

h Congress }
2d Session }

COMMITTEE PRINT

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M 57/8/962

5 MEXICO-UNITED STATES
INTERPARLIAMENTARY GROUP

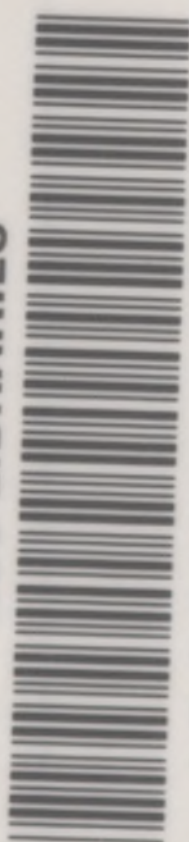
REPORT OF THE SENATE DELEGATION
ON THE SECOND MEETING, HELD AT
WASHINGTON, D.C.

MAY 14-17, 1962

BY

SENATOR JOHN SPARKMAN, Chairman

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DECEMBER 26, 1962

U.S. Congress, Senate
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U.S. GOVERNMENT PRINTING OFFICE

WASHINGTON : 1962

Y 4
F 76/2
M 27/8/202

SENATE DELEGATION

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LETTER OF TRANSMITTAL

DECEMBER 26, 1962.

Hon. LYNDON B. JOHNSON,
President of the United States Senate.

DEAR MR. VICE PRESIDENT: Pursuant to Public Law 86-420, approved April 9, 1960, and as chairman of the Senate delegation, I transmit herewith a report on the second meeting of the Mexico-United States Interparliamentary Group, which was held in Washington, D.C., May 14-17, 1962.

The meeting, in the judgment of the Senate delegation, made an important contribution to broader and deeper understanding between Mexico and the United States. The success of the meeting was due, in large measure, to the thoroughness of preparation and study by our Mexican guests as well as by the U.S. House and Senate delegations, and to the atmosphere of frankness and friendship in which the discussions were conducted. It was due also to the personal interest taken in the meeting and in our relations with Mexico generally by President Kennedy and by yourself.

I wish to take this opportunity to express publicly my deep personal appreciation to all of our Mexican guests for their valuable and enlightening contribution to the cause of friendship and understanding between our two countries. I wish also to commend the able work and valuable contributions to the discussions made by the House delegation. The House group is submitting its own report to the Speaker of the House.

Sincerely yours,

JOHN SPARKMAN,
Chairman, U.S. Senate Delegation.

LETTER OF TRANSMITTAL

December 26, 1953

Hon. J. W. Fulbright
President of the United States Senate

Dear Mr. Fulbright: Pursuant to Public Law 80-420, approved April 9, 1948, and as chairman of the Senate delegation, I transmit herewith a report on the second meeting of the Mexico-United States Inter-Parliamentary Group, which was held in Washington, D.C., May 14-15, 1953.

The meeting, in the judgment of the Senate delegation, made an important contribution to broader and deeper understanding between Mexico and the United States. The success of the meeting was due to many measures, to the thoroughness of preparation and study by the Mexican guests as well as by the U.S. House and Senate delegations, and to the responsiveness of business and friendship in which the discussion was conducted. It was due also to the personal interest taken in the meeting and in our relations with Mexico by both the President and by yourself.

I wish to take this opportunity to express publicly my deep personal appreciation to all of our Mexican guests for their valuable and sincere contribution to the cause of friendship and understanding. I wish also to commend the able work and valuable contributions to the discussion made by the House delegation. The House report is submitting its own report to the Committee of the House.

Very respectfully,
J. W. Fulbright
Chairman, U.S. Senate Delegation

MEXICO-UNITED STATES INTERPARLIAMENTARY GROUP

I. BACKGROUND

United States participation in parliamentary conferences with Mexico was authorized by Public Law 86-420, approved April 9, 1960, which originated as House Joint Resolution 283 by Representative D. S. Saund. A companion measure in the Senate was Senate Joint Resolution 102 by Senator Chavez for himself and Senators Kuchel, Engle, Yarborough, Morse, and Gruening. Similar action was taken in 1959 by the Mexican Congress.

The purpose of the establishment of the Mexico-United States Interparliamentary Group was to provide an institutional framework for informal discussions of mutual problems and interests by the legislators of the two countries. The first meeting of the Mexico-United States Interparliamentary Group was held in Guadalajara, Jalisco, Mexico, February 6-11, 1961. This meeting, in the view of the Senate delegation which went to Guadalajara, was a signal success. As a result of preliminary talks held during the winter and spring of 1962 between representatives of the Mexican Congress and members of the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs, it was agreed that the second meeting of the Mexico-United States Interparliamentary Group would be held in Washington, D.C., May 14-17, 1962.

Under the terms of Public Law 86-420, the following Senators were appointed by the Vice President as delegates:

- John Sparkman, of Alabama.
- Wayne Morse, of Oregon.
- George A. Smathers, of Florida.
- Albert Gore, of Tennessee.
- Clair Engle, of California.
- Ernest Gruening, of Alaska.
- Lee Metcalf, of Montana.
- Homer E. Capehart, of Indiana.
- Thomas H. Kuchel, of California.
- Barry Goldwater, of Arizona.
- John G. Tower, of Texas.

The Speaker of the House appointed the following delegates from that body:

- D. S. Saund, of California.
- J. T. Rutherford, of Texas.
- Joseph M. Montoya, of New Mexico.
- Robert N. C. Nix, of Pennsylvania.
- Harris B. McDowell, Jr., of Delaware.
- Daniel K. Inouye, of Hawaii.
- L. Mendel Rivers, of South Carolina.
- Robert B. Chiperfield, of Illinois.
- J. Irving Whalley, of Pennsylvania.
- William L. Springer, of Illinois.
- Edward J. Derwinski, of Illinois.
- Ben Reifel, of South Dakota.

Senator Sparkman served as chairman of the Senate delegation. Owing to the illness of Representative Saund, who was elected chairman of the House delegation, Representative Rutherford served as acting chairman of the House delegation. Senator Mansfield, majority leader of the Senate, was an ex officio member of the Senate delegation.

The Mexican delegates were:

SENATORS

Manuel Moreno Sanchez, of Aguascalientes.

Eliseo Aragon Rebolledo, of Morelos.

Angel Santos Cervantes, of Nuevo Leon.

Manuel Hinojosa Ortiz, of Michoacan.

Mauricio Magdaleno Cardona, of Zacatecas.

Emilio Martinez Manautou, of Tamaulipas.

Antonio Mena Brito, of Yucatan.

Guillermo Ramirez Valadez, of Jalisco.

Gustavo Vildosola Almada, of Baja California.

Ramon Ruiz Vasconcelos, of Oaxaca.

Carlos Roman Celis, of Guerrero.

Juan Manuel Teran Mata, of Tamaulipas.

DEPUTIES

José Lopez Bermudez, of Guanajuato.

Antonio Navarro Encinas, of Baja California.

