

and gifts may be to the recipients, their needs for the capital, technology, skills, and administrative experience they obtain with private U.S. investments are even more vital to their economic development.

Now, how do we stand in our trade with Latin America? Do we buy sufficient Latin American products to enable our trading partners to import the capital goods required for industrial development to meet the growing demands for consumer products created by rising living standards, and to service the estimated 9 billion of the dollar debt of their governments and the \$9½ billion our private investors have ventured in Latin America?

The answer, of course, is that we do not. In fact, we don't even come close. Last year, we spent \$3,970 million on imports from Latin America and sold them goods in the amount of \$4,235 million, leaving them with a deficit of \$265 million in their trade with us. At the same time, our private investors earned and remitted \$888 million, while the interest and amortization charges on their foreign debt—perhaps three-fourths of it in dollars—cost them well over \$2 billion.

Latin America's foreign debt has been increasing so rapidly that its servicing now consumes one-sixth of its earnings from exports. It becomes pertinent, therefore, to ask how much more debt these countries can stand and remain reasonably solvent. Clearly, if our Latin American friends are to make any economic progress without becoming increasingly dependent upon U.S. aid, ways must be found to enable them to increase their export earnings—to replace their trade deficit with the United States, their principal trading partner, with a surplus. The unfortunate fact is that Latin American exports have been losing ground, not only as compared with exports from the industrial countries, but even when compared with exports from other less developed areas.

What avenues are open to us, in the area of foreign trade policy, by which we can assist the Latin American nations to increase their export earnings? The first and most obvious is by the removal of any remaining barriers, not absolutely essential to our national interest, which impede the entry of Latin American products to the United States.

One of the complaints most frequently heard in Latin America is that we exhibit great interest in our Latin American neighbors in time of national emergency but quickly forget them when the crisis is over and proceed to reimpose trade barriers of various kinds to keep out their exports. In an address delivered some years ago, Henry Holland, then Assistant Secretary of State for Inter-American Affairs, called attention to the fact that, except for coffee and bananas, which we don't produce, every one of the 10 principal export products of Latin America had been subjected to trade barriers of one kind or another. The situation has improved in the intervening years, but we still have restrictions of various kinds on such Latin American products as petroleum, sugar, cocoa, wool, beef, cotton, lead, and zinc.

European barriers to Latin American products are much more extensive than ours, and their discriminatory preferences in favor of other producing areas are a further handicap to Latin American exporters. Efforts were made by our negotiators during the Kennedy Round to have some of these barriers and preferences removed. It is