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A HISTORY

UNITED STATES OF AMERICA ASSISTANCE TO CHILE

A.I.D. AND PREDECESSOR AGENCIES

1943 - 1980

September, 1980

Prepared by USAID/Chile

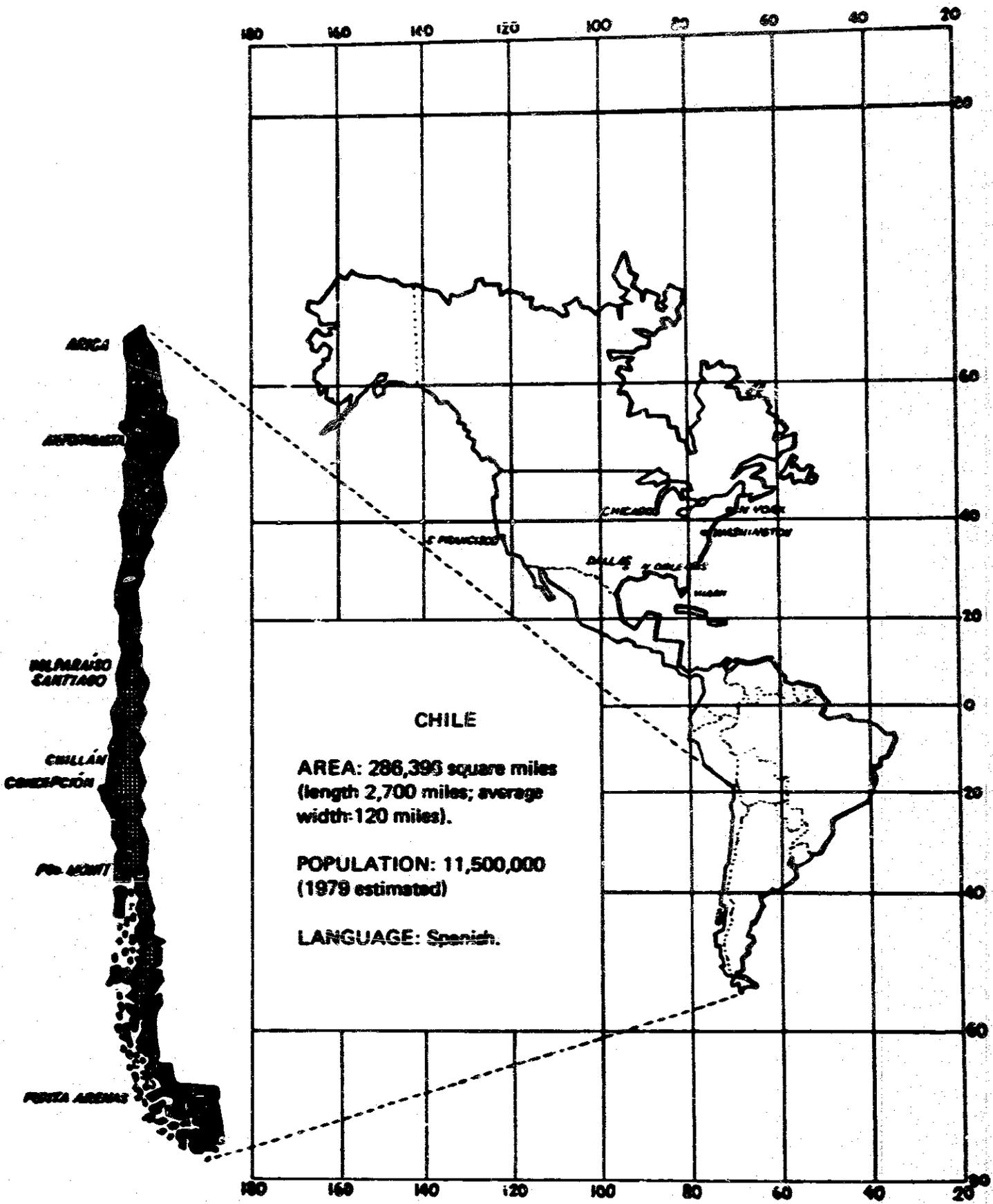


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STATISTICAL PROFILE

CHILE - SOCIAL INDICATORS DATA SHEET

<u>Land Area (Thousand Sq. Km.)</u>	CHILE			Reference Groups (Weighted Averages - Most Recent Estimate a/)	
	1960 <u>b/</u>	1970 <u>b/</u>	Most Recent Estimate <u>b/</u>	Middle Income L. A. & Caribbean	Middle Income Europe
Total	757.0				
Agricultural	176.3				
<u>GNP Per Capita (US\$)</u>	510.0	840.0	1410.0	1384.1	2381.1
<u>Energy Consumption Per Capita (Kilograms of Coal Equivalent)</u>	865.0	1160.0	997.0	1055.9	1641.4
<u>Population and Vital Statistics</u>					
Population, Mid-year (millions)	7.6	9.4	10.7		
Urban Population (Percent of total)	68.0	75.2	80.1	63.4	53.9
Population Projections					
Population in year 2000 (millions)			15.0	.	.
Stationary population (millions)			19.0	.	.
Year Stationary population is reached			2070		
Population Density					
Per Sq. Km.	10.0	12.0	14.0	28.1	77.2
Per Sq. Km. Agricultural land	43.0	54.0	61.0	81.7	129.5
Population Age Structure (Percent)					
0-14 yrs.	39.0	38.0	33.8	41.4	30.6
15-64 yrs.	57.0	57.2	60.9	54.7	61.1
65 yrs. and above	4.0	4.8	5.3	3.9	8.2
Population Growth Rate (Percent)					
Total	2.2	2.1	1.7	2.7	1.6
Urban	4.0	3.1	2.5	4.1	3.3

CHILE

Reference Groups (Weighted Averages
- Most Recent Estimate ^{a/})

	1960 ^{b/}	1970 ^{b/}	Most Recent Estimate ^{b/}	Middle Income L.A. & Caribbean	Middle Income Europe
Crude Birth Rate (Per thousand)	37.0	28.0	22.0	34.8	22.8
Crude Death Rate (Per thousand)	12.0	9.0	7.0	8.9	8.9
Gross Reproduction Rate	2.5	1.7	1.3	2.5	1.5
Family Planning					
Acceptors, Annual (thousands)	..	62.6	265.8	.	.
Users (Percent of married women)
<u>Food and Nutrition</u>					
Index of Food Production					
Per Capita (1969-71=100)	96.0	103.0	90.0	106.9	113.1
Per Capita supply of Calories					
(Percent of requirements)	105.0	110.0	109.0	107.4	125.3
Proteins (grams per day)	67.0	71.0	70.0	65.6	91.0
of which animal and pulse	27.0	30.0	28.0	33.7	39.6
Child (Ages 1-4) mortality rate	14.0	7.0	5.0	8.4	4.3
<u>Health</u>					
Life Expectancy at Birth (years)	57.0	62.0	67.0	63.1	67.8
Infant Mortality Rate (per thousand)	108.0	82.0	55.0	66.5	55.9

CHILE

Reference Groups (Weighted Averages
- Most Recent Estimate ^{a/})

	1960 ^{b/}	1970 ^{b/}	Most Recent Estimate ^{b/}	Middle Income L.A. & Caribbean	Middle Income Europe
Labor Force					
Total Labor Force (thousands)	2505.0	2885.8	3540.5	.	.
Female (Percent)	21.7	22.1	24.0	22.2	30.4
Agriculture (Percent)	30.0	23.8	20.0	37.1	37.0
Industry (Percent)	30.3	28.0	26.0	23.6	29.3
Participation Rate (Percent)					
Total	33.0	30.8	31.8	31.5	40.9
Male	52.2	48.6	49.3	48.9	55.9
Female	14.2	13.4	14.7	14.0	26.2
Economic Dependency Ratio	1.3	1.4	1.2	1.4	1.0

.. Not available

. Not applicable

^{a/} The group averages for each indicator are population-weighted arithmetic means. Coverage of countries among the indicators depends on availability of data and is not uniform.

^{b/} Unless otherwise noted, data for 1960 refer to any year between 1959 and 1961; for 1970, between 1969 and 1971; and For Most Recent Estimate, between 1974 and 1978.

Source: World Bank - Economic & Social Data Division, Economic Analysis and Projections Dept.

DEFINITION OF SOCIAL INDICATORS

LAND AREA (thousand sq. km.)

Total - Total surface area comprising land area and inland waters.

Agricultural - Estimate of agricultural area used temporarily or permanently for crops, pastures, market and kitchen garden or to lie fallow; 1977 data.

GNP PER CAPITA (US\$) - GNP per capita estimates at current market prices, calculated by same conversion method as World Bank Atlas (1976-78 basis); 1960, 1970 and 1978 data.

ENERGY CONSUMPTION PER CAPITA - Annual consumption of commercial energy (coal and lignite, petroleum, natural gas and hydro-, nuclear and geothermal electricity) in kilograms of coal equivalent per capita; 1960, 1970 and 1978 data.

POPULATION AND VITAL STATISTICS

Total Population, Mid-Year (millions) - As of July 1, 1960, 1970, and 1978 data.

Urban Population (percent of total) - Ratio of urban to total population; different definitions of urban areas may affect comparability of data among countries; 1960, 1970 and 1978 data.

Population Projections

Population in year 2000 - Current population projections are based on 1980 total population by age and sex and their mortality and fertility rates. Project parameters for mortality rates comprise of three levels assuming life expectancy at birth increasing with country's per capita income level, and female life expectancy stabilizing at 77.5 years. The parameters for fertility rate also have three levels assuming decline in fertility according to income level and past family planning performance. Each country is then assigned one of these nine combinations of mortality and fertility trends for projection purposes.

Stationary population - In a stationary population there is no growth since the birth rate is equal to the death rate, and also the age structure remains constant. This is achieved only after fertility rates decline to the replacement level of unit net reproduction rate, when each generation of women replaces itself exactly. The stationary population size was estimated on the basis of the projected characteristics of the population in the year 2000, and the rate of decline of fertility rate to replacement level.

Year stationary population is reached - The year when stationary population size has been reached.

Population Density

Per sq. km. - Mid-year population per square kilometer (100 hectares) of total area.

Per sq. km. agricultural land - Computed as above for agricultural land only.

Population Age Structure (percent) - Children (0-14 years), working-age (15-64 years), and retired (65 years and over) as percentages of mid-year population; 1960, 1970 and 1978 data.

Population Growth Rate (percent) - total - Annual growth rates of total mid-year populations for 1950-1960, 1960-1970, and 1970-78.

Population Growth Rate (percent) - urban - Annual growth rates of urban populations for 1950-60, 1960-70 and 1970-78.

Crude Birth Rate (per thousand) - Annual live births per thousand of mid-year population; 1960, 1970, and 1978 data.

Crude Death Rate (per thousand) - Annual deaths per thousand of mid-year population; 1960, 1970, and 1978 data.

Gross Reproduction Rate - Average number of daughters a woman will bear in her normal reproductive period if she experiences present age-specific fertility rates; usually five-year averages ending in 1960, 1970, and 1977.

Family Planning - Acceptors, Annual (thousands) - Annual number of acceptors of birth-control devices under auspices of national family planning program.

Family Planning - Users (percent of married women) - Percentage of married women of child-bearing age (15-44 years) who use birth control devices to all married women in same age group.

FOOD AND NUTRITION

Index of Food Production per Capita (1969-71=100) - Index of per capita annual production of all food commodities excludes seed and feed and is on calendar year basis. Commodities cover primary goods (e.g. sugarcane instead of sugar) which are edible and contain nutrients (e.g. coffee and tea are excluded). Aggregate production of each country is based on national average producer price weights; 1961-65, 1970, and 1978 data.

Per capita supply of calories (percent of requirements) - Computed from energy equivalent of net food supplies available in country per capita per day. Available supplies comprise domestic production, imports less exports, and changes in stock. Net supplies exclude animal feed, seeds, quantities used in food processing, and losses in distribution. Requirements were estimated by FAO based on physiological needs for normal activity and health considering environmental temperature, body weights, age and sex distribution of population, and allowing 10 percent for waste at household level; 1961-65, 1970, and 1977 data.

Per capita supply of protein (grams per day) - Protein content of per capita net supply of food per day. Net supply of food is defined as above. Requirements for all countries established by USDA provide for minimum allowance of 60 grams of total protein per day and 20 grams of animal and pulse protein, of which 10 grams should be animal protein. These standards are lower than those of 75 grams of total protein and 23 grams of animal protein as an average for the world, proposed by FAO in the Third World Food Survey; 1961-65, 1970 and 1977 data.

Per capita protein supply from animal and pulse - Protein supply of food derived from animals and pulses in grams per day; 1961-65, 1970 and 1977 data.

Child (ages 1-4 Mortality Rate (per thousand) - Annual deaths per thousand in age group 1-4 years, to children in this age group; for most developing countries data derived from life tables; 1960, 1970 and 1977 data.

HEALTH

Life Expectancy at Birth (years) - Average number of years of life remaining at birth; 1960, 1970 and 1978 data.

Infant Mortality Rate (per thousand) - Annual deaths of infants under one year of age per thousand live births.

LABOR FORCE

Total Labor Force (thousands) - Economically active persons, including armed forces and unemployed but excluding housewives, students, etc. Definitions in various countries are not comparable; 1960, 1970 and 1978 data.

Female (percent) - Female labor force as percentage of total labor force.

Agricultural (percent) - Labor force in farming, forestry, hunting and fishing as percentage of total labor force; 1960, 1970 and 1978 data.

Industry (percent) - Labor force in mining, construction, manufacturing and electricity, water and gas as percentage of total labor force; 1960, 1970 and 1978 data.

Participation Rate (percent) - total, male, and female - Participation or activity rates are computed as total, male, and female labor force as percentages of total, male, and female population of all ages respectively; 1960, 1970 and 1975 data. These are ILO's participation rates reflecting age-sex structure of the population, and long time trend. A few estimates are from national source.

Economic Dependency Ratio - Ratio of population under 15 and 65 and over to the total labor force.

Source: World Bank

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ECONOMIC INDICATORS

BALANCE OF PAYMENTS, EXTERNAL CAPITAL AND DEBT
(Million US\$ at current prices)

	<u>Actual</u>								<u>Projected</u>			
	1970	1973	1974	1975	1976	1977	1978	1979 ^{e/}	1980	1981	1982	1983
<u>BALANCE OF PAYMENTS</u>												
Net exports of goods & services	-107	-313	-137	-597	82	-579	-1005	-945	-1307	-1237	-1318	-1419
Exports of goods & services	1280	1427	2399	1758	2340	2613	3176	4823	5816	6993	8308	9653
Imports of goods & services	1387	1740	2536	2355	2258	3192	4181	5768	7123	8230	9706	11072
Net transfers	2	13	11	10	28	50	57	81	100	107	115	123
Current account balance	-105	-300	-126	-587	110	-529	-948	-864	-1207	-1130	-1203	-1296
Direct private investment	5	-4	-17	-4	7	30	178	250	275	301	325	348
MLT loans (net)	285	-9	-58	-78	52	36	1294	1641	2021	1003	1113	1163
Official	215	-8	-89	-180	-114	-138	-202	0	20	-92	-79	-48
Private	71	-1	31	102	166	174	1496	1632	2001	1095	1192	1211
Other capital	-72	202	156	395	286	456	100	21	11	11	11	13
Change in reserves(== increase)	-114	111	45	274	-455	7	-624	-1048	-1100	-105	-246	-228
International reserves (net)	409	-232	-277	-551	-96	-103	522	1570	2670	2855	3101	3329
Reserves as months of imports	4	-2	-1	-3	-0.5	-0.4	2	3	4	4	4	4

^{e/} Estimate.

Source: World Bank - Economic & Social Data Division, Economic Analysis and Projections Dept.

LOANS AND GRANTS

COUNTRY: CHILE *

(U.S. FISCAL YEARS - MILLIONS OF DOLLARS)

-----U.S. OVERSEAS LOANS AND GRANTS-OBLIGATIONS AND LOAN AUTHORIZATIONS-----

PROGRAM	MUTUAL SECURITY ACT PERIOD				FOREIGN ASSISTANCE ACT PERIOD				TOTAL FAA PERIOD 1962-79	TOTAL LOANS AND GRANTS 1946-79	REPAY- MENTS AND INTEREST 1946-79	TOTAL LESS REPAYMENTS AND INTEREST 1946-79
	POST-WAR RELIEF PERIOD 1946-48	MARSHALL PLAN PERIOD 1949-52	1953-61	1962-76	70	1977	1979	1979				
I. ECON. ASSIST.-TOTAL	4.0	2.8	170.7	672.7	0.1	52.2	7.1	22.4	1031.0	1102.2	222.0	880.2
LOANS	-	-	61.6	614.6	-	14.3	-	-	630.9	671.0	222.0	459.0
GRANTS	4.0	2.8	109.1	58.1	0.1	37.9	7.1	22.4	399.7	431.2	-	421.2
A. AID AND PREDECESSOR..	-	1.1	76.4	642.9	0.6	3.6	0.2	0.3	644.5	663.4	211.5	452.3
LOANS	-	-	29.8	607.0	-	-	-	-	607.0	604.6	211.5	372.9
GRANTS	-	1.1	46.6	35.9	0.6	0.6	0.2	0.3	37.5	79.4	-	79.4
(SEC. SUPP. ASSIST.).....	-	-	-	-	-	-	-	-	-	-	-	-
B. FOOD FOR PEACE.....	-	-	94.3	274.2	4.3	31.5	5.6	9.0	324.5	431.5	122.6	308.9
LOANS	-	-	51.0	173.3	-	14.3	-	-	167.6	262.2	122.6	129.6
GRANTS	-	-	42.4	100.9	4.2	17.2	5.6	9.0	156.9	179.3	-	179.3
TITLE I-TOTAL	-	-	51.0	173.3	-	14.3	-	-	167.6	252.2	122.6	129.6
REPAY. IN S-LOANS	-	-	-	163.0	-	14.3	-	-	178.1	190.9	86.3	104.6
PAY. IN FOR. CURR.	-	-	51.0	9.5	-	-	-	-	9.5	61.3	36.3	24.0
TITLE II-TOTAL	-	-	42.4	100.9	4.3	17.2	5.6	9.0	156.9	179.3	-	179.3
E. RELIEF, EC. DEV. & WFP.	-	-	-	16.2	-	-	-	-	16.2	16.2	-	16.2
VOL. RELIEF AGENCY	-	-	42.4	84.7	4.3	17.2	5.6	9.0	120.7	163.1	-	163.1
C. OTHER ECON. ASSIST...	4.0	1.1	0.1	55.6	0.2	1.1	1.3	4.3	62.6	47.9	28.5	39.4
LOANS	-	-	-	34.3	-	-	-	-	34.3	34.4	24.5	9.9
GRANTS	4.0	1.1	0.1	21.3	0.2	1.1	1.3	4.3	28.3	13.5	-	29.5
PEACE CORPS	-	-	0.1	14.0	0.2	1.1	1.3	1.3	22.7	22.8	-	22.8
OTHER	4.0	1.1	-	2.5	-	-	0	3.0	5.6	10.7	-	10.7
II. MIL. ASSIST.-TOTAL	-	6.7	64.3	146.0	-	-	-	-	146.0	217.0	83.0	164.0
LOANS	-	-	-	62.5	-	-	-	-	62.5	62.5	83.0	9.0
GRANTS	-	6.7	64.3	83.5	-	-	-	-	83.5	154.5	-	155.0
A. MAP GRANTS	-	6.7	37.1	36.6	-	-	-	-	36.6	60.5	-	40.5
B. CREDIT FINANCING	-	-	-	62.5	-	-	-	-	62.5	62.5	83.0	9.0
C. INTL. MIL. ED. TRNS.	-	-	4.7	12.2	-	-	-	-	12.2	16.9	-	14.9
D. TRAN-EXCESS STOCK	-	-	16.8	7.3	-	-	-	-	7.3	24.0	-	24.0
E. OTHER GRANTS	-	-	9.7	27.4	-	-	-	-	27.4	33.1	-	33.1
III. TOTAL ECON. & MIL.	4.0	8.9	235.0	1110.7	0.1	33.2	7.1	13.6	1177.6	1369.2	415.6	954.0
LOANS	-	-	61.6	677.1	-	14.3	-	-	691.4	733.5	415.6	317.9
GRANTS	4.0	8.9	173.4	433.6	0.1	18.9	7.1	13.6	486.2	635.7	-	636.1
OTHER US LOANS	41.9	62.3	169.1	441.5	-	-	46.0	-	487.5	746.0	688.7	-140.7
EX-IM BANK LOANS	41.9	62.3	169.1	381.5	-	-	-	-	381.5	642.3	616.5	-174.8
ALL OTHER	-	-	-	60.0	-	-	46.0	-	106.0	103.7	72.2	33.6

* LESS THAN \$50,000. ** TO - TRANSITIONAL QUARTER *** SEE COMMENTS IN COUNTRY NOTES SECTION
 ** VALUES IN THESE COLUMNS ARE NET OF DEBITATIONS. SEE GENERAL NOTES-REPORTING CONCEPTS
 *** INCLUDES CAPITALIZED INTEREST ON PRIOR YEAR LOANS.

