

COLOMBIA

FOUR YEARS OF WORK
IN THE
ALLIANCE FOR PROGRESS



OCT 6 1972

LET US CONTINUE.....

Those who have criticized the program of the Alliance for Progress have noted, and not without reason, that the attainment of the goals desired by Latin American countries is not possible in the time originally proposed, which is ten years.

If, as it has been wisely said, "it requires forty years to make a man", it is unthinkable that in only ten years the total rebuilding of the socio-economic system of a continent, to put it in tune with the tremendous rhythm of development of the more advanced countries, can be achieved.

But the man who conceived the Alliance for Progress, John F. Kennedy, did not establish the period of ten years as an absolute time limit for Latin America to emerge from its under-developed state, but rather as a period during which could be marshaled all the technical, natural, and human resources in order to get them in step for a long march ahead, leading to the goal of economic, social, and cultural achievement desired by all.

Kennedy was very clear in stating that "our aims may not be accomplished in our generation or even in the next, but unless we begin, they will never be accomplished". Then he added his famous phrase: "Then, let us begin".

The first four years of the Alliance for Progress have marked the fulfillment of Kennedy's invitation: we have begun. And in spite of all the difficulties and obstacles - which have not been few in number - our beginning has been prodigious in achievement.

Nevertheless it would be impossible in a publication of this size to give in detail a complete account of the works realized, not only because it would require several volumes, but also because, unfortunately, statistics that would recapitulate, analyze, and evaluate each and every project are simply not obtainable for the many programs, public and private, that have been advanced under the banner of the Alliance. The account in this booklet therefore suffers from many omissions, for

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which we hope our readers will forgive us. On the other hand, the achievements, as great as they are, do not appear as spectacular as hoped for by those who think that in only four years it is possible to change radically the physical, economic, industrial, cultural and social panorama of the country.

As the reader of the following pages will discover, WE HAVE BEGUN. And we have begun well, that is certain. We have neither done everything necessary, nor succeeded sufficiently in what we did, but we have done a lot and with some measure of success. And, above all, each successful project constitutes one step closer to the goal of progress, and a firm base to stand on when taking further steps which will be more decisive, more determinative of progress, more positive in their results.

We can feel proud - though not satisfied - with the success obtained so far. This success is the result, above all, of deciding firmly that we have reached the point of no return in the improvement of economic and social conditions. We have gone forward and we will not go back. If the stimulation from international aid is not enough, we must blame no one but ourselves. We must realize that necessity obliges us to grasp farther than we can reach.

As the illustrious ex-president of Colombia, Alberto Lleras Camargo, expressed it: "In the time that has passed since the initiation of the Alliance there has been a great and difficult adaptation on the part of the Latin American countries toward the concept proposed at Punta del Este. Now the job is to defend the entire program of the Alliance."

The six years remaining to us to complete the "decade of exertion" must be characterized by the intensification of our efforts, the acceleration of our programs, the implementation of the plans that will place us on the level of the most developed countries of the hemisphere.

We have the means to do it, all the necessary elements. Let us now apply them with all dynamic force of our will; let us loose the bogged wheels and roll them on; and let us follow the advice of President Johnson in his inaugural address, paraphrasing his famous predecessor: "Let us continue."

FROM IDEA TO REALITY

An inspired humanitarian idea may sometimes capture the popular imagination and spread like wildfire across national boundaries and over continents. But it has to have practical significance, to meet a long-felt and universal need, if it is to generate action which will change the lives of millions of people or become a decisive force in the great balance of world affairs. The idea must merit the attention and the action of the most dynamic and forceful elements of our society.

This has been the case with the Alliance for Progress.

A FERTILE FIELD

In this generation, characterized by the emergence of great masses and of formerly inert nations, the initiative and foresight of President John F. Kennedy in calling for the united effort of all the people of the hemisphere in a crusade against misery, hunger, and want came at an exceptionally fortunate time, following as it did, 80 years of preparation on the part of the Interamerican system.

Four years following its founding, the Alliance for Progress is a reality which in one way or another has benefited the lives of every inhabitant of the Americas.

A DISTORTED IMAGE

The actuality of the Alliance does not, perhaps, conform to the sometimes ignorant, sometimes erroneous anticipations of many people. Perhaps it has not produced as so many had hoped, a magic formula the sole enunciation of which will erase evils as ancient as hunger in human society.

The Alliance has had to grapple with such human imperfections as inconstancy, lack of understanding, and laziness, with the deliberate opposition of anti-democratic politicians, and with the no-less-difficult obstacles posed by those who would have turned it to their own private, unmerited gain. It is probable that in its development, errors in judgment have been made, and that in its application grave mistakes have ensued.

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ACCOMPLISHED PURPOSES

But he who honestly studies the real purposes, the spirit of the Charter of Punta del Este proclaimed four years ago, and the consequent plans submitted to the people of the Americas in which they were called upon to launch a determined war for their own improvement, will find that not only has the Alliance realized, but it has actually surpassed its initial aims and purposes. And even when no effort has been made to understand or recognize those accomplishments, it is difficult to ignore the positive results and the favorable influence which the Alliance continues to exercise over the lives of the inhabitants of our hemisphere.

HAVE YOU TAKEN PART ?

Let us consider Colombia. Perhaps you are among those with only a vague idea of the plan proposed by President Kennedy to the nations of the Americas in April of 1961 and adopted by them in August 17 of the same year.

Perhaps you have heard that the Alliance has not done away with under-development, with want, and with defects in public administration. It has been said that as the Alliance seeks to counter under-development and disease the great majority of the population continues to suffer from the old social scourges, now aggravated by over-population and the high cost of living. You may believe that this program has never touched you because you have never participated in any project, no one has asked your collaboration, or called upon your abilities in support of Alliance activities. It is possible, too, that you have never been told how the fruits of this abstract entity may be plucked. You may believe it does not really exist or that it is restrictive or discriminatory, beyond your reach. Or perhaps, you have denied it your cooperation.

AGREEMENT TO GO FORWARD

At any rate, the nation goes on, progresses, and keeps the routes of international trade open. Quantities of merchandise, boats, trains and trucks moving between centers of production and consumption, attest to the liveliness of commerce. This international commerce is the fuel of prosperity and progress. The population continues to rise sharply. The economic activity of the nation must find place each year for the employment of 200,000

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new workers who tomorrow will be the heads of families. The country moves, works, plans, and discusses because it is a free country. And, because it is free, perhaps it sometimes allows confusion and discouragement to slow the rhythm of its advance. But it is not long detained. And its accomplishments remain an example for other nations of the American community, because among its assets, together with the quality of its human and natural resources, it boasts an excellent juridical system and economic stability.

MAN, THE MAIN OBJECTIVE

The objectives chosen by the peoples of the Americas in the Charter of Punta del Este all revolve around the improvement of the living conditions of the common man, the American man: to provide health, education, housing, and the work that without which political independence is ephemeral and unstable.

It is toward these basic goals that the hemisphere and Colombia have been oriented, and toward them the first beginnings have been made under the Alliance in its first four years.

A VAST AND CHALLENGING FIELD

The reader may ask in what form the formidable task which hopes to work such great transitions in a short ten years has been undertaken. Many efforts in the field of social progress and internal security are already surprising and noteworthy accomplishments. Others have hardly begun to be recognized. Let us examine some of them.

A CITY OF 100,000

Within the city limits of Bogota today is a community of 100,000 persons, a beehive of activity which four years ago was no more than a plan on paper. Its miraculous realization is a model among other Alliance countries. It is a laboratory experiment in self-help, in government planning, in foreign and domestic financial assistance. Since November 22, 1963, it has been called Ciudad Kennedy (Kennedy City). All the works envisaged in the original plan are either finished or well under construction. Of the 10,150 dwellings planned, 7,800 are completed and inhabited, 2,090 are under construction, and 260 are just getting under way.

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More than 15,000 children attend school in the community. There are 288 classrooms. In all, there will be four theaters, two markets, 12 community centers, a police station, a fire station, day nursery schools for 3,240 children up to six years of age, three community health centers, and a number of banks. The transportation system will be able to move 36,000 persons each day between home and work.

The financing of this outstanding Alliance project exceeds 150 million pesos excluding the value of the land. Almost every conceivable system both of construction and of cooperation between various Colombian entities has been employed. Collaboration between the Instituto de Credito Territorial (ICT) and foreign planning and assistance organisms has been particularly note-worthy. The ICT has provided approximately 94,360,000 pesos worth of financing in cooperation with the U.S. Agency for International Development, the Interamerican Bank for Development, the Private Investment Fund, and U.S. Public Law 480. The rest has come from proper funds of the ICT. But the most difficult contribution to assess - and probably the most important - is self-help, the work of men, women, and children who, motivated by the desire to own homes under the Alliance, have dedicated uncounted hours of their own time in construction and improvement.

As it provides social improvement for this great number of people, Ciudad Kennedy will continue to furnish material for economists, doctors, and sociologists for years to come.

