the production of these materials would not only be able to pay cash for our surplus grain, but to get more of it.

It is with productivity—world productivity—that we must all be concerned. I do not minimize the importance of the contributions that technical efficiency can make to productivity, but I wish to emphasize that economic efficiency is fully as important.

Not all developing countries must necessarily remain the hungry countries. Their basic need and hope lies in permitting the working of free economy, free business determination to guide the way to maximum productivity.

The first requirement is the wide opportunity to trade what they can best produce for what they need from others. This is too basic, too urgent, to debate it further.

Western Hemisphere Common Market

The time has come for us to start a Western Hemisphere Common Market by removing all tariffs and quotas on any products from Canada and Latin America.

In 1965, the so-called four wise men—Messrs. Herrera, Santamaria, Mayobre, and Prebisch—vigorously recommended a Latin American Common Market, but excluded the United States. They did not even offer us associate membership. Their proposal has been the basis for hemispheric discussions since April 1965, particularly at Punta del Este this year.

I do not know what President Johnson meant by "temporary preferential tariff advantages for developing countries" in his Punta del Este talks. But I hope it was a bid for U.S. participation on a more liberal basis in the beginning than would be required of less industrialized Latin American countries. The eventual effect could be disappearance of negotiated temporary preferential treatment, perhaps after some 10 years of graduated equalization.

One of your members, Senator Javits, has wisely helped develop this idea, and has made it clearly to be reckoned with in future trade negotiations.

Commodity Agreements

Several lesser developed countries are requesting us to back up international commodity agreements, particularly as a means of price stabilization of their major export items.

Our position in this respect will depend partly on our basic free-trade policy, and partly on what we are willing to do with some of our own protected commodities.

(1) Commodity agreements, such as the international coffee agreement and the international sugar agreement, have shown up as forums for attempted negotiation of special treatment.

To the extent that these become restrictive in their effect, and particularly to the extent that restrictions run in terms of production quotas, these agreements obviously violate the principle of maximum productivity. Particularly this is true when the product is affected by long-term adverse influences and when the effect of controls is to freeze production in increasingly obsolete patterns. Many of the products of the less-developed countries are, it is true, nor-