

BALANCE-OF-PAYMENT PROBLEMS, LATIN AMERICA

All developing countries have some form of balance-of-payments problems since, in general, the resources they need to build an industrial structure and for carrying out important infrastructure projects must be imported. These import needs generally outstrip the export capabilities in the early stages of development. This is a major reason for the need for foreign assistance on long terms and low rates of interest. In Latin America the countries having the most serious balance-of-payments problems are Brazil, Colombia, Chile, Argentina, Uruguay, and Costa Rica.

Mr. Chairman, if I might make one observation. A while ago you spoke of the subsidy for farmers.

Chairman MORGAN. I said they had done very well under the foreign aid and Public Law 480 programs.

Mr. Gross. I might remind the chairman, who is a medical doctor, that the doctors have been pretty well subsidized by medicare.

Chairman MORGAN. Are there any further questions? If not, the committee stands adjourned until 10 o'clock tomorrow.

Thank you, Mr. Linowitz.

(Whereupon, at 12:38 p.m., the committee adjourned.)

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