TRANSFORMATION IN LIVING CONDITIONS

Ciudad Kennedy is only the most visible of hundreds of other Alliance projects in which official action has joined private, official, public, and domestic and foreign capital in the construction of more than 120,000 new dwellings for more than a million persons within the low-income group who would not otherwise have been able to solve acute housing problems. And a multitude of other projects is just beginning, not only in the larger cities, but in towns and villages throughout the country. Satellite cities, "Kennedy" neighborhoods, have shown the Colombian people how to proceed. It would be prolixity to detail the communities in which these revolutionary ideas have been used.

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LOWER CLASS HOUSING

Although Colombian efforts toward solution of the housing crisis predate the Alliance for Progress with three large programs of the Banco Central Hipotecario, the Instituto de Credito Territorial, and the Caja Agraria, the interamerican cooperative effort has given them new impetus, their penetration and social reach have grown, and new resources have been made available to them. ICT funds, government support, and external financing have produced 30,000 houses per year, a figure which will be exceeded under a gigantic plan for the construction of 115,341 new low-cost units at a cost of 1,498 million pesos. Of these, 47.9 per cent, or 932,100,000 pesos will come from external sources and the rest from ICT. The same systems will be employed in this construction as under the previous ones:

Self-construction, 29,880 units. (ICT to provide ground, plans, and materials, and the purchaser the labor).

Direct construction, 5,742 units. (ICT provides the finished house).

Loans to lot owners, 2,970 units. (ICT to provide technical direction).

Three-part plan, 3,780 units. (ICT, USAID, and private enterprise share the financing).

Workers' plan, 5,304 units. (ICT 60%, Private Investment 30%, Worker 10%).

Slum Clearance, 9,182 units

Neighborhood improvement, 35,683 units.

Direct sale of neighborhood sited, 22,000 units.

The systems enumerated above are those which have proved successful to date. House owners receive loans amortizable over periods of from 8 to 20 years, with interest at 8 per cent. Slum eradication is being particularly stressed. This program to date represents an expenditure of more than 80 million pesos in 15 cities. It hopes to eliminate the so-called "black zones" of the cities where misery, disease, and crime are concentrated.

INCORA AND THE CENTRAL HIPOTECARIO

The Caja Agraria (agrarian bank), whose program is an old one, has extended credit and technical assistance for the construction of 43,000 housing units for campesinos and

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the remodeling of another 36,000 through the investment of more than 100 million pesos.

The National Coffee Federation also has an extensive housing program in the coffee-growing regions.

The Institute for Agrarian Reform (INCORA) pushes programs of land distribution which include the construction of housing units. Much of the credit it gives to farmers is earmarked for the construction or improvement of housing. In addition, the Central Mortgage Bank (Banco Central Hipotecario) is involved, in addition to its ordinary banking activities, in the extension of credit for low-cost housing.

WORKERS' HOUSING

The Alliance for Progress has undertaken to procure large-scale private financing for workers' housing, primarily through the three-part system. Many Colombian firms have undertaken new, or extended old housing programs for workers in arrangements under which from 10 to 15 per cent of the value of the house is furnished by the purchaser, 30 per cent by the firm for which he works, and the balance by ICT. Textile plants, breweries, chemical industries, and metallurgical firms are among those which have contributed to this phase of social development with plans, the value of which exceeds 350 million pesos.

FOREIGN FIRMS

Important middle-class housing projects also are underway in which private foreign funds are solicited and the investment guaranteed against the risks of expropriation and non-convertibility by the Agency for International Development. Two major projects of this type are located in Cali, where the firm Carl Roeb Rhodes, with Hogares Panamericanos (Panamerican Homes) is building 2,000 homes on a budget of 170 million pesos, and in Bogota where Hogares del Caribe is building 1,268 units for 150 million pesos. A Jamaican firm with mixed capital has recently begun a study of similar investment possibilities .

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OTHER HOUSING PROGRAMS

All the foregoing do not constitute the total of Colombian low-cost or middle class housing projects in the spirit of the Alliance for Progress. Although the national housing shortage is estimated at 300,000 units, present construction starts are sufficient to prevent the deterioration of the housing situation. To its solution the following, among others, are contributing:

COOPERATIVE HOUSING

The organized workers of many towns, guilds and public service institutions have instituted their own housing plans in many instances. Alliance financing from various sources supports such projects. An approximate 6,000 units will be finished within the next two years. Affiliates of the Federacion Colombiana de Cooperativas de Vivienda (Federation of Colombian Housing Cooperatives) is beginning a program for the construction of more than 1,000 new homes. Another project for workers affiliated with major Colombian unions is being supported by the U.S. trade union movement. Cooperative housing programs planned and in progress are estimated to value 205 million pesos.

AN EXEMPLARY ACCOMPLISHMENT

Colombian housing accomplishments within the Alliance have been applauded by statesmen and leaders of many nations. Foreign missions have studied the Colombian accomplishments at first hand in order to apply the system in other places. The experience of this country will assure better development and increased efficiency for others in the immediate future. Colombia, which for 15 years has been the seat of the Interamerican Housing Center of the Organization of American States, and whose architects, many of them specialists in the social housing field, are outstanding in their field, and which has almost all kinds of climate, is today a veritable laboratory for the solution of the pressing problem of housing the inhabitants of Latin America.

THE TEN-YEAR ELECTRIFICATION PLAN

The National Development Plan hopes to supply electricity to all cities and towns of more than 1,500 inhabitants, as well as to 20 per cent of the nation's rural

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population. The first objective was to generate 815,000 kilowatts between 1961 and 1965, of which 547,000 were to be hydroelectric. Contributing to the plan is the hydroelectric system of the Calima River in the Cauca Valley. This construction, financed from external sources, will generate 120,000 kilowatts of energy. It is rapidly nearing completion. Ancillary to the new power station are irrigation works, drainage, and extensive reforestation in the upper Cauca Valley areas. An electrification project which will greatly augment the industrial potential of the rapidly growing city of Medellin, capital of the Department of Antioquia, is a plant on the Rio Grande administered by Empresas Publicas de Medellin (Public Works of Medellin). The same group is behind an electrification project in the Rio Nare valley, for the first plant of which credits for fifteen million dollars have been established. The total cost will double this amount. The first project will develop 150,000 kilowatts, and the dam will back waters of the river to form a large lake, eventually covering the village of El Peñol.

RADIO PRADO PROJECT, TOLIMA

Another project still in planning is the construction of a dam and hydroelectric plant of 36,000 kilowatts on the Rio Prado of Tolima. It will augment the energy supply of the departments of Tolima and Huila, and of the port of Girardot in Cundinamarca. Total cost will be \$20,829,000. The project will generate 51,000 kilowatts and irrigate 8,000 hectares of land.

INTERCOMMUNICATION WITH VENEZUELA

A joint undertaking between Colombia and Venezuela is the expansion of the electrical plant at Tibu in the middle of the petroleum-producing fields near the Venezuelan border. Available electricity will be augmented by 12,000 kilowatts, and new lines will be strung between the department of Norte de Santander and Tachira in Venezuela. This will be the first step in plans to integrate the frontier between the two countries.

The plant "La Fria" (Venezuela), which is operated by the CADAFE Company, Venezuelan Agency for Electrification, is the power source for this bilateral effort. The cost of the project is \$4,878,000.

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PORT IMPROVEMENT

The increase in maritime traffic, caused, to a considerable extent by the greater volume of exports and the progress of the merchant fleet Grancolombiana, has rendered insufficient the country's port installations. Improvement and modernization of these facilities occupy a favored place in development plans and have had the positive support of the Alliance.

The Agency for International Development provided special surplus military equipment from the United States for dredging the navigation channels of the port of Barranquilla. The cost of this dredging operation exceeded \$800,000.

The development of port installations falls under the decentralized organization, Ports of Colombia (Puertos de Colombia). This organization has signed important contracts with the Inter-American Development Bank for the provision of 5 million dollars to be used for a broad modernization project which includes the ports of Barranquilla, Cartagena and Santa Marta. The agreement was signed last June 20th. The Colombian participation in the project, with almost an equal amount of money, will increase the cost of the work to \$10,339,000.

PORT OF BARRANQUILLA

Expansion of the maritime terminal and area of operations has begun with the construction of a dike, filling in the low parts, paving 5,000 square meters of loading yards, and the purchase of new machinery for loading and unloading. The cost will be \$4,235,000.

PORT OF CARTAGENA

Construction of an additional dock for deep-draft ships, construction of a new warehouse with loading areas and paved access roads, the conversion of the existing sheds into repair shops, and the purchase of equipment for loading and unloading, will come to a cost of \$1,126,000.

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PORT OF SANTA MARTA

Planned are construction of a new port terminal for bananas, the conversion of the old banana terminal into a general purpose dock, relocation of the railroad terminal, and the construction of paved loading areas and open storage areas. This projects is valued at \$4,578,000.

This same program provides for the consolidation of the administrative and accounting services of the three ports into a single entity.

The expansion program was calculated on the basis of the growth of maritime operations of this area of the country.