J. Jesus Gonzalez Gortazar, of Jalisco.

Manuel Moreno Moreno, of Guanajuato.

Filiberto Rubalcava Sanchez, of Jalisco.

Gustavo Arevalo Gardoqui, of Baja California.

Jorge Rojo Lugo, of Hidalgo.

Norberto Aguirre, of Oaxaca.

Rodolfo Echeverria Alvarez, of the Federal District.

Alfredo Ruiseco Avellaneda, of Colima.

Salvador Gonzalez Lobo, of Coahuila.

Genaro Vazquez Colmenares, of Oaxaca.

Rodrigo Moreno Zermeno, of Guanajuato.

Senator Manuel Moreno Sanchez served as chairman of the Mexican Senate delegation and Deputy José Lopez Bermudez was chairman of the Chamber of Deputies delegation.

The Mexican congressional delegation arrived in Washington on May 12. Meetings between the Mexican and United States delegations took place from May 14 through May 17. Among other activities connected with the conference, the two delegations went to Arlington National Cemetery, where a wreath was laid on the Tomb of the Unknown Soldier, and also visited Williamsburg, Va. On May 14, the Mexican delegation, accompanied by the U.S. delegation, was received at the White House by President Kennedy. At the conclusion of the meetings on May 17, the Mexican delegation proceeded to New York where, among other activities, they visited the United Nations and were received by Mayor Wagner. The Mexican delegation flew to Los Angeles on May 20 where they remained until May 23, departing thereupon for Mexico City.

Before discussing the substantive work of the conference, the Senate delegation wishes to express its deep appreciation to the Mexican Senators and Deputies who, by coming to the United States for this meeting, made an important contribution to our understanding of the achievements, policies, and problems of Mexico, and, thereby, to strengthening the bonds of friendship between the peoples of the two Republics.

II. WORK OF THE CONFERENCE

The formal opening of the second meeting of the Mexico-United States Interparliamentary Group took place on May 14 in the auditorium of the New Senate Office Building, where welcoming remarks were made by Senator Sparkman and by Secretary of State Dean Rusk. Deputy José Lopez Bermudez responded on behalf of the Mexican delegation. Vice President Johnson addressed the Mexican and United States congressional delegations at a luncheon on May 14 and statements in response were made by Senator Manuel Moreno Sanchez, chairman of the Mexican Senate delegation, and by His Excellency Antonio Carillo Flores, Mexican Ambassador to the United States.

At the concluding plenary session on May 17 the official rapporteurs of the conference, representing the Mexican and United States delegations, presented summary reports of the work of each of the three Panels through which the conference had proceeded. Closing statements were made by Senator Moreno Sanchez, Senator Sparkman, and Representative Rutherford, each of whom expressed satisfaction with the work of the conference.

The work of the conference was organized into three panels, each of which held three meetings. Panel I dealt with foreign investment and foreign trade; Panel II with border matters and cultural exchange; Panel III with hemisphere peace and security and the Alliance for Progress. Under the agreed rules of procedure, no votes were taken. It was recognized that neither delegation was authorized to speak for its Government, and no attempt was made to reach agreements. The objective of the conference, which in the view of the Senate delegation was fully realized, was a full and frank discussion of common problems and exposition of individual points of view.

There follows the reports of the official United States and Mexican rapporteurs for each of the three Panels.

A. PANEL I—FOREIGN INVESTMENT AND FOREIGN TRADE

The delegates assigned to this Panel were:

From the United States: Senators Morse, Gore, Engle, and Capehart; Representatives Nix, Inouye, Whalley, and Springer. (Senator Morse and Representative Nix served as cochairmen.)

From Mexico: Senators Hinojosa Ortiz, Martinez Manautou, Mena Brito, Moreno Sanchez, Roman Celis, Ruiz Vasconcelos, and Santos Cervantes; Deputies Gonzalez Lobo, Lopez Bermudez, Rojo Lugo, and Rubalcava Sanchez.



Representative Springer, who served as rapporteur for the U.S. members of Panel I, submitted the following report of the points made by the U.S. members of that Panel:

PANEL I

Conditions of foreign investment

On the basis of the experience of the United States with foreign investment during the period of its early development, the U.S. delegation believes that private foreign investment can constitute a primary source of capital formation when controlled and protected by domestic law.

The United States has never taken the position that a sovereign nation does not have the power to expropriate private property if fair and prompt compensation is made.

United States-Mexico tariffs and quotas

The U.S. delegation understands the desire of Mexico for an increase in the value and amount of its exports to the United States in order to achieve a closer balance of trade in real goods; however, the U.S. delegation believes that the overall balance of trade, or more precisely, the balance of payments between our countries, is a more pertinent factor. The balance of trade in real goods does not include the net gain which Mexico received from tourism between our two countries, estimated at \$373 million in 1960, which does much to equalize our mutual balance of payments.

The U.S. delegation recognizes that tariffs and quota controls such as those on lead and zinc create problems for foreign exporters. However, it should be pointed out that in an effort to maintain an equitable market for foreign producers the United States has held its quotas and tariffs at a level too low to prevent the closing of many of our own mines because of a flooded U.S. market.

Problems with respect to sugar, coffee, and other Mexican agricultural products

The U.S. delegation believes that Mexico will continue to be the primary foreign supplier of many agricultural items to the U.S. market. Although bills are pending before the Congress which would restrict trade in shrimp, lead, zinc, and fresh strawberries, no action has been taken on these bills.

While appreciating the concern Mexico has shown regarding U.S. subsidies of its cotton exports, the U.S. delegation wishes to point out that our cotton farmers are subject to strict acreage controls and that the U.S. share of the world market has dropped considerably in the past 30 years. In addition, the United States consults actively with Mexico concerning stabilizing of cotton prices and markets both bilaterally and through international forums such as the International Cotton Advisory Committee.

Effects on Mexico and Latin America of U.S. trade relations with the European Economic Community

The U.S. delegation believes that in negotiating reductions of trade barriers with the Common Market the United States will continue its traditional policy of extending reductions of its own tariffs on a most-favored-nation basis to Mexico and other countries in Latin America.

However, to influence the course of multilateral tariff negotiations with GATT contracting parties, the U.S. delegation believes that it would be to the advantage of Mexico and other countries which have not already done so to accede to GATT.

Effects on Mexican-United States trade relations of the Latin American Free Trade Association

The U.S. delegation reiterates its agreement with the provisions of the *Alianza para el Progreso* calling for support of regional economic integration which promotes the development of this hemisphere.

At the same time, the United States is reluctant to make a formal commitment to a regional entity if such a commitment would be detrimental to our already existing relationships in other parts of the world.

The U.S. delegation also believes that full United States participation in a free trade association with the Latin American nations would be detrimental to their economies because of the disparity of commercial and industrial development between the United States and Latin America.

Procedural matters

The U.S. delegation suggests that inasmuch as the formal presentation of positions has been completed the succeeding panel sessions should be devoted to an informal discussion of specific points of difference between our two countries.

