



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

No endorsement of AgEcon Search or its fundraising activities by the author(s) of the following work or their employer(s) is intended or implied.

PROCEEDINGS

of the

WESTERN FARM ECONOMICS ASSOCIATION

Fourteenth Annual Meeting

June 25, 26 and 27, 1941

Hotel Utah
Salt Lake City, Utah

THE RELATION OF LATIN AMERICA TO
THE AGRICULTURE OF THE WESTERN STATES

W. L. Wanlass, Dean, School of Commerce,
Utah State Agricultural College

On the suggestion of Dr. Benedict and by my own preference, I am not attempting any formal review or criticism of the papers presented by Mr. Tinley and Mr. Cavin. At the time these notes were written, I had not read Mr. Talbot's paper, nor had I any idea as to what Mr. Talbot planned to

do instead of the customary review, then, I am merely presenting a few reactions, and a few questions which may, together with those that have been raised by others and those already propounded by the principal author this morning, stimulate some worth while discussion. No attempt is made to group them in any logical order.

My reaction I have after reading Mr. Tinley's interesting and important paper (and I might add now after hearing Mr. Cavin's paper) is the futility of trying to get a picture of our present or prospective relations with Latin America from trade or other statistics of the recent past. The problem now is not what has been done, but what is to be done. Changes in inter-American trade and in public policy have already taken place. Almost certainly still greater changes are in the offing. To judge the future by the past is never an easy task. It becomes an almost impossible task under present conditions. In the event of an Axis victory, the way toward hemispheric solidarity will be given a great impetus. The question is, how can such solidarity be achieved except through increased economic interdependence? If the Axis powers are defeated, will the people of the world become satisfied that real stability has been regained, or will the process of being regained, would there be any reason why the people to the south of us should be regarded any differently from those to the north? In other directions?

One serious defect of recent statistics is that they reflect a depression and a world that was preparing for war. This affected not only the volume of goods, but also the direction of the flow of goods. The volume of goods, foreign or domestic, that would be absorbed by our markets is seldom sufficient to absorb our exports. An amount of imports that might be disturbing in some years is inadequate to our needs in others. Is it not a fact that our exports of nearly all kinds are at their peaks in the years of our greatest depression? If this is a fact, does it not cast some serious doubt upon the wisdom of large imports? Is not the blame for depression in certain years in general, often misplaced? If purchasing power were high enough, would not the consumers of this country gladly purchase the meat, for example, that could be produced in the West and shipped to the East, plus all the other products that could be sent from the Argentine? Our own production of beef is at least ten times the total exports of beef from

Argentina. If we are to have much closer economic relations with Latin America in the future, can we reasonably hope to develop our trade along these lines? Bonded indebtedness of business firms and governments of

Latin America to this country is now over two billion dollars. The market value of these securities, according to a recent compilation, averaged about 60 percent of the par value. Interest payments amounting to well over a billion dollars are in default. If these obligations were to be paid, a large part of the proceeds of imports to this country would be required, leaving that much less to buy our goods in exchange. Under these conditions, could further United States exports to Latin America be financed by government sponsored loans or by increased private loans?

Although we have grown into the habit of lumping all of the countries of the south of us together as if they were all alike this is far from the truth. The foreign trade of some of them is far more complementary to our own than is that of others. Some of them have made a far better record in paying the debts due to United States creditors than have others. Should our Latin American trade policies, then, as they relate to Western agriculture or the country as a whole be diversified because of these and other important differences? Perhaps we have already taken some account of such differences.

Finally, since our international policies should have as their aim the furtherance of our own domestic economic interests, broadly and clearly stated, are our interests to be better served by a prosperous or by a poverty-stricken Latin America? If the former, is there any way of raising the general levels of living in Latin America except by larger exports of their products? Could some of the imports that now reach this country from other parts of the world be produced in South American countries through the aid of United States capitalists, thus giving the people of those countries greater purchasing power both at home and abroad?

Only by some such constructive thinking and action along new lines can it be possible to transform the notion of hemispheric solidarity from a political abstraction to an economic reality.