THE PORT OF BUENAVENTURA

The principal port on the Pacific, Buenaventura, which handled 1,580,000 tons of cargo in 1960, will be improved to handle 2,550,000 metric tons by 1970. The improvement of this port is a special operation costing some \$23,500,000.

Financial contribution from American sources will reach 10 million dollars and Colombian participation is calculated at 135 million pesos. This work comprises dredging in front of the docks; railways for the dockyards; the maintenance work-shops; new warehouses; enlargement of the old ones; enlargement of the principal dock and petroleum dock.

INDUSTRIAL DEVELOPMENT

The industrial development of this country is producing radical changes in the Colombian panorama. One of the regions where this change is most rapid in its growth is on the immediate area of the city of Bucaramanga, capital of the department of Santander. Districts which have suffered great erosion, making them useless for agriculture such as the district of Giron, near Bucaramanga, are being transformed rapidly into industrial areas from which soar large buildings under construction which are providing occupation for thousands of workers and increasing the national wealth. The photo at the bottom of this page and the upper one on opposite page both present aspects of new industrial plants in process of construction. In the meantime, specialized institutions such as the Universidad Industrial de Santander and

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the one of Technology of Pereira give training to the personnel who will have the management of the new and modern machinery in industry. The photo at the bottom of the opposite page presents a view of the huge building for "Forjas de Colombia", an iron-works established with both foreign and Colombian capital in Bucaramanga.

A CITY PREPERS TO FACE THE FUTURE

In the busy cities and in the remote country districts, Colombians, poor or rich, ignorant or learned, have this desire in common, "Give us education for our children", they look to the schools, colleges and Universities as the means that will give men the intellectual tools which will allow the whole population to reap benefits from the great natural resources of the country. The Alliance for Progress has managed to make many of these desires come true.

PLANS FOR EDUCATION REFORM

Besides physical improvement realized with funds from the Colombian government and the Alliance, plans are being made for the reform of the system of public education. These plans are being developed by experts from the Colombian Ministry of Education and the U.S. Agency for International Development.

The Association of Colombian Universities, with technical assistance from AID, has contracted with the University of Michigan for the services of several experts in order to plan, on a national scale, the development of university education. The individual plans of the universities, some of which include vast programs of expansion and improvement, will be coordinated under this project.

FOREIGN COOPERATING INSTITUTIONS

International organizations and private foundations have cooperated in this effort, giving significant support to the development of Colombian universities. One example of this support is the faculty of sociology of the National University, whose building was constructed with AID financing and which has received donations from UNESCO, the University of Wisconsin, and the Ford and Rockefeller foundations.

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A loan of 1.1 billion dollars from the Inter-American Development Bank, one of the financial channels of the Alliance, has been used for laboratories and library materials in several of the faculties of the National University as well as a new center for basic sciences and technology.

AID TO PUBLIC EDUCATION

Alliance programs have produced 5,300 classrooms for 341,000 children and textbooks for 790,000 primary school children, totaling 10 per cent of public school population. This support to education plays a significant role in the defeat of illiteracy and the improvement in the general cultural level which, in turn increases the possibilities for the development of the nation.

ASSISTANCE TO UNIVERSITIES

Other Alliance programs, or similar programs which have arisen from the spirit of solidarity engendered by the Alliance, have meant assistance for administration and improvement of universities and other institutions of higher learning. Thus, 1,570 students have been able to follow studies or specialties, especially in the vital fields of economics and business administration.

VOCATIONAL TRAINING

During the past four years, 45,552 youths have studied in vocational training institutions supported by the Alliance for Progress. Of that number, 1,500 have become teachers and 275 agricultural technicians. These same institutions have conducted special training courses for some 24,000 teachers.

THE UNIVERSITY OF THE VALLE

New donations from North American foundations and international loans have made it possible for the University of the Valle in Cali to carry out an expansion program. This program, in physical plant as well as in programs of study, is specially directed toward the sciences and technology. It will cost 225 million pesos over a 10-year period. The

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donation of 1.1 million dollars from the Ford Foundation goes toward the school of basic studies in education, the faculty of engineering, and the development planning office. A two-million-dollar Rockefeller donation will support programs for specialized studies for graduate medical students.

ENGINEERING

Another loan of \$600,000 has been made for the engineering faculty of the University of the Valle. This loan has opened the road for the establishment, for the first time in Colombia, of specialized studies in the fields of sanitary, transport, and structural engineering.

AGRICULTURAL RESEARCH

Loans from international organizations and donations from North American foundations, all within the framework of the Alliance for Progress, have stimulated considerable advances in Colombian universities. These advances have been made in the fields of medicine, veterinary science, and scientific agriculture and biological research.

ECONOMICS AND THE UNIVERSITY OF LOS ANDES

A program of post-graduate training for economics professors and economic research has been started by the Agency for International Development (AID) in cooperation with the University of Los Andes.

PRE-MEDICAL STUDIES

The Rockefeller foundation is assisting a program of pre-medical studies in the University of Los Andes. The Ford Foundation, with a donation of \$750,000 is contributing to several other programs in the development of this University.

LOANS FOR ICETEX

The organization ICETEX (Colombian Institute for Foreign Technical Studies) has been carrying out a program of human resources research financed by the Ford Foundation and

other lending institutions. ICETEX also has arranged with AID for loans of 1,800,000 dollars in order to breath new life into its program of loans to university students of limited means which permit them to pursue their studies in Colombia.

The Association of Colombian Universities, with funds from the Ford Foundation, is carrying out an integration plan among the universities on the Atlantic coast.

UNIVERSITY OF THE CAUCA

More than one million dollars from the United Nations Special Fund is being used to finance an engineering program in communications and electronics at the University of the Cauca. The money is also being used to support a center for research into the problems of telecommunications in tropical region of the Andes.

PUBLIC ADMINISTRATION

The School of Public Administration of Bogota (ESAP), founded by the Colombian government in 1961, receives assistance from the United Nations and the Ford Foundation in the preparation of experts in public administration. The school has 200 students. In addition, more than 6,000 officials have received special in-service training at the school. The School of Administration and Finance of Medellin also has been receiving assistance from AID as well as private institutions. The school graduates more than 350 students annually. It was established by private individuals to train business executives.

MINISTRY OF EDUCATION PLANNING

AID, the World Bank, and UNESCO are all collaborating with the Colombian Ministry of Education in a general study of Colombian education. This study is being carried out by the planning office of the Ministry of Education. Such grave problems as student dropouts at all levels are included in this study which seeks to find appropriate corrective measures to deal with them.

NATIONAL TRAINING SERVICE

The National Training Service, or SENA, has received technical and financial assistance from the United Nations Special Fund, the Food and Agriculture Organization, and private institutions in several countries. The Service has trained more than

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100,000 workers in a variety of technical specialties and has increased the possibilities for the training of technicians, experts, and skilled workers to meet the demands of industrial growth through its **38** centers in all parts of the country.

AID has donated material for the SENA library and for use in audio-visual instruction being carried out in several of the centers and has provided technical advisors.

OTHER SUPPORT TO EDUCATION

The following activities are typical of the collaboration being carried out under the Alliance:

RESEARCH: The Colombian Agricultural Institute (Instituto Colombiano Agropecuário), a government institution, the Rockefeller Foundation, and AID are sponsoring the construction of research center for animal disease at the National University in Bogota. The cost of this center is 12 million pesos. The faculty of veterinary science at the University will play an important role in the operation of the center.

LABORATORIES: Also at the National University, a laboratory of weights and measures was inaugurated. The laboratory, donated by AID, will have the cooperation of the Colombian Institute of Technical Standards, and will serve as a training center for other nations of the hemisphere.

FORD FOUNDATION DONATIONS: On the 18th of May this year, the Ford Foundation announced the following new donations in Colombia:

\$500,000 for the academic and administrative re-organization of the University of Antioquia.

\$330,000 for demographic research being carried out by the National Association of Professors of Medicine.

UNIVERSITY CITY: The Inter-American Development Bank (IDB) has approved a loan of \$500,000 for a university city for the University of Valle. The total cost will be 30 million dollars and the project will be completed in 15 years.

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BOOKS AND FILMS: AID has begun the distribution of certain technical books in Spanish to libraries in universities, high schools, and other educational centers. These books are on such subjects as physics, chemistry, medicine, economics, business methods, and public relations. More than 30,000 books were distributed in the first three months of 1965. AID also lends educational films to these institutions.

THE KELLOGG FOUNDATION: Since beginning its work in Colombia in 1941, the Kellogg Foundation has provided more than a hundred scholarships for Colombian professionals. These scholarships, worth more than one million dollars, have been used for specialized studies in advanced fields of public health, dentistry, medicine, nursing and, in several instances, education and agriculture. These scholarships have been for training Colombian university professors at centers of higher learning in the U.S.

EDUCATION TELEVISION

No consideration of the activities of the Alliance in the field of education would be complete without mentioning the activities of the Peace Corps and its work in the establishment of education television on a national scale. More than 80 Peace Corps volunteers have been working in this program for a year and a half. The ETV program now covers more than 1,000 schools and 100,000 children in the country. The Colombian television networks, one of the most extensive in Latin America, covers 80 per cent of the densely populated areas of the country.

