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A.I.D. in Latin America

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A.I.D. in Latin America

Bureau for Latin America
A.I.D.

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CHAPTER I.History and Background of U.S. Assistance to Latin America

Although relations between the United States and the countries of Latin America improved steadily during the early years of the FDR administration, little was done toward the economic development of that region until the advent of World War II. With its entry into the conflict, the U. S. began making large purchases from Latin America -- especially foodstuffs, rubber, petroleum, and metals -- not only for use in its war efforts but also to counter Axis influence in the Western Hemisphere and to provide Latin American countries with foreign reserves. In conjunction with these purchases, the U. S. also gave technical assistance, made loans and money grants, and provided limited lend-lease materials. Technical and grant assistance was concentrated in agriculture, health and nutrition, and transportation. At the close of the War, assistance to Latin America declined sharply; however, some of the benefits continued through "servicios" which had been established with the help of U. S. technicians.

Immediately following World War II, most of our economic assistance was directed toward the reconstruction of Europe and parts of the Far East, aid to Latin America was chiefly in the form of military assistance. In January 1949, however, the Fourth Point of President Truman's inaugural address made technical assistance available on a worldwide basis. Development assistance was not considered a separate item from mili-

tary support, however, until the Mutual Security Act of 1954. As a consequence of this Act, two regions (the Near East and Africa) and two countries (India and Bolivia) were selected to receive a concentration of development assistance for FY 1955. From that point forward, foreign aid became established as a permanent feature of U. S. foreign policy. By the late 1950's, U. S. foreign assistance had begun supplementing grant aid with loans and was giving closer attention to the potential seen in multilateral assistance.

In September 1960, Congress approved President Eisenhower's request for \$500 million "to develop cooperative programs on a bilateral or multilateral basis which will set forth specific plans of action designed to foster economic progress and improvements in the welfare and level of living of all the peoples of the American Republics on the basis of joint aid, mutual effort, and common sacrifice". ^{1/} The OAS endorsed this concept of economic assistance the same year in a vote of approval known as the Act of Bogota.

When John F. Kennedy assumed the presidency in 1961, he further committed the U. S. to multilateral cooperation and placed greater responsibility on the recipient countries for planning development programs. The Alliance for Progress, stressing cooperative effort and self-help, continued under Presidents Johnson and Nixon. It called for an outlay of about \$1 billion a year for a ten-year period

^{1/} Public Law 86-735, 86th Congress, H.R. 13021, September 8, 1960, Section 1(b)(1)

to help the countries of Latin America meet the expectations that accompany development. Forms of cooperation are changing to meet the demands of a dynamic hemisphere. Through most of the 1960's, the bulk of U. S. assistance was bilateral. Today it is increasingly channelled through multilateral institutions. ^{2/} The overall effort has not diminished, although AID, within the framework of President Nixon's basic policy statement of October 1969, has shifted its focus from a concern with overall growth targets and creation of infrastructure towards programs which provide more effective use of development resources and increased distribution of the benefits of growth and change. ^{3/}

The Alliance for Progress might be summarized as follows:

ALLIANCE FOR PROGRESS

WHAT IT IS

- . UNPRECEDENTED 20-NATION HEMISPHERIC PROGRAM OF PRACTICAL COLLABORATION FOR THE POLITICAL/ECONOMIC/SOCIAL DEVELOPMENT OF LATIN AMERICA

- . RATIFIED IN 1961 BY ALL OAS MEMBERS (EXCEPT CUBA)

^{2/}Source: "United States Foreign Policy 1971", A Report of the Secretary of State, pp. 403-409

^{3/} Source: "United States Foreign Policy 1972", A Report of the Secretary of State, pp. 403-409

- . ORIGINAL ALLIANCE GOALS REAFFIRMED, AND ITS TIME-FRAME EXTENDED INDEFINITELY BY THE MEMBER COUNTRY HEADS OF STATE IN APRIL 1967 AT PUNTA DEL ESTE

- . SUPPORTED BY LONG-RANGE U. S. COMMITMENT TO ASSIST THE NATIONS OF LATIN AMERICA IN THE ACHIEVEMENT OF THEIR OVERRIDING NATIONAL OBJECTIVE - ECONOMIC AND SOCIAL DEVELOPMENT

- . U. S. ROLE IS ESSENTIALLY ONE OF MAKING A PRACTICAL AND CONCRETE CONTRIBUTION TO ECONOMIC AND SOCIAL DEVELOPMENT AND SUPPORTING EFFORTS TO IMPROVE THE QUALITY OF LIFE IN THE HEMISPHERE ^{4/}

Although the new approach to hemispheric policy in terms of a more mature political relationship with Latin American nations has required changes in the manner of U. S. participation in both bilateral and collective efforts, positive adjustments by the United States to Latin American initiatives, and reevaluation by the Latin Americans themselves of old notions of expected U. S. behavior, the Alliance for Progress continues to be subjected to a variety of operational, policy, internal and external difficulties and constraints. Rather than provide an extended discussion of these points, these difficulties have been summarized in the following pages as "Problems and Impediments".

^{4/} Source: U.S. Foreign Policy for the 1970's; The Emerging Structure of Peace. A Report to the Congress, by Richard Nixon, President of the U. S., February 9, 1972

PROBLEMS AND IMPEDIMENTS

POLICY

- . DEVELOPMENT vs. DOMESTIC OBJECTIVES (e.g., IMPORT LIBERALIZATION vs. U.S. BALANCE OF PAYMENTS AND LOCAL FINANCING)
- . PRIVATE INVESTMENT STIMULATION OBJECTIVES vs BALANCE OF PAYMENTS CONSTRAINTS
- . UNREALISTIC U.S. LEVERAGE ASSUMPTIONS vs. REALISTIC VALUE OF AID TO RECIPIENTS (HOW FAR, HOW FAST CAN OR SHOULD U.S. PUSH COUNTRIES INTO POLITICALLY SENSITIVE REFORMS - e.g., TAXES, LAND REFORM, ETC.)

LEGAL

- . ANNUAL AUTHORIZATION/APPROPRIATION CYCLE
- . 50/50 U.S. FLAG SHIPPING STATUTE
- . SMALL BUSINESS NOTIFICATION REQUIREMENT
- . FISHERMAN'S PROTECTIVE ACT
- . EARMARKING OF FUNDS FOR SPECIAL PURPOSES (e.g., POPULATION, PARTNERS OF THE ALLIANCE)
- . MANDATORY TERMINATION OF AN (e.g. HICKENLOOPER AND GONZALEZ AMENDMENTS, CUBA SHIPPING)

CONGRESSIONAL RELATIONS

- . AID INADEQUATE COMMUNICATIONS WITH PUBLIC SOURCES OF SUPPORT (e.g., U.S. BANKS AND CORPORATIONS; MAJOR U.S. TRADE ASSOCIATIONS; ACADEMIC COMMUNITY)
- . WIDESPREAD CONGRESSIONAL MISUNDERSTANDING OF AID'S METHODS OF OPERATION; COMPLEXITY AND SCOPE OF AID AND LONG-RANGE NATURE OF PROGRAM; AND AID'S MARGINAL ROLE IN DEVELOPMENT PROCESS
- . HEAVY DRAIN ON AGENCY'S RESOURCES (EXECUTIVE STAFF TIME) DEMANDED BY THE ANNUAL, PROTRACTED CONGRESSIONAL CYCLE

PUBLIC RELATIONS

- . WIDESPREAD PRESS AND PUBLIC MISUNDERSTANDINGS OF NATURE OF AID PROGRAMS AND AID'S METHOD OF OPERATION.
- . INADEQUATE AID PUBLIC INFORMATION EFFORTS IN U.S. AND LATIN AMERICA
- . OVER-EMPHASIS BY THE PRESS ON DEFICIENCIES AND CRITICISMS.

PERSONNEL

- SERVICE DISINCENTIVES (e.g. TEMPORARY AGENCY, LACK OF CAREER SYSTEM, EXTERNAL CRITICISMS OF AGENCY) WITH THEIR ADVERSE EFFECT ON MORALE OF PERSONNEL
- EXCESSIVE RESPONSIBILITIES ON DIMINISHING FIELD STAFFS (e.g. INCREASING PORTFOLIO OF ACTIVE PROJECTS; ADDITIONAL MONITORING AND REPORTING REQUIREMENTS)

ACCOUNTABILITY

- EXCESSIVE SURVEILLANCE (e.g. AID AUDITOR GENERAL AND CONTROLLER, OFFICE OF EVALUATION, INSPECTOR GENERAL, GAO, AND CONGRESSIONAL STAFFS & COMMITTEES)
- UNREASONABLE STANDARDS (COMPARABLE TO STANDARDS APPLIED TO U.S. DOMESTIC AGENCIES OPERATING IN SOPHISTICATED AMERICAN ENVIRONMENT)
- DURATION AND EXTENT OF ACCOUNTABILITY, (e.g. 40 YEAR LOANS)

•
SYSTEMS AND REGULATIONS

- BURDENSOME PLANNING/PROGRAMMING REQUIREMENTS KEYED TO ANNUAL CONGRESSIONAL CYCLE

SYSTEMS AND REGULATIONS (Cont.)

- . COUNTER-PRODUCTIVE PROCUREMENT POLICIES & REGULATIONS (e.g., MARKING; AID-11 FORMS: COMPONENTRY RULE; 50-50 SHIPPING REQUIREMENT)
- . ILLOGICAL AND INCONSISTENT OBLIGATION POLICIES & REGULATIONS BASED ON METHOD OF FINANCING (LOAN vs. GRANT DISTINCTIONS)

COUNTRY LIMITATIONS AND CONSTRAINTS

- . RUDIMENTARY INSTITUTIONAL & INFRASTRUCTURE BASE
- . THIN VENEER OF TRAINED PLANNERS & MANAGERS IN BOTH PUBLIC AND PRIVATE SECTORS
- . OUTMODED MANAGEMENT, PERSONNEL PRACTICES, AND STANDARDS OF ACCOUNTABILITY
- . POLITICAL AND ECONOMIC INSTABILITY
- . HIGH TURNOVER OF GOVERNMENT COUNTERPART OFFICIALS
- . SUSCEPTIBILITY OF ECONOMIES TO WORLD PRICE FLUCTUATIONS
- . DOMESTIC BUDGETARY LIMITATIONS
- . NATIONALISTIC SENSITIVITIES (e.g. TO POPULATION PROGRAMS)
- . LATIN VIEW OF ALLIANCE AS A "U.S.," RATHER THAN A MULTILATERAL EFFORT
- . IRRITATION OVER "STRINGS" TIED TO U.S. ASSISTANCE
- . UNAWARENESS OF DOMESTIC PROBLEMS CONFRONTING AID IN JUSTIFYING U.S. ASSISTANCE PROGRAMS
- . SPECIAL COUNTRY PROBLEMS (IPC; PANAMA CANAL; FISHING VESSEL SEIZURES)

ECONOMIC A.I.D. TOOLS

LOAN AND GRANT FUNDS FOR:

- COMMODITIES
- PEOPLE (DIRECT HIRE; PERSONAL AND CONTRACT SERVICES)

IN THESE MAJOR CATEGORIES

PROGRAM ASSISTANCE

TRANSFER OF RESOURCES, NORMALLY IN THE FORM OF PROGRAM LOANS NOT RELATED TO SPECIFIC PROJECTS, GENERALLY FOR BALANCE OF PAYMENTS OR BUDGET SUPPORT PURPOSES. THE DOLLARS PROVIDED ARE NORMALLY USED TO FINANCE COMMODITY IMPORTS FROM THE U.S. UNDER A.I.D. PROCUREMENT REGULATIONS. (THIS CATEGORY ALSO INCLUDES PL 480 PROGRAMS AND CASH TRANSFERS.)

P.L. 480

SURPLUS FOOD SALES AND GRANT PROGRAMS. TITLE I COVERS SALES ON THE SAME TERMS AS ALLIANCE LOANS, AND TITLE II COVERS GRANTS FOR SUCH ACTIVITIES AS SCHOOL LUNCH PROGRAMS, DISASTER RELIEF, FOOD FOR WORK PROGRAMS, ETC.

CAPITAL ASSISTANCE

THERE HAS BEEN A MARKED SHIFT IN THE TRANSFER OF RESOURCES IN THE FORM OF LOANS TO ESTABLISH OR EXPAND SPECIFIC CAPITAL FACILITIES OR FINANCIAL INSTITUTIONS, INCLUDING RELATED FEASIBILITY STUDIES. MORE EMPHASIS HAS BEEN PLACED ON LOAN SUPPORT OF AN ENTIRE SECTOR, ALTHOUGH INFRASTRUCTURE DEVELOPMENT LOAN ACTIVITIES ARE BEING CARRIED OUT IN HAITI AND JAMAICA.

SECTOR LOANS

LOANS FOR THE GENERAL SUPPORT OF AN ENTIRE SECTOR OR SUB-SECTOR (e.g., AGRICULTURE, EDUCATION) REQUIRING SPECIFIC REFORM MEASURES ON THE PART OF THE RECIPIENT COUNTRY IN THE SECTOR OR SUB-SECTOR INVOLVED.

TECHNICAL ASSISTANCE

TRANSFER OF KNOWLEDGE TO DEVELOP HUMAN SKILLS AND ATTITUDES, AND TO CREATE AND SUPPORT INSTITUTIONS NECESSARY FOR SOCIAL, ECONOMIC AND POLITICAL DEVELOPMENT.

GUARANTIES

HOUSING GUARANTY PROGRAMS WHICH PROTECT INVESTORS AGAINST CERTAIN POLITICAL AND BUSINESS RISKS.

CHAPTER II.

Development trends in Latin America: 1961-1972

Latin America, among the developing regions of the world, has generally moved the farthest toward self-sustaining development. For the fifth consecutive year, it has achieved per capita growth rates of over 3 percent, well above the 2.5 percent target set by the Alliance for Progress. In 1972 the region (excluding Haiti) had a per capita GNP of \$581; more than twice the average for all developing countries. During the sixties, Latin America's manufacturing production expanded at an even more rapid rate than its GNP. Electric power, construction, transportation, and communications have also grown at a fast pace in recent years. The upswing in the region's average economic growth rate over the decade was not typical of all the Latin American republics, however, but was heavily influenced by movements in Brazil and Mexico, whose combined GNP represents over half of the region's total. Per capita GNP rates range broadly, reflecting the great diversity among countries in resource endowment, productive capacity and efficiency, saving and investment patterns, population and employment and income distribution (see Table on following page.)

REGION: LATIN AMERICA

ECONOMIC AND SOCIAL DATA

COUNTRY	GROSS NATIONAL PRODUCT				AGRICULTURAL PRODUCTION		INTERNATIONAL COMMODITY TRADE				
	TOTAL GNP 1972	PER CAPITA GNP 1972	AVERAGE ANNUAL GROWTH RATE 1967-72		AVERAGE ANNUAL GROWTH RATE, 1967-72		EXPORTS (F.O.B.)		MAIN EXPORTS	IMPORTS (C.I.F.)	
			TOTAL GNP	PER CAPITA GNP	TOTAL	PER CAPITA	1967	1972 EST.		1967	1972 EST.
	\$ MILLIONS	DOLLARS	PERCENT		PERCENT		\$ MILLIONS		ITEM	\$ MILLIONS	
Bolivia	1,140	234	5.7	3.2	1.2	-1.1	145	240	Tin, petroleum	151	170
Brazil	45,500	452	9.9	6.9	3.5	0.6	1,654	4,000	Coffee, cotton, iron ore	1,667	4,600
Chile	7,690	796	4.5	2.6	-1.3	-3.4	910	930	Copper, iron ore	722	960
Colombia	7,360	328	6.2	3.0	3.1	-0.2	548	830	Coffee, petroleum	525	850
Dominican Republic	1,745	404	3.1	5.0	6.9	4.0	156	345	Sugar, coffee	201	360
Ecuador	1,695	260	6.3	2.8	4.2	0.8	198	27	Bananas, coffee	490	320
Guyana	270 ^a	365 ^a	n.a.	n.a.	0.2	-2.4	115	135	Bauxite, sugar	131	132
Haiti	462 ^a	93 ^a	n.a.	n.a.	2.2	0.3	34	57	Coffee, bauxite	36	63
Jamaica	1,336 ^a	729 ^a	n.a.	n.a.	-1.7	-3.0	271	380	Alumina, bauxite	347	570
Panama	1,223	804	7.8	4.6	9.8	-2.3	94	140	Bananas, petroleum	251	433
Paraguay	689	273	5.0	1.3	2.1	-1.1	48	94	Meat & products, timber	71	82
Peru	7,110	493	5.0	1.9	-0.2	-3.2	774	1,000	Fish & products, copper	818	830
Hungary	2,025	626	2.4	1.2	0.5	-0.8	159	197	Wool, meat	170	187
Venezuela	11,620	1,010	4.4	1.1	1.7	-1.7	2,533	3,150	Petroleum & products	1,530	2,540
CENTRAL AMERICAN COMMON MARKET											
Costa Rica	1,072	579	6.8	3.6	7.1	4.1	144	276	Coffee, bananas	191	365
El Salvador	1,110	304	3.8	0.4	4.2	1.0	207	271	Coffee, cotton	224	268
Guatemala	2,068	365	6.1	2.9	2.8	-0.2	202	331	Coffee, cotton	247	315
Honduras	765	268	5.4 ^b	2.1 ^b	1.3	-2.2	154	196	Bananas, coffee	165	192
Nicaragua	889 ^a	463 ^a	3.7	0.8	-1.3	-4.1	146	233	Cotton, coffee, meat	204	216

n.a. - Not available.

a - 1971. b - 1967-71.

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Agriculture

Even though considerable attention has been given to increasing agricultural production, overall growth continues to be sluggish, with population increases largely canceling out whatever gains are made. Between 1960 and 1971, overall agricultural production for the region increased by 41 percent; yet, agricultural production per capita increased just 3 percent. In seven countries (Bolivia, Colombia, Dominican Republic, Ecuador, Paraguay, Peru, and Uruguay) production per capita in 1971 was actually lower than in 1960. While increases in food production have enabled half of the countries of the region to provide a better nutritional level for their people, lagging production in other countries resulted in deepening nutritional deficits (see Table on following page).

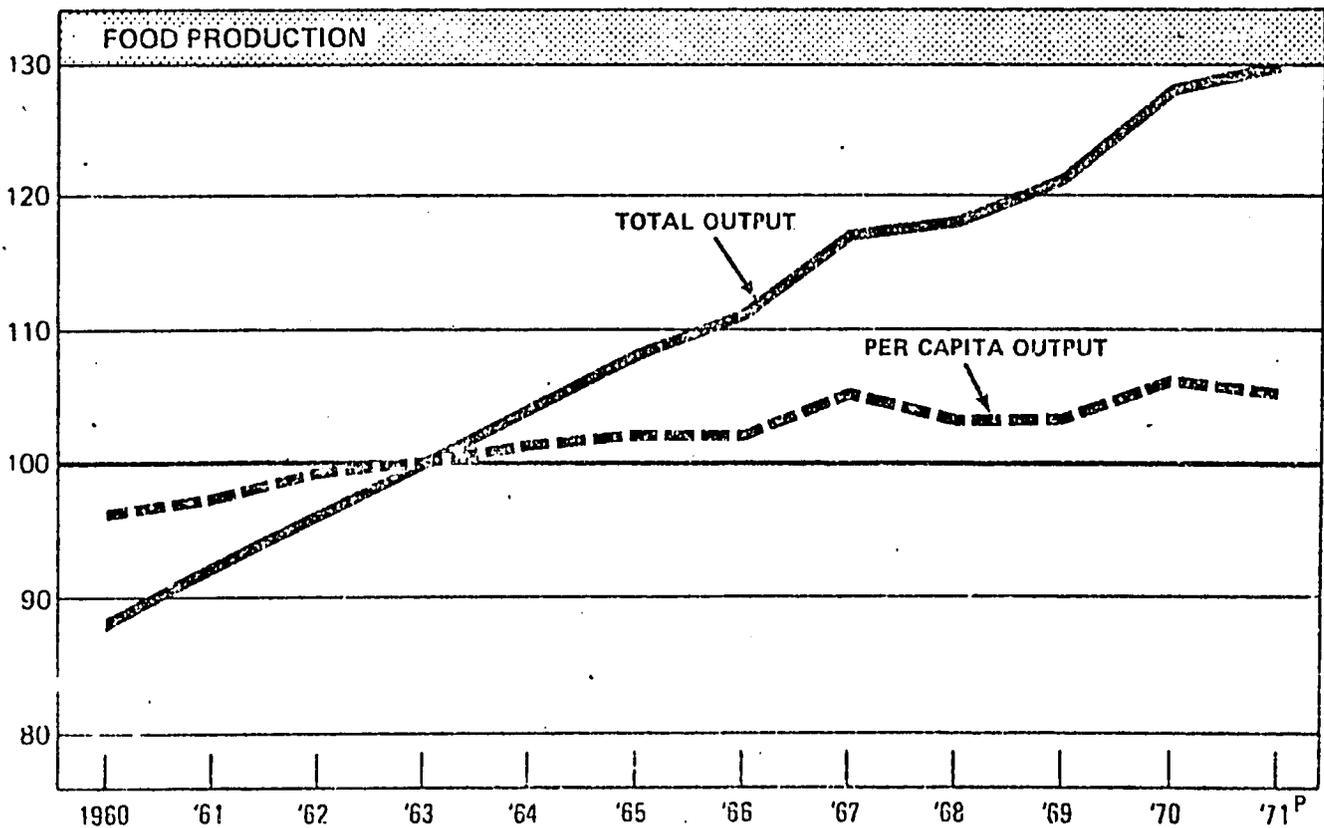
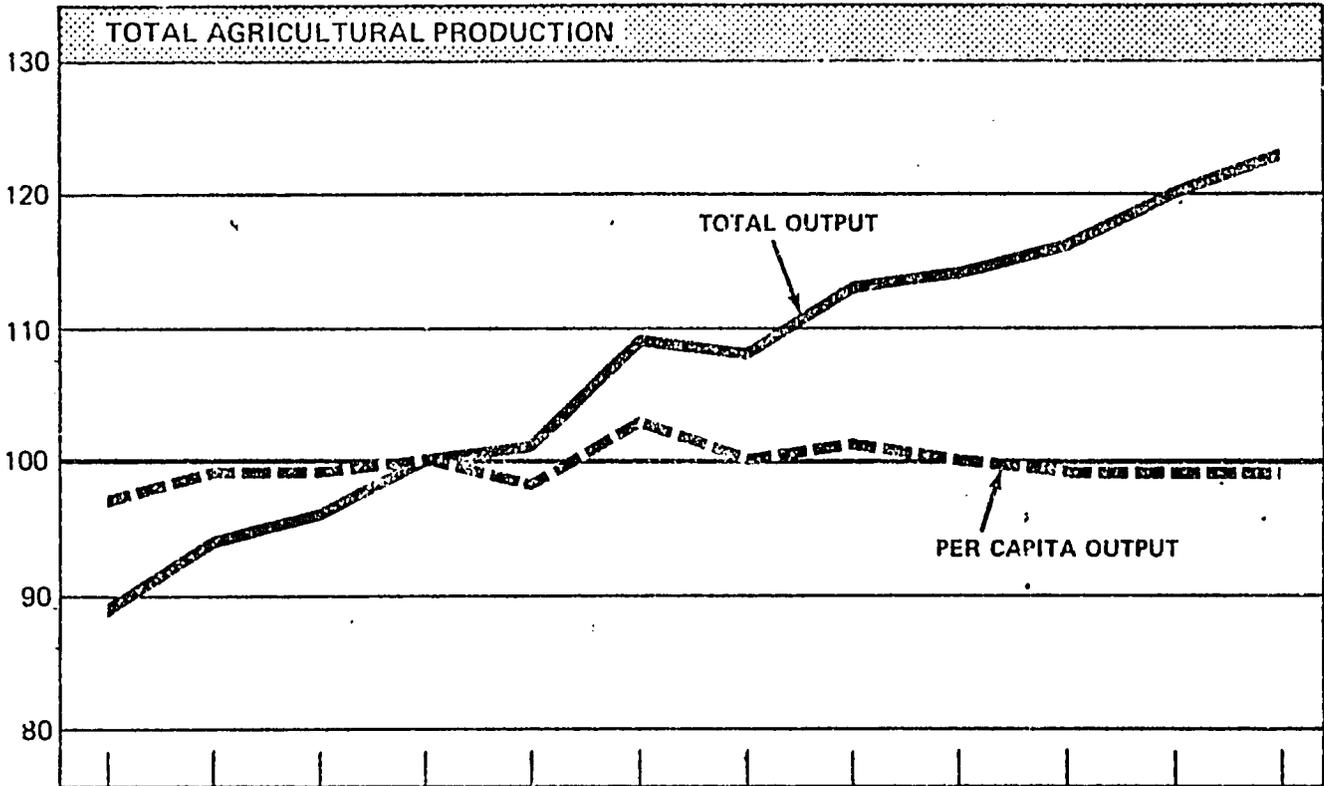
Trade

Another major economic problem for the Latin American countries in the 1970s is the persistence of a trade structure that is heavily dependent on primary commodities--ten commodities account for some 70 percent of the area's export receipts--and a number of countries are dependent on exports of only one or two products. Because of favorable world

AGRICULTURAL PRODUCTION

18 Republics

(Indexes: 1961-1965=100)



prices for primary commodities, the region's exports have shown an upward trend, particularly in the last few years. The region's exports grew at an average annual rate of 5.8 percent from 1960 to 1971, when the total is estimated to have reached over \$15 billion. Manufactured goods have shown some dynamism, doubling their share in total exports (from 9 to 18 percent between 1960 and 1970). Despite the upward trend in exports, however, the Latin American share of world exports has continued its decline. Moreover, Latin American imports have grown at a faster rate than exports over the past decade. As a result, the area has had a trade deficit since 1968.

Investment

The increased rates of economic growth realized in the past few years have been achieved largely by a continuing substantial investment effort, the great bulk of which--about 90 percent-- has been financed by the countries themselves, with external public financing and private foreign investment accounting for the other 10 percent. The Latin American ratio of investment financed with domestic resources, one of the highest among all developing regions, is perhaps one

of the best general indicators of a substantial Latin American self-help effort. Gross investment for the region as a whole increased by 79 percent between 1960 and 1971, and ten countries more than doubled their investment levels. The share of the region's GNP devoted to investment amounted to 19 percent in 1971, although in Panama and Venezuela this ratio reached more than 27 percent of GNP and in Costa Rica, the share was 30 percent.

Government Finance

Latin America's performance in the area of public expenditures and revenues improved substantially during the period. Between 1961 and 1971, Latin American central government tax revenues grew by 76 percent, or at an annual average rate of 5.8 percent. Honduras and Panama achieved average annual growth rates of 10 percent or more.

Some indication of the performance of Latin American governments in adapting budget expenditures to development needs can be gleaned from changes in public capital outlay and in expenditures on agriculture and education. These indicators are highly imperfect measures, of course, because they represent only direct expenditures of the central

government, sometimes omitting investments by public corporations and by state and local governments with funds obtained from sources other than the central government budget; for example, these indicators do not include agricultural programs operated by agricultural banks and development corporations, and education outlays of state and local governments. Moreover, expenditure patterns give no indication of the quality of the expenditure, nor of the wisdom of the allocations in individual cases. Nevertheless, although they do not tell the entire story, central government expenditures do provide some indication of the trend of total development efforts, since in most cases, increased central government expenditures promotes increased efforts at all levels of government.

Capital outlay, as a percentage of total central government expenditures for the region, increased from 34 percent in 1961 to about 40 percent in 1971, a rise in real terms of approximately 76 percent. Half of the governments increased capital expenditures three fold or more. In Bolivia, Costa Rica and El Salvador, such expenditures quadrupled during the period.

Increasing percentages of central government expenditures

are being devoted to education and agriculture. Even though data are incomplete, it appears that central government educational expenditures more than doubled between 1961 and 1971; in Bolivia, Costa Rica, Nicaragua, and Panama they tripled. As a share of total central government expenditures, educational outlay rose from an average of 9 percent for the region in 1961 to 13 percent in 1971. Panama managed to reach a 30 percent share in 1971, compared to 22 percent in 1961, and El Salvador's share rose to 26 percent from 19 percent.

Agricultural expenditures of central governments increased by an estimated 135 percent between 1961 and 1971, rising to 6.2 percent of total expenditures in 1971 compared with 4 percent in 1961. Again, certain countries far exceeded the regional average; for example, El Salvador and Panama registered increases in agricultural expenditures of 6 and 7 fold, respectively. In Guatemala, agricultural expenditures as a share of total central government expenditures rose from 5 to 10 percent over the period.

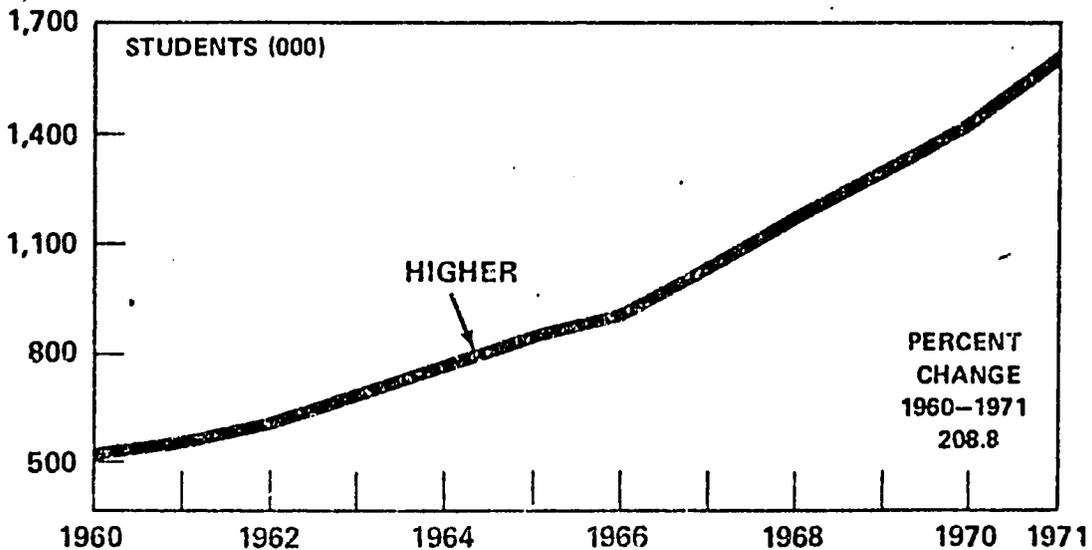
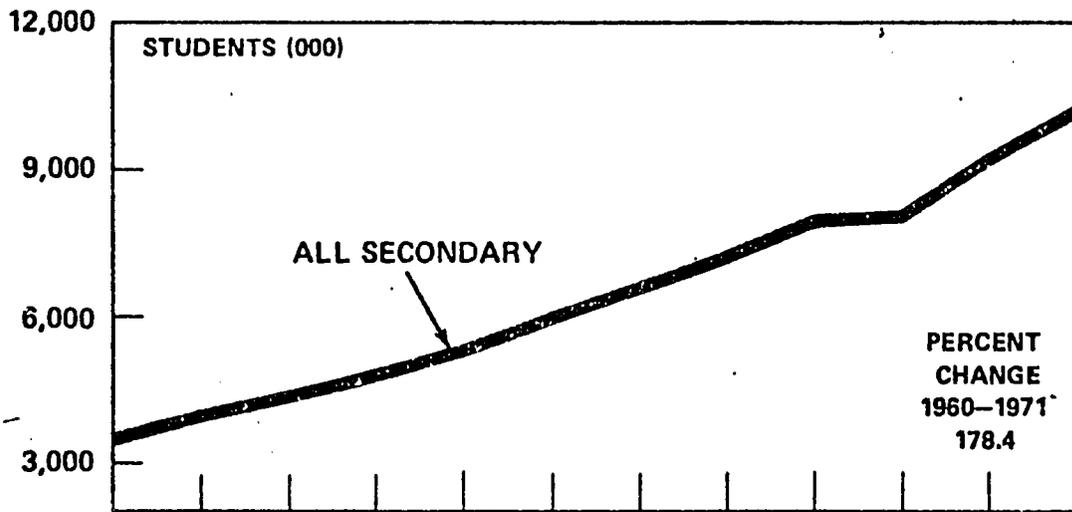
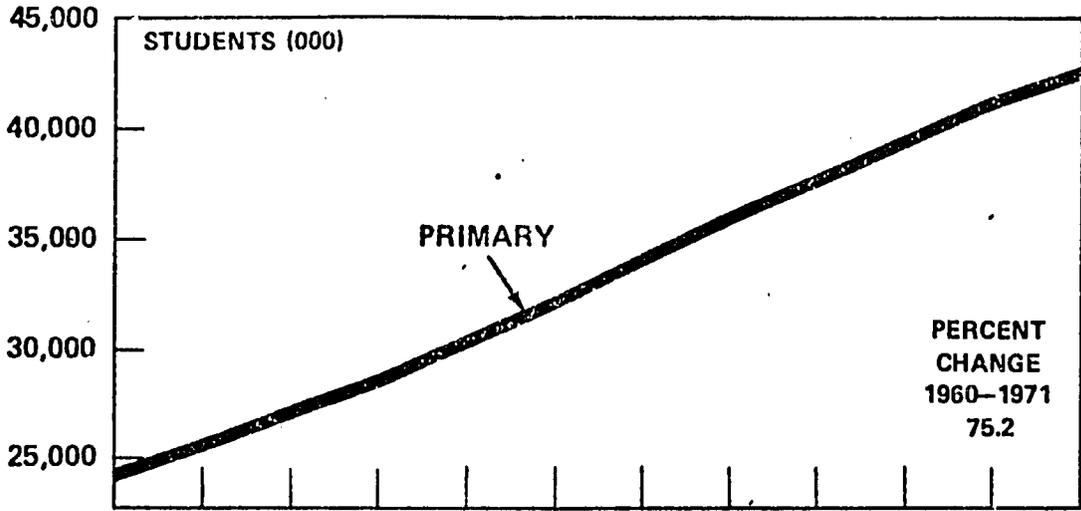
Defense expenditures as a percentage of GNP averaged 1.8 percent during the 1961-1971 period; as a percentage of

total expenditures, defense outlay averaged 10.6 percent during the same period.

Education

In the important area of education, enrollment in primary schools increased by 75 percent in the past decade. In 1971, the number of primary school graduates--3 million--was more than twice what it had been in 1960. The proportion of the 5-14 year old population enrolled in primary schools rose from 48 percent in 1960 to 61 percent in 1971. Expansion of secondary and higher education during the sixties was, in a relative sense, even greater than at the primary level. Secondary school enrollment tripled as did enrollment in universities and other post-secondary educational institutions (see Table on fol'g page). However, despite the real and marked expansion of primary education, the number of school age children not attending school has actually increased to 28 million from the 27 million at the outset of the 1960s. Furthermore, school systems continue to be inefficient, with unacceptably high dropout and repeater ratios, and with curricula that are not always relevant to the manpower needs of the countries.

SCHOOL ENROLLMENT, 1960-1971



1960 1962 1964 1966 1968 1970 1971

Health

Expanded health services have increased the ability of many rural residents to participate in development activities. Augmented supplies and wider distribution of potable water have been important factors affecting the improvement of the health and well-being of people. Between 1961 and the end of 1970, the proportion of the urban population served by potable water systems increased from 29 percent to an estimated 75 percent. Progress on water supply programs in rural areas has been slower, but still important. (See Table on following page.)

Population

Population growth in this century has been characterized by rapid rates of increase--slightly under 3 percent for the region--and the tendency towards concentration of people in urban areas. More than 100 million additional people were in urban areas in 1970 than in 1950. For every city and town dweller of 1950, there were three in 1970. Natural growth expanded the numbers of people, but strong migratory currents speed them from rural areas into denser and denser settlement in urban locations. With housing and urban services unable to meet increasing demand, most rural

ECONOMIC AND SOCIAL DATA

REGION: LATIN AMERICA

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COUNTRY	POPULATION				HEALTH			EDUCATION					
	TOTAL (MID-1972)	ANNUAL GROWTH RATE	PERCENT IN URBAN AREAS		PERCENT OF LABOR FORCE IN AGRICUL- TURE	NUMBER OF PEOPLE PER DOCTOR	LIFE EXPECT- ANCY YEARS	INFANT DEATHS PER 1,000 LIVE BIRTHS	PRIMARY AND SECONDARY STUDENTS				LITERACY RATE PERCENT
			1950	1971					1960	1970	1950	1970	
	MILLIONS	PERCENT					THOUSANDS		AS PERCENT 5-19 AGE GROUP				
Bolivia	4.9	2.4	30	35	67	2,180	46	108	426	833	34	49	40
Brazil	100.8	2.9	46	56	44	1,960	63	94	8,715	17,664	33	49	67
Chile	9.7	1.9	68	74	19	1,770	63	88	1,407	2,342 ^b	55	69 ^b	87
Colombia	22.5	3.1	53 ^a	61	45	2,220	60	76	1,933	3,387 ^b	32	44 ^b	73
Dominican Republic	4.3	3.0	30	42	61	1,610	54	98	558	861	48	55	65
Ecuador	6.5	3.4	36 ^c	40	53	2,770	59	76	663	1,230 ^d	40	51 ^d	68
Guyana	0.3	2.3	29	30	30	3,610	61	40	139	139 ^d	65	74 ^d	80
Haiti	5.1	2.0	12 ^e	19	83	13,210	47	130	258	333 ^b	19	20 ^b	10
Jamaica	1.9	1.6	23	33	16	1,420	70	26	271	417 ^b	50	60 ^b	82
Panama	1.5	3.1	41	48	35	1,750	65	47	201	375 ^f	52	70 ^f	79
Paraguay	2.5	3.1	36 ^c	36 ^h	53	1,610	61	84	330	438	49	53	74
Peru	14.4	3.1	47 ^g	60 ^h	45	1,920	57	62	1,642	3,302	45	64	61
Uruguay	3.0	1.0	72	79	18	1,040	70	43	416	598	63	78	91
Venezuela	11.5	3.3	67 ^g	75	20	1,140	66	46	1,405	2,267	50	54	76
CENTRAL AMERICAN COMMON MARKET													
Costa Rica	1.8	2.9	33 ^g	37	49	1,810	69	60	238	430 ^f	50	51 ^f	39
El Salvador	3.6	3.0	38 ^g	40	53	3,340	59	67	355	657 ^f	39	47 ^f	60
Guatemala	5.7	2.7	34 ^a	31	65	4,170	53	88	324	580	21	28	33
Honduras	2.9	3.2	22 ⁱ	27	67	3,930	51	115	220	431	29	41	45
Nicaragua	2.0	2.8	41 ⁱ	48	46	1,000	52	121	174	336	33	45	58

Update

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NOTE: Where year is not stated data are most recent information available. Data for developing countries often represent approximate orders of magnitude rather than precise measurements and may not be fully comparable between countries.

a - 1964. b - 1968. c - 1962. d - 1967. e - 1950. f - 1971. g - 1961. h - 1972. i - 1963.

migrants congregate in makeshift shanty towns, straining the capacity of municipal authorities to provide even minimal sanitary facilities. (See previous table.)

Unemployment

Large segments of the population are unemployed or underemployed -- rates are estimated at 25 percent or more of the labor force--and they cannot meet their basic needs. Traditionally, unemployment in Latin America was primarily a rural-agricultural problem which took the form of underemployment. In recent years, however, while rural underemployment remained large, much of the increase in unemployment occurred in the growing urban centers, where it is manifested as open unemployment as well as underemployment. One aspect of the problem is the failure of the industry which is concentrated in the large urban areas, to create enough jobs to accommodate the increased supply of labor.

Income Distribution

The dilemmas of the present stage of development in Latin America are also dramatically portrayed in the personal income data now available to us. Despite encouraging overall rates of economic growth, and a considerably

enhanced governmental capacity for dealing with the problem of development, there is little evidence that personal income distribution has improved from the badly skewed situation prevailing a decade ago. For some countries it may have worsened.

Conclusion

Perhaps most significant among the number of promising trends in the hemisphere is the growing commitment by Latin American civic and public leaders everywhere to economic and social development. Key institutions have been strengthened and professional personnel and technicians have been trained to deal with development problems.

However, although the growth process has been established and the intellectual, physical, institutional and financial foundations of accelerated progress have been laid, it is evident that the task of development remains formidable in complexity and dimension. Rapidly increasing population, unrelenting urban growth, and ever-growing numbers of unemployed and underemployed dilute the benefits of the real progress that has been made.

CHAPTER III.

External Assistance to Latin America: 1961-1972

Total official economic assistance available to Latin America at present from all sources (U.S., International Organizations, and other DAC donors) amounts to more than \$2 billion per year. U.S. assistance represented some 26 percent share of a \$1.5 billion level during the first year of the decade 1961.

In the past few years, the countries of Latin America increasingly have depended upon the major multilateral lending institutions for the bulk of their official capital resources. In 1964 A.I.D. loans, at a level of \$511 million, represented about 57 percent of the total loans committed by A.I.D., the World Bank Group and the IDB; in 1971 A.I.D. accounted for an 11 percent share, with a lending level of \$168 million (see Table fol'g page). This shift has led to a change of role and emphasis for A.I.D. programs. The bulk of the A.I.D. loan program of seven or eight years ago was focused on overall growth targets and the creation of infrastructure. Little of the 1971 lending program was allocated to these purposes. Rather, A.I.D.'s programs of lending and technical assistance are related to overall sector programs in agriculture and education based on comprehensive

Summary of Total Economic
Assistance to Latin America
By Major Donor Group



Net Commitments in Millions of
U.S. Dollars - FYs 1961-1972

	<u>FY 1961</u>	<u>FYs 1961-1970</u>	<u>FY 1971</u>	<u>FY 1972</u>	<u>Prelim. FY 1973</u>
I. TOTAL OFFICIAL U.S. ASSISTANCE:	838.0	9,122.0	573.4	1,003.0	887.9
A. AID:	253.7	4,760.7	260.6	326.1	267.3
1) Loans	143.9	3,785.8	167.8	232.6	177.6
2) Grants	109.8	1,075.0	92.7	93.5	89.7
B. Other Development Assistance <u>1/</u>	147.3	2,231.6	132.4	140.5	147.7
C. Ex-Im Bank (=Econ)	437.0	2,129.5	180.4	536.4	472.9
II. INTERNATIONAL ORGANIZATIONS:	266.7	7,219.9	1,463.7	1,670.6	1,531.6
D. Banks:	225.8	6,677.7	1,400.4	1,607.3	1,473.9
1) IBRD and IDA	157.4	3,419.0	704.2	956.5	684.9
2) IFC (=Econ)	3.1	145.5	41.7	40.6	58.6
3) IDB: OC and FSO <u>2/</u>	65.3	3,113.2	654.5	610.2	730.4
E. Other (UN; EEC) <u>3/</u>	40.9	542.2	63.3	63.3*	57.7*
III. OECD/DAC - Excl. Dependencies <u>3/4/</u>	86.5	1,906.5	224.3	224.3*	224.3*
IV. GRAND TOTAL ECONOMIC	1,191.2	18,249.2	2,261.4	2,897.9	2,643.8
V. Total Development Assistance (Excl. Ex-Im and IFC)	751.1	16,047.2	2,039.3	2,320.9	2,112.3
<u>RATIOS:</u>					
A. Total U.S. Economic Assistance (I) as Percent of Grand Total (IV)	70.3	50.0	25.4	34.6	33.6

Summary of Total Economic
Assistance to Latin America
By Major Donor Group

page 2

<u>RATIOS:</u>	<u>Net Commitments in Millions of U.S. Dollars - FYs 1961-1972</u>				
	<u>FY 1961</u>	<u>FYs 1961-1970</u>	<u>FY 1971</u>	<u>FY 1972</u>	<u>FY 1973</u>
B. Total official U.S. Assistance (I) minus Ex-Im (I.C.) as percent of Total Development Assistance (V).	53.4	43.8	19.3	20.1	19.6
C. AID Loans (I.A.I) as percent of total AID (I.A.I.) and Bank Loans (II.D.)	38.9	36.2	10.7	12.6	10.8

1/ Food for Peace; Social Progress Trust Fund of the Inter-American Development Bank (IDB/SPTF); Peace Corps; Inter-American Highway.

2/ Adjusted to U.S. Fiscal Year Basis.

3/ UN, EEC, and DAC data are for Calendar Year.

4/ DAC data exclude flows to dependencies and flows from the U.S. Data are gross disbursements. 1961 through 1968 data include Official Development Assistance (ODA) and Other Official Flows (OOF); 1969 and later date include ODA only.

* Estimated.

sector analysis and on the key problems of employment and income redistribution.

Instead of placing priority on growth and macroeconomic change per se, A.I.D. has shifted its emphasis towards programs that aim at more even distribution of the benefits of growth and change. This new emphasis reflects the view that while growth and broad economic improvements are indispensable, growth alone has not assured, and cannot by itself assure, adequate distribution of development benefits to the common citizen. A.I.D. assumes that increased and improved distribution of the benefits of development requires further introduction of new concepts, innovative technologies and streamlined management methods--areas in which the United States is uniquely equipped to be helpful.

Economic Assistance from Communist Countries

Communist economic credits and grants extended to Latin America from 1954 through 1972 totaled over \$1 billion with more than 80 percent accounted for by Brazil, Chile and Peru. While communist aid to Latin America in the past has consisted largely of commercial credits, most of the aid extended in 1972--to Chile, Guyana and Peru--took the form

of development-type credits. In 1972 Chile received \$227 million of new aid commitments, of which \$144 million was from the USSR, \$20 million from Eastern Europe, and \$3 million from Communist China. In 1972 Guyana received its first communist aid--a \$26 million credit from China. The Peruvian Government launched a major effort during 1972 to expand its economic relations with the communist world, and Eastern European countries responded by providing \$78 million of new credits.

CHAPTER IV.

U. S. Assistance Coordination with Other Donors

The United States exchanges assistance information and plans with other donors to Latin America through several mechanisms:

1. CIAP. We and the international financial institutions have taken part in annual country reviews held by CIAP (Committee of the Inter-American Alliance for Progress of the OAS) since 1964. We participate in Inter-Agency Advisory Group (IAAG) meetings which (a) review the analytical framework for each planned CIAP secretariat country study, (b) consider the key issues to be raised at the week-long country review sessions, and (c) discuss follow-up and special problems such as technical assistance needs. As do other CIAP members, we report on our aid plans and take into account CIAP recommendations during deliberations on proposed AID loans to Latin America. CIAP staff is invited regularly to AID internal loan reviews.

2. Consultative Groups. Since 1966 we have discussed Colombia's foreign capital assistance requirements with other members of a World Bank-sponsored Consultative Group, sharing sector analyses and other economic information to maximize the utility of the exchange of views. In 1972 we participated as observers at the reactivated Consultative Group for Peru, also under IBRD sponsorship. We joined host-government-initiated groups mounted in 1970 by Honduras and

Guyana, and more recently in periodic in-country, multi-donor meetings in Ecuador, the Dominican Republic, and Jamaica, plus a UN-initiated (finally government-sponsored) coordinating group on technical assistance to Bolivia.

3. AID Coordination with IDB and IBRD. AID goes to great lengths, formally and informally, to encourage Latin American governments to approach the IDB and IBRD and, consistently, AID accommodates and adapts its loan projects to their presence, interests, and intentions. For example: (1) program and project reviews are held in which possible duplication is identified; (2) USAID Mission loan documents, at an early stage of loan consideration (Intensive Review Requests) are submitted to senior IBRD and IDB officials to assure that overlaps and competition are avoided; (3) IDB field survey teams exchange information with USAIDs and AID/W; (4) USG collaborates with the IBRD and IDB by working closely with their representatives at the field level; and (5) as a matter of policy and procedure, AID verifies that IBRD and IDB do not wish to make a loan before it proceeds to approve and authorize.

4. UNDP Country Programs. U.S. field officers attend multi-donor meetings called by UNDP Resident Representatives to discuss each new five-year "Country Programme" for technical assistance by UNDP and by the UN Specialized Agencies. At the semi-annual UNDP Governing Council meetings which approve new country programs, the United States representative has encouraged a larger coordinating role for the UNDP

Resident Representatives, an expanded UNDP assistance effort to strengthen local planning capabilities, and a more active host-government role in developing the programs and arranging coordination of donor organization programs. AID and UNDP staff at headquarters and in the field are establishing working level contacts where they do not already exist, and strengthening those that do.

5. DAC. In addition to discussions of worldwide aid problems, terms, statistics, and new aid mechanisms, we take part in DAC's biennial review of DAC member assistance to Latin America.

6. Specific Donors. We exchange views with individual donors as the opportunity arises, including recently Canada, Germany, Japan and the UK.

Successful development and implementation of high priority economic and political programs involve a unique cooperative relationship between a multiplicity of governments, institutions, national legislators, domestic interest groups and other citizens. Every new program or expansion of an existing program must take fully into account the responsibilities and interests of government agencies, institutions and groups affected by the activities it is charged with carrying out. For example, the narcotics program has required close cooperation between the United States, Canada and Mexico and the opening of bilateral negotiations with a number of countries in a cooperative effort to curb drug traffic.

The following chart is illustrative of the large number of official and unofficial contacts involved in the implementation of these varied international programs.

