

consider granting a larger share of the financial and technical assistance required for the purpose.

4. To grant more active and direct participation to the farmer and the farm community in agricultural development. The projected Inter-American Agricultural Conference should, to this end, undertake, on a priority basis, the formulation of the necessary policies and mechanisms.

VI. *Economic integration and export promotion are of special importance at this time of uncertainty in the region's external trade. Although the process has been slower in 1967, the countries have begun to face the problem realistically and have initiated the difficult task of making the institutional and juridical foundations more adequate with respect to the decisions of the Presidents of America, while their economy and external trade has become more vulnerable.*

For the first time, intrazonal trade figures for LAFTA, during the first nine months of 1967, show a significant decline in trade levels. This is a symptom of the ineffectiveness of the instruments employed thus far and makes it urgent to seek decisions and procedures to revitalize this vitally important process in regional development. Despite the continued expansion of trade, difficulties are also encountered in Central American integration, above all due to the balance-of-payments problems in the countries of the region. This, therefore, appears to be a decisive, perhaps critical point in Latin American integration, requiring directional changes and a more intense action both in the field of trade negotiations and in that of carrying out investments which should facilitate and promote integration.

In this sense, CIAP has taken up with interest President Johnson's suggestions on the establishment of a working group on multinational projects, to which it is ready to provide its fullest cooperation.

CIAP also recommends that:

1. Priority be given in domestic policy to identification of export potential and, in general, to the promotion of existing industrial exports. CIAP hopes that the services of the Inter-American Export Promotion Center, which will begin operating soon, may be reflected in greater interest within each country in order to lay new foundations for exports in the region.

2. A concerted and effective action be undertaken to develop the Hemisphere's infrastructure, in accordance with the Declaration of the Presidents of America, the suggestions of the President of the United States and the Resolution of the Board of Governors of the Inter-American Development Bank.

VII. *The results of the Kennedy Round tariff negotiations and of UNCTAD II were not very favorable to Latin America, and present trends in world trade and in capital flows are unfavorable to the development of the region.*

The Kennedy Round only produced concessions of minor importance for a small number of commodities of interest to Latin America, and had no effect at all on the liberalization of trade for tropical products in industrialized country markets. UNCTAD II, on which Latin America, and developing countries in general, had placed such high hopes, closed without any specific decisions on matters as fundamental as basic financing and supplementary financing, creation of regulatory stocks, establishment of a system of nondiscriminatory preferences for imports of manufactures and semimanufactures on a nonreciprocal basis, and broader application of commodity agreements. Although the discussion on the aforementioned matters and on others of interest to international cooperation will continue in the forums of UNCTAD, it is deplorable that the rigid positions adopted by some developed countries and the differences existing even among the poorer nations, have resulted in the wasting of this singular opportunity to carry out long-needed reforms in the system of international trade and in capital flows. In the light of these events, it is alarming to note the renewed strength of protectionist attitudes in some sectors in the United States. Finally, it is a matter of concern to observe the prospects for Latin American foreign trade.

In the face of this picture:

1. CIAP recommends an analysis of the possibilities for initiating a supplementary financing system for the region, until such time as a worldwide mechanism can be established on the terms set forth in UNCTAD II.

2. CIAP requests the executive power in the United States to continue its efforts to contain protectionist pressures within that country. In this respect, CIAP requests it to transmit to the pertinent government agencies and to private enterprises in the United States, its concern regarding the threat implied with regard to the possibilities for the success of the Alliance, since if such pressures prevail the result would be a weakening of development and consequent political and economic instability.

3. CIAP requests the Government of the United States, in conformity with