

the Congress on that within 4 to 6 weeks. We are in the final stages where everybody is sitting up late at night hammering away at the tough negotiations that are going on there.

Mr. FARBSTEIN. Well, now, in view of our experience with the Common Market on the continent, do you anticipate it will redound to our mutual benefit, both South America and this country, with the formation of a Common Market in South America.

Secretary RUSK. Oh, I would think, sir, that the organization of the Common Market on the continent, to begin with, has been very much in our interest. Our trade with the Common Market in Western Europe has doubled in the last few years.

Mr. FARBSTEIN. I appreciate that.

Secretary RUSK. I think we could expect that a rapidly growing, increasingly strong Latin American economic system would be not only an effective customer for our production but also an important supplier of some of our basic materials that we need.

Mr. FARBSTEIN. The main difficulty on the continent now is agriculture, insofar as setting a price for agriculture. This is causing some difficulty, and perhaps may even wind up with a war around the Common Market on the continent.

Do you think that our relationships with the countries of South America are closer than that with Europe, and hence we could look for more favorable possibilities of trade with the countries of South America, even though there will be a common market, than what we can anticipate insofar as the countries on the continent are concerned?

In other words, is our relationship with South America closer than that with the continent, and hence can we look forward to more favorable trade relations than we perhaps could look forward to on the continent even though our business has increased on the continent?

Secretary RUSK. It is our expectation, based on what we know of the trade relations between ourselves and Latin America, as well as our experience with the European Common Market, that our own trade with the Latin American Common Market would increase. This has been the case with our own exports to the EEC in Europe and to the EFTA countries. In the course of about 7 years our trade with those countries doubled.

We have little doubt that a rapidly growing Latin American Common Market would be a very important market for American exports as well as an important source of imports for us.

Mr. FARBSTEIN. Thank you very much.

Chairman MORGAN. Mr. Morse.

Mr. MORSE. Thank you, Mr. Chairman.

Mr. Secretary, as a practical matter, since your statement includes the figure of \$1.5 billion and will necessarily be incorporated by reference in whatever the House acts upon in the form of a resolution, I think we ought to admit that what we are doing is committing ourselves to a new authorization of at least \$1.2 billion, since if in the future the authorization were not forthcoming it would be a breach of faith on the part of the United States. Isn't that correct?

Secretary RUSK. I think, sir, there are some other factors which would be taken up at the stage of specific authorization.

For example, I am quite sure the executive branch, as well as the Congress, would wish to know a great deal about what a Latin Ameri-