Colombian technicians, television experts, specialists from the Ministry of Education, and teachers, all are working together with the Peace Corps volunteers in the ETV project. Stanford University is conducting a survey on the effectiveness of the ETV program, through the Institute for Communications Research.

The most revolutionary feature of the ETV project is the work of the Peace Corps volunteers in the schools, observing the development of the programs and training the teachers. Student and teacher reaction to the 15-minute TV courses has been the basis for modification and improvement of the programs. Before the programs began in March, 1964, special transmissions were begun to train teachers in the use of TV in their classrooms. 94 per cent of the schools in the country are within the coverage area of the Colombian TV network.

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The great majority of schools without laboratories and similar educational facilities now have within their reach, through ETV, all the audio-visual aids.

The Peace Corps volunteers working in the ETV project have had special training. The AID has donated video-tape machines for recording all the ETV programs for re-use and another 1,500 television receivers for the schools. The Minnesota Mining & Manufacturing Co. has donated videotape for 40 hours of recording. The work of the Peace Corps volunteers in collaboration with the Colombians who are preparing themselves to carry on the ETV program has been enthusiastically received by the Colombian peasant.

The desire to take advantage of the ETV program has led officials and residents of many small villages to install electricity and make other needed improvements. The Colombian ETV project has been described as the best of its kind in Latin America.

HEALTH

Little noted but wide reaching efforts have been carried out under the Alliance in the field of national health. In epidemic prevention campaigns, more than 1,200,000 people have been vaccinated, mainly in cooperation with the civic action programs of the military, but also through efforts of the 40 new health centers established by the Alliance, and two sub-centers, and mobile units operating in land, water and air. These same programs have also permitted the hospital treatment of 4,200 persons and the medical examination and out-patient treatment of 420,000 persons. The armed forces have performed an important function in the programs of civic action by bringing medical treatment to isolated regions which for years could not count on a doctor.

MEDELLIN AQUEDUCT

Recently, the IDB granted 4.75 million dollars credit for financing the second stage of a program of enlargement and improvement of the Medellin aqueduct. In 1961 the same bank had financed, with a loan of \$5,256,717, the first stage of the project. The new stage will bring about the enlargement of the distribution network, the construction of a water treatment plant with a capacity for 120,000 cubic meters a day, the enlarging of the capacity of an existing plant from 130,000 to 150,000 cubic meters daily, and the finishing of the water-supply jobs on the Rio Negro, including a tunnel 8.6 kilometers long, an earth-fill dam, and high-pressure tubing 1,300 meters

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long. This enlargement will supply water for 1,000,000 people.

BARRANQUILLA AQUEDUCT

The preliminary studies for the Barranquilla aqueduct are finished. This project, which has already received a loan of \$2,600,000 from the Export-Import Bank, will receive funds from AID amounting to 20,250,000 pesos. The project will include the enlargement and modernization of storage facilities, and of the purification and distribution network.

AQUEDUCTS IN SMALL TOWNS

But a much more far-reaching program designed to provide potable water for all of Colombia's inhabitants is being developed through a program for the enlargement of aqueducts and sewerage financed by the Interamerican Development Bank, a financing agency of the Alliance, by other sources from the exterior and, with the necessary Colombian participation. 104 aqueducts have been finished or are under construction, and will serve 4,000,000 Colombians.

Generally, the plan has had the financing of the Export-Import Bank, whose long-term loans to the Institute of Water Conservation and Electrical Development have reached the sum of 17.5 million dollars. This same Institute negotiated another loan of 11.2 million dollars for electrification projects from the IBD

SEWERAGE

Sewerage modernization programs in Cali, Bogota, and Medellin, financed with AID funds are projects of emphasis within the Alliance, all of which have received special loans in dollars and pesos.

CALI SEWERAGE

The improvement of Cali sewerage is being carried out through a \$3.7 million loan from AID backed by its equivalent in pesos granted by Colombia. The project has now been under way for a year, and it will take three more years to complete.

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BOGOTA SEWERAGE

Another important project, will cost a total of \$16,000,000. Bogota sewerage modernization should begin soon. The total monies required will be 127 million pesos. Colombian participation, through funds from Municipal Enterprises, will be 50,860,000 pesos. The major obstacle is that, although AID has disbursed 450,000 dollars to finance engineering services for the project, these have remained unused because Colombian counterpart funds have not been available.

MEDELLIN SEWERAGE

A loan of \$250,000 from AID for engineering services for the Medellin sewerage will also be able to count on a contribution of \$539,000 from municipal enterprises. This project is now in its initial stages and will take three years to finish.

COMMUNITY ACTION

A powerful force for national development that was begun simultaneously with the Alliance for Progress is Community Action.

With roots in the traditions of the pre-Columbian peoples of America, the volunteer effort of members of a community to build a school, a bridge, a road, etc., has been a great help to towns and villages which cannot hope for direct help from national funds. This has been a great deterrent to the sometimes paternalist attitude of the government towards the campesinos and to their own lack of initiative; now they feel ready to undertake impressive tasks for the common good.

Made law by executive decree and coordinated by a special section of the Ministry of Government, Community Action can count on government departmental sponsors, and with the help of civil, military, and religious authorities. Presently, 8,600 community action committees have been established, six fold the number of Colombian municipalities. All these committees, working with men, women and children, irrespective of class, deserve credit for the building of chapels, schools, health centers, aqueducts, roads, bridges, and community centers in every department and territory of Colombia.

Since the beginning of the Peace Corps program in Colombia, in 1961, the American volunteers have been efficient organizers of, and assistants to, the community action

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committees. The volunteers have found in these committees a very effective medium for the stimulation of community development, of agricultural extension, and for furthering activities ranging from sports to the formation of rural cooperatives.

Since there is no opposition to community action, this activity can carry out tasks in areas closed to political, religious, and labor organizations.

Community action has also been helped by the military civic action campaigns carried out by the military in cooperation with AID, a North American entity which carries out the programs of the Alliance for Progress.

Leaders in community action have been trained through scholarships to foreign countries given by AID, and many committees have obtained direct help from AID in the form of materials to help in their projects.

Even though it is almost impossible to judge the assistance of community action to the development of the country, research and statistics allow the calculation of the value of this work at several hundred million pesos.

LABOR EDUCATION

The Alliance is active in the field of education for labor leaders, fulfilling the Preamble of the Charter of Punta del Este which promised "to assure workers fair wages." Union organizations fall within the concept of freedom put forth by the Alliance. Founded in 1962, the American Institute for Free Labor Development (AIFLD) has given courses in specialized labor training to numerous leaders of the Colombian labor movement. The institute is financed by the AFL-CIO, by North American industry, and AID. The Institute has its headquarters in Washington and it is organized into the departments of Education and Social Projects.

HOSPITAL REBUILDING

Through an AID donation of half a million dollars, to be matched by corresponding funds from Colombia, a plan for rebuilding hospitals damaged by fire or earthquake is being carried out in various cities in the western part of the country. The plan is in its last stages.

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SHALO FOUNDATION

This institution, created by private funds, a non-profit organization, is a center for the treatment and study of cardio-vascular diseases and of other ailments difficult to diagnose. It intends to put this type of treatment within the reach of all economic spheres. The idea for the Foundation was originated by Dr. Hernando Valencia and the industrialist Abood Shalo in 1954, and the institute first opened its doors in 1958. The Shalo family donated 500,000 pesos initially, and continues to donate 60,000 pesos annually. The city of Bogota pays 80,000 pesos for the Foundation's services to children in its health centers. With 20 doctors giving 24 hours weekly work, free, the Foundation fills a great need in medical research and is considered a leading center of its type in Latin America. Through the Caja de Credito Agrario, the Foundation has received loans from AID amounting to about one million pesos, and new financing is being sought to help in the modernizing of its equipment and enlarging of its facilities.

MALNUTRITION AND UNDERDEVELOPMENT

Malnutrition is an indicator of underdevelopment. In Latin America, traditionally ill-fed, the population explosion is intensifying the serious problems of health and stability. Hunger, as in Asia, is still not a problem in our hemisphere, but lack of a balanced diet should be solved soon. The Charter of Punta del Este emphasizes this aspect of Latin American underdevelopment. Steps such as agricultural diversification and the increase of agricultural output through improved agricultural techniques have been taken. But while these long-range goals are being achieved, the Alliance has taken steps partially to relieve this problem in those sections most affected by it.

Good nutrition is the basis of good health. But bad nutritional habits, established in the Latin peoples, combined with ignorance, are working against social welfare.

COOPERATIVE HEALTH SERVICE

The showing of the good use of food, the value of a balanced diet, and the reforming of counterproductive habits has been an effort of international cooperation with a 20 year history in Colombia. The Cooperative Health Service, established within the Ministry of Health by Colombia and the U.S., has a high record in the field of

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nutrition as well as in the training of doctors and nurses and the equipping of hospitals. Its accomplishments are well known and appreciated in the country.