LENDING COORDINATION WITH OTHER MAJOR ENTITIES (CIAP, IDB, IBRD, IMF, TREASURY, COMMERCE, EX-IM)

A. A.I.D. LENDING:

- 1. PRELIMINARY PROJECT PROPOSAL → LETTERS SOLICITING INTEREST & COMMENTS → TO → IBRD, IBRD, EX-IM (OCCASIONALLY, PRIVATE LENDERS)
- 2. DETAILED PROJECT PROPOSAL → PARTICIPATION BUREAU REVIEW OF LOAN PROPOSALS ← THROUGH → CIAP
- 3. PROGRAM LOANS ↔ INTENSIVE STAFF EXCHANGE LEADING TOWARD COORDINATED PACKAGE ↔ WITH ↔ IMF
- 4. AUTHORIZATIONS
 - ← a. ADVICE TO A.I.D. ADMINISTRATOR ← FROM ← DISC (DLC): A.I.D., TREASURY COMMERCE, EX-IM, OTHERS (AD HOC)
 - ← b. APPROVAL RE INT'L. FINAN. & MONETARY EFFECTS ← BY ← NAC (=DLC MINUS A.I.D., REPRESENTED BY OBSERVER, CHAIRED BY TREASURY)

2. IDB LENDING:

- 1. COUNTRY PROGRAM REVIEWS ↔ ANNUAL STAFF-LEVEL DISCUSSIONS ↔ WITH ↔ AID/W
- 2. LOAN PROPOSALS ← STAFF-LEVEL INFORMAL REVIEWS ← BY ← AID/W & USAIDs
- 3. LOAN AUTHORIZATIONS ← IDB BOARD OF DIRECTORS (U.S. DIRECTOR IS INSTRUCTED) BY ← NAC

C. EX-IM, IBRD, IDB:

- 1. LOAN PROPOSALS
 - a. MONTHLY REPORT ON STATUS OF PROPOSALS → TO → AID/W
 - ↔ b. INFORMAL STAFF EXCHANGES ↔ WITH ↔ AID/W
- 2. LOAN AUTHORIZATIONS → BOARDS OF DIRECTORS (U.S. DIRECTOR IS INSTRUCTED) BY ← TREASURY, FOLLOWING NAC CONSIDERATION

CHAPTER V.

update

Trends in Key Development Institutions

A. Levels of Assistance of International Financial Institutions.

As levels of U.S. bilateral assistance have decreased, multi-lateral commitments have more than commensurately increased. Illustrative figures in million dollars for lending commitments to Latin America are as follows:

	<u>FY 1964</u>	<u>FY 1967</u>	<u>FY 1962</u>	<u>Preliminary FY 1973</u>
AID Loans	511	467	233	224
IBRD & IDA	261	272	957	685
IDB	<u>122</u>	<u>445</u>	<u>610</u>	<u>730</u>
Total	894	1,184	1,800	1,639

(For further details, see Table at beginning of Chapter III.)

B. IDB

1. U.S. Replenishment. We contribute approximately 40 per- cent of the Ordinary Capital (OC) of the IDB and two-thirds of the concessional loan funds called Fund for Special Operations (FSO). These contributions have helped the IDB to increase its lending to a new high of over \$800 million in CY 1972, compared with \$623-652 million for each of the previous three years. Although there have been delays in the appropriation of FSO funds by Congress, the USG has signed the agreements for replenishment of callable ordinary capital (\$674 million to come from the U.S.) and the FSO (\$1 billion, subject to Congressional appropriations). The USG is current in its payments of ordinary capital funds to the IDB, and in December 1972 provided the IDB with \$275 million for FSO. The FY 1974 appropriations request includes \$693 million for U.S. contributions to the IDB (\$500 million for the FSO and \$193 million in ordinary capital).

BILATERAL & MULTILATERAL ASSISTANCE PROGRAMS IN LATIN AMERICA
NET GRANT OBLIGATIONS & LOAN AUTHORIZATIONS (GROSS MINUS GRANT DEOBLIGATIONS & LOAN CANCELLATIONS)
(U.S. Fiscal Years - Millions of Dollars)

Mr. [unclear]

<u>DONOR GROUPS / PROGRAMS</u>	<u>1961</u>	<u>1961-70</u>	<u>1971</u>	<u>1972</u>	<u>1961-72 TOTAL</u>
TOTAL OFFICIAL U.S. ECONOMIC	838.0	9122.8	573.4	1,012.8	10,709.0
<u>a/</u> A.I.D.	253.7	4760.7	260.6	335.9	5,357.2
FOOD FOR PEACE (PL 480)	145.4	1456.5	103.5	98.7	1,658.7
OTHER OFFICIAL DEVEL. ASST: <u>b/</u>					
Subscriptions to IDB/OC fund	-	(120.0)	(25.0)	(75.0)	(220.0)
Callable Capital for IDB					
Approp. (OC) <u>b/</u>		(1235.4)	(200.0)	(136.8)	(1,572.2)
Contributions to IDB/FSO	-	(1750.0)	(50.0)	-	(1,800.0)
Social Progress Trust Fund - Loans	-	494.1	-	-	494.1
Other (Incl. Peace Corps, SPTF grants) <u>c/</u>	1.9	282.0	28.9	41.8	352.7
EXPORT-IMPORT BANK	437.0	2129.5	180.4	536.4	2,846.3
<u>INTERNATIONAL ORGANIZATIONS</u>	266.7	7219.9	1,463.7	1,670.6	10,354.2
World Bank Groups:					
IBRD	160.5	3564.5	745.9	997.1	5,307.6
IFC	130.0	3276.0	670.6	945.3	4,891.9
IDA	3.1	145.5	41.7	40.6	227.8
IDA	27.4	143.0	33.6	11.2	187.9
<u>Inter-American Devel. Bank:</u>	65.3	3113.2	654.5	610.2	4,377.8
Ordinary Capital Fund	37.5	1322.3	238.6	404.6	1,965.5
Fund for Special Operations	27.9	1790.8	415.8	205.6	2,412.3
United Nations Agencies	37.4	459.0	62.8	62.8 <u>a/</u>	584.6
European Economic Community	3.5	83.2	0.5	0.5 <u>e/</u>	84.2
<u>United Nations Agencies</u> <u>d/</u>					
<u>DAC BILATERAL TOTAL</u>	181.7	3630.2	453.3	453.3 <u>e/</u>	4,536.8
To Independent Nations	86.5	1906.5	224.3	224.3	2,355.1
To Dependancies (UK, Fr. Neth)	95.2	1723.7	229.0	229.0	2,181.7
<u>GRAND TOTAL with Total DAC</u>	1,286.4	19,972.9	2,490.4	3,136.7	25,600.0

Details may not add to totals due to rounding.

- a/ Excludes Alliance for Progress funds used for non-regional programs. Includes capitalized interest
- b/ U.S. Contributions and Subscriptions to the FSO and the OC of the IDB are non-add when calculating Total Assistance received by LA Countries. They should be included when calculating Total U.S. Costs. These figures are not included in GRAND TOTALS, nor in "TOTAL OFFICIAL U.S."
- c/ Long-term economic loans. These amounts should be excluded when calculating Official Development Assistance. Excludes refunding of \$533.9 million, as follows (in millions): FY 1961, \$292.2; FY 1963, \$67.9; FY 1964, \$85.6, FY 1965, \$46.6; FY 1966, \$17.9, and FY 1967, \$23.8.
- d/ Calendar year gross disbursements of loans and grants: 1961-68 data include ODA and OOF; 1969 and later data are ODA only.
- e/ LA/DP Estimate

SOURCES: U.S. Overseas Loans & Grants Report as of June 30, 1971; Preliminary as of Nov. 1972 for FY 1972 data; W-129 Operations Report as of June 30, 1971; and the International Lending Organizations for each fiscal year.

2. AID Inputs to IDB Program Process. AID has opportunities to affect the IDB loan review process -- informally through provision of technical comments to the IDB, and formally when AID views (along with those of other agencies) are conveyed to the National Advisory Committee (NAC) which advises the Secretary of Treasury who instructs the U.S. Executive Director on how to vote in the IDB Board of Executive Directors. At the final stage AID receives the final document prepared for decision by the IDB Board of Executive Directors. Typically AID receives this document on a Thursday and must prepare any comments for use of State and AID spokesmen at the NAC meeting by noon of the following Tuesday. Clearly it is to AID's (and the IDB's) advantage for AID comments to be provided early in the cycle, during the "early warning" stages when time constraints are less pressing -- and when it is easier for the IDB to incorporate suggestions into its further refinement of the loan proposal. Continuing working relationships between USAIDs and the IDB field personnel, and between AID and IDB desk officers in Washington, further reinforce the possibility that AID suggestions will have effect.

3. IDB Funds

The Ordinary Capital window provides development funds on conventional terms in much the same manner as the World Bank. It commenced operations with governmental subscriptions, and now obtains its funds largely from private

financial markets, as does the World Bank. Total lending from this source in CY 1972 was at a level of \$443 million.

The Social Progress Trust Fund (SPTF) has been administered by the Bank since mid-1961 on behalf of the United States, which provided all of its funds. Loans from the SPTF were repayable on easy terms and were made in four main sectors of social development -- water supply and sanitation, education, housing and land settlement and improved land use. The SPTF was not replenished after 1964, and the FSO has assumed its lending responsibilities. During the next few years, repayments of principal on SPTF loans will be approximately \$25 million per year, mostly in local currencies. AID is exploring possibilities for future uses of these resources; they are currently invested in FSO social projects.

Other Funds: The IDB serves as administrator for special funds provided by nonmember countries (CY 1972 total: \$20 million).

4. Composition of IDB Programs

While levels of IDB lending have increased substantially, the percentage distribution of funds among country categories and fields of activity has not changed appreciably.

In CY 1972, 27.3 percent of IDB loans made were in the social sectors (agriculture, education, and health, water, sewage -- little change from the 26.1 percent for social

SOCIAL PROGRESS TRUST FUND a/
(U.S. Fiscal Years - Millions of Dollars)

Update

<u>Country</u>	<u>1962-70</u>	<u>1971</u>	<u>1972</u>	<u>Total</u>
Argentina	39.6	3.9	-	43.5
Barbados <u>b/</u>	-	-	-	-
Bolivia	14.5	*	-	14.5
Brazil	61.5	-	-	61.5
Chile	33.6	0.8	-	34.4
Colombia	49.0	-	-	49.0
Costa Rica	11.0	0.7	-	11.7
Dominican Republic	8.2	0.2	-	8.4
Ecuador	26.5	0.9	-	27.4
El Salvador	21.6	0.4	-	22.0
Guatemala	13.5	0.8	-	14.3
Haiti	-	-	-	-
Honduras	7.6	-	-	7.6
Jamaica <u>b/</u>	-	-	-	-
Mexico	33.1	1.8	-	34.9
Nicaragua	11.6	1.4	-	13.0
Panama	12.9	-	-	12.9
Paraguay	6.7	1.1	-	7.8
Peru	42.3	2.8	-	45.1
Trinidad and Tobago <u>b/</u>	-	-	-	-
Uruguay	10.1	0.3	-	10.4
Venezuela	72.9	-	-	72.9
ROCAP (Central American University)	2.9	*	-	2.9
Regional <u>c/</u>	40.8	5.0	5.0	45.8
Latin American Republics Total <u>d/</u>	520.0	20.0	5.0	540.0 <u>e/</u>
Latin America Total	520.0	20.0	5.0	540.0 <u>e/</u>

- * Less than \$50,000. Details may not add to total due to rounding.
- a/ Administered by the IDB under an Agreement of June 19, 1961, between the U.S. Government and the President of the IDB. The original funding of \$394 million was part of the FY 1961 appropriation of \$500 million made by the U.S. Congress to implement the Special Inter-American Fund for Social Development envisaged in the Act of Bogota. An additional \$131 million was transferred in FY 1964 from Foreign Assistance Act Funds.
 - b/ Recent members of the Organization of American States.
 - c/ Technical assistance grants for various countries and administrative expenses.
 - d/ Includes ROCAP and Regional.
 - e/ Total of \$540.0 million consists of \$494.1 million in loans and \$45.8 million in technical assistance grants and administrative expenses.

Terms of Loan Repayments are: Interest at 1-1/4% - 2 3/4% per annum up to 30 years plus a service charge of 0.75% per annum. Repayments of principal and interest, generally in local currencies, are used to buy Participations in Fund for Special Operations loans which contribute to SPTF objectives and carry the same terms as the IDB's FSO loans.

Source: Inter-American Development Bank Statement of Approved Loans (SPTF) for June 30, 1971 and the A.I.D. Operations Report, W-129 as of June 30, 1971, & SER/FM/SR.

Agency for International Development:RClarke:LA/DP (edited by LA/MRSD, 9/21/73).

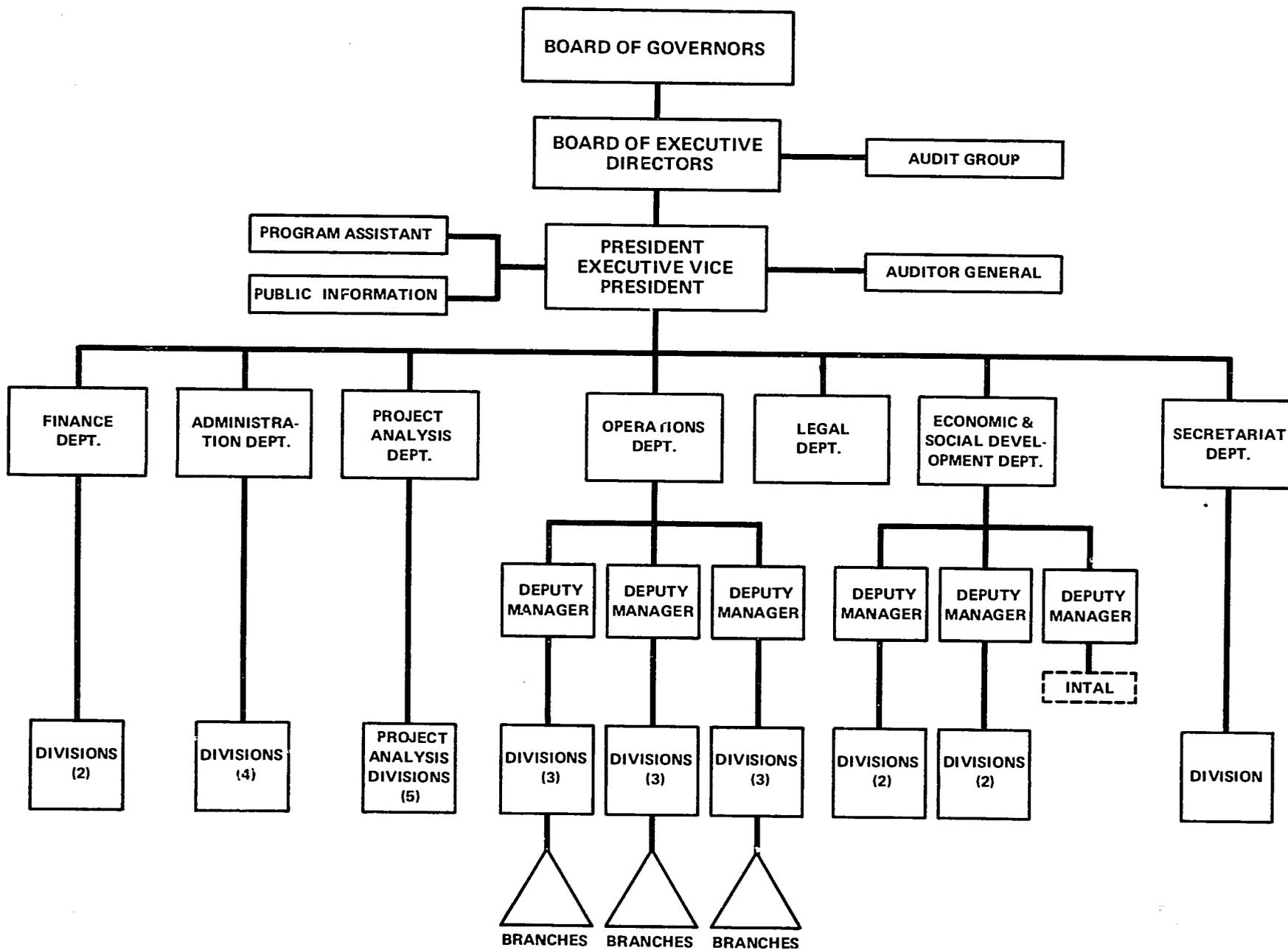
Note: All SPTF loans are completely disbursed.

sectors in CY 1968. Over two-thirds of all IDB loans made between CY 1968 and CY 1972 were for physical infrastructure (industry and mining, electric energy, transportation and communications, and housing and urban development). Loans for tourism, export promotion, and preinvestment accounted for the remaining 3 percent in CY 1972.

Argentina, Brazil, Mexico, and Venezuela -- the countries in the IDB "more-developed" category -- were the largest recipients of IDB loans in FY 1972 (60.5 percent in aggregate). (Note that these countries -- except for Brazil have not been recipients of AID loans in recent years.) The first three of these received the most for the total twelve-year period FY 1961-1972, followed by Colombia, Venezuela, Chile and Peru in that order. As might be expected, the four "more-developed" countries received the bulk (95.8 percent) of ordinary capital funds in FY 1972. These countries, plus Colombia and Chile, were also the major beneficiaries of ordinary capital lending for the twelve-year period, with Peru and Uruguay also receiving significant amounts.

Prior to 1972, the four "more-developed" countries received about 46 percent of "soft-window" FSO and SPTF funds; three "intermediate" countries (Chile, Colombia, and Peru) received about 23 percent, six small "insufficient-market" countries received 7 percent, and the remaining "less-developed" countries received 24 percent. In 1972 the IDB Board of Executive Directors approved "New Policy Guidelines and Preferential Treatment for Economically Less-Developed

INTER-AMERICAN DEVELOPMENT BANK



Update

INTER-AMERICAN DEVELOPMENT BANK
ORDINARY CAPITAL and FUND FOR SPECIAL OPERATIONS
COMMITMENTS, DISBURSEMENTS, REPAYMENTS ON PRINCIPAL, INTEREST COLLECTED, AND UNDISBURSED BALANCES FOR FY 1971 and FY 1972
(Millions of U.S. Dollars)

Country	Undiburs. Balance FY 1970	New Com- mitments FY 1971 a/	Gross Disburs. FY 1971	Principal Repayments FY 1971	Interest Collected FY 1971	Net Disburs. FY 1971	Undisburs. Balance FY 1971	New Com- mitments FY 1972 a/	Gross Disburs. FY 1972	Principal Repayments FY 1972	Interest Collected FY 1972	Net Disburs. FY 1972	Undisbur- Balance FY 1972
Argentina	303.4	89.9	51.6	12.5	10.0	29.1	341.6	125.2	66.6	17.6	14.1	34.8	400.3
Barbados	-	-	-	-	-	-	-	1.0	-	-	-	-	1.0
Bolivia	43.5	19.5	6.4	3.3	1.3	1.9	56.6	2.0	24.4	3.6	1.7	19.1	44.3
Brazil	235.0	119.9	94.4	25.7	19.5	49.2	367.7	211.9	99.6	27.9	24.3	47.5	465.6
Chile	103.8	12.0	27.4	10.6	6.3	10.5	93.4	2.4	29.1	13.7	7.4	6.0	105.6
Colombia	173.7	65.2	45.9	8.9	7.5	29.5	198.0	27.4	43.9	11.6	9.8	22.4	221.5
Costa Rica	17.1	10.1	3.0	2.0	1.0	*	24.2	9.6	4.8	2.1	1.0	1.6	29.0
Dominican Rep.	24.2	7.6	8.4	0.9	1.2	6.4	23.3	0.1	8.1	1.7	1.4	5.0	29.2
Ecuador	28.3	29.7	8.1	1.3	1.1	5.7	49.9	21.7	8.5	1.6	1.5	5.3	68.2
El Salvador	13.3	2.0	1.8	0.6	0.4	0.8	11.1	11.6	2.3	0.7	0.4	1.2	29.3
Guatemala	45.5	6.6	7.6	1.1	1.0	5.6	35.0	2.6	7.2	1.4	1.2	4.6	39.4
Guyana b/	-	-	-	-	-	-	-	-	-	-	-	-	-
Haiti	7.2	-	1.1	0.2	0.1	0.3	5.5	1.8	0.4	0.2	0.2	0.3	6.8
Honduras	17.5	13.8	5.6	1.2	1.1	3.3	25.8	7.6	4.1	1.7	1.3	3.2	29.2
Jamaica	-	16.9	1.0	-	-	1.0	15.9	3.1	4.5	-	0.1	3.3	19.5
Mexico	237.5	87.8	61.7	12.7	11.5	37.5	263.6	59.2	78.0	16.0	15.3	46.7	244.8
Nicaragua	12.4	12.4	4.2	2.2	1.4	0.6	26.1	4.0	6.4	2.5	1.6	2.3	29.6
Panama	17.4	19.1	7.3	0.9	0.6	5.7	29.3	*	13.7	1.3	1.1	11.5	19.6
Paraguay	50.9	14.8	6.3	1.5	1.6	3.2	59.5	24.2	10.0	1.6	2.0	6.5	79.7
Peru	66.1	70.6	21.6	3.6	2.6	15.5	115.1	13.1	24.7	5.0	3.6	10.0	163.1
Suriname c/	-	-	-	-	-	-	-	-	-	-	-	-	-
Trinidad & Tobago	8.4	-	0.8	*	*	0.8	7.6	7.6	1.8	*	0.1	2.7	13.4
Uruguay	47.7	21.7	6.5	2.2	1.2	3.1	61.3	0.9	4.7	1.9	1.4	1.3	67.5
Venezuela	125.6	17.8	10.2	4.9	3.2	2.1	133.1	72.7	15.0	6.0	4.1	4.6	185.6
Regional (CAEII) d/	14.3	20.0	3.6	1.0	1.2	1.4	30.7	-	5.5	1.7	1.4	2.4	29.2
Regional (ABELA) e/	3.5	-	1.5	0.6	0.5	0.3	-	0.5	0.5	0.8	0.6	-1.0	-
Regional (Pan. Am) f/	-	2.0	-	-	-	-	2.0	-	0.6	-	*	0.6	1.4
TOTAL	1,723.3	659.5	385.9	97.8	74.3	213.9	1,976.1	610.2	464.5	120.9	95.6	248.0	2,116.1

*Less than \$50,000. Details may not add to totals due to rounding.

a/ Data include sales to participants.

b/ Non-members of the Organization of American States (OAS).

c/ Central American Bank for Economic Integration.

d/ ABELA Investment Company, S. A., Luxembourg has executive offices in Lima, Peru. (Atlantic Community Development Group for Latin America).

e/ Pan-American Education and Health Foundation.

Terms of Loan Repayments for FSO are from 2 1/2% to 5 3/4% interest up to 30 years plus a Commitment Fee of 0.50% and a Service Charge of 0.75%. For O.C. terms are from 3 3/4% to 6% interest including Service Commission of 1% on loans ranging from 10 to 25 years. Loans extended prior to August 21, 1964, carry a Commitment Fee of 0.75% on undisbursed balance. After 8/21/64, loans carry a Commitment Fee of 1%. After Dec. 31, 1967, loans carry a fee of 1 1/2%. The grace period is about 5 1/2 years. Interest and amortization payments shall be payable in the currencies loaned. Portions of loans involving Belgian Francs, British Pounds, Netherlands Guilders, Austrian Schillings, Italian Lire, Swiss Francs, German Marks are, each, subject to a Service Commission ranging from 1% to 1 1/2% and a Commitment Fee of 1% to 2%. Repayments on FSO loans by Mexico and Venezuela are repayable in dollars.

SOURCE: IDE Statements of Approved Loans ending each of the above fiscal years.

PERIOD FOR INTERNATIONAL DEVELOPMENT: IA/DP:RCL:19/29/72.

IN

Countries and Countries of Insufficient Market", The "more-developed" countries' share of FSO funds dropped to 30 percent in CY 1972; a 20 percent target has been set for CY 1974. The "less-developed" countries' share jumped to 49 percent in CY 1972, and that of the "insufficient-market" countries increased to 12 percent.

C. IBRD

1. IBRD Funds: IDA and the IBRD

IDA's resource allocation must be considered in the context of the relationship between IDA and its parent organization, the IBRD (World Bank). Technically, the two are separate institutions. In practice, however, only their sources of funds are truly separate. They share a common staff and management, their loan operations are planned jointly, and the major difference between the operations of the two institutions is the terms on which they lend. Meaningful comparisons of Bank Group programs in different countries, therefore, should consider both the IBRD and the IDA components.

In considering whether or not to have a World Bank Group program in a given country, both the IBRD and IDA take into account its economic performance, degree of poverty, and ability to service loans. The latter two criteria also help to determine how hard the terms of that program are to be, or, in operational terms, whether a country may borrow some or all of its Bank Group program from the more concessional

(and more limited) resources of IDA. According to current guidelines, only countries below a certain poverty level are eligible. Bank/IDA Management proposes to raise this cutoff from \$300 per capita GNP (at factor cost) to \$375 (at market prices).

Countries with relatively poor export prospects and/or a heavy external debt burden will be given higher priority for soft IDA loans. Countries which despite a fairly low per capita GNP have ample debt servicing capacity may borrow primarily from the IBRD; other countries may borrow a mix of funds from both the IBRD and IDA.

A declining share of total IDA lending has gone to the Western Hemisphere: 6.5 percent of the world-wide total during the period FY 1961-1968, 3.8 percent of the FY 1969-71 period; and only 1.1 percent in FY 1972 (for Guyana, a non-IDB member and Ecuador). Bolivia has been the largest Latin American recipient of IDA funds.

2. Composition of IBRD Programs

In common with the IDB levels of IBRD lending to Latin America have increased substantially, but distribution of funds among countries and fields of activity has not changed appreciably.

The IBRD -- even more than the IDB and in sharp contrast to AID -- has lent the bulk of its funds (85 percent in FY 1972, for the third year of the last four) to physical

infrastructure projects (industry and mining, electric energy, and transportation and communications). IBRD lending for social projects was 3 percent in FY 1972 (for agriculture); and the first IBRD "nonproject" lending -- in effect, a program loan -- accounted for the remaining 11.5 percent. In other years, the IBRD has made loans for education and health projects. IBRD officials indicate that greater emphasis in the future will be given to social sectors without neglecting traditional infrastructure needs, and taking account of what other donors are doing in the social area.

Brazil, Mexico, and Colombia -- in that order -- received the largest amounts of IBRD loans in both FY 1972 (82.4 percent of the Latin American total) and for the twelve-year period FY 1961-1972 (62.7 percent). Argentina, which received no IBRD loans in FY 1972, ranked fourth among the recipients for the twelve-year period, because of substantial lending during the years 1968-1971; and Venezuela was fifth. Note that three of these five countries -- Argentina, Mexico, and Venezuela -- received no AID loans in recent years, but that all of them have also received significant amounts of IDB funds.

3. Lending Procedures of the World Bank Group

The World Bank Group consists of the IBRD (relatively hard loans), IDA (soft loans), and the IFC (loans and equity in private enterprise ventures). This Group is active in Latin America as well as in other parts of the world.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
LOAN AUTHORIZATIONS ^{a/} TO LATIN AMERICA
 (US Fiscal Years - Millions of Dollars)

Update

<u>Country</u>	<u>1961- 1970</u>	<u>1971</u>	<u>1972</u>	<u>12 Yr. Total</u>
Argentina	357.7	151.5	--	509.2
Barbados	--	--	--	--
Bolivia	23.2	--	--	23.2
Brazil	568.2	160.4	437.0	1,165.6
Chile	126.6	--	--	126.6
Colombia	541.6	153.1	65.0	759.7
Costa Rica	76.4	--	33.0	109.4
Dominican Republic	25.0	--	--	25.0
Ecuador	18.3	8.0	--	26.3
El Salvador	26.6	--	9.5	36.1
Guatemala	28.3	4.0	16.0	48.3
Guyana ^{b/}	8.8	5.4	--	14.2 ^{c/}
Haiti	--	--	--	--
Honduras	32.2	6.0	12.3	50.5
Jamaica	42.7	17.2	--	59.9
Mexico	791.0	75.0	277.0	1,143.0
Nicaragua	24.3	--	30.9	55.2
Panama	53.2	--	23.4	76.6
Paraguay	17.3	--	--	17.3
Peru	137.6	30.0	--	167.6
Surinam ^{b/}	--	--	--	--
Trinidad & Tobago	46.4	3.0	2.0	51.4 ^{c/}
Uruguay	37.5	22.0	11.2	70.7
Venezuela	292.9	35.0	28.0	355.9
Total	3,275.8	670.6	945.3	4,891.7

-50-

Details may not add to totals due to rounding

^{a/}Net of cancellations, terminations and refundings. Cancellations are deducted from loans in the year originally authorized. Include sales to participants.

^{b/}Non-Members of the Organization of American States.

^{c/}Includes Loan No. 285 made to Guyana in FY 1961 and loan No. 293 made to Trinidad and Tobago in FY 1962 which were guaranteed by the United Kingdom.

(Footnotes continue on Page 2)

IBRD
Loan Authorizations
to Latin America
Page 2

NOTE: The maturity on Bank loans ranges from 12-30 years with interest rates (including commission) between $5\frac{1}{2}\%$ and $7\frac{1}{4}\%$ per annum with four years of grace. The yearly average is \$406.5 million.

SOURCE: IBRD Statements of Loans ending June 30, 1972.

AGENCY FOR INTERNATIONAL DEVELOPMENT:LA/DP:RClarke:9/27/72:SER/FM/SR

The World Bank staff prepares periodic overall studies of the economic and development situation, in particular, less-developed countries. These studies are used by donors, including the Bank itself as well as AID, as background against which particular development projects of high priority are reviewed.

The Bank's staff prepares detailed economic, financial, and technical studies of each project which it recommends that the Bank finance. These studies are then provided to the Board of Directors of the Bank for review. The U.S. is a member of the Board. The studies received by the U.S. are examined by the NAC and the comments and recommendations of the NAC are provided to the Secretary of the Treasury for review and transmittal to the U. S. Director, who then uses them as guidance for his participation in the discussion of the proposed loans at the formal Bank Board meeting. The NAC is an advisory body and the decisions of Treasury are final.

The NAC agencies are Treasury, acting as Chairman, Commerce, the Federal Reserve, EXIM Bank, and State/AID. USDA and DOD frequently participate in NAC discussions. EB represents State and PPC/IA/IFI represents AID at the NAC meetings. Both EB and PPC seek ARA comments on proposed World Bank commitments to Latin American countries.

D. Export-Import Bank. The pattern, noted above with respect to distribution of IDB and IBRD funds among Latin American

countries, characterizes the Export-Import Bank also. The four countries in the IDB's "more-developed" category -- Argentina, Brazil, Mexico and Venezuela -- received the most Export-Import Bank funds in FY 1972. For the twelve-year period FY 1961-1972, the largest recipients were these countries plus Chile, which ranked third because of a substantial credit provided in FY 1967.

1. Lending Procedures of Export-Import Bank.

The Export-Import Bank (Eximbank) is a U. S. Government institution whose prime purpose is to promote American exports. A considerable part of its activity is in less-developed countries, including Latin America, and generally contributes to economic development. However, development is not one of its objectives, and sometimes projects of low economic importance are often financed so that American firms can compete for the business. The commercially oriented lending terms of Eximbank also can help cause debt burden problems in recipient LDCs.

Eximbank has a five-man Board of Directors. Its policies are overseen by Treasury upon advice and counsel of the NAC, which includes State/AID. Any Eximbank-proposed commitment of \$30 million or more must be referred to the NAC prior to approval, and the NAC advises the Secretary of the Treasury regarding the commitment, the Secretary then advises the Eximbank of his decision. NAC members review Eximbank commitments of under \$30 million on an ex post facto basis.

State/EB, assisted by AID/PPC/IA, represents State/AID concerning Eximbank matters. Both EB and PPC participate in NAC discussions of proposed Eximbank commitments, and EB, sometimes accompanied by PPC, attends the weekly Eximbank Board of Directors meetings. EB and PPC seek ARA comments on proposed Eximbank commitments in Latin America. (See Table on following page.)

E. OAS

1. Use of AID Funds for OAS Programs. U. S. voluntary contributions to OAS program comprise a significant -- and rising -- proportion of total AID development grants used for Latin American programs.

	<u>GROSS OBLIGATIONS - By Fiscal Year - \$ Millions</u>								
	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>Est.</u> <u>1973</u>	<u>Prop.</u> <u>1974</u>
Total Grants	78.4	82.0	94.4	96.3	108.3	111.1	91.5	87.5	87.7
To OAS	3.7	6.1	9.5	9.4	11.3	15.5	14.7	16.7	15.8
OAS % of Total	4.7	7.4	10.1	9.8	10.4	14.0	16.1	19.1	18.0

Since 1965, most U.S. contributions have been provided on a matching basis, according to a 66:34 ratio of U. S. to Latin American payments. In special cases, as indicated below, the United States has made unilateral unmatched contributions.

2. IA-ECOSOC Programs. The following programs fall within the purview of the Inter-American Economic and Social Council (IA-ECOSOC):

SDAF. As part of an effort to "multilateralize" the Alliance for Progress, IA-ECOSOC created the Special Development

EXPORT-IMPORT BANK OF THE UNITED STATES
CREDIT TO LATIN AMERICA
LONG-TERM NET LOAN AUTHORIZATIONS^{a/}

(Millions of U. S. Dollars - Fiscal Years)

<u>COUNTRY</u>	<u>1961 to 1970</u>	<u>1971</u>	<u>1972</u>	<u>12-YEAR TOTAL</u>
Antigua, L. I. <u>b/</u>	1.5	-	-	1.5
Argentina	210.2	38.5	44.7	293.4
Bahamas B.W.I. <u>b/</u>	21.7 <u>c/</u>	-	1.8	23.5
Barbados	-	-	-	-
Bermuda <u>b/</u>	-	-	34.0	34.0
Bolivia	18.3	-	-	18.3
Brazil	382.6 <u>c/</u>	73.4	290.9	746.9
Chile	369.0	-	1.6	370.6
Colombia	148.4	5.2	18.5	172.1
Costa Rica	14.8	0.5	0.1	15.4
Dominican Republic	31.2	-	2.9	34.1
Ecuador	22.3	2.0	1.0	25.3
El Salvador	12.5	1.0	0.5	14.0
Guatemala	86.6	2.9	-	89.5
Guyana <u>b/</u>	-	-	1.1	1.1
Haiti	3.1 <u>d/</u>	-	-	3.1
Honduras	1.4	0.2	1.2	2.8
Jamaica	32.3	0.8	16.7	49.8
Mexico	428.2	32.4	51.6	512.2
Netherlands Antilles <u>b/</u>	-	-	-	-
Nicaragua	9.7	1.1	0.2	11.0
Panama	15.3	2.7	27.8	45.8
Paraguay	3.0	-	-	3.0
Peru	104.8	4.3	-	109.1
Surinam <u>b/</u>	4.0	-	-	4.0
Trinidad & Tobago	22.7	2.1	6.5	31.3
Uruguay	5.5	1.1	-	6.6
Venezuela	179.4	12.2	35.5	227.1
Regional (ADELA & CABEI) <u>e/</u>	1.4 <u>e/</u>	-	-	1.4
 Latin America Total	 2129.9	 180.4	 536.6	 2,846.9

W. J. ...

* Less than \$50,000. Details may not add to totals due to rounding.

a/Five years or more. Net of cancellations, refundings and terminations. Includes U.S. Treasury participations.

b/Non-members of the Organization of American States(OAS).

c/Excludes refunding of \$533.9 million, as follows (in millions): FY 1961, \$292.2 for Brazil; FY 1963, \$65.3 for Argentina & \$2.6 for Costa Rica; FY 1964, \$85.6 for Brazil; FY 1965, \$6.6 Brazil, \$40.0 for Chile; FY 1966, \$15.4 for Argentina, \$2.5 for Costa Rica; FY 1967, \$23.8 for Bolivia.

d/Includes Loan to pay capitalized interest.

e/ADELA Investment Company, S.A. (Atlantic Community Development Group for L.A.) was incorporated in Luxembourg in Sept. 1964 with Exec. Offices in Peru.

The original loan of \$5.0 million was cancelled. The Central American Bank for Economic Integration (CABEI) originally rec'd. a loan of \$1.5 million of which \$0.150 was a write-off.

SOURCE: U.S. Overseas Loans & Grants Report as of 6/30/71; Preliminary FY 1972:SER/FM/SR:AID:10/31/72.

AGENCY FOR INTERNATIONAL DEVELOPMENT:LA/DP:RClarke:10/31/72:Rev. 3/8/73.

Assistance Fund (SDAF) in 1965. The SDAF continues OAS activities on a cost-sharing basis which before 1965 had been financed with funds provided solely by the U. S. Government. The SDAF has supported technical assistance, training and research in the fields of public finance, development administration, manpower and employment, social security welfare, urban development, statistics, rural development, tourism, and regional development. It has held reviews of country development programs, completed sectoral studies and promoted assistance and training from non-OAS sources. The form of SDAF assistance varies: (1) nearly one-third is channeled through eight training centers located in Latin America; (2) direct technical assistance is provided by financing members of the OAS Secretariat staff or short-term contract technicians; and (3) fellowships are offered for training in the United States and travel costs paid for study in Western Europe to complement European tuition grants to the OAS. U.S. annual matching contributions to SDAF have been approximately \$4.8 million for the three years through FY 1973; the Congressional Presentation figure for FY 1974 is \$5.2 million.

CIPE. The Inter-American Export Promotion Center (CIPE), established by IA-ECOSOC in 1968, has provided specialized services needed to identify and promote new exports, facilitated placing of Latin American products in international markets, and furnished technical support to national and sub-regional export promotion agencies. As a result of technical

evaluations, and consequent consideration of organizational arrangements and program directions, CIPE may refocus its efforts on assistance programmed by national export centers. U. S. contributions, under the 66:34 matching formula, have ranged from \$500,000 in FY 1970 to \$676,000 in FY 1973; the Congressional Presentation figure for FY 1974 is \$700,000.

"Presidential Initiatives". President Nixon, in offers made at the IA-ECOSOC meeting of February 1970, pledged the United States to provide \$3 million to strengthen the technical staff of CIAP, and \$5 million to enable CIAP to finance capital market studies. Note that these are unmatched unilateral U. S. grants.

CIAP has used funds provided for strengthening its staff to improve preparatory work for its annual reviews of country development performance, to improve the follow-up procedure, and to strengthen the interagency consultative system. By augmenting the country desk staff, placing senior economists in the field, providing greater professional depth and breadth in the sectoral units, and strengthening the interagency consultative mechanism, the country reviews have been able to examine in greater detail specific problem areas. The United States has already made two payments of \$1 million each for strengthening CIAP staff.

Funds transferred to the OAS for capital markets studies have been used for: (1) symposia with participation of individuals from the public and private sectors responsible for

decision-making on capital market developments; (2) surveys to analyze the financial and capital markets, identify weaknesses, and propose measures to overcome them; (3) technical assistance provided by the OAS staff on short notice to meet specific needs; and (4) studies covering problems of common market development. The United States has paid \$3 million to date to support these activities.

3. CIECC Programs. The Special Multilateral Fund (SMF or, in Spanish, FEMCIECC) of the Inter-American Council on Education, Science and Culture (CIECC) stems from a "summit" meeting in 1967. At that time the Presidents of the Americas agreed to develop multilateral programs to help modernize and strengthen Latin American educational, scientific and technological capabilities.

The United States helps support, on a 66:34 matching basis, FEMCIECC's (1) education program covering planning and administration, curriculum development, innovation and research, and technical and adult education; and (2) science program emphasizing advanced training and research in basic and applied sciences, technological development, and technical change and transfer of technology. The United States' share of FEMCIECC's budget has amounted to \$6.8 million in each of FY 1971 and 1972, and will be closer to \$6 million in FY 1973. The Congressional Presentation figure for FY 1974 is \$8.9 million.

At an OAS meeting in April 1970, the United States agreed that -- in addition to its support of the regular FEMCIECC budget, as indicated above -- it would also be prepared to make special unmatched contributions for science activities. These unilateral contributions would be provided on a one-time basis, and projects supported by them would have to meet one of three criteria: unique USG expertise, USG agency involvement, or USG interest in accelerated implementation. Special contributions made or planned include grants to support: seminars in information sciences (\$300,000); a conference in Brasilia of specialists from governments, industry, and universities, on the application of science and technology to development (\$300,000); equipment and training in marine sciences (\$450,000); a pilot project on technology transfer (\$200,000 paid, and a final \$200,000 tranche to be paid in FY 1973 or FY 1974); and training in scientific documentation (\$56,000 in FY 1974).

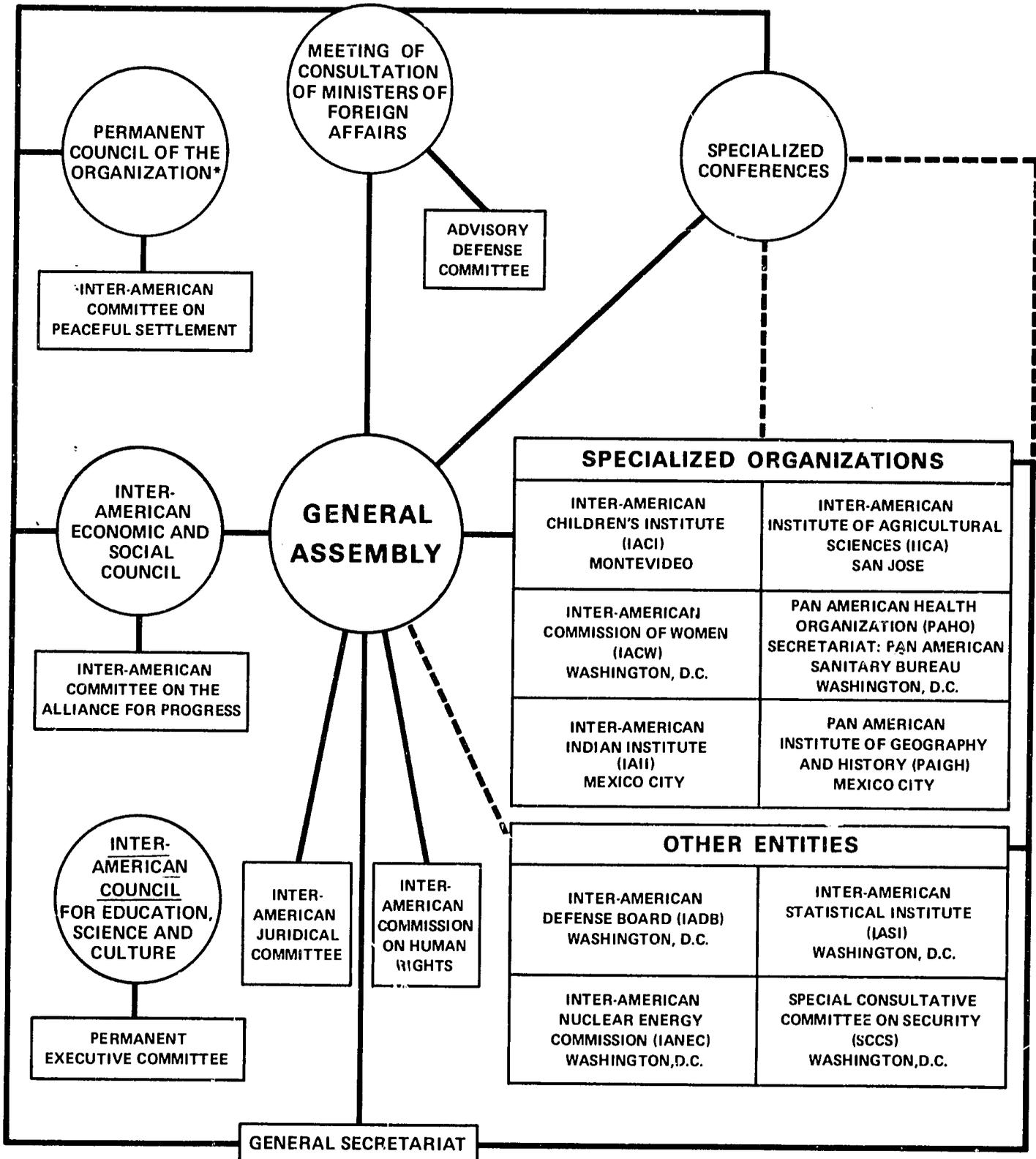
In 1972, CIECC approved an Argentine proposal for support of special projects, beginning in FY 1975, to be financed by Latin American special contributions which the United States would match on a 66:34 basis.

4. U. S. Input to OAS Budget and Management. The United States and other OAS member governments monitor the use of OAS funds through the normal processes of programming, budgeting, funds control, program implementation, progress reporting, internal and external audit and evaluation. The United States

participates in decisions of the governing bodies, as to the general substantive nature the program should take as well as the funding level. These decisions influence the Secretariat's development of the program and budget. The program and budget proposals are subjected to an intensive review by the governing bodies before the final program and budget are approved. The United States is an active member at all committee levels. For example, the program and budget for SDAF are first examined by the Budget Subcommittee of CIAP. CIAP then reviews the subcommittee's report, and recommends a program and budget to IA-ECOSOC, which makes a final review. A similar process exists for the review of FEMCIECC and for CIPE. As a final step these budgets are submitted to the OAS General Assembly for their final, formal approval at highest level. At the start of the budget year the United States provides only a portion of what it had pledged in contributions to the program for the year. The United States does not provide more until what the United States has provided has been matched according to the 66:34 cost-sharing formula.

With U. S. encouragement and support, the OAS is improving -- and applying -- its systems analysis and evaluation methodology. The United States has also helped to stimulate implementation by OAS management of recommendations of a Group of Experts on Administration and Public Finance,

ORGANIZATION OF AMERICAN STATES



STATE/AID CONTRIBUTIONS TO OAS AND OAS SPECIALTY AID ORGANIZATIONS
(Net Obligations - in thousands of US dollars)

	1966-70	1971	1972	(est.) 1973	(Pro- posed) 1974	(est.) TOTAL
I. OAS REGULAR ASSESSED PROGRAMS: (State Dept. Appropriation)	211,819	28,207	32,405	35,506	38,927	346,864
Organization of American States	129,167	16,030	18,780	20,768	22,596	207,341
Pan American Health Organization	64,781	9,204	10,437	11,313	12,650	108,445
Inter-American Institute of Agricultural Sciences	16,248	2,695	2,960	3,197	3,453	28,553
Pan American Institute of Geography & History	991	151	151	151	151	1,595
Pan American Railway Congress Association	108	5	15	15	15	158
Inter-American Indian Institute	524	62	62	62	62	772
II. OAS VOLUNTARY/SPECIAL PROGRAMS: (AID Appropriation)	45,838	12,594	14,653	12,571	14,436	100,092
Special Development Assistance Fund (SDAF)	32,638	4,800	4,900	4,811	4,911 ^{a/}	52,060
Inter-American Export Promotion Center (CIPEC)	1,000	586	672	676	700	3,634
Presidential Initiatives:						
Strengthen CIAP	1,000	--	1,000	1,000	--	3,000
Capital Markets Study	2,000	--	1,000	1,000	b/	5,000
Special Multilateral Fund (SMF) for Education & Science (matched)	8,600	6,758	6,831	4,559	8,825	35,573
Special Contributions to SMF Tourism Year of the Americas, 1972	600	450	--	400	--	1,450
	--	--	250	125	--	375
III. OAS PROGRAMS NO LONGER FUNDED BY AID:	30,715	110	70	--	--	30,895
Pan American Health Organization:						
Aftosa	640	--	--	--	--	640
Community Water Supply Program	1,998	--	--	--	--	1,998
Malaria Eradication Program	24,090	--	--	--	--	24,090
Inter-American Institute of Agricultural Sciences	3,987	110	70	--	--	4,167
Total of I and II	257,657	40,801	47,058	48,077	53,363	446,956
Total of II and III	76,553	12,704	14,723	12,571	14,436	130,987
GRAND TOTAL OF I, II, AND III	288,372	40,911	47,128	48,077	53,363	477,851
Excludes Direct Grants to ECLA for Population	(3,074)	(2,750)	--	(2,841)	--	(8,665)

Exclude: special U.S. matched grants for Inter Gap Highway through Colombia and Panama: 1) \$7 million for Survey Studies funded by AID in 1962 and 2) \$100 million authorized by Congress for Highway Construction through the Department of Transportation. Appropriations thus far are \$5 million in FY 1971, \$15 million in FY 1972, and \$15 million in FY 1973.

a/ Includes \$75,000 for proposed grant for Regional Labor Statistics Program of SDAF.

b/ Last tranche of \$1 million tentatively postponed to FY 1975.

JA/SMBD:VBarrett: 9/20/73
JA/D:DeKeris: 9/20/73

including: (1) completion of the first two-year budget; (2) establishment of the budget subcommittees; (3) creation of a "watchdog" advisory Group on Management and Budget over management of all OAS bodies for budget preparation and implementation, planning and evaluation, and administration; and (4) establishment of the position of Assistant Secretary for Management, and of an office of Planning and Evaluation reporting directly to the Secretary General.

F. UNDP

1. Level. UNDP assistance has averaged \$50 million per year since 1961. (The estimate for FY 1973 is \$57.2 million.) There is no apparent concentration by countries or sectors.