U.S. subsidies with respect to export of cotton

It is recognized that the present world price of cotton, which has been held down in part because of the U.S. export fee, has had a depressing influence on the Mexican cotton industry; however, the present cost of living and wage levels in the United States make it impossible for our producers to sell on the world market for a price at which a Mexican producer can operate.

In addition, the United States has a human problem in that cotton producers in the traditional Cotton Belt of the United States must compete with the more efficient production of the large irrigated tracts in our Southwestern States similar to those in northern Mexico. Our cotton price supports act as a minimum wage for the producers in the traditional Cotton Belt during a period of transition to another mode of life.

It is evident that the difference in production costs are created mainly by the disparity in wages to workers and profits to producers. This is one reason why the United States seeks to assist other nations in raising their standards of living. When the rewards of production are equalized in the different cottongrowing regions the need for artificial supports will diminish and eventually disappear.

Problems with respect to sugar and coffee

The U.S. delegation will prepare a memorandum on our position with respect to the sugar program when it has studied the new sugar bill recently proposed by President Kennedy. Apparently the bill calls for a complete revision of our present system of specific allocations to each sugar-producing country and advocates instead free competition on the world market with no special U.S. support price. This reversal of U.S. policy has been caused by two factors:

The political pressures generated by specific allocations among competing foreign and domestic producers; and

The reluctance of the American public to continue paying through higher retail prices the special support price.

The U.S. delegation would appreciate a memorandum from the Mexican delegation on the measures being taken or being planned by the Mexican Government with respect to domestic sugar production, surpluses, and consumption. This memorandum would be of great assistance to the U.S. members during their consideration of the proposed sugar bill.

The U.S. delegation is confident that the outcome of congressional consideration of the proposed sugar bill will be satisfactory to Mexico.

The U.S. delegation is gratified that Mexico and other coffee-producing countries have formed an international group to control the production and sale of coffee as recommended by the U.S. delegation during last year's interparliamentary meeting at Guadalajara.

Price fluctuations in basic commodities and possibilities of stabilization, e.g., lead, zinc, etc.

The problem of price fluctuations in lead and zinc, which appear to be universally distributed metals, has been raised by producers in nearly every country which members of the delegation have visited recently.

With respect to specific questions raised by the Mexican delegation, the U.S. delegation offers the following opinion:

At present there is no indication that tariffs on lead or zinc will be raised by congressional action.

It appears that the practice of stockpiling raw materials will be curtailed if not terminated. A Senate committee is studying current U.S. needs and supplies.

The U.S. delegation is gratified with the progress made by the International Study Group on Lead and Zinc toward resolution of price stabilization problems.

In reply to the Mexican delegation's statements concerning the depressing effect of U.S. domestic subsidies on Mexico's lead and zinc industries, the U.S. delegation wishes to point out that these subsidies are part of our national defense policy. They have been continued largely because of the need to insure a source of supply within the continental United States in case of war.

Effects on Mexico and Latin America of U.S. trade relations with the European Economic Community

The crux of any change in U.S. trading policy depends on the outcome of our negotiations with the Common Market; however, there appears to be nothing in present legislation which will prevent favorable reciprocal arrangements with Mexico during the 1963 negotiations on renewal of our present bilateral agreement.

Effects on Mexican-United States trade relations of the Latin American Free Trade Association

The effects of Mexican participation in the Latin American Free Trade Association will be beneficial to trade between our two countries since it will stimulate trade throughout the hemisphere.

Senator Martinez Manautou, who served as rapporteur for the Mexican members of Panel I, submitted the following report of the points made by the Mexican members of that panel:

PANEL I

FOREIGN INVESTMENTS

The Mexican policy of continuing economic development at an accelerated pace is inhibited by inadequate internal savings, in spite of the fact that the formation of Mexican capital has been increasing gradually during the last few years. This investment insufficiency must necessarily be complemented by financial resources from abroad.

Mexico maintains that foreign capital must be placed under the laws of the country and under the programs for the economic development of the nation; and, in the order of their importance, preference is given, in the first place, to the indirect investments of international organizations; in the second place, to bilateral credits applicable to the overall development, and, finally, to direct investments when combined in lesser amounts with Mexican capital.

Mexico also maintains that the credits for works of social benefit should be granted on more liberal conditions, such as moderate interest rates and the longest possible terms.

It was emphasized that foreign investments must neither harm the balance of payments nor drain the nation of its capital resources, as occurs when the outflow of foreign exchange for profits, interests, and privileges of foreign capital in Mexico exceeds the amount of the new foreign investments or reinvestments. Also stressed was the need for foreign investors to consider more liberal terms for the use or development of foreign patents and techniques inasmuch as the owner is apt to demand very large capital returns; that Mexico's juridical system is based on private property with a social function, on freedom of enterprise, which confers on the nation the original ownership of the natural resources, which is compatible with any type of investment, public or private, direct or indirect.

It was pointed out that the preceding viewpoints cannot be considered discriminatory against foreign capital, since there are, in respect thereto, a multitude of factors making investment attractive: favorable laws, abundant natural resources, and satisfactory market conditions. Attractive, furthermore, is the profit rate, freedom to transfer capital and gains; free monetary convertibility; moderate taxation; stimuli for reinvestment and accelerated depreciation; cheap and sufficient fuel and electric energy; low transportation rates; a stable exchange rate; and political stability.

FOREIGN TRADE

General problems

The Mexican delegation established that the place held by Mexico among the United States consumer countries—fourth place in the world—authorizes it to pose the problems affecting its trade with that country. The main problem is that, while the prices of the raw materials sold by Mexico have a downward trend, imports from the United States show the opposite tendency. The deterioration of trade relations delays economic development, lowers the living standards of large sectors of the population, and limits the acquisition of capital goods.

Although the above problem is not exclusively attributable to the United States, the Mexican delegation suggested that in this connection the United States should consider making use of such instruments as international consultation, instead of unilateral measures; participation in study groups which would seek ways and

means of stabilizing prices; international conventions on basic commodities; and compensatory financing arrangements.

The Mexican delegation recognized the measures of the American Government which are aimed at resolving some commercial problems, the application of the most-favored-nation clause, increasing the sugar quota and the price of sugar, its new position of willingness to participate in international conventions on basic commodities, and its support of the Alliance for Progress.

It indicated, however, some measures are not reconcilable with the cooperative spirit of the United States, such as the sales of surplus agricultural products payable in the money of the purchaser country and on long terms, subsidies, restrictive quotas, and high or prohibitive customs duties.

In respect to the 1962 Trade Expansion Act, the Mexican delegation indicated its interest in the degree to which it focuses upon the new factors which have intervened in the Tariff Act of 1934 and its numerous subsequent reforms and recommends, furthermore, that consideration should be given to products involving commercial problems.

