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A Special Message on Trade and Agricultural Research to The Journal of Agricultural Economics Research

The Honorable Clayton Yeutter, U.S. Trade Representative

Today, more than ever, American farmers find themselves facing stiff competition from abroad Nations that once seemed incapable of feeding themselves are now agricultural exporters. Other nations subsidize production and build up unnecessary surpluses. This situation has brought about a severe challenge to the competitiveness of US agriculture.

The Government can—and should—level the international playing field by challenging unfair trading practices, by negotiating better trade agreements, and by improving the economic fundamentals that influence world trading patterns. But once that playing field is leveled, it is up to the agricultural community itself to produce the highest quality product at the most competitive price. That is why agricultural research is so essential to the future of American agriculture.

If the US agricultural community is going to remain competitive in the world marketplace, it will have to rely increasingly on economic analysis in making decisions. We must continue reaching for new heights of intellectual innovation. Major commitments of time, resources, and energy will be needed to ensure that our economic research is the best in the world.

From my own perspective, the availability of sound research has been absolutely essential in the development and implementation of US trade policy Negotiators cannot afford to fumble around in the dark without necessary supportive data, particularly in the area of agricultural trade

Agriculture is one of our priority areas for negotiation in the Uruguay Round A major U S objective in

this area is to draw up rules that will regulate and reduce the role of Government in agricultural trade But before these negotiations proceed very fai, we will need to determine how various Government policies such as subsidies, import barriers, and quota programs distort trade in agriculture Agricultural economic analysis will be critical, then, to a successful outcome to the Uruguay Round of discussions on agriculture

The role of economic research and analysis is just one example of why America needs to retain its competitiveness in the coming decades "Competitiveness" also means that our children obtain the best possible educations, that the Government provides a stable and efficient economic environment in which our workers and businesses can produce, and that our trade policy remains geared toward opening markets throughout the world

For American agriculture to remain competitive, American agricultural analysis and research must also remain competitive I see no reason why that should not happen. We already have many of the best and most capable analysts in the world. In the past, we have set the standards of excellence in the international community

American agriculture should not shrink from the challenges that he ahead because out of these challenges will come new opportunities. We can take advantage of these opportunities if we maintain our commitment to agricultural research and analysis