Source: U. S. Overseas Loans & Grants - September 30, 1979.

ACRONYMS USED

U. S. Government

- A. I. D. - Agency for International Development
- F. O. A. - Foreign Operations Administration
- F. A. A. - Federal Aviation Agency
- I. C. A. - International Cooperation Administration
- I. D. C. A. - International Development Cooperation Agency
- I. I. A. A. - Institute for Interamerican Affairs
- I. S. T. C. - Institute for Scientific and Technological Cooperation
- O. P. I. C. - Overseas Private Investment Corporation
- U. S. I. S. - United States Information Service

Other

- AIFLD - American Institute for Free Labor Development
- ASMAR - Astilleros y Maestranzas de la Armada
- CARE - Cooperative for American Relief Everywhere
- CECUC - Centro de Estudios Cooperativos Universidad Católica de Chile
- CELADE - Centro Latinoamericano de Demografía
- CIDEME - Corporación para el Desarrollo de la Región Metropolitana

CIDERE	- Corporación para el Desarrollo Regional
CLUSA	- Cooperative League of the U.S.A.
CONIN	- Corporación para la Nutrición Infantil
CONPAN	- Consejo Nacional para la Alimentación y Nutrición
CONSFA	- Consejo Superior de Fomento Agropecuario
COPAGRO	- Confederación Nacional de Cooperativas del Agro
CORA	- Corporación de la Reforma Agraria
CORFO	- Corporación de Fomento de la Producción
CORPRIDE	- Corporación Privada de Desarrollo
CORVI	- Corporación de la Vivienda
CRS	- Catholic Relief Services
DCIOS	- Departamento Cooperativo Interamericano de Obras de Salubridad
DEPAL	- Departamento de Práctica y Asistencia Legal
DTICA	- Departamento Técnico Interamericano de Cooperación Agrícola
ECA	- Empresa de Comercio Agrícola
ELAS	- Escuela Latinoamericana de Sociología
EMPORCHI	- Empresa Portuaria de Chile
ENAMI	- Empresa Nacional de Minería

ENAP	- Empresa Nacional de Petróleo
ENDESA	- Empresa Nacional de Electricidad Sociedad Anónima
ETCE	- Empresa de Transportes Colectivos del Estado
FVR	- Fundación de Vida Rural
ICARE	- Instituto Chileno de Administración Racional de Empresas
ICECOOP	- Instituto Chileno de Educación Cooperativa
IER	- Instituto de Educación Rural
IFICOOP	- Instituto de Financiamiento Cooperativo
IIG	- Instituto de Investigaciones Geológicas
INDAP	- Instituto de Desarrollo Agropecuario
INE	- Instituto Nacional de Estadísticas
INIA	- Instituto Nacional de Investigaciones Agropecuarias
INPROA	- Instituto para la Rforma Agraria
IPT	- Instituto de Promoción "Techo"
IVR	- Instituto de la Vivienda Rural
LAFTA	- Latin American Free Trade Association
MOP	- Ministerio de Obras Públicas
NHS	- National Health Service
ODEPA	- Oficina de Planificación Agrícola
ODEPLAN	- Oficina de Planificación Nacional

- PAS** - Public Administration Service
- SAWS** - Seventh Day Adventist World Service
- SCHE** - Sociedad Constructora de Establecimientos Educativos
- SCT** - Servicio de Cooperación Técnica
- SFF** - Sociedad de Fomento Fabril
- SI** - Servicio de Impuestos Internos
- UTFSM** - Universidad Técnica Federico Santa María

OVERVIEW

Through its foreign assistance and related programs, the United States has provided to Chile over \$1.3 billion from fiscal years 1943 to 1980.

In absolute terms, Chile has been the third largest recipient of U.S. foreign assistance programs in Latin America. In per capita terms, Chile has received the most of any Latin American country.

As the USAID is in its final phase of terminating its staff and residual activities of an active foreign assistance program, I thought that it would be useful to leave for the record, a chronology of events which highlight the diversity of programs undertaken by the Government of Chile with U.S. assistance.

Foreign assistance programs have played an important role in this interchange. Our American history, in great part is the story of aid - economic, technical, military - which the U.S. received. Assistance came in the form of primitive equipment, human skills, useful customs and improved livestock which was brought over by the early settlers and copied or reproduced in the U.S. as the country moved West. It came in the form of materials and machinery that the Americans imported, and although most was paid for by products of the American soil, a very large portion was financed in the early 19th century with private loans from foreign banks and investors. Military aid was received directly from friendly and self-interested foreign governments to support the American revolution against England. The U.S., to some degree, can attribute its existence to European aid received in small amounts during crucial points in our history.

Similarly, this document is about U.S. development assistance to Chile, one of more than 100 countries in which the U.S. has helped to improve the livelihood of millions of people around the world, and has made a major contribution to the people of Chile in the post World War II period.

Memories are short. This paper hopes to leave a record as best as it can be reconstructed, of the foreign assistance that the United States provided to Chile since 1943 and through successive differently denominated foreign assistance programs.

In the area of Public Administration, Health, Education, Industry, Agriculture and many other activities, the United States foreign assistance program to Chile has left its indelible mark. Today, these institutions in Chile are stronger and more vibrant for the effort which they have made in their pursuit of development and freedom. Past and present, many of the key government officials have been trained in the U.S. through USAID or predecessor agency participant training programs, or through U.S. sponsored third country training programs. From 1943 to 1980 over 2,550 Chilean participants have been trained in 14 different fields. Many were selected to study economics, returning to provide the intellectual nucleus for the current highly successful policies emphasizing free market and free enterprise as the basis for economic and social development. The largest number of participants, however, were trained in technical fields such as agriculture, natural resources and labor relations. Over 400 participants, in each of these areas received training.

Not discussed in this document is that assistance provided by the United States through multilateral organizations such as the World Bank, Exim Bank, IDB, OAS, UNDP and other organizations such as the Interamerican Foundation. Also, U.S. non-profit voluntary agencies such as Catholic Relief Services, CARE and Seventh Day Adventist World Service (SAWS) have provided many other types of assistance through their own funding, in many cases, in coordination with those programs which have been funded by the U.S. Government. A significant contribution in many fields has been and continues to be made by the Peace Corps since the early 1960's.

The total economic, military, and other U.S. loans amounted to \$1,313 million from 1946 to 1979. Of this amount, \$800.6 million was provided by USAID and predecessor agencies. \$164 million was military assistance and \$348.4 million, other U.S. loans. During this time the foreign assistance program has covered a wide spectrum of activities.

Public Law 480

Public Law 480 was enacted by the U.S. Congress in 1954. This law established the basis for U.S. concessional sales and the food donation program.

Title I of the law provides for the concessional sales program. Under this title Chile has purchased since 1955, \$252.2 million of U.S. agricultural commodities by virtue of ten agreements signed between the U.S. and Chile. Some of the local currency (Chilean pesos) generated from these agreements was lent back to Chile for economic development projects. The P.L. 480 Title I loans discussed in the various sections of this document are part of these agreements.

Title II which makes provision for the U.S. donation program is carried out in Chile through United States non-profit voluntary agencies and their host country counterpart agencies.

Since initiation of the Title II program in the early 1950's, through fiscal year 1979, the total value of the U.S. donated food commodities to Chile amounted to \$179.3 million.

At the peak of its operation, this program was reaching over one million needy beneficiaries in a one year period. The program has been targeted to school feeding, pre-school feeding, nursery school feeding, malnourished child feeding, and food for work projects.

Health, Sanitation and Nutrition

The Departamento Cooperativo Inter-Americano de Obras de Salubridad (DCIOS) was created in 1943 as a result of U.S. assistance to the Chilean health sector. DCIOS completed 72 projects, including the construction and supply of hospitals and clinics; construction of water supply and sewage systems; training of public health officials; and control of communicable diseases and food control. Seventy-five U.S. worker years of technical assistance were provided in planning and supervising these projects.

Under other projects in the health area, Carabineros (National Police) were trained in preventive medicine and environmental sanitation with grant funds provided to the National Health Service and the National Police Force.

Other grants provided funds to carry out numerous immunization campaigns and provided financing for medical supplies and equipment to a dental ship serving Chileans in the remote, southern archipelagos of Chile.

Grants were also provided to initiate child nutrition programs and to support child recuperation centers. Special nutrition education was provided to Mapuche indian communities. Chile has subsequently achieved world-wide recognition as a Child nutrition leader among developing countries.

Through a U.S. \$5 million loan, the National Council for Food and Nutrition (CONPAN) was created in 1975 to carry out an effective planning process at the national level.

The research and work carried out by CONPAN in the nutrition field merited the attention of other countries that have requested material and information in the pursuit of nutrition models adaptable to their own countries. CONPAN is now a well established institution within the Chilean Government from which it is receiving ample support.

In a recent international exhibit on educational materials held in Uruguay, CONPAN was cited as one of the leading contributors in the health and nutrition fields. CONPAN's breast feeding manual which was prepared under a project of the A. I. D. Nutrition Loan was selected as the best document presented.

Loans also provided the needed capital for the construction and equipment of hospitals throughout Chile such as those in Rancagua, Antofagasta, Temuco and several in the Santiago area.

Agriculture and Natural Resources

One of the most ambitious projects ever implemented in Chile in the agriculture sector was the Plan Chillán carried out in south-central Chile. The purpose was a broad-based stimulation of agricultural production and to investigate the actual agricultural resources and needs of the area and the country.

Undertakings by Plan Chillán included but were not limited to a livestock improvement program which established an experimental station in Cauquenes and which introduced a new breed of sheep and new strains of hogs into the area; the soil conservation and forestry effort established the largest tree nursery in Latin America at that time, which introduced new forest species into the country in order to diversify production and uses of wood; under an agricultural training program, the National Agricultural Training Center was established in Chillán, which evolved into the College of Agriculture of the University of Concepción. In time, A.I.D. helped to establish rural extension programs, financed marketing studies, provided seed capital to small rural industries and funded a basic water resource planning project under a program with the State of California.

U.S. loans to Chile were a key in the agricultural development of the country. This included credit to small farmers (a loan program which continued until this year) for the improvement of livestock, poultry and animal production, irrigation and drainage, land clearing and reforestation. These loans also financed the development of the fishing industry and rural electric cooperatives.

Industry, Mining and Energy

A large grant program to Chile in the early years of the assistance program provided an impetus for the development and improvement of industry, mining and the energy sectors. In 1952 the Industrial Cooperation Service (SCTI) was created and an agreement was signed with the Chilean Development Corporation (CORFO) to provide management advisory services to business

organizations, as well as active dissemination of the most modern concepts of business management and production techniques.

In 1957 the Instituto de Investigaciones Geológicas (IIG) was established as the official geological survey institution in Chile in order to identify major natural, and mineral resources which today are achieving recognition as future sources of national wealth. Also, the School of Geology of the University of Chile was created in 1958.

Other areas of industrial development included fishing, meat packing and small and medium industry.

P. L. 480 Title I capital assistance loans provided financing for such endeavors as the construction and equipment of hydro-electric plants, copper industry development, and the development of the fishing and forestry industries.

Public Administration

All A. I. D. assistance provided in the Public Administration field was made possible through grants given by the United States.

A few of the highlights under this grant-funded program included the modernization of the internal tax administration of Chile which resulted in the enactment of a series of reform laws such as income tax, property tax, sales tax and other tax reforms. Also, audit techniques were completely modernized and an auditor's manual published. GOC officials received training in the U.S. and in third countries in tax administration and management, as well as in many other tax areas.

The customs modernization program undertaken resulted in the setting up of a permanent Customs Advisory Office. Enactment of legislation permitted the establishment of the Office of Internal Investigation as an Audit and Control Office. Customs officials were given short-term training in the U.S. and Puerto Rico, in customs administration and methods of enforcement.

USAID's assistance to the Controller General's office through a U.S. management firm helped to design and implement effective financial, management and reporting systems.

Other assistance in the public administration field was provided by the Chile-California Program through A.I.D. financing. Many other consultant, legislative and policy advisory services were provided with A.I.D. funds.

Housing, Urban and Community Development

USAID grants and loans played a major role in solving the growing housing deficit. For example, under a 12 year technical assistance project with the National Housing Agency (CORVI) and private agencies, over thirty thousand new housing units were constructed using the assisted self-help method. A savings and loan system, supervised by the government was established in 1960.

Other housing grant programs provided assistance in the rural areas, with many of the villages taking the names of U.S. States such as California, Alaska, Arizona, Florida and Maine. Housing reconstruction projects were also carried out. Also, child care centers, mothers' centers and community facilities were built.

Capital assistance and program loans, including P.L. 480 Title I loans provided funding to help resolve part of the housing shortage, especially for low-income families. Housing projects were initiated in Santiago, Iquique, and Coquimbo. Thousands of housing units were constructed throughout many areas of the country. From 1975 on, through the Housing Investment Guaranty Program, over 14,000 low-cost housing units have been constructed.

Labor and Trade Union Development

USAID assistance in the labor field has been financed through grants. This assistance started as early as 1953 when short-term training was provided in the U.S. and third countries for Ministry

officials and labor leaders. The purpose of these programs was to foster a free, independent, non-marxist trade union movement.

A USAID contract with Cornell University provided assistance to the University of Chile in setting up an Institute of Labor Relations. Parallel to this contract and as a complement to the Institute's work, a labor resident advisor arrived to provide technical assistance in developing government labor services.

As part of the participant training program which still continues under the Institute for Free Labor Development (AIFLD), over 400 participants have been trained in the U.S. and third countries.

Transportation and Public Works

In 1954 the U.S. Federal Aviation Agency (FAA) was the world's first agency to provide technical assistance in the field of civil aviation administration with grant financing provided by A.I.D. A year later, FAA and U.S. Weather Bureau resident advisors arrived to augment the technical assistance. As a result of their work, a new Civil Aviation Planning Group was created in Chile which was patterned after the U.S. Civil Aviation Board. Also, the National Meteorological Service was reorganized and the Air Traffic Control Department and an Electric Communications Department were created within the Dirección de Aeronáutica.

U.S. grants were also provided in 1955 to assist in road and highway construction. In 1966 U.S. advisors began a technical assistance program for the Ministry of Public Works, and participants were trained in the U.S. and third countries in the various facets of road construction.

Under the loan program, P.L. 480 Title I funding was made available for the construction of the Pan American Highway, Chile's most important central transportation artery, and construction of piers and port construction in various parts of the country. Financing was provided for the design of the ports of San Vicente, Valdivia, Puerto Montt and Castro.

Capital assistance loans helped with the construction of Santiago's international Pudahuel Airport and the Concepción Airport, and provided additional funding for the port of San Vicente serving Chile's second largest industrial area. Many other program and rehabilitation loans were made to carry out various lesser transportation projects.

Education and Human Resources Development

This sector received very large amounts of U. S. grant funds during the mid 50's to the early 60's in the areas of economic research, teacher training, school construction and education modernization programs. Under an agreement with the Catholic University of Chile and the University of Chicago, a program was carried out for the purpose of modernizing the economics program at Catholic University to correspond to a comparable program in a U.S. university. Under this grant many young Chilean men and women from Catholic University and the University of Chile were sent to Chicago for post graduate and empirical research training. Many of these young grantees trained at Chicago are now key members of the Government's economic decision making leadership.

Grant funds were also provided to carry out research on peaceful uses of atomic energy, development of communications media, school construction, education survey systems, training programs in the U.S. and third countries, and various other special development activities.

P.L. 480 Title I loan funds were used for primary, secondary and vocational school construction. Other loan funding was also made available for carrying out projects in school construction, purchase of equipment, training, student libraries, curriculum development, and numerous other activities in the education field.

Population and Family Planning

According to the latest IDB report (1979), Chile's annual rate of growth of total population is 1.7 per cent (average 1970-1979).

One of the most important findings of the U.S. Department of State's and the Council of Environmental Quality Global 2000 Study (Report to the President) is, ... "that enormous growth in the world population will occur by 2000 under any of the wide range of assumptions considered in the study. The world's population increases 55 per cent from 4.1 billion people in 1975 to 6.35 billion by 2000, under the study's medium growth projections".

In Chile, U.S. assistance has been provided in this area through grant funding for activities such as teacher training in family living, population dynamics, fertility surveys and expansion of maternal care/family planning clinics. USAID has also provided funding for the Latin American Center for Demography (CELADE).

Current assistance to Chile in the field is being provided through intermediaries, such as The Pathfinder Fund, the International Planned Parenthood Federation, the Johns Hopkins Program for International Education in Gynecology and Obstetrics (JHPIEGO) and Development Associates.

The purpose of family planning programs in Chile is not to limit the family size, but to provide the necessary information to couples, so that they can have a freedom of choice to make a determination in a responsible manner as to the family size they want.

Other Supporting Activities

As a complement to programmed activities there were numerous other endeavors that were funded by A.I.D. For example, immediately after the May 1960 earthquake and tidal wave, the United States mounted a significant relief operation.

And in addition, Chile received a Presidential Grant of \$20 million for reconstruction and rehabilitation purposes. The A. I. D. foreign disaster assistance program has always demonstrated compassion for people who have suffered from natural or man-made disasters.

The special development activities which promoted low-cost high-impact self-help community development projects, dovetailed well with many of the projects being carried out by the Peace Corps.

Capital assistance loans provided funding for cooperative development banks and private sector imports, and technical assistance loans provided the financing for pre-investment and feasibility studies.

Richard F. Apodaca
A. I. D. Representative

INTRODUCTION

A. I. D. AND PREDECESSOR AGENCIES

The Technical Cooperation Program of the United States started in 1942 during the Second World War, as a result of President Franklin D. Roosevelt's "Good Neighbor" policy.

In 1949 President Harry S. Truman submitted to the U.S. his Foreign Policy Plan which contained under Point IV an innovative program to provide technical assistance to developing nations. These U.S. technical assistance programs were implemented in Latin America since their inception until 1953 by the Institute for Inter-american Affairs (I. I. A. A.) of the Foreign Operations Administration (F. O. A.).

In 1953 President Dwight D. Eisenhower gathered in one U.S. Government Agency all U.S. worldwide foreign assistance activities. In 1956 this agency became a permanent part of the Department of State as the International Cooperation Administration (I. C. A.).

On March 13, 1961, President John F. Kennedy in a White House speech, called for an "Alliance for Progress" among the Western Hemisphere nations. The Charter of Punta del Este giving formal expression to this call for a greater effort for Latin American development was signed on August 17, 1961. The same year the U.S. Congress authorized the Agency for International Development (A. I. D.) within the Department of State to consolidate and administer most of the various foreign assistance activities and agencies.

On July 11, 1979 the U.S. Congress approved President Jimmy Carter's Reorganization Plan #2 to establish the International Development Cooperation Agency (I. D. C. A.) which coordinates policies, programs and budgets of A. I. D., the Institute for Scientific and Technological Cooperation (I. S. T. C.), the Trade Development Program, and the Overseas Private Investment Corporation (O. P. I. C.). Since October 1, 1979 A. I. D. started operating under I. D. C. A.

U. S. ASSISTANCE TO CHILE

Technical Cooperation Programs

United States cooperation in Chile's development started in 1943 when an agreement between the two Governments created the Departamento Cooperativo Interamericano de Obras de Salubridad (DCIOS) which operated for eight years.

On January 16, 1951 the first formal U.S. assistance Mission was established in Chile under a Basic Agreement for Technical Cooperation between the two governments. The U.S. Mission initiated its activities with the development of a cooperative agricultural program which was followed by other technical assistance programs in industry, public administration, housing and urban development, labor, transportation, public works, education, geology, public safety, population and family planning, with continuous shifts in emphasis to meet changing conditions.

Special Assistance Programs

In response to different disaster situations such as earthquakes, storms and epidemics, the U.S. has made special emergency donations and has carried out special reconstruction programs.