2. Country Programming. Since 1971, UNDP country programming has replaced separate approvals of large-scale projects of the Special Fund Type and small-scale technical assistance projects under the old system of one-year "country targets" for the TA component of the Programme. In 1972, the new Regional Bureau for Latin America merged these two components, building on them to formulate the country programs based on five-year "Indicative Planning Figures" (IPFs). The IPF for each recipient member country for the 1972-75 programming cycle is an apportionment of total UNDP resources anticipated during that period reflecting: (1) total population, (2) per capita income, and (3) special considerations including the history of prior year(s) UN assistance to that

country. Semiannual UNDP Governing Councils have approved UNDP Country Programmes for Latin America as follows:

January 1972 - Colombia, Panama, Venezuela

June 1972 - Argentina, Chile, Costa Rica,
Honduras, Jamaica, Peru

January 1973 - Brazil, Cuba, Ecuador, Guatemala, Haiti

Under review for the June 1973 Governing Council are Barbados, Bolivia, Dominican Republic, El Salvador, Guyana, Mexico, Paraguay, and Uruguay. UNDP is scheduling British Honduras, Caribbean, Nicaragua, Surinam, and Trinidad and Tobago for January 1974.

3. Scope. The UNDP has been working towards fewer and larger projects in each country for maximum impact, although it continues to view its role as that of filling a country's development priority gaps, after examination of sectoral emphases and major activities of other donors. UNDP's programs are still widely varied among fields of activity; experts and training fellowships therefore often spread across a range of specialties. UNDP has increased its efforts to undertake feasibility studies which can lead to capital projects by other donors. It continues to use the UN specialized agencies to implement the vast majority of its activities in their fields of specialization, as well as subcontracting firms and organizations in various nations.

UNITED NATIONS DEVELOPMENT PROGRAM
TO LATIN AMERICA

Special Fund, Technical Assistance and Other U.N. CY 1961 - CY 1972
(\$Millions) (Estimate)

<u>Country</u>	<u>1961-1970</u>	<u>1971</u>	<u>1972</u>	<u>12-Year Total</u>
Argentina	25.3	2.9	2.9	31.1
Bahamas a/	*	0.1	0.1	0.2
Barbados	0.7	0.1	0.1	0.9
Bolivia	18.6	1.5	1.5	21.6
Brazil	39.1	7.0	7.0	53.1
British Honduras a/	1.2	0.1	0.1	1.4
Chile	34.8	3.7	3.7	42.2
Colombia	33.8	2.5	2.5	38.8
Costa Rica	6.1	0.5	0.5	7.1
Dominican Republic	10.2	1.9	1.9	14.0
Ecuador	18.5	3.2	3.2	24.9
El Salvador	9.6	0.6	0.6	10.8
Guatemala	12.4	0.4	0.4	13.2
Guyana	6.4	0.3	0.3	7.0
Haiti	8.5	2.9	2.9	14.3
Honduras	7.3	1.4	1.4	10.1
Jamaica	8.1	1.6	1.6	11.3
Mexico	36.7	1.3	1.3	39.3
Nicaragua	9.5	0.2	0.2	9.9
Panama	11.3	2.9	1.9	16.1
Paraguay	10.9	1.6	1.6	14.1
Peru	25.6	4.9	4.9	35.4
Surinam a/	1.9	0.1	0.1	2.1
Trinidad & Tobago	4.5	0.8	0.8	6.1
Uruguay	8.0	0.9	0.9	9.8
Venezuela	18.4	1.9	1.9	22.2
Regional a/	79.9	15.0	15.0	109.9
Other West Indies a/	1.7	0.7	0.7	3.1
Total Latin America	449.0	61.0	60.0	570.0

*Less than \$50,000. Details may not add to totals due to rounding.

a/ Non-members of the Organization of American States

Excludes contributions made to Cuba.

SOURCE: Agency for International Development U.S. Overseas Loans and Grants Report, FY 1971
(pp 178-182).

AGENCY FOR INTERNATIONAL DEVELOPMENT:LA/DP:RC/IN:1/3/73

DAC Bilateral Commitments ^{1/} to Latin America by Recipient Country, 1967-1971
(\$US millions)

	CALENDAR YEARS					Largest Donors in 1970/71
	1967	1968	1969	1970	1971	
Total Latin America	468.94	613.91	499.60	467.97	471.12	Half France each year
Independent Countries	215.26	216.11	208.75	166.57	161.37	Largest Germany, France
Argentina	32.53	26.05	27.53	9.59	6.67	9/10 Germany each year
Barbados	.72	4.78	3.52	3.29	3.77	1970 Canada, 1971 Germany
Bolivia	4.03	1.16	5.15	4.63	5.67	1970 Denmark, 1971 UK
Brazil	14.40	21.74	51.03	19.67	30.42	3/4 Germany each year
Chile	43.07	23.01	16.46	24.30	16.15	France, Germany
Colombia	8.91	7.26	20.28	12.02	13.80	Germany each year
Costa Rica	.34	2.05	.27	.81	1.14	About 1/2 Germany
Cuba	1.54	3.30	.13	1.35	.52	Sweden
Dominican Republic	.25	.27	.20	.07	.12	Germany
Ecuador	10.04	3.38	5.89	1.59	12.06	2/3 Germany each year
El Salvador	.34	.75	.42	2.23	1.04	1970 Canada, 1971 1/2 Ger.
Guatemala	.97	.96	.65	1.19	1.21	Germany
Guyana	9.12	13.86	14.92	16.36	6.22	UK, Canada
Haiti	.34	.19	.15	.13	.61	Germany
Honduras	.27	6.78	.12	.15	.79	UK & Canada, Germany
Jamaica	13.21	1.41	14.15	9.19	9.28	1970 UK, 1971 Canada
Mexico	17.24	41.97	1.19	11.73	9.07	France
Nicaragua	.24	.07	2.71	.81	.56	Germany
Panama	4.85	.14	.34	.19	.43	UK, Germany
Paraguay	5.63	.99	6.27	.69	4.83	9/10 Germany each year
Peru	28.00	40.90	12.40	21.30	13.79	1970 Germany, 1971 France
Trinidad & Tobago	1.70	1.39	3.68	.55	.88	Canada, UK
Uruguay	.71	5.91	4.37	.86	1.14	3/4 Germany each year
Venezuela	3.81	2.45	.66	.82	2.11	3/4 Germany each year
Regional & Unspecified	25.24	7.90	19.71	23.05	19.09	France
Dependencies	241.44	395.24	287.45	301.40	309.75	2/3 France each year
Bahamas	.16	15.49	.05	.02	.86	All UK
Bermuda	.06	.04	.01	.01	-	Was all UK
British Honduras	6.97	6.78	3.32	6.90	5.37	Mostly UK, some Canada
Falkland Islands	.16	.20	.09	.20	.24	All UK
Guadeloupe	91.90	93.53	97.20	79.80	79.51	All France
Guiana	23.50	22.00	27.50	26.20	26.50	All France
Martinique	89.00	100.70	98.20	101.20	100.66	All France
Neth. Antilles	9.58	66.30	14.61	22.72	28.88	All Netherlands
St. Pierre & Miquelon	3.80	4.10	5.00	4.00	4.00	All France
Surinam	*	70.56	18.60	26.79	25.41	All Netherlands
West Indies	16.31	14.54	22.87	33.56	38.62	Mostly UK some Canada

* Less than \$50,000

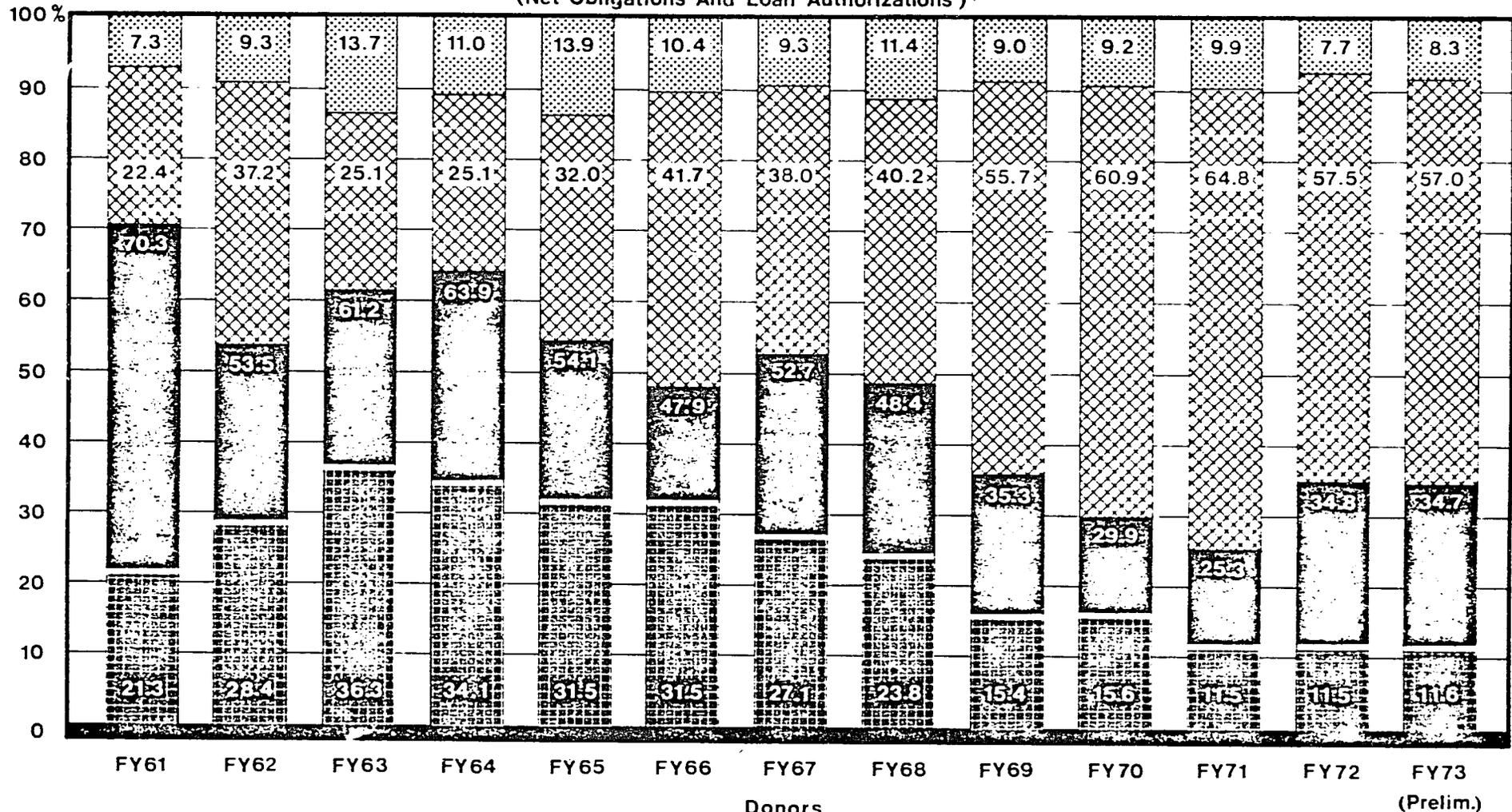
^{1/} 1967-1968 figures are commitments for Total Official Flows; commitments of Official Development Assistance are given for 1969 and later years when data for the first time permitted exclusion of Other Official Flows. Assistance from the United States is excluded.

Source: DAC Geographical Statistics, 1967-70; DAC Terms Matrix 1971
LA/MRSD:PTLansdale; gec:3/21/73

Percentages Of L.A. Economic Assistance

By Donor FY 1961-1973

(Net Obligations And Loan Authorizations)*



Direct Assistance ^{1/} by U.S. Gov't.

of which, AID Direct

International ^{2/} Organizations

OECD/DAC ^{3/} Bilateral

* Gross less Deobligations and Cancellations
^{1/} Excludes U.S. Subscriptions and Contributions to the IDB
^{2/} IDB, IBRD, IDA, IFC, U.N. Agencies, EEC
^{3/} Excludes U.S. flows and excludes flows to Dependencies.

CHAPTER VI.

UNITED STATES BALANCE OF PAYMENTS WITH LATIN AMERICA

In the absence of more recent data on Latin America's regional payment statistics, we have used the Department of Commerce data to illustrate some aspects of US-Latin America economic relations. While this data gives an incomplete picture of U.S. payment transactions with Latin America, it does serve to illustrate some of the salient characteristics of our trade and long-term capital flows to Latin America which are important to that area's development and sustained growth.

The United States continues to enjoy a relatively large surplus in recorded goods and services transactions with the Latin American Republics. In 1972 this surplus, which represents a transfer of real resources to Latin America, reached \$2.0 billion, a drop of approximately \$261 million compared to last year's surplus. (We have not adjusted this data to reflect Venezuelan crude oil exported to the Netherlands Antilles where it is refined and then exported to the United States. This transaction involves approximately \$200 million annually.)^{1/} It should be noted that our merchandise trade balance with the Caribbean considerably reduces our total balance of trade with the region since a large segment of U.S. trade with "Other Western Hemisphere" comprises oil shipments

^{1/} Obviously it could be argued that we should also adjust these figures to include unrecorded U.S. exports such as U.S. exports to other countries which are subsequently incorporated into their exports to Latin America. We include the above comment on Venezuelan exports because it is the most blatant and easily quantifiable adjustment.

from Venezuela which pass through refineries in the Caribbean area. In 1972, our merchandise trade balance was positive \$586 million with the Latin American Republics, but negative \$416 million with the Other Western Hemisphere so that our overall balance of trade with the region was only \$170 million.

Over the past decade we can detect a structural change in the transactions between the U.S. and Latin America which is reflected in some of the key capital flow items used to "cover" the balance on goods and services. It is noteworthy for instance that the sum of U.S. Government grants, U.S. Government capital flows, non-liquid liabilities to other than foreign official reserve agencies, plus long-term private capital flows "covered" over 101% of our surplus on goods and services in 1960 but that by 1965 this "degree of coverage" had dropped to 68% and, by 1972, had fallen to only 61%. Hence, U.S. Government flows and U.S. private direct investment are relatively less important in financing Latin America's deficit on goods and services transactions with the U.S. Private transfers have experienced a similar trend -- rising steadily but not as rapidly as the surplus on goods and services.

About the figures on the other capital movements little can be said other than that it is virtually impossible to determine with any degree of accuracy whether the Latin American Republics enjoyed an overall deficit or surplus on net liquidity or official

reserve transactions basis in their payments with the United States. This is explained by the fact that the LA Republics could finance their deficit on current account and long-term capital with a surplus in their trade with the rest of the world, or through borrowings in capital markets outside the U.S. (e.g., the Euro Dollar Market). We can only conclude therefore that a complete picture of U.S. payments position with Latin America would require more information on Latin America's transactions with the rest of the world.

U.S. BALANCE OF PAYMENTS WITH LATIN AMERICA 1960-1972
(Millions Of U.S. Dollars)

	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972
Merchandise Trade													
Balance	-95	197	-145	-247	223	39	190	188	347	557	800	664	586
Services (Net)	692	852	958	1045	1180	1274	1432	1490	1597	1527	1491	1609	1426
<u>Balance On Goods & Services</u>	597	1049	813	798	1403	1313	1622	1678	1944	2084	2291	2273	2012
Remittances, Pensions & Other Transfers	-106	-113	-120	-163	-148	-158	-165	-181	-193	-247	-237	-233	-245
<u>Balance On Goods, Services & Remittances</u>	491	936	693	635	1255	1155	1457	1497	1751	1837	2054	2040	1767
U.S. Government Grants	-106	-151	-176	-244	-236	-310	-253	-236	-242	-212	-253	-260	-303
<u>Balance On Current Account</u>	385	785	517	391	1019	845	1204	1260	1509	1625	1801	1780	1464
U.S. Govt. Capital Flows & Net & Non-Liquid Liabilities To Other Than Official Reserve Agencies	-170	-674	-397	-353	-238	-325	-488	-438	-648	-540	-540	-343	-419
Net Long-term Private Capital Flows	-327	-270	-129	-34	-282	-264	-44	-228	-301	-733	-679	-624	-515
<u>Balance On Current Account & Long-Term Capital</u>	-112	-159	-9	4	499	256	672	594	560	352	582	813	530
U.S. Short-term Private Capital Flows, Net	-199	-137	-81	-124	-553	-25	-215	-282	-174	70	-410	-254	-729
Allocation of SDRs	--	--	--	--	--	--	--	--	--	--	--	--	--
Errors & Omissions	-53	83	142	-440	-235	-638	-332	-440	-852	-394	-250	-320	-780
<u>Net Liquidity Balance</u>	-53	-213	52	-560	-239	-407	125	-128	-466	28	-78	239	-979
Liquid Private Capital Flows	-48	103	124	590	345	425	-165	138	405	-110	-48	-285	891
Official Reserve Transaction Balance	-101	-110	176	30	56	18	-40	10	-61	-82	-126	-46	-88

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U.S. BALANCE OF PAYMENTS WITH OTHER WESTERN HEMISPHERE
(Millions Of U.S. Dollars)

	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972
Merchandise Trade													
Balance	-98	-175	-170	-149	-148	-168	-152	-170	-194	-234	-211	-346	-416
Services (Net)	-2	8	-45	-17	-55	-44	-26	-13	-39	-46	-119	-74	-110
<u>Balance On Goods & Services</u>	-100	-167	-215	-166	-203	-212	-178	-183	-233	-280	-330	-420	-526
Remittances, Pensions & Other Transfers	-10	-15	-17	-21	-27	-24	-21	-22	-25	-29	-33	-35	-29
<u>Balance On Goods, Services & Remittances</u>	-110	-182	-232	-187	-230	-236	-199	-205	-258	-309	-363	-455	-555
J.S. Govt. Grants	-5	6	-6	-8	-7	-22	-12	-11	-12	-9	-8	-10	-10
<u>Balance On Current Account</u>	-115	-188	-238	-195	-237	-258	-211	-216	-270	-318	-371	-465	-565
J.S. Govt. Capital Flows & Non-Liquid Liabilities to Other Than Official Reserve Agencies, Net	--	--	--	-6	-3	-5	-4	-15	-33	-14	-2	-14	-22
Net Long-term Private Capital Flows	-42	-75	-84	-155	-178	-59	-83	--	-16	84	-90	-17	-255
<u>Balance On Current Account & Long-Term Capital</u>	-157	-263	-322	-356	-418	-322	-298	-231	-319	-248	-463	-496	-842
Non-Liquid S.T. Private Capital Flows, Net	-4	-7	1	-9	-28	9	--	-6	-15	17	-76	-80	-268
Allocations of SDRs	--	--	--	--	--	--	--	--	--	--	--	--	--
Errors & Omissions	140	202	300	342	379	326	303	150	314	-84.7	1178	701	1301
<u>Net Liquidity Balance</u>	-21	-68	-21	-23	-67	13	5	-87	-20	-1078	639	125	191
Liquid Private Capital Flows	17	65	21	18	66	-15	-4	78	14	1087	-647	-124	-188
<u>Official Reserve Transactions</u>	-4	-3	0	-5	-1	-2	1	-9	-6	9	-8	1	3

CHAPTER VII.

U. S. PRIVATE DIRECT INVESTMENT IN LATIN AMERICA

1. U. S. Policy:

For many years the United States has sought to encourage the flow of U. S. private investment to Latin America:

(a) By explaining the positive contribution that foreign investment can make to Latin American development;

(b) Through such direct measures as the investment guaranty program; and

(c) Through preferential treatment (to all LDCs) when investment controls for U. S. balance-Of-payments reasons have become necessary.

We have made clear, however, that we will not encourage private U. S. investment where it is unwanted and that each country has an individual responsibility to establish clear rules to guide the investor into the type of activities deemed most desirable by the host government.

2. Trends:

(a) The book value of U. S. investment in Latin America has grown steadily from \$7.4 billion in 1960 to \$12.9 billion in 1971 -- an increase of 79.3%. (This rate of growth is, however, considerably below the rates recorded in other parts of the world, where the book value of U. S. private investments increased 170% over the same period.)

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(b) Venezuela still accounts for the largest share, but its share of the total has declined substantially from over 34% in 1960 to approximately 20% of the total U. S. private investment in the Latin American Republics. Brazil and Mexico each have about 15% of the total U. S. investment and with the addition of Panama, Argentina (which each account for 10%) and Venezuela, these five countries have attracted nearly three-fourths of all U. S. investment in Latin America.

(c) U. S. investment has grown fastest in the manufacturing sector (from 18% of the total in 1960 to 31% in 1971) which is now the major sector for U. S. investment in the Western Hemisphere (excluding Canada). This trend is especially encouraging since manufacturing activities have a generally favorable impact on the local economies in terms of employment, manpower training, export promotion and import substitution.

(d) The United States enjoys a positive financial inflow from operations related to its direct investment in Latin America, leading to the view, widely held in Latin America, that private investment constitutes a drain on the region's balance of payments. However, excluding Venezuela as sui generis, we discover that the purported capital outflow from Latin America in effect disappeared. Moreover, this narrow balance-of-payments approach ignores the positive contribution of U. S. direct investment to that region's trade

balance through its impact on export growth and import substitution. For instance, the recent Tariff Commission report on multinational corporations revealed that the U.S.-owned multinationals generated a positive basic balance in Brazil's balance of payments with the United States equal to nearly \$95 million. For Mexico, the basic balance was in deficit for multinational corporation transactions (-\$46 million). This approach included the impact of foreign investment on the trade balances of the respective countries and long-term and short-term capital flows generated by the MNCs. These figures underscore the need to examine the balance-of-payments effects of U. S. investment in Latin America from a broader perspective of the overall balance-of-payments movements. But even this sophisticated balance-of-payments analysis does not quantify the import substitution effect of U. S. investment which has been significant in the context of Latin America. Also the balance-of-payments analysis of the investment in Latin America does not include the intangible factors such as technological transfer, manpower training, which also may have a greater impact on the economies of the host countries than will a net gain to a country's yearly balance of payments.

(e) Data supplied by the U. S. Department of Commerce indicates that there may be a small decline in U. S. private investment in Latin America during the 1970's as

fears of economic nationalization have driven some U. S. firms to reduce planned expenditures on new plants and equipment and concentrate their holdings in a few major countries such as Brazil and Mexico where the investment climate is propitious.

3. Outlook:

One of the important tasks facing us now in Latin America is to formulate techniques to maintain investor confidence so that private investment can continue to make a meaningful contribution to the region's development. This effort will require a concerted effort to allay the fears of Latin Americans of private U. S. capital. Also, we will have to devise techniques that will maximize the economic benefits of U. S. direct investments in the host country.

PRIVATE U.S. INVESTMENT, REINVESTED EARNINGS AND REPATRIATED PROFITS FOR THE
LATIN AMERICAN REPUBLICS, 1960-1971

Year	Direct Private Investment (Book Value)	In- come <u>1/</u>	Income As A % Of Book Value	Total Earnings	U.S. Share In Reinvested Earnings	Reinvested Earnings As A % Of Total Earnings
1960	7,431	641	8.6	829	215	25.9
1961	8,255	730	8.8	964	255	26.4
1962	8,424	761	9.0	1,010	268	26.5
1963	8,662	801	9.2	964	173	17.9
1964	8,894	895	10.0	1,095	216	20.6
1965	9,391	869	9.2	1,160	306	26.3
1966	9,826	965	9.8	1,267	302	23.8
1967	10,265	1,022	9.9	1,208	181	14.9
1968	11,033	1,063	9.5	1,355	299	22.0
1969	11,667	1,049	8.9	1,401	362	25.8
1970	12,201	899	7.3	1,236	319	25.8
1971	12,978	924	7.1	1,205	291	24.1

1/ Income refers to the sum of dividends, preferred dividends and interest received by or credited to the account of the U.S. owner--all net after foreign taxes (all before U.S. taxes). This item also includes some unknown amount of branch profits which are reinvested abroad and interest payments which are due on debts and thus are not in any way profits.

Source: U.S. Dept. of Commerce, Survey of Current Business.

ARA/ECP:JCook/mb 3-15-73.

BOOK VALUE OF U.S. DIRECT PRIVATE INVESTMENT IN THE
WESTERN HEMISPHERE 1960-71 (EXCLUDING CANADA)
(Millions Of U.S. Dollars)

	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971
<u>Latin American Republics</u>												
Total	7,431	8,255	8,424	8,662	8,894	9,391	9,826	10,265	11,033	11,567	12,201	12,578
Mexico	795	826	867	907	1,034	1,182	1,248	1,343	1,466	1,531	1,774	1,810
Panama	405	498	537	616	659	724	792	801	919	1,071	1,233	1,461
Other Central America	486	491	508	539	589	626	683	758	595	630	624	682
Argentina	472	656	799	829	882	992	1,035	1,082	1,156	1,244	1,218	1,339
Brazil	953	1,008	1,084	1,132	997	1,074	1,247	1,327	1,484	1,533	1,800	2,045
Chile	738	748	755	768	789	829	844	879	962	846	718	724
Colombia	424	425	455	465	508	526	571	597	632	684	691	740
Peru	446	436	453	448	464	515	548	660	692	704	691	660
Venezuela	2,569	3,012	2,816	2,808	2,786	2,705	2,615	2,555	2,627	2,668	2,656	2,450
Other South America	144	155	148	150	186	218	242	263	499	554	615	767
<u>Other Western Hemisphere</u>	884	954	1,050	1,229	1,311	1,445	1,622	1,779	2,068	2,144	2,483	2,782
<u>Total Western Hemisphere</u>	8,315	9,209	9,274	9,891	10,205	10,836	11,448	12,044	13,101	13,811	14,683	15,763

* Still includes properties that have been expropriated.

ARA/ECP:JCook/mb 3/15/73.

COMPOSITION OF U.S. DIRECT INVESTMENT BY SECTOR
 IN LATIN AMERICA & OTHER WESTERN HEMISPHERE 1960-1971
 (Millions Of U.S. Dollars)

Year	Total	Mining & Smelting		Petroleum		Manu- facturing		Other	
		Value	% Of Total	Value	% Of Total	Value	% Of Total	Value	% Of Total
1960	8,365	1,319	15.7	3,122	37.3	1,521	18.1	2,403	28.7
1961	9,239	1,332	14.4	3,674	39.7	1,707	18.4	2,526	27.3
1962	9,524	1,321	13.8	3,642	38.2	1,944	20.4	2,617	27.4
1963	9,941	1,353	13.6	3,636	36.5	2,213	22.2	2,739	27.5
1964	10,254	1,404	13.6	3,589	35.0	2,507	24.4	2,754	26.8
1965	10,886	1,474	13.5	3,546	32.5	2,945	27.0	2,921	26.8
1966	11,498	1,565	13.6	3,475	30.2	3,318	28.8	3,141	27.3
1967	12,049	1,709	14.1	3,473	28.8	3,586	29.7	3,282	27.2
1968	13,101	1,930	14.7	3,680	28.0	4,005	30.5	3,486	26.6
1969	13,841	1,940	14.0	3,722	26.8	4,347	31.4	3,831	27.6
1970	14,683	2,037	13.8	3,929	26.7	4,604	31.3	4,115	28.0
1971	15,763	2,116	13.4	4,194	26.6	4,998	31.7	4,454	28.2

Source: U.S. Department of Commerce, Survey Of Current Business.

ARA/ECP:JCook/mb 3-15-73.

FIGURES RELATED TO U.S. DIRECT INVESTMENT IN LATIN AMERICAN REPUBLICS

	Average 1956- 1960	Average 1960- 1971	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971
1.a. U.S. Net Direct Investment	438	202	95	173	-32	69	-12	176	191	189	477	299	349	453
b. Including Venezuela	(209)	(269)	(240)	(173)	(231)	(164)	(47)	(269)	(240)	(251)	(451)	(319)	(300)	(377)
2.a. Income	--	883	641	730	761	801	895	869	965	1,022	1,049	1,040	899	824
b. Excluding Venezuela	--	(440)	(270)	(298)	(284)	(321)	(374)	(394)	(525)	(557)	(619)	(513)	(510)	(477)
3.a. Net Flow (1a-2a)	--	681	-546	-557	-793	-732	-907	-693	-774	-833	-572	-733	-661	-461
b. Excluding Venezuela (1b-2b)	--	(-172)	(-30)	(-125)	(-53)	(-217)	(-327)	(-125)	(-285)	(-306)	(-168)	(-219)	(-171)	(-61)

EXTERNAL RESOURCE FLOWS AND SERVICE PAYMENTS ON
EXTERNAL DEBT AND PUBLICLY GUARANTEED DEBT, 1965-1969•
WESTERN HEMISPHERE (EXCLUDING CANADA & U.S.) AND 80 DEVELOPING COUNTRIES
(Millions Of U.S. Dollars)

	Loans	Grants & Grant- Like	Total Disburse- ments	Amorti- zation	Net Flow <u>1/</u>	Interest	Net Trans- fer <u>2/</u>
<u>Western Hemisphere</u> <u>3/</u>							
1965	2,132.1	396.5	2,528.6	1,297.5	1,231.1	423.8	807.3
1966	2,165.4	380.3	2,545.7	1,474.0	1,071.7	453.4	618.3
1967	2,712.1	373.8	3,085.9	1,545.2	1,541.7	512.8	1,027.9
1968	2,722.8	404.1	3,127.0	1,656.9	1,470.1	554.0	916.1
1969	3,123.2	483.3	3,606.5	1,646.8	1,959.7	599.6	1,360.1
1970	3,479.6	358.3	3,837.9	1,792.5	2,045.4	767.5	1,277.9
<u>80 Developing Countries</u>							
1965	5,686.9	2,705.2	8,392.1	2,552.3	5,839.9	924.9	4,915.0
1966	5,792.2	2,440.0	8,232.2	2,817.5	5,414.8	1,010.8	4,404.0
1967	7,315.0	2,430.4	9,745.4	2,875.3	6,870.1	1,136.4	5,733.7
1968	7,925.1	2,293.9	10,219.0	3,253.4	6,965.5	1,271.7	5,693.9
1969	8,487.3	2,166.2	10,653.5	3,547.4	7,106.1	1,450.1	5,656.1
1970	9,272.3	1,887.9	11,160.2	4,111.5	7,048.7	1,778.0	5,270.6

1/ Disbursements on loans grants and grant-like loans minus amortization on loans.

2/ Net flow minus interest on loans.

3/ Service payments for Brazil include some non-guaranteed debt of the private sector to suppliers.

Source: IBRD Annual Report and OECD.

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CHAPTER VIII.

THE UNITED STATES AND LATIN AMERICA INTEGRATION

Since the mid-1960's the United States Government has actively encouraged and supported Latin American integration. In some cases our support has been provided directly to integration institutions such as the Central American Bank for Economic Integration (CABEI) and the Caribbean Development Bank. In other cases our support is channeled through international and regional institutions such as the World Bank, Inter-American Development Bank, the Inter-American Export Promotion Center, etc. Certain U.S. bilateral loans and grants (e.g., for highways and telecommunications projects) have also contributed to physical integration, and Congress has authorized \$100 million to finance two-thirds of the cost of the Darien Gap highway. We also have indicated a willingness to consider assistance to help a Latin American Common Market get underway. We recognize, however, that to be effective Latin American integration must be primarily a Latin American effort and initiative.

President Nixon spelled out United States policy toward the integration movement in his speech to the Inter-American Press Association on October 31, 1969.

"We have seen a number of moves in the Americas toward regional economic integration, such as the establishment of the Central American Common Market, the Latin American and Caribbean Free Trade Areas, and the Andean Group. The decisions on how far and how fast this process of integration goes, of course, are not ours to make. But I do want to stress

this: We in the United States stand ready to help in this effort if our help is requested and is needed."

A reflection of this policy was the signing, on October 10, 1972, of a \$15,000,000 loan agreement between the United States and the Andean Development Corporation. The money is to be used for relending in the Andean private sector, on projects relating to regional economic integration.

LATIN AMERICAN ECONOMIC INTEGRATION

A. Long-Term Goal

1. Theoretical long-term goal of Latin American nations is still a Latin American Common Market (LACM).
2. Emphasis has shifted to regional and subregional efforts at economic integration.

B. Regional and Subregional Efforts

1. Latin American Free Trade Association (LAFTA) formed in 1960/61 and presently consisting of Mexico, the 9 Spanish-speaking republics of South America, and Brazil (See separate section.)
2. Andean Subregional Group (Andean Pact), within LAFTA framework, formed in 1969 by Bolivia, Chile, Colombia, Ecuador and Peru, and formally joined in September 1973 by Venezuela. (See separate section.)
3. Central American Common Market (CACM) set up in 1958-63 by Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua. (See separate section.)
4. Caribbean Free Trade Association (CARIFTA) formed in May 1968 and presently composed of 12 English-speaking countries and territories. (See separate section.)
5. River Plate Basin subregional group. (See separate section.)

C. Results to Date

1. Prospects for Latin American Common Market have diminished.
 - (a) Commitment at Punta del Este to begin a LACM in 1970 was not met.

- (b) Discussions of a merger between LAFTA and CACM have not been continued.
- (c) Amalgamation of LAFTA and CACM is complicated by the emergence of a third regional movement, CARIFTA, and of subregional groupings.

2. Results in regional and subregional groups are mixed.

- (a) Tariff barriers have been lowered in LAFTA and CACM, and intrazonal trade has increased.
- (b) Reduction in trading barriers between LAFTA countries has proceeded more slowly than provided for in original treaty, and LAFTA has postponed the deadline consummating free trade area from 1973 to 1980. Especially since 1970, LAFTA member countries have fallen behind in meeting their tariff-cutting obligations. Twenty LAFTA complementation agreements (providing for tariff concessions on specific products relating to a single industrial sector, with benefits limited to the countries signing) have been concluded, especially among the larger countries. Increased use is being made of a mechanism for granting bilateral tariff concessions to four relatively less developed countries of LAFTA.
- (c) Balance of payments difficulties, as well as the aftermath of the war of July 1969 between El Salvador and Honduras have disrupted functioning

of CACM, though individual CACM institutions continue to operate and talks on resumption of CACM procedures are taking place.

3. Andean Subregional Group is presently most dynamic integration activity in Latin America.

- (a) Agreement of Cartagena, which in 1969 instituted Andean Subregional Group, generally being implemented in accordance with its ambitious timetable.
- (b) Andean Foreign Investment Code placed in effect, on schedule, June 30, 1971, in 5-nation area of Andean Pact.
- (c) Andean Development Corporation (CAF), chartered in 1968 as development agency of 5 Andean Pact members plus Venezuela, began gearing up for financial operations in 1971.
- (d) Venezuela signed Agreement of Cartagena February 13, 1973, and ratification-approval process for formal entry now underway.

4. Slower progress in LAFTA is due to several factors.

- (a) Member countries are at vastly different levels of development.
- (b) Some countries prefer to emphasize national development first.
- (c) Many producers fear increased competition.
- (d) Easier integration tasks tended to be overcome first.

D. Physical Integration

1. Current efforts of the 5 nations of the River Plate Basin (Argentina, Bolivia, Brazil, Paraguay, Uruguay) to develop River Plate Basin date from 1966-67. In 1970 a River Plate Basin Treaty was signed and ratified. In late 1972, agreement was reached on the establishment of a financing institution.
2. Darien Gap project, designed to close last remaining gap in Pan-American Highway, presently underway. U.S. has agreed to contribute \$100 million toward cost.

E. U.S. Role

1. The United States has consistently supported the economic integration movement in Latin America. U.S. loans and technical assistance have gone to integration-related activities bilaterally, and U.S. funds have been channeled to integration-related projects via international institutions such as the Inter-American Development Bank.
2. During 1972, A.I.D. granted the Andean Development Corporation, the development bank for the Andean Pact countries, \$200,000 in support of an Investment Promotion program and signed a loan agreement with the Corporation for up to \$15.0 million for relending to integration projects in the private sector. The grant-financed Investment Promotion program will terminate in October, 1973. Disbursements under the \$15.0 million loan will begin shortly.

For FY 1974 and FY 1975, A.I.D. will continue to consider support to Andean regional economic integration efforts. Currently, A.I.D. is reviewing a proposal for a grant (funding level to be determined) to the Andean Junta, the Secretariat of the Andean Pact Agreement, for financing both technical assistance and technical orientation activities.

LATIN AMERICAN FREE TRADE ASSOCIATION

The Latin American Free Trade Association (LAFTA) was launched with the signature of the Treaty of Montevideo on February 18, 1960. The treaty took effect initially between Argentina, Brazil, Chile, Mexico, Paraguay, Peru, and Uruguay on June 1, 1961; it was adhered to later in 1961 by Colombia and Ecuador; in 1966 by Venezuela; and in 1967 by Bolivia. The treaty established several mechanisms designed to bring a free trade area substantially into being by 1973, namely "National Lists" of goods on which the duty charged on imports from inside the area would be reduced 8 percent per year compared to that charged on goods originating elsewhere, a "Common List" of goods on which duties would be eliminated entirely in intraregional trade, "Complementation Agreements" for industry-by-industry tariff-reduction agreements, and special advantages for the four relatively less-developed LAFTA countries -- Bolivia, Ecuador, Paraguay, and Uruguay.

A set-back to progress within LAFTA was registered with the signature of the Protocol of Caracas on December 11, 1969. The protocol, not yet formally in effect since it has not been ratified by Colombia and Uruguay, postpones from 1973 to December 31, 1980 the goal of virtually free trade within LAFTA, reducing from 8 percent to 2.9 percent the annual reductions on National List goods and suspending the obligatory timetable for the placing of goods on the Common List.

LAFTA has nevertheless made meaningful progress in reducing tariff barriers. With respect to the National List reductions, LAFTA

has calculated that as of 1970, Argentina was in compliance, with Mexico, Colombia, Brazil and Peru in relatively close compliance, and with Chile, Bolivia, Ecuador and Paraguay (the last three in the less-developed category) further behind; Uruguay and Venezuela were not included in the absence of compatible data. Since 1970, indications are that the member countries have fallen back still further in compliance.

After climbing from about 7 percent to about 10 percent between 1961 and 1964, intra-LAFTA trade leveled off, amounting to about 11 percent of total trade in 1972. In absolute dollar terms, overall trade doubled from 1961 to 1972, whereas regional trade tripled. More encouraging are distinct trends toward intra-regional trade in industrial goods and toward diversification in goods traded.

In summary, although target dates have been postponed and other delays will doubtless occur, LAFTA has made measurable though very uneven progress toward the creation of a regional free trade area. Most LAFTA countries had reportedly come "relatively close" to meeting their National List commitments as of 1970 but have probably done less well since. They have failed to agree on additions to the Common List beyond the initial 25 percent tranche. In recent years, increasing use has been made of complementation agreements, which are being concluded at

the rate of about three per year. Lastly, the number of special concessions granted recently to the less-developed countries is an encouraging sign.

ANDEAN SUBREGIONAL GROUP

The five-nation Andean Subregional Group is presently the most dynamic economic integration movement of the several operating in the Western Hemisphere. Composed of Bolivia, Chile, Colombia, Ecuador and Peru, the group came into being with the signing of the Agreement of Cartagena, its basic charter, on October 16, 1969. Venezuela became the sixth signatory in February 1973. Its membership is expected to be ratified in the near future.

All five members of the Group also belong to the Latin American Free Trade Association (LAFTA), established in 1960, to which Argentina, Brazil, Mexico, Paraguay, Uruguay, and Venezuela also belong. Concern over the ability of medium-sized economies to compete individually with the "giants" of LAFTA (Brazil, Mexico and Argentina), together with dissatisfaction over the pace of economic integration being achieved within the LAFTA framework, were important factors in the creation of the Andean Subregional Group. The Andean Group operates as a recognized subordinate activity within LAFTA.

The supreme authority of the Andean Group is the Commission of the Agreement of Cartagena, composed of one representative from each member country. The Commission meets regularly three times a year in Lima. Its formal acts are termed "Decisions". Day-to-day operations are handled by a three-member subordinate body, the Junta ("Board") of the Agreement of Cartagena. The Junta and a small supporting staff are also situated in Lima.

To the surprise of many, the Andean Group has met virtually all of the demanding deadlines set forth in the Agreement of Cartagena. In contrast with LAFTA's reliance on lowering the trade barriers, the Andean Group emphasizes regional industrial planning and development through Sectoral Programs of Industrial Development (SPIDs), although it too has a program for lowering trade barriers. Under SPID, the manufacture of specific products within a single industrial branch is assigned to one or more countries, with competing manufacture being discouraged for a number of years. Given fierce competition over the placement of plants, such negotiations are extremely difficult. Nonetheless, the first SPID covering the metal-working sector was approved August 20, 1972, a sign of vitality of the Andean integration movement, and other SPIDs are scheduled for approval in the near future.

Andean Foreign Investment Code. The most controversial action taken thus far by the Andean countries was adoption of the Andean Foreign Investment Code (Decision 24) on June 30, 1971. Its central provision is that foreign-owned companies be converted, over a 15 to 22 year period, into "mixed" enterprises in which at least 51 percent of the capital is owned by national investors. (Under the Code, foreign ownership of up to 49 percent of a firm's capital might continue indefinitely.)

Since the Code came under discussion, U. S. firms operating in the Andean area have been leveling off expenditures for plant and equipment; however, this leveling can also be explained more by general conditions in the five countries than by the Code as such.

Two facts are unique to the Code. First, it is being implemented in widely different ways by the five countries. All but Chile have made use of (Bolivia is considering making use of) an escape clause (Article 44) giving them authority to deviate from the Code's provisions with respect to the extractive industries, public utilities, financial institutions, and public media. Second, the Code seems to be here to stay. Despite changes in government and the widely differing political orientations of the five Andean Group countries, there is no serious threat to the Code's continuation in force.

ANDEAN DEVELOPMENT CORPORATION

The Andean Development Corporation (Corporacion Andina de Fomento - (CAF) is the financing institution for the Andean Subregional Group plus Venezuela. Headquarters are at Caracas. Its charter (Convenio Consultativo) was signed by Bolivia, Chile, Colombia, Ecuador, Peru, and Venezuela, on February 7, 1968, and entered into force January 30, 1970.

CAF's task includes indentifying projects capable of furthering the process of subregional economic integration, either through creation of new enterprises or the enlargement, modernization, or conversion of existing ones. Two distinct criteria -- subregional specialization based on efficiency and a balancing of benefits as between the member countries (with particular attention given to the relatively less-developed members, Bolivia and Ecuador) -- have to be reconciled.

From August to October 1971 CAF officials visited countries around the world to identify possible sources of development capital. During 1972, the U.S. approved a \$15,000,000 loan (which has not yet begun to be drawn down) to be used for relending in the private sector or integration-related projects, plus a \$200,000 grant for industrial investment promotion; the Inter-American Development Bank authorized a \$5.4 million loan for integration-related projects in Bolivia and Ecuador, plus \$750,000 in technical grants. The member countries have met their own commitments by paying

in \$15,000,000 of the currently subscribed CAF capital of \$25,000,000, with the final two payments of \$5,000,000 each falling due in 1974 and 1975. Additional means examined by CAF for mobilizing capital include an Andean Fund, designed to tap middle-class savings, and the floating of Andean bonds.

By the end of 1972, \$15,000,000 in CAF expenditures for projects had been approved. About 85% of this sum was designated for execution of 12 projects and 10% for completion of 8 preinvestment studies. Three-quarters of the projects and studies relate to Bolivia and Ecuador, consistent with the special attention foreseen for these countries in the Cartagena Agreement. The remaining 5% of the funds are earmarked for technical assistance.

CAF's principal officer, the Executive President, since its inception has been Engineer Adolfo LINARES, ex-President of the Bolivian Development Corporation and formerly a prominent official of the Inter-American Development Bank. The Directorate has delegated some of its decision-making powers to a four-man Executive Committee composed of President Linares and Directorate members named from three of the member countries on a rotating basis. CAF currently operates on an annual budget of about \$1,700,000, with a staff of some 40 professionals and 40 administrative employees.

The Andean Development Corporation is staffed by innovative, dynamic, and pragmatic officials who have demonstrated an open attitude on the role of private investment in furthering economic growth in the subregion. CAF's future as the development-finance arm of the Andean Group appears promising.

CENTRAL AMERICAN COMMON MARKET

By 1969, the Central American Common Market (CACM), composed of Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua, had been in operation for eight years as an effective common market to eliminate trade barriers for goods originating in Central America and to establish a common external tariff. The July 1969 conflict between El Salvador and Honduras seriously jolted the CACM; during 1972, CACM became two markets, each comprising four countries (El Salvador-Costa Rica-Guatemala-Nicaragua and Honduras-Costa Rica-Guatemala-Nicaragua). The CACM, in one form or another, is likely to continue to be a major force in the development of the region.

Trade among the Central American countries has increased greatly since the establishment of the CACM, reaching about \$305 million in 1972, an increase of over 800 percent from the 1960 figure of \$33 million (the last year before the general treaty entered into effect). This figure, which is a record high, is particularly significant since it demonstrates that regional trade has continued to grow rapidly in spite of the action which the Government of Honduras took at the end of 1970 to suspend free trade.

Prior to the Honduran-Salvadoran war, progress within the CACM had reached a plateau as rates of growth, both in trade and in GNP, failed to maintain their previous rapid pace. It became apparent that structural reform of the CACM was needed. For

several years Guatemala and El Salvador had enjoyed a trade surplus at the expense of corresponding trade deficits on the part of Nicaragua, Honduras and Costa Rica. This disparity in the benefits deriving from intra-zonal trade was one of the factors that led Nicaragua to impose duties on CACM imports in March 1969. Negotiations which resolved this crisis led to provisional agreement on a series of reforms, including a limited custom union. Faced again with a rising trade deficit, Honduras imposed duties on CACM imports beginning December 31, 1970. During 1971 Guatemala, El Salvador, Nicaragua, and Costa Rica established a "Normalization Commission" to promote orderly trade and to take reform measures looking to the eventual reconstitution of the CACM. This commission has implemented the regulations controlling the Uniform Fiscal Incentives Agreement and the San Jose Protocol which imposed a surcharge on imports from outside the region. Meanwhile trade between the neutral three (Guatemala, Nicaragua, and Costa Rica) and Honduras was stringently reduced due to the December 31 decree. By early 1973 Honduras had negotiated bilateral trade agreements with Nicaragua and Guatemala which were designed to return trade to more normal levels while assuring that the Honduran trade deficit remained within manageable bounds. Discussions are now taking place between Honduras and Costa Rica.

In mid-1972 Costa Rica suspended the free trade provisions of the CACM treaty in order to correct a serious balance of payments deficit and this further aggravated CACM problems. Informal talks among the five countries produced an interim solution under which free trade was resumed.

The five Central American countries are presently participating in a discussion of the SIECA/UNDP proposal to restructure the market in order to pave the way for Honduras' renewed full participation. Implementation of possible results of these discussions will probably have to await a "political settlement" or peace treaty between Honduras and El Salvador which would resolve boundary disputes and reopen traffic between the two countries.

The Central American Bank for Economic Integration (CABEI), which was established in 1961 and continues to operate normally, has become one of the major organizations of Central American integration. It is controlled by a Board of Governors made up of the Ministers of Economy and the presidents of the five Central Banks. The Bank's main objectives are to promote regional economic development, particularly in industry, infrastructure and housing. As of June '30, 1972, it had loaned \$327 million, of which 59 percent had been provided for infrastructure projects and 32 percent to industry. U.S. contributions to CABEI as of December 31, 1972 amount to \$142.5 million including \$85 million to the Economic Integration Fund.

CARIBBEAN FREE TRADE ASSOCIATION (CARIFTA)

In contrast to the situation in Central and South America, regional economic integration in the Caribbean is just emerging from the embryo stage. Despite the area's nearly 4 million English-speaking people being spread over a 3,000-mile arc -- from British Honduras to Guyana -- intra-CARIFTA trade has increased significantly, by more than 20% annually. Perhaps as important has been growing cooperation in meeting common economic problems, including agreements in 1972 to jointly negotiate an economic relationship with the expanded European economic community, and the decision in April, 1973 that the larger members would form a Caribbean community and common market on August 1, 1973, with most of the smaller members scheduled to join on May 1, 1974. The associated states have not yet joined the common market because of lingering doubts as to what kinds of benefits would accrue to them as a result of membership in it.

CARIFTA, with a membership of 12 Caribbean nations, was established on May 1, 1968, with the objective of freeing all trade among members. Tariffs on intra-CARIFTA trade were removed when the treaty entered into effect, with the exception of certain reserved items. Duties on reserve list items (mostly light manufactures, lightweight apparel, alcoholic beverages and petroleum) are to be gradually eliminated over five years for the larger members and ten years for the smaller ones. The Leeward and Windward Islands also formed a subregional group within CARIFTA, the East

Caribbean Common Market (ECCM), and have eliminated duties among themselves.

Intra-CARIFTA trade is still a small portion of the area's total trade, constituting only 5.2 percent of area imports from all sources in 1968 and 5.9 percent in 1970. However, trade between members increased by 54% between 1968 and 1970, while imports from outside the area increased by only 35%. The larger countries (Barbados, Guayana, Jamaica, and Trinidad and Tobago) were the primary participants in this increased trade with the small ECCM members lagging behind. Jamaica's exports to CARIFTA members doubled from 1968 to 1970, Trinidad and Tobago's increased by 53%, and Barbados' by 48%, compared to an increase of 41% in ECCM exports to CARIFTA. Only Guyana, with an export increase of 39% to other members, fell below the ECCM.