Cotton

Although the Mexican delegation does not fail to recognize the concern of the United States with resolving the problem of existing cotton surpluses, the delegation thought that the solution applied meant their transfer to friendly countries such as Mexico. The American cotton policy has permitted the continuous accumulation of large surpluses, which have been disposed of in the foreign market through export subsidy, an aid which counteracts the major economic efficiency of the Mexican cotton zones. This policy, by bringing prices close to production costs, limits profits and may cause the collapse of Mexico's cotton economy. In view thereof, it is suggested that it may be advisable to return to the single price system and to offer in the world market quantities limited to that market's capacity of absorption.

Coffee

The Mexican delegation established that on this product progress has been made through international cooperation. It recognized that the United States has taken steps toward reducing the high duties placed on the product in Germany, Italy, and France, and toward discontinuing the preferential treatment given to the African coffees. The Latin American countries, for their part, indicated to the United States that preferential treatment must also be given to the coffee of this continent, by way of compensating for the African competition.

Sugar

The situation of this product is at present alarming for Mexico, due to the introduction of a bill into the United States Congress calling for revision of the Sugar Act and substantially changing the import purchasing system—at world market prices for the most part, or at prices gradually to be reduced until reaching the world market level. Approval of the bill will bring incalculable damage to the Mexican economy, because the product plays a key role as a source of income.

The Mexican delegation stated its hope that the present system will be maintained which awards higher quotas to Mexico in proportion to its sugar production capacity—taking advantage of its proximity and transportation facilities.

Lead and zinc

The Mexican delegation—not failing to recognize that the lead and zinc price problem affects all mineral and metal producer countries and that the low prices are the result of the inequity of supply and demand—feels that international cooperation may offer solutions meriting attention.

The delegation expressed its concern over the unilateral measures of the United States regarding quota fixing and possible tariff increases, the simple threat of which acts as a depressant on the Mexican mining industry.

It insisted on the viewpoints expressed in its numerous representations to the U.S. Government, to the effect that the tariffs on lead and zinc exports should not be raised; that unilateral measures such as the system of interchanges with other countries based on barter should not be adopted; that these metals should continue to be acquired for purposes of increasing its stocks on hand; and, finally, that the cooperation with the Lead and Zinc Study Group of the United Nations should be continued as the only means of finding solutions to alleviate the critical situation of these metals, on the basis of an equitable reduction in the amount produced.

INTERNATIONAL ECONOMIC ASSOCIATIONS

European Common Market

The Mexican delegation indicated concern that the negotiations of the United States with the European Economic Community may affect the Latin American economies even more upon acquisition by this country of competitive products from Africa. If the contracting parties adopt a plan for international cooperation, the safeguard should be adopted at the outset that the United States should listen to Latin America before signing an agreement for the reciprocal reduction in tariffs. Furthermore, the United States would be able to preserve the most-favored-nation clause, giving the same treatment, without discrimination, to Mexican exports as for those to be given to the European Common Market, without augmenting the internal obstacles which would prevent the growth of its demand. Import duties on raw materials in the industrialized countries should be gradually eliminated without demanding reciprocal compensation for exports of the industrial commodities which Mexico is now stepping up.

Latin American free trade zone

The Mexican delegation felt that its establishment will increase purchases in the United States as a result of a greater economic development of the countries making up the Latin American Free Trade Association.

B. PANEL II—BORDER MATTERS AND CULTURAL EXCHANGE

The delegates assigned to this panel were:

From the United States: Senators Metcalf, Kuchel, and Tower; Representatives Montoya, Derwinski, and Reifel. (Senator Metcalf and Representative Montoya served as cochairmen.)

From Mexico: Senators Magdaleno Cardona, Mena Brito, Moreno Sanchez, Ramirez Valadez, Roman Celis, and Vildosola Almada; Deputies Aguirre, Gonzalez Gortazar, Gonzalez Lobo, Lopez Bermudez, Arevalo Gardoqui, Moreno Moreno, and Ruiseco Avellaneda.

Representative Montoya, who served as rapporteur for the U.S. members of Panel II, submitted the following report of the points made by the U.S. members of that Panel:

PANEL II

U.S. tourism in Mexico and problems raised by the existing level of duty-free allowance

A delegate of the United States, referring to the opening remarks of a delegate of Mexico which referred to (1) the need for increasing tourist trade from the United States; (2) the free importation of tourist goods made by Mexican artisans; and (3) the anti-Mexican tone occasionally found in the American press, urged that the meeting adopt a resolution calling for legislation designed to encourage Mexico's artisan trade and to increase travel between the two countries.

Commenting on unfavorable press accounts, a delegate of the United States explained that distortion and biased reporting frequently occur where the actual facts of a subject are not known and also through a difference in views between editorialists and correspondents. He felt that the American press would welcome having its attention called to cases of incorrect reporting and would be eager to effect a correction. In this connection the delegate of the United States expressed a desire to cooperate in instances where distortion or outdated appeared, by helping to provide the press with accurate information and statistics. The matter is, the delegate of the United States pointed out, one of long-range education.

To an inquiry from a delegate of the United States concerning the extent of limitations on imports by Mexican tourists returning from the United States, it was pointed out that quantitative rather than monetary limitations are normally imposed.

A delegate of the United States inquiring as to the effect of the \$100 reduction in duty-free tourist imports was informed that information on this subject would be provided at a subsequent meeting.

Referring to the \$100 limit on duty-free imports, a delegate of the United States suggested that an effective way to facilitate imports of items of special interest to Mexican culture would be to include such articles in legislation covering reciprocal trade.

A delegate of the United States, in referring to Mexico's desire to increase the exportation of its handmade articles which are attractive to tourists, expressed the hope that the Government of Mexico would in reciprocity wish to consider steps leading to the freer importation of certain American goods by Mexican citizens traveling in the United States.

Another delegate of the United States inquired as to Mexico's attitude on imports from Europe. He stated that while he felt that the United States should be more lenient toward Mexico and Canada there was the Common Market to consider. He suggested that the United States and Mexico should examine a common market affecting our mutual areas.

A delegate of the United States indicated that he favored liberalizing trade with Mexico and suggested that constructive draft resolutions in this sense be formulated by both delegations.

A delegate of the United States pointed out that under the rules of procedure such a resolution would be out of order.

Braceros—Wages, conditions of employment

A delegate of the United States expressed understanding of the points made by the Mexican delegation on this subject. He added that through mechanization some farmers were reducing their need for this type of labor; others have obtained permanent visas for their migratory workers. The United States has been alert in exacting from U.S. farmers strict compliance with contracts and the law authorizing the services of braceros. Some farmers have even complained that the United States is overstrict in this respect. The delegate of the United States pointed out that under agreement the Government of Mexico must approve insurance arrangements covering bracero labor for work-connected disabilities.

A delegate of the United States cited instances where the press often prints sensational accounts of isolated and unfavorable incidents involving braceros while at the same time ignoring the long-range economic benefits of such labor to American agriculture. The delegate suggested that efforts be made to provide the press with proper guidance in this respect in order to strike a more realistic coverage.

