

allow them a margin—in fact, there is no margin, so far as their trade with the United States is concerned, where they have a deficit. They can't import the equipment that they need, nor the technology that they need. And that is a matter of serious concern.

I think that in the last few years Latin America in general has made quite a bit of progress, in that some of the principal countries are doing things now in the field of economic policy that have long been overdue. And I can see improvement in a number of countries. I think it is particularly marked in the Central America area where they have a Central American Common Market. And the statistics certainly bear that out. Mexico, of course, is an outstanding example of a Latin American country which has made tremendous progress, much faster than the industrialized countries in recent years.

So that there isn't any question that the Latin American countries, if given a certain amount of political and economic stability, can make progress. And I certainly am in favor of the United States doing whatever it can to assist them toward that end.

Chairman Boggs. Senator Miller, do you have any further questions?

Senator MILLER. Yes; thank you, Mr. Chairman.

Mr. Danielian, it is good to see you before the committee. And I appreciate your very fine statement.

In it you say "we will have to come to bilateral negotiations with such groups on a conditional most-favored-nation basis if we are to hold our own."

Is there any implication in that statement that we need to pass certain legislation here in Congress?

Mr. DANIELIAN. Yes. I think when the time comes, when the administration has prepared recommendations, there will have to be very serious consideration given to such modification of policy and legislative provision to give effect to the conditional most-favored-nation approach to the trade negotiations with other trading blocs.

Senator MILLER. There have been recommendations for foreign trade legislation to continue the authority, or at least some of it, of the Trade Expansion Act. Would that be the appropriate place to make these legislative changes or provisions which you are recommending?

Mr. DANIELIAN. I have been away for 2 months, and I only came back Sunday. And I do not know the nature of these recommendations. And some of the time I was on the other side of the so-called curtain. All last week, for instance, I was in Rumania, in Bucharest. And so I am not aware of the nature of these recommendations. I would have to look at the legislation proposed to see if there is a place for an opportunity to include this policy in a specific form. I think that the sooner we get around to this concept the better for us, because I don't see how we are going to negotiate, for instance, a reduction of nontariff barriers, which seems to be one of the current interests, on a multilateral, 60 or 100 nation, basis. We just simply have got to have negotiating authority which makes it possible for us to talk to the Common Market, for instance.

Senator MILLER. I think you have made a very strong case for it.