In April, 1973, at a Caribbean Heads of Government meeting, it was decided that the four largest CARIFTA members would form a Caribbean community and common market by August 1, 1973. Common external tariffs, harmonization of fiscal incentives for domestic industries, rationalization of agriculture, and greater fiscal, financial and monetary cooperation are expected to be features of the new arrangement. The smaller members (with the exception of Antigua and Montserrat) decided they would join on May 1, 1974 and would receive special development consideration.

portant to CARIFTA is Great Britain's entry into the European Economic Community and the possible consequences for CARIFTA trade with that area. CARIFTA exports of bananas, sugar, and citrus fruits to the UK depend heavily on quota and tariff preferences and are important providers of employment, especially for the smaller members. Agricultural exports to the UK in 1968 made up 64 percent of total exports for the smaller countries, 64 percent for Barbados' exports, 20 percent for Jamaica, and smaller shares for Guyana and Trinidad and Tobago. As a result, in July, 1972, the membership decided to seek a trade relationship with the EC as a group in order to protect their present export markets.

Development of the region is expected to be further advanced through the activities of the Caribbean Development Bank. The Bank charter was signed in October 1969 by the 11 CARIFTA nations, Canada, the United States, and by the Bahamas, British Honduras, the British Virgin Islands, the Cayman Islands and the Turks and Caicos Islands. With capitalization of \$50 million, bank operations began on January 31, 1970, with the prominent West Indian economist, Sir Arthur Lewis, as its first president.

Funding resources were divided into two categories: (1) ordinary resources for private and public sector loans at commercial rates in the larger countries and (2) a Special Development Fund to make long-term, low interest loans or guarantees for high priority development projects among the smaller countries. Although the U.S. is not a member of the bank, A.I.D. contributed \$10 million to the Special

Development Fund. The UK and Canada contributed \$5 million each, and Venezuela and Colombia, which joined as non-borrowing members in 1972 offered \$5 million and \$3 million respectively to the fund. A.I.D. made an additional \$10.3 million loan to the bank in 1972 for low cost housing and a secondary mortgage market, plus a \$2 million guaranty for U.S. investors in long-term housing financing, plus \$12.0 CDB loan approved February 23, 1973. Canada has also provided \$2.5 million for a Special Agricultural Development Fund.

RIVER PLATE BASIN GROUP

The notion of a multinational approach to the development of Latin American river basins in general can be traced back as far as 1898; the River Plate Basin idea was advanced at a 1941 conference of the River Plate countries but it was not until April 23, 1969 that the River Plate Basin Treaty was signed.

Current activities relating principally to the physical integration of the River Plate Basin area began with requests during 1966 to the Inter-American Development Bank (IDB) for a systematic study of the Basin.

The Intergovernmental Coordinating Committee, with the Institute for the Integration of Latin America acting as its secretariat, is responsible for coordinating the study of the Basin. A "Financial Fund for the Development of the Basin" with authorized capital of \$100 million was approved by the five Foreign Ministers at their meeting December 4-7, 1972.

Issues that have delayed approval of integration mechanisms include disagreement over the location of international boundary lines, the voting system (unanimity or majority vote) to be used in River Plate organs, and uses of the Fund's reserves (for studies only or for execution of projects also).

The IDB, which as indicated has been involved in River Plate integration activities from the outset, has prepared a comprehensive "Inventory of Physical Integration Projects in Latin America", under date of April 24, 1972.

CHAPTER IX.

A.I.D.'s New Look

A. Program Emphases and A.I.D./W Reorganization

In the fall of 1971 when it became clear that Congress would postpone action on the legislation proposed by the President to reform US foreign assistance programs, the Administrator embarked on a program of internal reform. The major characteristics of this reform were stated in a memorandum for A.I.D. employees from the Administrator dated January 24, 1972. The principal characteristics with respect to program emphases were as follows:

1. A more collaborative style. Recognizing that individual countries were themselves the principal actors in their own development, the programs of U.S. foreign assistance were to be clearly based on country priorities and interests and to the maximum appropriate extent carried out under host country direction.

2. Broad participation by American private groups. U.S. assistance programs should increasingly take advantage of the wealth of experience, expertise and motivation inherent in many parts of the private sector within the United States. Educational, non-profit, voluntary, professional

and business organizations were to play a larger role in carrying out the developmental work of our assistance program. Increasingly the role of A.I.D. would be to plan activities, to fund such activities through private groups and to monitor results. This would leave primarily implementation responsibility to U.S. private groups and host country institutions.

3. Concentration on key development problems. Recognizing the severe funding limitations on the bilateral program, it was increasingly necessary for the Agency as a whole to concentrate on a limited number of key development problems, leaving other areas to multilateral and other donors. Such key problems as A.I.D. would concentrate on would be largely limited to the areas of agriculture and food production, education and health and population programs. Not only were the bilateral programs in each of the regions to be increasingly concentrated, but also the research program of the Technical Assistance Bureau and other centrally funded activities of A.I.D.

4. Programming with a sectoral context. Programs for the most part would be expected to conform with the

highest priorities identified after a comprehensive sector analysis identifying the key constraints and potential within a given sector. Past experience has revealed the difficulties with individual project programming where other key elements in the sector are left unattended. Therefore, A.I.D. bureaus were encouraged to begin working with country planning agencies in carrying out sector studies and analysis.

5. Programs to directly meet basic human needs. In spite of the growth in recent years in several LDC's, in many cases as a direct result of large-scale U.S. assistance, the lives of the majority of the population have remained largely unchanged. Increasingly, A.I.D. was to direct its programs at key bottlenecks in improving the lives of lower income groups within each of the assisted countries. Employment and income redistribution effects were to weigh heavily in the selection and approval of key projects proposed.

6. Increasing resources to the least developed countries. The World Bank has identified several countries worldwide as least developed--the only western hemisphere

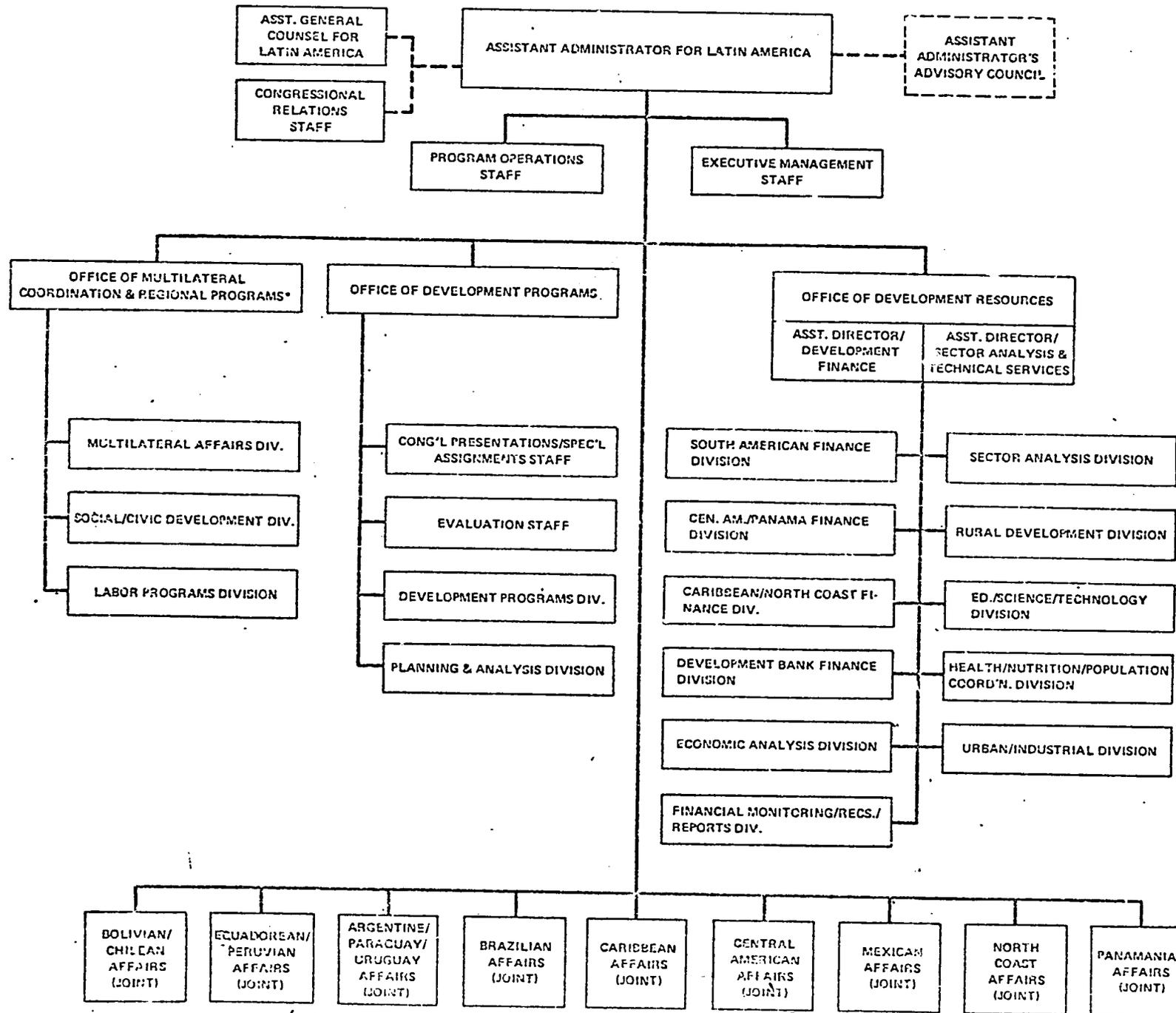
one being Haiti. In addition, the Inter-American Development Bank has identified eight less-developed countries within the hemisphere (Haiti, Bolivia, Paraguay, El Salvador, Honduras, Guatemala, Nicaragua and Ecuador). An increasing percent of A.I.D.'s resources consistent with absorptive capacity was to be directed toward these less-developed countries.

7. Security assistance separate from economic and humanitarian assistance. Within the framework of existing legislation, security assistance was to be separated from economic and humanitarian assistance and to be administered by a single Bureau for Supporting Assistance within A.I.D. All other programs administered by the regional bureaus were to be carried out according to uniform economic development criteria.

The following organizational charts show the location of the Latin American Bureau in A.I.D., the structure of A.I.D.'s LA Bureau, the combined State/A.I.D. Bureaus concerned with Latin America, a diagram showing the external relations and pressures on the U. S. Coordinator and his Deputy (also A.I.D.'s Assistant Administrator for Latin America) and finally a charting showing the Inter-Departmental Group for Inter-American Affairs.

ORGANIZATION

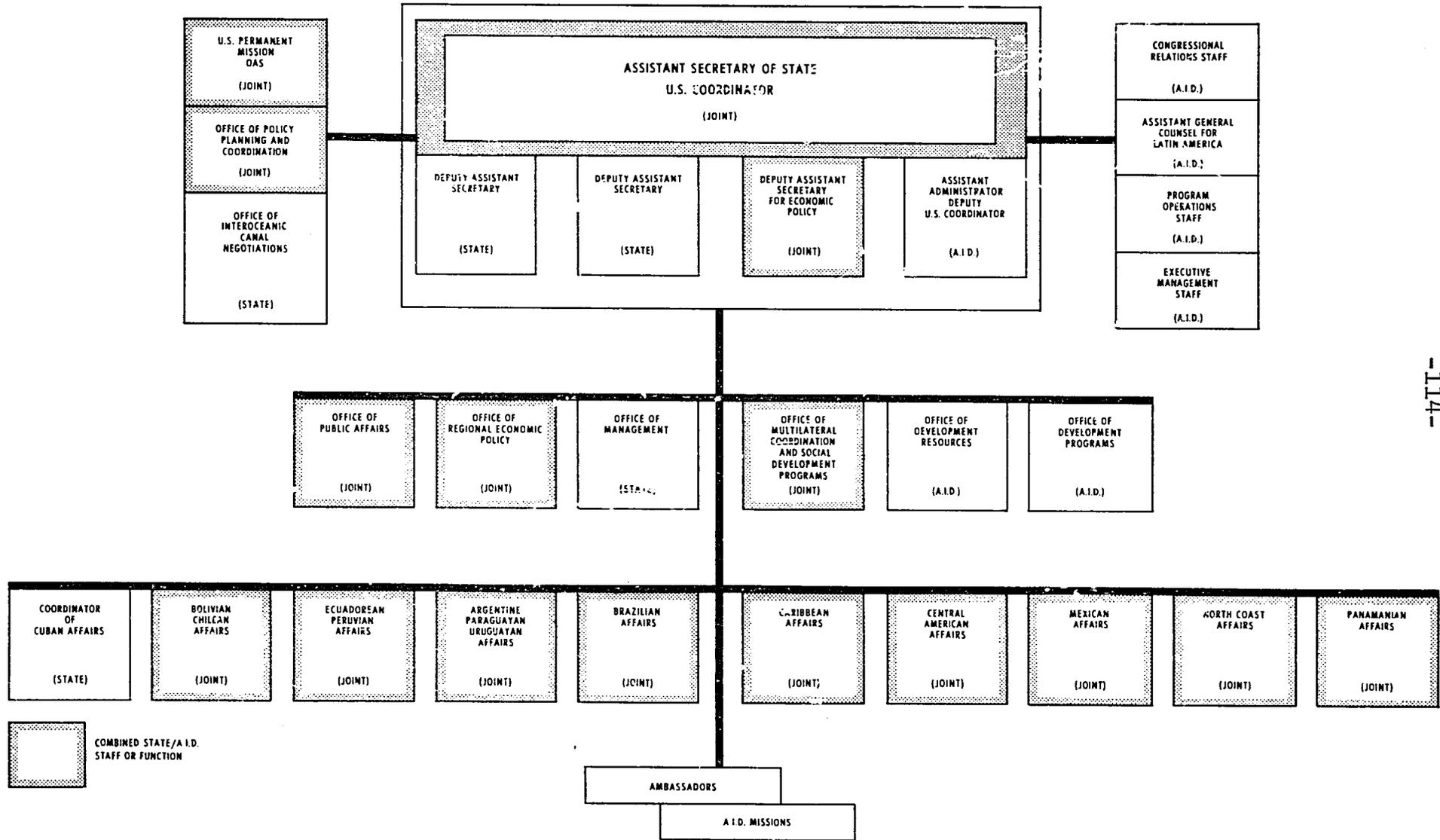
CHART FOR THE LATIN AMERICA BUREAU



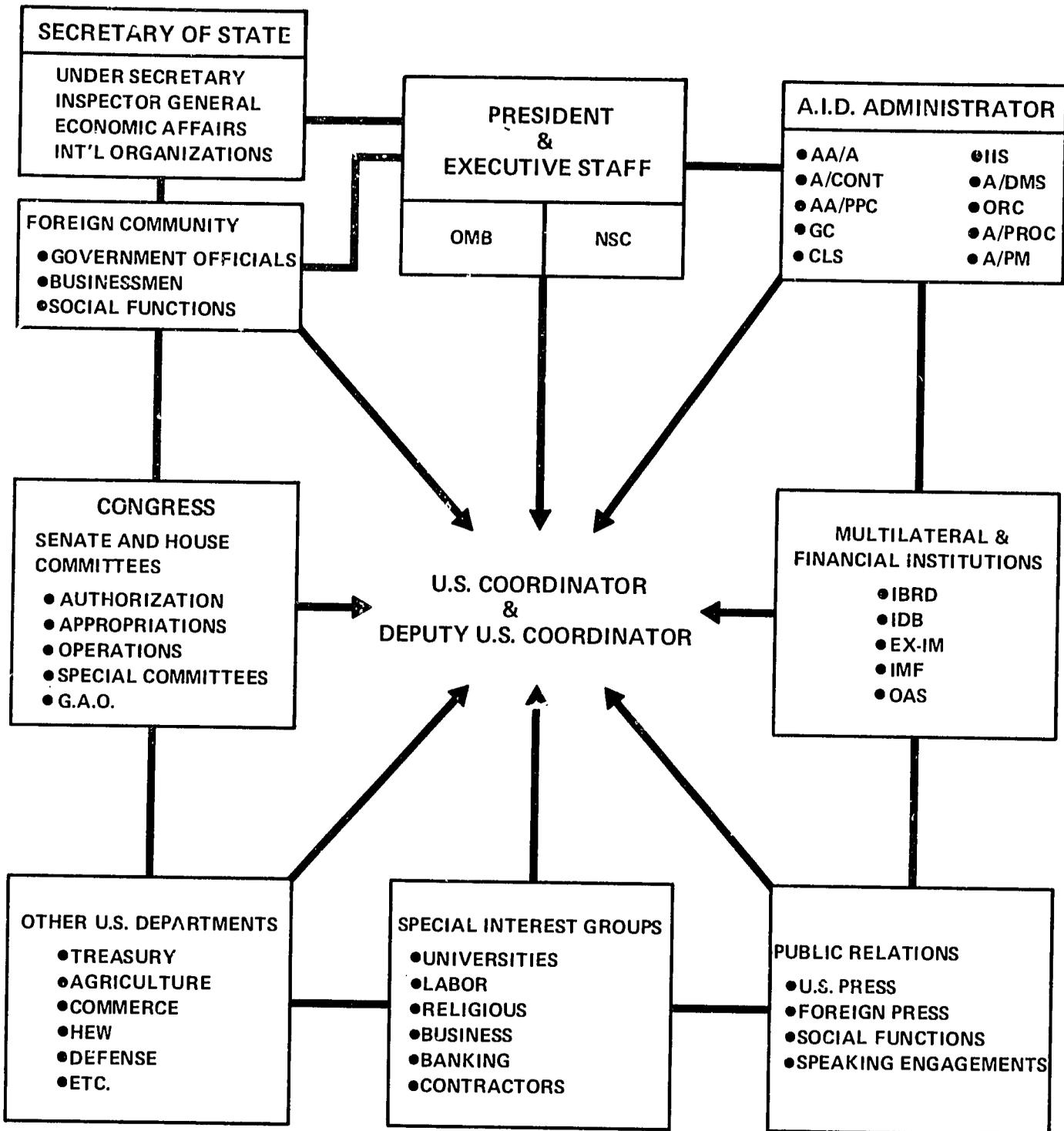
* Tentative. Title to be determined in Phase III.

(Since designated Office of Multilateral Coordination and Regional Social Development Programs, AUA/LA/MPSD).

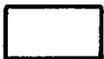
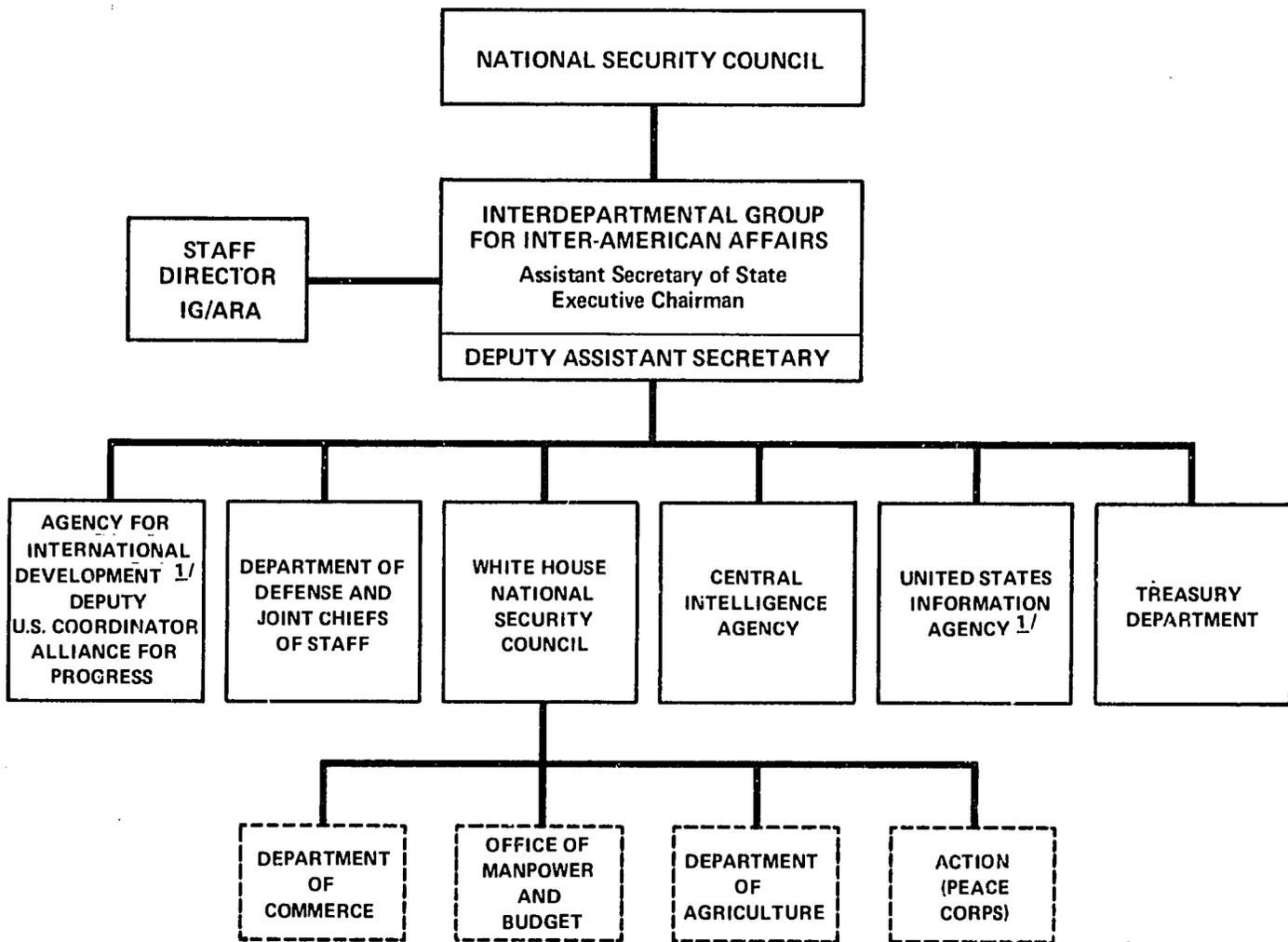
**STRUCTURE OF THE COMBINED STATE/A.I.D. BUREAUS
BUREAU OF INTER-AMERICAN AFFAIRS (ARA), BUREAU FOR LATIN AMERICA (LA)**



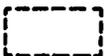
EXTERNAL RELATIONS AND PRESSURES ON U.S. COORDINATOR-ALLIANCE FOR PROGRESS



NATIONAL SECURITY COUNCIL INTER-DEPARTMENTAL GROUP FOR INTER-AMERICAN AFFAIRS (NSC-IG/ARA)



MEMBERS IG



Participants at invitation of IG to meet on Country Analysis and Strategy papers (CASP), and other selected issues. Other agencies may participate at the discretion of the Chairman depending on the issue under consideration.

^{1/} NOT STATUTORY MEMBERS, BUT ARE REPRESENTED IN ALL IG/ARA MEETINGS BY DIRECTION OF THE EXECUTIVE CHAIRMAN.

CHAPTER X.

AID Programs in Latin America

A. Program Overview

Since the FY 1974 Congressional Presentation provides a good program review of the LA program, the first seven pages of this Presentation are reproduced as follows.

Several tables on various aspects of the LA program follow the program overview, e.g., the financial legislative history of the LA program, number of countries receiving bilateral assistance, grants and loans by sector and country.

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PROGRAM SUMMARY (In millions of dollars)							
FISCAL YEAR	Total	Food Production and Nutrition	Population Planning and Health	Human Resource Development	Selected Development Problems	Selected Countries and Organizations	Other Programs and Support costs
1972							
Devel. Loans	242.4	61.9	5.8	24.4	118.3	32.0	-
Devel. Grants	91.5	13.3	13.3	28.4	6.3	14.7	15.1
Other	2.0	-	-	-	2.0	-	*a/
Total	335.9	75.7	19.1	52.8	126.6	46.7	15.1
1973							
Devel. Loans	225.0	62.1	30.8	25.1	92.0	15.0	-
Devel. Grants	87.5	13.9	14.4	24.4	5.0	13.9	15.9
Other	2.6	-	-	-	-	-	2.6 ^{a/}
Total	315.1	76.0	45.2	49.5	97.0	28.9	18.5
1974							
Devel. Loans	185.0	71.5	19.0	53.5	41.0	-	-
Devel. Grants	87.7	14.4	12.7	24.3	5.9	15.8	14.6
Other	1.9	-	-	-	-	-	1.9 ^{a/}
Total	274.7	85.9	31.7	77.8	46.9	15.8	16.5

Details may not add due to rounding

a/ Narcotics Control

*Less than \$50,000

The Latin America region is distinct from the rest of the developing world in several respects. Rather than being newly created, most of the countries have been independent for more than a century. Rather than being a widely scattered, diverse group of nations, many share significant similarities in terms of language, history and culture. Rather than being newcomers in economic development, many have been consciously involved in and actively promoting their own economic growth for a number of years. Several of the Latin American countries -- Argentina, Mexico, Venezuela, and Brazil --

are playing small but increasing roles in providing assistance to the less developed countries of the hemisphere.

The efforts made by the Latin American countries on their own behalf have resulted in impressive gains over the past decade, following the inception of the Alliance for Progress. On the average the rate of growth in GNP was well above the goals of both the Alliance for Progress and the UN First Development Decade. In recent years, per capita GNP grew at one and one-half times the rate (2.5%) set as the goal for the 1960s. Brazil, with over one-third of the population in Latin America, has grown at the phenomenal overall rate of 10% over the past three years. The Dominican Republic, Ecuador, Panama, and Peru have enjoyed growth rates of 7 to 9%. During the past decade, enrollment in primary schools increased by two-thirds and more than tripled in general secondary schools. In ten short years, industrialization has changed the face of many Latin American cities and towns almost beyond recognition.

Nevertheless, many Latin American nations still have critical needs for external help. In spite of impressive gains on many fronts, the daily life of many rural Latin American families is largely unchanged from the pattern of generations ago. Growing at an annual rate of 2.8%, the population of the area, presently about 300 million, will double to 600 million before the end of the century. In many parts of the region, as many as one-third of all children die from disease and malnutrition before they reach the age of six. In some urban areas, as much as two-fifths of the labor force is unemployed or partially unemployed. Many people in the cities and most in the rural areas have no access to satisfactory sanitary water or sewerage facilities.

The small rural farmer -- typically a highland Indian family in Guatemala, Ecuador, Peru, or Paraguay--may have five or six living children. The family is likely to share-

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without fertilizer, pesticides, improved seed, or modern equipment, growing corn and beans with some of the lowest yields in the world. These two staples form the major share of the protein-deficient diet of the family. The sale of what the family does not consume of its meager output is the primary source of its income, less than \$100 annually.

Many of the rural children will never attend a school, and a majority of those that do probably will drop out after the first or second year. Frequently, the only health facility is a local midwife with no knowledge of modern preventive or curative medicine. Because only one or two of the surviving children in this representative family can inherit the family plot of land, most of the rest will migrate to the cities to join the already large number of untrained and unemployed people, the least fortunate of whom live in sub-human poverty.

Thus, one must conclude that the benefits of modernization have not yet been shared widely enough. The continuing success of efforts to improve the health, education, employment, and housing of the urban and rural poor will largely determine the future welfare and progress of Latin America and the hemisphere.

The primary responsibility for the improvement of the lives of Latin Americans lies, of course, with the Latin American countries themselves. There is no substitute for the leadership and policies that encourage adequate domestic savings and wise domestic investment, the broadening of educational opportunity, the increase of productivity of the rural population, and the export growth and labor-intensive enterprise needed to provide employment and income for more of the people.

The Latin American countries are exerting major efforts on their own behalf in these areas. While external assistance does not substitute for their efforts, it can be a critical catalyst in making that effort effective. For example, foreign aid can

never provide agricultural credit for a majority of the small farmers of Bolivia, but it can and does provide expertise to help design the most cost-effective system of small farmer assistance and to help plan a modern research and extension service. It cannot provide needed housing for any significant number of slum-dwellers, but it can provide (as in Panama) some pilot financing for both low-cost housing and "sites and services" projects that will, in conjunction with domestic resources, assist in the development of an effective long-term housing program. Aid can never provide school facilities for all the areas of Guatemala where no schools exist, but it can and does provide educational experts to work with Guatemalans in designing a low-cost, nonformal education system using radios and simplified texts. Thus, the role of external aid is to provide technical and capital assistance which will help direct local resources toward key development bottlenecks.

What Role for the United States in Aid to Latin America?

In 1961, 70% of the external economic assistance going to Latin America was provided directly by the U.S. Government; in 1972 that amount was 35% of the total. The major share of external capital and technical assistance is now being provided by the World Bank, the Inter-American Development Bank (IDB), and the UN and other multilateral organizations. To each of these organizations, the United States is a contributor. What, then, is the need for and proper role of, U.S. bilateral aid?

The United States looks to Latin America as an important source of raw materials and investment opportunities. Latin America is a major investment and trade partner accounting for some 18% of U.S. overseas investment of close to \$16 billion in book value. U.S. exports to Latin America, rising rapidly as the region develops, have increased from \$3.4 billion in 1960 to \$6.8 billion in 1972. Even with increased European and Japanese competition, Latin America still

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buys two-fifths of its imports from the United States. With our own well being becoming more dependent on our capacity to expand exports and on other aspects of trade and investment, we have a major economic stake in Latin America's future growth.

In addition to concentrating on key problems affecting the lowest-income groups and countries, the United States, through the bilateral programs, can direct resources toward specific regions such as the Caribbean, which do not yet have full access to some multilateral financing agencies. U.S. contributions to the Caribbean Development Bank and the proposed loan to assist the University of the West Indies complement British and Canadian assistance in this area.

A pattern of specialization has been developed in Latin America in recent years by which the large infusions of capital assistance to finance infrastructure--highways, power generating plants, urban water and sewerage systems, etc. -- are provided chiefly by the multilateral agencies, leaving A.I.D. to specialize increasingly in innovational activities for reaching the lower income groups. The United States is particularly qualified to fill this latter role, drawing on the wealth of expertise in our agricultural, university, industry, and labor communities.

In addition to encouraging selective projects reflecting U.S. interests, the bilateral program permits a concentration on problems which the United States considers important and yet for which multilateral agencies may have neither the desire nor the capacity to develop programs. Assistance in the control of narcotics and some aspects of family planning are examples.

A.I.D. seeks to make its bilateral aid responsive to multilaterally established priorities by participating in the forum led by the Inter-American Committee on the Alliance for Progress (CIAP) in which the economic status and development needs

consultative lending groups such as those that are now active for Colombia and Peru. Both formally and informally, A.I.D. encourages the sharing of information among assistance agencies and encourages Latin American governments to approach the IDB and the World Bank with appropriate requests for assistance. Joint reviews, exchanges of information, and working level contacts help A.I.D. and the other donors to benefit from each other's experiences and to reduce chances of duplication of effort.

FY 1974 A.I.D. PROGRAM

The A.I.D. program proposed for FY 1974 includes \$185 million in Development Loans and \$88 million in Development Grants to finance technical assistance provided by U.S. institutions. This assistance will be provided through 19 country programs in South America, the Caribbean and Central America, and three regional programs. Major bilateral recipients include Colombia (23%), Bolivia (9%), and Panama (5%). The five countries of Central America together -- Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua -- will receive one-fourth of the program through five bilateral programs and the Central American Regional programs. Close to one-fifth of the grants are earmarked for transfers to the multilateral programs of the Organization of American States (OAS).

A growing proportion of the bilateral program is directed to priority problems of lower-income groups in the critical areas of food production and nutrition, human resource development, family planning, and health.

Though relatively less assistance is proposed for industrial and urban development programs, efforts in these areas will increasingly focus on the problems of unemployment and underemployment and on the lack of services to lower-income urban groups. A.I.D. programs encourage, for example, the growth of labor intensive industries and the adaptation of technologies

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The United States continues to encourage economic integration within Latin America. For instance, a loan is proposed to the Central America Bank of Economic Integration (CABEI) for grain market stabilization throughout the Central American Common Market. Such a loan, while promoting economic integration of the countries of the area, also will assure stable, year-round grain prices and thus be of direct benefit to the small grain-producing farmers.

Food Production and Nutrition

In spite of the rapid urbanization of Latin America, a large proportion of the people still live in rural areas, and a majority still derive their livelihood directly or indirectly from agriculture. It is among the small farmers, the landless agricultural laborers, and their families that the poverty is greatest, the lack of education and health facilities most acute, malnutrition most widespread, and per capita productivity most inadequate. As a result of these conditions, pressure builds up to migrate to the cities that lack adequate housing and employment opportunities for unskilled rural migrants. Thus, the problem of rural poverty contributes directly to urban instability.

A fundamental problem is that of agricultural production. While total food production in the region increased by about 35% in the past decade, per capita output of food actually increased only slightly due to the region's high rate of population growth. In particular countries and crops, there have been some dramatic successes -- corn production increased by as much as 100% in El Salvador, rice output rose about 75% in the Dominican Republic and in Nicaragua, and total food production almost doubled in Costa Rica. However, much of the increased production in any individual country came from the relatively large farms. In the not untypical case of Colombia, moreover, the poorer half of the rural population accounts for only 16% of total agricultural production.

The factors which keep poor farmers poor are highly complex

and interrelated. It is not enough to make additional credit available to small farmers or to improve the extension service or the research capacity of the Government. There must also be an adequate market at fair prices, storage and transportation facilities keeping pace with additional production, and, preferably, the creation of new jobs.

To help bring about balanced growth in agricultural productivity which will directly benefit those in greatest need, comprehensive analyses of the sector are required. A.I.D. is instrumental in helping interested Latin American governments carry out such analyses and, through integrated technical and capital assistance, supports the agricultural programs resulting from them. Upon completion of sector studies in Guatemala, Costa Rica, and Colombia, programs were developed to provide technical assistance for modernized extension and research; to direct credit specifically to small farmers for the purchase of fertilizers and improved seeds; to make credit available for cooperative storage facilities to help stabilize prices to small farmers; and to improve marketing systems.

In FY 1974, technical assistance will be provided for agricultural sector analyses in Colombia, Honduras, El Salvador, Nicaragua, Ecuador, and Bolivia. A \$9 million agricultural sector loan to Bolivia and another for \$15 million in Nicaragua will help initiate an integrated program for increasing small farmer productivity. Because a key constraint in rural development is the lack of human expertise, A.I.D. will continue to support technical assistance relationships between U.S. institutions and their Latin American counterparts. For example, experts from North Carolina State University are helping set up soils analysis and testing units in several countries; agricultural economists from Iowa State and the University of Missouri are working with several agricultural planning agencies in sector analyses; plant scientists from Mississippi State University are helping develop improved seed programs in several countries, and Auburn University is helping some countries to develop inland fisheries as additional sources of protein.

The unparalleled success of U.S. agriculture makes the United States uniquely qualified to provide essential human expertise to help solve some of the key bottleneck problems in Latin America. And the benefit is mutual as our own expertise increases in the process.

Human Resource Development

Recognizing the necessity of improving the productive capacity of their population and the consequent importance of expanded and improved educational opportunity, the Latin American countries, through steadily expanded investment in education, increased their primary school enrollment dramatically between 1960 and 1972. Secondary, technical school and university enrollments more than tripled in this same period. Unfortunately, substantial increases in enrollment were partly offset by population growth so that the actual number of students not in school is higher today than in 1960. Moreover, the drop-out rate continues to be extremely high by developed country standards. Important qualitative improvements in the education systems, designed to prepare graduates to contribute more fully to the development of their societies, have also been made. With A.I.D. playing a key role, vocational agriculture has been added to rural school curricula throughout Latin America; general comprehensive secondary schools have been established; textbooks have been made available to primary schools in several countries for the first time; and model vocational and teacher-training institutions have been established. Despite these improvements, however, the content of education in many cases continues to be inappropriate to today's manpower requirements.

The nature and magnitude of education problems require radical and innovative solutions to reduce the per-pupil cost of instruction. Latin American education authorities are working with U.S. experts, financed through A.I.D., on several approaches to the present high-cost educational systems, including nonformal, out-of-school instruction; the use of

simpler, less expensive instructional materials (e.g., the "five-cent textbook," a byproduct of an educational newspaper supplement); year-round schooling; educational television, and radio-programmed instruction.

Good examples of the progress being made and the catalytic role of A.I.D. in that progress are in Colombia and El Salvador. Beginning in 1969 with A.I.D. support, U.S. educational specialists began working in Colombia to improve the analysis, planning, and management within the education sector so that maximum benefit could be obtained from the increased Government expenditures for education. A loan was approved to help finance the establishment of pilot comprehensive high schools -- providing vocational, agricultural, industrial, and commercial preparation as well as regular academic courses -- to serve as the basis of a reformed secondary education program throughout Colombia. The World Bank also made two loans for this program.

When the first school was to be opened in Bogota in 1970, crowds started forming the night before in order to assure that they would be among those able to apply for admission. Since then, sixteen schools have been completed with a current capacity of 30,000 students. More importantly, the revised curricula in these schools, emphasizing practical skills and coupled with teacher retraining, have formed the basis for modernizing the remaining secondary schools in Colombia. As the pilot schools are integrated into the school system, the revision of curricula and teaching at the lower levels are also influenced. Thus, a sectoral reform program supported by A.I.D. is performing the catalytic role of modernizing and expanding educational opportunity throughout Colombia. Thirteen million dollars is proposed in the FY 1974 program to continue support for additional pilot schools, teacher retraining, and production of new educational materials.

In El Salvador, A.I.D. has helped introduce a system of educational television as part of a revised curriculum now in use

in all junior high schools, All of the teachers and supervisors were retrained and innovative instructional materials provided, serving as the basis for expanded educational opportunity throughout the country. Again, by providing U.S. specialists and technical equipment for pilot schools and innovative educational materials, A.I.D. has helped set the pace of modernization which other international financial institutions will continue to support. In 1974, a \$2.5 million loan will help extend instructional television to three more grades in the primary school system and thus further expand educational opportunity in the rural areas.

Financing is also proposed in FY 1974 for sector loans in Bolivia and the Dominican Republic to help establish improved school systems, with accompanying technical assistance in educational planning, establishment of improved teacher training institutions, and production of low-cost teaching materials. U.S. experts will be assisting the Government of Ecuador in a major analysis of the education sector.

As part of U.S. support for human resource development in the hemisphere, A.I.D. finances the training activities of the American Institute of Free Labor Development (AIFLD) in 20 Latin American countries and contributes to the union-to-union assistance provided by individual U.S. unions, through International Trade Secretariats, to their Latin American counterparts.

U.S. assistance will continue to help strengthen multinational training and research centers and national institutions under the Special Multilateral Fund of the OAS. Through this Fund, the OAS members finance planning, research, and applied programs in education and science.

Population Planning and Health

Pervading every development issue in Latin America and threatening every advance is the shadow of the high population

growth rate. Latin America must face up to the effects of unchecked population growth on efforts to promote economic development. The projected costs of providing health and educational facilities as well as employment for a population which continues to grow at the present rate are staggering. Voluntary family planning services must become widely available, and therefore, Latin American countries must develop delivery systems they can afford. People must be trained to provide such services; family planning devices must be available at virtually no cost; and unsophisticated populations must be educated in their use.

Only by combining family planning services with more general health services, especially those for maternal and child care, will the former be widely available and effectively used even by one-third of the people who now have access to health services. The sophisticated high-cost health systems of the developed countries, with hospitals throughout the country and cadres of specialized doctors, dentists, and the like, are simply not feasible. Relatively low-cost multipurpose clinics, often of the mobile variety and staffed with low-cost paramedical personnel, are more appropriate vehicles for such services.

A.I.D. plays a role in the provision of family planning and integrated health delivery services by financing the activities of multilateral and private agencies throughout Latin America, as well as by experimenting with lower-cost comprehensive health care systems. In FY 1974, direct technical assistance in family planning will be provided by A.I.D. in 15 countries in Latin America at a proposed cost of \$10 million. Through pilot projects, efforts will be made to provide family planning services to the majority of the population that lacks access to regular health services.

A recent A.I.D. loan of \$19.4 million will finance training, health supplies, rural sanitation and low-cost clinics to provide, for the first time, integrated services in disease control,

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sanitation, nutrition, education, and maternal and child care in Colombia. Under an A.I.D. loan, low-cost integrated health services will be provided and evaluated in some of the rural areas of northeast Brazil.

Northeast Brazil has already benefited from the A.I.D.-supported program to provide and improve urban sanitation systems throughout the country. For ten years, A.I.D. has been an active partner with Brazilian state and federal authorities in developing a Sanitation Finance System through which states can obtain, on concessional terms, partial financing of municipal projects to supply sewerage and potable water. All such projects are structured to be self-liquidating through charges to consumers. An A.I.D. loan of \$15.4 million in 1970 provided about 19% of the cost of construction of urban water systems in 98 cities, over half of which are located in northeast Brazil.

A second health sector loan of \$14 million will support the expansion of health services to the 75% of the people who have no access to private medical care or health insurance plans. In Panama, rural health centers and clinics will be established with a proposed \$5 million loan.

In many countries, planners have lacked the most simple, basic information on the characteristics and dynamics of the population. Without this and related information, it is impossible to divide scarce resources efficiently and effectively among such needs as malaria control, nutrition education, water sanitation, and smallpox vaccination.

In Paraguay, the Statistics and Census Office, with the assistance of the U.S. Census Bureau funded by A.I.D., has recently made a determined effort to improve the coverage and effectiveness of the 1972 census in comparison with earlier ones. The enumeration took place in July and the returns are now being edited and prepared for computer processing. The permanent improvements in its plant, equipment, and staff will enable the principal statistical office to expand its own activities and to provide services to other offices requiring basic data for planning.

CONCLUSION

Bilateral aid to our neighbors in Latin America reflects U.S. concern with the problems of that area's poverty and clearly serves U.S. interests. Massive poverty among our neighbors is as potentially threatening as it is morally disturbing. The very limited resources which we can make available must be used with maximum effectiveness to benefit the lives of the maximum number of the lowest income groups. Through concentration on innovative techniques to improve small farmer agriculture, education of the rural and urban poor, and health services to the most deprived, A.I.D. resources can continue to play a catalytic role in mobilizing and directing far greater resources from the countries themselves and from the multilateral donors. It can draw on the expertise of the U.S. technical community to work with their Latin American counterparts on key development problems. The entire region, including the United States, benefits.

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SUMMARY LEGISLATIVE HISTORY -- Alliance for Progress

Foreign Assistance Act -- New Obligational Authority Only

By Fiscal Year -- \$ Mil.

FISCAL YEAR	AUTHORIZATION REQUEST			ACTUAL AUTHORIZATION			APPROPRIATION -- NoA		
	Loans	Grants	Other	Loans	Grants	Other	Loans	Grants	Other
63	500.0	100.0		500.0	100.0		425.0	100.0	
64	550.0	100.0	200.0 ^{1/}	425.0	100.0	180.0 ^{1/}	375.0	80.0	135.0 ^{1/}
65	465.0	85.0		465.0	85.0		425.0	84.7	
66	495.1	85.0		470.1	75.0		435.1	75.0	
67	750.0	100.0		596.5	100.0		420.3	87.7	
68	640.0	110.0		478.0	100.0	0.7 ^{2/}	389.0	80.0	0.3 ^{2/}
69	515.0	110.0		330.0	90.0	0.3 ^{2/}	255.0	81.5	**2 ^{2/}
70	437.5	116.0		337.5	90.8		255.0	81.5	
71	337.5	90.8		337.5	90.8		287.5	82.9	
72	235.0	129.7		206.5	88.5		150.0	80.0	
73	Auth. in 1972			206.5	88.5		150.0 ^{3/}	80.0 ^{3/}	

^{1/}Inter-American Program for Social Progress (IAPSP) and Social Progress Trust Fund (IDB/SPTF).

^{2/}Partners of the Alliance for Progress (PALP).

^{3/}Under Continuing Resolution.

** Included in Grant Appropriation.

SUMMARY HISTORY OF LATIN AMERICA PROGRAM BY APPROPRIATION ACCOUNT
A.I.D. DIRECT: Gross Obligations & Authorizations by Fiscal Year - \$Mil.

FL:III/A/6

	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973 Est.	1974 Proposed		
AND TOTAL	257.1	482.9	556.2	627.5	588.5	684.9	573.7	533.2	325.9	421.7	331.2	335.9	315.1	274.7		
TOTAL LOANS	143.0	359.6	400.6	529.1	454.4	544.8	476.1	443.7	237.6	319.5	232.5	242.4	225.0	185.0		
DL	136.0	290.6	342.9	479.1	445.4	506.3	440.5	420.6	237.6	319.5	232.5	242.4	225.0	185.0		
SA	-	-	3.2	-	9.0	25.0	23.1	-	-	-	-	-	-	-		
CF	7.0	69.0	54.5	50.0	-	13.5	10.0	-	-	-	-	-	-	-		
(Project)	(135.5)	(225.1)	(305.6)	(414.1)	(224.4)	(249.8)	(266.1)	(191.4)	(132.6)	(151.6)	(145.5)	(121.4)	(143.3)	(72.5)		
(Sector)	-	-	-	-	-	-	(10.0)	(101.3)	(25.0)	(127.9)	(77.0)	(89.0)	(66.7)	(112.5)		
(Program)	(7.5)	(134.5)	(95.0)	(115.0)	(230.0)	(295.0)	(200.0)	(151.0)	(80.0)	(40.0)	(10.0)	(32.0)	(15.0)	(-)		
TOTAL GRANTS	114.7	123.3	155.6	98.4	134.1	140.1	97.6	89.5	88.3	102.2	98.7	93.5	87.5	87.7		
DG	38.0	85.2	109.0	79.6	80.6	78.4	82.9	86.5	86.0	98.3	95.9	91.5	87.5	87.7		
SA	20.4	25.2	19.5	15.4	26.7	19.8	6.9	3.0	2.3	2.0	2.8	-	-	-		
CF	56.3	12.9	27.1	3.4	26.8	41.9	7.8	-	-	1.9	-	2.0	-	-		
(Population) ^{1/}	--Not Applicable-----			(0.1)	(1.2)	(0.8)	(2.4)	(7.9)	(10.3)	(11.0)	(15.2)	(11.1)	(12.6)	(10.5)		
(Public Safety)	--Not Applicable--			(6.6)	(4.0)	(5.6)	(7.0)	(6.7)	(4.3)	(3.5)	(3.4)	(3.0)	(2.5)	(2.2)		
(AIFLD/Labor)	(1.1)	(1.4)	(3.4)	(3.8)	(3.6)	(4.9)	(4.9)	(6.7)	(5.4)	(7.1)	(5.6)	(6.2)	(6.0)	(5.9)		
(OAS)	NA	(8.3)	(3.9)	(6.5)	(6.6)	(3.6)	(6.1)	(9.5)	(8.9)	(10.7)	(12.7)	(14.7)	(13.9)	(13.9)		
(Excludes Direct Grants to PAHO Headquarters)						(0.2)				(2.3)	(0.6)	(2.8)				
Total A.I.D. Allocations to Latin America Programs:																
Narcotics														*	2.6	1.9

DP:DW: Rev. 5/19/73

^{1/} Population Grants for 1968 through 1971 were from Alliance loan funds. starting in 1972, IA/Pop. funds have been allocated from PHA/POP appropriation.

* Less than \$50,000.