A major turning point in U.S. assistance came in May 1960 when one of the greatest earthquakes in modern history hit a wide area near Concepción and was followed by others further south as well as by a tidal wave which devastated communities along 500 miles of Chile's southern coast. At the first word of disaster the U.S. mounted an emergency relief operation utilizing an "air bridge" of military cargo planes. President Eisenhower announced a donation of \$20 million for Chilean reconstruction and followed this with an offer of a \$100 million loan. The \$20 million Presidential Grant which was made official in October 1960 was used for eleven reconstruction projects in the areas of transportation, health, education, housing, and loans to cooperatives in the affected zone.

Chile-California Program

Following conversations between President Kennedy and Governor Brown, discussions and negotiations started between A. I. F.

and the State of California to sign an umbrella contract to carry out a program under which technicians from the public and private sectors of the State of California would, upon request from the Government of Chile, make available their services in the formulation and revision of Chile's national economic development plans and in the fields of national economic planning, agriculture, education, water resources and transportation. The program which started with the signature of the umbrella contract in December 1963, terminated in October 1967.

Operational Program Grants (OPGs)

Since 1976, A.I.D. has provided Operational Program Grants (OPGs) to U.S. and Chilean private voluntary agencies to carry out specific projects which improve the well being of the poorest sectors of the Chilean population.

In addition to the technical assistance programs and development grants the U.S. has provided financial assistance to Chile since 1956 through different types of loans.

A. Development Loans under Public Law 480, Title I

These loans provided for the purchase in the U.S. of surplus foodstuffs. Eight agreements were signed between 1956 and 1975 for a total of \$251.4 million.

B. Capital Assistance Loans

Sixteen loans were made between 1958 and 1976 for a total of \$155.1 million as follows:

<u>No.</u>	<u>Loan</u>	<u>Date of Agreement</u>	<u>Amount</u>
513-B-004	Commodity Assistance	06/27/58	\$ 10,000,000
513-A-005	Airport Design	05/20/58	103,000
513-A-006	Pudahuel Airport (Loan A)	07/19/60	7,135,000
513-A-006	Pudahuel Airport (Loan B)	06/13/66	18,266,000
513-A-009	Central Savings & Loan Bank	06/14/61	5,000,000
513-A-010	Concepción Airport	06/21/61	3,139,000

<u>No.</u>	<u>Loan</u>	<u>Date of Agreement</u>	<u>Amount</u>
513-L-017	CORFO Development Bank	08/15/62	39,961,000
513-L-020	San Vicente Port	05/11/64	7,000,000
513-L-021	Public School Construction	06/22/64	1,698,000
513-L-022	Central Savings & Loan Bank	04/03/64	8,698,000
513-L-024	Rural Electric Cooperatives	03/05/65	3,278,000
513-L-026	IFICOOP Development Bank	04/13/66	3,650,000
513-L-028	Fertilizer Imports	01/11/66	3,339,000
513-L-031	Private Sector Imports	06/02/66	9,819,000
513-T-065	Agricultural Cooperatives Dev.	04/30/75	15,000,000
513-T-066	Nutrition Development	10/23/75	5,000,000
513-T-067	Agricultural Production Credit	07/27/76	<u>14,000,000</u>
			<u>\$155,086,000</u>

C. Program Loans

Six program loans were made to the Chilean Government between 1963 and 1968 for a total of \$279.7 million. These dollar credits were utilized to purchase essential imports such as capital goods and raw materials from the United States. They contributed to balance of payments equilibrium and lessened inflationary pressures while at the same time contributed to the maintenance and expansion of productive enterprises. The local currency generated by the sale of the dollars to private importers through the Central Bank of Chile was applied through the national budget, in economically productive and socially significant projects in the areas of agriculture, education, health, and housing. These funds were also used to meet the domestic costs of infrastructure projects such as roads, irrigation works, electric power stations and copper manufacturing plants.

D. Technical Assistance

Two loans which funded exclusively pre-investment and feasibility studies were made in March 1964 and in October 1967 respectively for a total of \$44.8 million.

E. Sector Loans

Three loans were made to fund activities carried out in specific sectors of the Chilean economy. Two loans for a total of \$26.3 million were made in September 1967 and October 1968 respectively to fund education sector projects and one loan for \$22.9 million was made in October 1967 to assist in the development of the agricultural sector.

F. Special Assistance Loan

To assist in the reconstruction and rehabilitation of the areas devastated by the May 1960 earthquakes and tidal wave, the U.S. Government made a special \$100 million loan in August 1961. Eighteen separate projects were carried out in the areas of education, health, transportation, housing, and agriculture.

Investment Guaranty Program

A.I.D. entered into agreements to guarantee U.S. firms against some of the political risks, and in certain cases a portion of the business risks, relating to planned U.S. private investment in Chile. Three types of investment guaranty programs were carried out:

1. Specific political risk guaranties against (1) inconvertibility of foreign currency; (b) loss by expropriation or confiscation, and (c) loss due to war, revolution or insurrection.
2. Extended risk guaranties which covered up to 75 per cent of both political and business risks.
3. Extended risk guaranties covering up to 100 per cent of losses on certain housing projects.

From 1961 to 1976, sixty-two specific risk guaranty contracts were signed for a total of \$1.46 billion and six housing investment guaranties for a total of \$60.8 million.

HEALTH, SANITATION AND NUTRITION

GRANTS

Projects Carried out by the Inter-American Department of Public Health Works (DCIOS)

U.S. assistance to the Chilean health sector began in May 1943 when the two governments signed the technical assistance agreement which created the Cooperative Inter-American Department of Public Health Works (Departamento Cooperativo Interamericano de Obras de Salubridad - DCIOS). This department operated for eight years, during which, the health program was the only cooperative activity of the United States in Chile. Through DCIOS, 72 separate projects were completed which included construction of sewage and water supply systems, construction and equipment of hospitals and clinics, training of public health officials, control of communicable diseases (typhus and tuberculosis) and food control. The U.S. contribution to these projects totalled over \$7.5 million and approximately 75 worker-years of U.S. technician efforts were expended in planning and supervising these projects.

Through its 72 projects DCIOS accomplished the following:

1. Built and equipped six health centers located in Antofagasta, La Serena, Cerro Barón in Valparaíso, Quinta Normal in Santiago, Temuco and Concepción.
2. Assisted in the construction and equipment of the School of Public Health, including the donation of a supply of books for its library.
3. Built Hospital Trudeau in Santiago.
4. Constructed pavilions providing an additional 100 bed capacity at the tuberculosis sanatorium in San José de Maipo and constructed a tuberculosis sanatorium in Guayacán.
5. Completed the construction of the Bacteriological Institute in Santiago (one fourth of the total) and of a separate building known as the "Virus Building" which forms part of the Institute.

6. Built five water purification plants.
7. Extended the sewer system north of Santiago and built others in ten urban communities (Villa Alemana, Peñablanca, San Vicente de Tagua Tagua, La Calera, San José de Maipo, Antofagasta, Ancud, Tomé, Las Salinas in Vía del Mar, Llay-Llay, and San Vicente de Huachipato) and two rural communities (Canales del Maipo and Aconcagua Valley).
8. Constructed a milk dehydrating plant in San Fernando.
9. Cooperated in contagious disease control campaigns by providing vaccines for typhoid fever, smallpox, diphtheria, whooping cough, etc.
10. Provided special equipment for Instituto Nacional del Radium, Dirección Nacional de Beneficencia y Asistencia Social, Hospital del Salvador and Hospital Trudeau in Santiago.
11. Provided technical assistance to improve the operation of the Department of Vital Statistics of the Ministry of Health.
12. Helped in the creation of an Industrial Hygiene Department within the National Health Service (NHS).
13. Trained over 1,000 health sector employees through in-country seminars which were held for National Health Service personnel actively engaged in public health projects and through advanced training in the U.S. in specialized branches of medicine or engineering for 79 (50 short-term and 39 long-term) DCIOS employees.

Cooperative Health Program - 513-0039

I. C. A. started a three year Cooperative Health Program in 1959 to assist the Ministry of Health to raise preventive medicine and public health standards throughout the country by: (1) improving training methods in the three medical schools existing at that time, in the School of Public Health, in the School of Social Services and related professional and technical activities, and (2) supporting

rural health demonstrations through special rural health projects. A total of \$366,000 were provided for: (1) specialized consultant advisory services in medical library, health education, industrial health, nursing, and sanitary engineering; (2) training in the United States of teaching staff; and (3) training and demonstration equipment.

Construction of Hospitals - 513-0093 and 513-0094

Under the \$20 million Presidential Grant made immediately after the May 1960 earthquakes, a total of \$2.3 million was utilized for the construction repair and equipment of six hospitals located in La Laja, Curacautín, Villarrica, Rio Bueno, Valdivia and Puerto Octay.

Medical Care (Carabineros) - 513-0154

A grant of \$296,000 was made in 1963 to the National Health Service and the National Police Force (Carabineros) to provide elementary health care to persons living in isolated areas of the country. Under this project 200 medical corpsmen were trained in first aid and preventive medicine and environmental sanitation in 18 month courses carried out at the Carabineros Hospital; 200 rural dispensaries were established and equipped; 24 ambulance jeeps, two airplane ambulances, 12 resuscitators and 200 medical kits were provided and a U.S. medical advisor assisted the Carabineros in selecting the equipment for the rural dispensaries, reviewing the training courses and giving classes in first aid and in the use of specialized equipment.

Mobile Health Units - 513-0160

A grant of \$159,400 was made in 1963 to support a National Health Service pilot project to make medical services available to the lowest income groups by providing eleven fully equipped mobile health units to serve selected rural and urban areas in the central and southern regions of Chile. Seven units were for general medical care and were assigned as follows: two for Valparaíso, three for the Santiago province and two to cover the provinces of Concepción, Arauco and Biobío. Two units were for dental care and two for X-Ray work.

Pediatric Surgery Equipment - 513-0158

A \$10,000 grant was made in 1963 to provide pediatrics surgery equipment for Hospital M. Arriarán in Santiago which was partially damaged by an explosion.

Influenza Immunization Campaign - 513-0157 and
Measles Immunization Campaign - 513-0188

In 1963 and 1964 two grants totalling \$119,000 were made to the NHS to carry out influenza and measles immunization campaigns in order to obtain popular acceptance of the concept and advantages of preventive medicine. 100,000 units of live virus anti-influenza vaccine and 65,000 doses of anti-measles vaccine were provided by A.I.D. to reduce the heavy mortality rate of these illnesses among low income families, especially children under five years of age.

Medical-Dental Ship - 513-0170

In 1964 a \$22,000 grant was made to supply medicines and special equipment to a medical and dental ship constructed by the Chilean Navy shipyards for the National Health Service, and was designed to provide medical aid to Chileans living in the remote southern parts of Chile.

Health Service Administration - 513-0208

In 1966 upon request from the Ministry of Health, A.I.D. provided a three man team of experts to appraise the overall operation of the National Health Service and to propose ways of improving its operations. Based upon the team's recommendations a four year project was initiated in 1967. A total of \$386,000 was provided by A.I.D. mainly for U.S. technical assistance in the areas of administration, manpower and facilities utilization, financing, facility construction and family planning services.

Child Nutrition - 513-0271

In February 1975 A.I.D. started a project with the Food & Nutrition Planning Agency (CONPAN) of the Ministry of Health and with U.S. private voluntary agencies to increase the effectiveness

of child feeding programs by financing technical advisory services. A.I.D.'s contribution totalled \$523,000.

Under this project the following activities were carried out: (1) the Seventh Day Adventist World Service (SAWS) initiated a pilot program to feed severely malnourished children in cooperation with the National Health Service (NHS) of the Ministry of Health. This program became a permanent part of the nation-wide maternal/child health program of the NHS carried out through its 1,400 public health clinics; (2) Catholic Relief Services (CRS) began a program to stimulate breast feeding which was continued through a mass media campaign throughout the nation.

Child Recuperation Centers - 513-0305

In March 1977 a \$320,000 OPG was made to Corporación para la Nutrición Infantil (CONIN) a private foundation to: (1) evaluate the technical and operational norms of CONIN's nationwide network of child recuperation centers; and (2) to design and implement an integrated training program aimed at both the personnel within the centers (doctors, nurses, nutritionists, auxiliaries and volunteers) and the families and communities of the malnourished children.

Mapuche Nutrition Education - 513-0311

In March 1977 a \$12,000 OPG was made to the Chol-Chol Foundation for Human Development to introduce better nutritional habits into 50 indigenous Mapuche communities to allow the families to obtain the highest possible nutritional value from present food sources. The Foundation developed educational materials and conducted courses designed to create an awareness among the Indians of the importance of nutrition, its effect on physical and mental health, and to impart knowledge of how they can meet their own nutritional requirements.

School/Family Gardens - 513-0314

A \$150,000 OPG made in April 1979 to the Cooperative for American Relief Everywhere (CARE) is contributing to increase the nutritional intake and improve the nutritional habits and the agricultural skills of 60,000 poor rural primary school students and their families. In addition, it will also supply approximately

40,000 students with supplemental rations of fruits, vegetables and animal protein. A.L.D.'s contribution is funding the following: (a) gardening tools; (b) seeds for 1,250 hectares; (c) fertilizer for 1,250 hectares; (d) small animals; (e) irrigation pumps; (f) greenhouse materials; and (g) educational materials.

LOANS

P.L. 480, Title I

In May 1961, approximately \$2.7 million were provided from the proceeds of the sales of P.L. 480 Title I food commodities (4th Agreement) for the construction of potable water systems in Santiago.

Capital Assistance Loans

CORFO Development Bank - 513-L-017

In August 1962, \$836,000 from the local currency proceeds of this loan were destined to the construction, repair and equipment of hospitals located in Antofagasta, Calama, Rancagua, Chanco, Temuco and Puerto Octay and the Emergency Hospital (Posta Central de Asistencia Pública) in Santiago and the construction of additional wings for Hospital Trudeau in Santiago. \$1,307,000 from the same loan were utilized for the construction of water supply systems in Mejillones, Coquimbo, Punta Arenas and in the Santiago area (Quinta Normal, Conchalí, La Granja, La Cisterna and San Bernardo).

Nutrition Development - 513-T-066

In October 1975 a \$5 million loan agreement was signed to enable CONPAN to create an effective nutrition planning process on the national level. The process will allow CONPAN to evaluate, experiment with, and suggest policy changes for the existing national feeding programs, analyze, select and implement studies and pilot projects to determine which policies and nutrition interventions are most cost-effective with reference to supply and demand of food, and to the nutritional value thereof and should be

adopted on a regional or national level; and generate new proposals for such studies and pilot projects. The process will also assist CONPAN in reducing malnutrition among pregnant and lactating women and children in the 0-15 age group within the lowest income third of the population.

In collaboration with the concerned ministries and other public or private organizations CONPAN is involved in a wide range of experimental activities on a pilot basis of which the following are illustrative:

1. An environmental sanitation project consisting of the construction of bathroom and kitchen facilities for 252 low-income families in a community near Santiago.

2. In conjunction with CONPAN the Ministry of Education has undertaken a complete restructuring of the \$100 million per year school feeding program in order to improve it and ensure it is reaching the neediest and most underprivileged students in the poorest urban and rural areas of Chile.

3. Breast Feeding: CONPAN is supporting a multifaceted program to test various approaches for promoting increased duration of breastfeeding. These include the development and testing of didactic materials for training health clinic teams and the pregnant and lactating women attending the clinics as well as the testing of a specially-developed food supplement for these women.

4. Nutrition Education: CONPAN has developed a comprehensive program in nutrition education whose purpose is to enhance the health status of the family with specific emphasis on improving the family diet. Separate but coordinated efforts will be carried out through the schools (pre-school and basic), the health clinics, mass media, community organizations, and labor unions. During 1980, emphasis is being placed on the first three.

5. Integrated Evaluation of the Systems for Recuperating Malnourished Children Within a Regionalized Health Service System: CONPAN is studying, evaluating and developing proposals for improving programs for treating malnourished children within a

regionalized context. The working hypothesis is that major improvements in cost-effectiveness can be achieved through systematic coordination among the institutions involved in the treatment of malnourished children including CONIN, hospitals, health clinics, and day-care centers.

6. "Sensors" Pilot Project: CONPAN developed and the Ministry of Health is testing in Santiago a system which will evaluate periodically the nutritional status of the target population through the utilization of seven health clinics carefully selected to ensure a representative sample of the varying socio-economic conditions within the Santiago area.

7. Mechanized Data System (MDS): Originally developed by the USAID, CONPAN is coordinating the implementation of this system which utilizes automatic data processing to maintain control of food inventories in various GOC and PVO feeding programs.

8. Malnutrition and Biodemographic Factors: Using data collected over the last three years by the nationwide health clinic services of the Ministry of Health, CONPAN is employing the services of data processing companies to analyze the relationship between malnutrition and infant mortality, morbidity, and related factors.

9. Basis for a Food and Nutrition Surveillance System: Presently in the developmental stage, this system is designed to provide a continuous feedback of information on those factors conditioning malnutrition, prevalence rates, and alternative actions for resolving problems. As such, it will draw on information developed from other studies including those described above and will encompass data on environmental sanitation, ecology, demography, agricultural resources, production, income, consumption and health status.

10. Regional Pilot Projects: In conjunction with the GOC's decided administration focus on decentralization and regionalization, CONPAN has embarked on pilot programs with two regions to develop and test a methodology for regional nutrition planning involving all of the different Ministries whose activities impact on malnutrition problems.

Particular attention is being given to linking these efforts with the Social Action Committees (CAS) being formed in each of the country's 286 Municipalities as the centerpiece of the GOC's extensive drive to reduce the level of extreme poverty, estimated at 20 - 25% of the population.

The Terminal Disbursement Date of this loan is October 23, 1980.

Program Loans

In January 1963, \$3,148,000 of the local currency generated under Program Loan 513-L-018 were used for the construction of the German Hospital in Valdivia and potable water tanks in Valparaiso.

In April 1964, \$122,000 from the local currency generations under Program Loan 513-L-023 were destined for the completion of the German Hospital in Valdivia. In March 1965, \$948,000 from the local currency proceeds of Program Loan 513-L-025 were assigned to the purchase of equipment for the same hospital.

In February 1966, \$1,180,000 from the local currency generations under Program Loan 513-L-030 were used for the purchase of equipment for the Santiago Emergency Hospital.

In 1969, \$650,000 from the local currency generated under Program Loan 513-L-041 were assigned to the construction of a potable water reservoir at Cerro Chepe in Concepción and of the La Mochita potable water filtering plant also in Concepción.

Reconstruction & Rehabilitation Loan - 513-M-011

A total of \$2.6 million from the \$100 million Reconstruction and Rehabilitation Loan was destined for the construction, repair and equipment of nine hospitals with a total capacity of 140 beds, located at Coelemu, La Laja, Curacautín, Lautaro, Pitrufquén, Villarrica, Rio Bueno, Puerto Octay, and Valdivia, and a Mother and Child Clinic in Valdivia. \$4.2 million from the same loan was used in the improvement of drinking water and sewer systems in 31 cities and villages in central and southern Chile.

AGRICULTURE AND NATURAL RESOURCES

GRANTS

Projects Carried out by the Departamento Técnico Interamericano de Cooperación Agrícola (DTICA)

An agreement starting a Cooperative Agricultural Program and creating the Departamento Técnico Interamericano de Cooperación Agrícola (DTICA) was signed in 1951. Basically the purpose of DTICA, an integral part of the Ministry of Agriculture, jointly financed by Chile and the U.S., was to initiate and carry out projects which would serve as the foundation and stimulus to greater agricultural production and to study and investigate the actual agricultural resources and needs of the country.

The best known activity of DTICA was the the "Plan Chillán". This plan which began in 1953 served as a pilot operation for coordinated regional agricultural development. A number of different Chilean Ministries and agencies combined their efforts into one single development project which embraced all phases of activity needed for the agricultural development of one limited, clearly defined area: the provinces of Maule, Ñuble and Concepción in southern Chile.

Plan Chillán channeled its operations through work programs in the following fields:

1. Livestock Improvement:

- Establishment of two artificial insemination centers in Talca and Los Angeles.
- 452,000 vaccinations for hoof and mouth disease.
- Establishment of an experimental sheep breeding station in Cauquenes. A new breed of sheep and new strains of hogs were introduced into the area.

2. Agricultural Extension:

- Sixty home demonstration clubs were organized.
- 34 girls' and 30 boys' 4-H clubs were formed.
- 29 farmers' cooperatives became active in the area.

3. Soil conservation and forestry:

-117 new water storage reservoirs were constructed, with a total capacity of 6,415,700 cubic meters which provided regulatory storage to improve irrigation on 22,000 acres of land.

