A world tea agreement is not necessary. There are only four major exporters: India, Ceylon, Tanzania, and Uganda. If the governments of these four nations choose to reach a price stabilizing agreement, there is nothing to prevent them; it is a very different case from that of the 40-odd countries that export cocoa.

Futhermore, most of the tea entering rich countries is imported by the United Kingdom, which would be unlikely to consent, voluntarily, to an international agreement raising the world price of tea.

An international sugar agreement is similarly unnecessary. Most of the world's sugar already moves at prices above those which would prevail in a free market, thanks to the special arrangement offered to exporters by the United States, EEC and the United Kingdom. The other major sugar importers, Canada, Japan and some of the other Western European countries are also free to offer premium prices to the countries whose sugar they normally buy. An international agreement today would be politically unacceptable because of the issues raised by marketing Cuba's supplies. If the Soviet Union or other countries wish to pay Cuba premium prices for its sugar, that is their concern—there is no reason for the United States to be involved in an international agreement which brings it no advantage and which creates difficulties in the international scene.

There are no other major commodities moving in world trade for which the price-fixing commodity agreements can be negotiated that will significantly benefit underdeveloped countries.

On the other hand, there is a considerable, and yet largely unexplored, potential for using commodity agreements as a device to promote efficient world production of commodities, using temporary subsidies to benefit those nations whose exports decline as a consequence of shifts in production.

I should point out that while that possibility would considerably increase world economic efficiency, our experience in these fields has not been in particular successful. If the United States were to go to underdeveloped countries and suggest that a more rational world order of commodity production be established, we would first have to put our own house in order.

Trade Policy Alternatives

Let me come to my fourth point, analysis of trade policy alternatives. As Mr. Baldwin said today in another connection, we don't know very much about the effects on production, trade, and balance of payments of the various policy alternatives that face the United States at the conclusion of the Kennedy Round. The U.S. Government has an opportunity over the next few years to support a detailed and searching analysis of the economic and political implications of various alternative trade policies, both singly and in combination. The decisions that the Congress and the Executive make in the next few years will have profound effects on a world trade level which is now approaching $200 billion annually. For an expenditure of not more than $1 or $2 million annually over the next few years, the United States could come to the conference table with a much sounder knowledge than it now has of the implications for itself and for other countries of specific economic policies.