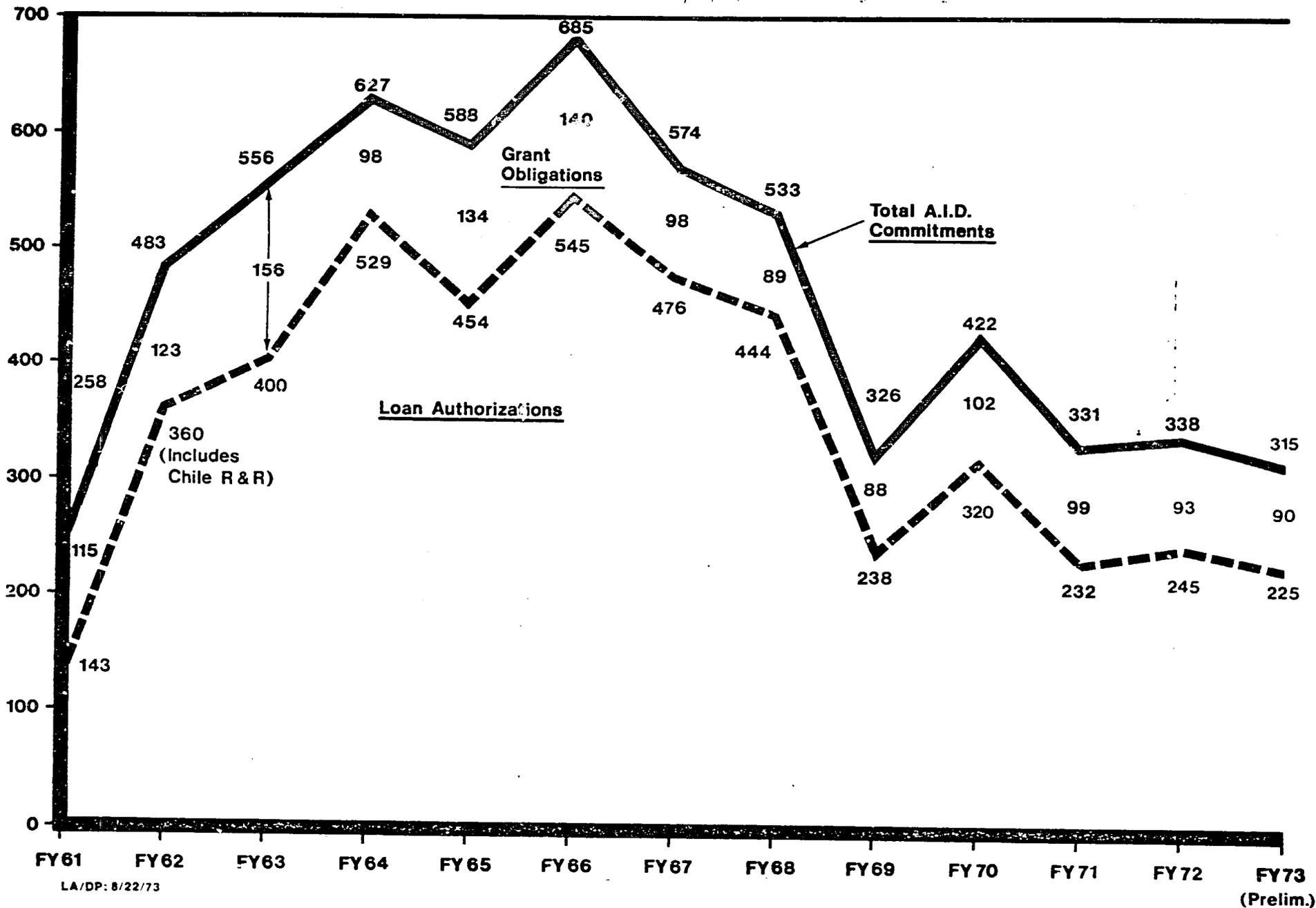
A.I.D./L.A. Gross Commitments

By Fiscal Year

Includes SA, CF & POP

Source: Green Book - 1972

\$ Millions

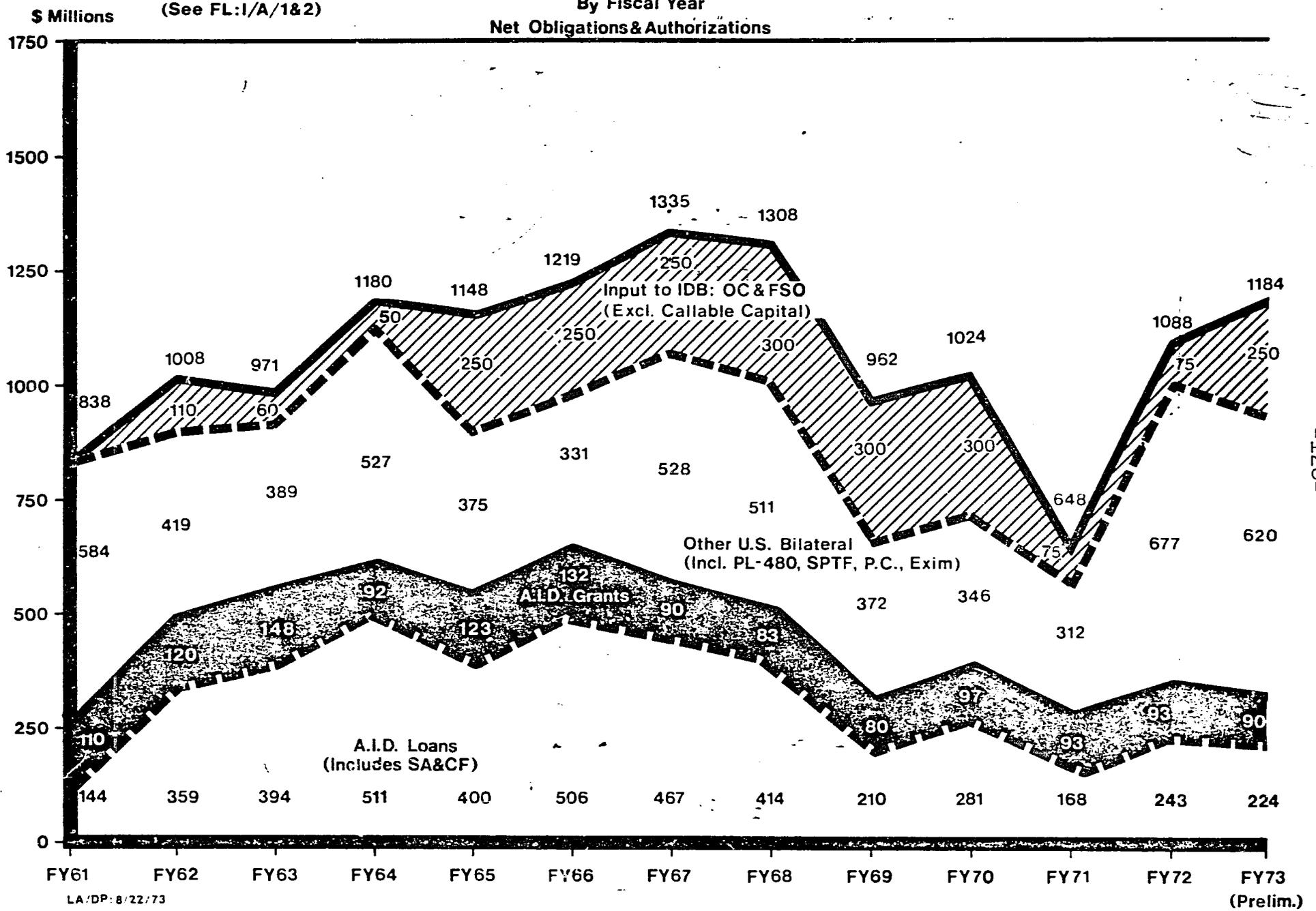


LA/DP: 8/22/73

Total U.S. Official Flows To Latin America

By Fiscal Year

Net Obligations & Authorizations



SUPPORTING ASSISTANCE AND CONTINGENCY FUND PROGRAMS

GROSS AUTHORIZATIONS/OBLIGATIONS

FY 1961-FY 1973

(Millions of Dollars)

COUNTRY	SUPPORTING ASSISTANCE											1961- 1973 TOTAL	CONTINGENCY FUND											1961- 1973 TOTAL			
	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971		1972 ^a	1973 ^b	1961	1962	1963	1964	1965	1966	1967	1968	1969		1970	1971	1972
Argentina	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20.0	-	-	-	-	-	-	-	-	-	-	20.0
Bolivia	13.1	19.1	9.9	8.9	4.7	3.2	0.5	5.0	-	-	-	-	64.4	9.6	-	-	3.4	-	-	-	-	-	-	-	-	-	15.0
Brazil	0.7	-	-	-	-	-	-	-	-	-	-	-	0.7	0.5	-	25.5	50.0	-	-	-	-	-	-	-	2.0	-	76.0
Brit. Honduras	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.2	-	-	-	-	-	-	-	-	-	-	-	0.2
Chile	-	-	-	-	-	-	-	-	-	-	-	-	-	20.0	-	*	-	-	-	-	-	-	-	-	-	-	20.0
Colombia	-	-	-	-	-	-	-	-	-	-	-	-	-	0.6	30.0	0.2	-	-	1.5	-	-	-	-	-	-	-	32.3
Costa Rica	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dominican Rep.	-	-	-	-	23.4	35.1	25.0	16.4	*	-	-	-	99.9	-	25.0	23.9	-	20.2	37.3	7.2	-	-	-	-	-	-	113.6
Ecuador	-	-	-	-	-	-	-	-	-	-	-	-	-	0.3	8.0	7.0	-	-	10.0	-	-	-	-	-	-	-	25.3
El Salvador	-	-	-	-	-	-	-	-	-	-	-	-	-	0.3	-	-	2.0	-	-	-	-	-	-	-	-	-	2.3
Guatemala	0.1	-	-	-	-	-	-	-	0.3	0.4	*	-	0.8	10.5	-	-	-	-	1.1	-	-	0.7 ^{a/}	-	-	-	12.3	
Guyana	-	-	-	-	-	-	-	-	2.5	0.1	-	-	2.6	0.3	-	-	5.8	1.3	-	-	-	-	-	-	-	7.4	
Haiti	5.5	4.1	4.9	1.5	1.4	1.4	1.4	2.0	1.9	1.6	2.8	-	28.5	6.0	3.0	-	-	1.0	0.4	-	-	-	-	-	-	10.4	
Honduras	-	*	0.4	-	-	-	-	-	-	-	-	-	0.4	3.5	-	2.0	-	-	-	-	-	0.4 ^{a/}	-	-	-	-	5.9
Jamaica	0.1	-	-	-	-	-	-	-	-	-	-	-	0.1	0.5	-	-	-	-	-	-	-	-	-	-	-	0.5	
Mexico	-	-	-	-	0.2	-	-	-	-	-	-	-	0.2	0.5	-	-	-	-	-	-	-	1.0	-	-	-	1.5	
Nicaragua	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10.0 ^{c/}	
Paraguay	-	-	0.5	-	-	-	-	-	0.2	-	-	-	0.7	6.2	9.9	-	0.2	4.0	3.5	10.2	-	-	-	-	-	10.0 ^{c/}	
Peru	0.2	-	-	-	-	-	-	-	-	-	-	-	0.2	0.2	-	-	-	-	-	-	-	-	-	-	-	34.0	
Surinam	-	-	-	-	1.0	-	-	-	-	-	-	-	1.0	-	6.0	-	-	0.8	-	-	-	7.4	-	-	-	14.7	
Trin. & Tobago	0.7	2.0	7.0	5.0	5.0	5.0	5.0	-	-	-	-	-	29.7	2.0	-	3.0	-	-	-	-	-	-	-	-	-	5.0	
Uruguay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.4	-	-	-	-	-	-	0.4	
Venezuela	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-	-	-	-	-	-	-	-	-	0.1	
Regional	*	-	-	-	-	*	-	-	-	-	-	-	*	2.0	-	-	-	-	-	-	-	-	0.5 ^{b/}	-	-	-	2.5
TOTAL	20.4	25.2	22.7	15.4	35.7	44.8	31.9	26.1	2.3	2.0	2.8	-	229.3	63.3	82.2	81.7	53.6	32.0	55.4	19.3	-	-	10.1 ^{a/}	-	2.0	10.0 ^{c/}	399.6

*Less than \$50,000

Details may not add to totals due to rounding.

a/ Includes Disaster Relief (Special Program) Inter-Regional Accounts for Guatemala in amount \$369,865 and for Honduras in amount \$447,857 which total \$817,722, the difference between \$10,149,722 and the published figure of \$9,332,000. The figure of \$0.7 for Guatemala includes \$378,000 Technical Assistance (CF) and \$369,865 Disaster Relief (CF).

b/ U. S. Contribution to the OAS for Special Fund to be used for rehabilitation and reconstruction costs resulting from conflict between El Salvador & Honduras.

c/ Disaster Relief as a result of the December 22, 1972 earthquake in Managua. Funding from Interregional or World-Wide Technical Assistance. [] = Non-add.

SOURCE: W-211 Appropriation Allotment Report as of June 1972.

AGENCY FOR INTERNATIONAL DEVELOPMENT: LA/DF:RClarke:3/15/72. Rev. RC:4/29/72:Rev. 4/4/73.

FY 1974 PROGRAM

Number of Countries Receiving Bilateral Assistance

	A.I.D.				PL 480		MILITARY			
	Loans	Grants	Pop.	Narc.	Title		Peace Corps	MAP	Training	Sales
					I	II				
<u>Total Number</u>	12	19	13	17	9	18	16	9	16	12
Argentina	-	-	-	x	-	-	-	-	x	x
Bolivia	x	x	x	x	x	x	-	x	x	x
Brazil	-	x	-	x	-	x	x	-	x	x
Chile	-	x	-	x	-	x	x	-	x	x
Colombia	x	x	x	x	x	x	x	-	x	x
Costa Rica	-	x	x	-	-	x	x	-	-	-
Dominican Republic	x	x	-	-	x	x	x	x	x	-
Ecuador	-	x	x	x	x	x	x	-	-	-
El Salvador	x	x	x	-	-	x	x	x	x	x
Guatemala	x	x	x	-	-	x	x	x	x	x
Guyana	x	x	-	x	x	x	-	-	-	-
Haiti	x	x	x	-	x	x	-	-	-	-
Honduras	x	x	x	-	-	x	x	x	x	x
Jamaica	x	x	x	x	x	x	x	-	-	-
Mexico	-	-	-	x	-	-	-	-	x	x
Nicaragua	x	x	x	-	-	x	x	x	x	-
Panama	x	x	x	x	-	x	-	x	x	-
Paraguay	x	x	x	x	x	x	x	x	x	-
Peru	-	x	x	x	-	x	x	-	x	x
Uruguay	-	x	-	x	x	-	x	x	x	x
Venezuela	-	x	-	x	-	x	x	-	x	x
British Honduras	-	(x)	-	-	-	(x)	x	-	-	-
Caribbean Regional	(x)	(x)	-	3*	-	(x)	(x)	-	-	-

* Bahamas, Barbados, Netherlands Antilles

LATIN AMERICA
SECTOR LOAN COMMITMENTS
BY FISCAL YEAR
(\$ millions)

<u>FY</u>	<u>Total All Sectors</u>	<u>Country</u>	<u>Sectors</u>			
			<u>Agriculture/Rural</u>	<u>Education</u>	<u>Urban</u>	<u>Health</u>
1967	10.0	Chile		10.0		
1968	101.3	Brazil		32.0		
		Chile	23.0	16.3		
		Colombia	15.0			
		Uruguay	15.0			
1969	25.0	Colombia	15.0	10.0		
1970	127.9	Brazil		50.0		
		Colombia	15.0	15.0		
		Costa Rica	16.4			
		Guatemala	23.0			
		Panama		8.5		
1971	77.0	Colombia	28.0	20.0	29.0	
1972	89.0	Colombia	30.8	20.5	37.7	
1973 (OYB)	66.7	Colombia	28.0	14.0		19.4
		Nicaragua		5.3		
1974 (C.P.)	112.5	Bolivia		8.0		
		Colombia		13.0	33.0	14.0
		Dom. Republic		10.0		
		El Salvador		2.5		
		Honduras	10.0			
		Jamaica		7.0		
		Nicaragua	15.0			
TOTALS	609.4		234.2	242.1	99.7	33.4

LA/DR:VH:oyc:5/1/73

LATIN AMERICA
Development Loans
FY 1971-1974 by Sector/Activity

	\$ Millions				Percentage			
	FY71	FY72	FY73	FY74	FY71	FY72	FY73	FY74
Food Production and Nutrition	<u>94.0</u>	<u>61.9</u>	<u>69.1</u>	<u>71.5</u>	<u>40.4</u>	<u>25.5</u>	<u>27.6</u>	<u>38.6</u>
Agriculture and Cooperatives	43.0	58.9	54.3	40.5	18.5	24.3	24.1	21.9
Other rural dev't (incl. roads, electrification)	51.0	3.0	7.8	31.0	21.9	1.2	3.5	16.7
Population Planning and Health	<u>8.9</u>	<u>5.8</u>	<u>30.2</u>	<u>19.0</u>	<u>3.8</u>	<u>2.4</u>	<u>13.7</u>	<u>10.3</u>
Human Resource Development	<u>39.0</u>	<u>24.4</u>	<u>25.1</u>	<u>53.5</u>	<u>16.8</u>	<u>10.1</u>	<u>11.2</u>	<u>28.9</u>
Education	32.9	20.5	19.3	53.5	14.2	8.5	8.6	28.9
Public Administration	6.1	3.9	5.8	-	2.6	1.6	2.6	-
Selected Development Problems	<u>80.5</u>	<u>118.3</u>	<u>92.0</u>	<u>41.0</u>	<u>34.6</u>	<u>48.8</u>	<u>40.9</u>	<u>22.2</u>
Urban/regional	34.6	37.7	-	41.0	14.9	15.6	-	22.2
Housing	15.1	30.0	18.5	-	6.5	12.4	8.2	-
Private Enterprise/Export/ Capital Marketing	28.0	34.6	18.5	-	12.0	14.3	8.2	-
Tourism	-	4.1	15.0	-	-	1.7	6.7	-
Transportation	-	11.9	25.0	-	-	4.9	11.1	-
Other	2.8	-	15.0	-	1.2	-	6.7	-
Program Lending	<u>10.0</u>	<u>32.0</u>	<u>15.0</u>	<u>-</u>	<u>4.3</u>	<u>13.1</u>	<u>6.7</u>	<u>-</u>
TOTAL	<u>232.5</u>	<u>242.4</u>	<u>225.0</u>	<u>185.0</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

LATIN AMERICA
Grant Program by Sector/Activity
 FY 1971 - 1974

Includes Alliance Technical Assistance and Population Funds

<u>Sector/Activity</u>	<u>\$ millions</u>				<u>Percentage</u>			
	<u>FY 71</u>	<u>FY 72</u>	<u>FY 73</u>	<u>FY 74</u>	<u>FY 71</u>	<u>FY 72</u>	<u>FY 73</u>	<u>FY 74</u>
<u>Food Production and Nutrition</u>	<u>16.9</u>	<u>13.8</u>	<u>13.9</u>	<u>14.4</u>	<u>17.1</u>	<u>14.8</u>	<u>15.9</u>	<u>16.4</u>
• Agriculture and Cooperatives	14.4	10.5	12.4	12.1	14.6	11.2	14.2	13.7
• Agriculture Education	(2.5)	(1.7)	-	(0.6)				
• Other rural dev't (incl. roads, electrification)	2.5	3.3	1.5	2.3	2.5	3.5	1.7	2.6
<u>Population Planning and Health</u>	<u>17.5</u>	<u>13.3</u>	<u>14.4</u>	<u>12.3</u>	<u>17.7</u>	<u>14.2</u>	<u>16.5</u>	<u>14.0</u>
Population	15.2	10.9	12.8	10.5	15.4	11.7	14.6	12.0
Health and Water Supply	2.3	2.4	1.6	1.8	2.3	2.6	1.8	2.0
<u>Human Resource Development</u>	<u>29.2</u>	<u>28.4</u>	<u>24.4</u>	<u>24.3</u>	<u>29.6</u>	<u>30.4</u>	<u>27.9</u>	<u>27.7</u>
Education	13.6	14.6	11.4	12.2	13.8	15.6	13.0	13.9
Public Administration	6.6	4.6	4.4	4.0	6.7	4.9	5.0	4.6
Public Safety	3.4	3.0	2.5	2.2	3.4	3.2	2.9	2.5
Labor	5.6	6.2	6.0	5.9	5.7	6.6	6.9	6.7
<u>Selected Development Problems</u>	<u>7.3</u>	<u>8.3</u>	<u>5.0</u>	<u>6.3</u>	<u>7.4</u>	<u>8.9</u>	<u>5.7</u>	<u>7.2</u>
Urban/regional	1.2	0.8	0.5	0.7	1.2	0.9	0.6	0.8
Housing	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Private Enterprise/Export/ Capit. Mkt.	4.4	2.7	1.9	1.1	4.4	2.9	2.2	1.2
Tourism	0.2	0.1	0.1	0.1	0.2	0.1	0.1	0.3
Transportation	0.3	0.4	0.2	-	0.3	0.4	0.2	
Block Grant (Colombia)	-	-	0.5	0.8	-	2.1	0.6	0.9
Special Development Authority	0.9	1.1	0.9	1.3	0.9	1.2	1.0	1.5
Other	-	0.9	0.6	2.0	-	1.0	0.7	2.3
<u>Organization of American States</u>	<u>12.6</u>	<u>14.7</u>	<u>13.9</u>	<u>15.8</u>	<u>12.9</u>	<u>15.7</u>	<u>15.9</u>	<u>18.0</u>
<u>Program Support</u>	<u>15.3</u>	<u>15.1</u>	<u>15.9</u>	<u>14.6</u>	<u>15.6</u>	<u>16.3</u>	<u>18.1</u>	<u>16.6</u>
<u>TOTAL</u>	<u>98.7</u>	<u>93.5</u>	<u>87.5</u>	<u>87.7</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

Details may not add to Total, due to rounding

**SUMMARY OF PROGRAM BY COUNTRY AND APPROPRIATION ACCOUNT
FISCAL YEARS 1972 - 1973 - 1974**

REGION: LATIN AMERICA

(In thousands of dollars)

COUNTRY	TOTAL			DEVELOPMENT LOANS			DEVELOPMENT GRANTS (Including Population)			OTHER		
	1972	1973	1974	1972	1973	1974	1972	1973	1974	1972	1973	1974
LATIN AMERICA - TOTAL	335,911	315,064	274,664	242,400	225,000	185,000	91,475^a	87,468	87,737	2,036	2,596^b	1,927^c
Bolivia	55,592	15,568	23,683	50,000	11,700	20,000	3,573	3,721	3,679	2,019 ^a	147	4
Brazil	9,965	36,654	6,100	--	29,600	--	9,965	7,050	6,000	--	4	100
Chile	1,021	921	647	--	--	--	1,021	815	572	--	106	75
Colombia	92,596	69,901	63,731	89,000	66,600	60,000	3,596	3,250	3,493	--	51	238
Dominican Republic	6,855	1,075	10,894	5,100	--	10,000	1,755	1,075	894	--	--	--
Ecuador	4,852	4,963	4,661	--	--	--	4,852	4,655	4,361	--	308	300
Guyana	15,600	776	4,174	14,300	--	3,500	1,300	776	672	--	--	2
Haiti	3,182	6,800	8,900	--	3,700	5,000	3,182	3,100	3,900	--	--	--
Jamaica	1,159	5,998	7,965	--	5,000	7,000	1,159	965	939	--	33	26
Paraguay	22,780	14,758	13,082	19,100	11,600	10,000	3,680	3,110	3,062	--	48	20
Peru	2,769	5,494	5,295	--	2,500	3,000	2,769	2,944	3,273	--	50	22
Ecuador	31,738	3,919	4,028	27,600	--	--	4,138	3,776	3,778	--	143	250
Uruguay	1,355	1,382	1,305	--	--	--	1,355	1,242	1,170	--	140	135
Venezuela	850	493	399	--	--	--	850	471	359	--	22	40
Central America Regional Programs (ROCAP)	13,198	42,523	13,260	9,900	40,000	10,000	3,298	2,523	3,260	--	--	--
Costa Rica	1,662	1,249	1,065	--	--	--	1,662	1,249	1,065	--	--	--
El Salvador	6,050	2,079	9,564	4,000	--	7,500	2,050	2,079	2,064	--	--	--
Guatemala	12,518	9,471	12,807	8,400	5,700	9,000	4,118	3,771	3,807	--	--	--
Honduras	3,583	5,486	18,026	--	2,000	15,000	3,583	3,486	3,026	--	--	--
Nicaragua	2,489	22,720	18,553	--	20,300	16,000	2,489	2,420	2,553	--	--	--
Caribbean Regional	40	22,490	5,750	--	22,300	5,000	40	190	750	--	--	--
Latin America Regional	31,387	24,908	23,260	15,000	4,000	4,000	16,387	20,908	19,260	--	--	--
Inter-American Programs	14,653	13,892	15,800	--	--	--	14,653	13,892	15,800	--	--	--
International Narcotics Control Only:												
Argentina	17	234	310	--	--	--	--	--	--	17 ^b	234	310
Bahamas	--	--	15	--	--	--	--	--	--	--	--	15
Barbados	--	5	12	--	--	--	--	--	--	--	5	12
Mexico	--	1,305	375	--	--	--	--	--	--	--	1,305	375
Netherlands Antilles	--	--	3	--	--	--	--	--	--	--	--	3

^{a/} Contingency Fund \$2,000,000; International Narcotics Control \$19,000.
^{b/} International Narcotics Control.

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REGION: LATIN AMERICA

SUMMARY OF PROGRAM BY COUNTRY AND OBJECTIVE

(in thousands of dollars)

COUNTRY	Total			Food Production and Nutrition			Population Planning and Health			Human Resource Development			Selected Development Problems			Selected Countries and Organizations			Other Programs and Support Costs		
	1972	1973	1974	1972	1973	1974	1972	1973	1974	1972	1973	1974	1972	1973	1974	1972	1973	1974	1972	1973	1974
Bolivia	55,592	15,568	23,683	12,071	5,078	13,290	309	286	279	1,194	5,812	8,959	7,320	3,286	50	32,000	--	--	2,698	1,106	1,105
Brazil	9,965	36,654	6,100	2,422	8,896	437	51	7,766	222	4,812	3,209	4,265	50	15,000	--	--	--	2,630	1,783	1,176	
Chile	1,021	921	647	--	--	--	21	--	--	234	75	65	59	155	155	--	--	697	691	427	
Colombia	92,596	69,901	63,731	31,209	28,000	--	680	20,000	14,600	21,446	14,593	13,593	37,749	5,732	33,800	--	--	--	5,512	1,576	1,738
Dominican Republic	6,855	1,075	10,894	469	375	274	--	--	--	630	--	10,000	5,101	10	25	--	--	--	655	690	595
Ecuador	4,852	4,963	4,661	288	418	286	1,346	1,206	1,148	1,927	1,785	1,733	369	308	213	--	--	--	922	1,246	1,281
Guyana	15,600	776	4,174	322	334	2,722	2,400	--	--	637	52	1,000	11,950	50	50	--	--	--	291	340	402
Haiti	3,182	6,800	8,900	760	4,859	6,800	2,087	1,771	1,900	--	--	--	335	50	50	--	--	--	--	120	150
Jamaica	1,159	5,998	7,965	--	5,000	--	779	449	500	211	196	7,179	50	50	50	--	--	--	119	303	236
Panama	22,780	14,758	13,082	467	8,178	5,350	621	4,300	5,520	747	468	380	19,492	256	50	--	--	--	1,453	1,556	1,782
Paraguay	2,769	5,494	6,295	926	950	3,934	417	544	595	591	702	1,052	227	2,525	50	--	--	--	608	773	664
Peru	31,738	3,919	4,028	11,266	1,291	1,380	193	115	50	1,155	991	600	18,178	175	623	--	--	--	946	1,347	1,375
Uruguay	1,355	1,382	1,305	377	381	425	--	100	--	608	420	425	88	129	93	--	--	--	282	352	362
Venezuela	850	493	399	--	--	--	--	--	--	752	245	227	--	50	50	--	--	--	98	198	122
Central America Regional Prog. (ROCAP)	13,198	42,523	13,260	6,168	175	10,555	--	--	200	5,522	767	725	557	40,577	780	--	--	--	951	1,004	1,000
Costa Rica	1,662	1,249	1,065	389	328	325	313	336	290	450	123	100	259	249	145	--	--	--	252	213	205
El Salvador	6,050	2,079	9,564	4,703	766	5,955	465	522	355	468	391	2,803	41	50	50	--	--	--	373	350	401
Guatemala	12,518	9,471	12,807	1,011	5,303	1,076	4,093	745	800	1,568	2,452	7,145	5,151	102	3,050	--	--	--	695	869	736
Honduras	3,583	5,486	18,026	793	2,737	10,955	833	976	626	970	610	602	150	153	5,140	--	--	--	837	1,010	703
Nicaragua	2,489	22,720	18,553	427	300	15,377	560	500	600	363	5,510	1,200	424	219	250	--	15,000	--	715	1,191	1,126
Caribbean Regional	40	22,490	5,750	--	--	--	--	--	--	--	--	5,000	40	22,490	750	--	--	--	--	--	--
Latin America Regional	31,387	24,908	23,260	1,586	2,619	6,742	3,911	5,590	4,000	8,512	11,128	10,784	16,983	5,341	1,515	20	--	--	375	230	189
Inter-American Programs	14,653	13,892	15,800	--	--	--	--	--	--	--	--	--	--	--	--	14,653	13,892	15,800	--	--	--
International Narcotics Control	17	1,544	715	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	17	1,544	715
Total	335,911	315,064	274,664	75,654	75,988	35,883	19,079	45,206	31,715	52,797	49,529	77,837	124,583	96,957	46,939	46,673	28,892	15,800	17,126	18,492	16,400

B. Country Program Summaries

1. Argentina

U. S. bilateral aid to Argentina was terminated at the end of FY 1971. Residual activities are: three active loans with a total undisbursed balance of \$9.4 million; and a grant-funded labor development contract which will terminate at the end of this year. Regional activities in housing, textbook production, agricultural research and training, and export development are currently based in Argentina. (Regional programs are discussed in Section X. C.)

2. Bolivia

The AID program in Bolivia has increased considerably over the past two years with primary emphasis on capital and technical assistance in the areas of agricultural and rural development and employment creation. Activities in rural development include technical assistance to improve sheep and wheat production and capital assistance for agricultural credit, rural electrification and community self-help projects to provide rural infrastructure, e.g., schools, health stations and small bridges, dams and canals. Two program loans provided in FY 1972 were designed to alleviate serious unemployment problems. Other activities in this area include loans for municipal public works, savings and loan associations and a housing investment guarantee. PL 480 Title II commodities are used for maternal/child nutrition programs. A

narcotics control project and a PL 480 Title I agreement as well as technical assistance in education administration and government management are other ongoing AID activities.

3. Brazil

Brazil is expected to be able to continue its role as the most rapidly developing nation in the western hemisphere during the next several years. Its capacity to marshal its own resources and to plan for its future development is impressive. With an increasing flow of foreign lending, Brazil should be able to continue its phenomenal economic development at rates at least approaching those of the past two years (11.3 percent and 10.4 percent). Brazil's current need for foreign lending has been assumed by the international lending agencies, various national export financing institutions and private investors.

Brazil's rapid development in recent years has permitted a substantial reduction in U.S. bilateral assistance. The total AID program proposed for FY 1974 is \$6 million, compared to \$37 million in FY 1973 and \$244 million in the peak year of FY 1966. The \$6 million technical assistance program proposed for FY 1974 will support Brazilian efforts in the areas of agricultural education, general education, and the transfer of science and technology; this program will be phased down and essentially terminated in the FY 1974-1978 period. The existing \$250 million development loan pipeline will continue to be drawn down, but there will be no further capital assistance.

4. Chile

As President Nixon has stated, "We are prepared to have the kind of relationship with the Chilean Government that it is prepared to have with us." Thus, at this time AID finances only a small technical assistance program in Chile (\$815,000 in FY 1973, about \$572,000 for FY 1974) to support people-to-people activities there. In FY 1973 and in FY 1974 these activities are "Training for Development", the purpose of which is to provide short-term training for Chileans in the U. S. and third countries to improve the technical competence and management of Chilean institutions; a large "Special Development Activities" fund, which assists in a number of self-help projects such as three small cooperative bookstores and purchase of equipment for self-help construction of sidewalks and a clothes-making workshop; and "Technical Support" to pay for the three remaining direct-hire staff members and their support. A regionally funded AIFLD project of about \$125,000 a year is also carried out, and a Food for Peace program providing foodstuffs to over 1.5 million school children, volunteer workers and other recipients is maintained.

5. Colombia

The major portion of the AID program in Colombia is concentrated in the agriculture, education, health and urban/regional sectors. AID support to these sectors is provided primarily through sector loans which are based on elaborate

sector analyses which the government of Colombia has prepared with AID assistance. Significant AID support is given to these sectors to assist the GOC in implementing its policy of achieving fundamental reforms in the sectors of concentration while increasing employment and distributing the benefits of economic growth more equitably throughout the population. The sector loan mechanism is particularly useful in Colombia since it is directed toward critical problems in each sector or identified by the analysis and since it stimulates the GOC to establish a pattern of investing its own resources in these areas to match the AID contribution. While the loans provide untied dollars to the GOC, the funds are used as peso equivalent to finance specified investment and operating costs within each sector. Each loan details the specific uses, timing, and GOC programs to be supported in line with the GOC's sector development strategy.

AID also provides technical assistance to the GOC. The current program includes assistance to the National Tax Administration, a Public Safety project, assistance in demographic research, and limited support for the National Employment Service in manpower planning. AID recently concluded a Block Grant agreement with the GOC under which the GOC will use AID funds to finance advisory services and participant training which it will arrange in areas related to the sector loan program.

6. Costa Rica

Costa Rica is the most advanced country in the Central American Common Market. AID efforts in the last two years have focused on implementation of a 1970 agriculture sector loan of \$16.4 million and a municipal development loan of \$3.6 million. Grant assistance has been provided to assist the Costa Ricans in implementing these two loans as well as in population, labor, and public safety. Given the recent fiscal and balance-of-payments difficulties with which the GOCR has been faced, AID may consider additional lending to Costa Rica in agriculture and municipal development.

7. Dominican Republic

The AID program in the Dominican Republic concentrates on assisting the government to: (1) improve its capability to formulate and to implement effective development plans; (2) increase agricultural productivity; (3) spread the benefits of growth; and (4) alleviate balance-of-payments problem. However, total U. S. Government assistance is declining in relation to that of other donors, which is on the increase. AID is reducing the number of agricultural technicians as the Dominican Republic continues to make progress in production, training of personnel, and improving agricultural pricing, cooperative and credit institutions. In recent years, the Dominican Republic has become self-sufficient in rice, its poultry industry has expanded and offers competitively priced broilers on the local markets, and its traditional crops (plantains,

beans, tubers) are more abundant and less expensive. AID's assistance to the education and manpower sector consists primarily of implementation of previously authorized loans for a student loan program and for teacher training and curriculum and materials improvement, both designed to augment the training of Dominicans in human resource skills critical to economic and social development. The current program supporting the establishment of a public health network of hospitals, health centers and rural clinics will continue.

8. Ecuador

From a development standpoint, Ecuador is one of the poorer countries in Latin America, with over half the population living on less than \$80 per annum. Notwithstanding the discovery of oil reserves and their subsequent exploitation, there is still a need for U. S. foreign assistance to develop institutional capabilities. The present AID technical assistance program of over \$4 million a year, largely concentrated in agriculture, education and health, is expected to continue into FY 1974, assuming there is a waiver of the aid-deduct provision of the Fisherman's Protective Act. Title I and Title II programs, a regional AIFLD program, and a large narcotics program complement the technical assistance program. No new loans have been authorized since 1970, although nine loans valued at \$44 million are still being disbursed.

9. El Salvador

AID assistance in El Salvador is focused on agriculture development, the extension of educational television usage within the formal education system, and in population. Grant funds of approximately a million dollars a year and a recent \$4 million loan for agriculture extension and research have been provided in agriculture. AID has supported the Salvadorean educational reform, including the use of instructional television with both grant and loan funds. This effort is expected to continue. AID provides substantial grant assistance in the field of population which the GOES may soon be willing to augment with loan funds from other donors.

10. Guatemala

The AID program in Guatemala is based on a five-year development plan set in motion in 1970. It emphasizes development of the rural Indian and Ladino areas of Guatemala. The major thrust of the AID involvement in Guatemala revolves around a \$23 million agriculture sector loan which was authorized in 1970. Recent loans have also been made for health services and property tax improvement as complementary parts of Guatemala's rural development program. AID grant funds have been provided in support of these loans and Guatemalan development plans. Approximately \$1 million a year over the last three years have been provided to the various institutions of the GOG which are responsible for implementing rural development plans and the sector loan. At the same time grant funds have been provided to the Guatemalan

National Planning Council, the Ministry of Finance, and the Ministry of Education to enable them to continue to develop as institutions and to fulfill their expected role in the rural development plan.

11. Guyana

The AID assistance program in Guyana for FY 1974 is significantly lower than in previous years, reflecting the successful completion of grant projects in public safety, tax administration, and agriculture research and diversification. AID has assisted the rice industry with prior year loan funds in building rice drying and storage facilities, introduction of new varieties, and managerial and organizational assistance in rice marketing. We have completed a loan for the development of potable water in the coastal area immediately south and east of Georgetown. An additional loan to extend the water supply east may be considered. A development loan of \$1 million for general training is currently under consideration, and a \$2.5 million loan to the agriculture sector (food crops) will be considered in FY 1974. PL 480 Title I and Title II are also elements of the AID program in Guyana.

12. Haiti

Until recently, AID assistance has been limited to humanitarian activities -- malaria eradication, rural community development and Food for Peace. As the development climate has gradually improved and the opportunities for

effective collaborative efforts have increased, AID has undertaken a few pilot projects related mainly to agricultural development. This trend toward economic development activities is expected to accelerate in FY 1974.

AID-supported pilot projects are aimed at identifying opportunities for improving the basically rural economy and promoting rural welfare. Pilot agricultural activities in vegetable, fish and swine production will be initiated in FY 1974. We have just signed a highway maintenance loan. AID will also continue to support rural community development in northwest Haiti. The emphasis of this activity is expected to shift from community health to agriculture and infrastructure activities, with the aim of improving both the rural economy and rural welfare.

The malaria eradication program will continue to require U. S. and multilateral support. The government is currently giving active consideration to an integrated program of rural health services and has initiated discussions of this subject with AID.

13. Honduras

Honduras is the least developed country in Central America. Previous AID assistance was focused on the agriculture and rural development sector as well as in education, population, and urban and municipal development. AID is realigning its programs in Honduras to support the new Honduran government's emphases in the fields of agriculture and health. A \$2 million loan was recently approved for marketing

of basic grains. Additional loans in the agriculture sector are contemplated. Grant projects will be continued in agriculture, population and export promotion.

14. Jamaica

Despite a good measure of economic growth, Jamaica suffers from population pressure, high unemployment of 20 per cent, poor income distribution in the agriculture sector which also contributes to urban migration, inadequate housing and malnutrition. The AID program is designed to complement the efforts of the Jamaican government, the IBRD -- the primary source of development financing -- and other donors in addressing these problems.

The FY 1974 program includes a \$7 million loan for the education sector. Family planning assistance (a very high priority of the Jamaican government), public safety assistance to the Constabulary Force, and help in improving income tax administration will be part of a \$940,000 grant program in FY 1974. During FY 1973 a \$4.4 million afforestation loan was authorized. Prior active loans include a \$10 million rural feeder road loan and a \$10 million mortgage bank loan. Jamaica also has a PL 480 Title II program mainly for school lunch and mother/child nutrition.

15. Nicaragua

Since the earthquake in Managua in December 1972, the AID program has been substantially restructured to continue essential features of the Nicaraguan development process

while assisting the GON effort to rebuild its capital city. AID longer-term development assistance will be focused on the agricultural sector in support of the Nicaraguan analysis of this sector. AID will continue to provide grant assistance for agriculture and population projects.

As part of the earthquake recovery effort, AID provided \$12.5 million in Contingency Funds -- and PL 480 food -- for short-term disaster relief and a program loan of \$15 million for short-term government budget support, rubble removal and interim reconstruction may be provided.

16. Panama

During the past five years the Panamanian economy has expanded at an annual rate of 7.8 percent, with GNP per capita increase at an average of 4.6 percent per year. Panama has emerged as a growing international center for banking, commerce, tourism and communications. However, Panama faces complex development problems, including: (1) the need to expand social and economic infrastructure and services throughout the country; (2) the disparity in living standards between the rural sector and the urban centers; (3) the need to expand production and increase employment opportunities; (4) the need to generate increased domestic savings; (5) the high population growth rate (three percent); and (6) rapid rural-urban migration.

In 1971 Panama adopted a five-year development strategy and investment plan which contemplates public outlays of \$616 million, of which \$346 million is to be financed

externally. The major sectors addressed in this plan are transportation, housing, agriculture, education and health.

Since FY 1972 the AID program has been designed to support the Panamanian development plan in agriculture, education, health and housing. In FY 1973 the AID program was \$3.2 million for technical assistance and \$3.8 million for loans. The FY 1974 proposal is \$3 million in technical assistance and \$10 million in loans.

17. Paraguay

The AID program in Paraguay is largely one of technical assistance. The grant budget is about \$2.5 million annually with the largest portion going to agriculture and livestock development. Education development and assistance for government administration are second and third largest items in the budget. A labor development project is funded through the regional AIFLD contract. A family planning project is funded at about a half million dollars annually. There are presently ten active loans in Paraguay with a total undisbursed balance of \$15.9 million. No new loans were authorized in FY 1972, but a \$3 million loan for private enterprise and export promotion was authorized in FY 1973, and a loan program of \$3 to \$5 million focused on export development and agriculture is projected for FY 1974.

18. Peru

The AID program in Peru consists primarily of technical assistance at an annual level of close to \$4 million to

support government efforts in agricultural sector planning, educational reform and reconstruction in the areas affected by the earthquake of May 1970 and the severe floods in March 1972. AID support is also provided for narcotics control and a modest population program. PI, 480 Title II commodities are used for school lunch and maternal/child feeding programs. No AID loan assistance has been provided to Peru since 1968 with the exception of reconstruction loans for the earthquake and flood zones.

19. Uruguay

The grant-funded technical assistance program in Uruguay has an annual budget of about \$1.2 million. Nearly half of this amount is directed toward the agriculture sector. Emphasis is placed on improving the capability in various government institutions for development planning and administration. There is a relatively large public safety project with an annual budget of about \$200,000, but termination of this activity is scheduled for FY 1974.

There are currently three active loans in Uruguay with an undisbursed balance of \$4.8 million. No new loans have been authorized since FY 1970 and none are planned for FY 1973. Loans totalling up to \$20 million for agricultural credit and capital goods imports may be considered in FY 1974 after the government's five-year plan is completed and their development policies and priorities clarified.

20. Venezuela

The AID program in Venezuela is in the final stage of closing out. It consists of a public safety project which will terminate in FY 1974 and residual implementation of a human resources project which terminated in 1972. A small special development activities project which would be directed primarily toward development activities with the Commission for the Development of the Southern Region (CODESUR) has been approved for 1973 and 1974, but it does not appear that this project will be implemented at this time. Previous assistance to CODESUR was provided under the human resources project. AID activities in Venezuela are directed by the Embassy Economic Counselor who also serves as AID Affairs Officer.

21. ROCAP

Located in Guatemala City, the Regional Office for Central America and Panama (ROCAP) is accredited to all five countries making up the Central American Common Market (CACM). Since 1961 its programs have been directed to strengthening the regional integration institutions in Central America and funding, on a regional basis, those development programs which foster the integration movement. ROCAP programs are undertaken primarily with the Central American Bank for Economic Integration (CABEI) and the Secretariat of the Council of Ministers of Economy (SIECA). Through CABEI, substantial ROCAP funding has been directed to infrastructure requirements of Central America -- \$25 million in FY 1973. Other

loans have been made for export development and tourism. The grant program has helped develop the Central American integration institutions and has supported the bilateral programs in each Central American country. ROCAP grant projects continue to assist SIECA to carry on its economic studies of Central American integration and support Central American export development institutions.

C. Regional Grant Programs

There are two major parts of the LA Regional Program: support provided to the technical assistance programs of the Organization of American States (see Section V. E. above) and a Washington-managed regional technical assistance program.

The regional technical assistance program funds, from Washington, activities which support and complement the programs of field Missions in Latin America. Activities funded with regional development grant funds fall into the following broad categories: (1) activities which are regional or multi-country in scope and thus most efficiently financed regionally; (2) support for the establishment and strengthening of indigenous regional institutions; (3) experimental activities aimed at developing new methodologies or techniques for subsequent adaptation and use in other countries throughout the region; and (4) other necessary activities which are inappropriate for country Mission funding. For the period fiscal 1972 to 1974, the regional technical assistance program has operated at the \$13 to \$15 million level.

The Latin American Scholarship Program of American Universities (LASPAU) is a leading example of category (1). LASPAU is a unique effort to improve on a broad scale the quality of the teaching staffs of Latin American universities. The program brings about 200 scholars each year from some 170 universities to the U. S. for graduate work, primarily at the Masters level. To be selected for the program, the scholars must demonstrate very high qualifications as well as financial need and a commitment to return to his university to teach or conduct research. Development grant funds provide for administration of the program and the maintenance of students while attending U. S. universities. The scholars themselves or local governments pay for travel, English training and subsistence of any accompanying dependents. Approximately 200 participating U. S. universities support the program by waiving tuition and fees for LASPAU scholars. By the time the program receives AID's final contribution (FY 1977), it is expected that 1,550 degrees (mostly Master's) will have been earned.

Another example of a program best operated on a regional basis is the Free Labor Development project. AID contracts with the American Institute for Free Labor Development (AIFLD), a subsidiary of the AFL-CIO, to operate various programs (in 18 countries in Latin America) designed to strengthen the labor movement and to increase the role of workers in the process of development in their countries.

AID supports the work of the Inter-American Center for Tropical Agriculture (CIAT) in Cali, Colombia, by funding one quarter of its annual budget. The remainder of the budget comes from private foundations and other international donors. CIAT is a part of the same international network of agricultural research institutions which led the green revolution of the late 1960's with the successful development of high-yielding varieties of rice and wheat. CIAT performs basic research and applied research seeking ways to increase the production and nutritional content of major Latin American food crops. The results of research conducted by CIAT's top-notch international staff are transmitted to and adapted for the individual country conditions via national research and extension agencies.

AID has also supported the establishment of the Confederation of Latin American Credit Unions (COLAC) which provides technical assistance to national federations of cooperatives and credit unions in getting directed agricultural production credit to the small farm subsector. COLAC acts as a channel for capital going from international financial institutions to national credit union federations. Availability of capital for increasing the amount of credit which can be offered to small farmers continues to be a critical constraint in the development of the cooperative movement. COLAC should be able to operate effectively in the international money markets and attract capital worldwide,

whereas individual national federations are unlikely to have the wherewithal to do so.

In Guatemala at the present time a pilot experiment is being conducted to test the feasibility of various means of delivering relevant education to culturally and linguistically isolated rural people. If tested techniques can be proven effective, they could then be adapted for use in other situations in the region.

In the "other" category are projects such as Technical Support which funds a regional training office, a regional engineers office, and administrative support costs for residual activities in Argentina where there is no longer a bilateral AID program. Also in this category are projects which fund specialized short-term consultants to assist in program design and evaluation activities and fund the services of personnel from the USG agencies to gather and assist in the statistical analysis of social and economic development data for several countries and the region as a whole.

D. Assistance to Economic Integration Movements

Since the mid-1960's the United States Government has actively encouraged and supported Latin American economic integration. In some cases our support has been provided directly to integration institutions such as the Central American Bank for Economic Integration (CABEI) and the Caribbean Development Bank. In other cases our support is channeled through international and regional institutions such as the World Bank, Inter-American Development Bank, the

Inter-American Export Promotion Center, and the Andean Group. Certain U. S. bilateral loans and grants (e.g., for highways and telecommunications projects) have also contributed to physical integration and Congress has authorized \$100 million to finance two-thirds of the cost of the Darien Gap highway.

To date U. S. bilateral grant assistance to regional economic integration projects has amounted to approximately \$43 million; authorized loan assistance totals over \$200 million. (See Section VIII for fuller discussion.)

Country Program Tables

The following tables provide a summary of the various types of assistance received by each Latin American country from 1961 to 1972. They supplement the preceding country narratives and the overall discussion of assistance to Latin America in Chapter III.

Country	Program	NET GRANT OBLIGATIONS & LOAN AUTHORIZATIONS (GROSS MINUS GRANT DEOBLIGATIONS & LOAN CANCELLATIONS)											12-Mth. Total	
		(U.S. Fiscal Years - Millions of Dollars)												
		1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	
ARGENTINA														
A.I.D. TOTAL		6.8	21.9	99.3	9.5	-16.3	-6.3	1.3	-8.9	0.9	0.9	0.4	*	189.4
DL		6.0	19.9	76.4	8.2	-17.8	-7.8	-	-10.7	-0.9	*	-	-	73.7
TC		0.7	2.0	2.9	1.3	1.5	1.5	1.3	1.8	1.8	0.9	0.4	*	36.2
SA		-	-	-	-	-	-	-	-	-	-	-	-	-
CF		0.1	-	20.0	-	-	-	-	-	-	-	-	-	20.2
FOOD FOR PEACE TOTAL		-	-	-	-	-	-	-	-	-	-	-	-	-
TABLE I (Sales)		-	-	-	-	-	-	-	-	-	-	-	-	-
TABLE II (Grants)		-	-	-	-	-	-	-	-	-	-	-	-	-
SOCIAL PROGRESS TRUST FUND		-	5.0	30.0	-	3.5	5.0	-	-	-	-	-	-	43.5
UNR:Peace Corps, Inter-Am.Hwy.		-	-	-	-	-	-	-	-	-	-	-	-	-
UNR-TOTAL: CPA - U.S. ^{a/}		6.8	26.9	129.3	9.5	-12.8	-1.3	1.3	-8.9	0.9	0.9	0.4	*	158.0
REMARKS: ILO-IDA LOANS		31.7	1.0	3.6 ^{b/}	1.8	22.3	29.0 ^{b/}	-	40.9	57.6	22.3	38.5	44.7	295.4
TOTAL U.S. OFFICIAL ECONOMIC		38.5	27.9	132.9	11.3	9.5	27.7	1.3	32.0	58.5	23.2	38.9	44.7	457.4
International Agencies Total		3.2	1.7	2.5	1.4	4.2	5.0	0.6	2.0	1.8	2.9	2.9	2.9 ^{c/}	31.3
World Bank Group Total		32.5	93.7	-	-	2.5	-	-	66.3	117.0	60.0	157.0	10.0	522.0
IBRD		31.0	93.4	-	-	-	-	-	66.3	107.0	60.0	151.5	-	508.2
IDA		1.5	0.3	-	-	2.5	-	-	-	10.0	-	5.5	10.0	13.8
Inter-American Dev. Bank Total		-	20.3	33.2	4.8	47.9	23.6	77.4	52.1	73.4	115.5	89.9	122.2	671.5
Operatory Capital Fund		-	27.6	27.7	4.7	45.9	0.2	28.1	20.6	30.9	65.0	32.9	113.2	384.9
Fund for Special Operations		-	0.6	5.5	0.1	2.0	23.4	49.3	31.6	42.5	50.6	57.0	12.0	286.6
TOTAL INTERNATIONAL ORG.		35.7	123.7	35.7	6.2	54.6	28.6	78.0	120.4	192.2	178.5	249.8	133.1	1,211.4
DIG BILATERAL TOTAL (excl. U.S. ^{a/})		45.7	25.2	70.9	73.6	35.5	54.1	48.2	14.2	27.0	23.0	23.0 ^{c/}	23.0 ^{c/}	453.4
LAND LOANS		119.9	176.8	239.5	91.1	99.6	110.4	127.5	166.6	277.7	224.7	311.7	205.5	2,151.6

Details may not add to totals due to rounding

* Less than \$50,000.00

^{a/} Official Development Assistance is defined as official concessional aid for development purposes.

