sellers. But I also believe that the market has created a mechanism for bringing about price stability for internationally traded commodities. And we need to develop those. Futures markets are such a mechanism. They focus the wealth of knowledge of the producer, trader, and merchandiser to create an educated market where, if well regulated in the same sense that our stock markets are regulated, price movements take place in an orderly stabilizing environment.

Just as many of our domestic commodity markets perform these essential price functions well, so international futures markets can be created to perform the same functions. Futures trading may not now exist in all types of coffee, but I believe that, with less effort than is now expended in the administration of the International Coffee Agreement, a smoothly functioning international futures market could be created for coffee. I have long hoped that an appropriate committee, but particularly the Joint Economic Committee, would intensively study one of these commodities, sugar or coffee or any single one, in order to have an economic case study upon which to base our commodity policy. And this study is basically needed. All these questions and more are in need of concerted action. Our next problem is to decide what to do about them. The President has asked the Special Representative for Trade Negotiations, Ambassador William Roth, to conduct a full-scale study of these problems. As Ambassador Roth explained yesterday, this study will take place by means of interagency task forces, and it will be headed by a new Public Advisory Committee. This Public Advisory Committee and the format of the study should be modeled as much as possible along the lines of the Hoover Commission—that is, there should be congressional participation in all its aspects.

Of course it would not provide one feature of the coffee agreement, which is a hidden subsidy to coffee producers accomplished by means of maintaining artificially high coffee prices. A futures market would provide desirable price stability but not subsidy—it would therefore not artificially encourage continued coffee production and continued surplus, but provide a market stimulus for producers to lessen production and, hopefully, to diversify into other products. I have commented further on international futures markets in the Congressional Record of July 11, 1966, pages 14373–14374.

The pause for study, while needed to formulate effective policies and effective means of carrying them out, must not be allowed to dull our Government's responses to the trade problems that will continue to confront us. In my July 10 report concentrating on chemicals I also discussed the problem of the border tax. Here is an area where I believe that, because of the rapid development in Europe of a harmonized turnover tax system and increased border taxes, there is a need for international consultation at least to define the issues behind the dispute about the alleged adverse effects on U.S. exports of the border tax and export rebate that are part of the turnover method of indirect taxation.

Let me emphasize one of the great things I thought we created in the Reciprocal Trade Act of 1962, this prominent mechanism in our society, the Office of Trade Negotiator of which Ambassador Roth is the head. This is permanent structure.