

For example, we are somewhat more inclined to use direct grants in circumstances, where the United States might pursue the same objective through tax breaks. But you are not shy about using grants either, and, in any event, the practical result may be the same, even though the means vary.

Another reason for the U.S. propensity to view subsidies as a foreign phenomenon lies in a sensitive area of your national psyche. You are used to being Number One, and that is understandable. When you slip below that position, you react in a very human way. You look elsewhere for the explanation. If you are no longer competitive, then perhaps in the minds of some, it can only be because someone is not playing fair. And, of course, that is sometimes true. But sometimes the playing field is perfectly level after all, and sometimes it is being tilted on both sides.

When you cut through the mythology and take a cold, hard look at the facts, it seems clear to us that the United States is a major user of subsidies. The most obvious example is agriculture.