^{b/} Excludes remaining of \$65.3 million in FY 1963; and \$15.4 million in FY 1966.

^{c/} Estimate.

^{d/} Gross Disbursements on calendar year basis for loans and grants.

SOURCES: U.S. Economic Assistance Programs Administered by A.I.D. & Predecessor Agencies, April 3, 1948-June 30, 1971.

U.S. Overseas Loans & Grants Report, July 1, 1948-June 30, 1971 (includes Assistance from International Organizations).

CRD - Development Assistance Committee Reports as of December 31, 1970.

A.I.D. Programs in FY 1972 Preliminary data November, 1972.

International Lending Institutions' Loan Statements for June 30, 1972 from AID/SEI/FE/SR.

Food for Peace FY 1972 data from A.I.D. Office of Food for Peace & Dept. of Agriculture.

AGENCY FOR INTERNATIONAL DEVELOPMENT: LA/DP:RClarke:IN:3/29/73

Country BOLIVIA

NET GRANT OBLIGATIONS & LOAN AUTHORIZATIONS (GROSS MINUS GRANT DEOBLIGATIONS & LOAN CANCELLATIONS)
(U.S. Fiscal Years - Millions of Dollars)

Program	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	Prelim. 1972	12-Yr. Total
A.I.D. TOTAL	26.7	32.1	35.7	58.5	2.4	27.5	14.3	7.8	8.0	0.6	2.5	55.6	271.9
DL	1.4	7.9	18.5	42.7	-6.0	21.8	10.9	-	5.1	-1.5	-0.8	50.0	110.1
TC	15.5	5.1	7.3	3.5	3.7	2.5	3.0	2.8	2.9	2.1	3.3	3.6	59.3
CA	9.0	19.1	9.9	8.9	4.7	3.2	0.4	5.0	-	-	-	-	69.2
CF	0.8	-	-	3.4	-	-	-	-	-	-	-	-	6.8
FOOD FOR PEACE TOTAL	2.8	3.4	16.1	13.5	3.9	6.3	1.5	8.3	12.4	2.8	6.8	6.6	81.1
Title I (Sales)	2.4	2.5	12.2	7.1	2.9	5.5	0.6	7.4	11.2	-	5.0	4.1	60.9
Title II (Grants)	0.4	0.9	3.9	6.4	1.0	0.8	0.9	0.9	1.2	2.8	1.8	2.5	25.5
SOCIAL PROGRESS TRUST FUND	-	-	10.5	0.8	3.3	-	-	-	-	-	-0.1	-	24.9
OTHER: Peace Corps, Inter-Am. Inv.	-	0.9	0.7	2.5	2.2	2.6	2.2	1.7	1.5	1.4	1.1	*	25.8
NET-TOTAL: ODA - U.S. a/	29.5	36.4	63.0	75.3	11.8	36.4	18.0	17.8	21.9	4.8	10.3	62.2	387.1
EXTENDING LONG-TERM LOANS	-	-	-	-	-	-	10.1 ^{b/}	-	8.2	-	-	-	18.4
TOTAL U.S. OFFICIAL ECONOMIC	29.5	36.4	63.0	75.3	11.8	36.4	28.1	17.8	30.1	4.8	10.3	62.2	405.5
Other Nations Agencies Total	1.7	1.0	1.8	0.9	1.6	1.9	0.6	4.9	2.3	1.9	1.5	1.5 ^{c/}	21.7
World Bank Group Total	-	-	-	-	15.0	-	2.0	-	7.4	24.6	6.8	-	55.8
IFIS	-	-	-	-	-	-	-	-	-	-	-	-	-
IFC	-	-	-	-	-	-	-	-	7.4	23.2	-	-	23.2
IDA	-	-	-	-	15.0	-	2.0	-	-	-	-	-	23.2
Inter-American Dev. Bank-Total	10.0	4.5	7.5	1.1	3.5	4.8	12.9	23.7	8.5	5.0	19.5	2.0	102.0
Ordinary Capital Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
Fund for Special Operations	10.0	4.5	7.5	1.1	3.5	4.8	12.9	23.7	8.5	5.0	19.5	2.0	102.0
TOTAL INTERNATIONAL ORG.	11.7	5.5	9.3	2.0	20.1	6.7	15.5	28.6	18.2	31.5	27.8	3.5	150.5
DAC BILATERAL TOTAL (Excl. U.S.)^{d/}	0.1	2.7	2.9	3.2	1.9	1.9	2.7	12.9	7.1	8.1	8.1 ^{c/}	8.1 ^{c/}	59.7
GRAND TOTAL	41.3	44.6	75.2	80.5	33.8	45.0	46.3	59.3	55.4	44.4	46.2	73.8	646.0

* Less than \$50,000.00.

a/ Official Development Assistance is defined as official concessional aid for development purposes.

b/ Includes rounding of \$23.8 million in FY 1957. c/ Estimate.

d/ Gross disbursements on calendar year basis for loans and grants.

SOURCES: U.S. Economic Assistance Program Administered by A.I.D. & Professional Agencies, April 3, 1948-June 30, 1971.
 U.S. Overseas Loans & Grants Report, July 1, 1945-June 30, 1971 (includes Assistance from International Organizations).
 OECD - Development Assistance Committee Reports as of December 31, 1970.
 A.I.D. Programs in FY 1972 Preliminary data December, 1972.
 International Lending Institutions' Loan Statements for June 30, 1972 from AID/SER/EM/GR.
 Food for Peace FY 1972 data from A.I.D. Office of Food for Peace & Dept. of Agriculture.

AGENCY FOR INTERNATIONAL DEVELOPMENT: IA/DE/RC/Info: 1R: 3/29/73

Country BRAZIL NET GRANT OBLIGATIONS & LOAN AUTHORIZATIONS (GROSS MINUS GRANT DEOBLIGATIONS & LOAN CANCELLATIONS)
(U.S. Fiscal Years - Millions of Dollars)

Program	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	Estim. 1972	12-Year Total
A.I.D. TOTAL	7.0	84.5	86.3	178.6	230.7	242.3	213.7	187.7	-11.7	61.2	59.6	12.1	1,352.0
DL	-	74.5	37.4	115.4	218.4	229.1	199.0	176.3	-21.8	49.3	48.9	2.1 ^{e/}	1,228.6
TC	5.8	10.0	23.4	13.2	12.4	13.2	14.7	11.3	10.1	11.9	10.7	10.0	186.7
SA	0.7	-	-	-	-	-	-	-	-	-	-	-	0.7
CF	0.5	-	25.5	50.0	-	-	-	-	-	-	-	-	76.0
FOOD FOR PEACE TOTAL	84.7	72.5	47.9	150.9	24.6	79.1	21.6	82.9	10.4	62.4	40.6	13.9	622.5
Title I (Sales)	81.5	44.0	32.0	115.4	-	29.1	-	62.7	-	19.9	23.6	1.1	408.3
Title II (Grants)	3.2	28.5	15.9	35.5	24.6	50.0	21.6	20.2	10.4	42.5	17.0	12.8	282.2
SOCIAL PROGRESS TRUST FUND	-	47.0	5.8	2.5	6.7	-	-	-	-	-0.6	-	-	61.5
INTER-PEACE CORPS, ETC.	-	0.9	1.6	4.0	4.6	6.2	3.5	4.0	6.6	3.6	2.9	2.9	40.8
GRANT-TOTAL: ODA - U.S.^{b/}	91.7	204.9	141.6	336.0	266.6	327.6	238.8	274.6	5.3	126.6	103.1	28.9	2,145.8
INTERNATIONAL LONG-TERM LOANS	188.3^{c/}	-	-	- ^{d/}	6.0^{e/}	16.9	30.0	50.8	27.9	62.7	73.4	290.9	742.6
AGAL U.S. OFFICIAL ECONOMIC	280.0	204.9	141.6	336.0	272.6	344.5	268.8	325.4	33.2	189.3	176.5	316.8	2,888.4
International Agencies Total	2.3	2.0	4.5	4.1	2.7	5.5	5.0	3.8	5.6	3.6	7.0	7.0^{e/}	53.2
World Bank Group Total	-	-	-	-	76.8	60.0	111.3	61.9	84.3	213.4	171.3	464.6^{f/}	1,228.6
IBRD	-	-	-	-	76.8	49.0	100.6	61.9	74.9	205.0	160.4	437.0	1,122.7
IFC	-	-	-	-	-	11.0	10.7	-	9.4	8.4	10.9	27.6	76.0
IDA	-	-	-	-	-	-	-	-	-	-	-	-	-
Inter-American Dev. Bank-Total	15.1	25.6	18.6	25.8	80.4	87.3	125.7	76.9	99.8	160.6	119.9	211.9	1,027.6
Inter-Am. Capital Fund	5.4	14.0	18.6	22.6	73.4	20.9	61.2	32.4	13.5	52.3	69.9	170.9	575.7
Fund for Special Operations	9.7	11.6	-	3.2	7.0	66.3	64.6	44.5	86.3	107.8	30.0	41.0	471.9
TOTAL INTERNATIONAL OBL.	17.4	27.6	23.1	29.9	159.9	152.8	242.0	142.6	189.7	377.6	298.2	683.5	2,344.3

DAC BILATERAL TOTAL^{a/} (Excl. U.S.) 28.4 35.1 72.7 45.1 112.0 49.5 21.6 37.6 56.3 71.3 71.3^{e/} 71.3^{e/} 672.4

GRAND TOTAL 325.8 267.6 237.4 411.0 544.5 546.8 532.4 505.6 279.2 638.2 546.0 1,071.6 5,909.3

Details may not add to totals due to rounding.
^{a/} Capitalized interest only. ^{b/} Official Development Assistance is defined as official concessional aid for development purposes.
^{c/} Excludes re-funding of \$252.2 million in FY 1961; \$85.6 million in FY 1964; and \$6.6 million in FY 1965.
^{d/} Gross expenditures on calendar year basis. ODA Components, available only since CY 1969, are \$15.7 million for CY 1969 and \$37.3 million for CY 1970.
^{e/} Estimate.

SOURCES: U.S. Economic Assistance Programs Administered by A.I.D. & Predecessor Agencies, April 3, 1948-June 30, 1971.
 U.S. Overseas Loans & Grants Report, July 1, 1945-June 30, 1971 (includes Assistance from International Organizations).
 U.S. Development Assistance Committee reports as of December 31, 1970.
 U.S. Overseas Loans & Grants Report, November, 1972.
 International Lending Institutions' Loan Statements for June 30, 1972 from AID/SER/FF/SR.
 Food for Peace FY 1972 data from A.I.D. Office of Food for Peace & Dept. of Agriculture.

Country CHILENET GRANT OBLIGATIONS & LOAN AUTHORIZATIONS (GROSS MINUS GRANT DEOBLIGATIONS & LOAN CANCELLATIONS)
(U.S. Fiscal Years - Millions of Dollars)

Program	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	Prelim. 1972	12-Yr. Total
A.I.D. TOTAL	31.1	142.4	40.4	78.5	99.1	85.6	12.0	53.9	34.6	17.2	-25.1	1.0	570.0
DL	8.2	140.0 ^{d/}	35.0	75.6	96.6	82.8	9.2	51.0	31.9	14.3	-26.2	-	518.4
TC	22.9	2.4	5.4	2.9	2.5	2.8	2.8	2.9	2.7	2.9	1.1	1.0	52.5
SA	-	-	*	-	-	-	-	-	-	-	-	-	-
CF	-	-	-	-	-	-	-	-	-	-	-	-	-
FOOD FOR PEACE TOTAL	27.4	6.6	22.0	26.9	14.2	14.4	7.9	23.0	15.0	7.2	6.3	4.9	175.8
Title I (Sales)	20.3	-	16.5	17.3	-	9.5	-	15.8	9.8	-	-	-	89.2
Title II (Grants)	7.1	6.6	5.5	9.6	14.2	4.9	7.9	7.2	5.2	7.2	6.3	4.9	86.6
SOCIAL PROGRESS TRUST FUND	-	18.7	4.9	4.5	5.8	1.5	-	-	-0.3	-*	-0.8	-	31.4
Peace Corps, Inter-Am. Hwy.	0.1	1.0	0.9	1.5	2.7	2.7	2.4	2.0	1.2	1.1	0.8	0.5	17.0
SUB-TOTAL: ODA - U.S. b/	58.6	168.7	68.2	111.4	121.8	104.2	22.3	78.9	50.5	25.5	-18.6	6.4	797.9
WORLDWIDE LONG-TERM LOANS	74.0	0.8	16.2	15.3	8.2	0.1	212.3	13.4	28.7	-	-	1.6	370.4
TOTAL U.S. OFFICIAL ECONOMIC	132.6	169.5	84.4	126.7	130.0	104.3	234.6	92.3	79.2	25.5	-18.8	8.0	1,168.3
United Nations Agencies Total	4.6	3.6	3.8	2.2	2.8	5.9	2.9	2.9	5.5	0.6	3.7	3.7 ^{c/}	42.0
World Bank Group Total	25.2	-	3.0	22.6	4.7	3.9	60.0	-	11.6	30.2	-	-	1,140.0
IBRD	6.0	-	-	22.6	4.4	2.7	60.0	-	11.6	30.2	-	-	1,000.0
IFC	0.2	-	3.0	-	0.3	1.2	-	-	-	10.9	-	-	15.6
IDA	19.0	-	-	-	-	-	-	-	-	-	-	-	124.4
Inter-American Dev. Bank Total	5.7	15.1	24.4	16.6	4.9	62.2	31.0	16.5	31.9	45.6	12.0	2.4	2,100.0
Ordinary Capital Fund	5.7	8.6	22.3	16.6	4.9	8.0	12.5	9.8	-	13.9	0.4	2.4	1,100.0
Fund for Special Operations	-	6.5	2.1	-	-	54.2	18.5	6.7	31.9	31.7	11.6	-	1,000.0
TOTAL INTERNATIONAL CRG.	35.5	18.7	31.2	41.4	12.4	72.0	93.9	19.4	49.0	76.4	15.7	6.1	471.7
DAC BILATERAL TOTAL (Excl. U.S.)^{d/}	6.8	47.1	21.5	21.4	17.2	47.2	41.1	22.3	23.8	31.6	31.6 ^{e/}	31.6 ^{e/}	543.2
GRAND TOTAL	174.9	235.3	137.1	189.5	159.6	223.5	369.6	134.0	152.0	133.5	28.5	45.7	1,953.2

Details may not add to totals due to rounding.

* Less than \$50,000.00.

a/ Includes \$100.0 million for Reconstruction & Rehabilitation.

b/ Official Development Assistance is defined as official concessional aid for development purposes.

c/ Estimate. d/ Calendar year gross disbursements of loans and grants.

SOURCES: U.S. Economic Assistance Programs Administered by A.I.D. & Predecessor Agencies, April 3, 1948-June 30, 1971.
 U.S. Overseas Loans & Grants Report, July 1, 1945-June 30, 1971 (includes Assistance from International Organizations).
 OECD - Development Assistance Committee Reports as of December 31, 1970.
 A.I.D. Programs in FY 1972 Preliminary dated November, 1972.
 International Lending Institutions' Loan Statements for June 30, 1972 from AID/SER/IM/SR.
 Food for Peace FY 1972 data from A.I.D. Office of Food for Peace & Dept. of Agriculture.

AGENCY FOR INTERNATIONAL DEVELOPMENT:IA/DP:RClorke:IN:3/29/73

Country COLOMBIA

NET GRANT OBLIGATIONS & LOAN AUTHORIZATIONS - (GROSS MINUS GRANT DEobligATIONS & LOAN CANCELLATIONS)
(U.S. Fiscal Years - Millions of Dollars)

Program	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	Prelim. 1972	12-Year Total
A.I.D. TOTAL	28.0	37.9	93.4	74.2	3.6	75.4	104.3	76.2	99.1	74.1	82.7	92.6	641.7
ED	25.0	-	87.2	71.0	*	70.5	100.0	72.2	96.1	70.3	79.7	89.0	761.0
FC	3.0	7.9	6.0	3.2	3.7	3.4	4.3	4.0	3.0	3.9	3.0	3.6	49.0
SA	-	-	-	-	-	-	-	-	-	-	-	-	-
CF	-	30.0	0.2	-	-	1.5	-	-	-	-	-	-	31.7
FOOD FOR PEACE TOTAL	11.2	15.3	16.6	13.2	9.2	9.4	9.0	19.4	7.4	56.6	12.1	19.8	160.2
Title I (Sales)	6.3	6.2	5.1	-	2.4	2.7	2.7	10.8	-	15.5	2.8	5.5	60.0
Title II (Grants)	4.9	9.1	11.5	13.2	6.8	6.7	6.3	8.6	7.4	41.1	9.3	14.3	139.2
WORLD FOODS TRUST FUND	-	22.8	8.5	8.1	10.5	-	-	-	-0.7	-0.3	-	-	49.0
World Peace Corps, etc.	0.2	1.3	3.7	5.3	3.5	5.2	3.6	3.1	2.9	1.8	1.6	1.7	133.9
SUB-TOTAL: OPA - U.S.^{a/}	39.4	77.3	122.2	100.8	26.8	90.0	116.9	98.7	108.7	132.2	96.4	114.1	1,123.8
INTERNATIONAL LEADING INSTITUTIONS	55.4	-	3.4	22.9	5.1	3.4	19.1	5.9	19.8	13.4	5.2	18.5	272.0
TOTAL U.S. OFFICIAL ECONOMIC	94.8	77.3	125.6	123.7	31.9	93.4	136.0	104.6	128.5	145.6	101.6	132.6	1,295.8
Other Agencies Total	4.2	2.5	3.2	3.2	3.9	2.7	5.1	3.1	2.2	3.7	2.5	2.5 ^{b/}	36.9
World Bank Group Total	28.1	93.0	70.0	45.7	1.0	40.9	25.8	44.7	98.2	130.5	153.1	65.0	751.0
IBRD	27.4	69.5	68.0	44.0	-	38.4	25.0	44.5	97.2	127.6	153.1	65.0	724.7
IFC	0.7	4.0	2.0	1.7	1.0	2.5	0.8	0.2	1.0	2.9	-	-	26.3
IDA	-	19.5	-	-	-	-	-	-	-	-	-	-	19.5
Inter-American Dev. Bank-Total	10.8	1.8	14.8	14.0	22.2	27.3	25.2	38.1	96.2	50.6	65.2	27.4	333.7
Ordinary Capital Fund	10.8	1.2	12.3	14.0	17.4	13.3	12.2	5.0	53.3	2.3	43.2	7.6	192.7
Fund for Special Operations	-	0.6	2.5	-	4.8	14.0	13.0	33.1	42.9	48.3	22.0	19.8	201.0
TOTAL INTERNATIONAL GRG.^{c/}	43.1	97.3	88.0	62.9	27.1	70.9	56.1	85.9	196.6	184.8	220.8	94.9	1,225.5
AC BILATERAL TOTAL (Excl. U.S.)^{d/}	*	1.1	0.6	3.1	1.8	3.1	5.1	9.2	13.7	19.0	19.0 ^{b/}	19.0 ^{b/}	94.7
GRAND TOTAL	137.9	175.7	214.2	189.7	60.8	167.4	197.2	199.7	338.8	349.4	341.4	246.5	2,619.0

Less than \$50,000. Details may not add to totals due to rounding.

^{a/} Official Development Assistance is defined as official concessional aid for development purposes.

^{b/} Estimate.

^{c/} Gross expenditures on calendar-year basis.

SOURCES: U.S. Economic Assistance Programs Administered by A.I.D. & Predecessor Agencies, April 3, 1948-June 30, 1971.

U.S. Overseas Loans & Grants Report, July 1, 1945-June 30, 1971 (includes Assistance from International Organizations).

OECD - Development Assistance Committee Reports as of December 31, 1970.

A.I.D. Program in FY 1972 Preliminary dated November, 1972.

International Leading Institutions' Loan Statements for June 30, 1972 from AID/SER/FM/SR.

Food for Peace FY 1972 data from A.I.D. Office of Food for Peace & Dept. of Agriculture.

AGENCY FOR INTERNATIONAL DEVELOPMENT:IA/DP:PC/Market:IN:3/29/73

NET GRANT OPERATIONS & LOAN AUTHORIZATIONS (GROSS MINUS GRANT LIABILITIES & LOAN CANCELLATIONS,
(U.S. Fiscal Years - Millions of Dollars)

Country Costa Rica

Program	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	Prelim. 1972	12-Year Total
A.I.D. TOTAL	9.9	1.9	12.8	9.9	8.1	1.6	6.2	4.1	13.7	17.4	6.3	1.7	92.6
DL	8.6	-	10.5	8.0	6.4	-0.2	4.6	2.7	12.1	15.4	4.1	-	72.2
IC	1.3	1.9	2.3	1.9	1.7	1.7	1.6	1.4	1.6	2.1	2.2	1.7	21.4
SA	-	-	-	-	-	-	-	-	-	-	-	-	-
CF	-	-	-	-	-	-	-	-	-	-	-	-	-
FOOD FOR PEACE TOTAL	-	-	1.1	1.8	1.6	0.8	0.5	0.6	1.0	0.5	0.8	1.2	9.9
Title I (Sales)	-	-	-	-	-	-	-	-	-	-	-	-	-
Title II (Grants)	-	-	1.1	1.8	1.6	0.8	0.5	0.6	1.0	0.5	0.8	1.2	9.9
SOCIAL PROGRESS TRUST FUND	-	3.5	-	4.2	4.9	-	-	-	-0.4	-0.5	-	-	11.7
CFER: Peace Corps, Inter-Am. Hwy.	0.1	0.4	0.3	0.5	0.8	1.4	7.6	5.8	3.6	0.7	0.7	1.0	22.7
SUB-TOTAL: ODA - U.S.^{a/}	10.0	5.8	14.2	16.4	15.4	3.8	14.3	10.5	17.9	18.1	7.8	3.9	137.9
GENERAL LONG-TERM LOANS	-	4.5	-^{b/}	-	-	10.1^{b/}	-	-	-	0.2	0.5	0.1	15.4
TOTAL U.S. OFFICIAL ECONOMIC	10.0	10.3	14.2	16.4	15.4	13.9	14.3	10.5	17.9	18.3	8.3	4.0	153.3
Other National Agencies Total	0.3	0.2	0.4	0.7	1.5	0.5	1.6	0.4	0.3	0.2	0.5	0.5^{c/}	7.2
Other Non-Gov. Total	8.8	13.0	0.3	22.0	-	0.3	-	3.0	-	34.2	-	33.0^{d/}	114.6
IDA	8.8	8.4	-	22.0	-	-	-	3.0	-	34.2	-	33.0	107.4
IFC	-	-	0.3	-	-	0.3	-	-	-	-	-	-	0.6
IDA	-	4.6	-	-	-	-	-	-	-	-	-	-	4.6
Non-American Gov. Loan Total	-	5.4	6.3	-	-	10.7	1.8	-	7.5	8.0	10.1	9.6	52.4
Foreign Capital Fund	-	5.4	5.7	-	-	2.0	-	-	7.5	2.2	*	0.1	15.4
Fund for Special Operations	-	-	0.7	-	-	8.7	1.8	-	-	-	-	-	4.0
TOTAL INTERNATIONAL ORG.	9.1	18.6	7.0	22.7	1.5	11.5	3.4	3.4	7.8	42.4	10.5	43.1	181.2
INTERNATIONAL TOTAL^{e/} (Excl. U.S.)	-	-	*	0.2	0.3	0.7	-0.5	0.7	1.2	1.5	1.5^{e/}	1.5^{e/}	8.2
GRAND TOTAL	19.1	28.9	21.2	39.3	17.2	26.1	18.2	14.6	26.9	62.2	20.4	48.6	342.7

Less than \$10,000. Details may not add to totals due to rounding.

Official Development Assistance is defined as official concessional aid for development purposes.

Excludes refunding of \$2.6 million in FY 1963; and \$2.5 million in FY 1966. c/ Estimate.

Gross expenditures on a calendar year basis. ODA components for CY 1969 and CY 1970 are \$0.9 and \$1.2 million respectively. ODA data unavailable before CY 1969.

SOURCES: U.S. Economic Assistance Programs Administered by A.I.D. & Predecessor Agencies, April 3, 1948-June 30, 1971.

U.S. Overseas Loans & Grants Report, July 1, 1945-June 30, 1971 (includes Assistance from International Organizations).

OECD - Development Assistance Committee Reports as of December 31, 1970.

A.I.D. Programs in FY 1972 Preliminary dated November, 1972.

International Lending Institutions' Loan Statements for June 30, 1972 from AID/SER/FH/SR.

Food for Peace FY 1972 data from A.I.D. Office of Food for Peace & Dept. of Agriculture.

ENCY FOR INTERNATIONAL DEVELOPMENT:LA/DP:RCI:arke:IN:3/29/73

NEW GRANT OBLIGATIONS & LOAN AUTHORIZATION LESS MINUS GRANT DEOBLIGATIONS & LOAN CANCELLATIONS)
Country DOMINICAN REPUBLIC (U.S. Fiscal Years - Millions of Dollars)

Program	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	Prelim. 1972	12-Year Total
A.I.D. TOTAL	0.1	26.0	29.6	-0.7	52.9	93.8	53.2	43.2	11.3	4.6	0.7	6.9	321.6
EL	-	-	2.1	-	7.5	14.5	17.1	21.7	8.0	1.5	-1.4	5.1	76.1
TC	0.1	1.0	3.5	-0.7	1.8	6.9	3.9	5.0	3.3	3.1	2.0	1.8	31.7
SA	-	-	-	-	23.4	35.1	25.0	16.4	*	-	-	-	99.9
CF	-	25.0	24.0	-	20.2	37.3	7.2	-	-	-	-	-	113.7
FOOD FOR PEACE TOTAL	-	0.8	12.8	13.0	10.2	5.4	4.3	14.2	15.8	14.8	14.3	19.8	125.3
Title I (Sales)	-	-	4.8	4.8	3.3	-	-	10.1	9.0	8.6	7.2	13.0	60.5
Title II (Grants)	-	0.3	8.0	8.2	6.9	5.4	4.3	4.1	6.8	6.2	7.1	6.8	64.8
SOCIAL PROGRESS TRUST FUND	-	-	6.5	-	3.8	-	-	-	-1.7	-0.1	*	-	8.4
INTERPeace Corps	-	0.2	1.3	1.2	1.1	0.9	0.8	1.0	0.8	0.6	0.5	0.5	8.0
SUB-TOTAL: ODA - U.S. ^{a/}	0.1	27.0	50.2	13.5	68.0	100.1	58.3	58.4	26.2	19.9	15.5	27.2	444.3
WORLD BANK LONG-TERM LOANS	-	7.8	-	-	7.3	8.1	-	6.3	2.2	-	-	2.9	34.0
TOTAL U.S. OFFICIAL ECONOMIC	0.1	34.8	50.2	13.5	75.3	108.2	58.3	64.7	28.4	19.9	15.5	30.1	478.3
International Agencies Total	0.2	0.2	0.4	0.7	3.0	0.7	1.4	1.5	1.6	0.5	1.9	1.9 ^{b/}	14.2
World Bank Group Total:	-	-	-	-	-	-	-	-	-	25.0	9.0	-	34.0
IBRD	-	-	-	-	-	-	-	-	-	25.0	-	-	25.0
IFC	-	-	-	-	-	-	-	-	-	-	-	-	-
IDA	-	-	-	-	-	-	-	-	-	-	9.0	-	9.0
Inter-American Dev. Bank Total	-	-	-	6.0	5.0	0.2	3.0	24.8	7.4	-	7.6	0.1	54.1
Ordinary Capital Fund	-	-	-	6.0	5.0	0.2	3.0	24.8	7.4	-	7.6	0.1	54.1
Fund for Special Operations	-	-	-	-	5.0	0.2	3.0	24.8	7.4	-	7.5	-	47.9
TOTAL INTERNATIONAL GRN.	0.2	0.2	0.4	6.7	8.0	0.9	4.4	26.3	9.0	25.5	18.5	2.0	102.3
NON-BILATERAL TOTAL (Excl. U.S.) ^{c/}	-	-	*	*	0.2	0.4	0.3	0.4	0.2	1.8	1.8 ^{b/}	1.8 ^{b/}	6.9
GRAND TOTAL	0.3	35.0	50.6	20.2	83.5	109.2	63.0	91.4	37.6	47.2	35.8	33.9	607.5

Details may not add to totals due to rounding.

^{a/} Less than \$50,000.

^{b/} Official Development Assistance is defined as official concessional aid for development purposes.

^{c/} Estimate.

^{d/} Calendar year gross disbursements on loans and grants.

SOURCES: U.S. Economic Assistance Programs Administered by A.I.D. & Predecessor Agencies, April 3, 1948-June 30, 1971.

U.S. Overseas Loans & Grants Report, July 1, 1945-June 30, 1971 (includes Assistance from International Organizations).

OECD - Development Assistance Committee Reports as of December 31, 1970.

A.I.D. Programs in FY 1972 Preliminary dated November, 1972.

International Lending Institutions' Loan Statements for June 30, 1972 from AID/SER/EM/SR.

Food for Peace FY 1972 data from A.I.D. Office of Food for Peace & Dept. of Agriculture.

ICY FOR INTERNATIONAL DEVELOPMENT: LA/DP:RClarke:IN:3/29/73

Country ECUADOR

NET GRANT OBLIGATIONS & LOAN AUTHORIZATION: (GROSS MINUS GRANT DEOBLIGATIONS & LOAN CANCELLATIONS)
(U.S. Fiscal Years - Millions of Dollars)

Program	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	Prelim. 1972	12-Year Total
<u>A.I.D. TOTAL</u>	9.5	19.9	18.1	19.2	11.1	15.1	0.4	3.2	5.7	22.0	15.1	4.9	144.2
DL	6.8	13.0	6.3	15.6	7.8	1.0	-3.2	-0.1	3.2	19.4	10.6	-	82.4
IC	2.4	6.9	4.8	3.6	3.3	4.1	3.6	3.3	2.5	3.6	4.5	4.9	47.5
SA	-	-	-	-	-	-	-	-	-	-	-	-	-
CF	0.3	-	7.0	-	-	10.0	-	-	-	-	-	-	17.3
<u>FOOD FOR PEACE TOTAL</u>	3.2	2.1	6.1	4.4	3.6	1.6	3.0	1.3	5.9	1.6	6.6	7.3	46.7
Title I (Sales)	2.4	-	3.8	-	1.4	-	1.2	-	3.2	-	4.8	4.9	21.7
Title II (Grants)	0.9	2.1	2.3	4.4	2.2	1.6	1.8	1.3	2.7	1.6	1.8	2.4	25.1
<u>SOCIAL PROGRESS TRUST FUND</u>	-	13.6	9.9	1.0	0.3	3.0	-	-	-0.3	-*	-*	-	27.4
Peace Corps	-	0.8	1.6	2.7	2.1	2.6	1.5	1.5	1.3	1.0	0.8	1.3	17.3
<u>SUB-TOTAL: OMA - U.S. a/</u>	12.7	36.4	35.7	27.3	17.1	22.3	4.9	6.0	12.6	25.6	22.5	13.5	236.6
<u>INTERNATIONAL BANKING LOANS</u>	0.4	-	1.3	-	5.1	5.2	-	7.3	-	3.0	2.0	1.0	25.3
<u>TOTAL U.S. OFFICIAL ECONOMIC</u>	13.1	36.4	37.0	27.3	22.2	27.5	4.9	13.3	12.6	28.6	24.5	14.5	261.9
<u>Other National Agencies Total</u>	2.3	2.5	2.0	2.0	0.9	3.1	1.2	0.8	2.0	1.7	3.2	3.2 b/	24.9
<u>Other U.S. Grants Total</u>	-	-	-	17.0	-	2.0	4.0	5.1	5.6	1.5	18.0	8.8	61.9
IFC	-	-	-	9.0	-	-	4.0	-	5.3	-	8.0	-	26.3
IEA	-	-	-	8.0	-	2.0	-	5.1	0.3	-	-	2.0	4.2
IA	-	-	-	-	-	-	-	-	-	1.5	10.0	6.8	31.4
<u>Inter-American Dev. Bank-Total</u>	-	2.2	6.1	6.0	-	-	17.0	-	7.5	9.7	29.7	21.7	99.9
Ordinary Capital Fund	-	0.8	-	6.0	-	-	2.5	-	-	4.5	-	0.2	14.8
Fund for Special Operations	-	1.4	6.1	-	-	-	14.5	-	7.5	5.2	29.7	21.5	85.9
<u>TOTAL INTERNATIONAL ORG.</u>	2.3	4.7	8.1	25.0	0.9	5.1	22.2	5.9	15.1	12.9	50.9	33.7	186.7
<u>U.S. FEDERAL GOAL (Excl. U.S.) c/</u>	-	0.1	0.6	0.1	1.4	1.1	1.5	4.2	7.9	6.4	6.4 b/	6.4 b/	36.1
<u>GRAND TOTAL</u>	15.4	41.2	45.7	52.4	24.5	33.7	28.6	23.4	35.6	47.9	81.8	54.6	484.7

Less than \$50,000. Details may not add to totals due to rounding.

a/ Official Development Assistance is defined as official concessional aid for development purposes.

b/ Estimate.

c/ Gross expenditures on calendar year basis.

SOURCES: U.S. Economic Assistance Programs Administered by A.I.D. & Predecessor Agencies, April 3, 1948-June 30, 1971.

U.S. Overseas Loans & Grants Report, July 1, 1945-June 30, 1971 (includes Assistance from International Organizations).

OMD - Development Assistance Committee Reports as of December 31, 1970.

A.I.D. Program in FY 1972 Preliminary dated November, 1972.

International Lending Institutions' Loan Statements for June 30, 1972 from AID/SER/FM/SR.

Food for Peace FY 1972 data from A.I.D. Office of Food for Peace & Dept. of Agriculture.

AGENCY FOR INTERNATIONAL DEVELOPMENT:IA/DP:RClarke:IN:3/10/73

NET GRANT OBLIGATIONS & LOAN AUTHORIZATIONS: (GROSS MINUS GRANT DEobligATIONS & LOAN CANCELLATIONS)
(U.S. Fiscal Years - Millions of Dollars)

Country EL SALVADOR

Program	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	Prelim. 1972	12-Yea. Total
A.I.D. TOTAL	2.8	3.1	19.3	10.9	5.5	3.3	0.9	8.1	10.4	10.2	2.3	6.0	58.2
EE	1.6	-	16.6	9.0	1.2	1.6	-0.8	5.9	8.1	7.8	*	4.0	51.1
TC	0.9	3.1	2.7	1.9	2.3	1.6	1.7	2.2	2.3	2.4	2.3	2.0	25.4
SA	-	-	-	-	-	-	-	-	-	-	-	-	-
CF	0.3	-	-	-	2.0	-	-	-	-	-	-	-	2.3
FOOD FOR PEACE TOTAL	0.1	0.9	2.6	3.5	2.2	2.3	1.9	0.7	1.8	1.8	1.7	1.6	21.1
Title I (Sales)	-	0.6	-	-	-	-	-	-	-	-	-	-	0.6
Title II (Grants)	0.1	0.3	2.6	3.5	2.2	2.3	1.9	0.7	1.8	1.8	1.7	1.6	20.5
SOCIAL PROGRESS TRUST FUND	-	11.6	-	-	10.4	-	-	-	-0.1	-	-	-	22.0
OTHER: Peace Corps	-	0.2	0.3	0.4	0.5	0.9	0.4	0.5	0.6	0.5	0.5	0.4	5.2
SUB-TOTAL: ODA - U.S.^{a/}	2.9	15.8	22.2	14.8	18.6	6.5	3.2	9.3	12.7	12.5	4.5	8.0	131.2
OTHER: LONG-TERM LOANS	3.2	6.0	-	-	-	2.4	-	-	0.9	-	1.0	0.5	14.0
TOTAL U.S. OFFICIAL ECONOMIC	6.1	21.8	22.2	14.8	18.6	8.9	3.2	9.3	13.6	12.5	5.5	8.5	145.2
United Nations Agencies Total	0.4	0.5	0.5	0.8	2.7	1.3	0.5	0.8	1.6	0.5	0.6	0.6 ^{b/}	11.3
Official Grants Total	3.5	-	13.9	9.5	-	-	-	2.8	5.7	-	5.6	9.5	50.1
IFC	3.5	-	5.9	9.5	-	-	-	2.8	4.9	-	*	9.5	36.1
IDA	-	-	8.0	-	-	-	-	-	0.8	-	5.6	-	14.0
Inter-American Dev. Bank Total	0.2	3.9	-	-	3.0	-	-	-	10.8	-	2.0	11.6	21.7
Ordinary Capital Fund	0.2	3.8	-	-	3.0	-	-	-	-	-	-	0.1	17.1
Fund for Special Operations	-	0.2	-	-	-	-	-	-	10.8	-	2.0	11.5	24.6
TOTAL INTERNATIONAL ODA^{c/}	4.1	4.4	14.4	10.3	5.7	1.3	0.5	3.6	18.1	0.5	8.2	21.7	92.0
MC BILATERAL TOTAL (Excl. U.S.)^{c/}	*	0.1	0.1	0.5	0.3	0.3	0.5	2.0	2.1	1.7	1.7 ^{b/}	1.7 ^{b/}	11.0
GRAND TOTAL	10.2	26.3	36.7	25.6	24.6	10.5	4.2	14.9	33.8	14.7	15.4	31.9	249.2

* Less than \$50,000. Details may not add to totals due to rounding.

^{a/} Official Development Assistance is defined as official concessional aid for development purposes.

^{b/} Estimate.

^{c/} Gross expenditures on a calendar year basis.

SOURCES: U.S. Economic Assistance Programs Administered by A.I.D. & Predecessor Agencies, April 3, 1948-June 30, 1971.
U.S. Commerce Loans & Grants Report, July 1, 1949-June 30, 1971 (includes Assistance from International Organizations).
OECD - Development Assistance Committee Reports as of December 31, 1970.
A.I.D. Programs in FY 1972 Preliminary dated November, 1972.
International Lending Institutions' Loan Statements for June 30, 1972 from AID/SER/FM/SR.
Food for Peace FY 1972 data from A.I.D. Office of Food for Peace & Dept. of Agriculture.

AGENCY FOR INTERNATIONAL DEVELOPMENT:LA/DP:RC/Clarke:IN:3/29/73

NET GRANT OBLIGATIONS & LOAN AUTHORIZATIONS (GROSS MINUS GRANT DEOBLIGATIONS & LOAN CANCELLATIONS)														
(U.S. Fiscal Years - Mill of Dollars)														
Country - GUATEMALA	Program	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	Prelim. 1972	12-Year Total
A.I.D. TOTAL		20.9	4.2	3.1	5.6	7.0	-1.1	11.1	10.9	5.8	28.7	13.5	12.5	122.3
EL		7.5	^{a/}	0.7	2.7	5.0	-3.4	7.9	8.6	2.6	25.1	9.2	8.4	74.3
TC		3.0	4.2	2.4	2.9	2.0	2.3	2.1	2.3	3.2	3.6	4.4	4.1	35.5
CA		-	-	-	-	-	-	-	-	-	-	-	-	-
CF		10.4	-	-	-	-	-	1.1	-	-	-	-	-	11.5
FOOD FOR PEACE TOTAL		0.4	0.7	1.0	3.0	1.1	0.9	1.9	2.9	2.2	2.5	2.0	3.4	22.0
Title I (Sales)		-	-	-	-	-	-	-	1.0	-	-	-	-	1.0
Title II (Grants)		0.4	0.7	1.0	3.0	1.1	0.9	1.9	1.9	2.2	2.5	2.0	3.4	21.0
CIAL PROGRESS TRUST FUND		-	3.5	7.8	-	3.0	-	-	-	-	-	-	-	14.3
Peace Corps, Inter-Am. Hwy.		-	0.9	1.2	0.5	1.8	4.0	0.7	3.4	0.8	0.6	0.5	0.7	15.0
SUB-TOTAL: ODA - U.S.^{b/}		21.3	9.3	13.1	9.1	12.9	3.8	13.7	17.2	8.8	31.8	16.0	16.6	173.6
OTHER LONG-TERM LOANS		10.5	-	-	4.3	-	-	1.8	-	70.0	-	2.9	-	89.5
TOTAL U.S. OFFICIAL ECONOMIC		31.8	9.3	13.1	13.4	12.9	3.8	15.5	17.2	78.8	31.8	18.9	16.6	263.1
Other Nations Agencies Total		1.2	0.8	1.4	1.2	1.6	0.6	0.8	0.7	2.3	1.8	0.4	0.4 ^{c/}	13.0
Other Bank Group Total		-	-	-	-	-	-	15.0	7.0	6.3	-	4.0	16.0	48.3
IFB		-	-	-	-	-	-	15.0	7.0	6.3	-	4.0	16.0	48.3
IFC		-	-	-	-	-	-	-	-	-	-	-	-	-
IFA		-	-	-	-	-	-	-	-	-	-	-	-	-
Inter-American Dev. Bank Total		0.1	4.8	-	3.2	0.2	-	16.3	6.0	9.5	15.5	6.6	2.6	64.8
Ordinary Capital Fund		0.1	4.8	-	3.2	0.2	-	16.3	6.0	9.5	15.5	6.6	2.6	64.8
Fund for Special Operations		-	-	-	-	-	-	3.2	-	-	-	-	-	11.3
TOTAL INTERNATIONAL CRG.		1.3	5.6	1.4	4.4	1.8	0.6	32.1	13.7	18.1	17.3	11.0	19.0	125.1
BI-LATERAL TOTAL^{d/} (Excl. U.S.)		-	*	0.1	0.6	2.2	1.1	1.4	2.1	1.5	1.7	1.7 ^{e/}	1.7 ^{e/}	14.2
GRAND TOTAL		33.1	14.9	14.6	18.4	16.9	5.5	49.0	33.0	98.4	50.8	31.6	37.3	403.4

less than \$50,000. Details may not add to totals due to rounding.

Represents capitalized interest only.

Official Development Assistance is defined as official concessional aid for development purposes.

estimate. ^{d/} Gross expenditures on calendar year basis. ODA components, available only since CY 1969, are \$1.5 million for CY 1969 and \$1.7 million for CY 1970.

SOURCES: U.S. Economic Assistance Program Administered by A.I.D. & Predecessor Agencies, April 3, 1948-June 30, 1971.

U.S. Operations Loans & Grants Report, July 1, 1945-June 30, 1971 (includes Assistance from International Organizations).

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A.I.D. Assistance in FY 1972 Preliminary dated November, 1972.

International Lending Institutions' Loan Statements for June 30, 1972 from AID/SER/FM/SR.

Food for Peace FY 1972 data from A.I.D. Office of Food for Peace & Dept. of Agriculture.

AGENCY FOR INTERNATIONAL DEVELOPMENT: LA/DP: RClarke: IN: 3/29/73

NET GRANT OBLIGATIONS & LOAN AUTHORIZATION (GROSS MINUS GRANT DEOBLIGATIONS & LOAN CANCELLATIONS)
(U.S. Fiscal Years - Millions of Dollars)

Country GUYANA

Program	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	Prelim. 1972	12-Year Total
<u>A.I.D. TOTAL</u>	<u>0.7</u>	<u>1.4</u>	<u>1.4</u>	<u>-0.3</u>	<u>11.8</u>	<u>6.1</u>	<u>9.4</u>	<u>8.2</u>	<u>16.5</u>	<u>1.1</u>	<u>1.1</u>	<u>15.6</u>	<u>75.0</u>
DL	-	-	-	-	5.5	4.0	8.1	4.7	15.4	-0.1	*	14.3	51.9
TC	0.4	1.4	1.4	-0.3	0.5	0.8	1.3	1.0	1.0	1.2	1.1	1.3	11.1
SA	-	-	-	-	-	-	-	2.5	0.1	-	-	-	2.6
CF	0.3	-	-	-	5.8	1.3	-	-	-	-	-	-	7.4
<u>FOOD FOR PEACE TOTAL</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.3</u>	<u>0.4</u>	<u>1.2</u>	<u>0.1</u>	<u>0.1</u>	<u>0.8</u>	<u>*</u>	<u>0.7</u>	<u>0.3</u>	<u>4.2</u>
Title I (Sales)	-	-	-	-	-	-	-	-	0.3	-	0.3	-	0.6
Title II (Grants)	0.1	0.1	0.1	0.3	0.4	1.2	0.1	0.1	0.5	*	0.4	0.3	3.6
<u>SOCIAL PROGRESS TRUST FUND</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
YHEP: Peace Corps, Inter-Am. Hwy.	-	-	-	-	-	0.1	0.2	0.2	0.3	0.3	0.1	*	1.3
<u>SUB-TOTAL: CDA - U.S. ^{a/}</u>	<u>0.8</u>	<u>1.5</u>	<u>1.5</u>	<u>-</u>	<u>12.2</u>	<u>7.4</u>	<u>9.7</u>	<u>8.5</u>	<u>17.6</u>	<u>1.4</u>	<u>1.9</u>	<u>15.9</u>	<u>75.5</u>
<u>WORLD BANK LONG-TERM LOANS</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1.1</u>	<u>1.1</u>
<u>TOTAL U.S. OFFICIAL ECONOMIC</u>	<u>0.8</u>	<u>1.5</u>	<u>1.5</u>	<u>-</u>	<u>12.2</u>	<u>7.4</u>	<u>9.7</u>	<u>8.5</u>	<u>17.6</u>	<u>1.4</u>	<u>1.9</u>	<u>17.0</u>	<u>79.6</u>
<u>United Nations Agencies Total</u>	<u>0.4</u>	<u>0.7</u>	<u>0.2</u>	<u>0.2</u>	<u>0.3</u>	<u>3.5</u>	<u>0.3</u>	<u>0.2</u>	<u>0.3</u>	<u>0.3</u>	<u>0.3</u>	<u>0.3</u> ^{b/}	<u>6.9</u>
<u>World Bank Group Total</u>	<u>0.9</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10.8</u>	<u>-</u>	<u>7.6</u>	<u>4.4</u>	<u>23.7</u>
IBRD	0.9	-	-	-	-	-	-	-	7.9	-	5.4	-	17.2
IFC	-	-	-	-	-	-	-	-	2.9	-	2.2	4.4	9.5
IDA	-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Inter-American Dev. Bank Total</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Inter-Am. Capital Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
Fund for Special Operations	-	-	-	-	-	-	-	-	-	-	-	-	-
<u>TOTAL INTERNATIONAL CRG.</u>	<u>1.3</u>	<u>0.7</u>	<u>0.2</u>	<u>0.2</u>	<u>0.3</u>	<u>3.5</u>	<u>0.3</u>	<u>0.2</u>	<u>11.1</u>	<u>0.3</u>	<u>7.9</u>	<u>4.7</u>	<u>20.6</u>
<u>MAC BILATERAL TOTAL (Excl. U.S.) ^{c/}</u>	<u>8.5</u>	<u>8.0</u>	<u>5.3</u>	<u>4.4</u>	<u>4.0</u>	<u>7.5</u>	<u>6.6</u>	<u>7.9</u>	<u>8.3</u>	<u>12.1</u>	<u>12.1</u> ^{b/}	<u>12.1</u> ^{b/}	<u>96.8</u>
<u>GRAND TOTAL</u>	<u>10.6</u>	<u>10.2</u>	<u>7.0</u>	<u>4.6</u>	<u>16.5</u>	<u>18.4</u>	<u>16.6</u>	<u>16.6</u>	<u>37.0</u>	<u>13.8</u>	<u>21.9</u>	<u>33.8</u>	<u>207.0</u>

Details may not add to totals due to rounding.

^{a/} Less than \$50,000.

^{b/} Official Development Assistance is defined as official concessional aid for development purposes.

^{c/} Estimate.

^{d/} Calendar year gross disbursements of loans and grants.

SOURCES: U.S. Economic Assistance Programs Administered by A.I.D. & Predecessor Agencies, April 3, 1948-June 30, 1971.
U.S. Overseas Loans & Grants Report, July 1, 1945-June 30, 1971 (includes Assistance from International Organizations).
OECD - Development Assistance Committee Reports as of December 31, 1970.
A.I.D. Programs in FY 1972 Preliminary dated November, 1972.
International Lending Institutions' Loan Statements for June 30, 1972 from AID/SEF/PM/SR.
Food for Peace FY 1972 data from A.I.D. Office of Food for Peace & Dept. of Agriculture.