A delegate of the United States mentioned the disparity in wages paid to braceros in California and other border States. This, he explained, was because wages differed from State to State. He favored minimum wages for all agricultural workers.

A delegate of the United States pointed out that U.S. law precludes the use of bracero labor in mechanized aspects of agriculture.

The dignity of the Mexican laborer who comes to the United States should be recognized and violations on the part of American farmers should not be tolerated. The delegate called attention to the provisions of the U.S. migration law which provides for the issuance of permanent visas to foreign nationals where it has been certified that the services of such persons are needed in the United States.

Student and teacher exchanges—scholarships, training programs for Mexican students in U.S. industries, university-to-university relationships

A delegate of the United States supported the views expressed by a delegate of Mexico on the importance of cultural exchange and added that both countries stand to gain by implementing all such exchange programs. He added that returning exchange students, teachers, and others spread their understanding which is of mutual benefit. A steady flow of people across the border deserves the attention of both Governments in order to enhance understanding and appreciation of one another's problems and culture.

There is agreement on the desirability to expand and develop exchange programs between the two countries. Mexico has now achieved a political stability which entitles it to the role of a leader. It can, therefore, be expected that an increasing number of students and others from the United States will want to visit Mexico in the coming years. Since it is not expected that legislation concerned with a long-range program will be soon enacted, a satisfactory way to expand exchange programs would appear to be through cooperation among nongovernmental sources. Therefore, institutions such as universities would do well to encourage a greater exchange of students and professors. American corporations having interests in Mexico should also be encouraged to participate in this field through, for example, the development of training programs.

In achieving these goals, Government guidance would be desirable, but formal government programs would not be envisaged. It would appear desirable to augment facilities and vehicles at our disposal.

Some governmental programs in this field are already in operation. For example, agricultural, scientific, and space organizations as well as the Atomic Energy Commission are already sending people to Mexico. More cooperation among these Government programs would be desirable rather than legislation.

It would appear desirable for the Mexican Government to go forward with its Government-financed exchange program while the U.S. delegation will endeavor to coordinate and increase exchange activities among interested agencies in the United States as well as among nongovernmental groups.

The need for better dissemination of information through news media to improve our relations is recognized. Consideration has been given to encouraging publishing houses to select books of interest to Mexico and have these translated for distribution not only in Mexico but throughout Latin America as well. The increased availability of such publications would undoubtedly redound to our mutual benefit. The U.S. delegation will suggest to publishing interests in the United States that they accelerate such a program. Many publications have already been translated, but these have been largely confined to agricultural and technical matters. Publications concerned with other aspects of the national scene should be encouraged. It is believed desirable to encourage the U.S. State Department and the Mexican Ministry of Foreign Affairs to assist in furthering a program of book translation and distribution throughout Latin America. One result of having Mexican publications more readily available would be to encourage travel to Mexico in order to observe the cultural wealth which abounds there.

It is recognized that Mexico, like the United States, has excellent institutions in the sciences and that capable doctors of medicine are available on both sides of the border. The problem involving a freer exchange of doctors is recognized and it is regrettable that so many obstacles are placed in the way of an exchange of doctors since education does not end at medical school. The broadening benefits accruing from residing among a neighboring people are, of course, obvious.

Salinity of Colorado River waters

The problem arising from the delivery of water having a high saline content is recognized. A similar problem exists with respect to the Colorado River compact where a dispute has arisen between the States of California and Arizona over the amount of water furnished those States. The case is now before the Supreme Court. Representatives of the State of California have recognized that not only should quantitative considerations be given to water delivered to the interested States but that quality should also be considered.

Like the compact, the treaty of 1944 between the United States and Mexico is silent on the subject of quality. As water flows over long distances it is recognized that purity diminishes; however, this in no way removes the concern to make all possible efforts to deliver water in conformity with the letter of the treaty. While this can only be possible by positive voluntary action on the part of both Governments, this problem is now being explored by a joint commission representing the respective Governments. A report will be forthcoming soon. The United States has not conceded that an obligation is encompassed under the treaty to assure the delivery of pure or usable water with tolerable saline content since such document is silent. Irrespective of this, no one can deny the desirability of concerted action to find, if possible, appropriate solutions. It is not desired to take a legalistic position on the problem since it is felt that it is one which should be approached in an attitude of justice and practicality. It is a reasonable and just solution which the United States is seeking.

Information media—Publications, library services, radio, television

Early positive action on this subject is desirable. It is hoped that the Mexican delegation will be able to initiate action at an administrative level and that such activity can be in concert with similar efforts on the part of the U.S. interests. The U.S. delegation will contact the State Department with the hope of arriving at some concord with respect to action leading to increased translations of publications of interest to our Latin American neighbors. The increased use of radio, television, and other media will also be given consideration.

Since we are guided by the concept of freedom of expression it is not possible to exercise government control over the press. Where cases of misinterpretation or offensive reporting arise, this should be brought to the attention of the publication concerned. Publishers as well as officials in television and radio will in general prove cooperative and will be eager to rectify errors with which they may be identified.

As we are able to extend the exchange of peoples as well as information we will find that material appearing in the press and in other media will consistently prove to be more factual and accurate.

Instances of adverse publicity affecting visitors from abroad could, for example, be brought to the attention of the American Automobile Association, which is anxious to correct misunderstandings and assist in the maintenance of cordial relations between visitors to this country and the American people. Members of the the U.S. delegation as well as other Government officials are more than willing to call the attention of the American press to instances of incorrect reporting, especially that which visitors to the United States might find offensive or discriminatory.

Deputy Gonzalez Gortazar, who served as rapporteur for the Mexican members of Panel II, submitted the following report of the points made by the Mexican members of that panel:

PANEL II

U.S. tourism in Mexico and problems raised by the existing level of duty-free allowance

The Mexican delegation stated that few countries have as great an attraction for the tourist as Mexico has, and that this attraction has given rise to an abundance of visitors and has turned this activity into one of the most important sectors of our national economy and a source of employment for a large percentage of the Mexican people. For reasons mentioned above, the increase in the tourist trade is considered a matter of great interest to Mexico.

For the present there are two main obstacles which must be overcome by this industry in relation to the United States: The smaller volume of purchases which North American visitors may bring into their country duty free, and the frequent distortions of the events in and realities of Mexico by some North American media of information.

The Mexican delegates gave special emphasis to the need for revision of the tariff measure referred to above, since it is causing serious damage to the industrial arts of Mexico. They supported their position by pointing out that the production of the folk industry is in the hands of economically weak families, and that these products, because of their nature, do not represent competition for articles manufactured in the United States. The absence of equity and reciprocity was suggested since Mexican customs regulations authorize duty-free imports of articles several times the value allowed by the United States in similar circumstances.

Dissemination of information

In respect to the anti-Mexican publicity campaign, the delegation felt that, by respecting the right of freedom of expression, which is unrestricted in Mexico, every possible effort be made to provide proper orientation and dissemination of information in order to avoid misunderstandings, with possible serious repercussions affecting the mutual relations between our two countries.