-A soil study for land classification on 7,000 acres north of Concepción was completed as the base for an irrigation project conducted by the Chilean Development Corporation (CORFO).

-A special dune control program was established to reclaim 24,710 acres of the Chanco and Reloca dunes.

-Hydrographic and geological studies were conducted to assist the Ministry of Public Works in the construction of two giant reservoirs to provide irrigation for 600,000 new acres.

-The largest tree nursery in South America at that time was established at Chillán. (20,000,000 seedlings distributed in five years.)

-Trimming and pruning practices were established as a normal procedure in both natural and artificial forests.

-New forest species were introduced into the country to diversify production and uses of wood.

4. Agricultural Training:

-The National Agricultural Training Center was established in Chillán and developed into the College of Agriculture for the University of Concepción.

-245 agricultural technicians were trained abroad (224 in the United States and 21 in third countries). This training resulted in 16 Masters' and 2 PH.D. degrees.

-Four farmer teams, one slaughterhouse team, and one home economics team (64 individuals in total) undertook extensive tours to observe U.S. agricultural methods.

5. Agricultural Mechanization:

-Students were trained in agricultural engineering at a Farm Machinery Institute established at the College of Agriculture of the University of Concepción in Chillán; research was done to adapt U.S. farm machinery to Chilean conditions.

6. Diffusion:

-An audiovisual center that produced numerous publications and diverse printed materials was established. Radio programs were also broadcast daily over three stations into the area.

-12 agricultural exhibits were produced and shown.

-264 film programs were presented in the three provinces.

-17 extension workers were trained in the United States.

7. Library:

An agricultural library was established as part of Plan Chillán. It now belongs to the University of Concepción. Two librarians received third country training.

Besides Plan Chillán the following programs were carried out by DTICA with U.S. assistance.

1. Under a livestock improvement program ten artificial insemination sub-centers were established throughout the country to work in close cooperation with the Talca and Los Angeles centers created by Plan Chillán.

2. A seed improvement program was responsible for the first Inter-American Seed Seminar, the organization of a Certified Seed Growers' Association and the introduction of 20 new species.

3. Under a soil and forest conservation program a Department of Conservation was created within the Ministry of Agriculture and 16 field offices were established throughout the country. These offices provided training and demonstration services in irrigation methods, land leveling, improved pastures and erosion control and gave technical assistance to farmers.

4. A Department of Agriculture Economics was created in the Ministry of Agriculture and Agriculture Economics Schools were established at the University of Chile, at Catholic University of Chile and at the University of Concepción.

5. A National Entomological Station was established under a biological pest control project.

6. A water resources project provided technical assistance and training to engineers and technicians of the Ministry of Public Works and CORFO in all phases of irrigation development including (1) the preparation of a basic study of both surface and underground water resources in the Central Valley of Chile between the Maule and Biobío rivers; (2) preparation of a geological study of the foundation of the Punella Dam; (3) detailed planning of irrigation projects; and (4) operation of modern equipment in the construction of irrigation structures.

7. Through an agreement with the State Bank of Chile (Banco del Estado) a project to furnish improved supervised agricultural credit to farmers was carried out in 1957. This project resulted in the creation within the Bank of a Special Credit Branch to handle this program and in more effective legislation concerning agricultural credit.

8. A private non-profit Farm Management Service (Agroservicio) was established in 1959 with the assistance of the Ministry of Agriculture, the Instituto Chileno de Administración Racional de Empresas (ICARE) and the National Farmers Association. While the project was active, Agroservicio served approximately 100 farms on a fee basis.

9. A forest conservation and management project which was carried out in 1961 as a continuation of the reforestation activities under Plan Chillán provided assistance in the following: (1) creation of a Sub-Department of Forestry in the Ministry of Agriculture; (2) Preparation of a Nationwide Forest Fire Control Plan; and (3) Planting of more than 100,000 seedlings in the National Forests.

10. DTICA also collaborated in the project to equip and complete the slaughterhouse and meat packing plants in Osorno and Santiago as described in Section 3 - Industry and Mining.

The DTICA was turned over to the Ministry of Agriculture on December 1962. The total U.S. contribution to the activities carried out by DTICA was over \$7.2 million as follows: Administrative

costs \$4.7 million; Agricultural Extension \$0.3 million; Soil Conservation \$0.3 million; Water resources development \$0.5 million; Livestock and Crop Development \$0.3 million; Agricultural credit \$0.1 million; Farm Management and Research \$0.6 million; and Reforestation and Land Colonization \$0.4 million.

Institute for Rural Education (IER) - 513-0112

In November 1961 an agreement was signed between the U.S. Government and the Institute for Rural Education (IER), a private, non-profit foundation dedicated to improve the level of education and raise the living standards of rural families in Chile by teaching them new methods to improve their livestock, increase the yield of their land and develop manual skills such as carpentry, sewing, etc. to increase their income. A four year program (1962-65) with a total funding of \$982,000 was carried out under the agreement to (1) build five new IER training centers and improve the physical plant of twelve existing centers; (2) provide teaching materials and audiovisual equipment for ten training centers; and (3) purchase ten vehicles and 50 bicycles for rural workers, radio receivers and materials for the audiovisual production shops.

Rural Extension - 513-0106

In 1962 A.I.D. started a three year project (1962-64) to assist the Extension Service of the Ministry of Agriculture in improving the effectiveness of its operations. A total of \$824,000 were provided mainly for U.S. technical assistance and also to finance the training in the U.S. of 30 participants and the purchase of agricultural commodities and equipment. Long and short-term U.S. specialists advised the Ministry and private institutions in general rural extension matters and also in specific fields such as home economics, land drainage, soils conservation, crops, farm management, dairy production, poultry production, forestry, agricultural cooperatives, beef breeding, wool classification and marketing, fruit fumigation, turpentine extraction and potato production. A.I.D. provided \$90,000 under a sub-agreement with the Ministry of Agriculture to establish 30 complete farm demonstration units to serve as training centers for farmers and

for Extension Service personnel. On-the-farm demonstrations were carried out in these units as well as courses in record book-keeping, building of agricultural facilities, farm management, farm planning and proper use of agricultural credit.

Marketing - 513-0132

In 1963 A. I. D. started a two year project which provided \$145,000 to assist the Ministries of Economy and Agriculture and the Agricultural Development Institute (INDAP) in the establishment and operation of a wholesale distribution center and improved retail facilities in Santiago and major Chilean cities and to expand the role of cooperatives in both production and marketing through the development of an effective training program for Ministry and INDAP technicians.

Cooperative Education Institute - 513-0155

In 1963, \$110,000 were provided to assist in the organization and functioning of the Cooperative Education Institute which was created to: (1) train employees, officials and directors of cooperatives in promoting, organizing and operating cooperatives; and (2) serve as coordinating, information and promotion center for the cooperative movement in Chile.

Small Rural Industries - 513-0156

In 1963 A. I. D. started a two year project which provided \$117,000 under an agreement with INDAP for the establishment of 50 small fruit, vegetable and fish canneries, seven livestock feed plants and two fruit drying plants to be operated by cooperatives or groups of small farmers and fishermen throughout Chile.

Water Resources Planning - 513-0152

In May 1964 a group of advisors funded by a sub-contract under the Chile-California Program started to work with a team of Chilean planners from the Superior Council for Agricultural Development (CONSFA) in developing and improving the skills, procedures and organizations necessary to prepare a comprehensive

multi-sector regional development plan for the Maule River Basin. The project consisted of two stages: Phase I which consisted of a preliminary survey and work plan and Phase II which was the long-term planning and programming of the project. Only Phase I was completed and the project terminated in June 1965 because the new Chilean Government changed the top priority for regional development from the Maule River Basin to the Biobío River Basin. A total of \$208,000 were provided under the project for U.S. technical assistance exclusively.

Rural Cooperative Development (INPROA) - 513-0190

In 1964 A. I. D. started a four year project which provided \$33,000 to the private and church sponsored Institute for Agrarian Development (INPROA) to carry out a program to: (1) provide financial credit facilities to small agricultural cooperatives through a revolving fund; (2) provide U.S. technical assistance, machinery and equipment to serve their managerial and technical needs; and (3) construct a warehouse and related marketing facilities to act as a marketing outlet for the cooperatives.

Agricultural Development - 513-0194

This project started in 1965 funded by a sub-contract signed under the Chile-California Program. \$504,000 were provided to fund U.S. technical services to the Empresa de Comercio Agrícola (ECA) and CORFO to assist them in the following: (1) setting up a permanent system of price regulation for agricultural, forestry and fishing products and inputs to provide incentives for increased production; (2) improve marketing conditions for agricultural products through better storage, transportation and processing facilities; (3) expand and improve the national fruit development plan; and (4) develop the staff and procedures needed for improving the preparation and evaluation of action programs and investment projects in the agricultural sector. This project terminated in 1969.

Rural Cooperative Upgrading - 513-0296

A grant of \$250,000 was made in September 1976 to the Cooperative Finance Institute (IFICOOP) to carry out a project aimed at improving the efficiency and managerial capacity and

service capability of rural cooperatives composed primarily of small farmers and artisan fishermen. As a result of the project 25 functioning cooperatives with a membership of approximately 10,500 small farmers and fishermen have been assisted to improve their management and financial control systems. Two private voluntary agencies, Fundación Pedro de Valdivia and Corporación Privada de Desarrollo (CORPRIDE) have been used to provide technical assistance and on-the-job training to the management, directors and officers of cooperatives and federations in subjects such as organization, policies, financial and economic analysis, budgeting, etc. AUDICOOP, a private, non-profit institution and the Cooperative Studies Center (CECUC) of Catholic University of Chile have developed and produced approximately 200 training manuals on operations and accounting systems and given short training courses to cooperative managers and leaders covering institutional organization, economic and financial planning, basic accounting and internal control. This project terminated in June 1980.

Mapuche Livestock - 513-0310

In September 1978 a \$150,000 OPG was made to Catholic Relief Services (CRS) to assist them in the expansion of their Associate Farmer Credit Program which benefits approximately 3,000 Mapuche Indian farmers in the Ninth Region of Chile. A.I.D.'s contribution financed the following: (a) new loans for land rehabilitation and the purchase of dairy cows; (b) on-farm and off-farm infrastructure; (c) feed concentrates and dairy farm supplies; and (d) training programs.

Additional funds in the amount of \$125,000 were provided by A.I.D. in March 1980 to continue the same activities under this project until March 1981.

P.L. 480 LOANS

In 1961 and 1962 a total of \$8.5 million from the proceeds of the Fourth P.L. 480 Title I Sales Agreement were assigned to agricultural projects as follows:

-An agricultural development program carried out through the Chilean Development Corporation (CORFO) to improve livestock, poultry and swine production, sugar beet, fruit and seed production, irrigation and drainage, land clearing, reforestation and eroded soils, pruning, thinning and artificial forest plantations - \$5.3 million.

-Additional construction at La Platina Experimental Station in Santiago and at the dairy plants in Ancud, Linares, Los Angeles, Valdivia and Maipú - \$2.4 million.

-Development of fishing industry through CORFO in the following locations: Arica, Pisagua, Iquique, Tocopilla, Antofagasta, Coquimbo, Juan Fernandez, Valparaíso, San Antonio, Curanipe, Talcahuano, General Carrera, Chacabuco, Castro and construction of fish stores in Santiago - \$0.8 million.

In 1967 a total of \$3.6 million from the proceeds of the Sixth P.L. 480 Title I Sales Agreement were assigned for the construction of the following: (1) Slaughterhouse and cold storage plant in Temuco - \$0.7 million; (2) Potato warehouses in Santiago, Talca, Los Lagos, Llanquihue and Castro - \$2.2 million; and (3) Corn silos and dryer in Curicó - \$0.7 million.

In 1968 and 1969, \$4.3 million from the proceeds of the Seventh P.L. 480 Title I Sales Agreement were used for the following projects: (1) Slaughterhouse in Rancagua, Valparaíso, Chillán, Concepción, Valdivia and Puerto Montt constructed by CORFO - \$1.8 million; (2) A cold storage plant in Aysen constructed by CORFO - \$2.3 million; and (3) Elevator renovation and railroad spur relocation at the Santiago warehouse and silos carried out by ECA - \$200,000.

Capital Assistance Loans

CORFO Development Bank - 513-L-017

In 1962, \$4.1 million from the local currency proceeds from this loan were utilized for the construction of the La Paloma irrigation system in Coquimbo, the Duqueco Cuel Canal in Biobío, and the second stage of the South Biobío Canal. Funds were also used for additional construction of the Yeso Dam in Santiago, the

North and South Maule Canals in Linares, the Melozal irrigation system in Linares and the Ancoa and Digua Dams in Linares and for the purchase of three 100-ton fishing vessels.

Rural Electric Cooperatives - 513-L-024

In March 1965 a \$3.3 million loan Agreement was signed between A.I.D. and CORFO to assist 14 rural electric cooperatives through sub-loans to finance new construction and improvement of existing electric power transmission systems, maintenance tools and equipment, and to provide the technical assistance and training needed for the expansion of rural electric cooperatives in Chile. The loan added 1,450 miles of distribution lines and made electric power available to approximately 75,000 previously unserved rural inhabitants which also benefitted from the installation of electric irrigation and pumping equipment. Twenty-six cooperative members were sent to the U.S. for observation trips to rural electric cooperatives and to attend practical training courses offered by the National Rural Electric Cooperative Association (NRECA).

Fertilizer Imports - 513-L-028

In January 1966 a \$3.3 million loan was signed with the Chilean Government to increase the supply and stimulate the utilization of triple-superphosphate fertilizer by farmer cooperative members. Approximately 44,000 tons of fertilizer were imported from the U.S. for use in the 1965-66 and 1966-67 crop years. The fertilizer was sold by the Empresa de Comercio Agrícola (ECA) to agricultural cooperatives for resale to their members on credit terms. From the proceeds of the sale of the fertilizer \$2.2 million were utilized in the following projects: (1) construction of an agricultural products warehouse in Santiago; (2) construction of a mixed warehouse in Santiago; (3) construction of grain silos in Puerto Montt and grain silos and warehouses in Corte Alto and Los Lagos (Valdivia); (4) construction of an emergency grain receiving station at the port of San Antonio.

Agricultural Cooperatives Development - 513-T-065

On April 25, 1975 a \$15 million loan was signed with the Instituto de Financiamiento Cooperativo (IFICOOP) to support

Chile's agricultural development by strengthening the cooperative movement's institutional capacity to carry out projects to establish or expand cooperative agro-enterprises engaged in food production, processing and marketing. Emphasis has been given to increasing the production and incomes of cooperative members. The bulk of A. I. D. loan funds (\$14.2 million) have been used principally for relending to rural cooperatives, including Campesino cooperatives, cooperatives in the agrarian reform sector, artisan fishermen cooperatives and other agricultural cooperatives with a total of over 54,000 members for sub-projects involving a wide assortment of activities such as:

- Working capital and investment in dairy plants.
- Crop production and processing for export markets.
- Working capital and investment for honey production.
- Fish freezing plant.
- Seed production and processing.
- Olive processing plant.
- Acquisition of wholesale marketing facilities.
- Fruit packing and storage facilities.

Up to \$800,000 of the loan funds have been earmarked to finance technical assistance and studies for cooperatives and IFICOOP itself as well as other program support costs.

This project terminated in August 1980.

Agricultural Production Credit - 513-T-067

On July 26, 1976, a \$14 million loan was signed with the Government of Chile to increase the volume and effectiveness of production credit being channelled to small scale farmers through public and private lending institutions and encourage private sector banks to lend to small farmers.

Under the loan the Agricultural Development Institute (INDAP) is receiving \$7.5 million to extend credits and technical assistance to small farmers, and the Central Bank of Chile is rediscounting eligible small farmer credits made by commercial banks and development finance institutions. The loan is also assisting the Agricultural Planning Office (ODEPA) of the Ministry of Agriculture

to improve its capacity for continuing collection, analysis and evaluation of agricultural information for policy and planning purposes through an Agricultural Policy Planning and Information System (PPIS) which has been established in coordination with the National Statistics Institute (INE).

This project terminated in June 1980.

Program Loans

In 1963, \$11.6 million from the local currency generated under Program Loan 513-L-018 were used by the following Chilean agencies: (1) CORFO - To develop a program for marketing of agricultural products, livestock improvement and credits to small farmers, \$3.3 million; (2) Agrarian Reform Corporation (CORA) - For land subdivision, \$1.4 million; and (3) Ministry of Public Works - For irrigation projects, \$6.9 million.

In January 1963 a total of \$4.7 million from the local currencies generated under Program Loan 513-L-018 was assigned to the Ministry of Agriculture as follows: \$1.4 million to develop marketing techniques for agricultural products; \$1.4 million to carry out a livestock improvement plan; \$0.5 million for credit to small farmers. Under this same loan \$6.9 million were assigned to the Ministry of Public Works for irrigation projects.

In April 1964, \$612,000 from the local currency generated under Program Loan 513-L-023 were assigned to INDAP to carry out agricultural research at La Platina Experimental Station in Santiago and at the Temuco Experimental Station. A total of \$6.1 million was assigned to the Ministry of Public Works for the construction of an irrigation project in San Pedro de Atacama and \$3.1 million to CORFO for credits to small farmers for livestock, land, fruit and seed improvement.

In 1966 \$6.6 million of the local currency generated under Program Loan 513-L-030 were assigned to the following agricultural projects: (1) Equipment for La Platina Experimental Station - \$0.4 million; (2) Agricultural development projects through CORFO for:

(a) livestock improvement at Pampa del Tamarugal (Tarapacá), (b) preparation of an inventory of natural resources, (c) soil conservation and irrigation, and (d) credits to small farmers for vegetable, fruit and seed production - \$2.1 million; (3) Infrastructure credits for agrarian reform through CORA - \$1.7 million; and (4) Supervised credit to farmers through INDAP - \$2.4 million.

In 1967, \$3.6 million from the local currency generated under Program Loan 513-L-036 were assigned to the following institutions: (1) CORFO, \$2.9 million for: (a) agriculture and agro-industry development in Coquimbo, (b) establishment of wine producing centers in Elqui and Limarí, (c) construction of a classification and packing plant and the first stage of a cold storage plant for a fruit producing center in Curicó, (d) credits to poultry farmers, hog raisers and fruit producers in Aconcagua and Curicó, and (e) development of forestry industry; and (2) Ministry of Public Works, \$0.7 million for construction of irrigation systems at San Pedro de Atacama, Calama, Copiapó, Coihueco and Collipulli.

In 1969, \$1.0 million from the local currency generated under Program Loan 513-L-041 was assigned to the construction of irrigation systems in Copiapó, the Coihueco Dam and the third stage of the Biobío Sur canal carried out by the Ministry of Public Works.

Sector Loans

Agriculture Sector Loan - 513-L-037

A \$23 million loan was signed in October 1967 to assist several Ministry of Agriculture agencies and the Banco del Estado in their efforts to raise the economic returns to farmers as an incentive to increased production by financing imports from the U.S. of agricultural inputs and some technical assistance. Emphasis was placed on reducing the price of such inputs as fertilizer, especially phosphates, as well as to provide farm machinery, pesticides, seeds and cattle breeding stock. The disbursement of loan funds was suspended in 1971 and the terminal

disbursement date was due. A reactivation agreement was signed on February 14, 1975 to utilize the remaining undisbursed funds as follows: (1) \$1.1 million to rehabilitate and modernize the National Agricultural Research Institute (INIA) and (2) \$1 million to provide a line of credit to cooperatives for importation of agricultural inputs.

In 1968, 1969 and 1970 a total of \$3.1 million from the proceeds of the sale of agricultural inputs imported under this loan funded the following agricultural sector development projects: (1) INDAP - \$400,000 for the construction of a slaughterhouse and a milk plant in Temuco and a milk plant in Ancud; (2) ODEPA - \$100,000 for (a) preparation of a study on agricultural land use between Aconcagua and Chiloé, (b) printing of a national agricultural plan, and (c) preparation of a study on qualified human resources in the Agricultural Public Sector; (3) Ministry of Agriculture - \$400,000 for: (a) an integrated study of natural resources in the provinces of O'Higgins and Colchagua, and (b) a study of reforestation in the provinces of O'Higgins and Colchagua; and (4) \$2.2 million for fertilizer subsidies.

Reconstruction and Rehabilitation Loan - 513-M-011

Under the \$100 million Reconstruction and Rehabilitation Loan signed in August 1961, a total of \$2.9 million were utilized in: (1) the reconstruction of grain storage silos in Chillán, Mulchén, Victoria, Lautaro, Temuco, Los Lagos, and Corte Alto; (2) construction of agricultural research and training facilities in Temuco; and (3) reconstruction of Ministry of Agriculture facilities throughout the area devastated by the May 1960 earthquakes.