AGRICULTURAL IMPROVEMENT

The philosophy of the Alliance for Progress and the doctrines of development adopted by economic science, looking to the progress of Latin America, have established as one of the foremost missions of this decade of change the increasing of crop yields and the diversification of crops. Countries blessed with special conditions of soil and climate in tropical America, including Colombia, should provide for the world market certain products of farm labor without causing the workers to remain at a humiliating level in respect to the world labor market. Coffee, cocoa, rice, sugar, and cotton, all tropical products, are susceptible to technological improvement of a very high level, sufficient to answer the ever-increasing demand of other zones whose climates cannot produce these important staples.

The great majority of the Latin-American peoples live in rural areas and do their work there--hence crop diversification, if it is to be efficient, necessarily requires radical changes in sociological habits of rural populations. Such a change summons the resources of all the technological and educational advances of this modern age. In this objective of diversification and increased productivity of crops and livestock lie the hopes of social progress and internal security.

But these sweeping sociological-agricultural changes require scientific planning and an exhaustive study of the actual conditions of the human beings who till the soil, as well as of the soil itself.

AGRICULTURAL PLANNING

The Alliance has cooperated in the programs of the Office of Planning of the Ministry of Agriculture, recently reformed to give higher priority to the task of working with the National Council of Planning in the programs of agricultural development. The institutes and specialized agencies have been given greater responsibility in the administration of projects, having assigned the job of research to the Colombian Institute of Livestock. The entire field is, at the same time, related

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to the Colombian Institute of Agrarian Reform, inviting even more thorough cooperation and contact with the Alliance.

INCORA AND NATURAL RESOURCES

Colombia has made a decided effort in accordance with the agreements signed at Punta del Este to transform the colonial pattern of exploitation and unreasonable landholding. Previous to the initiation of agrarian studies of the Institute of Agrarian Reform (INCORA), much preliminary planning had to be done in the sphere of land redistribution and agricultural engineering. Following such studies came the actual distribution of land, housing projects, centers of colonization, land reclamation, irrigation and drainage, reforestation and exploitation of previously unused terrain.

The organisms of the Alliance have collaborated in this task. Through a contract with the University of Wisconsin, at a cost of half a million dollars annually, research is being carried out to assess the resources of the country. Begun in 1963, it is scheduled to be completed in 1969. The study has already covered various key zones in several Departments, and the still incomplete studies were considered so valuable that they have been put at the disposition of INCORA. The National University of Bogota serves as headquarters of the Wisconsin studies, which include cooperation with the Organization of American States. Research includes the following districts of Colombia: Caquetá, Orocué (Casanare), Contadero (Nariño), Urrao, Barbosa and Tamesis (Antioquia), Barrancabermeja, San Gil and San Vicente (Santander), Tenza (Boyacá), Barranquilla (Atlántico), Cereté (Córdoba), Granada (Meta), Sopó and Saucio (Cundinamarca), and the CVC in Valle.

SUPERVISED CREDIT

In order to bring immediate benefits to the farm workers, INCORA devised its program of supervised credit. Financed with a loan of 10 million dollars through USAID, with long-term payments and low interest, the program was initiated in February of 1964 in small municipalities of Colombia. As of the 30th of April, 1965, half the capital sum had been made available to 4,257 individual operations involving small-scale agriculturists, making loans amounting to 54 million pesos for the purchase of cattle, for

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farm improvements, machines, cultivation of fruit, and other permanent benefits.

For this plan USAID provides salaries for two agronomists and INCORA maintains 215 supervisors.

PENETRATION BY NEW ROADS

INCORA has constructed 670 km. of new roads to open up regions heretofore inaccessible. These agricultural potentials were brought from their previous isolation into the economic life of Colombia with the cooperation of regional governments in the departments of Boyacá, Caldas, Cauca, and Meta, with the assistance of the Foundation for Rural Roads and the National Federation of Coffee Growers. With these roads and the farm credits much aid was given to centers of colonization in the eastern part of Nariño, Caquetá, the Atlantico Coast, Sarare, Lower Cauca, Ariari (Meta), and Urabá (Antioquia). More than 10,000 farm families have benefited from this program. The Alliance is being extended to other projects of INCORA such as reforestation (the Sierra Nevada of Santa Marta, Sinú, Chinchiná, Otún, and Nima), as well as to research on land ownership, soils, climate, and population, carried on by the University of Wisconsin team previously mentioned.

Among the accomplishments of INCORA should be mentioned the granting of land titles to 21,072 farm families with more than 250,000 members over an area of 961,824 hectares. The Institute has obtained title to 1,327,225 hectares over a period of three years either by purchase in cash, exchange for bonds, seizure for lack of legal ownership, or expropriation. One part of this, totaling 17,672 hectares, is set aside for redistribution, road building, canals, dams, forest reserves, and so on. At the same time INCORA, after diligent research, has launched irrigation projects in six districts embracing 200,000 hectares, one of the largest works of this type in Latin America.

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FARM CREDITS

During the years of Alliance activity, many other institutions besides INCORA have been helped through USAID with loans amounting to 8,902,000 pesos to 17,912 persons between 1962 and 1963. The period 1963-64 included 11,037,000 pesos to 20,926 people, and the years 1964-65 made 11,365,000 pesos available to 8,150 farmers. These figures indicate agricultural loans only, and do not include industrial development loans.

INSTITUTE AGUSTIN CODAZZI

In the field of agricultural improvement it is of fundamental impact in other areas of study the surveying of the whole country with aerial photography which has been undertaken by the Instituto Agustin Codazzi in collaboration with the Interamerican Geodetic Survey (IAGS).

Once the work of the photography is completed there follows the extensive task of allotting the material, in geographical as well as fiscal order, in which the Institute is collaborating in a revaluation program which will be of enormous help in solving the fiscal problems of the nation.

In order to facilitate the work of the Codazzi Institute, AID has provided, free of charge, a specially equipped aircraft.

SOILS IN THE EASTERN LLANOS

The Special Fund of the United Nations has made available the results of a study of soil from Colombia's eastern plains with encouraging conclusions on the potential for agriculture and livestock of the area.

PRESERVATION OF GRAIN

Colombia has obtained credit for a program of study for the preservation of grain and other agricultural products.

CREDITS FOR LIVESTOCK

Apart from the supervised credit received by means of the loan of 10 million dollars to INCORA, there is an AID program for the development of the livestock industry through

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the Banco Ganadero. The latter will receive a total of 4 million, of which the first 500,000 have already been paid and distributed in loans to small stockbreeders, with technical assistance from the same source, for the improvement of grasses, breeding and installations on the farms. These loans are for medium term duration.

BANK OF AGRICULTURAL DEVELOPMENT

The other and notable program for help and stimulation of agricultural production in the country is the Bank of Agricultural Development, which is also part of the international financing within the spirit of the Alliance for Progress. For the development of this entity's projects for irrigation, the Export-Import Bank of the USA has granted credit for $14\frac{1}{2}$ million dollars. The Bank of Agricultural Development has many other fields in which they help the small stockbreeder and agriculturist, granting them loans, technical assistance and the provisioning of material through their hundreds of agencies, branch offices and stores throughout the country. The Agency for International Development authorized a loan of 2.5 million dollars for the Bank of Agricultural Development for the buying of agricultural and irrigation machinery.

COOPERATIVE DEVELOPMENT

A national program for cooperative development has been financed with peso loans and donations. The incentive for the development of new cooperatives comes not only from the AID experts who work in conjunction and coordination with the national agencies, but also from the particular activities of the Peace Corps volunteers, who have taught the Colombian working man the many advantages to be gained in working through cooperatives for production and distribution and who have also organized several cooperatives, with special concentration on the export of attractive and typical products.

Other programs being developed include the training of cooperative leaders and at the moment there is a loan under consideration for the financing of what will eventually be the first Cooperative National Bank. Other important aspects of agricultural diversification are also included in the objectives of financing from private sources.

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INDIVIDUAL TRAINING

This program includes essential training of individuals, in many cases necessary for the preparation of final thesis by participants. Among these there are six last-grade students at the National School of Agronomy (who are preparing their theses), three university professors (gathering teaching material), two agronomists who aspire to receive MS degrees in the United States, 25 students from CIRA (Inter American Center for Agrarian Reform) doing investigation practices, and some 20 students from the Faculty of Sociology.

CAUCA VALLEY IRRIGATION

In 18 months and at a cost of 400,000 dollars totally financed by the Alliance, the study for irrigation of the Higher Cauca Valley will be finished.

NEED FOR TECHNICAL AID

Under a contract with Syracuse University, a study on the need of technical aid for the country is progressing. A regional donation finances this project.

RIO SUAREZ BASIN

A similar study at a cost of 200,000 will be made at the same time on the Rio Suarez Basin.

TULUA WATER SYSTEM

AID contributed with a 50,000 dollars loan for the study to be made this year on the feasibility for a new water system for Tulua.