AGENCY FOR INTERNATIONAL DEVELOPMENT: LA/DP:RC/Clarke:IN:3/29/73

NET GRANT OBLIGATIONS & LOAN AUTHORIZATIONS (GROSS MINUS GRANT DEBITMENTS & LOAN CANCELLATIONS)
(U.S. Fiscal Years - Millions of Dollars)

Country	HAITI	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	Prelim. 1972	12-Year Total
<u>A.I.D. TOTAL</u>		10.7	6.8	0.2	-1.4	1.8	2.6	2.0	2.1	1.9	1.6	2.7	3.2	34.2
EL		-2.8	*	-	-1.4	0.4 ^{a/}	0.2 ^{a/}	0.2 ^{a/}	0.1 ^{a/}	0.1 ^{a/}	* ^{a/}	*	-	-3.2
TC		2.0	-	-2.6	1.4	-	-	-	-	-	1.5	-	3.2	5.5
SA		5.5	4.6	2.8	-1.4	1.4	1.4	1.4	2.0	1.9	-	2.7	-	22.3
CF		6.0	2.2	-	-	-	1.0	0.4	-	-	-	-	-	9.6
<u>FOOD FOR PEACE TOTAL</u>		1.1	0.7	0.9	2.2	0.7	0.7	0.7	1.3	1.3	2.1	1.5	1.8	15.0
Title I (Sales)		-	-	-	-	-	-	-	-	-	-	-	-	-
Title II (Grants)		1.1	0.7	0.9	2.2	0.7	0.7	0.7	1.3	1.3	2.1	1.5	1.8	15.0
<u>SOCIAL PROGRESS TRUST FUND</u>		-	-	-	-	-	-	-	-	-	-	-	-	-
YFPP: Peace Corps, Inter-Am. Hwy.		-	-	-	-	-	-	-	-	-	-	-	-	-
<u>NON-FOOD: ODA - U.S.^{b/}</u>		11.8	7.5	1.1	0.8	2.5	3.3	2.7	3.4	3.2	3.7	4.2	5.0	49.2
<u>EXTRANE LONG-TERM LOANS</u>		-	-	-	-	-	3.0 ^{c/}	-	-	-	0.1	-	-	3.1
<u>TOTAL U.S. OFFICIAL ECONOMIC</u>		11.8	7.5	1.1	0.8	2.5	6.3	2.7	3.4	3.2	3.8	4.2	5.0	52.3
<u>United Nations Agencies Total</u>		0.7	1.3	0.9	0.8	2.0	0.5	1.0	0.4	0.5	0.4	2.9	2.9 ^{d/}	14.3
<u>World Bank Group Total</u>		-	-	0.3	-	-	-	-	-	-	-	-	-	0.3
IBRD		-	-	-	-	-	-	-	-	-	-	-	-	-
IFC		-	-	-	-	-	-	-	-	-	-	-	-	-
IDA		-	-	0.3	-	-	-	-	-	-	-	-	-	-
<u>Inter-American Dev. Bank-Total</u>		2.9	-	-	2.4	-	-	1.3	-	-	5.1	-	1.8	13.4
Ordinary Capital Fund		-	-	-	-	-	-	-	-	-	-	-	-	-
Fund for Special Operations		2.9	-	-	2.4	-	-	1.3	-	-	5.1	-	1.8	13.4
<u>TOTAL INTERNATIONAL GRG.</u>		3.6	1.3	1.2	3.2	2.0	0.5	2.3	0.4	0.5	5.5	2.9	4.7	26.0
<u>NET BILATERAL TOTAL (Excl. U.S.)^{e/}</u>		-	*	*	0.3	0.3	0.2	0.4	0.3	0.3	0.2	0.2 ^{d/}	0.2 ^{d/}	2.4
<u>GRAND TOTAL</u>		15.4	8.8	2.3	4.3	4.8	7.0	5.4	4.1	4.0	9.5	7.3	9.9	62.8

a/ Capitalized interest.

b/ Official Development Assistance is defined as official concessional aid for development purposes.

c/ Loan to pay capitalized interest.

d/ Estimate.

e/ Calendar year gross disbursements of loans and grants.

SOURCES: U.S. Economic Assistance Programs Administered by A.I.D. & Predecessor Agencies, April 3, 1948-June 30, 1971.

U.S. Overseas Loans & Grants Report, July 1, 1945-June 30, 1971 (includes Assistance from International Organizations).

OECD - Development Assistance Committee Reports as of December 31, 1970.

A.I.D. Programs in FY 1972 Preliminary dated November, 1972.

International Lending Institutions' Loan Statements for June 30, 1972 from AID/SER/FM/SR.

Food for Peace FY 1972 data from A.I.D. Office of Food for Peace & Dept. of Agriculture.

OFFICE FOR INTERNATIONAL DEVELOPMENT: LA/DP: RClarke: IN: 3/29/73

Country HONDURAS

NET GRANT OBLIGATIONS & LOAN AUTHORIZATIONS (GROSS MINUS GRANT DEOBLIGATIONS & LOAN CANCELLATIONS)
(U.S. Fiscal Years - Millions of Dollars)

Program	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	Prelim. 1972	12-Year Total
<u>A.I.D. TOTAL</u>	<u>5.1</u>	<u>2.9</u>	<u>6.5</u>	<u>6.7</u>	<u>2.2</u>	<u>11.9</u>	<u>8.9</u>	<u>12.8</u>	<u>2.5</u>	<u>5.2</u>	<u>1.7</u>	<u>3.6</u>	<u>70.0</u>
DE	2.0	-	0.8	5.0	0.5	9.9	7.0	11.0	0.5	2.7	-1.3	-	35.1
IC	1.6	2.9	3.3	1.7	1.7	2.0	1.9	1.8	2.1	2.5	3.0	3.6	28.1
EA	-	*	0.4	-	-	-	-	-	-	-	-	-	0.4
CF	1.5	-	2.0	-	-	-	-	-	-	-	-	-	3.5
<u>FOOD FOR PEACE TOTAL</u>	<u>0.3</u>	<u>0.2</u>	<u>0.3</u>	<u>0.7</u>	<u>0.4</u>	<u>1.0</u>	<u>0.6</u>	<u>0.4</u>	<u>0.8</u>	<u>0.9</u>	<u>1.1</u>	<u>1.3</u>	<u>8.0</u>
Title I (Sales)	-	-	-	-	-	-	-	-	-	-	-	-	-
Title II (Grants)	0.3	0.2	0.3	0.7	0.4	1.0	0.6	0.4	0.8	0.9	1.1	1.3	8.0
<u>SOCIAL PROGRESS TRUST FUND</u>	-	-	5.6	1.6	0.4	-	-	-	-	-	-	-	7.6
Peace Corps, Inter-Am. Hwy.	-	0.2	0.2	0.6	0.8	1.0	0.6	0.6	0.8	0.8	0.8	0.8	7.5
<u>GRAND TOTAL: OMA - U.S. ^{a/}</u>	<u>5.4</u>	<u>3.3</u>	<u>12.6</u>	<u>9.8</u>	<u>3.8</u>	<u>13.9</u>	<u>10.1</u>	<u>14.0</u>	<u>4.1</u>	<u>6.9</u>	<u>3.6</u>	<u>5.7</u>	<u>93.2</u>
<u>MULTILATERAL LONG-TERM LOANS</u>	-	-	-	-	0.4	-	-	-	-	1.0	0.2	1.2	2.6
<u>TOTAL U.S. OFFICIAL ECONOMIC</u>	<u>5.4</u>	<u>3.3</u>	<u>12.6</u>	<u>9.8</u>	<u>4.2</u>	<u>13.9</u>	<u>10.1</u>	<u>14.0</u>	<u>4.1</u>	<u>7.9</u>	<u>3.8</u>	<u>6.9</u>	<u>95.8</u>
<u>Other Nations Agencies Total</u>	<u>0.9</u>	<u>0.6</u>	<u>0.6</u>	<u>0.6</u>	<u>0.3</u>	<u>0.4</u>	<u>0.4</u>	<u>2.0</u>	<u>1.1</u>	<u>0.4</u>	<u>1.4</u>	<u>1.4</u> ^{b/}	<u>10.1</u>
<u>World Bank Group Total</u>	<u>8.4</u>	-	-	<u>0.4</u>	<u>9.5</u>	-	<u>13.2</u>	<u>11.5</u>	-	<u>13.4</u>	<u>6.0</u>	<u>12.3</u>	<u>70.0</u>
IBRD	-	-	-	-	6.0	-	13.2	7.5	-	5.5	6.0	12.3	50.5
IFC	-	-	-	0.4	-	*	-	-	*	*	-	-	0.5
IDA	8.4	-	-	-	3.5	-	-	4.0	-	8.1	-	-	29.0
<u>Inter-American Dev. Bank Total</u>	<u>3.2</u>	<u>7.4</u>	-	-	<u>10.1</u>	<u>2.7</u>	<u>9.3</u>	<u>5.3</u>	<u>10.5</u>	-	<u>13.8</u>	<u>7.6</u>	<u>65.5</u>
Emergency Capital Fund	0.1	0.4	-	-	-	-	-	-	-	-	-	-	0.5
Fund for Special Operations	2.1	7.0	-	-	10.1	2.7	9.3	5.3	10.5	-	13.8	7.6	65.0
<u>TOTAL INTERNATIONAL CRG.</u>	<u>12.5</u>	<u>8.0</u>	<u>0.6</u>	<u>1.0</u>	<u>19.9</u>	<u>3.1</u>	<u>22.9</u>	<u>18.8</u>	<u>11.6</u>	<u>14.0</u>	<u>21.2</u>	<u>21.3</u>	<u>153.5</u>
<u>IC BILATERAL TOTAL (Excl. U.S.) ^{c/}</u>	-	-	*	4.1	0.2	0.3	0.3	0.4	0.5	0.5	0.5 ^{b/}	0.5 ^{b/}	7.3
<u>GRAND TOTAL</u>	<u>17.9</u>	<u>11.3</u>	<u>13.2</u>	<u>14.9</u>	<u>24.3</u>	<u>17.3</u>	<u>33.3</u>	<u>33.2</u>	<u>16.2</u>	<u>22.2</u>	<u>25.5</u>	<u>28.7</u>	<u>258.0</u>

Cells may not add to totals due to rounding.

Less than \$50,000.

Official Development Assistance is defined as official concessional aid for development purposes.

Estimate.

Gross disbursements on a calendar year basis.

IRCS: U.S. Economic Assistance Program Administered by A.I.D. & Predecessor Agencies, April 3, 1948-June 30, 1971.

U.S. Commerce Loan & Grants Report, July 1, 1945-June 30, 1971 (includes Assistance from International Organizations).

OECD - Development Assistance Committee Reports as of December 31, 1970.

A.I.D. Programs in FY 1972 Preliminary dated November, 1972.

International Lending Institutions' Loan Statements for June 30, 1972 from AID/SER/FM/SR.

Food for Peace FY 1972 data from A.I.D. Office of Food for Peace & Dept. of Agriculture.

KEY FOR INTERNATIONAL DEVELOPMENT: IA/DP:RC/AR:TH:3/29/73

Country	NET GRANT OBLIGATIONS & LOAN AUTHORIZATIONS (GROSS MINUS GRANT DEOBLIGATIONS & LOAN CANCELLATIONS)												
	(U.S. Fiscal Years - Millions of Dollars)												
Program	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	Prelim. 1972	12-Year Total
JAMAICA													
A.I.D. TOTAL	0.9	1.0	5.8	3.3	4.4	1.3	0.6	0.9	-*	0.7	20.5	1.2	40.9
DL	-	-	5.0	2.8	3.8	-	-	-	-	-	-	-	-
TC	0.4	1.0	0.8	0.5	0.6	1.3	0.6	0.9	-0.9	-	19.8	-	30.1
SA	-	-	-	-	-	-	-	-	0.9	0.7	0.7	1.2	9.4
CP	0.5	-	-	-	-	-	-	-	-	-	-	-	-
FOOD FOR PEACE TOTAL	0.5	0.8	2.0	4.2	1.9	1.7	0.9	6.8	0.6	0.4	1.1	2.2	23.2
Title I (Sales)	-	-	-	-	-	-	-	-	-	-	-	-	-
Title II (Grants)	0.5	0.8	2.0	4.2	1.9	1.7	0.9	6.8	0.6	0.4	1.1	0.5	0.5
SOCIAL PROGRESS TRUST FUND	-	-	-	-	-	-	-	-	-	-	-	-	-
SEER: Peace Corps	-	0.2	0.2	0.5	0.6	0.6	0.6	0.7	0.7	0.9	1.1	1.0	6.9
SUB-TOTAL: OEA - U.S. ^{b/}	1.4	2.0	8.0	8.0	6.9	3.6	2.1	8.4	1.3	2.0	22.7	4.4	70.7
TRAINING LONG-TERM LOAN:	-	-	4.3	-	-	3.0	3.0	-	15.0	7.0	0.8	16.7	49.9
GRAND U.S. OFFICIAL ECONOMIC	1.4	2.0	12.3	8.0	6.9	6.6	5.1	8.4	16.3	9.0	23.5	21.1	120.6
United Nations Agencies Total	0.2	0.1	0.1	1.1	0.6	1.4	1.7	0.4	1.1	1.4	1.6	1.6 ^{c/}	11.2
Bank Bank Group Total	0.2	-	-	-	5.5	20.7	9.5	-	7.9	2.0	17.2	-	63.1
IBRD	-	-	-	-	5.5	20.7	9.5	-	7.9	2.0	17.2	-	63.1
IFC	0.2	-	-	-	-	-	-	-	5.0	2.0	-	-	7.2
IFM	-	-	-	-	-	-	-	-	2.9	-	-	-	3.1
Inter-American Dev. Bank Total	-	-	-	-	-	-	-	-	-	-	-	-	-
Ordinary Capital Fund	-	-	-	-	-	-	-	-	-	-	16.9	3.1	23.0
Fund for Special Operations	-	-	-	-	-	-	-	-	-	-	2.0	0.1	2.1
TOTAL INTERNATIONAL ORG.	0.4	0.1	0.1	1.1	6.1	22.1	11.2	0.4	9.0	3.4	35.7	4.7	94.5
DAC BILATERAL TOTAL ^{b/} (Excl. U.S.)	10.4	10.8	1.0	1.4	5.9	5.8	5.3	11.7	10.9 ^{b/}	14.9 ^{b/}	14.9 ^{c/}	14.9 ^{c/}	107.9
GRAND TOTAL	12.2	12.9	13.4	10.5	18.9	34.5	21.6	20.5	36.2	27.3	74.1	40.7	322.8

Details may not add to totals due to rounding.

^{b/} "Official Development Assistance" is defined as official concessional aid for development purposes.

^{b/} Gross expenditures on calendar year basis. ODA components, available only since CY 1969, are \$10.9 million for CY 1969 and \$9.2 million for CY 1970.

^{c/} Estimate.

SOURCES: U.S. Economic Assistance Programs Administered by A.I.D. & Predecessor Agencies, April 3, 1948-June 30, 1971.
 U.S. Overseas Loans and Grants Report, July 1, 1945-June 30, 1971 (includes Assistance from International Organizations).
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AGENCY FOR INTERNATIONAL DEVELOPMENT: LA/DP:RC/urkc:IN:3/29/73

NET GRANT OBLIGATIONS & LOAN AUTHORIZATIONS (EXCL. MINUS GRANT DEOBLIGATIONS & LOAN CANCELLATIONS)
(U.S. Fiscal Years - MIL. \$ of Dollars)

Country MEXICO

Program	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	Prelim. 1972	12-Year Total
A.I.D. TOTAL	1.1	20.6	0.2	22.4	24.9	0.2	0.3	0.1	0.2	1.0	-*	-	70.3
DL	-	20.0	-	22.0	24.5	-	-	-0.1	-	-	-	-	66.5
TC	0.6	0.6	0.2	0.4	0.2	0.2	0.3	0.2	0.2	1.0	-*	-	3.9
SA	-	-	-	-	0.2	-	-	-	-	-	-	-	0.2
CF	0.5	-	-	-	-	-	-	-	-	-	-	-	0.5
FOOD FOR PEACE TOTAL	3.2	5.1	15.2	18.0	6.9	0.1	-	-	-	-	-	-	48.4
Title I (Sales)	-	-	-	-	-	-	-	-	-	-	-	-	-
Title II (Grants)	3.2	5.1	15.2	18.0	6.9	0.1	-	-	-	-	-	-	48.4
SOCIAL PROGRESS TRUST FUND	-	10.6	8.0	12.1	4.8	-	-*	-	-*	-0.5	-0.1	-	34.9
SEER: Peace Corps, Inter-Am. Hwy.	-	-	-	-	-	-	-	-	-	-	-	-	-
SUB-TOTAL: OMA - U.S.^{a/}	4.3	36.3	23.4	52.5	36.6	0.3	0.3	0.1	0.2	0.5	-0.1	-	154.1
AIMS&K LONG-TERM ICAMS	25.3	10.4	21.2	50.7	60.3	32.6	100.0	79.2	14.2	34.0	32.4	51.6	512.0
FOCAL U.S. OFFICIAL ECONOMIC	29.6	46.7	44.6	103.2	96.9	32.9	100.3	79.3	14.4	34.5	32.3	51.6	666.1
Other Nations Agencies Total	3.1	4.1	4.5	5.0	2.7	6.1	6.2	0.5	1.7	2.8	1.3	1.3^{b/}	30.5
World Bank Group Total	40.1	161.3	16.1	40.6	38.4	160.2	-	149.8	65.0	148.3	87.0	277.0	1,185.6
IBRD	39.8	160.5	11.4	39.0	32.0	154.0	-	142.5	65.0	146.8	75.0	277.0	1,185.0
IFC	0.3	0.8	4.7	1.6	6.4	6.2	*	7.3	*	1.5	12.0	*	40.6
IHA	-	-	-	-	-	-	-	-	-	-	-	-	-
Inter-American Dev. Bank-Total	-	21.7	31.5	31.0	9.8	65.1	42.9	62.9	44.7	132.1	87.8	59.2	558.7
Ordinary Capital Fund	-	21.7	27.7	31.0	*	31.1	13.8	6.3	43.5	66.3	28.0	59.2	320.0
Fund for Special Operations	-	-	3.8	-	9.8	34.0	29.1	56.6	1.2	65.8	59.8	-	200.0
TOTAL INTERNATIONAL GR.	43.2	187.1	52.1	76.6	50.9	231.4	49.1	213.2	111.4	283.2	176.1	337.5	1,822.1
IC BILATERAL TOTAL (Excl. U.S.)^{c/}	4.1	17.5	24.1	35.5	19.7	18.8	31.3	63.5	31.2	67.3	67.3^{b/}	67.3^{b/}	447.6
GRAND TOTAL	76.9	251.3	120.8	215.3	167.5	283.1	180.7	356.0	157.0	385.0	275.7	456.4	2,925.8

Details may not add to totals due to rounding.

^{a/} Less than \$50,000.

^{b/} Official Development Assistance is defined as official concessional aid for development purposes.

^{c/} Estimate.

^{d/} Gross disbursements on a calendar year basis.

RCES: U.S. Economic Assistance Programs Administered by A.I.D. & Predecessor Agencies, April 3, 1948-June 30, 1971.

U.S. Overseas Loans & Grants Report, July 1, 1945-June 30, 1971 (includes Assistance from International Organizations).

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Food for Peace FY 1972 data from A.I.D. Office of Food for Peace & Dept. of Agriculture.

HCY FOR INTERNATIONAL DEVELOPMENT:LA/DP:RC/ck:IN:3/29/73

Country	Program	NET GRANT OBLIGATIONS & LOAN AUTHORIZATIONS (GROSS MINUS GRANT DEOBLIGATIONS & LOAN CANCELLATIONS)											12-Year Total	
		(U.S. Fiscal Years - Millions of Dollars)												
		1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	Prelim. 1972	
NICARAGUA	A.I.D. TOTAL	8.2	3.5	3.4	3.9	16.2	16.0	11.3	22.1	1.7	2.3	12.3	2.5	102.5
	ML	7.1	1.4	1.0	1.2	14.2	14.3	9.2	20.5	-*	-	9.9	-	78.7
	TC	0.6	2.0	2.4	2.7	2.0	1.7	2.1	1.6	1.7	2.3	2.5	2.5	24.6
	SA	-	-	-	-	-	-	-	-	-	-	-	-	-
	CF	0.5	-	-	-	-	-	-	-	-	-	-	-	0.5
	FOOD FOR PEACE TOTAL	0.2	0.7	1.4	1.9	1.2	1.2	0.8	0.2	0.3	0.4	0.3	1.0	9.6
	Title I (Sales)	-	-	-	-	-	-	-	-	-	-	-	-	-
	Title II (Grants)	0.2	0.7	1.4	1.9	1.2	1.2	0.8	0.2	0.3	0.4	0.3	1.0	9.6
	SOCIAL PROGRESS TRUST FUND	-	7.7	0.2	-	5.2	-	-	-0.1	-	-	-	-	13.0
	SER: Peace Corps, Inter-Am. Hwy.	1.4	1.8	2.4	-	0.9	-	-	*	0.2	0.4	0.4	0.5	3.0
	SUB-TOTAL: OPA - U.S. ^{a/}	9.8	13.7	7.4	5.8	23.5	17.2	12.1	22.2	2.2	3.1	13.0	4.0	134.1
	WORLDWIDE LONG-TERM LOANS	2.0	-	-	*	-	2.8	-	4.9	-	-	1.1	0.2	11.0
	TOTAL U.S. OFFICIAL ECONOMIC	11.8	13.7	7.4	5.8	23.5	20.0	12.1	27.1	2.2	3.1	14.1	4.2	145.1
	United Nations Agencies Total	0.6	1.3	1.2	0.5	1.7	0.5	1.0	1.5	0.4	0.8	0.2	0.2 ^{b/}	9.6
	World Bank Group Total	-	-	3.1	-	-	-	5.0	21.3	-	-	-	30.9	60.3
	IFRD	-	-	0.1	-	-	-	5.0	19.2	-	-	-	30.9	55.2
	IFC	-	-	-	-	-	-	-	2.1	-	-	-	-	2.1
	IDA	-	-	3.0	-	-	-	-	-	-	-	-	-	3.0
	Inter-American Dev. Bank Total	2.0	-	-	-	8.9	15.7	7.0	2.2	12.2	0.2	12.4	4.0	61.7
	Ordinary Capital Fund	2.0	-	-	-	4.4	3.3	1.9	-	6.1	0.2	*	0.5	15.4
	Fund for Special Operations	-	-	-	-	4.5	12.4	5.1	2.2	6.1	-	12.4	3.5	46.3
	TOTAL INTERNATIONAL ORG.	2.6	1.3	4.3	0.5	10.6	16.2	13.0	25.0	12.6	1.0	12.6	35.1	133.6
	BILATERAL TOTAL (Excl. U.S.) ^{c/}	*	*	*	*	0.2	0.2	0.2	0.2	1.4	0.6	0.6 ^{b/}	0.6 ^{b/}	4.1
	GRAND TOTAL	14.4	15.0	11.7	6.3	34.3	36.4	25.3	52.3	16.2	4.7	27.3	39.9	253.8

^{a/} Less than \$50,000. Details may not add to totals due to rounding.

^{b/} Official Development Assistance is defined as official concessional aid for development purposes.

^{c/} Estimate.

^{d/} Gross expenditures on calendar year basis.

SOURCES: U.S. Economic Assistance Programs Administered by A.I.D. & Predecessor Agencies, April 3, 1948-June 30, 1971.

U.S. Overseas Loans & Grants Report, July 1, 1945-June 30, 1971 (includes Assistance from International Organizations).

OECD - Development Assistance Committee Reports as of December 31, 1970.

A.I.D. Programs in FY 1972 Preliminary dated November, 1972.

International Lending Institutions' Loan Statements for June 30, 1972 from AID/SER/FA/SR.

Food for Peace FY 1972 data from A.I.D. Office of Food for Peace & Dept. of Agriculture.

OFFICE FOR INTERNATIONAL DEVELOPMENT: LA/DP/RC/Clarke: IN:3/29/73

NET GRANT OPERATIONS & LOAN AUTHORIZATIONS (GROSS MINUS GRANT DELEGATIONS & LOAN CANCELLATIONS)
(U.S. Fiscal Years - Millions of Dollars)

Country	Program	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	Prelim. 1972	12-Year Total	
PANAMA	A.I.D. TOTAL	<u>15.6</u>	<u>12.4</u>	<u>8.1</u>	<u>8.9</u>	<u>10.9</u>	<u>11.7</u>	<u>33.9</u>	<u>18.8</u>	<u>15.8</u>	<u>7.3</u>	<u>9.6</u>	<u>22.8</u>	<u>175.6</u>	
	DL	6.6	-	6.0	7.5	5.2	6.8	21.9	15.3	13.1	4.2	5.8	19.1	111.5	
	TC	2.8	2.5	1.6	1.2	1.7	1.4	1.8	3.3	2.7	3.1	3.7	3.7	29.5	
	SA	-	-	0.5	0.2	-	-	-	0.2	-	-	-	-	0.9	
	CF	6.2	9.9	-	-	4.0	3.5	10.2	-	-	-	-	-	33.8	
	FOOD FOR PEACE TOTAL	<u>0.4</u>	<u>0.4</u>	<u>0.7</u>	<u>0.8</u>	<u>0.6</u>	<u>0.5</u>	<u>0.6</u>	<u>0.3</u>	<u>0.6</u>	<u>0.6</u>	<u>1.0</u>	<u>0.6</u>	<u>1.2</u>	<u>7.7</u>
	Title I (Sales)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Title II (Grants)	0.4	0.4	0.7	0.8	0.6	0.5	0.6	0.3	0.6	1.0	0.6	1.2	7.7	
	INTERNATIONAL PROGRESS TRUST FUND	-	10.4	-	-	2.5	-	-	-	-	-	-	-	-	12.9
	OTHER: Peace Corps, Inter-Am. Hwy.	-	-	0.4	7.7	6.2	1.1	0.7	0.9	0.8	0.7	0.5	9.8 ^{a/}	28.7	
	SUB-TOTAL: ODA - U.S.^{a/}	16.0	23.2	9.2	17.4	20.2	13.3	35.2	20.0	17.2	9.0	10.7	33.8	255.2	
	REMAINING LONG-TERM LOANS	-	1.9	-	7.4	3.5	-	-	-	-	2.5	2.7	27.8	45.6	
	TOTAL U.S. OFFICIAL ECONOMIC	16.0	25.1	9.2	24.8	23.7	13.3	35.2	20.0	17.2	11.5	13.4	61.6	300.8	
	Other National Agencies Total	0.4	0.5	0.9	0.5	3.0	1.4	1.5	0.4	1.5	1.2	2.9	1.9	15.9	
Interbank Gross Total	<u>7.2</u>	-	<u>4.0</u>	-	-	-	-	-	-	<u>42.0</u>	<u>1.5</u>	<u>23.4</u>	<u>78.2</u>		
IMB	7.2	-	4.0	-	-	-	-	-	-	42.0	1.5	23.4	78.2		
IPA	-	-	-	-	-	-	-	-	-	-	1.5	-	1.5		
Inter-American Dev. Bank Total	-	2.9	-	0.1	1.0	9.7	10.4	-	-	9.8	19.1	-	51.2		
Ordinary Capital Fund	-	-	-	-	-	-	1.5	-	-	-	-	-	1.5		
Fund for Special Operations	-	2.9	-	0.1	1.0	9.7	9.0	-	-	9.8	19.1	-	51.2		
TOTAL INTER-NATIONAL GRG.	7.6	3.4	4.9	0.6	4.0	11.1	11.9	0.4	1.5	53.0	23.5	25.3	147.2		
GRAND TOTAL (Excl. U.S.)	-	*	0.2	0.3	12.0	0.1	0.1	1.3	0.5	6.3	6.3 ^{b/}	6.3 ^{b/}	33.4		
GRAND TOTAL	23.6	28.5	14.3	25.7	39.7	24.5	47.2	21.7	19.2	70.8	43.2^{c/}	93.2	451.5		

Less than \$50,000. Details may not add to totals due to rounding.

^{a/} Official Development Assistance is defined as official concessional aid for development purposes.

^{b/} Estimate. ^{c/} Gross expenditures on a calendar year basis. ODA components, available only since CY 1969, are \$0.3 million in CY 1969 and \$0.3 in CY 1970.

^{d/} Darien Gap Highway.

IRCS: U.S. Economic Assistance Programs Administered by A.I.D. & Predecessor Agencies, April 3, 1948-June 30, 1971.
 IAS, Overseas Loans & Grants Report, July 1, 1945-June 30, 1971 (includes Assistance from International Organizations).
 OECD - Development Assistance Committee Reports as of December 31, 1970.
 A.I.D. Programs in FY 1972 Preliminary dated November, 1972.
 International Lending Institutions' Loan Statements for June 30, 1972 from AID/SER/FM/SR.
 Food for Peace FY 1972 data from A.I.D. Office of Food for Peace & Dept. of Agriculture.

OFFICE FOR INTERNATIONAL DEVELOPMENT (A/DP/RC) Date: 3/3/73

NET GRANT OBLIGATIONS & LOAN AUTHORIZATIONS (GROSS MINUS GRANT DEOBLIGATIONS & LOAN CANCELLATIONS)
(U.S. Fiscal Years - Millions of Dollars)

Country	PARAGUAY												Prelim.	12-Year
	Program	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	Total
A.I.D. TOTAL		<u>9.6</u>	<u>1.2</u>	<u>3.0</u>	<u>5.3</u>	<u>2.3</u>	<u>11.6</u>	<u>3.9</u>	<u>2.4</u>	<u>9.5</u>	<u>7.1</u>	<u>6.9</u>	<u>2.8</u>	<u>65.5</u>
DL		7.8	-0.6	-	3.0	-	9.4	1.9	1.0	7.6	4.6	4.1	-	58.8
TC		1.7	1.8	3.0	2.3	2.3	2.2	2.0	1.4	1.9	2.5	2.8	2.8	25.7
SA		0.2	-	-	-	-	-	-	-	-	-	-	-	0.2
CF		-	-	-	-	-	-	-	-	-	-	-	-	-
CON FOR PEACE TOTAL		<u>1.1</u>	<u>6.0</u>	<u>3.2</u>	<u>2.7</u>	<u>1.5</u>	<u>3.1</u>	<u>0.6</u>	<u>3.2</u>	<u>3.3</u>	<u>0.5</u>	<u>5.4</u>	<u>2.8</u>	<u>33.4</u>
Title I (Sales)		-	5.0	2.3	1.0	1.2	2.5	-	2.3	1.8	-	4.3	1.7	22.1
Title II (Grants)		1.1	1.0	0.9	1.7	0.3	0.6	0.6	0.9	1.5	0.5	1.1	1.1	11.3
BIAL PROGRESS TRUST FUND		-	-	2.9	-	4.9	-	-	-	-	-	*	-	7.8
PR:Peace Corps		-	-	-	-	-	*	0.3	0.4	0.5	0.5	0.4	0.4	2.4
SUB-TOTAL: OMA - U.S.^{a/}		10.7	7.2	9.1	8.0	8.7	14.7	4.8	6.0	13.3	8.1	12.7	6.0	109.1
HEAVY LONG-TERM LOANS		-	-	-	-	-	-	-	-	3.0	-	-	-	3.0
TOTAL U.S. OFFICIAL ECONOMIC		10.7	7.2	9.1	8.0	8.7	14.7	4.8	6.0	16.3	8.1	12.7	6.0	112.1
Other Nations Agencies Total		0.8	1.0	1.0	0.7	0.7	2.2	0.5	0.9	1.7	1.4	1.6	1.6 ^{b/}	14.4
International Group Total		-	<u>6.0</u>	-	<u>3.6</u>	<u>2.2</u>	<u>12.3</u>	-	-	<u>8.6</u>	<u>6.0</u>	-	-	<u>38.7</u>
IBRD		-	-	-	-	2.2	4.8	-	-	4.3	6.0	-	-	17.3
IFC		-	-	-	-	-	-	-	-	-	-	-	-	-
IDA		-	6.0	-	3.6	-	7.5	-	-	4.3	-	-	-	21.4
Inter-American Dev. Bank Total		<u>3.2</u>	<u>0.8</u>	<u>14.6</u>	<u>2.2</u>	<u>4.7</u>	<u>0.7</u>	<u>6.2</u>	<u>15.8</u>	<u>15.1</u>	<u>26.4</u>	<u>14.8</u>	<u>24.2</u>	<u>128.6</u>
Ordinary Capital Fund		-	0.6	2.2	-	-	-	-	3.3	-	-	-	-	6.1
Fund for Special Operations		3.2	0.2	12.4	2.2	4.7	0.7	6.2	12.5	15.1	26.4	14.8	24.2	122.5
TOTAL INTERNATIONAL ORG.		4.0	7.8	15.6	6.5	7.6	15.2	6.7	16.7	25.4	26.8	16.4	25.6	191.7
BILATERAL TOTAL (Excl. U.S.)^{c/}		0.7	*	0.7	0.1	1.5	1.2	4.7	2.2	4.6	3.0	30.0^{b/}	30.0^{b/}	78.7
GRAND TOTAL		15.4	15.0	25.4	14.6	17.8	31.1	16.2	24.9	46.3	44.9	59.1	61.8	372.5

Figures may not add to totals due to rounding.

ODA less than \$50,000.

Official Development Assistance is defined as official concessional aid for development purposes..

Estimate.

Press expenditures on a calendar year basis.

OEI: U.S. Economic Assistance Programs Administered by A.I.D. & Predecessor Agencies, April 3, 1948-June 30, 1971.

U.S. Overseas Loans & Grants Report, July 1, 1945-June 30, 1971 (includes Assistance from International Organizations).

OECD - Development Assistance Committee Reports as of December 31, 1970.

A.I.D. Programs in FY 1972 Preliminary dated November, 1972.

International Lending Institutions' Loan Statements for June 30, 1972 from AID/SFR/EM/SR.

Fund for Peace FY 1972 data from A.I.D. Office of Food for Peace & Dept. of Agriculture.

FOR INFORMATION: 1972-1973

NET GRANT OBLIGATIONS & LOAN AUTHORIZATIONS (GROSS MINUS GRANT DEOBLIGATIONS & LOAN CANCELLATIONS)
(U.S. Fiscal Years - Millions of Dollars)

Country: PERU	Program	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	Prelim. 1972	12-Year Total
	A.I.D. TOTAL	29.0	26.6	-3.0	28.6	6.3	18.3	22.1	3.9	3.6	8.2	6.8	31.7	182.0
	DL	26.0	11.6	-5.8	24.1	1.5	12.7	17.5	-1.1	-*	-2.9	3.0	27.6	114.2
	TC	2.5	9.0	2.9	4.5	4.8	4.8	4.6	5.1	3.6	11.2	3.8	4.1	60.9
	SA	-	-	-	-	-	-	-	-	-	-	-	-	-
	CF	0.5	6.0	-	-	-	0.8	-	-	-	-	-	-	7.3
	FOOD FOR PEACE TOTAL	6.1	7.4	5.7	12.9	6.5	7.8	2.4	6.7	7.8	4.2	6.9	5.4	79.8
	Title I (Sales)	2.7	4.5	-	4.6	-	-	-	-	-	-	-	-	11.5
	Title II (Grants)	3.4	2.9	5.7	8.3	6.5	7.8	2.4	6.7	7.8	4.2	6.9	5.4	68.3
	SOCIAL PROGRESS TRUST FUND	-	24.8	1.5	3.6	6.0	9.3	-	-	-*	-0.1	-*	-	45.1
	OTHER: Peace Corps	-	0.7	2.6	2.8	3.2	3.9	2.2	1.6	1.3	1.4	1.4	1.3	22.4
	SUB-TOTAL: ODA - U.S. ^{a/}	35.1	59.5	6.8	47.9	22.0	39.3	26.7	12.2	12.7	13.7	15.1	38.4	329.3
	EXTRABANK LONG-TERM LOANS	14.5	16.3	9.6	28.2	13.0	3.0	5.7	4.7	9.8	-	4.3	-	109.0
	TOTAL U.S. OFFICIAL ECONOMIC	49.6	75.8	16.4	76.1	35.0	42.3	32.4	16.9	22.5	13.7	19.4	38.4	438.3
	International Agencies Total	1.5	3.7	2.4	2.6	2.8	2.8	3.3	1.9	2.4	2.2	4.9	4.9 ^{b/}	35.2
	World Bank Group Total:	5.5	12.6	13.0	19.6	21.5	42.1	10.0	17.6	-	-	30.0	-	171.9
	IFAD	5.5	10.0	13.0	18.0	21.5	42.1	10.0	17.5	-	-	30.0	-	167.6
	IFC	-	2.6	-	1.6	-	-	*	0.1	-	-	-	-	4.3
	IDA	-	-	-	-	-	-	-	-	-	-	-	-	-
	Inter-American Dev. Bank Total:	3.9	1.5	2.5	6.7	7.7	38.5	27.2	21.6	-	9.0	70.6	13.1	202.4
	Ordinary Capital Fund	3.9	1.5	2.5	6.6	7.3	35.5	20.0	6.5	-	9.0	0.5	1.1	147.9
	Fund for Special Operations	-	-	-	-	0.5	3.0	7.2	15.1	-	-	70.1	12.0	154.5
	TOTAL INTERNATIONAL ORG.	10.9	17.8	17.9	28.9	32.0	83.4	40.5	41.1	2.4	11.2	105.5	18.0	409.5
	IMR BILATERAL TOTAL (Excl. U.S.) ^{c/}	0.4	0.2	0.5	1.5	21.0	20.4	22.5	12.7	42.4	54.8	54.8 ^{b/}	54.8 ^{b/}	286.0
	GRAND TOTAL	60.9	93.8	34.8	106.5	88.0	146.1	95.4	70.7	67.3	79.7	179.7	111.2	1,133.8

Details may not add to totals due to rounding.

* Less than \$50,000.

^{a/} Official Development Assistance is defined as official concessional aid for development purposes.

^{b/} Estimate.

^{c/} Calendar year gross disbursements of loans and grants.

SOURCES: U.S. Economic Assistance Programs Administered by A.I.D. & Predecessor Agencies, April 3, 1948-June 30, 1971.
U.S. Overseas Loans & Grants Report, July 1, 1945-June 30, 1971 (includes Assistance from International Organizations).
OECD - Development Assistance Committee Reports as of December 31, 1970.
A.I.D. Programs in FY 1972 Preliminary dated November, 1972.
International Lending Institutions' Loan Statements for June 30, 1972 from AID/SFR/EM/SR.
Food for Peace FY 1972 data from A.I.D. Office of Food for Peace & Dept. of Agriculture.

AGENCY FOR INTERNATIONAL DEVELOPMENT: IA/DO-021, 2000, Washington, D.C.

Country	Program	NET GRANT OBLIGATIONS & LOAN AUTHORIZATION, GROSS MINUS GRANT DEOBLIGATIONS & LOAN CANCELLATIONS											12-Year Total	
		(U.S. Fiscal Years - Millions of Dollars)												
		1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	Prelim. 1972	
	A.I.D. TOTAL	3.6	2.6	10.8	5.0	2.8	4.9	5.0	-*	-0.3	-0.1	-	-	34.2
	DL	1.0	0.4	0.8	-	-	-	-	-*	-0.3	-0.1	-	-	2.8
	ED	-	-	-	-	-	-	-	-	-	-	-	-	-
	EA	0.7	2.2	7.0	5.0	2.8	4.9	5.0	-	-	-	-	-	27.6
	CF	1.9	-	3.0	-	-	-	-	-	-	-	-	-	4.9
	FOOD FOR PEACE TOTAL	0.1	-	-	-	-	-	-	-	-	-	-	0.1	0.2
	Title I (Sales)	-	-	-	-	-	-	-	-	-	-	-	-	-
	Title II (Grants)	0.1	-	-	-	-	-	-	-	-	-	-	0.1	0.2
	SOCIAL PROGRESS TRUST FUND	-	-	-	-	-	-	-	-	-	-	-	-	-
	OPER: Peace Corps, Inter-Am. IMY.	-	-	-	-	-	-	-	-	-	-	-	-	-
	SUB-TOTAL: CDA - U.S. ^{a/}	3.7	2.6	10.8	5.0	2.8	4.9	5.0	-*	-0.3	-0.1	-	0.1	34.4
	INTERNATIONAL LEASING LOANS	-	9.0	-	3.8	-	4.0	-	5.9	-	-	2.1	6.5	31.2
	TOTAL U.S. CONCESSIONAL ECONOMIC	3.7	11.6	10.8	8.8	2.8	8.9	5.0	5.9	-0.3	-0.1	2.1	6.6	65.6
	United Nations Agencies Total	0.1	0.1	*	0.7	0.3	0.3	0.9	1.0	0.8	0.3	0.8	0.8 ^{b/}	6.1
	World Bank Group Total	-	21.4	-	-	-	-	13.6	-	11.4	-	3.0	2.0	51.4
	IBRD	-	21.4	-	-	-	-	13.6	-	11.4	-	3.0	2.0	51.4
	IFC	-	-	-	-	-	-	-	-	-	-	-	-	-
	IDA	-	-	-	-	-	-	-	-	-	-	-	-	-
	Inter-American Dev. Bank Total	-	-	-	-	-	-	-	1.0	4.3	3.6	-	7.6	16.5
	Ordinary Capital Fund	-	-	-	-	-	-	-	-	-	-	-	1.3	1.3
	Fund For Special Operations	-	-	-	-	-	-	-	1.0	4.3	3.6	-	6.3	15.2
	TOTAL INTERNATIONAL ORG.	0.1	21.5	*	0.7	0.3	0.3	14.5	2.0	16.5	3.9	3.8	10.4	74.0
	U.S. BILATERAL TOTAL (Excl. U.S.) ^{a/}	0.2	0.6	2.4	3.7	1.1	4.1	4.3	3.4	6.1	4.9	4.9 ^{b/}	4.9 ^{b/}	40.6
	SPAIN TOTAL	4.0	33.7	13.2	13.2	4.2	13.3	23.8	11.3	22.3	8.7	10.8	21.9	180.2

Details may not add to totals due to rounding.

* Less than \$50,000. ^{a/} Official Development Assistance is defined as official concessional aid for development purposes.

^{b/} Estimate. ^{c/} Calendar year gross disbursements of loans and grants.

SOURCES: U.S. Economic Assistance Programs Administered by A.I.D. & Predecessor Agencies, April 3, 1948-June 30, 1971.
 U.S. Overseas Loans & Grants Report, July 1, 1945-June 30, 1971 (includes Assistance from International Organizations).
 OECD - Development Assistance Committee Reports as of December 31, 1970.
 A.I.D. Programs in FY 1972 Preliminary dated November, 1972.
 International Lending Institutions' Loan Statements for June 30, 1972 from AID/SER/FM/SR.
 Food for Peace FY 1972 data from A.I.D. Office of Food for Peace. & Dept. of Agriculture.

AGENCY FOR INTERNATIONAL DEVELOPMENT: LA/DP:RClarke:IN:3/29/73

Country URUGUAY

NET GRANT OBLIGATIONS & LOAN AUTHORIZATIONS (GROSS MINUS GRANT DEOBLIGATIONS & LOAN CANCELLATIONS)
(U.S. Fiscal Years - Millions of Dollars)

Program	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	Prelim. 1972	12-Year Total
A.I.D. TOTAL	<u>0.1</u>	<u>0.3</u>	<u>7.9</u>	<u>6.2</u>	<u>-1.5</u>	<u>5.8</u>	<u>2.4</u>	<u>13.2</u>	<u>1.3</u>	<u>16.8</u>	<u>4.3</u>	<u>1.4</u>	<u>53.1</u>
DL	-	-	6.0	5.4	-2.4	5.0	0.8	12.0	*	15.4	2.4	-	44.5
FC	0.1	0.3	1.9	0.8	0.9	0.8	1.2	1.2	1.3	1.5	1.9	1.4	13.3
SA	-	-	-	-	-	-	-	-	-	-	-	-	-
CF	-	-	-	-	-	-	0.4	-	-	-	-	-	0.4
FOOD FOR PEACE TOTAL	<u>1.9</u>	<u>1.3</u>	<u>0.6</u>	<u>1.0</u>	<u>0.7</u>	<u>0.5</u>	<u>0.6</u>	<u>20.0</u>	<u>0.2</u>	<u>2.4</u>	<u>0.4</u>	<u>1.4</u>	<u>32.0</u>
Title I (Sales)	1.6	1.0	-	-	-	-	-	18.6	-	2.0	-	-	23.2
Title II (Grants)	0.3	0.3	0.6	1.0	0.7	0.5	0.6	1.4	0.2	0.4	0.4	1.4	7.8
SOCIAL PROGRESS TRUST FUND	-	2.5	8.0	-	-	-	-	-	-	-	-0.2	-	10.4
OTHER: Peace Corps, Inter-Am. Hwy.	-	-	0.6	0.2	0.3	0.4	0.2	0.2	0.2	0.1	0.1	0.1	2.3
SUB-TOTAL: OEA - U.S.^{a/}	<u>2.0</u>	<u>4.1</u>	<u>17.1</u>	<u>7.4</u>	<u>-0.5</u>	<u>6.7</u>	<u>3.2</u>	<u>33.4</u>	<u>1.7</u>	<u>19.3</u>	<u>4.6</u>	<u>2.9</u>	<u>101.8</u>
INTERNATIONAL LONG-TERM LOANS	-	2.7	0.8	-	-	-	-	-	2.0	*	1.1	-	6.7
TOTAL U.S. OFFICIAL ECONOMIC	<u>2.0</u>	<u>6.8</u>	<u>17.9</u>	<u>7.4</u>	<u>-0.5</u>	<u>6.7</u>	<u>3.2</u>	<u>33.4</u>	<u>3.7</u>	<u>19.3</u>	<u>5.7</u>	<u>2.9</u>	<u>108.5</u>
International Agencies Total	0.3	1.2	1.5	0.4	1.5	0.3	0.2	0.3	0.7	1.6	0.9	0.9 ^{b/}	9.7
World Bank Group Total	-	-	18.5	-	12.7	-	-	-	-	6.3	22.0	11.2	70.7
IBRD	-	-	18.5	-	12.7	-	-	-	-	6.3	22.0	11.2	70.7
IFC	-	-	-	-	-	-	-	-	-	-	-	-	-
IDA	-	-	-	-	-	-	-	-	-	-	-	-	-
Inter-American Dev. Bank-Total	-	10.5	4.1	2.4	6.2	-	1.5	10.4	24.6	6.0	21.7	0.9	68.3
Ordinary Capital Fund	-	10.3	4.1	2.4	2.6	-	-	5.0	9.4	4.5	9.8	0.9	50.9
Fund for Special Operations	-	0.2	-	-	3.6	-	1.5	5.4	15.2	1.5	11.9	-	17.4
TOTAL INTERNATIONAL ORG.	<u>0.3</u>	<u>11.7</u>	<u>24.1</u>	<u>2.8</u>	<u>20.4</u>	<u>0.3</u>	<u>1.7</u>	<u>10.7</u>	<u>25.3</u>	<u>13.9</u>	<u>14.6</u>	<u>13.0</u>	<u>168.7</u>
AG BILATERAL TOTAL (Excl. U.S.)^{c/}	<u>0.1</u>	<u>0.3</u>	<u>0.3</u>	<u>1.4</u>	<u>1.4</u>	<u>1.7</u>	<u>0.9</u>	<u>1.2</u>	<u>3.0</u>	<u>2.5</u>	<u>2.5^{b/}</u>	<u>2.5^{b/}</u>	<u>17.6</u>
GRAND TOTAL	<u>2.4</u>	<u>19.8</u>	<u>42.3</u>	<u>11.6</u>	<u>21.3</u>	<u>8.7</u>	<u>5.8</u>	<u>45.3</u>	<u>32.0</u>	<u>35.7</u>	<u>52.6</u>	<u>18.4</u>	<u>294.9</u>

^{a/} This may not add to totals due to rounding.
^{b/} Official Development Assistance is defined as official concessional aid for development purposes.
^{c/} Estimate.
^{d/} Gross disbursements on a calendar year basis.

SOURCES: U.S. Economic Assistance Programs Administered by A.I.D. & Predecessor Agencies, April 3, 1948-June 30, 1971.
 U.S. Overseas Loans & Grants Report, July 1, 1945-June 30, 1971 (includes Assistance from International Organizations).
 OED - Development Assistance Committee Reports as of December 31, 1970.
 A.I.D. Programs in FY 1972 Preliminary dated November, 1972.
 International Lending Institutions' Loan Statements for June 30, 1972 from AID/SER/FM/SR.
 Food for Peace FY 1972 data from A.I.D. Office of Food for Peace & Dept. of Agriculture.

