

Mrs. KELLY. If you want to submit it for the record, you might.

Ambassador LINOWITZ. This is just a few sentences from David Rockefeller that I think are particularly apt and may get to exactly the point you have in mind.

He says, in connection with the economic integration movement and what it will mean for us:

Most businessmen I talk with—

And this is an article he wrote in "Foreign Affairs" in April, 1966—

most businessmen I talk with consider it absolutely imperative for true progress. Without such integration there is inefficient division of markets and costly duplication of effort. Only by closer cooperation can the Latin nations make the best of their own resources and provide the broadest appeal to additional foreign investment. Most U.S. businessmen recognize that a tariff barriers between nations are dropped, the increased demand for finished goods will create a broader general market. Agricultural nations will be buying within the Latin American market many of the goods they now import from other areas. The resulting generation of domestic capital will decrease the emphasis on foreign aid and open up new opportunities for private investment.

I think basically that is the philosophy about it.

Mrs. KELLY. That article was written after I had a discussion with Mr. David Rockefeller on this very point. It bothered me that business seeks to invest in industry in those countries where the wages are lower than the wages in the United States and then to import into this country the products made at lower cost.

Now, here is a problem: At what point do we stop helping those people? When the articles produced in their countries become competitive with our own? Am I clear?

Ambassador LINOWITZ. As I understand the question—

Mrs. KELLY. Let me give you an example.

Ambassador LINOWITZ. All right.

Mrs. KELLY. I bought a portable typewriter for x dollars in New York. A friend of mine bought what appeared to be an identical typewriter under a Belgian label for half the price.

Now, that is the question! At what point do we stop investing abroad or providing aid? When that article comes into competition with our own industries?

Ambassador LINOWITZ. I would assume, Mrs. Kelly, that if typewriters are going to be made more cheaply in Belgium, they will be made regardless of whether or not the United States invests—

Mrs. KELLY. But it is a subsidiary of our company that is producing them!

Ambassador LINOWITZ. The choice, I would assume, is not between whether U.S. investment ought to play a part, but whether or not we can compete successfully in certain areas where other countries are able to manufacture products more cheaply than ours.

I think perhaps Mr. Solomon might want to comment on this point.

STATEMENT BY HON. ANTHONY M. SOLOMON, ASSISTANT SECRETARY OF STATE FOR ECONOMIC AFFAIRS

Mr. SOLOMON. The level of wages and the level of prices in any particular national economy or regional economy—let's say the Common Market in Europe—reflects, of course, the realities of that situation,