world trade to a virtual standstill and contributed in a major way toward converting a serious recession into the great depression from which we only emerged during the aftermath of World War II. We can't turn the clock back and retreat into a sort of fortress America in economic terms. The momentum toward freer trade must be maintained if this complicated world we live in is to continue to produce a constantly higher and higher standard of living for more and more of its population. In attaining this aim lies an exciting and satisfying future for our country. God alone knows what the result would be if we should fail.

Chairman BOGGS. Thank you very much, Mr. Gilbert.

We will now hear from Mr. Balgooyen.

STATEMENT OF HENRY W. BALGOOYEN, PRESIDENT, AMERICAN & FOREIGN POWER CO., NEW YORK, N.Y.

Mr. BALGOOYEN. My name is Henry W. Balgooyen. I am president of American & Foreign Power Co. and I recently completed a 3-year term as president of the Pan American Society of the United States.

My interest in foreign trade policy derives from more than 30 years of activity in the foreign investment field in Latin America with an American company having extensive investments in Latin American utilities, and, recently, in diversified industrial investments. My remarks, therefore, are directed toward those elements of foreign economic policy which have a direct bearing on inter-American trade and investment.

The interrelation of foreign trade and foreign investment is apparent to any participant in either activity. The foreign investments of American corporations are principally in the form of exports of capital goods and equipment of U.S. manufacture. The new industries which are created and fostered by American investors increase the productivity of the recipient or host countries, create new sources of employment and income, and stimulate new wants and desires which are rapidly translated into demand for imported products as well as goods of local origin. This is particularly true of our direct private investments in the developing countries; and among the developing countries, those of Latin America provide the largest and most productive market for American goods.

Foreign trade is vital to the success of the ventures of the millions of American citizens who invest in the securities of companies with foreign operations. It is largely by foreign trade that the host countries acquire the dollars to service these investments and pay for the imports of capital goods required for their industrial development. Dollars are provided, also, by the foreign expenditures of American tourists and other service transactions; by new dollar investments; or by loans and gifts from the U.S. Government and various lending agencies and institutions. Speaking from many years of experience in dealing with Latin Americans and their governments, I can assure you that they would rather earn these dollars than to be dependent upon loans which have to be repaid with interest, or upon largesse which deprives them of their pride and self-respect. I can assure you, also, that however important and necessary these government loans