Considering the need for bringing out the true character of our revolution—an object of many misunderstandings—the Mexican delegates with particular emphasis explained once again its origins and its purposes, stressing its democratic, humanistic, social, and nationalistic essence.

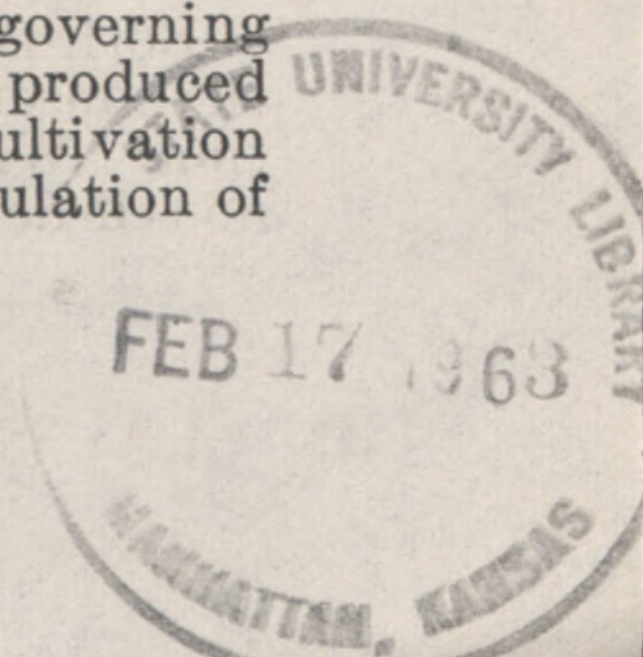
Migratory agricultural workers

With reference to the problem of migratory agricultural workers, the Mexican delegation reiterated that care should be devoted to the strict fulfillment of the treaty governing the contracting of those workers, and indicated its concern that the dignity of the Mexican worker should be respected, that he should be given equitable economic treatment, and that he should be covered by social insurance against sickness, etc.

The lack of protection for Mexicans entering the United States without satisfying the legal requirements should be remedied with the help of the American authorities.

Salinity of Colorado River waters

Taking up the subject of salinity of the Colorado River waters, information was provided concerning the background, the international conventions governing the use of the waters, and the causes of the increase in salinity, which has produced very serious losses in Baja California by causing irreparable damage to cultivation and rendering unproductive land which had sustained the Mexican population of the region.



Dwelling on the legal antecedents and on the equitable and human aspects, the Mexican delegation pointed out what steps had been taken by the Mexican Government toward having the treaty respected and water being supplied which could be useful; that the personal intervention of the Presidents of our countries could guarantee a fortunate solution of this problem; and that, in case the technicians were to recommend the construction of desirable works, the North American legislators would have to approve the estimates relating thereto.

Cultural and educational exchange

The Mexican delegation expressed its viewpoint, in connection with the great importance of the cultural relations between the two countries, on the need for their utmost intensification and for an exchange of students, postgraduate students, teachers, and specialized workers. It also reiterated its unalterable belief in education and culture being effective instruments for preserving the democratic system, as is being done in Mexico where the educational system is rooted in the respect for freedom and for the dignity of the human individual. The delegation deemed desirable a joining of forces in order to give reality to the "Inter-American Institute for Cultural Action" as a decentralized organ of the OAS.

It was furthermore specified that it would be very desirable if the cooperation of the Governments, through the international organizations of which they are members, were joined by private efforts in both countries.

Media of information

Commenting on the media of information, the Mexican delegation was of the opinion that an effort should be made to expand to the utmost and through every possible means mutual knowledge and understanding between the people of both countries, so as to correct in that manner the misconceptions still prevailing in some circles in regard to the people and Government of Mexico. Disappearance of these misconceptions will result in increasing the mutual understanding between the United States and Mexico.

In closing, the Mexican delegation gave recognition to the spirit of mutual understanding and the cordiality which prevailed at the meetings of Panel II.

C. PANEL III—HEMISPHERE PEACE AND SECURITY AND THE ALLIANCE FOR PROGRESS

The delegates assigned to this Panel were:

From the United States: Senators Sparkman, Smathers, Gruening, and Goldwater; Representatives Rutherford, McDowell, Rivers, and Chipfield. (Senator Sparkman and Representative Rutherford served as cochairmen.)

From Mexico: Senators Hinojosa Ortiz, Mena Brito, Moreno Sanchez, Ramirez Valadez, Ruiz Vasconcelos, Santos Cervantes, and Teran Mata; Deputies Echeverria Alvarez, Gonzalez Gortazar, Lopez Bermudez, Moreno Zermeno, Navarro Encinas, Ruiseco Avellaneda, and Vasquez Colmenares.

Representative Rutherford, who served as rapporteur for the U.S. members of Panel II, submitted the following report of the points made by the U.S. members of that Panel:

PANEL III

The chairman prefaced the remarks of the American delegation by stating that although some Congressmen present may be members of the party of the administration they do not necessarily reflect its views, and in every case are speaking for themselves as individuals. During the discussions on hemisphere peace and security and the Alliance for Progress, the American delegation made the following points:

Hemisphere peace and security

Both the United States and Mexico have revolutionary heritages based upon the consent of the governed. This is what we mean when we say self-determination. Where people are not permitted to express themselves freely, there can be no self-determination.

The U.S. period of imperialism was short lived and is now past. It is Cuba and the Soviet bloc which are now intervening in the internal affairs of other Latin American countries for imperialist motives.

Various inter-American conferences in the past have recognized that subversion as well as external attacks are a matter of concern to all. The Communist conspiracy is a form of subversion and thus is a matter of grave concern as well as being incompatible with the inter-American system. In this regard, it was suggested that all participants read the report of the Special Consultative Committee on Subversion of the OAS. We must recognize this, for interdependence is the foundation of inter-American peace and security and cooperation is the best way to insure peace and security.

We have been hampered in our conduct toward Cuba by suspicions of the United States on the part of Latin Americans arising from some of our past actions. However, our period of imperialism is past and we do not desire to impose any particular system on the Latin American countries. We only desire more freedom for them. We in the United States were disappointed and disillusioned as to the results and the promises of the Cuban Revolution—we had hoped it would establish freedom, social justice, and equality.

Castro can be compared to a neighbor with a rabid dog. If the owner refuses to destroy the dog, it cannot be considered intervention for the community to destroy the animal in self-defense.

We have a legal obligation to take action against Communist subversion in the hemisphere under past hemispheric agreements, particularly under article 6 of the Rio Treaty. We therefore must do everything we can to discourage communism from spreading further in the hemisphere and to encourage the Cuban people to throw off their pro-Communist regime.

Alliance for Progress

Several American delegates expressed the opinion that the Alliance for Progress was late in coming to Latin America. Latin America was ignored after World War II because of the immediacy of Communist aggression elsewhere in the world. We are now trying to overcome this oversight through the Alliance for Progress.