ROADS

Alliance's financing for the Ten Years Roads Plan has helped to build 120 kilometers of new roads in the country and the paving of an equivalent mileage. A total of 110 million pesos of which AID reimbursed 75 million pesos was spent in these projects. Thus, the national contribution amounted to 40%.

RAILROADS

Foreign obligations at the disposal of government-owned National Railroad Company on Dec. 31, 1963, amounted to US\$ 25,966,002,40. Out of this sum, the R.R. Company in 1964 used US\$ 15,176,591,16. Main expenses were for buying box cars, parts, Diesel locomotives, structural steel, technical services and training of personnel. During this period 95 kilometers of tracks between Santa Marta and Fundacion were rebuilt and or rehabilitated.

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PLANIFICATION

The era of scattered efforts, lack of coordination, and wasteful duplication is now over. Colombia, one of the first countries in Latin America to formulate a general ten-year plan for development, has made a valiant step forward in coordinating national efforts through the various planning boards.

In this respect it has been a model country. Upon initiating the activities of this task which is common to all Latin America and North America, Colombia was already working on the Ten-Year Plan which President Alberto Lleras called "the national goal." With representatives of all national organizations under the direct supervision of the President of the Republic, the National Planning Council is the center of projection and direction for all developmental projects of the Alliance for Progress.

The Council puts special emphasis on the private sector and its development under free enterprise. A recent USAID loan of four million dollars will finance the research of organizations which study and plan the best use of capital for industrial improvement and amass the statistics which form the base for investments in private enterprise.

AIDING THE NATIONAL CENSUS

Another USAID loan of 15 million pesos was granted recently to the National Department of Statistics (DANE), enabling the tabulation of the 1964 census of population and livestock, a project which had previously bogged down for lack of funds. Needless to say, the data is a vital factor in any kind of national planning.

Other donations and loans through the Alliance have been used in the inventory of mineral resources and construction statistics of DANE.

BALANCE OF PAYMENTS

National growth demands more and more importation in excess of the exportable production of the country. This causes an imbalance which would have paralysed the interchange of goods had not the Alliance program stepped in opportunely to check a disaster which no other external source could have prevented.

To face the problem of balance of payments, Colombia received loans of 105 million

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dollars. Realizing that such aid was only a temporary stop-gap that did not solve the basic problem, Colombia was moved to incorporate in its plans of development various measures designed to stimulate exportations, restrict unnecessary importations, and slow down the flight of capital, measures which are slow to put into effect but nonetheless permanent. This is the fruit of the Alliance. Such stabilizing measures, of course, are bound to affect the lives of all Colombians.

FINANCIAL STABILITY

In the search for stability in the balance of trade, a vital aspect of the national economy, Colombia has received the assistance of the organizations of the Alliance. Special dollar loans from USAID and the Eximbank have helped to solve the immediate problems, but the long-range solution lies in the stimulation of private enterprise by means of the programs described above, especially through FIP and through the modernization of tax systems.

Credits of the same origin assist other offices of planning in departmental governments or in the national ministries.

LEGAL LIMIT FOR EXTERNAL LOANS

While the entities of international credit have studied and approved other loans to Colombia, there are other contracts pending on the raise of the legal ceiling for the Colombian national debt. The Congress is at present studying the determination of the new debt levels.

International experts consider that Colombia has fulfilled its obligations to reform its fiscal organizations in a manner that will render the tax system democratic. A recent USAID conference brought out the fact that in this respect Colombia is among the most progressive nations in Latin America.

While the debate in Colombia is still going on over the new tax systems to relieve the national deficit, legislation adopted in previous years has gradually resulted in improving the efficiency of the tax office and the application of direct taxes. The much-discussed indirect taxation is now in effect.

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AUTOMATING THE TAX MECHANISM

The United States has provided approximately \$500,000 for the modernization of the tax system, including the use of electronic tabulation machinery and evasion control systems. An electronic system already is in function at the Ministry of Finance. This use permits the rapid detection of unpaid taxes. As a result, it has been possible to recoup more than three million pesos since May, 1964, at a cost of only 115,000 pesos. Additional tributary income derived from investigation produced more than 10 million pesos last year.

During the 1964 fiscal period, intensive training activities for groups of supervisors, adjusters, and instructores were begun. Ten employees of the National Tax and Automatic Data Processing divisions received training in the Internal Revenue Service of the United States. This program is planned to continue through 1966. Another contract assures technical assistance in customs administration before the end of 1965.

MAPPING THE COUNTRY

Indispensable both for tax purposes and as a means of providing an inventory of the country's resources, is the completion of the serial mapping survey. This is a joint project of the cartographic division of the government, the Instituto Agustín Codazzi, and the Interamerican Geodetic Survey. For practical purposes, the photographic mapping is completed. Colombian and U.S. experts have flown across and photographed even the most unknown and inaccessible regions of the country. The total completion of this formidable work, however, will take another twenty years. The Institute is preparing a general topographic map on a scale of 1 to 100,000.

Detailed maps will facilitate such activities as the development of hydroelectric energy, irrigation, transportation, and agrarian reform projects. The discovery of new mineral resources will be made easier, as well. The major part of the cost of the project is being borne by the Colombian government. North American assistance through the IAGS comes to \$3,400,000, made available by the Agency for International Development for the purchase of equipment and the training of personnel.

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THE COFFEE AGREEMENT

The price of coffee, Colombia's principal source of international exchange and its major export, has a great bearing upon the country's development capacity and upon its ability to comply with the objectives of the Alliance for Progress. Instability in the price has caused disequilibrium in the balance of payments, deterioration of the Colombian monetary unit, and paralysis in the flow of materials to manufacturing factories and industries. The International Coffee Agreement, signed by producers and consumers, and now approved by the Congress of the United States, has been described by Dr. Carlos Sanz de Santamaria, Director of CIAP, as a notable example of cooperation in the spirit of the Alliance for Progress.

PLANNING THE ALLIANCE

Colombia has taken a leading role in the councils of the hemisphere in determining the dimensions and delineating the future of the Alliance. This has been reflected in the fact that distinguished Colombians occupy posts of leadership in CIAP (Interamerican Commission of the Alliance for Progress) and in other organizations in which activities of the Alliance figure.

MILITARY CIVIC ACTION

Perhaps the reader is among the 100,000 or more persons benefitted by the installation of potable water systems through civic action, volunteers of the Peace Corps and AID assistance. These have been installed in small villages and in the country. One may also point to 30 chlorination systems established through the Alliance. At the same time, 18 wells yielding potable water have been drilled at a cost of 3.5 million pesos, 7,750,000 of them furnished by Colombian sources and 1,850,000 from the USAID program.

YOUTH CAMPS

The Alliance for Progress is responsible for 20 youth camps which affect the lives of 800 children at a time. Cost for the program has been 1,710,000 pesos, 810,000 from Colombian sources and 900,000 from U.S. sources.

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RURAL TELEPHONE NETWORK

One of the objectives of the Alliance for Progress in the field of internal security has been to modernize and raise the technical standards of the military establishment in order to "create a society free from fear of lawlessness, banditry, and insurgency, for this freedom is a prerequisite to economic and social progress."

The instrumentalities of the Alliance, both Colombian and foreign, have devoted more than four million pesos to the attainment of internal security, establishing a rural telephone network in various zones previously afflicted by violence. Now 90 per cent completed, this program has 917 subscribers, inhabitants of isolated regions, who today are connected through their radio telephones with medical aid stations and the military establishment. The final network will include eleven circuits of 100 subscribers each. Those belonging pay for their instruments and an additional 30 pesos a month for maintenance of the network. Results have been most satisfactory.

CIVIC ACTION

In the same area of endeavor might be classed the programs of military civic action with which the armed forces are charged. Foreign support has been in the form of a donation of \$546,000 from AID plus substantial donations from CARE and CARITAS. The program also is responsible to date for the construction of 18 rural schools at a cost of approximately 45 million pesos.

ROAD CONSTRUCTION AND MAINTENANCE

Under the programs of military civic action in cooperation with the Alliance there have also been constructed 110 km. of road and improvements made in another 95 km. The works cost 11.5 million pesos, of which 5.5 million is from Colombian sources. The improvements of the 95 km. amounted to 6.2 million, of which Colombia provided half. Remaining expenses for roads were covered by private donations.

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AIRPORTS COMPANY

The improvement of air transport necessitates the construction and modernization of the airports needed to accommodate the large planes of today's air fleets. The Alliance has contributed to the establishment of aid to navigation, lengthening runways, and other important elements, apart from the creation of new airports. Among these activities, we can indicate as the most significant:

THE BARRANQUILLA AIRPORT

The Colombian Airports Company is administering the construction of a new airport for jet planes in this Caribbean city. The project requires \$20 million in external financing, which is now under negotiation.

AVIATION DEVELOPMENT

Important Colombian Transport media have been the object of stimuli by the Alliance for Progress. The rapid population growth and the necessity of communication over a territory bristling with geographical obstacles have made a careful study of priorities necessary.