INDUSTRY, MINING AND ENERGY

GRANTS

Industry Servicio - 513- 0057 and Industry Administration - 513-0058

On June 30, 1952, an agreement creating the Technical Industrial Cooperation Service (Servicio de Cooperación Técnica Industrial - SCTI) was signed between the Institute of Inter-American Affairs (IAAA) and the Chilean Development Corporation (CORFO) to provide management advisory services to business organizations as well as active dissemination of the most modern concepts of business management and production techniques. A total of \$1.4 million were provided between 1952 and 1960 to carry out SCTI projects which included:

-Five advanced management seminars with a total attendance of approximately 300, including participants from other Latin American countries.

-Six national and international conferences with an attendance of over 8,000 participants.

-More than 120 courses and seminars on industrial, human and public relations, industrial safety and office financial and sales management with a total attendance of over 2,800

-Nine forums with a total attendance of over 2,100.

On July 1, 1960 the project terminated when all activities of the SCTI were transferred to CORFO.

Management Association - 513-0028

Through the SCTI, ICA was instrumental in creating in 1954 the Chilean Management Association (ICARE) a non-profit association of businessmen, university professors and government officials patterned after the American Management Association. Under an

agreement signed in 1958, ICARE received assistance from the ICA in top management development through U.S. consultants which conducted advanced management training courses, seminars and workshops and funded the visits to the U.S. of teams of selected top management representatives to study various phases of business organization and management. During the five-year (1958-62) period of this project ICARE membership reached over 800 and became a leading member of the Latin American division of the International Management Association (CIOS). In 1962, ICARE had progressed from almost complete dependence upon U.S. and other foreign teachers to virtually complete self-sufficiency by encouraging and aiding in the formation of a group of Chilean specialists and experts who were capable of continuing the training programs. Total U.S. funds provided under this project were \$194,000 of which \$129,000 funded the services of U.S. advisors and \$48,000 training in the United States.

Geology - 513-0003

A ten-year technical assistance project was initiated in 1954 to help the Government of Chile in creating a sufficient number of competent geologists capable of studying and evaluating the mineral resources on which the Chilean economy is dependent to a large extent. U.S. geologists provided assistance in the development of local geological institutions, gave advanced training to Chilean geologists in these institutions, conducted laboratory and field demonstration projects that set up standards for scientific investigation and conducted formal geology classes on the academic level in the newly created School of Geology of the University of Chile.

A total of \$1,658,000 were provided under this project to finance U.S. advisors, training in the United States and third countries of 58 participants (30 for short-term periods and 28 for long-term academic training) and the purchase of teaching aids, supplies and equipment for the School of Geology and ten vehicles for field trips.

The following was accomplished under the project:

1. The Instituto de Investigaciones Geológicas (IIG) was established in December 1957 as the official geological survey institution in Chile.
2. The School of Geology of the University of Chile was created and started functioning in March 1958.
3. Approximately 60 geology students received field training.
4. A geologic map and a metallogenic map of Chile were prepared and published as well as more detailed maps of the Cabildo and Copiapó mining districts. Their use resulted in drilling programs by Empresa Nacional de Minería (ENAMI) for ore bodies to supply the copper smelters at Ventanas and Paipote.
5. A Groundwater Section of the IIG was organized.
6. Approximately 30 articles, bulletins and engineer site reports on the geology of Chile were prepared and published as a result of field training projects.
7. The U.S. geologists assisted in connection with major projects funded under the \$100 Million Reconstruction & Rehabilitation Loan.

Manufacturers Association - 513-0029

A five-year project was started in 1958 under an agreement between ICA and the Chilean Manufacturers Association (Sociedad de Fomento Fabril - SFF) with a total funding of \$154,000. SFF received assistance in improving productivity and efficiency through technical aids and team visits to the U.S. of leading representatives of the key trade associations such as: foundries, shoe manufacturers, fruit and vegetable canning, wood products, bakeries, textiles, ready-to-wear clothing, light steel fabricating, printing and plastics.

Industrial Training - 513-0031

In January 1959 ICA started an industrial training program through separate contracts between the University of Pittsburgh and the State Technical University in Santiago and the University of

Pittsburgh and Technical University Federico Santa María in Valparaiso. The purpose of the program was to establish within the State Technical University an Industrial Training Center designed to assist Chilean industry in improving the skills and knowledge of industrial workers and to coordinate the efforts of labor unions, educational institutions, industry and government to aid in the development of skilled, semi-skilled and technical workers. Two Pittsburgh advisors spent six man-years in Chile and four participants were trained in the U.S. for short periods.

The activity at Universidad Técnica Federico Santa María (UTFSM) resulted in the following:

(1) establishment at UTFSM of the first graduate school in chemical, electrical and mechanical engineering leading to a doctorate degree. (2) development of coordinated industrial research activities; (3) organization and establishment of an Advisory Commission to the Graduate School composed of representatives of labor, industry and government; and (4) assistance to the University's several engineering faculties in developing, coordinating and expanding their curriculum leading to undergraduate degrees.

The above contracts which received a total funding of \$1,040,000 terminated in 1968.

Fisheries Development - 513-0014

In 1960 started a three-year project to provide technical assistance to the Chilean Government in the development of a policy to promote and coordinate private investment in fisheries resources and introduce the use of modern fishing equipment and methods for the fishing industry. A team of four U.S. technicians worked directly with CORFO in the planning and installation of a model fisheries plant including canning, freezing and industrial processing; and in the preparation of studies of king crab and sardines fishing possibilities on a commercial basis. A total of \$94,000 were provided for U.S. technical assistance and training in the U.S. of two participants.

Small Size Industry Development - 513-0017

In 1961, \$36,000 were provided to bring a three-man team to make a survey on: (1) the role that the small and medium size Chilean industry could and should play in the development of the country and (2) the availability of financing and credit of medium and small scale industry. The team also assisted the Ministry of Economy and CORFO in following through on the recommendations made in their survey.

Chilean Development Corporation (CORFO) - 513-0047

In 1961, an agreement was signed with CORFO for \$36,000 to develop middle management personnel in Chilean industries. The International Cooperation Administration (ICA) provided a capital and finance expert for one year and a cold storage warehouse expert for a three-month period and funded participant training in the United States.

Meat Packing - 513-0013

In 1961, \$6,000 were provided to fund the assistance of a U.S. technician who helped the Municipality of Santiago in: (1) the installation of meat packing equipment purchased in the United States at the Lo Valledor Slaughterhouse; (2) adapting the existing machinery to the redesigned layout of the uncompleted structure and making the necessary changes in the structure to permit full use of the machinery to be installed; and (3) completing the existing building shell in conformity with standard U.S. meat industry requirements and sanitary standards. The U.S. expert also assisted other Chilean communities in the architectural design, planning of plant layout and installation of equipment for proposed or existing slaughterhouses.

Small and Medium Industry Development - 513-0210

Under the Chile-California Program a two-year project started in 1966 to assist the SCT in developing procedures and training their staff in the identification, selection, description and feasibility study preparation of small industries; the identification of local investors; and the provision of credit, marketing services and other

technical and managerial assistance for establishing new small industries. The funds provided under the project financed mainly U. S. long and short-term consultants and some participant training in the United States.

In September 1967 a second contract was signed under this project between A. I. D. and the Cooperative League of the U. S. A. (CLUSA) to provide technical and advisory services to public and private institutions such as the Ministry of Economy, the Agricultural Planning Office of the Ministry of Agriculture (ODEPA), the Agrarian Reform Corporation (CORA), the Agricultural Marketing Enterprise (ECA), the Cooperative Education System (ICECOOP), the Cooperative Finance Institute (IFICOOP), the Cooperative Supermarket Chain (UNICOOP), Cooperative Education Divisions of University of Chile and Catholic University of Chile, the National Agricultural Cooperative Federation (COPAGRO), the National Planning Office (ODEPLAN) and the Technical Cooperation Service (SCT). Long and short-term CLUSA advisors worked with the above institutions in the following: (1) improving the quality of cooperative performance through direct advice and assistance to production, marketing and consumer cooperatives and their federations; (2) strengthening working contracts between producer, processing and consumer cooperatives in order to help them develop more efficient and remunerative operations resulting in a reduction in the high margins between producer and consumer prices; (3) surveying the requirements of the management of agricultural production cooperatives and federations for technical training in financial management, pricing, preparation of feasibility studies, rules of economic analysis, and other areas in which training was needed for cooperatives and conducting in-country seminars or providing for the required specialized training and related services; and (4) planning the establishment of a national agricultural bank to make loans to both individuals and cooperatives.

A. I. D. contributed a total of approximately \$360,000 to the project.

Work Promotion Institute - 513-0165

A \$502,000 grant was made in June 1967 to the Work Promotion Institute (IPT) a non-profit institution which was created to provide administrative and technical services to a number of small industrial and artisan cooperatives (woodworking, metal working, homemaking, etc.) located in low-income housing projects around Santiago and other large cities. During the five years of project activities, the following was funded by A.I.D.:

1. The services of a specialist in small industries cooperative development to assist IPT's management in the administration of the project.
2. U.S. and locally purchased machinery, furnishings, and equipment for twelve cooperatives.
3. Building materials, and construction costs for cooperative buildings.
4. A revolving fund under which working capital was provided to the individual cooperatives through a commercial bank at the outset of their operations.

LOANS

P.L. 480, Title I Loans

In 1958, \$2.4 million from the local currency proceeds of the Second P.L. 480 Sales Agreement were utilized to extend loans to the coal mines of Lota and Schwager in the Eighth Region.

In 1961, A.I.D. made Cooley Loans using local currency proceeds from the Third P.L. 480 Sales Agreement to the following Chilean industries subsidiaries of U.S. firms:

Ibec y Fuentes Ltda.	\$142,000
Corn Products (Chile) S.A.	119,000
The Sydney Ross Co.	213,000
Corporación de Radio de Chile	119,000
Tejidos Caupolicán S.A.	119,000
	<u>\$712,000</u>

In 1964, \$5.4 million from the proceeds of the Fifth P.L. 480 Sales Agreement were utilized by ENDESA for the construction and equipment of hydroelectric plants.

Two additional Cooley Loans for a total of \$873,000 were extended from the proceeds of the Sixth P.L. 480 Sales Agreement to Liquid Carbonic S.A.I.C. and Alimentos Purina S.A. in June 1967 and January 1968, respectively.

Capital Assistance Loans

CORFO Development Bank - 513-L-017

In 1962 a total of \$650,000 from loan 513-L-017 were utilized in the improvement of the "Carrera Pinto Copper Flotation Plan in Atacama and in "Las Ventanas" Copper Smelter in Valparaíso. Loan money was also used for the purchase and installation of two generators for the hydro-electric plants at Cipres-Isla (Talca) and Rapel (Santiago); a steam power generator for the hydroelectric station at Huasco (Atacama); hydroelectric headwater development at Laguna de la Laja (Ñuble); and power transmission lines from Chillán to San Carlos (Ñuble) and from Temuco to Charrúa (Cautín).

Program Loans

In 1963 under Program Loan 513-L-018 \$1.4 million were assigned to CORFO to extend loans to small industries.

In 1964 under Program Loan 513-L-023, \$918,000 were utilized in the construction of a cold storage plant in Temuco; \$1.8 million were assigned to ENAMI for the construction of three copper processing plants: Paipote in Atacama, Cabildo in La Ligua, and Osvaldo Martinez in Chañaral; \$3.1 million were assigned to CORFO for loans to the fishing industry, general industry and to small business firms; and \$1.5 million to Empresa Nacional del Petróleo (ENAP) for equipment.

In 1966 under Program Loan 513-L-030 a total of \$16.6 million was assigned as follows: (1) \$1.1 million to ENAMI to continue the construction of Paipote and Osvaldo Martinez copper processing plants

and for the establishment of new mining companies; (2) \$4.7 million to CORFO for the development of (a) fishing industries, mainly owned by cooperatives, in the South of Chile, (b) the fishing port of Iquique in Tarapacá; (c) large mining companies, (d) fishing industries in Tarapacá, (e) forest industry, and (f) small industry; (3) \$5.1 million to the SCT for industrial training programs; and (4) \$10.9 million to Empresa Nacional de Electricidad (ENDESA) to purchase equipment for the Chapiquiffa, and Bocamina (Concepción) Hydroelectric Stations and installation of the power transmission line Rapel-Santiago-Cerro Navia.

In 1965, under Program Loan 513-L-025 a total of \$24.8 million was assigned as follows: (1) \$4 million to CORFO for the development of the fishing and forestry industries and for loans to small industries; (2) \$0.9 million to ENAMI to purchase equipment for the Cabildo, Paipote and Osvaldo Martinez copper processing plants; (3) \$2.1 million to ENAP for the purchase of machinery and accessories; (4) \$13.8 to ENDESA to purchase equipment for El Toro (Ñuble) and Chapiquiffa (Tarapacá) hydroelectric stations, the construction of four power transmission lines (Chapiquiffa-Arica, Arica-Iquique, Rapel-Cerro Navia and Osorno-Puerto Montt) and equipment for seven sub-stations located at Arica, Iquique, Cerro Navia, Alto Jahuel, San Vicente, Osorno and Angelmó; and (5) \$4.0 million to Servicio de Cooperación Técnica (SCT for industrial training programs.

In 1967, \$1.2 million from Program Loan 513-L-036 were assigned to ENAMI to continue the construction of Las Ventanas, Paipote and Osvaldo Martinez copper processing plants, and \$8 million to ENDESA for El Toro and the Alto Jahuel catchment.

In 1968, \$1.1 million from Program Loan 513-L-041 were assigned to ENAMI for additional construction in Las Ventanas, Paipote and Osvaldo Martinez copper processing plants.

Reconstruction and Rehabilitation Loan

Under the \$100 million Reconstruction & Rehabilitation Loan, a total of \$14.3 million were used by CORFO to make loans to industries for the reconstruction of their facilities located in the earthquake zone.

PUBLIC ADMINISTRATION

GRANTS

Public Administration - 513-0002

Technical assistance to Chilean public administration dates back to 1952 when the IAA started a project which remained active until 1961 to assist the Chilean Government in the following:

1. Creation of an advisory board for the purpose of analyzing public administration needs, coordinating the various activities and assigning priorities. The board was composed of public officials, university representatives and U.S. advisors.
2. Simplification of the government's structure through: (a) organizational studies of national and local agencies; and (b) extension and implementation of the Klein Sacks Mission studies related to: (1) staff services within the Executive Office of the Presidency; (2) relationship of the Executive Office of the Presidency to various ministries; (3) social security; (4) public transportation; (5) autonomous institutions; and (6) tax administration.
3. Strengthening the controls over finances and personnel through: (a) technical assistance to the National Budget Office; (b) improvement of accounting and purchasing procedures; (c) introduction of new methods of administrative reporting; and (b) development of a personnel program.
4. Securing a steady supply of trained public administration personnel.

A total of \$519,000 was provided under this project of which \$220,000 funded U.S. technical assistance and \$272,000 training in the U.S. and third countries of 59 participants for long-term programs of more than one year and 48 for short-term programs).

As a result of this project the following activities were carried out which established the basis for other technical assistance projects which were funded by A. I. D. in the area of public administration.

- a) A detailed work plan for the modernization of the tax system was completed.
- b) Chilean customs officials were trained in the United States.
- c) Teaching and research programs in business and public administration were started at the major Chilean universities.
- d) Discussions were initiated with the Customs Service to start a program of improved management practices.
- e) Faculty members of the Police School (Escuela de Carabineros) received broad type police training in the U.S. preliminary to the development of special programs.

Modernization of Internal Tax Administration - 513-0109

A nine-year project was initiated in 1962 with a total funding of \$2.2 million. An agreement between A. I. D. and the Internal Revenue Service of the United States was signed to provide technical assistance to the Servicio de Impuestos Internos (SII) of the Ministry of Finance in such fields as auditing, communications and management, public information, data processing and tax legislation.

In addition to the technical assistance provided by IRS consultants, a contract was signed in April 1966 with Harvard University which funded the services of three resident advisors who assisted the Government of Chile in the implementation of administrative and legal reforms and with the organization of a legal collections service.

As a result of this project the following was accomplished:

1. The Chilean Government enacted a series of reform laws which affected the following aspects of tax legislation: (a) property tax; (b) income tax; (c) inheritance tax; (d) sales tax; and (e) stamp and documents tax.
2. A completely new organic statute documenting and strengthening the organization of the SII was passed in December 1962.
3. Several reforms in substantive laws designed to improve SII were passed. The most important was the one eliminating bank secrecy privileges and opening private bank accounts and records to scrutiny for tax purposes.
4. A personnel training department was created within the SII.
5. A nine volume SII manual was written and published.
6. Audit techniques were completely modernized and an auditor's manual was written and published.
7. A tax fraud department was established in the SII which started to actively prosecute evaders for the first time in Chile.
8. An integrated tax data processing system based on the establishment of a master file of accounts on tape was developed.
9. Ninetyseven SII officials received short-term training in the U.S. and third countries in the areas of tax collections, tax systems analysis, tax audits, tax administration and methods, and tax management.

Customs Modernization - 513-0139

An intensive survey of the Customs Services was made in early 1963 which developed recommendations for a wide range of administrative improvements that were accepted by the Superintendency of Customs. An agreement was signed in April 1963 to provide the technical assistance of a three-man team of advisors to assist in the creation of an efficient modern customs service capable of maximizing revenue potential through improved administration and which could

effectively assist the public and private sectors through more equitable and expeditious application of customs laws, duties and procedures. A total of \$328,000 was provided for this project during the period 1963-1968.

As a result of the technical assistance provided under the project the following was accomplished:

1. A permanent Customs Advisory Office was established by legislative action in 1964.

2. Legislation was enacted establishing two internal control units in the Customs Services - an Office of Internal Investigation to uncover customs violations and an Audit and Control Office.

3. A system for determining and controlling the valuation of merchandise for customs purposes was installed and customs officials were trained in the new system.

4. The Customs Department of Guards and Police was activated in 1966.

5. Laws were passed providing for various improvements including revised customs auction procedures, the assignment of more funds to the Service, the provision of overtime pay and the Delegation of Authority to the President to decree a new tariff law utilizing the Brussels tariff nomenclature as subdivided by the Latin American Free Trade Association (LAFTA).

6. Approval was given to systems of internal reports, control of diplomatic imports, inventory of customs property and administration of customs tribunals.

7. Assistance was given to Empresa Portuaria de Chile (EMPORCHI) in the installation of new procedures to reduce loss and damage to merchandise passing through its custody.

8. Twenty-two Customs officials received short-term training in the United States and Puerto Rico in customs administration, methods and enforcement.

Modernization of Controller General's Office - 513-0136

A.I.D.'s assistance to the Controller General's Office (Contraloría) started in June 1963 with the arrival of staff under a three year contract with Public Administration Services (PAS) a U.S. management firm. The PAS team was to help modernize the organization of the Contraloría by assisting in the design and implementation of effective financial management and reporting systems to be established throughout the Government of Chile. The PAS advisors analyzed, summarized and coded all pertinent Chilean Government legislation and designed a new system for national fiscal administration with statements of principles and standards and arrangement of financial data.

In April 1965, as a result of the Controller General's review of project progress and the team's proposals for the last year of the contract the project was terminated as of August 1965. Although all of the recommendations of the PAS team were not implemented, the installation of accounting and auditing systems in the decentralized Chilean Government's agencies using their own staff was carried out.

A.I.D. provided a total of \$284,000 for this project to fund U.S. advisory services exclusively.

Development Planning Organization and Coordination - 513-0143

In 1964 under the Chile-California Program a three-year project was started to assist the Chilean Government in establishing an integrated planning process which would encourage coordinated national and sectorial planning through the development of procedures, organization and staff capable of carrying out work on: (1) project identification, selection, description and feasibility studies; and (2) monitoring budget performance and evaluating planning and execution systems. A.I.D. provided a total of \$150,000 for U.S. technical assistance.

Chile-California assistance terminated in 1965 because the project was originally set up within the Bureau of the Budget which at that time had the responsibility for coordinating development planning efforts and that function was changed by the new administration to the newly created National Planning Office (ODEPLAN), which received technical assistance from the World Bank.

Legislative and Policy Advisory Services - 513-0196

A project was initiated in June 1965 to provide short-term advisory and consultant services to the Chilean Government to assist in the formulation of reform policies and the preparation of legislation and programs designed to advance the objectives of the social and economic development effort.

