

CIAP
35

THE WHITE HOUSE

WASHINGTON

July 28, 1967

NOTE FOR WALT ROSTOW

Walt:

The state of play on the untying proposal is:

1. Linc Gordon discussed it with leaders in both Houses and got many more assents than dissents.
2. In his testimony on the Foreign Aid Bill, he put the issue squarely before the Committees by incorporating it in his formal statement.
3. ARA is waiting to see if during the passage of the Aid legislation through the Congress either House takes a stand on the proposal.
4. If not, ARA will ask Secretary Rusk to recommend to the President that we go ahead with the untying announcement.

Should the President decide to untie, I would think that he would like to make the announcement in order to get the full credit.

Having Sol announce it in his name at the next CIAP plenary is a possibility. The President used this device in 1965 in letting Secretary Rusk announce at Rio that the Alliance was for more than 10 years.

WuB

WGBowdler

Attachment

Ambassador Sanz de Santamaria's
letter to Sol Linowitz of 7/14/67

Memo

2826

SOL M. LINOWITZ

to Walt W. Rostow

Walt:

I think
Carlos's suggestion
makes a lot
of sense.

SL

ORGANIZATION OF AMERICAN STATES
ORGANIZACION DE LOS ESTADOS AMERICANOS
ORGANIZAÇÃO DOS ESTADOS AMERICANOS
ORGANISATION DES ETATS AMERICAINS

PAN AMERICAN UNION

Washington 6, D.C., U.S.A.

Cable address: PAU WASH DC

1725 Eye Street, N.W., Room 1101

WB
*I agree -
help if you can*
WJ



INTER-AMERICAN COMMITTEE ON
THE ALLIANCE FOR PROGRESS

Office of the Chairman

July 14, 1967

My dear Mr. Ambassador:

As you know, the Inter-American Committee on the Alliance for Progress has long urged a modification of the system of "tied aid," with a view to making external financial assistance to Latin America more effective and furthering regional economic integration. As part of that effort, a small working group of Secretariat and US/AID officials was set up last year for the purpose of examining the problem in some detail. Subsequently, at the Meeting of Chiefs of State, the President of the United States announced that consideration would be given to a liberalization of the system of tied aid. The need for such a liberalization also is recommended in the Action Program of Viña del Mar, formulated at the recently-held Fifth Annual Meetings of the Inter-American Economic and Social Council.

In the light of the foregoing, and of the several talks on the subject I held with representatives of your Government, I am happy to know that consultations within the Government of the United States concerning the possibilities for a partial untying of loans to Latin America are advancing favorably. A favorable decision no doubt will strengthen further the Alliance for Progress and constitute an important step in support of Latin American economic integration, in line with the Declaration of the Chiefs of State.

In that connection, I should like to suggest that once the decision on modifying the present system of tied aid to Latin America is adopted by the United States Government, it be announced formally at the next Plenary Session of CIAP in September and that it be made public by that body on that occasion. The announcement of that

The Honorable
Sol M. Linowitz
U.S. Member of the Inter-American
Committee on the Alliance for Progress
Department of State
Washington, D. C.

REC'D

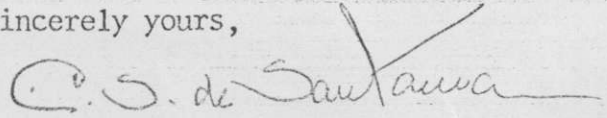
JUL 18

For: S. M. L.

important step through CIAP would further enhance the multilateral character of the Alliance for Progress and would afford an opportunity for calling upon other developed countries for similar measures designed to liberalize or eliminate the system of tied aid.

I would greatly appreciate your giving consideration to this matter.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "C. S. de Santamaria". The signature is fluid and cursive, with a long horizontal stroke at the end.

Carlos Sanz de Santamaria