Mr. Sanz de Santamaria has requested that his statement, together with points VI, VII, and VIII of the attached Declaration of the Inter-American Committee on the Alliance for Progress, be transmitted to the Committee for its consideration for possible inclusion in the record of the hearings.

I am, therefore, pleased to forward three copies of the enclosed statement and attachment for your consideration.

Sincerely yours,

H. G. TORBERT, Jr.,
Acting Assistant Secretary for Congressional Relations.

STATEMENT OF CARLOS SANZ DE SANTAMARIA, CHAIRMAN, INTER-AMERICAN COMMITTEE ON THE ALLIANCE FOR PROGRESS (CIAP)

SUMMARY

The Chairman of the executive committee of the Alliance for Progress calls attention to the CIAP Declaration of May 3, 1968, which emphasizes that adverse trends in Latin America's trade are hampering regional development recommends that adjustment assistant to the U.S. industry be given priority over protectionist legislation, and urges the Congress to take no action that would harm the Alliance for Progress or inter-American relations.

The Inter-American Committee on the Alliance for Progress (CIAP) is the central, multilateral, coordinating mechanism responsible for promoting Latin American economic and social development under the Alliance for Progress. Since trade is the lifeline of Latin American development, CIAP must be constantly concerned about the impact on Latin America of trade developments around the world. But as I pointed out in a statement submitted to Chairman Russell B. Long of the U.S. Senate Finance Committee during trade hearings last October, "my positon as CIAP Chairman requires me to represent all the member countries of the Inter-American System, including the United States, in the endeavors of the Alliance." I emphasized that CIAP's concern over restrictive proposals being heard by the Finance Committee was motivated "not only by a realization of the harm that they could do to Latin America's effort to expand its export income—an expansion that is crucial to its capability for purchasing the U.S. goods and services needed to accelerate its development—but also by a conviction that they would harm the United States." In the same spirit I am directing this communication to the House Ways and Means Committee which has just opened an important series of hearings on the future of U.S. trade policy.

CIAP declaration

Over the past year, CIAP has viewed with increasing concern the reemergence of protectionist sentiment in the United States and other trends and policies in trade and finance on the international level that are working against Latin American development and the purposes of the Alliance for Progress.

In its most recent meeting, held in Washington at the beginning of May, CIAP adopted a declaration emphasizing the need for joint action by Latin America and the United States to counter adverse trends in world commerce. I enclose a copy of the declaration for the information of Committee members and request that, if the Committee's rules permit, points VI, VII and VIII be printed after my statement in the record of the hearings.

Recent trends in Latin America's international trade

In the past decade a spectacular expansion of world trade has taken place. From 1958 to 1966 world exports doubled. But Latin America did not share fully in this boom. Its exports increased by only 66% and its share of world trade declined. In 1967, moreover, for the first time in more than a decade, Latin America's earnings from international exports not only failed to increase but dropped by about one percent. Only the increased developmental capacity of the Latin American countries, reflected in a record level of public investment, which in turn reflected progress in budget making and tax reform, prevented this decline from having disastrous consequences.

But the drop in export earnings is not the only blow that Latin America has suffered. The Second UNCTAD conference produced only meager practical results for developing countries. This constituted a setback for Latin America. The declining volume of long term development loan assistance and the rise of interest rates on development loans constitute a further threat to Latin American development.