Logically, aviation occupies the preferred place. A program of technical assistance to civil aviation has been developed. Colombia relies on heavy air traffic, and the lines and services of its numerous companies are extended to all parts of the country, more than any other medium. The planes transport heavy cargo, which in other countries is usually carried by ships, boats, and trains exclusively, over the jungles and towering mountains. The Alliance seeks the improvement of the regulations and services. Colombia, besides, has been an active participant in international civil aviation organizations and conferences.

SATENA ON THE SOUTHERN TERRITORY'S FRONTIER

Outstanding is the service record compiled in the last few years by the official company "Servicio Aéreo a los Territorios Nacionales," SATENA, a branch of the Air Force. Operating within a plan to preserve the national sovereignty in the remote and scarcely populated corners of the territory, where the small population lacks transport, SATENA began as a rescue unit for isolated communities in the Cuenca Amazónica. Other regions equally remote from the rest of the country have been gradually incorporated into the area of service, which then received an important stimulus through the donation of 2 C-54 and 3 PBV Catalina airplanes, plus parts and equipment from AID, valued at \$800,000. Personnel Over...

of the Colombian Air Force operate the company which transports passengers and cargo at very reduced prices, from Bogota and Villavicencio to any point in the jungles or plains in the southeastern part of the country. Odd groups of persons, animals, and craftsmen from the southern tribes gather in confusion at the picturesque airports where SATENA's 12 planes, including C-54's, C-47's, Catalina and single-engine Beavers, make their stops.

A specially equipped plane serves as a medical dispensary and ambulance among the remote villages of the plains and the jungles.

The hospital plane transports sick settlers and Indians to modern hospitals at Tres Esquinas and Leticia, whose facilities also have been supported by AID. The patients obtain modern consultation, vaccination, dental, X-ray, prenatal and pediatric care.

SATENA has transported many persons engaged in anthropological, botanical, and geological research, free of charge.

With the cooperation of AID and CARE, SATENA has assisted in the building of schools in Tres Esquinas and in "La Macarena".

A hospital is now planned for the Indians of San José de Guaviare, with a capacity of 150 patients, designed to support several settlements.

MULTIPLE SERVICES

SATENA's activity increased from 3,086 flight hours in 1963 to 6,263 in 1964, from 14,045 passengers carried in 1963 to 43,026 in 1964, and from 1,055,238 kilograms transported in 1963 to 2,135,887 in 1964. During the same period, the number of towns and villages served increased from 14 to 62.

COMMERCIAL AVIATION

For the acquisition of new jet planes for its international lines, and for modernization of equipment, AVIANCA received a loan of \$19,040,000 from the Export-Import Bank. It is now negotiating the extension of its services to the West coast of the United States.

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CARE AND CATHOLIC RELIEF SERVICES

The efforts to improve the nutrition level of the people have been helped within the spirit of the Alliance by private American organizations such as the Cooperative for American Relief Everywhere, INC. (CARE) and the Catholic Relief Services (CARITAS). For years these entities have given great quantities of food to victims of disaster and poverty.

Recently these programs have been focusing on the better feeding of children, babies as well as children of school age, and pregnant women.

The activities of all these organizations represent effective cooperation in Colombia because, although the food and other goods (clothes, tools, hospital or school equipment) are donations, Colombian entities have to pay transportation costs which at times are as great as the cost of the items donated.

CARITAS AND SELF-HELP

Caritas, which this year will distribute five million dollarsworth of food in Colombia, is carrying out not only a program of aid, but a program designed to stimulate self-help and the development of small communities. "The program falls within the Alliance for Progress, but it is essentially private," according to Monsignor A. Schneider, director of the program for Latin America. Besides food, Caritas donates medicines and tools for needy peoples. Colombia, which exempts from taxes Caritas' goods, pays their transport in the country.

CARE PACKAGES EVERYWHERE

CARE, on food packages, is known in every corner of the country, from city neighborhoods to remote jungle outposts. These goods have been used as incentives for community action as well as part of health center programs.

OPERATION CHILDREN

The feeding of children, program of the Alliance, has been named Operation Children. Its development has been the subject of international conferences, such as the one held in Petropolis, Brazil, in June of 1965; Colombia sent a delegation to this conference, and to

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the previous conferences in Mexico and Lima. The present conference studied, under the general theme "New Horizons in the Feeding of Children", all the aspect of malnutrition, existing programs, their administration, the education of the people, the training of food specialists, and community participation. The Petropolis seminar reaffirmed "its war against malnutrition which afflicts half of the world population". It was revealed at the seminar that 60% of the inhabitants of developing nations suffer from malnutrition and for this reason, half the babies born die. The seminar demonstrated the relevance to agriculture, public health, education, transportation and commerce, to this problem.

The help of the Food for Peace program to this problem was emphasized.

LUNCH FOR 140,000 CHILDREN

"Operation Children" in Colombia is a school lunch program that serves daily lunches to 140,000 children in the public schools at a cost of eight million dollars a year. Of this sum the Colombian government contributes two million, while the remaining six million is represented by the donations of the American people through CARE and CARITAS, and through the "Food for Peace" Program under P" 480. CARITAS provides, in addition, two million dollars per year for distribution costs in Colombia. The program receives help from a great number of volunteers from government agencies and from the Catholic Church.

CARE has 11 programs in Colombia and will launch four more this year. The regions receiving this aid are: Valle and Caldas; Cauca and Nariño; Antioquia; Tolima and Huila; the Federal District; Santander, Bolivar, San Andrés, Norte de Santander, Córdoba, and Chocó.

IN BOGOTA

In 450 school cafeterias in the Federal District of Bogotá, 42,590 children receive daily lunches. In the three years of its operation, the Bogotá program has distributed 34.5 million lunches over a period of 810 school days at a cost of 12 million dollars. On the 10th of July there was initiated a new annual program, assuring by contract the distribution of the following quantities of foods:

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Powdered milk:	1,206,000	pounds
Oil and butter:	95,000	"
Wheat (whole)	69,000	"
Wheat (flour)	1,306,000	"
Wheat (bulgur)	231,000	"

The new contract was signed by the mayor of Bogotá and Mr. William Salas, director of CARE.

SPECIAL INCENTIVE FOR EDUCATION

"Operation Children" is at the same time a powerful weapon against malnutrition and against poor school attendance. For a great majority of very poor children, the lunch eaten in school constitutes 80% of the calories consumed daily. The purpose of the program is to reach the children of rural schools in greater number, for it is they who must trudge weary distances to school, using the few calories their poor diet provides them. The new program has to a large extent been made a substitute for the rather sporadic distribution of CARE packages to poor sectors, formerly the only system used. While switching attention to school children, however, the new distribution system does not over-look providing nourishing foods to centers for pre- and post-natal care and health centers, and some programs operated by the Church.

TECHNICAL AID IN NUTRITION AND DIETETICS

The war against malnutrition has many fronts, and on all of them the vital weapon is international cooperation. The government of Colombia and the United States have arranged for services, technical assistance, and training of personnel through numerous contracts. To illustrate this aspect, we shall mention the conferences of Dr. Francis Griffiths, a food specialist who rendered his invaluable services last May in a seminar at the Colombia Institute for Administration (INCOLDA) with the cooperation of the Institute of Technical Standards, (INCOTEC).

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INDUSTRIAL DEVELOPMENT

Especially favored in Alliance planning is the private sector. Diversification, improvement, and increased production, their role in exports and in the substitution of imports, will be the measure of prosperity and welfare of all inhabitants of the country.

PRIVATE DEVELOPMENT FUND

To aid this force the Private Development Fund (FIP), with an initial capital of 270 million pesos of USAID money, 30 million from the International Bank, and 14 million from the government of Holland, was established on June 20, 1963.

These loans, designed to increase industrial production along the lines mentioned, were granted with long-term payments and a favorable rate of interest. As of June 12, 1965, they have totaled 97 operations using 478,942,964 pesos.

The Bank of the Republic administrates this fund, delegating the responsibility in turn to various commercial banks. Such concessions are being made subject to careful studies to be certain they fit into the General Development Plan. The loans have favored to date 13 departments involving the following industries: Sugar, banana, African palm, chemical products, paper and paper products, printing, textiles, garments and shoes, non-electrical and electrical machinery, metal products, river transport, production and distribution of gas, non-metallic minerals, and diverse industries.

An example of an FIP loan is seen in these photos: the sugar refinery at Riopaila, through a loan of 25 million pesos (it will get 34 million from BIR) will increase its present daily production of 2300 tons to 7500.

FIP later received a USAID loan of 10 million dollars. The loans redistributed by FIP were used to date: 35% for exportable products and 44% for producing substitutes for things previously imported. Pending requests for loans now being studied amount to 200 million pesos.

GUARANTEED INVESTMENTS

Under an agreement with Colombia to guarantee foreign investments and their convertibility, USAID has in turn provided guarantees to private investors to assure their participation in developmental plans. Such guarantees cover to date 76.5 million dollars over...

of new investments by North Americans (or 1450 million pesos), including among other projects a new paper factory and a large housing project in Cali. It is easy to imagine the amount of new employment, the increased prosperity of essential industries, and the saving of local currency represented by this type of investment.

