from us. Now, that seems to me to be directly opposite to what you are advancing here.

Mr. McAshan. No, sir, that is the same principle I am talking about. If we can do it better and they can do it better, then we ought to trade.

Senator Miller. But your example is directly opposite to that.

Mr. McAshan. My example was just used for illustration.

Senator Miller. You said in your statement that you did not know what President Johnson meant by "temporary preferential tariff advantages for the developing countries" in his Punta del Este talks. It seems to me that he went further than that. He was talking about temporary preferential tariff advantages for the developing countries and extended not only by the United States, but by other developed countries. And now, do you recognize that that was a sine qua non in his discussion, that it wouldn't be the United States alone, but it would be the United States in consonance with other developed nations which would extend these advantages?

Mr. McAshan. Yes, indeed. And I am sure that there is deep feeling in South America against the so-called Associated Trade Area countries that the European Economic Community favors in Africa at the expense of, say, the Latin American countries who are also producers of tropical products and are trying to get in that same market. It would certainly be in order to require that Latin America receive the same kind of treatment in Europe, if we are able to do so, as those associated African nations.

Senator Miller. You are suggesting, then, that the United States unilaterally get into this preferential tariff advantage, are you?

Mr. McAshan. While we were limited to a Western Hemisphere Common Market of which we were a party, yes, sir. If we are talking now about a long-range trade policy throughout the world I agree with you 100 percent that we ought to bring in the EEC and the EFTA as well if we can.

Senator Miller. Thank you.

Chairman Boggs. I have a few questions, but first I would like to hear from Dr. Danielian.

Would you give us your statement, Doctor?

## STATEMENT OF N. R. DANIELIAN, PRESIDENT, INTERNATIONAL ECONOMIC POLICY ASSOCIATION

Mr. Danielian. Mr. Chairman, I appreciate the opportunity to appear before this committee which has taken on the important task of reviewing U.S. trade policy, particularly because I have just returned from an 8-week trip to major European centers investigating this very subject. The suggestions contained in this brief paper are based on extensive studies of postwar trends in international trade and payments, backed by the experience of our member companies which comprise a representative segment of the American economy, production, and employment. These companies are vitally concerned with the success of our foreign economic policy and the interest of free