We can rejoice in economic and social development in Latin America without having imperialist motives. The United States believes that once economic and social development is achieved the people would be free to choose their own political system.

We must strengthen democracy by strengthening the economy. The best way to do this is through the Alliance for Progress.

A little Alliance for Progress consisting of the United States and Mexico was proposed by one of the delegates in order to help other Latin American countries. This was suggested because Mexico was advancing economically and socially and at the same time maintaining its political stability.

The Alliance for Progress is not the same as the Marshall plan because it is a mutual program which involves a variety of loans and grants from various private and public agencies with great emphasis on social development. It is more comprehensive than the Marshall plan in this respect.

Concerning the purported abuses of U.S. companies doing business in Latin America, the American delegates stated that it was within the power of individual governments to take the necessary steps to preclude this. However, it should be kept in mind that once a country decides it needs foreign capital from private sources, it must provide a favorable climate in order to attract it.

Greater understanding of our foreign policy is needed throughout our hemisphere. This understanding can come only after an intelligent and informed study into the history and culture of our respective nations. Misunderstanding is created because of the lack of education, emotionalism, and, in some cases, purposeful distortion by some of the mass media.

We must not look backward to past frictions except as they assist us in understanding our relations today. We must separate sensationalism and distortions from the facts in order to come to greater mutual understanding.

How to implement the Alliance for Progress

The American delegates made the following points:

There is a tremendous difference between Mexico and the rest of Latin America in social awareness and ideology. The problem is how to extend the Mexican experience and ideology to the more resistant countries.

The basic problem of the Alliance for Progress in Mexico is not one of altering the attitudes which are incorporated in the Mexican Revolution but rather how to mobilize the wherewithal to achieve the stated goals. The problem in Mexico

is a quantitative one where in the rest of Latin America the problem is one of changing conservative attitudes to accept progress.

Every country has to battle against its nonprogressive conservative elements to achieve progress. There is a constant dialog between the liberals and conservatives which is a basic part of democracy. Latin Americans should not be dismayed nor frustrated by this if there are democratic institutions which assure progress.

We should take a positive approach in administering the Alliance for Progress. It is not merely a program of anticommunism. However, we must not ignore that this is part of it. Communism, as we see in Cuba, is the greatest threat to liberty and progress in the hemisphere. The United States has been termed an "imperialist" not only by the Communists but by those who are opposed to the Alliance for Progress.

The United States and Latin America have different political and economic heritages. Because of this, most of the answers must come from Latin Americans. In view of Mexico's experience with social development and political stability, we desire Mexico's active participation in the Alliance for Progress.

A basic problem to the United States is how to convince reluctant Latin American governments that they should make necessary reforms without the United States appearing to interfere in their internal affairs.

The stated objectives of the Charter of Punta del Este are extensions of Jeffersonian principles, specifically in the areas of land reform and economic opportunity for the masses.

Individual selfishness can be utilized as an incentive to insure progress for the many. In our own case, part of our interest in the Alliance for Progress is based on our desire for national security which we believe can only be assured through security for the entire hemisphere. We additionally believe that security and progress cannot be achieved through Communist subversion.

There is difficulty in convincing U.S. taxpayers that they should have faith in Latin America if Latin Americans don't have faith in their own countries. We are greatly disturbed by the absence of tax and other reforms and the flight of indigenous capital from Latin America.

There are semantic obstacles which we must overcome in order to attain greater mutual understanding. For instance, we in the United States should not be afraid of the word "revolution," because we have our own revolutionary heritage.

The Alliance for Progress is a form of preventive medicine against the establishment of totalitarian regimes. Totalitarianism comes about through social and economic discontent. The Alliance for Progress recognizes this and seeks to remove these sources of discontent.

The Alliance for Progress is aimed at the general base of the populace. However, when extending aid we must recognize national sovereignty and we cannot bypass governments. We don't want funds to go to an oligarchy but sometimes there is difficulty in determining where an oligarchy exists.

Conclusion

The following concluding points were made by the American delegation:

American Congressmen are faced with the problem of how to present the Alliance for Progress or any foreign aid program to their constituents. We need practical and sound answers to the questions of the people. The United States believes that the Alliance for Progress is in its own self-interest, but it also reflects the basic humanitarian instinct of the American people toward their neighbors. Difficulties arise when aid is abused by the recipient or when results are not immediately tangible. Great responsibility is entrusted with the recipient countries to do well. At the same time the chosen representatives of all Western Hemisphere countries must be intellectually strong in rejecting demagogic or expedient solutions to complex and delicate inter-American problems. Mutual good will and integrity should never be sacrificed for limited and personal political advantage.

It has been noted that the less-developed countries appear somewhat dismayed by what seems to them to be the great gap between them and developed countries in scientific and technological advancement. There is a tendency to overlook the real progress made in countries such as Mexico in securing greater benefits for their people over the past four decades. The immediate goals of the less-developed countries should not be to send rockets to the moon, but to provide more food, greater health benefits, and superior education for their peoples.

Deputy Echeverria Alvarez, who served as rapporteur for the Mexican members of Panel III, submitted the following report of the principal points made by the Mexican members of that Panel:

PANEL III

Hemisphere peace and security

The peace of the continent is based on the internal peace and security of each country, as evidenced by its political stability. The people of the countries of Latin America become dissatisfied when they compare their respective standards of living with prevalent living conditions in the United States. The domestic security of the Latin American countries is based on the presence and proper implementation of freedom and democracy, as well as on respect for the social and political organizations of each country and greater participation of its inhabitants in furthering the growth of the country.

The people have become distrustful of the manner in which dictatorial-type governments (which usually exist in our continent) are supported on the pretext of safeguarding democracy. Therefore, the internal peace and security of the countries must not be considered threatened when their people specifically agitate for democracy and freedom.

Almost 200 years ago the United States entrusted its development and might to a revolution which its national leaders feel still continues. Mexico, likewise, throughout the 50 years of its revolution has undergone changes similar in some aspects to the American Revolution. This similarity is understood to have been included in the Alliance for Progress.

Concerning the Cuban situation, Cuba passed through two stages before arriving at the present situation: First, the people of Cuba fought a dictatorship similar to others which exist from time to time on the continent, and it was hoped during that time that the Cuban people would be able to strengthen their democratic revolution through their own efforts; and, second, their revolution changed its course to one not reconcilable with the stated principles of the inter-American system, even though the Cuban people, undoubtedly, have the right to work out their own destiny through self-determination. The manner in which Mexico acted at the eighth meeting of consultation of Foreign Ministers at Punta del Este is based on the principles of self-determination and nonintervention which Mexico rigidly respects and observes. Although the political system which guides Cuba is thought to be incompatible with the principles accepted by the community of states forming the OAS, that fact does not justify any kind of intervention in its internal affairs by the other countries.