The EXIMBANK has granted in 1965 guarantees of 11 million dollars plus direct loans of 2.3 million dollars for private industry.

COOLEY LOANS

Another North American program known as "Cooley Loans" provides to American companies established in Colombia peso amounts originating from foreign currency payments under PL 480 (Food for Peace Program). These loans, applicable to development under the Alliance, amount to 62,800,000 pesos granted to 20 companies including chemistry, pharmaceuticals, housing, machinery, and glass.

Under a new agreement for the purchase of foodstuffs from the United States the capacity of these loans will be increased. At present the loans for private industry under the Cooley plan account for 25% of the foreign currency owed to the U.S. by Colombia for purchase of agricultural commodities, and there are so many unfilled requests for loans that an increase of this figure is warranted.

ENCOURAGING PRIVATE CAPITAL

The U.S. Government, in order to support this aspect of the Alliance program has taken measures to stimulate private investment through special incentives. The problem is to induce investors to take more interest in developing countries than in those highly industrialized, so that free enterprise can contribute toward the kind of progress that, in the end, will benefit everyone.

The result was a mission of American investors, headed by Bradley Murray of the U.S. Department of Commerce, which visited Colombia for a month and contacted different economic sectors. The mission recommended the inversion of U.S. capital here, affirming that "the efflorescent economy and industrial capacity of Colombia offer at the moment a great variety of opportunities for private investors". The mission received hundreds of

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proposals from Colombians for the founding of binational investment firms.

INVESTMENT STUDIES

Private U.S. investments as development stimulants are moving ahead fast under incentives provided by recommendations and guarantees of USAID and by studies financed by USAID and by the firms interested. If the projected investment is not realized, USAID reimburses half the cost of the studies and the results remain the property of USAID, which can then place them at the disposal of other companies. If the result of the study is positive, the firm pays the total cost of the research. To date USAID has received 17 petitions to carry out preliminary studies of investment possibilities totaling more than 10 million dollars.

PRIVATE DEVELOPMENT COMMITTEE

Parallel to the American government's effort to stimulate private investment, the private sector of the Colombian economy also has formed a PRIVATE DEVELOPMENT COMMITTEE in order to contribute to the expansion of the rate of economic growth, including industrial development and increased exports. Today, this committee is the point of contact between the country's small and medium-sized businesses, and between them and government financial institutions, as well as between American importers or other foreign contacts with industries, investment firms, and banks. The committee began its function in March, 1964. It has already entered into contact with 754 organizations in Colombia, the U.S. Latin America, Europe, and Japan. Up to now, regional development committees have been established in 11 cities in as many departments, and 11 more are being created. Heartening examples of the committees' work are the organization of the proprietors and cultivators of sugar cane in Cucuta valley in order to establish a sugar cooperative for export; the regional organization in Boyacá, which includes several new industries; and the planning and development efforts made by the Tumaco committee. The committee maintains contact with government planning agencies, Incora, and Minagricultura, and has received financial support from 40 industrial and financial groups in the country. The committee's publications inform all its affiliates and foreign firms of investment opportunities in Colombia.

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STEEL PLANT IN MEDELLIN

In May the Export-Import Bank in Washington, D.C. approved a loan of \$4,950,000 to the Empresa Siderúrgica de Medellín, S.A. This company, with 4,500 stockholders, is achieving a 6-million-dollar expansion, to be completed by 1967. It will diversify, increase, and improve its production of several kinds of steel.

FIRST PLASTICS FACTORY

July 9, 1965, a polyester factory of the Dow Chemical Corporation was inaugurated in Cartagena, with a capacity of 3,000 tons annually, the first of its kind in Colombia. It is certain to spur the development of the plastics industry in the country, and to make many items more economical. At the same time it is a new market for the national petroleum industry.

FORJAS DE COLOMBIA

The organization ADELA (Comunidad del Atlántico para el Desarrollo de la América Latina) and the International Finance Corporation approved investments of \$500,000 and \$1,000,000 respectively in the Forjas de Colombia company of Bucaramanga. The factory should produce in 1966 parts for tractors, automobiles, tools, and railway equipment.

The Cabot Corporation of Boston, Massachusetts, will erect a coke factory in the suburbs of Cartagena, with a guarantee of investment from AID.

RUBBER AND PLASTICS

Under a guarantee of AID, the Raybestos Manhattan company, of New York, will build a factory in Medellín, which will produce industrial products made of plastics, rubber and asbestos.

AFRICAN PALM DEVELOPMENT

In the effort to save foreign exchange and lower imports, the cultivation of the African palm has received the support of development programs. Important plantings are in process in several parts of the country. Recently the Interamerican Bank announced a

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loan of \$1,230,000 for a project of this kind, which covers an area of 7,000 hectares, in the Department of Magdalena. The company which was awarded the loan is INDUPALMA of Bogotá.

THE PEACE CORPS

Few programs within the Alliance for Progress are as humanitarian as the Peace Corps. Colombia, the country favored in having the largest Peace Corps contingent in the world, has registered an excellent record of achievement. Since the arrival in 1961 of the first group of 52 Peace Corps volunteers, another 650 have worked in programs of community development, education, agricultural expansion and instruction, in cooperation with a similar number of Colombian workers, in the most remote areas of the country. A inquiry recently made into the people's reaction to the Peace Corps shows that 92% of the Colombians who have been in contact with them have formed a favorable opinion of the volunteers and their work, and of their country as well, the United States. Their spirit of help and work created a positive impression among the people and stimulated the desire in many young people and children to serve their community.

The research was prepared by Dr. Morris I. Stein, professor of sociology at New York University. Students of the Faculty of Sociology of Universidad Nacional interviewed several hundred campesinos and inhabitants of villages where the Peace Corps has worked. According to Dr. Stein, the Peace Corps has improved community conditions through health programs, road construction, and school, and the stimulation of local cooperative organizations of craftsmen and producers. As a result, many campesinos "look now at their towns with new hopes for their vitality, and some feel the necessity of taking a more active part in community affairs."

The annual budget of the Peace Corps is almost \$3 million.

The Peace Corpsmen have helped to build new schools, roads, cooperatives, sanitary facilities, agricultural improvement projects, and educational campaigns. The most notable project, educational TV, is reviewed separately.

Belen, a small town in Nariño, relies now on a distribution cooperative of vital articles, organized by a volunteer.

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Another volunteer organized the wool producers' cooperative of Lenguzaje. Others have worked in rural schools in both frigid and very hot areas... Many have married in the country. All show affection and devotion to the people who have been fortunate in receiving them.

The work done by the American volunteers has found great sympathy in the heart of the Colombian people.

THE MAGNIFICENT CONTRIBUTION OF COLOMBIA

Recapitulating the recent foreign financial aid in the form of donations and loans for development, the following are the current totals at the beginning of 1965:

7 loans from the World Bank for	200,000,000.00	US\$
11 loans from the Corporación Financiera Int.....	8,300,000.00	US\$
1 loan from the Internal Association for Development....	19,500,000.00	US\$
33 loans from the Import and Export Bank.....	193,899,735.00	US\$
11 loans from the Interamerican Bank of Development.....	41,000,000.00	US\$
8 loans from the Foundation for Social Progress.....	5,000,000.00	US\$
Asistence from AID.....	101,500,000.00	US\$
	<u>569,199,735.00</u>	US\$

This financing by foreign entities of 5,891,997,350.00 pesos at the rate of exchange at which it was originally calculated, that is, 10 pesos to the dollar, represents at least an equal financing from Colombia that is almost 6 million pesos in adjusted accounts, plus the most important contribution of voluntary work and community action, not reducible to statistics, which makes the Colombian participation add up to more than 10 billion pesos at the new rate of exchange.

It is clear that many of the respective parties to the government loan are obligated but not totally paid. In many projects the foreign expenditures are made in installments, and depend on the availability of the Colombian contributions originating from public funds.

But the Alliance signifies much more.

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The investments of foreign capital from various sources is ever-increasing, attracted by the secure internal situation, the infrastructural development, and the general atmosphere of progress, the rising technical levels of the worker, and the improving state of public health and culture. All this, added to the normal activities of 17 million persons who are struggling to overcome great obstacles, within the incentives of private enterprise, with the utilization of the plentiful, almost incredible natural resources of the country and the new concepts of community action, regional planning and integration, presents for Colombia, a pioneer Alliance country, a picture of marvelous and optimistic projections for the future.

The voices of pessimism can raise their shouts, and the critics must always be acknowledged and studied by the national directors and planners, because all human enterprise is susceptible to errors. But constructive corrections are honored.

The country, which, allied with 20 American nations, wages a colossal battle against back-wardness, poverty, sickness, and social injustice, which has taken such great steps, is barely beginning to reap the harvest in these first years, and it has in view the achievement of its mission, role, and preeminent place in the hemisphere.

The Alliance for Progress is being fulfilled in Colombia.