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DEPARTMENT OF STATE

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ATTN: LA/DP

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DATE SENT
12/23/71

FROM - USAID/Montevideo

SUBJECT - PROP Submission - Project 528-11-720-001 - Development Planning and Administration

REFERENCE - STATE 227702

Late in FY 1970 the USAID and GOU entered into a Project Agreement (ProAg 70-5) in the area of Development Planning and Administration. The purpose of this project was to assist the GOU in carrying out basic studies on the structure of the Uruguayan economy which would then be utilized to provide government policymakers with alternative short and medium-term policies leading to economic expansion. A second purpose was to help alleviate the shortage of Uruguayan economists trained in the field of quantitative analysis by providing graduate study at a United States university.

As the project developed, the USAID and GOU selected Iowa State University as the contracting institution and Iowa State indicated its willingness to undertake the project. A visit to Uruguay was made by an Iowa State professor and contract negotiations proceeded smoothly.

On August 1, 1970, however, Dan Mitrione and shortly thereafter Dr. Claude Fly were kidnapped. These events, as well as some other minor considerations, caused Iowa State to reconsider its willingness to undertake the Development Planning Project and, within a short period following the kidnappings, contract negotiations were suspended. At that time no PROP had been written for the project.

(cont.)

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PREPARED BY SCampbell:en PRG/OFF. <i>smc</i>	OFFICE PROGRAM	PHONE NO.	DATE 12/23/71	APPROVED BY: <i>TS</i> Thomas O. Stephens, Acting AID Rep.
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AID AND OTHER CLEARANCES

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