NET GRANT OBLIGATIONS & LOAN AUTHORIZATIONS (GROSS MINUS GRANT DEOBLIGATIONS & LOAN CANCELLATIONS)													
Country	VENEZUELA												
	(U.S. Fiscal Years - Millions of Dollars)												
Program	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	Prelim. 1972	12-Year Total
A.I.D. TOTAL	15.2	11.1	33.1	1.6	1.6	1.4	1.1	1.2	0.9	1.1	0.9	0.9	72.2
DL	15.0	10.0	30.0	-	-	-	-	-	-	-	-	-	-
TC	0.2	1.1	3.0	1.6	1.6	1.4	1.1	1.2	0.9	1.1	0.9	0.9	55.0
SA	-	-	0.1	-	-	-	-	-	-	-	-	-	15.0
CF	-	-	-	-	-	-	-	-	-	-	-	-	0.2
FOOD FOR PEACE TOTAL	-	0.5	1.2	10.3	4.4	3.9	2.3	1.5	0.6	-	-	1.4	26.1
Title I (Sales)	-	-	-	-	-	-	-	-	-	-	-	-	-
Title II (Grants)	-	0.5	1.2	10.3	4.4	3.9	2.3	1.5	0.6	-	-	1.4	26.1
SOCIAL PROGRESS TRUST FUND	-	42.0	11.0	-	20.0	-	-	-0.1	-	-	-	-	72.9
OTHER: Peace Corps	-	0.6	0.8	2.0	2.2	3.6	2.4	2.1	1.6	1.6	1.5	1.4	19.7
OTHER-TOTAL: OEA - U.S.^{a/}	15.2	54.2	46.1	13.9	28.2	8.9	5.8	4.7	3.1	2.7	2.4	3.7	155.9
INTERIM LONG-TERM LOANS	31.7	-	0.4	31.3	12.5	-	27.5	61.2	1.3	13.5	12.2	35.5	227.0
TOTAL U.S. OFFICIAL ECONOMIC	46.9	54.2	46.5	45.2	40.7	8.9	33.3	65.9	4.4	16.2	14.6	39.2	415.9
International Agencies Total	1.3	2.7	2.4	1.5	1.6	3.7	0.6	2.4	0.8	1.4	1.9	1.9 ^{b/}	22.2
World Bank Group Total	0.2	45.0	-	86.5	44.0	54.6	13.8	2.5	53.1	-	46.8	29.0	375.5
IBRD	-	45.0	-	86.5	44.0	54.1	13.8	2.5	51.0	-	46.8	29.0	375.5
IFC	0.2	-	-	1.5	*	0.5	-	2.5	2.1	-	11.8	2.0	30.0
IDA	-	-	-	-	-	-	-	-	-	-	-	-	19.5
Inter-American Dev. Bank Total	9.2	-	13.4	-	10.0	3.0	17.2	23.5	32.2	75.4	12.8	72.7	260.5
Ordinary Capital Fund	9.2	-	10.7	*	10.0	3.0	17.2	23.5	32.2	75.4	12.8	72.7	260.5
Fund for Special Operations	-	-	2.7	-	-	-	7.2	8.5	5.8	8.4	12.8	44.4	150.0
TOTAL INTERNATIONAL ORG.	10.7	47.7	15.8	88.0	55.6	61.3	31.6	28.4	86.1	76.8	61.5	102.6	662.2
BILATERAL TOTAL (Excl. U.S.)^{c/} *	-	26.0	7.2	0.6	0.9	1.9	-2.6	1.6	7.0	5.4	5.4 ^{b/}	5.4 ^{b/}	64.0
GRAND TOTAL	57.6	127.9	69.5	133.8	97.2	72.1	67.5	95.9	97.5	98.4	81.5	148.2	1,147.1

Details may not add to totals due to rounding.

^{a/} Less than \$50,000.

^{b/} Official Development Assistance is defined as official concessional aid for development purposes.

^{c/} Estimate.

^{d/} Gross disbursements on a calendar year basis.

RCES: U.S. Economic Assistance Programs Administered by A.I.D. & Predecessor Agencies, April 3, 1948-June 30, 1971.
 U.S. Overseas Loans & Grants Report, July 1, 1945-June 30, 1971 (includes Assistance from International Organizations).
 OECD - Development Assistance Committee Reports as of December 31, 1970.
 A.I.D. Programs in FY 1972 Preliminary dated November, 1972.
 International Lending Institutions' Loan Statements for June 30, 1972 from AID/SER/FM/SR.
 Food for Peace FY 1972 data from A.I.D. Office of Food for Peace & Dept. of Agriculture.

OFFICE FOR INTERNATIONAL DEVELOPMENT: LA/DP:RClorke:TR:3/29/73

Country		NET GRANT OBLIGATIONS & LOAN AUTHORIZATIONS (GROSS MINUS GRANT REVERSALS & LOAN CANCELLATIONS) (U.S. Fiscal Years - Millions of Dollars)												
Program		1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	Prelim. 1972	12-Year Total
A.I.D. TOTAL		5.0	-	8.2	25.2	42.8	-1.0	23.9	3.5	33.7	43.7	3.3	13.2	201.6
DL		5.0 ^{a/}	-	2.5	20.0	30.5	-4.5	20.0	-	30.0	40.0	-	9.9	172.4
IC		-	-	5.7	5.2	3.3	3.5	3.9	3.5	3.7	3.7	3.3	3.3	35.2
CA		-	-	-	-	-	-	-	-	-	-	-	-	-
CP		-	-	-	-	-	-	-	-	-	-	-	-	-
FOOD FOR PEACE TOTAL		-	-	-	-	-	-	-	-	-	-	-	-	-
Title I (Sales)		-	-	-	-	-	-	-	-	-	-	-	-	-
Title II (Grants)		-	-	-	-	-	-	-	-	-	-	-	-	-
SOCIAL INVESTMENT TRUST FUND		-	-	2.9	-	-	-	-	-	-	-	-	-	2.9
Other Assistance, etc.		-	-	-	-	-	-	-	-	-	-	-	-	-
EXCEPT: ODA - U.S. ^{b/}		5.0	-	11.1	25.2	42.8	-1.0	23.9	3.5	33.7	43.7	3.3	13.2	201.4
SWITZERLAND MULTIBOR LOANS		-	-	-	-	-	-	-	-	-	1.4	-	-	1.4
TOTAL U.S. CAPITAL ECONOMIC		5.0	-	11.1	25.2	42.8	-1.0	23.9	3.5	33.7	45.1	3.3	13.2	202.8
United States Agencies Total		-	-	-	-	-	-	-	-	-	-	-	-	-
Agency Group Total		-	-	-	-	-	-	-	-	-	-	-	-	-
USAID		-	-	-	-	-	-	-	-	-	-	-	-	-
IC		-	-	-	-	-	-	-	-	-	-	-	-	-
IAA		-	-	-	-	-	-	-	-	-	-	-	-	-
Inter-American Dev. Bank Total		-	-	-	-	-	-	-	-	-	-	-	-	-
Country Development Fund		-	-	-	-	-	-	-	-	-	-	-	-	-
Fund for Special Operations		-	-	-	-	-	-	-	-	-	-	-	-	-
SOCIAL INTERNATIONAL CORP.		-	-	-	-	-	-	-	-	-	-	-	-	-
EXC. BILATERAL TOTAL (Excl. U.S.)		-	-	-	-	-	-	-	-	-	-	-	-	-
GRAND TOTAL		5.0	-	11.1	25.2	42.8	-1.0	23.9	3.5	33.7	45.1	3.3	13.2	205.8

Details may not add to totals due to rounding. * Less than \$50,000.

^{a/} Loan to Banco Centro Americano prior to establishment of A.I.D. program for Central America & Panama.

^{b/} Official Development Assistance is defined as official concessional aid for development purposes.

SOURCES: U.S. Economic Assistance Program Administered by A.I.D. & Predecessor Agencies, April 3, 1968-June 30, 1971.

U.S. Economic Assistance Program Administered by A.I.D. & Predecessor Agencies, July 1, 1968-June 30, 1971 (includes Assistance from International Organizations).

ODA - Development Assistance Committee Reports as of December 31, 1970.

A.I.D. Programs in FY 1972 Preliminary dated November, 1971.

International Lending Institutions' Loan Statements for June 30, 1972 from AID/SER/FY/SR.

Food for Peace FY 1972 data from A.I.D. Office of Food for Peace & Dept. of Agriculture.

AGENCY FOR INTERNATIONAL DEVELOPMENT:LA/DP:RC:larke:IN:3/29/73

Country	NET GRANT OBLIGATIONS & LOAN AUTHORIZATIONS (GROSS MINUS GRANT DEBITATIONS & LOAN CANCELLATIONS)												12-Year
	LATIN AMERICA REGIONAL												Total
	(U.S. Fiscal Years - Millions of Dollars)												
Program	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	Prelim. 1972	
A.I.D. TOTAL	5.7	13.4	18.1	43.5	-8.5	10.4	14.9	21.5	25.4 ^{a/}	43.8 ^{a/}	32.5 ^{a/}	46.0	266.7
DL	-	-	-	25.0	-25.0	-	-	0.3	-	15.0	-	15.0	30.3
TC	3.7	13.4	18.1	18.6	16.5	10.4	14.9	21.1	25.4	28.8	32.5	31.0	234.4
SA	-	-	-	-	-	-	-	-	-	-	-	-	-
CF	2.0 ^{d/}	-	-	-	-	-	-	-	-	-	-	-	2.0
FOOD FOR PEACE TOTAL	0.1	0.1	6.2	0.1	0.1	0.1	0.2	0.1	-	-	-	-	7.0
Title I (Sales)	-	-	-	-	-	-	-	-	-	-	-	-	-
Title II (Grants)	0.1	0.1	6.2	0.1	0.1	0.1	0.2	0.1	-	-	-	-	7.0
SOCIAL PROGRESS TRUST FUND	-	2.2	3.2	3.9	5.0	5.0	5.0	5.0	5.0	5.0	5.0	-	44.3
OTHER: Peace Corps, Inter-Am. Hwy.	-	-	-	-	-	-	0.8	1.0	0.4	2.0	6.8	1.6	12.6
SUB-TOTAL: CIA - U.S.^{b/}	5.8	15.7	27.5	47.5	-3.4	15.5	20.9	27.6	30.8	50.8	44.3	47.6	330.6
EXTRACORP. LONG-TERM LOANS	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL U.S. OFFICIAL PROMISED	5.8	15.7	27.5	47.5	-3.4	15.5	20.9	27.6	30.8	50.8	44.3	47.6	330.6
United Nations Agencies Total	6.2	6.0	4.7	10.2	8.2	17.4	9.4	5.8	5.8	6.2	15.0 ^{c/}	15.0 ^{d/}	109.7
World Bank Group Total	-	-	-	-	-	-	-	-	-	10.0	-	-	10.0
IBRD	-	-	-	-	-	-	-	-	-	-	-	-	-
IFC (ADELA)	-	-	-	-	-	-	-	-	-	10.0	-	-	10.0
IDA	-	-	-	-	-	-	-	-	-	-	-	-	-
Inter-American & v. Bank-Total	-	-	6.0	-	8.2	11.0	11.5	10.0	-	-	22.5	-	60.2
Ordinary Capital Fund ^{e/}	-	-	-	-	-	8.0	-	10.0	-	-	0.5	-	15.5
Fund for Special Operations ^{f/}	-	-	6.0	-	8.2	3.0	11.5	-	-	-	22.0	-	50.7
TOTAL INTERNATIONAL CRG.	6.2	6.0	10.7	10.2	16.4	28.4	20.9	15.8	5.8	16.2	37.5	15.0	166.9
MC BILATERAL TOTAL (Excl. U.S.)	-	-	-	-	-	-	-	-	-	-	-	-	-
GRAND TOTAL	12.0	21.7	38.2	57.7	13.0	43.9	41.8	43.4	36.6	67.0	81.8	62.6	519.5

Details may not add to totals due to rounding. * Less than \$50,000.
 a/ Includes East Caribbean. b/ Official Development Assistance is defined as official concessional aid for development purposes.
 c/ Includes \$125,000 approved in 1965 for Paraguay, transferred to L.A. Regional in 1971. d/ Estimate.
 e/ Includes ADELA and CAELI. f/ Includes CAELI and Pan American Health Foundation.
 g/ Cash grant to CABEI about 3/16/61.

SOURCES: U.S. Economic Assistance Program Administered by A.I.D. & Precursor Agencies, April 3, 1948-June 30, 1971.
 U.S. Commerce Dept. Grant Report, July 1, 1948-June 30, 1971 (includes Assistance from International Organizations).
 OECD - Development Assistance Committee Reports as of December 31, 1970.
 A.I.D. Programs in FY 1972 Preliminary dated November, 1972.
 International Learning Institutions' Loan Statements for June 30, 1972 from AID/SES/FM/SR.
 Food for Peace FY 1972 data from A.I.D. Office of Food for Peace & Dept. of Agriculture.

AGENCY FOR INTERNATIONAL DEVELOPMENT:LA/DP:RClarke:IN:3/29/73

E. Participant Training

Numbers Programmed

	<u>FY 1972</u>	<u>FY 1973</u>	<u>FY 1974</u>
Total	4,201	3,958	4,476
of which to third countries			(955)

Average Annual Cost per Participant (U.S. & Third Country as reported to Congress Combined)

<u>FY 1969</u>	<u>FY 1970</u>	<u>FY 1971</u>	per OIT <u>FY 1972</u>	estim. <u>FY 1973</u>	program <u>FY 1974</u>
\$ 2,537	\$ 2,419	\$ 2,176	\$ 2,166	\$ 2,240	\$ 2,368

Third Country Training

The number of Latin American participants receiving training in neighboring countries of the hemisphere has been increasing with the development of Latin American institutions of higher education and other institutions for training. Over 500 participants were sent to third countries in FY 1972 but for FY 1974 we have programmed 955. Facilities for training are now available in nearly all the countries of Central and South America. The majority of participants receiving formal training are sent to Colombia, Mexico, Argentina, and Brazil. Less formal short-term observation training (used extensively for family planning and to a lesser degree for other programs) is more likely to take place in Costa Rica, Guatemala, or Panama.

The average annual cost of third country participants was \$830 in FY 1972.

Type of Training

	<u>Proportion Participating</u>	<u>Length of full program (m/m)</u>
Academic	Approx. 45%	27.0
Specialized, including population, labor, public safety	Approx. 40%	2.6
Observation	Approx. 10%	1.0
On-the-job	Approx. 5%	3.0

Major Fields of Specialty

	<u>Approx. %</u>
Education	29
Agriculture	19
Public Safety	11
Public Administration	11
Health	9
Labor	8
Industry	7

Occupation of Participants Trained

To illustrate: of 2,007 direct AID participants in FY 1972,
942 were professionals in engineering, science,
economics, and university teaching
779 were managers and lower-level administrators
186 were sub-professionals, such as draftsmen
83 were secondary-level policymakers, adminis-
trators and executives
17 were top-level policymakers, administra-
tors and executives

Utilization of Training

A total of about 47,000 participants had arrived in
the United States or third countries from Latin America
under our participant training program by the end of FY 1972

and about 40,000 had returned to their countries. Of these, 75% are reported to be using and/or transmitting the knowledge and skill acquired during their AID-sponsored training in the substantive fields in which they were trained or in allied fields. Only 4 percent, according to our follow-up studies, are not using their training. Information was not available on 21 percent of our participants.

The role that many returned participants are now playing is impressive.

TRAINING - PARTICIPANTS ARRIVALS IN U.S.-LATIN AMERICA BY FIELD OF ACTIVITY

	Cumul. Thru					
	FY 1967	FY 1968	FY 1969	FY 1970	FY 1971	FY 1972
TOTAL	27,741	1,598	1,578	1,744	1,604	1,276
AGRICULTURE	4,830	215	189	227	322	234
INDUSTRY	3,233	50	66	46	52	53
TRANSPORTATION	1,635	39	32	34	21	31
LABOR	3,197	225	129	204	62	69
HEALTH	3,298	78	124	73	139	142
EDUCATION	4,006	254	299	307	251	180
PUB. ADMIN.	2,782	250	195	302	280	157
PUB. SAFETY	2,615	303	298	348	319	337
COMMUNITY DEV.	352	30	92	95	110	32
HOUSING	298	18	68	60	20	19
ATOMIC ENERGY	118	39	-	-	1	-
COMM. MEDIA	36	26	-	-	4	-
MISC.	1,291	71	105	48	23	32

SOURCE: OIT

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LATIN AMERICA
A.I.D. Participant Arrivals in Countries Other than
the United States During Fiscal Years 1969-1972
by Country of Origin

<u>AREA AND COUNTRY OF ORIGIN</u>	<u>FY-69</u>	<u>FY-70</u>	<u>FY-71</u>	<u>FY-72</u>
LATIN AMERICA:	634	502	608	406
Argentina.....	3	3	2	
Bolivia.....	38	24	24	9
Brazil.....	135	87	59	35
Chile.....	6	39	18	9
Colombia.....	61	27	27	18
Costa Rica.....	32	25	22	10
Dominican Republic.....	14	14	7	
Ecuador.....	5	17	61	15
El Salvador.....	23	20	45	24
Guatemala.....	63	77	108	13
Guyana.....				1
Honduras.....	72	48	81	111
Nicaragua.....	73	77	43	84
Panama.....	53	35	36	34
Paraguay.....	13	89	33	9
Peru.....	19	12	30	7
Uruguay.....	5	8	10	19
Venezuela.....	21		2	8

IT/TS/MD-9/7/73
(For: AA/LA thru Mr. King, IT/P/AFLA)

REGION: Latin America

NUMBER OF PARTICIPANTS
Programmed During Fiscal Year

<u>Country</u>	<u>Nor-Contract</u>		<u>Contract</u>		<u>Total</u>	
	<u>1973</u>	<u>1974</u>	<u>1973</u>	<u>1974</u>	<u>1973</u>	<u>1974</u>
Bolivia	45	62	--	--	45	62
Brazil	282	241	30	60	312	301
Chile	24	24	20	--	44	24
Colombia	95	87	12	12	107	99
Dominican Republic	33	30	36	26	69	56
Ecuador	43	61	4	2	47	63
Guyana	--	4	--	--	--	4
Haiti	15	44	--	--	16	44
Jamaica	38	38	9	--	47	38
Panama	70	75	--	--	70	75
Paraguay	103	101	--	--	103	101
Peru	110	80	20	--	130	80
Uruguay	66	78	--	--	66	78
Venezuela	27	25	--	--	27	25
Central American Regional Program (ROCAP)	14	22	5	5	19	27
Costa Rica	22	17	--	--	22	17
El Salvador	48	52	--	--	48	52
Guatemala	105	99	--	--	105	99
Honduras	106	106	--	--	106	106
Nicaragua	150	150	--	--	150	150
Caribbean Regional	--	10	--	--	--	10
Latin American Regional	--	--	2,425	2,965	2,425	2,965
Total	1,397	1,406	2,561	3,070	3,958	4,476

F. TOTAL A.I.D./L.A. PERSONNEL

Fiscal Year-End, 1967-74

PERSONNEL CATEGORY	ACTUAL ON - BOARD						1973 (Est)	1974 (Proposed)
	1967	1968	1969	1970	1971	1972		
A. U.S. NATIONALS:	2456	1998	1629	1482	1376	1091	1060	1066
1. OVERSEAS:	2129	1699	1389	1245	1158	876	884	890
(a) Direct Hire:	839	787	694	608	572	471	408	378
(1) Admin.	209	208	180	147	131	116	101	98
(2) Program	630	579	514	461	441	355	307	280
(b) PASA:	336	252	194	152	146	92	97	93
(1) Loan Funded	Breakdown		43	39	45	40	50E	50E
(2) Grant Funded	Not Available		151	113	101	52	47	43
(c) Contract Employees:	954	660	501	485	440	313	379	419
(1) Loan Funded	NAV	78	118	138	108	66	82E	82E
(2) Grant Funded		582	383	347	332	247	297	337
2. WASHINGTON (FTEPP Only)	327	299	240	237	218	215	176	176
B. FOREIGN NATIONALS: (All Overseas)	2844	2476	2574	2715	1662	1354	1245	1203
(a) Direct Hire:	1632	1458	1402	1285	1190	983	860	818
(1) Admin.	365	343	306	196	179	161	126	123
(2) Trust	498	531	575	549	525	333	190	175
(3) Program	769	584	521	540	486	489	544	520
(b) Contract:	1212	1018	1172	1430	472	371	385E	385E
TOTAL OVERSEAS (A.1 + B)	4973	4175	3963	3960	2820	2230	2129	2093
TOTAL A.I.D./L.A. (A + B)	5300	4474	4203	4197	3038	2445	2305	2269
<u>SPECIAL SUMMARY</u>								
U.S. Nationals Overseas:					874	654	651	660
Direct Hire - Program Funded					441	355	307	280
PASA Employees - Grant Funded					101	52	47	43
Contract Employees - Grant Funded					332	247	297	337
PARTICIPANTS PROGRAMMED					4707	4201	3958	4476
"Total on Payroll"					5581	4855	4609	5130

Sources: AID Strength Rpts. & Tables V.

NOTE: 1973 vs. 1967 Levels:

LA/DP:DWM:4/9/73

Total AID/LA Down 56.5%
 Total Overseas Down 57.2%
 LA/Washington Down 46.2%

G. PL 480 (Food for Peace Program)

1. PL 480 Title I Program

The market value of commodities shipped to Latin America under PL 480 Title I from 1954, when the program began, through FY 1973 has totalled somewhat over \$1 billion. Traditionally, commodities provided to Latin America have been wheat, feed grains, vegetable oils and tobacco, with wheat being by far the largest item in both volume and value. In FY 1973, Bolivia, Colombia, the Dominican Republic, Ecuador and Uruguay had government-to-government Title I agreements. There was also a Title I private trade agreement to supply a small amount of corn to a private firm in Jamaica. Latin America's share of the total annual budget has ranged from one percent to 13 percent since 1954, and averaged about six percent over this time span.

As has been indicated to overseas posts in several circular cables, the PL 480 situation at present is very bleak. The amounts of those commodities which would normally be shipped to Latin America are in short supply. Under existing PL 480 legislation, these commodities can be made available under PL 480 programs only after it is assured that adequate amounts are available to meet domestic requirements, adequate carryover, and anticipated

commercial exports. Projections of FY 1974 availabilities for these commodities, based on current information, indicate drastic reductions will be required not only in Latin America but also worldwide.

Since 1967, all agreements with Latin American countries have been for dollar credit or, in rare cases, convertible local currency credit. Prior to 1967, many of the agreements provided for repayment in local currency.

Administration of the program is complicated by the fact that it is shared among several agencies whose objectives are not always in accord. The authorization for PL 480 is considered by Congress as a part of the U. S. agricultural legislation and funds for the program are appropriated to the Department of Agriculture. Each proposed sales agreement is reviewed by the Interagency Staff Committee composed of representatives from the Office of Management and Budget, Department of Treasury, Department of Commerce, Department of Defense, Department of State (Economic Affairs), and the Agency for International Development (Office of Food for Peace). The committee is chaired by the Department of Agriculture. If this committee recommends a program, it is submitted to the National Advisory Council on International Monetary and Financial Policy for its approval. Following this approval, draft negotiating

instructions are sent to the U. S. Embassy in the recipient country and State and AID representatives negotiate and sign the agreement with the recipient government.

2. PL 480 Title II Program

Of critical importance in FY 1974 is the fact that budget availabilities for PL 480 Title II are very stringent. Some items, notably milk, will not even be programmed for Latin America and the rest of the world. This continues the significant decline in availabilities of Title II commodities from previous years. To meet this tighter situation, as well as to better program these resources, PL 480 Title II Guidelines for FY 1974 have redirected country program emphasis and place primary focus on the problem of improving nutrition. Thus, the new guidelines place primary emphasis on maternal and child health (MCH) programs, particularly pregnant and lactating mothers and, where possible, children up to the age of three, in order to focus resources on the most vulnerable groups. Funding for new food-for-work projects will receive second consideration to well-conceived MCH programs, except in those least developed countries where the food-for work supplies are to be combined with other AID resources in carrying out development projects, or where Title II food-for-work is the major U. S. assistance to the recipients.

School-feeding programs are henceforth to receive lower priority than MCH and emphasis is to be placed on phasing out school lunch programs and to increasing recipient government support. Because of budget constraints and increasing requirements for the most vulnerable groups, it is not likely that Title II inputs into school lunch programs can be increased.

PL 480 Title II commodities have declined considerably in recent years in absolute terms from \$79.5 million* in FY 1971, to \$67.9 million in FY 1972, to an estimated \$61.3 million for FY 1973. As in the case with PL 480 Title I, Title II availabilities are still uncertain, but current projections foresee a drastic reduction. As a percentage share of the worldwide total, Latin America's share has declined slightly from 26.4 percent in FY 1971, to 21.2 percent in FY 1972 (excluding Bangladesh), and to 20.9 percent estimated for FY 1973.

Title II commodities reach 28 Latin American countries, including two dependencies (Montserrat and British Honduras) and seven East Caribbean mini-states. In a given country the commodities may be channelled through as many as three different entities: through Voluntary Agencies, directly on a Government-to-Government basis, or through the World Food Program. The estimated FY 1973 totals for Latin America for each of these channels are \$26.7 million, \$6.0 million, and \$9.8 million, respectively.

* All figures are in CCC value Shipping Levels

PL 480 TITLE I SHIPMENTS FOR LATIN AMERICA

	<u>Market Value</u>	<u>CCC Cost</u>		
	<u>FY 1971</u> \$ Million	<u>FY 1972</u> <u>(Est.)</u> \$ Million	<u>FY 1973</u> <u>(Est.)</u> \$ Million	<u>FY 1974</u> <u>(Request)</u> \$ Million
BOLIVIA	0.0	4.1	5.7	6.9
BRAZIL	21.4	1.1	-	-
COLOMBIA	7.0	5.5	8.7	8.7
DOMINICAN REPUBLIC	8.3	13.0	10.0	7.0
ECUADOR	-	4.9	7.4	4.4
GUYANA	0.3	-	0.3	0.3
HAITI	-	-	-	1.0
JAMAICA	-	0.5	-	1.5
PARAGUAY	2.7	1.7	-	2.0
URUGUAY	1.4	-	13.2	4.7
LA TOTAL	41.1	30.9	45.3	36.5

TOTAL PL 480 TITLE II SHIPPING LEVELS
FOR LATIN AMERICA (\$000)

	<u>FY 1971</u>	<u>FY 1972</u>	<u>FY 1973</u> <u>(Estimated)</u>
BOLIVIA	2,219	2,540	3,203
BRAZIL	25,121	12,733	10,661
CHILE	9,071	4,936	3,756
COLOMBIA	14,885	14,315	10,004
COSTA RICA	753	1,248	1,189
DOMINICAN REPUBLIC	7,681	6,840	5,053
ECUADOR	1,953	2,436	3,325
EL SALVADOR	1,840	1,565	1,171
GUATEMALA	2,210	3,423	3,316
GUYANA	154	343	--
HAITI	1,823	1,787	1,554
HONDURAS	1,006	1,261	990
JAMAICA	1,845	1,700	2,005
NICARAGUA	351	1,000	3,728
PANAMA	606	1,218	1,062
PARAGUAY	1,342	1,065	1,826
PERU	5,383	5,440	6,198
URUGUAY	429	1,429	392
VENEZUELA	--	1,436	864
BARBADOS	38	72	173
BRITISH HONDURAS	154	253	195
CARIBBEAN REGIONAL	533	633	366
TRINIDAD AND TOBAGO	159	152	99
<u>TOTAL</u>	<u>79,538</u>	<u>67,875</u>	<u>60,159</u>
WORLD-WIDE TOTAL	302,800	403,741*	294,000

* Includes Bangladesh - \$83,000,000.

H. Latin American Housing

Introduction: The housing gap in Latin America is so great -- more than 20 million dwelling units and growing by at least one million units a year -- that external assistance can hardly scratch the surface. Nevertheless, because housing is a concomitant of economic growth and because of socio-political expectations, the Congress has repeatedly stressed the need for assistance, and AID and its predecessors have provided technical and financial assistance in this area.

While the total Latin American population grew from 120 million to more than 260 million between 1940 and 1970, the population concentrated in urban centers of at least 10,000 inhabitants grew from 30 to 130 million. The poor made up the greatest proportion of this population increase. They are evident in any major Latin American city in the "rings of misery" composed by peripheral squatter settlements.

AID direct dollar loans for housing total \$254 million. IDB has committed \$218 million for low-cost housing through the 100-percent U. S. funded Social Progress Trust Fund and over \$100 million from the Fund for Special Operations, which is approximately 80 percent U. S. financed. Investment Guaranty Authority which has been increased by successive Congresses since 1961 now amounts to \$550 million.

A major effort of AID has been to help create institutions which can generate local savings and channel them

into housing, thereby providing the long-term credit necessary to a private enterprise solution to Latin America's middle-income housing problems. As a result of AID assistance, eleven countries have savings and loan legislation with net savings of \$700 million, \$990 million of home mortgages have been issued and 190,000 homes financed. Now we are providing assistance for secondary markets for home mortgages and home loans to Jamaica, the Caribbean Development Bank and the Central American Bank for Economic Integration for that purpose.

Another major effort of AID is the fostering of private enterprise institutions in the form of housing cooperatives. AID has been assisting with both technical and some financial assistance. The emphasis has been on development of national technical assistance organizations.

Recognizing the growing problems of the exploding urban centers and that housing must be considered in the context of urban development, the Latin America Bureau has been taking the lead in stimulating urban planning and consideration of the concepts of urban development. AID's involvement is expected to grow as the Latin American countries pay greater attention to the problem and the requests for technical assistance increase.

Insufficient attention is being paid low income families. The Latin America Bureau is, therefore, advancing the concept of "sites and services" and "core" housing programs and we are developing cooperative approaches to minimum shelter.

Housing Cooperatives

Since 1961, Congress has repeatedly directed assistance to housing cooperatives as a means of utilizing private enterprise to produce housing (Section 601 of FAA) and as a Title IX type tool. Latin America is peculiarly susceptible to this approach because of the history of housing cooperatives. Considerable numbers of housing cooperatives have existed in Latin America for some time. However, they have lacked the financial resources and technical know-how with which to develop their real potential.

The Latin America Bureau has been assisting the development of housing cooperatives, and more particularly national technical institutions (TSOs) to provide assistance to housing cooperatives. Pursuant to a contract with the Foundation for Cooperative Housing (a U. S. non-profit organization which has helped develop over \$750 million of cooperative housing in the United States), feasibility studies have been made in fourteen Latin American countries -- over 2,500 Latin Americans have received training -- advice and counsel have been provided in developing loan recommendations for financial assistance with either dollar or local currency funds -- and federations of housing cooperatives and technical service organizations have been created in seven countries.

The emphasis is on institution building. Institution building is a time-consuming activity. The actual amount of cooperative housing produced so far has been small because of the lack of financial resources either locally available or provided by external sources. Dollar loans totalling \$9.5 million for cooperative housing have been made by the Latin America Bureau in only Honduras, Jamaica and Panama but the IDB has included cooperative housing in some of its loans. Local currency has been made available by AID in Brazil and Colombia and investment guarantee funds have been earmarked for Colombia, Honduras, Jamaica and Venezuela.

An AID Task Force has now recommended a concentration on the use of cooperative techniques in the provision of shelter for low income families. On AID's behalf, FCH is presently studying the possibilities of "sites and services" or "shell" or "core" housing programs and the orientation of TSOs toward that income level.

Savings and Loan Associations -- Example of Institution Building and Capital Generations

The need of the middle income family for the acquisition of a house is long-term mortgage credit at reasonable interest rates and down payments. This demands institutions designed to attract savings and lend those savings on home mortgages. The Latin America Bureau's role has been technical assistance in the writing of legislation and implementation of that legislation and "seed" capital loans to absorb some of the initial costs and permit early lending activity.

The Latin America Bureau has made 15 such loans to 11 countries: Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Nicaragua, Panama, Paraguay, Peru and Venezuela. The first such loan was in 1961 to Chile. These total \$69.5 million of the \$254 million loaned for housing in the past 12 years. In addition, the LA Bureau has made a grant of \$5 million to Chile, local currency loans to Bolivia of \$2.2 million, a \$10 million to CABEI, part of which is being made available to savings and loan associations in Central America and \$10 million each to Jamaica and the Caribbean Development Bank for secondary markets to serve local home credit institutions. IDB has made four loans totalling approximately \$15 million to savings and loan systems and the AID investment guarantee program has channelled some of its guaranteed loans through these systems earmarked for specific projects or for general relending. Host-country contributions approximate \$50 million.

In the 11 countries assisted by LA with "seed" capital, the record is as follows:

Associations	110
Savers	1,600,000
Net savings	\$700,000,000
Homes financed	190,000
Amount of loans	\$990,000,000

Latin American Housing Guaranties

The AID Office of Housing (SER/H), a centralized office under the Assistant Administrator for Program and Management

Services, is responsible for the administration of the Housing Guaranty Program and other housing and urban development activities throughout the developing world. For the Latin American region the responsibility of SER/H is confined solely to housing guaranty matters.

The AID Housing Guaranty Program provides a full faith and credit guaranty of the U. S. government, principal and interest, for U. S. lenders investing in housing and home finance projects in the developing countries. Until August 1970, the program was largely confined to Latin America, but since that time numerous projects are also under development in other areas. Nevertheless, the largest amount of HG Congressional authorization (\$550 million out of a total \$780 million) is for Latin America.

The program operates in two basic ways:

1. Negotiated Projects

AID will negotiate with public or private non-profit institutions such as savings and loan associations, housing cooperatives, mortgage banks, trade unions and others on housing finance proposals which meet the private home ownership needs of the middle and lower-middle income home buyer. The primary aim of the Housing Guaranty Program is to promote the private enterprise sector and build institutions to encourage channeling more and more local capital into the developing countries' housing market and thus eventually to do away with the dependence upon foreign financing. The

nature of negotiated projects virtually assures a host-government dollar repayment guaranty thereby reducing the contingent liability of the U. S.

2. Competitive Program

When programs are opened in specific countries AID solicits applications from private sponsors and guarantees the U. S. financing for those judged most responsive to the special needs of the country.

Sponsors are asked to include in their applications details on the location, plans, technical specifications and estimates, sale prices of the houses to be built, as well as on the availability of adequate shopping, educational and community facilities.

Once a project has been authorized to receive an investment guaranty, a local financial institution is selected to serve as administrator. The fee earned and the savers attracted in this manner serve to increase the growth and stability of the institutions. As in the negotiated projects, the successful competitive applicant first obtains AID's commitment to guaranty long-term financing before beginning discussions with AID approved U. S. investors. Finally, a contract is signed between AID, the sponsor, the investor, the builder (if sponsor is not the builder) and the local administrator.

JAPAN AMERICA FOUNDED COLLEGE AUTHORIZATIONS
 FY 1963 thru FY 1974
 \$ Millions

	<u>Cumulative</u> <u>1963 to 1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>Cumulative Total</u> <u>1963 to 1973</u>	<u>Estimated</u> <u>1974</u>
Argentina	38.3	6.0	10.0	-	54.3	-
Bolivia	3.6	-	6.0	-	9.6	5.0
CARFI	10.0	-	11.0	-	21.0	20.0
Caribbean Islands	-	-	-	2.0	2.0	-
Chile	4.7	-	-	-	4.7	-
Colombia	26.9	-	-	-	26.9	10.0
Costa Rica	2.0	-	4.6	-	6.6	-
Dominican Republic	11.5	-	3.5	4.0	19.0	-
Ecuador	7.4	-	-	-	7.4	10.0
El Salvador	11.1	-	-	-	11.1	-
Guatemala	7.8	-	-	-	7.8	-
Guyana	6.0	-	-	-	6.0	-
Haiti	-	-	-	-	-	3.0
Honduras	8.4	2.2	-	-	10.6	1.8
Jamaica	14.4	-	1.2	10.0	25.6	10.0
Mexico	14.5	-	-	-	14.5	-
Nicaragua	10.9	-	-	40.0	50.9	-
Panama	10.5	2.0	3.5	9.0	25.0	-
Paraguay	-	-	-	-	-	4.0
Peru	17.8	28.3	-	-	46.1	-
Uruguay	-	-	-	-	-	5.0
Venezuela	<u>45.5</u>	<u>6.0</u>	<u>-</u>	<u>-</u>	<u>51.5</u>	<u>-</u>
TOTALS FOR FY	251.3	44.5	39.8	65.0	---	62.8
CUMULATIVE TOTALS	251.3	295.8	335.6	400.6	400.6	463.4

A.I.D. HOUSING LOANS
(\$ Millions)
By Fiscal Years

<u>COUNTRY</u>	<u>1961</u>	<u>1961-1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>Total</u>
Argentina	--	2.0	--	--	--	--	2.0
Bolivia	--	--	--	--	--	3.0	3.0
Chile	5.0*	13.7*	--	--	--	--	13.7
Colombia	--	19.5	11.0**	15.0**	5.2**	15.0**	65.7
Costa Rica	--	3.0	--	--	--	--	3.0
Dom. Rep.	--	7.1*	--	--	--	--	7.1
Ecuador	--	5.0*	--	--	--	--	5.0
El Salv.	--	6.1*	--	--	--	--	6.1
Honduras	--	2.4	--	--	--	--	2.4
Jamaica	--	2.8	10.0	--	--	--	12.8
Mexico	--	20.0	--	--	--	--	20.0
Nicaragua	--	3.7*	--	--	--	25.0	28.7
Panama	--	8.1***	--	15.0	--	--	23.1
Panama	--	3.0	--	--	--	--	3.0
Paraguay	--	--	2.1*	--	--	--	2.1
Peru	--	13.5*	3.0	15.0	--	--	31.5
Uruguay	--	6.0	--	--	--	--	6.0
Venezuela	5.0	45.0***	--	--	--	--	45.0
CABET	--	10.0	--	--	--	--	10.0
CDB	--	--	--	10.3	--	--	10.3
ROCAP	--	--	--	--	--	--	--
TOTALS	10.0	170.9	26.1	55.3	5.2	43.0	300.5

* Provided "seed capital" for savings and Loan
 ** Part of larger Urban/Regional Sector Loan
 *** Seed capital and Housing Loans

XI. LEGISLATIVE COMMITTEES AND LEGISLATION

A. Committee Jurisdictions

1. Authorizing Legislation

House Foreign Affairs Committee

Thomas E. Morgan, Pa., Chairman

Clement J. Zablocki, Wis.	Donald Riegle, Michigan
Wayne L. Hays, Ohio	William S. Mailliard, Calif.
L. H. Fountain, N. C.	Peter H.B. Frelinghuysen, N.J.
Dante B. Fascell, Fla.	William S. Broomfield, Mich.
Charles C. Diggs, Jr. Mich.	H. R. Gross, Iowa
Robert N. C. Nix, Pa.	Edward J. Derwinski, Ill.
Donald M. Fraser, Minn.	Vernon W. Thomson, Wisconsin
Benjamin S. Rosenthal, N.Y.	Paul Findley, Illinois
John C. Culver, Iowa	John H. Buchanan, Jr., Ala.
Lee H. Hamilton, Indiana	J. Herbert Burke, Fla.
Abraham Kazen, Jr., Tex.	Guy Vander Jagt, Michigan
Lester L. Wolff, N.Y.	Robert H. Steele, Conn.
Jonathan B. Bingham, N.Y.	Pierre S. du Pont, Delaware
Gus Yatron, Pa.	Charles W. Whalen, Jr. Ohio
Roy A. Taylor, N. C.	Robert B. (Bob) Mathias, Calif.
John W. Davis, Ga.	Edward G. Biester, Jr., Pa.
Ogden R. Reid, N. Y.	Larry Winn, Jr., Kansas
Michael Harrington, Mass.	Benjamin A. Gilman, N.Y.
Leo J. Ryan, Calif.	Tennyson Guyer, Ohio
Charles Wilson, Texas	

Subcommittee on Inter-American Affairs

Dante B. Fascell, Fla., Chairman

Abraham Kazen, Jr., Tex.	Robert H. Steele, Conn.
Benjamin S. Rosenthal, N.Y.	H. R. Gross, Iowa
Roy A. Taylor, N. C.	Peter H.B. Frelinghuysen, N.J.
Michael Harrington, Mass.	Charles W. Whalen, Jr., Ohio

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Senate Foreign Relations Committee

J.W. Fulbright, Ark., Chairman

John J. Sparkman, Ala.	George D. Aiken, Vt.
Michael J. Mansfield, Mont.	Clifford P. Case, N.J.
Frank Church, Idaho	Jacob K. Javits, N. Y.
Stuart Symington, Mo.	Hugh Scott, Pa.
Claiborne Pell, R. I.	James B. Pearson, Kan.
Gale W. McGee, Wyo.	Charles R. Percy, Ill.
Edmund S. Muskie, Maine	Robert P. Griffin, Mich.
George McGovern, S. Dak.	
Hubert H. Humphrey, Minn.	

Subcommittee on Western Hemisphere Affairs

Gale W. McGee, Wyo., Chairman

John J. Sparkman, Ala.	George D. Aiken, Vt.
Michael J. Mansfield, Mont.	Clifford P. Case, N. J.
Frank Church, Idaho	Jacob K. Javits, N. Y.
Edmund S. Muskie, Maine	Hugh Scott, Pa.
Hubert H. Humphrey, Minn.	Robert P. Griffin, Mich.

2. Appropriations

House Appropriations Subcommittee on Foreign Operations

Otto E. Passman, La., Chairman

John J. Rooney, N.Y.	Sidney Yates, Ill.
Clarence D. Long, Md.	Garner Shriver, Kan.
Edward R. Roybal, Calif.	Clarence E. Miller, Ohio
Tom Bevill, Ala.	Silvio O. Conte, Mass.
Edward J. Roush, Ind.	Lawrence Coughlin, Pa.

Senate Appropriations Subcommittee on Foreign Operations

Daniel K. Inouye, Hawaii, Charman

William W. Proxmire, Wis.	Edward W. Brooke, Mass.
Gale McGee, Wyo.	Mark O. Hatfield, Ore.
John L. McClellan, Ark.	Charles M. Mathias, Md.
Lawton M. Chiles, Fla.	

B. Restrictive Amendments

The following is a list of the statutory limitations which could affect our assistance to Latin America under the Foreign Assistance Act. All bracketed references in such list are to sections of the Foreign Assistance Act of 1961, as amended, unless otherwise indicated.

1. General Prohibitions Against the Furnishing of Assistance

a. No assistance can be furnished to:

- (1) the present government of Cuba [620(a)];
- (2) any country which has failed to take appropriate steps to prevent ships or planes of its registry from transporting goods to or from Cuba [620(a)(3)];
- (3) any country with respect to which a Presidential determination has not been made that such country is not dominated or controlled by the international communist movement [620(b)];
- (4) any country which sells, or permits ships of its registry to transport, goods to North Vietnam [620(n)];
- (5) any communist country (waivable upon a finding that (i) the furnishing of assistance to such country

is vital to the national security, (ii) the country to be assisted is not controlled by "the international communist conspiracy," and (iii) the assistance will promote the independence of the country from Communism § 620(f);

(6) any country engaged in or preparing aggressive military activities against, or which participates in an international conference planning insurrection or subversion against, the U.S. or a nation receiving assistance from the U.S. (not waivable) § 620(i);

(7) any country owing an uncontested debt to a U.S. citizen (waivable upon a determination that the continuance of assistance to such a country is in the national security interest) § 620(c);

(8) any country which has expropriated property owned by a U.S. citizen (including an entity 50% or more beneficially owned by U.S. citizens), imposed discriminatory taxes or conditions on property owned by a U.S. citizen (or entity as defined) of a confiscatory nature, or repudiates contracts with a U.S. citizen (or entity as defined), if such country does not take appropriate steps within 6 months after such expropriation, repudiation, or imposition to

discharge its obligations to the U.S. citizen under international law (not waivable) § 620(e);

(9) any country which is in default for more than 6 months in the payment of principal or interest under any loan made to such country under the Foreign Assistance Act (waivable upon a determination that the furnishing of assistance to such country is in the national interest) § 620(q);

(10) any country which has broken diplomatic relations with the United States and not resumed such relations § 620(t);

(11) any country which the President determines has failed to take adequate steps to halt illegal drug traffic § 481;

(12) any country which has used monetary assistance under the FAA to compensate owners of expropriated property and has not reimbursed the U.S. for the amounts so used § 620(g);

(13) Ecuador, with funds from current appropriations, unless the President determined that the furnishing of such assistance is important to the U.S. national

a fine upon U.S. vessels fishing in international waters
§ 620(o);

c. An amount is to be withheld from assistance to a country, equal to the amount that owners of U.S. fishing vessels have been reimbursed under the Fisherman's Protective Act by the U.S. for fines or penalties imposed, or inflicted, on such owners by such countries in connection with fishing activities in international waters, and any amount so withheld is to be transferred from A.I.D. funds to the Fisherman's Protective Fund from which reimbursement to owners is made. (Waivable by the President upon "national interest" determination)(Fisherman's Protective Act)

d. Other limitations on furnishing assistance:

(1) without express approval of Congress, no assistance shall be furnished to any country for construction of a productive enterprise with respect to which the aggregate value of U.S. assistance will exceed \$100,000,000 (not waivable) § 620(k);

(2) except as provided in Section 506, no military assistance will be furnished to any country for carrying out any program with respect to which the

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aggregate U.S. assistance will exceed \$100,000,000 unless such program has been included in a presentation to Congress (not waivable) § 620(k);

(3) no assistance can be furnished for construction or operation of a constructive enterprise which would compete with U.S. enterprise unless the recipient country agrees to prevent the exportation to the U.S. of more than 20% of the annual production of such enterprise (waivable upon a finding that a waiver is in the national security interest) § 620(d);

(4) no monetary assistance can be made available to a country for the compensation of owners of expropriated property § 620(g);

(5) no assistance can be furnished on a grant basis to an economically developed nation capable of sustaining its own defense burden and economic growth § 620(m).

2. General Provisions Restricting the Use of Funds Appropriated for Carrying out the Foreign Assistance Act:

a. Flood control, reclamation, and other water resource programs must meet standards used in determining

feasibility of such programs in the United States 611(b);
Appropriations Act, section 1017;

b. Except for contingency funds, Alliance for Progress development loan funds, and Development Loan funds, not more than 20% of any appropriated item may be obligated or reserved in the last month of availability Appropriations Act, section 1037;

c. Appropriated funds and counterpart funds generated as a result of assistance may not be used to pay pensions to members of armed forces of a recipient country Appropriations Act, section 1047;

d. Funds may not be used to make payment of any contract for procurement which does not contain a provision permitting the U.S. to terminate for convenience of the U.S. Appropriations Act, section 1057;

e. Funds may not be used to pay any assessment, arrearages or dues for any member of the U.S. Appropriations Act, section 1097;

f. No funds may be used to make payments with respect to any capital project where the U.S. has not approved the terms of contracts and the firms to provide engineering services, procurement, and construction services

on the project Appropriations Act, section 106;

g. Not more than \$9,000,000 may be used during FY 73 for Development research Appropriations Act, section 107;

h. Procurement may be made outside U.S. only upon a determination that such procurement will not have adverse effects on U.S. economy off setting advantages to be gained from lower cost of offshore procurement 604(a);

i. No offshore bulk procurement permitted at prices higher than prevailing U.S. prices after adjustments for differences in cost of transportation, quality and payment terms 604(b);

j. Funds appropriated for technical assistance, international organizations and programs, and supporting assistance may not be used to initiate any project or activity which has not been justified to the Congress Appropriations Act.

ANNEX

HISTORICAL SEQUENCE OF ASSISTANT SECRETARIES,
ALLIANCE COORDINATORS, ETC.

July 1941- Dec. 1944	Coordinator of Inter- American Affairs	Nelson A. Rockefeller
Dec. 1944- 1945	Assistant Secretary of State for American Republics Affairs	Nelson A. Rockefeller
1945-1947	"	Spruille Braden
1948	" (Acting)	Norman Armour
1949-1952	Assistant Secretary of State for American Republics Affairs and Assistant Secre- tary of State for Inter- American Affairs	Edward G. Miller, Jr.
1953-1954	Assistant Secretary of State for Inter-American Affairs	John M. Cabot
1954-1957	"	Henry F. Holland
1957-1960	"	Roy R. Rubottom, Jr.
1960-Apr. 1961	"	Thomas C. Mann
Apr.-July 1961	"	Vacant
July 1961- 1962	"	Robert F. Woodward
Nov.1961- Jan.1964	U.S. Coordinator, Alliance for Progress (AA/LA)	Teodoro Moscoso
1962-1963	Assistant Secretary of State for Inter-American Affairs	Edwin M. Martin
Aug.1963- July 1965	Deputy U.S. Coordinator, Alliance for Progress and Deputy Assistant Adminis- trator (AA/LA)	William D. Rogers

Jan.1964- Mar.1965	Assistant Secretary of State for Inter-American Affairs; Special Assistant to the President; <u>and</u> U.S. Coordinator, Alliance for Progress	Thomas C. Mann
July 1965- Aug.1967	Deputy U.S. Coordinator, Alliance for Progress <u>and</u> Deputy Assistant Administrator (AA/LA)	David Bronheim
Mar.1965- 1966	Assistant Secretary of State for Inter-American Affairs <u>and</u> U.S. Coordinator, Alliance for Progress	Jack Hood Vaughn
1966-June 1967	Assistant Secretary of State for Inter-American Affairs	Lincoln Gordon
June 1967. Dec. 1968	Assistant Secretary of State for Inter-American Affairs <u>and</u> U.S. Coordinator, Alliance for Progress	Covey T. Oliver
Aug.1967- May 1970	Deputy U.S. Coordinator, Alliance for Progress	James R. Fowler
Mar.1969- Mar.1973	Assistant Secretary of State for Inter-American Affairs <u>and</u> U.S. Coordinator, Alliance for Progress	Charles A. Meyer
June 1970- Present	Deputy U.S. Coordinator, Alliance for Progress	Herman Kleine
Sept.1971- Present	Second title added: Assistant Administrator (AA/LA)	Herman Kleine
May 1973- Present	Assistant Secretary of State for Inter-American Affairs <u>and</u> U.S. Coordinator, Alliance for Progress	Jack B. Kubisch