A. I. D. provided \$10,000 to fund the services of four U.S. consultants which provided technical assistance to the Chilean Government in the fields of monetary and planning policy, tax policy, consumer credit and agricultural census and statistics procedures and methods. The U.S. team prepared reports regarding the current situation in the above fields and made recommendations for future policies and programs. In particular, the tax policy report included recommendations regarding the installation of a pay-as-you-go system, and new policies with respect to tax exemptions provided the guidelines for the development of the new tax system and the subsequent legislation which put it into effect.

HOUSING, URBAN AND COMMUNITY DEVELOPMENT

GRANTS

Housing - 513-0026

A twelve year (1952-1963) technical assistance project provided a total of \$1.2 million to assist both the Chilean Government National Housing Agency (CORVI) and private agencies such as Fundación de la Vivienda Rural (FVR), Cámara Chilena de la Construcción and others to solve the growing housing deficit by developing all housing activities as integral economic parts of the expanding rural and urban areas, and by helping to plan the utilization of U.S. economic assistance provided to the housing sector for reconstruction after the May 1960 earthquakes and tidal wave.

The first housing advisor who arrived in Chile in 1952 provided assistance to CORVI during two years on aided-self-help construction techniques which were readily adopted, especially by housing cooperatives. Later, advisors provided assistance through separate agreements with CORVI and private institutions in the following areas:

1. Utilization of local materials, frame house construction, lumber standards and specifications, construction statistics and establishment of better building standards (Cámara Chilena de la Construcción).
2. Establishment of a reporting system (Instituto Chileno del Acero).
3. Urban renewal and building codes (Ministry of Public Works).
4. Status of training in planning and creation of a permanent training center (CORVI and private agencies).
5. Organization and administration of housing projects (CORVI).
6. Financial administration of housing projects (CORVI).

7. Housing research (CORVI and University of Chile).
 8. Development and functions of cooperative organizations (Chilean Federation of Housing Cooperatives).
 9. Planning at the municipal and metropolitan level in the reconstruction zone (City Planning, Bureau of Architecture, Ministry of Public Works).
 10. Aided-self-help construction methods and utilization of principles of community development in solving local problems (CORVI and Instituto de Viviendas Populares CARIAS-CHILE).

11. Planning, design and operation of a housing savings and loan system and establishment of a Central Savings and Loan Bank (Ministry of Finance).
 12. Backstopping the economic assistance provided by the U.S. for housing reconstruction after the May 1960 earthquakes and tidal wave which destroyed about 58,000 dwelling units and seriously damaged another 117,000 units in addition to widespread destruction of community facilities, public buildings and public works.

The following was accomplished during the life of the project:

1. Over thirty thousand new housing units were constructed using the aided-self-help method.
2. Local city planning offices in each province and a metropolitan planning office were created under the Ministry of Housing.
3. A total of 96 participants (9 for long-term programs of more than 12 months and 87 for short-term programs) were trained in the United States and third countries in the following areas: Aided-self-help housing, housing construction, housing legislation, urban renewal and city planning, construction tests and research, prefabricated houses and schools, school building planning.

wood housing construction, housing cooperatives, hospital design, low-cost houses, model cities program and home financing associations.

4. A government supervised savings and loan system established in 1960 and a Central Savings and Loan Bank started operating in 1961 with U.S. funds provided from different sources such as the Third P.L. 480 Sales Agreement, the \$20 million Presidential Grant, a Capital Assistance Loan and the Social Progress Trust Fund of the Inter-American Development Bank.

Small Rural Villages - 513-0098

Twelve small rural villages with a total of 582 units bearing the names of States of the Union - California, Alaska, Arizona, Nevada, Alabama, Montana, Florida, Kansas, Pennsylvania, Maine, Minnesota and Texas - and two urban housing projects totalling 197 units were constructed in the earthquake zone with \$2.4 million provided under the \$20 Million Presidential Grant.

Housing Reconstruction - CORVI - 513-0100

Eight housing developments comprising 2,516 units, one community market and one child care center were constructed by CORVI in the earthquake zone with \$5.0 million from the \$20 Million Presidential Grant.

Housing - Ministry of Agriculture - 513-0101

Four houses and 26 combination office-dwellings for its staff were constructed by the Ministry of Agriculture in the earthquake zone with \$200,000 provided under the \$20 Million Presidential Grant.

Child Care Centers - 513-0084

Twentythree child care centers were constructed in the devastated area by CORVI with a total cost of \$56,000 provided under an Emergency Relief Fund established immediately after the May 1960 Earthquakes.

Operación Techo - 513-0085

Under Operation "Techo" assistance was given to low income groups in damaged urban areas. A total of \$23,000 from the Emergency Relief Fund was provided for the construction of three cooperative buildings located in Valdivia, Puerto Montt and Ancud.

Mothers Centers - 513-0086

Four mother and child care centers were constructed by CORVI in the earthquake area with \$10,000 provided under the Emergency Relief Fund.

Community Facilities Assistance - 513-0164

In 1963 agreements were signed with CORVI, Instituto de la Vivienda Rural (IVR) and Fundación de Vida Rural (FVR) for a total of \$242,000 to provide equipment and furnishing for 80 community centers located in low-income housing developments in urban and rural areas throughout Chile. The centers were designed to serve the local community organizational needs as well as training facilities in simple artisan skills and for adult and literacy educational programs.

LOANS

P. L. 480, Title I

Five housing projects were constructed in 1958 and 1959 with a total of \$2.1 million from the local currency generated under the Second P. L. 480 Sales Agreement. Of these, three are located in low income urban sectors of the Province of Santiago (Chacra La Palma, San Gregorio, and Clara Estrella) and two in the province of Tarapacá (Chimberos and Iquique).

Approximately 500 housing units for farm laborers were constructed in 1958 and 1959 between Santiago and Concepción with \$577,000 from the local currency generated under the Second P. L. 480 Sales Agreement.

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The Fifth P.L. 480 Sales Agreement provided, under a sub-agreement signed with CORVI in September 1964, a total of \$20.3 million in local currency equivalent which were utilized for the construction of 14 urban housing projects with a total of over 10,000 units.

In 1967, \$1.1 million from the local currency proceeds of the Sixth P.L. 480 Sales Agreement were provided for the construction of the "Los Militares" housing project in Antofagasta.

Capital Assistance Loans

CORFO Development Bank - 513-L-017

In 1962, \$16.2 million from the local currency proceeds of this loan were made available to CORVI for the construction of 27 housing projects throughout Chile.

Central Savings and Loan Bank - 513-L-022

This \$8.7 million loan was extended in March 1964 to the Central Savings and Loan Bank to further the objectives of the first loan (513-A-009), i.e., to provide additional capital to maintain the Bank's loan volume at current levels, thereby fostering public confidence in the system and stimulating savings growth.

In addition this new loan introduced the creation of a secondary mortgage market - through the resale of readjustable mortgages - capable of mobilizing institutional and private savings which represented a major source of funds for future expansion. The assistance of a U.S. advisor was provided under the loan to carry out this second component.

The U. S. provided a total of \$30 million to the Central Savings and Loan Bank as follows:

Presidential Grant (1961)	\$ 5.0 million
Loan 513-A-009 (1961)	5.0 million
Third P.L. 480 Sales Agreement (1961)	1.3 million
Inter-American Development Bank - Social Progress Trust Fund (1962)	5.0 million
(1964)	5.0 million
Loan 513-L-022 (1964)	<u>8.7 million</u>
Total	\$ <u>30.0 million</u>

Program Loans

Program Loan 513-L-018 signed in 1963 provided a total of \$7.6 million for urban housing and community facilities constructed by CORVI and for rural housing constructed by IVR.

Under the 1964 Program Loan 513-L-023 funds for housing construction throughout the country were assigned as follows: (1) \$9.2 million to CORVI for the construction of five urban housing projects: Málaga in Iquique, Sotaqui in Coquimbo, Lord Cochrane I and II in Valparaíso, Los Perales in Talcahuano and Villa San Pedro in Coronel; (2) \$1.2 million to CORVI for the construction of community facilities and child care centers in 10 housing projects; and (3) \$1.5 million to IVR for the construction of nine rural housing projects.

Under the 1966 Program Loan 513-L-030, \$10.3 million were assigned to CORVI for the construction of five urban housing projects located in Santiago: Conchalí, Barrancas I and II, La Cisterna I, El Monte I and Santiago I and II.

Reconstruction and Rehabilitation Loan - 513-M-011

Forty rural and urban housing projects representing 17,536 units plus site development and community facilities were constructed by CORVI and FVR in the earthquake zone with a total of \$28.5 million from the \$100 Million Reconstruction and Rehabilitation Loan 513-M-011.

Housing Investment Guaranty Program

A. I. D. has entered into six agreements for a total of \$60.8 million to guarantee private U.S. lenders repayments of loans to Chilean public and private housing institutions. Under the last housing guarantee - HIG 006 - authorized by A. I. D. in 1975 and 1976, the Federal Home Loan Bank of New York and the Morgan Trust Company of New York made loans for a total of \$55 million to the Central Bank of Chile. The Central Bank through the Servicio de Vivienda y Urbanismo (SERVIU) of the Ministry of Housing and the Central Savings and Loan Bank subloaned these funds to housing cooperatives composed of low income workers for the construction of a total of 16,759 low-cost housing units located in urban peripheral areas throughout Chile.

LABOR AND TRADE UNION DEVELOPMENT

GRANTS

Labor Leader - 513-0015

In 1953, the U.S. started providing assistance to the Chilean Ministry of Labor in developing government labor services such as employment services, labor statistics, mediation and conciliation and labor inspection. Until 1958, \$356,000 were provided to finance mainly the short-term training of 78 Ministry officials and labor leaders in the U.S. and third countries in areas related to planning and execution of effective technical programs serving labor and manpower management, labor economics, labor law, industrial safety and labor relations.

Labor - 513-0032

In June 1958, ICA signed a contract with the University of Cornell to assist the University of Chile in planning and setting up an Institute of Labor Relations. The Institute started its operations in late 1959 and was dedicated to research on labor problems, extension courses for trade union leaders, university level courses, advisory services for trade unions and training for labor relations specialists. Also, under the contract, 12 Chilean participants were trained at Cornell for assignment as teachers at the Institute upon their return to Chile. A library and translation service for English language source material was created at the Institute. The Cornell Contract remained active until 1965.

Parallel to the Cornell Contract and as a complement to the Institute's activities a program to provide technical assistance to the Ministry of Labor in developing government labor services started in 1958 with the arrival of a resident Labor Technical Officer. The participant training program continued and is still active with emphasis in training of trade unionists in the U.S. using the American Institute for Free Labor Development (AIFLD) educational facilities and through local seminars. A total of 353 short-term and five long-term participants have received training in the U.S. and third countries from 1958 to date.

In 1963, AIFLD advisors came to Chile to visit on-going A. I. D. assisted seminars, to lecture and to lead discussions on appropriate trade union subjects. AIFLD short-term teams continued to provide assistance to the seminar program each year until 1966 when AIFLD resident staff, besides continuing with the labor educational seminars, started a Social Projects Department program in Chile to assist organizations in obtaining financing for union projects and provide technical assistance and advice on other social development projects including worker housing. From 1958 until April 1973 a total of \$2,567,000 were provided under this project.

Since April 1973 regional funds have been provided for the AIFLD activities in Chile which consist of technical assistance and training in the U. S. to strengthen and prepare responsible democratic labor leaders to play an effective role in the development process.

The programs carried out at present by the AIFLD include educational activities such as in-country conferences and seminars, training of labor leaders at the George Meany Institute in Washington, D. C. and operation of a regional revolving loan fund to extend credit to labor unions and federations for the implementation of social projects.

During the past 18 months, 64 educational activities were carried out with the participation of 5,608 union members; 17 labor union heads and officials attended workshops at the George Meany Institute and two social projects were implemented.

Campesino Development - 513-0209

In 1966 an agreement was signed between A. I. D. and the International Development Foundation (IDF), a U. S. voluntary agency which established an office in Chile to assist the National Campesino Confederation (CNC) in developing independent and democratic campesino unions by providing: (1) training in the techniques of rural organization, union accounting and management, collective bargaining and other labor and cooperative subjects; (2) research, statistical, accounting and legal services; and (3) selected commodities, including excess property office equipment and vehicles. From 1966 to 1970 A. I. D. contributed a total of approximately \$1 million to finance U. S. technical assistance, office rent, utilities, supplies, materials and ten vehicles.

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TRANSPORTATION AND PUBLIC WORKS

GRANTS

Civil Aviation - 513-0005

The first U.S. technical assistance to Chile in the transportation area started in 1954 with the visit of a group of technicians from the Federal Aviation Agency (FAA) for preliminary discussions with the Dirección de Aeronáutica, a division of the Ministry of Defense, for the development of a civil aviation program. Later, in 1955, a group of resident FAA and U.S. Weather Bureau advisors was established to assist the Dirección de Aeronáutica in the assessment of the present and future needs of a Civil National Airways System, including such topics as air traffic control, meteorology, airports, navigational aids and radio communications. U.S. technical assistance was provided under this project until 1964 with the following results:

1. On June 24, 1960 a decree was signed creating a new Civil Aviation Planning Group with functions similar to those of the U.S. Civil Aeronautics Board and responsible for the overall direction of civil aviation and the development of a general plan for the construction, maintenance and modification of airports in Chile.
2. The National Meteorological Service was completely reorganized.
3. An Air Traffic Control Department and an Electronics Communications Department were created within the Dirección de Aeronáutica.
4. An aeronautical training center was established including an air traffic control laboratory, classroom instruction in weather forecasting and advanced instruction in modern electronics and communications equipment installation, operation and maintenance.
5. Technical assistance was provided: (a) for the installation of two modern VOR navigation aids and aeronautical voice and radio-teletype circuits; (b) for the installation and operation of three

radiosonde stations for upper air observation located in Puerto Montt, Quintero and Antofagasta; and (c) in the planning, design and construction of the Pudahuel International Airport in Santiago and the Carriel Sur Airport in Concepción.

6. Seventyeight participants (15 for training programs of 12 months or more and 63 for short-term training) were trained in the U.S. and third countries in air traffic planning and control, air traffic accounting, cartography, aviation safety, airlines management, airlines dispatch, aircraft maintenance, airport design, air navigation aids, aerophotogrametric techniques, aviation laws, airport management and flight inspection.

7. Ten aeronautical and technical publications and manuals were translated and distributed for use in the airways and meteorological systems in Chile and other Latin American countries.

A total of \$971,000 were provided under this project.

Road Development - 513-011

U.S. assistance to road and highway construction started in April 1955 as part of the Plan Chillán through construction and improvement of the main longitudinal highway south of Linares and feeder roads within the Plan Chillán area. In February 1966, U.S. advisors started a technical assistance program to the Ministry of Public Works (MOP) in: (1) establishment and operation of a modern road construction unit and (2) establishment of an intensive on-the-job training program to train MOP personnel in all phases of road development from advanced design of highways and layout of road systems to the repair and maintenance of highway construction equipment.

In 1960 the road development project shifted its emphasis to demonstration and training in cement-soil mixtures, double surface bituminous treatments and training of personnel in the use of the most appropriate methods and type of equipment. Technical assistance was also provided in railroad and maritime transportation and in developing plans, designs and specifications for transportation projects under the Earthquake Reconstruction Program.

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A total of 64 participants received short-term training in the U.S. and third countries in highway, road and tunnel construction, asphalt paving, highway engineering, transportation services, topography, operation and maintenance of heavy construction equipment, and tunnel illumination and ventilation.

Ten participants received training in the U.S. on subjects related to port and harbor administration and one was trained on railways administration.

A total of \$765,000 was provided for this project from 1955 until its completion in 1962.

Road Reconstruction - Chiloé - 513-0091

In 1962 a total of \$1.1 million from the Presidential Grant were provided for the reconstruction of 25 sections of road totalling 210 kilometers, 1 600 meter bridge in the island of Chiloé and the installation of a ferryboat to operate between the mainland and the island.

Valdivia and Ancud Airport Construction - 513-0092

In 1962 a total of \$1.3 million from the Presidential Grant were provided for the construction of airports at Valdivia and Ancud.

Army Engineer Battalion - 513-0169

A three-year project started in 1964 to construct four all-weather farm-to-market roads with a total of 95 miles in the provinces of Osorno and Llanquihue using Chilean army manpower and skills, and U.S. Military Assistance Program road building equipment and technical advisory services. A.I.D. contributed \$33,000 for the local purchase of fuel, lubricants, road construction materials and the rental of some specialized equipment.

Master Transportation Plan - 513-0144

In 1964 the Chile-California Program started a five-year technical assistance project to help the Ministries of Public Works and Economy in preparing a national master plan for transportation development which delineated the amount of transportation required

to support economic development goals, the systems best suited to meet the existing needs and the financial, organizational and administrative requirements for building and operating the systems. Assistance was also provided to the government-owned urban transportation company, Empresa de Transportes Colectivos del Estado (ETCE) in Santiago, Valparaíso, Viña del Mar and Concepción in upgrading its management and operations.

A total of \$402,000 was provided mainly for U.S. advisory services which contributed to the preparation of a series of surveys and economic and technical studies and the presentation of lectures and seminars on transportation subjects organized by the Institute of Economics and the Planning Center of the Department of Engineering of the University of Chile.

LOANS

P. L. 480 Title I

In 1955, \$3.7 million from the proceeds of the sale of agricultural commodities imported under the First P. L. 480 Sales Agreement were made available for the construction of 14 sections of the Southern Branch of the Longitudinal Highway and 12 transverse roads in the central area of Chile.

In 1958 another \$8.0 million were provided from the proceeds of the Second P. L. 480 Sales Agreement for the construction and improvement of 14 sections of the Southern Longitudinal Highway.

In 1961 and 1962 the proceeds of the Fourth P. L. 480 Sales Agreement financed the following:

- a) 19 sections of the PanAmerican Highway - \$3.3 million.
- b) Three railroad stations, two freight warehouses, five sub-stations, two railroad bridges, one underpass and two overpasses and steel for rail accessory manufacture - \$2.8 million.
- c) Two piers in Valparaiso and one pier in San Antonio and two port warehouses in Iquique and Punta Arenas, respectively - \$0.8 million.

d) Port construction works at Coquimbo, Valparaiso, San Antonio, Talcahuano and Chacabuco - \$2.1 million.

e) Port design at San Vicente, Valdivia, Puerto Montt and Castro - \$2.7 million.

In 1967, \$4.0 million from the proceeds of the Sixth P. L. 480 Sales Agreement were used for additional construction and equipment of the Pudahuel Airport.

Capital Assistance Loans

Pudahuel Airport - 513-A-005 and 513-A-006

A loan agreement signed between ICA and the Chilean Government in May 1958 provided \$103,237 to finance the design of a modern jet airport to serve Santiago. In July 1960, \$10.8 million were provided under a second loan agreement for the construction of the Pudahuel Airport, including terminal buildings, lighting and navigation systems. The airport was put into operation in early 1967.

Concepción Airport - 513-A-010

This loan extended to the Chilean Government in June 1961 provided \$3.2 million for the construction of an airport at Carriel Sur to serve the Concepción area. The airport was completed and in operation by the end of 1967.

CORFO Development Bank - 513-L-017

In 1962 a total of \$8.0 million from the local currency generated under this loan funded the following transportation projects: (a) Railroad equipment, construction of sub-station and houses for railroad personnel in various locations from Santiago to Chillán - \$1.5 million; (b) Eight sections of the PanAmerican Highway in northern Chile - \$3.0 million; (c) Twentytwo transverse roads in the northern and central provinces - \$2.1 million; (d) Six sections of the Southern Branch of the Longitudinal highway - \$700,000; (e) Three sections of streets in the Metropolitan area - \$200,000; and (f) Improvement of five secondary airports: Salto del Perro in Los Angeles, Maquehua in Temuco, Cañal Bajo in Osorno, Los Cerrillos in Santiago and El Bosque in Santiago - \$500,000.

San Vicente Port - 513-L-020

This loan signed in May 1964 between A.I.D. and Empresa Portuaria de Chile (EMPORCHI) provided \$7 million to finance the construction of a deep water seaport in the Bay of San Vicente to serve Chile's second largest industrial area around Concepción. A.I.D. funds were used for the construction of a wharf 1,342 ft. long with a 40 ft. draft alongside sufficient to handle 3 large vessels simultaneously, a 60 acre cargo handling area, three warehouses, rail spurs and lines for water, sewer and electric services.

Fertilizer Imports - 513-L-028

In 1968, \$1.1 million from the local currency proceeds of the sale of fertilizer under this loan were utilized in the construction and improvement of five sections of the PanAmerican Highway.

