BLUMENTHAL SAYS

Foreign Trade Problems Obstruct Latin American Progress Program

By EDDIE PRICE

W. Michael Blumenthal, Deputy Assistant Secretary of State for Economic Affairs, told a Forum audience last Tuesday that a rapidly deteriorating foreign trade situation is the chief obstacle to the success of the Alliance for Progress in Latin America.

Dr. Blumenthal warned, “The resources lost as a result of trade declines by the Latin American countries in the past decade were considerably in excess of the total of aid funds invested by the Alliance in the area during the same period.”

The chief trade problem of the Latin American countries, he explained, is their dependence on the export of one staple commodity for their international credits.

THE BEST solution is fairly simple: “To shift, wherever possible, from raw material production to processing and light manufacturing.” But the obstacles are formidable; the developed countries, to which Latin America must sell, charge high tariffs to protect their own processing industries.

TO COMPLICATE Latin American export problems even further, Dr. Blumenthal added, a difficulty has arisen in connection with the European Common Market.

Former colonial nations in Africa will receive preferential treatment on tariffs as associate members, giving their products decided advantage over those from Latin America in European markets. World-Wide agreements to modify this situation are now being sought.