might be able to save some money, and do our own consumers a good turn, by providing incentives for our farmers to stop producing commodities which can be imported more economically from other countries.

At this point, I would like to make a brief comment on a related matter on which hearings were recently held by the Committee on Banking and Currency: whether we should condition our contribution to a projected increase in the capital of the Inter-American Development Bank—which has been called the bank of the Alliance for Progress—to an agreement that the dollars loaned by the Bank must be spent in the United States. It seems to me that, as a practical matter, the borrowers should be free to spend these funds in the most economic manner—to purchase at the lowest price consistent with quality and performance. Certainly, a Brazilian borrower should not be precluded from purchasing in Argentina, or vice versa, if we mean what we say about encouraging Latin American integration and industrial development.

I will readily concede that some of the suggestions I have made may seem to conflict with efforts to bring our international payments into better balance; but I don't think it behooves us, on the one hand, to try to improve our balance of payments at the expense of Latin American countries while, with the other hand, we are loaning them money to improve their payments position. I feel very strongly that, despite our global commitments as a world power, Latin America is our primary field of interest, and anything we can do to assist our good neighbors and trading partners to speed their economic development and social progress by helping them to help themselves not only will be a sound investment in inter-American relations but will be a real contribution to our own national welfare and security.

I thank you for giving me this opportunity to express my views on some of the elements of our foreign trade policy that have a bearing on our inter-American relations.

Representative BOGGS. Thank you very much, Mr. Balgooyen.

Senator Symington, do you have any questions?

Senator SYMINGTON. Thank you, Mr. Chairman. First, let me compliment the Chair for having these most constructive hearings.

Mr. Gilbert, I notice you represent one of the great corporations in this country, which excels in automation and has a strong position in foreign trade. I come from a State which is first in the shoe industry. It is difficult for my people to compete because of the tremendous difference in the standard of living, specifically, wages. The shoe business here is being steadily eroded due to foreign competition, primarily from Japan, secondarily from Italy. I am wondering how you feel about that, from the standpoint of the future of U.S. business?

Mr. GILBERT. I am not qualified, Senator, to talk about the shoe industry specifically. I think basically I have come to believe over the years that our country would be better off if we do the things we can do best and take advantage of corresponding skills in other parts of the world, and by this route our people will end up leading the best possible life. And if it requires a future negotiation, or future legislation, the problem comes up as to a specific industry. And I