Program Loans

Under the 1963 Program Loan 513-L-018, \$3.2 million were assigned to the MOP for construction in the South Longitudinal Highway.

In 1964, from the proceeds of the Fifth P.L. 480 Sales Agreement, \$5.4 million were utilized for railroad construction and repair, \$0.5 million for airport equipment and \$0.7 million for port works.

A total of \$13.2 million from the 1964 Program Loan 513-L-023 were assigned as follows:

1. MOP - Construction of piers, landings and warehouses, paving and railroad spurs in the ports of Arica, Antofagasta, Valparaiso, San Antonio, Talcahuano, Castro and Chacabuco - \$2.4 million.

- Seven sections of the South Longitudinal Highway; four sections of the North Longitudinal Highway; 51 sections of transverse roads and 19 bridges - \$10.7 million.

- Repairs to Los Cerrillos Airport in Santiago - \$0.1 million.

2. Astilleros y Maestranzas de la Armada (ASMAR) - \$0.3 million.

3. EMPORCHI - \$0.4 million.

In 1965 a total of \$30.8 million from the 1965 Program Loan 513-L-025 were assigned as follows:

1. Railways - \$1.8 million

2. Airports - Electric instruments for Valdivia and Ancud airports - \$0.3 million.

3. Roads - Five sections of the North Longitudinal Highway, four sections of the South Longitudinal Highway and 19 transverse roads - \$26.8 million.

4. ASMAR - Equipment and parts - \$0.2 million.

5. ETCE - Diesel engines and parts - \$1.7 million.

In 1966, a total of \$27.8 million from Program Loan 513-L-030 were assigned as follows:

1. MOP - Seven sections of the North Longitudinal Highway, four sections of the South Longitudinal Highway, 25 transverse roads and eight bridges - \$22.5 million.

2. State Railways - \$4.4 million.

3. ASMAR - Machine tools and parts - \$0.3 million.

4. ETCE - Diesel engines and parts - \$0.6 million.

Under the 1968 Program Loan 513-L-041, \$2.8 million were assigned to the MOP for construction of access roads to the Lo Prado Tunnel and Pudahuel Airport.

Reconstruction and Rehabilitation Loan - 513-M-011

Under the \$100 Million Reconstruction and Rehabilitation Loan a total of \$39.1 were assigned to the reconstruction of transportation facilities as follows:

1. Urban paving - paving repairs in 39 towns to include 71,500 sq. mts. of paving, 22,000 sq. mts. of sidewalks and 17,000 lineal mts. of curb - \$1,086,000.
2. Longitudinal Highway - 87 miles of basic highway construction, 210 miles of concrete paving and 3,600 lineal feet of bridges on the South Longitudinal Highway - \$19,791,000.
3. State Railways - construction of 10 railway stations, 400 houses for railway employees, rehabilitation of 24 bridges and culvert crossings, and maintenance of 270 miles of railway lines - \$2,892,000.
4. Port Works - rehabilitation of 8 major ports, reconstruction of 13 small boat landings, construction of 30,300 feet of riverbank protection, reconstruction of seawalls in 20 small communities and of ferryboat terminals between the mainland and the island of Chiloé - \$3,265,000.
5. Transverse roads - construction of 180 miles and improvement of 280 miles, paving of 13 miles and 8,500 feet of bridges on the secondary road network of Southern Chile, including of a highway office/machine shop. Also, additional funds were provided for the construction of the Valdivia and Ancud Airports - \$12,085,000.

EDUCATION AND HUMAN RESOURCES DEVELOPMENT

GRANTS

Economics Research Institute - 513-0009

U.S. technical assistance to the Education Sector started in 1955 with an agreement signed by ICA, the University of Chicago and Catholic University of Chile to carry out a program with the purpose of: (a) modernizing the economics program at Catholic University to correspond to a comparable program in a U. S. university leading to a specialization in economics; (b) training young Chileans at the graduate level at the University of Chicago to satisfy the requirements of the revised curriculum for well trained, full-time professors; and (c) carrying out research on economic problems with the help of a selected group of students in their final year at the University.

A total of \$843,000 were provided by ICA under this project from 1955 until its termination in 1961.

The following results were obtained during the seven years of activities under the project:

1. Several economic studies prepared by a nucleus of four Chicago faculty members and Chilean students actively engaged in research was published. This group also prepared a revised curriculum which was adopted by the Faculty of Economics.
2. Twentynine young Chileans, men and women, both from Catholic University of Chile and University of Chile were sent to Chicago where, in addition to the standard graduate program, a special workshop on Chilean economic problems was created to provide further training on empirical research. Upon their return four of these graduates served as full-time professors at Catholic University.
3. An economics library consisting of over 4,000 volumes was established at Catholic University.

Peaceful Uses of Atomic Energy - 513-0030

An agreement was signed in 1957 by ICA, the University of Chile, Catholic University of Chile, the University of Concepción and Universidad Técnica Federico Santa María to assist in the formation of a group of experts to teach and carry out research on peaceful uses of atomic energy.

From 1958 to 1961 a total of \$57,000 were provided by ICA under the agreement for: (a) U.S. technical assistance for the above universities which established special departments to carry out teaching, research and consultants activities related to pacific uses of atomic energy for the fields of medicine, agronomy and engineering and also collaborated closely with the power companies in industrial applications of atomic energy; and (b) training in the U.S. of eleven faculty members (five for long-term academic programs and six for training programs of less than one year).

University of Concepción Development and Communications Media - 513-0033 and 513-0045

Two agreements were signed in 1959 between the University of Concepción and ICA to assist the University in the establishment of: (a) university extension programs including a Fundamental Education Pilot Project addressed mainly to the rural adult population; (b) a department of audio-visual education to provide formal education on audio-visual education techniques and the production of teaching aids to Chilean and Latin American students; and (c) a Department of Broadcasting in the School of Journalism offering specialized training in the broadcast media.

A total of \$56,000 was provided from 1959 to 1961 for U.S. technical assistance, participant training and audio visual equipment.

Austral University Reconstruction - 513-0096

In view of the severe damages suffered by the University from the May 1960 Earthquakes, \$1.4 million from the Presidential Grant were used in 1961 for the construction of four buildings for the faculties of Agronomy, Forestry, Housing Construction and Veterinary

Medicine; and \$1.4 million from the same Grant for the construction of a student dormitory, a cafeteria, 23 faculty dwellings and a Marine Biology Station.

School Construction - 513-0097

In 1961, \$1 million from the Presidential Grant were used for the construction of four grade schools located in Concepción, Lo^s Angeles, Collipulli and Valdivia, and \$300,000 for the construction of a secondary school in Concepción.

Teacher Training - 513-0107

A project to provide technical assistance to the Ministry of Education was carried out in 1962-63. A total of \$100,000 was provided to finance U.S. technical assistance, teaching aids and laboratory supplies and equipment which were utilized by the Ministry in a series of demonstration teaching programs utilizing modern methods and techniques and demonstrating modern teaching aids and equipment. These in-country training programs enabled the 14 normal schools and the 9 Schools of Education existing at that time in Chile to provide sufficient numbers of well trained teachers to satisfy the demands of the rapidly expanding primary, secondary, vocational and normal school systems. Eleven teachers were also trained in the U.S. and third countries.

Education Systems Survey - 513-0108

A comprehensive survey of the various educational systems from primary school through university was carried out at the same time and in conjunction with project 513-0107. The purpose of the survey was to determine what reforms were required in the light of the human resource needs of the new educational plan of the Chilean Government. A six member Diagnostic Commission was established to carry out the survey under the counsel of a Harvard University consultant under contract with A.I.D. A total of \$38,000 were provided for this activity.

Santiago Society for Primary Instruction - 513-0132

In 1963, \$190,000 were donated to the Sociedad de Instrucción Primaria de Santiago, a private, non-profit Chilean foundation created more than 100 years ago for the purpose of imparting elementary education to underprivileged students. A.I.D. funds covered: (a) 70 per cent of the construction costs of three primary schools with a total capacity of 6,000 students, located in low income housing projects in the peripheral areas of Santiago; and (b) 50 per cent of the cost of furnishings and equipment purchased locally and in the U.S.

"Plan Ñuble" - 513-0166

In June 1963 A.I.D. signed an agreement with the Ministry of Education and CORFO to undertake a five year project called "Plan Ñuble" which followed the model established by "Plan Victoria" a Rockefeller Foundation financed integrated rural education pilot project. A total of \$390,000 were provided to fund construction costs (\$336,000), U.S. purchased commodities (\$26,000) and a contract with the American International Association (AIA) to provide the necessary technical and advisory services to insure the smooth operation of Plan Ñuble (\$28,000).

The following was accomplished under the project:

1. Construction, with the assistance of local groups, of six model rural schools designed to fit the needs of rural communities in the province of Ñuble.
2. Development of a functional curriculum for the rural schools in terms of the needs of rural children and preparation of teaching material especially designed for rural areas.
3. Teacher training courses and seminars with a rural orientation were carried out for the teachers who worked in the new schools.
4. A teaching aids center was established in the Normal School in Chillán to provide courses in subjects such as manual arts, teaching methods in primary schools, rural sociology, agricultural extension, etc.

School Repair - 513-0161

In 1963, a donation of \$400,000 was made under an agreement signed by A.I.D., the Ministries of Finance and Education and the Banco del Estado de Chile to provide funds to match local community contributions of labor, materials and cash for minor repairs on over 800 primary schools throughout Chile.

Lo Chacón School - 513-0134

In 1963 a donation of \$41,000 was made to the School Construction Society for the construction of a model rural primary school located at Lo Chacón on the main highway between Santiago and San Antonio. The school included nine classrooms for 450 students plus administrative office, kitchen, dining room, and director's residence.

Manpower and Education Planning - 513-0148

In 1964 and 1965 under the Chile-California Program \$65,000 were provided to finance U.S. technical assistance to the National Planning Office to (a) evaluate the existing activities in human resources planning; (b) recommend possible new orientations, studies and methods for the projected objectives of manpower planning in relation to development goals; and (c) recommend institutional arrangements for the collection of human resources data and its utilization as a basis for policy and planning decisions.

Training for Development - 513-0172

In 1964, A.I.D. started a twelve-year project to assist the Chilean Government to (a) increase the number of qualified people to plan and administer development activities by providing graduate level training in the United States and third countries to Chilean university graduates in fields of importance to Chile's development process in order to prepare these individuals to enter into positions in the university departments, public agencies, etc., and (b) increase the knowledge and effective information needed as a basis for achieving solutions to social and economic development problems by financing special studies and seminars through Chilean educational and research institutions.

From 1964 to 1976 a total of \$1,590,000 were provided for the following:

1. Training in the United States and third countries of 272 participants: 128 for periods of less than one year and 144 for academic training of more than one year in the following fields: Economics (34), Agriculture (46), Geology (9), Education (5), Engineering (16), Business Administration (28), and Public Administration (6).

2. Preparation and publication of the following studies during the period 1964-1966:

A. Instituto de Organización y Administración (INSORA), University of Chile.

- a) Characteristics of Social Security.
- b) Savings and Loan Associations.
- c) Financing of Exports.
- d) Financing of New Enterprises.
- e) Social Security Surpluses.
- f) Critical Analysis of the Legal Statute of Agricultural Workers.
- g) Critical Analysis of the Chilean Collective Law of Workers.
- h) Critical Analysis of the Chilean Labor Union Legislation.
- i) Critical Analysis of the Legislation on Collective Conflicts of Workers.

B. Institute of Economics, Catholic University of Chile.

- a) Effects of Over-Valuation of Currency on Income Distribution.
- b) Effects of Marginal Reserve Requirements.
- c) Special Credit Provisions for Chilean Agriculture.
- d) Investment Possibilities for Small Savers.
- e) Wage Differentials in Agriculture.

C. Instituto de Capacitación e Investigación de la Reforma Agraria (ICIRA).

- a) Production Response to Price Changes on Selected Farms.
- b) Shifting from Payment In Kind to Payment In Cash in Wage and Rental Contracts in Large Farms.
- c) Origins and Characteristics of Rural-Urban Migration.

Education Modernization - 513-0227

In May 1968 a contract was signed between A.I.D. and the University of Indiana which provided \$346,000 for a five-year technical assistance program to support the Ministry of Education's efforts to modernize education so that it would serve as an effective instrument of economic, social and political development. The Indiana University resident advisors and short-term consultants working under the general direction of the Undersecretary of Education collaborated with the following Ministry of Education Offices:

1. Assisted the Education Sector Planning Office in its activities designed to increase educational productivity and obtain more efficient use of financial and human resources and strengthen system analysis and planning procedures.
2. Assisted the Centro Nacional de Perfeccionamiento in its efforts to incorporate quality improvements in both general and middle level technical education including modernization of curriculum and development of instructional materials.
3. Assisted the Evaluation Office in its efforts to improve the construction, writing and validation of tests and to strengthen evaluation techniques as a guidance, planning and management aid.

A program of participant training for middle level personnel of the Ministry was also carried out under this project. A total of 44 participants received short-term training in the United States and third countries and one participant received long-term graduate level training in the United States.

Special Development Activities - 513-0187

From 1968 to 1976 A.I.D. provided a total of \$354,000 under this project to assist university student associations in setting up and operating eight cooperative bookstores located in Arica, Antofagasta, Valparaiso, Temuco, Valdivia, Osorno, Puerto Montt and Punta Arenas and four regional film libraries located in Arica, Valparaiso, Temuco and Punta Arenas. These bookstores were established to sell textbooks translated and edited by the Regional Technical Aids Center (RTAC) at low cost and in sufficient quantities to meet student needs.

Day Care Center for Hardship Children - 513-0300

In September 1976 and April 1977 A.I.D. signed Operational Program Grant agreements providing a total of \$108,000 to assist the Young Men Christian Association (Y.M.C.A.) in developing and implementing a day care center for 280 children aged 6-16 from poverty stricken families. The center provides special educational tutoring, workshops for technical training, health and legal centers and a feeding program which provides 90 per cent of each child's daily requirements. The Y.M.C.A. also carries out some activities in the center which benefit the children's parents.

LOANS

P.L. 480 Title I

In 1963, \$1.7 million from the local currency generated under the Fifth P.L. 480 Sales Agreement were utilized for primary, secondary and vocational school construction.

Capital Assistance Loans

CORFO Development Bank - 513-L-017

From the local currency generated under this loan \$947,000 were assigned in 1962 to the construction and repair of 24 schools throughout Chile.

Public School Construction - 513-L-021

On June 1964 a \$1.7 million loan agreement was signed with the Chilean Government to finance the construction and equipment of 15 primary and secondary schools in low-income housing projects of the larger Chilean cities where there was a lack of educational facilities.

Sector Loans

Education Sector Loan - 513-L-034

In September 1967 a \$10 million loan was signed with the Government of Chile to provide resources to support the reform program in primary and secondary education. About \$2.5 million of the loan were used for direct purchase of U.S. equipment and technical assistance services. The remaining \$7.5 million financed imports from the U.S. to generate Chilean currency to finance the local costs of the following projects: (a) construction of 42 schools located throughout Chile; (b) construction of a teacher training center at Lo Barnechea, Santiago; (c) educational guidance and teacher training seminars; (d) installation and distribution of didactic materials; (e) private education textbooks; (f) student libraries; (g) curriculum development; and (h) evaluation.

Education Sector Loan - 513-L-040

In October 1968 a second Education Sector Loan was signed with the Government of Chile to provide additional funds to support the educational reform program. About \$3.3 million of the loan were utilized for technical assistance and purchase of educational supplies and equipment. The remaining \$13 million funded imports from the U.S. to generate Chilean currency to finance the local costs of the following projects: (a) construction of schools; (b) additional funds for the construction of the Teacher Training Center; (c) purchase of textbooks, Cuisinaire arithmetic sets, and audio-visual equipment; (d) student libraries; (e) vocational guidance for students; (f) research; (g) private education; and (h) purchase and installation of machinery and equipment for agricultural and industrial schools.

Program Loans

A total of \$4.2 million for the 1963 Program Loan (513-L-018) was assigned to the SCEE for school construction and equipment.

A total of \$1.4 million from the 1964 Program Loan (513-L-023) was assigned to SCEE and the Ministry of Public Works for the construction of nine primary schools, nine secondary schools and three industrial schools located throughout Chile.

A total of \$10.2 million from the 1965 Program Loan (513-L-025) was used for the construction of the following:

1. University of Chile - Regional Colleges at Antofagasta, La Serena, Talca, Temuco and Osorno (\$2 million).
2. Ministry of Public Works - 62 primary schools located throughout Chile (\$3.4 million).
3. Ministry of Education - 47 primary schools located throughout Chile (\$1.7 million).
4. S.C.E.E. - 108 primary and secondary schools located throughout Chile (\$3.1 million).

A total of \$8.5 million from the 1966 Program Loan (513-L-030) was utilized for the construction of the following:

1. S.C.E.E. - 27 primary and secondary schools located throughout Chile (\$1.4 million).
2. Ministry of Public Works - 47 primary, secondary, agricultural and commercial schools located throughout Chile (\$2.2 million).
3. Ministry of Education - 232 primary and secondary schools located throughout Chile (\$3.5 million).
4. Universidad de Chile - Regional colleges located in Antofagasta, La Serena, Talca, Temuco and Osorno (\$1.4 million).

A total of \$2.2 million from the 1967 Program Loan (513-L-096) was utilized for the construction of 63 primary, secondary, commercial, industrial, technical and professional schools located throughout Chile.

Reconstruction and Rehabilitation Loan - 513-M-011

In 1962 a total of \$8.4 million from this loan was used in the construction of educational facilities as follows:

1. Sociedad Constructora de Establecimientos Educacionales (SCEE) - 32 primary and secondary urban schools and 50 rural schools - \$6.3 million; and
2. Ministry of Public Works - construction of 23 urban primary and secondary schools to accommodate approximately 14,000 students and repair of an additional 9 schools - \$2.1 million.

PUBLIC LAW 480

A. Title I Loans

Through ten agreements signed since 1955, Chile has contracted to purchase \$251.4 million of U.S. surplus agricultural commodities (wheat, corn, dry milk, butter oil, flour, cotton, soybean oil, and tobacco) under P.L. 480 legislation adopted by the U.S. Congress in 1954 which established the basis for U.S. concessional sales and donation programs.

Agricultural products were sold for either dollars or Chilean currency. Under Agreements Nos. 1, 2, 3, 4 and 6 food commodities were sold for Chilean currency. Most of the local currency proceeds from these sales (\$59.6 million) were lent to the Chilean Government for economic development projects, particularly low-cost housing, farm-to-market roads and agricultural marketing facilities. A minor portion of these proceeds (\$25.4 million) were used for credits to U.S. associated industries (\$1.6 million) and for financing U.S. Government expenses in Chile (\$23.8 million).

Agreements Nos. 5, 7 and 8 financed the import of wheat, flour, cotton, soybean oil, corn, tobacco and seeds. The proceeds of the sale of these commodities totalling \$59.5 million were used by the Chilean Government for public sector investment, particularly for agricultural projects.

A \$17.1 million agreement was signed in December 1974 and increased later through several amendments to a total of \$57.8 million to finance the import of 350,000 MT of wheat.

On July 31, 1975 the U.S. and Chilean Governments signed a \$45.7 million agreement, which was increased to \$49.1 in April 1976, to finance the import of 300,000 MT of wheat.

The proceeds from the sale of the wheat imported under the 1974 and 1975 agreements were not relent to the Chilean Government.

P. L. 480 TITLE I AGREEMENTS
(\$ 000)

<u>No.</u>	<u>Date of Original Agreement</u>	<u>Total Generated</u>	<u>Total Loan</u>	<u>Cooley Loans</u>	<u>U.S. Uses</u>
1	02/16/56	4,908	3,926	-	982
2	12/27/57	33,775	25,443	-	8,332
3	12/30/60	3,149	1,317	712	1,120
4	05/12/61	25,965	20,321	-	5,644
5	08/07/62	33,889	-	-	-
6	07/27/65	17,247	8,624	873	7,750
7		15,775	-	-	-
8		9,787	-	-	-
-	10/25/74	57,800	-	-	-
-	07/31/75	<u>49,100</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>251,395</u>	<u>59,631</u>	<u>1,585</u>	<u>23,828</u>

B. Title II - Food for Peace Program

The U. S. and Chilean Government entered into an agreement in 1955 which provided for the distribution of surplus foodstuffs brought into the country free of import duties and internal taxes such as dry milk, cheese, flour, cornmeal, rice, beans and vegetable oil, by U.S. voluntary agencies and their Chilean counterpart organizations. The Chilean Government provides a budget to the voluntary agencies for internal transportation, storage and handling costs and the U.S. Government donates the commodities and pays for the ocean transportation.