Differences experienced with regard to interpretation of the inter-American legal standards have historical antecedents. While the United States follows the Anglo-Saxon tradition in interpreting the law, Mexico acts in compliance with the express features of its statute law. The application of an opposing law might entail appropriate and, in a specific case, subjective interpretations, which could, no doubt, be undesirable and dangerous.

On the other hand, the dissemination or teaching of ideas, whatever they may be, supported by the principles of freedom of expression and of thought, cannot be limited. This creates restrictions, which make it exceedingly difficult to differentiate between that freedom and an aggressive, ideological propaganda, since freedom must be distinguished from the intention to establish, through that freedom, a united or dogmatic political system of government, which is protected in a dictatorship by destroying the liberty in whose name this teaching or ideology is promoted.

In the sphere of private life the free determination of nations finds its equivalent in the freedom of the individual. That is why every nation should in no way be restrained when seeking its objectives.

The Mexican people have begun to overcome their basic problems; they have focused their efforts on economic, political, and social progress. The Mexican Revolution was based on concepts of respect for the dignity of the individual and of the family, and it has a profoundly humanistic content. It has a true understanding that collective freedom cannot be achieved without individual independence, and that democracy cannot be perfected without certain economic opportunities. Individual and civic freedom, and political and economic democracy, must bring a new system of human relationship to international existence. It is

desirable that, when applying the principles of the Alliance for Progress, each country should undertake its commitment on the basis of its own potentialities, since the attempt to accomplish an action through general measures or systems which may not be adapted equally to all countries, might offend the sensibility of some of them.

The Mexicans neither forget nor ignore their historic responsibility toward their sister countries. Therefore, they would not accept any preference or privilege in cooperating to encourage development, and would always think of the other countries which belong to the Latin American community, since their problems, as well as its own, constitute a matter of great concern to Mexico.

Alliance for Progress

The Alliance for Progress, though it may have points which liken it to the Marshall plan is also very different from it, since that plan operated in countries where human resources were already developed and where the capital contributed was productively absorbed and utilized. Making the Alliance work presents great difficulties, inasmuch as economic assistance is being steered toward population centers with little technical preparation, and therefore the job is more complex and burdensome. The Alliance is a great rebuilding effort, and it should take into consideration the differing social conditions as well as the unrest of the masses of people, so that it will not be converted into an instrument for quelling this unrest which, in the majority of cases, is productive and represents the countries' efforts to embark on a constructive course.

The Alliance for Progress involves a program designed to achieve an overall and accelerated economic development and broader civic justice for the countries, while at the same time respecting the dignity of man and his freedom. In order that the development of its basic considerations may not be worthless, measures should be adopted directed toward preventing North American nongovernmental interests from delaying the structural social reforms foreseen by the Alliance. Countries acting contrary to the precepts of the inter-Americans system in their struggle for economic progress, for freedom and democracy, should not be considered.

The Alliance for Progress program should not be broadcast and promoted as an anti-Communist plan; the anti-Communist tag lacks prestige among the masses because it has been used by oligarchies to keep their power from being undermined and to violently suppress the people's yearning to improve their lot.

The Alliance for Progress is not merely a deal between businessmen; it is not a free gift nor is it a generous gesture. It must be promoted as a cooperative effort of all nations of America, in exercise of their solidarity, toward achieving the moral, material, social, and political improvement of our countries.

To make the simple people grasp many ideas contained in the Alliance which have not been understood for lack of impartial explanation is a basic task which cannot be put off. If groups or associations of representative persons are encouraged to express, broadcast, and promote the ideas contained in the Alliance, as well as the measures and goals to which it refers, cooperation can take a positive turn toward understanding and fulfillment.

If its purposes are made known properly; if fair terms of trade are established, whenever it is not possible to continue reducing the prices of raw materials and increasing the prices of manufactured goods since Latin America pays the cost of the latter with the proceeds from the former; if the countries are made to understand the reasons for cooperating toward their cultural, technical, and scientific growth and the realization of the principles of justice and human solidarity; if efforts are shared proportionately and fairly to attain progress for all—all these things will effectively contribute to the prestige of the Alliance for Progress.

Finally, it will be essential to remove the idea from the minds of the Mexican people that the Alliance is a simple expedient, drawn up through fear of a crisis, and that it will be abandoned when the danger of a fighting war disappears. That is to say, that if progress is made in the disarmament effort and if the nightmare of the cold war is dispelled, the noble ends of the Alliance for Progress must not be abandoned in any way.

III. CONCLUSION AND RECOMMENDATIONS

The second meeting of the Mexico-United States Interparliamentary Group proved to be as valuable, constructive, and enlightening an occasion as the first meeting held in Guadalajara in 1961. It was an honor and a privilege to receive as our guests the distinguished delegation of Mexican Senators and Deputies.

As a result of the meetings, each member of the Senate delegation gained deeper insights into the achievements, policies, and problems of Mexico and greater understanding of the Mexican point of view toward the problems of Mexican-United States relations covered by the agenda. These benefits are in large measure attributable to the candor and cordiality with which the Mexican delegates set forth their views and to the thoroughness with which they had prepared their presentations. The U.S. Senate delegation, in turn, utilized the opportunity of the conference to explain some of the problems confronted by the United States both in its domestic affairs and foreign relations as these relate to Mexico, to Latin America in general, and to the Alliance for Progress. It is our hope and belief that the Mexican delegates gained deeper insights and understanding of our point of view, as we did of theirs.

The major achievement of the conference was the enhancement of mutual understanding between the two countries, both in a general sense and with respect to specific problems of foreign investment and trade, border matters and cultural exchange, hemisphere peace and security, and the prospects of the Alliance for Progress.

It was neither the intention nor the proper function of the conference to arrive at solutions to the questions and problems embraced by the agenda. It is our belief, however, that as a result of these deliberations between Mexican and United States legislators the problems discussed have been substantially clarified and made more readily susceptible to solution by the appropriate executive officials of the two countries. It is our recommendation, as it was after the first meeting of the Mexico-United States Interparliamentary Group, that the problems discussed by the conference be further considered by officials of the Governments of both countries in a spirit of mutual friendship and generosity. It is our conclusion and conviction that, so long as such a spirit prevails, there is no issue or problem outstanding between Mexico and the United States which is not susceptible to resolution. It is our deeper conviction that while there are undeniably issues on which there is disagreement or less than full understanding between Mexico and the United States, these are of far less long-term significance than the fundamental community of interests and values that unites the two Republics.

APPENDIX

FINANCIAL STATEMENT

Public Law 86-420 authorizes an appropriation of \$30,000 annually, \$15,000 for the House delegation and \$15,000 for the Senate delegation, or so much thereof as may be necessary, to assist in meeting the expenses of the U.S. group of the Mexico-United States Interparliamentary Group for each fiscal year for which an appropriation is made. The Senate delegation incurred total expenses for the second meeting of the Mexico-United States Interparliamentary Group in the approximate amount of \$11,400. A consolidated report showing all expenses of the delegation at the conference will be filed later with the Senate in accordance with law.

