays.

Competition Increasing What of the future? Looking to the time when the supply of soybeans may catch up with demand, the nation's farmers may do well to watch several related factors, just as Cinderella had to watch the clock. For example, competition from other oilseeds, fats, and oils is growing in world markets. Competition from synthetic urea as a source of protein for livestock feed is increasing. With these developments, United States soybean oil and meal may well need to become more price competitive. These prospects point to the need for a breakthrough in yields per acre so that costs of production can be reduced. Nationally, the average yield has been on a plateau of about 25 bushels per acre for the past decade. Fifth District yields average somewhat lower. Crop scientists say that the know-how for achieving higher yields has already been developed. Wide-scale application of this know-how is all that is needed.

Sada L. Clarke