From 1957 to 1959 all foodstuffs were distributed by Caritas-Chile, the local counterpart of Catholic Relief Services (CRS). In 1959 three other U.S. voluntary agencies were incorporated into this program: Church World Services (CWS), Lutheran World Relief (LWR) and Seventh Day Adventist Welfare Services (SAWS). Later in 1960 the Cooperative for American Relief Everywhere (CARE) started participating in this program.

From 1957 to March 30, 1980, a total of 637,829,000 kilos of food with a value of \$168 million (based on the value established by the Commodity Credit Corporation for Title II commodities) have been brought into the country. Of these: (1) 602,817,000 kilos with a CCC value of \$156 million have been distributed through U.S. voluntary agencies and their counterparts; (2) 24,038,000 kilos with a CCC value of \$10.6 million were donated directly to the Chilean Government for public sector nutrition programs; and (3) 10,974,000 kilos with a CCC value of \$1.8 million were utilized for World Food Program projects in Chile.

The ocean transportation costs of the above commodities which have been paid by the U.S. Government totalled approximately \$33 million.

USAID/Chile, in close cooperation with the U.S. volags and their counterpart agencies, the responsible GOC agencies and the GOC National Commission for Food and Nutrition (CONPAN) have been working towards the accomplishment of objectives which have

enhanced the P.L. 480 Title II program. Some of these objectives which have been pursued and successfully achieved, include the following:

1. To incorporate the P.L. 480 Title II program in Chile within the Mission and the GOC overall nutrition strategy.
2. To reorient the P.L. 480 Title II program towards those age groups which are the most vulnerable from a nutritional standpoint.
3. To reach only the most needy children and families located in the poorest areas of the country. Particular importance has been given to assure that the P.L. 480 Title II foodstuffs reach the rural poor.
4. To ensure that the GOC provides the necessary budgetary support to the local voluntary organizations engaged in carrying out the Title II programs such as Cáritas, OFASA, and Diakonia.
5. To improve the supervision and monitoring of the P.L. 480 Title II commodities. Toward this end, a number of initiatives were also undertaken. Some of the most important were the following:
 - a) A Joint Committee of Private and Public Organizations involved in feeding programs has been organized to coordinate their efforts and avoid duplication in the type of assistance that is provided nationwide to the various categories of recipients.
 - b) Seminars have been conducted on a regular basis to train personnel responsible for the preparation of the Title II and related commodities in recipient institutions.
 - c) A Nutritional Education Program has been developed with the National Health Service (NHS) to provide education to mothers on the basic concepts of nutrition as well as to demonstrate how to better utilize the commodities. A USAID OPG was instrumental in the initiation of this program.

3. A Computerized Mechanized Data System has been developed as a management tool to improve the operation and the inventory control of Title II and local commodities at more than 200 central, regional, and local warehouses, as well as almost 8,000 distribution centers. CONPAN has provided substantial technical and financial assistance to this program.

Currently, the Food for Peace program is targeted on 0-6 years old pre-school children and pregnant and nursing women belonging to the lowest income sectors of the population. Part of the food distribution program helps low income families with children suffering from any degree of malnutrition.

The school feeding projects which up to recent years were the largest component of the Food for Peace program, has decreased in the last years because the Chilean Government has now assumed a larger responsibility in the operation of this activity.

The criteria used by voluntary agencies and their counterparts for the selection of beneficiaries under this program include: (1) family income; (2) size of family; (3) quality of life; and (4) nutritional status.

In December 1976 A.I.D. signed an agreement with the Chilean Government and Catholic Relief Services (CRS) to carry out a nutritional assistance program as a complement of the Minimum Employment Program established by the Chilean Government as an emergency measure to assist low income unskilled workers who have been most severely affected by the economic austerity program. Commodities distributed under the Food for Work Program are benefitting a total of 30,000 workers and 120,000 members of their families through 3,924 distribution centers and 1,292 active projects. Food for Work projects are at present carried out by two U.S. voluntary agencies: CRS with a total of 100,000 beneficiaries (20,000 workers and 80,000 dependents), and CARE with a total of 50,000 beneficiaries (10,000 workers and 40,000 dependents).

The types of activities undertaken under the Food for Work program are as follows:

CRS

1. Construction and repair of 1,646 kilometers of roads and irrigation canals.
2. Construction and repair of 157,780 square meters of streets and public gardens and squares.
3. Construction and repair of 84 bridges.
4. Habilitation of 629 hectares of arable land.
5. Construction and repair of 65,061 square meters of community centers, cafeterias and clubs.
6. Training courses of approximately three months which have taught basic reading, nutrition and food manipulation to 27,886 workers with 90,129 dependents.
7. Construction and repair of 48,814 meters of sewage and sanitary works in low income housing projects.

CARE

1. Rural development projects which benefit low income farmers in the IV Region.
2. Mapuche Indian development projects in the VIII and IX Regions which benefit 10,000 indians and their families living in remote areas of the Andes.
3. Rural community development in the X Region.
4. Training courses in new income producing skills for needy women in Santiago.
5. Construction of a penetration road from Puerto Montt to Aysen.

At present the A. I. D. Food for Peace program is carried out through three voluntary agencies and their Chilean counterparts which distribute non-fat dry milk, vegetable oil, wheat flour, corn soy mix (CSM), wheat soy blend (WSB) and rice to a total of 901,000 beneficiaries as follows:

1. CARE with Junta Nacional de Auxilio Escolar y Becas (JUNAEB) and Junta Nacional de Jardines Infantiles (JUNJI)

a) Nursery feeding (JUNJI)	50,000	beneficiaries
b) School lunches (JUNAEB)	400,000	"
c) Food-for-Work	<u>20,000</u>	"
	470,000	"

2. CRS and Cáritas-Chile

a) Nursery feeding	50,000	beneficiaries
b) Children in Institutions	16,000	"
c) School lunches	100,000	"
d) Food for Work (20,000 workers and 80,000 dependents)	<u>100,000</u>	"
	266,000	"

3. SAWS and Obra Filantrópica de Asistencia Social Adventista (OFASA)

a) Malnourished Child Feeding	120,000	beneficiaries
b) Nursery feeding	30,000	"
c) Children in Institutions	<u>15,000</u>	"
	165,000	"

PUBLIC SAFETY AND NARCOTICS CONTROL

GRANTS

Police School - 513-0110

A. I. D.'s assistance to the National Police Force (Carabineros de Chile) began in 1960 under the Public Administration project (513-0002) by providing intensive public safety training in the U.S. during 1960 and 1961 to nine faculty officers of the Police School, including the School Director.

In 1962, A. I. D. started a separate project with the Carabineros to strengthen their capability to maintain peace and order during periods of public unrest and to meet and decisively control situations directly related to internal security and public safety. \$17,000 were provided to finance the specialized training in the U.S. of four police officers.

Civic Action, Forest Protection - 513-0111

In June 1962 a new agreement was signed with the Carabineros to start a three year project with the purpose of organizing an efficiently functioning Forest Fire Prevention and Control Service. A total of \$529,000 were provided to: (a) organize, train and equip 74 fire patrols each averaging 50 Carabinero officers, enlisted men and civilian volunteers; (b) give complementary training to 685 regularly assigned Carabineros plus 3,015 local fire fighting volunteers in Temuco and Concepcion; (c) send 14 Carabinero officers to the U.S. for advanced training and practical demonstrations of modern forest fire fighting techniques; and (d) deliver to the Carabineros 91 jeeps and trucks, assorted shovels, axes, lights and other fire fighting aids; projectors, recorders and other audio-visual equipment; radio and communications equipment; and photographic materials.

Public Safety - 513-0138

A. I. D. started in 1963 a new technical assistance program with the National Police Force to develop their telecommunications

network for both administrative and operational use. After a preliminary survey of telecommunications facilities and requests of the National Police Force made in May 1963, A.I.D. signed an agreement to provide the following telecommunications commodities to the Carabineros for a total of \$106,000: (a) radio equipment and spare parts to equip 29 vehicles assigned to the Santiago riot control stand-by force; (b) radio crystals to increase frequencies; and (c) a complete radio system to provide voice communication for use in the forest protection project.

The following years a second element was added to the project to strengthen the police capability to control emergency situations.

From 1963 to 1970 a total of \$1.7 million were provided under the project to fund the following activities:

1. Training of 144 police officers in the U.S. and third countries (142 for short-term programs and 2 for long-term programs).
2. Purchase of commodities such as: (a) telecommunications equipment and equipment for the installation of repair shops for telecommunications equipment; (b) equipment for control of emergency situations; (c) equipment for the installation of vehicle maintenance and repair centers.

The following was accomplished during the life of the project:

1. A telecommunications network for both administrative and operational use was developed. The use of existing telecommunications facilities was improved through expanded training of technical personnel, improved repair and maintenance facilities and better budgetary planning. Coast and border patrol communications were improved in order to prevent smuggling and meet overall security needs. Thirtyone base stations were installed and about 300 portable units were provided. Mobile patrol radio service was improved.
2. Police members were trained at the Inter-American Police Academy (IPA) in the U.S. and equipped to control emergency situations. Mobile emergency units were created and furnished with radio equipment in sixteen cities.

3. A Police Motor Vehicle Technician assisted the Carabineros in defining the types and quantities of vehicles needed, improving their capability for maintenance and repair through the establishment of uniform standards for maintenance and repair and evaluation of operating performance, and planning of effective and efficient urban highway and rural patrol operations. Training and maintenance test equipment was provided.

4. Three voice plus teletype circuits were installed: Santiago-Concepción, Santiago-Valparaiso and Santiago-Antofagasta. Remote radio site installations were made in the Santiago area.

5. Police officers were trained in the U.S. and third countries at the Regular IPA Courses, in counterinsurgency techniques, anti-terrorist activities, automotive maintenance and telecommunications.

Narcotics Control - 513-0270

In May 1974, an agreement was signed with the National Police Force (Carabineros) and Dirección General de Investigaciones (Civil Police) to develop within both institutions the capability to eliminate the illicit production, trafficking, smuggling, processing and storage of narcotic and dangerous drugs within Chile and across its frontiers with bordering nations. A total of \$129,000 was provided under this project mainly for the purchase of vehicles, radio and laboratory equipment and supplies and equipment for drug detection. This program is now carried out under the jurisdiction of the Department of State.

POPULATION AND FAMILY PLANNING

GRANTS

Under Title X of the Foreign Assistance Act a series of ten projects were carried out, all of them designed to assist pertinent Chilean institutions to develop the resources to analyze and treat the problems engendered in Chile by a declining birth rate which seemed principally due to a high abortion rate.

Teacher Training in Family Living - 513-0236

Under this project carried out from 1968 to 1970 in cooperation with the Ministry of Education, A. I. D. provided \$230,000 to finance the costs of a curriculum development team and related study costs needed to prepare a new family living and sex education program for primary and secondary grades and the costs necessary to prepare, through in-country training seminars, 2,000 teachers in the new program.

Population Dynamics - 513-0237

This project was carried out from 1968 to 1973 with a total A. I. D. contribution of \$175,000. It was designed to improve the competence of the School of Public Health of the University of Chile, a training and research center concerned with population growth and demography. The project financed seven studies which evaluated various aspects of population growth.

Study #1 - Evaluation of family planning/abortion prevention programs in Concepción and Antofagasta by means of field studies.

Study #2 - A survey to determine the change in fecundity rates in Metropolitan Valparaiso since 1959.

Study #3 - A study designed to define more precisely the different gradations of urbanity and rurality to allow health planners and demographers to refine their projections.

Study #4 - Present characteristics and tendencies of the mortality rates in Chile.

Study #5 - Fecundity and abortion in indigenous populations.

Study #6 - Fertility Survey in Santiago.

Study #7 - Evaluation of the effectiveness and efficacy of the National Health Service's integrated rural health programs as a means of lowering the abortion, infant mortality and birth rates.

This project also funded the salaries of five new full time research and teaching faculty, three U.S. training scholarships, short-term U.S. technical advisory services and photocopying equipment and supplies, all designed to help establish a permanent multi-disciplinary unit within the School of Public Health concerned exclusively with health and demographic problems.

Construction of the Latin American Center in Family Planning - 513-0238

In 1968, A.I.D. provided \$88,000 to finance the construction and some of the equipment costs of a Latin American Family Planning Center on the grounds of the Barros Luco-Trudeau Hospital in Santiago. Training programs in family planning techniques are given on various levels for Chilean and Latin American midwives, paramedical and medical personnel by National Health Service staff.

Operations Research into Family Planning - 513-0239

This project was carried out in 1968 in cooperation with the National Health Service (NHS). \$40,000 were provided by A.I.D. to finance evaluation studies of the scope, coverage and adequacy of family planning services offered in Chile and their effect on birth, abortion and maternal mortality rates.

Integrated Rural Health and Family Planning - 513-0240

Under this project carried out in 1968-69 A.I.D. provided \$360,000 to finance the construction of 50 new, and the rehabilitation of 50 old, rural health posts, as well as providing 20 new ambulances for use in the areas served by these posts and limited gynecological equipment to accelerate the introduction of family planning services to the rural areas of Chile through the expansion of the rural health program of the NHS.

Comprehensive Maternal-Child Health Care - 513-0243

This project was carried out from 1969 to 1971 in cooperation with the NHS and the Medical School of Catholic University of Chile. \$120,000 were provided by A.I.D. to improve maternal and child care within the NHS by testing the impact of different combinations of health professionals and services upon the high indices of infant and maternal mortality, abortion and malnutrition in the Southeast Health District of Santiago.

Maternal Care/Family Planning Clinics - 513-0245

A.I.D. provided under this project \$120,000 during 1969-70 to help the NHS to improve and expand its maternal care/family planning services by supplying equipment and instruments to 124 professional NHS clinics and by expanding and improving the educational component of the existing maternal care/family planning program.

Analysis of the 1970 Census - 513-0267

A.I.D. provided \$70,000 in 1970 to Centro Latinoamericano de Demografía (CELADE) to carry out an analytical study of the recently gathered demographic data contained in the 1970 Census.

Title X Awareness Training - 513-0268

In 1970 A.I.D. provided \$30,000 to carry out in-country training seminars in family planning methods and techniques for NHS personnel working in clinics throughout Chile.

CELADE/ELAS Exchange - 513-0269

In 1970 A.I.D. provided \$56,000 to CELADE to carry out an exchange of professors with the Escuela Latinoamericana de Sociología (ELAS) in order to give intensive training to Chilean and Latin American demographers.

OTHER SUPPORTING ACTIVITIES

GRANTS

Communications Media - 513-0007

From 1955 to 1962 ICA/A.I.D. maintained a Communications Media Division to provide support and enhance the effectiveness of U.S. technical assistance programs in Chile and to cooperate with Chilean agencies by stimulating the development of communications media techniques and assisting them in discharging their responsibility for publicizing the technical cooperation programs. This Division also supplied ICA/A.I.D. and USIS with materials for their respective information programs and advised U.S. officials on matters of public relations and public information. A total of \$510,000 was provided under this project for U.S. and Chilean technical services and audio-visual supplies and equipment.

Operation "Amigos" - 513-0087

Immediately following the May 1960 earthquakes and tidal wave the U.S. mounted an emergency relief operation utilizing an air lift bridge of military cargo airplanes which brought in two fully staffed and equipped field hospitals, food, clothing, medical supplies and other commodities urgently needed in the affected areas for a total value of \$3,850,000.

Engineering Services - 513-0133

In 1963 A.I.D. established an Office of Engineering Services to provide technical inspection of existing reconstruction projects and to prepare progress and technical reports on projects financed with Alliance for Progress funds. This office also reviewed from an engineering viewpoint development project proposals submitted by the Chilean Government with loan requests. This project funded the Office of Engineering Services only in FY 1963 for a total of \$107,000. Afterwards it was transferred to Technical Support funding.

Special Development Activities - 513-0187

A. I. D. provided a total of \$647,000 during a period of 13 years (1965-1977) to carry out 310 small low-cost high impact self-help community projects which served to stimulate greater social and economic community development efforts. The projects emphasized production, community action, wealth producing skills and support for new community based institutions.

Earthquake Disaster Relief - 513-0199

In March 1965 immediately after the earthquake which affected the central area of Chile, emergency donations of food, blankets, tents, medicines and building materials were made by the U.S. for a total of \$171,000.

Storm Disaster Relief - 513-0200

The U.S. donated food, clothing, blankets, tents, medicines and building materials for a total of \$107,000 to people affected by the August 1965 storms which heavily damaged several southern Chilean provinces.

Small Scale Regional Development - 513-0287 and 513-0282

An Operation Program Grant (OPG) was made to Corporación para el Desarrollo Regional del Biobío (CIDERE Biobío), a Chilean private voluntary agency. A total of \$100,000 was provided from February 1976 to August 1977 to assist CIDERE Biobío in its efforts to generate income producing employment for marginally employed or unemployed persons in the Ninth Region of Chile by stabilizing and promoting the development of the commercial potential of untapped natural resources and industrial byproducts.

In September 1976 OPG agreements providing a total of \$110,000 were signed with CIDERE Biobío and the Corporación para el Desarrollo Metropolitano (CIDEME). This project assisted CIDEME in its efforts to create income producing employment opportunities in the Metropolitan Area using methods similar to those employed by CIDERE Biobío. The funds assigned to CIDERE Biobío under this project were utilized to assist in the creation of

new organizations in other regions of Chile following the model of CIDERE Biobío. New CIDEREs were established in the IV, VI, X and XII Regions.

Legal Assistance for the Poor - 513-0295

In May 1977 A.I.D. provided \$25,000 to the Legal Assistance Department of the Catholic University of Chile (DEPAL) to assist the institution in their efforts to (a) inform the poor about their legal rights and how to obtain those rights; (b) improve and expand activities that assist the poor in obtaining their legal rights; and (c) increase awareness in the legal profession of the need for legal assistance for the poor and upgrade the basic ability to provide assistance.

LOANS

Capital Assistance Loans

Commodity Assistance - 513-B-004

This \$10 million loan was made in June 1958 to enable the Central Bank to assist in financing the acquisition in the U.S. and shipment to Chile of machinery, equipment, materials, commodities, supplies and services to insure the continued flow of inputs essential to the economy of Chile.

CORFO Development Bank - 513-L-017

A loan agreement signed in August 1962 made available to CORFO \$39.9 million to assist in carrying out a program to extend credits repayable on terms of no less than five years to the public and private sectors for the financing of specific projects contributing to the development of different sectors of the Chilean economy. The loan repayments were utilized in the development of projects in the agriculture, transportation, housing, mining, industry and health areas and are described in the corresponding sections of this report.

Cooperative Development Bank - 513-L-026

This \$3.65 million loan to the Instituto de Financiamiento Cooperativo (IFICOOP) was signed on August 1965 to provide seed capital for the initial financing of a cooperative development bank to provide credit facilities, technical and managerial services to Chilean cooperatives.

Private Sector Imports - 513-L-031

Funds from this \$10 million loan signed in June 1966 were utilized to finance the procurement in the United States of capital goods for the private sector on medium credit terms.

Technical Assistance Loans

Feasibility and Sectoral Studies - 513-L-019

A \$2.3 million loan was signed in March 1964 to finance engineering and economic studies for both private and public sector priority development projects and feasibility studies for international financing. In the public sector, funds were used for general economic studies of projects with high development priority. These studies resulted in the implementation of projects and/or programs such as: (a) construction of a triple-phosphate plant; (b) establishment of wine producers cooperatives; (c) construction of grain elevators and potato warehouses; (d) construction of fruit processing plants; and (e) construction of eight slaughterhouses.

Pre-Investment and Feasibility Studies - 513-L-033

A \$2.5 million loan was signed in October 1967 to: (a) assist the Chilean Government and the private sector to prepare feasibility studies for international financing; (b) assist in financing general surveys and pre-feasibility studies for priority development projects, and (c) provide technical assistance to the Chilean Government to improve their project planning and design capabilities. This loan was reactivated in April 1975 upon request of the Chilean Government in order to utilize the \$2.4 million which had not been disbursed prior to the original Terminal Disbursement Date of December 1972. Under the reactivated loan nine studies were financed in the following areas:

- Wholesale produce
- Arid Zone Development (Fourth Region)
- Santiago Environmental Contamination
- Exploitation of Krill
- Commercialization of Milk
- Exploitation of Hake
- Pudahuel Agro-Industrial Park

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