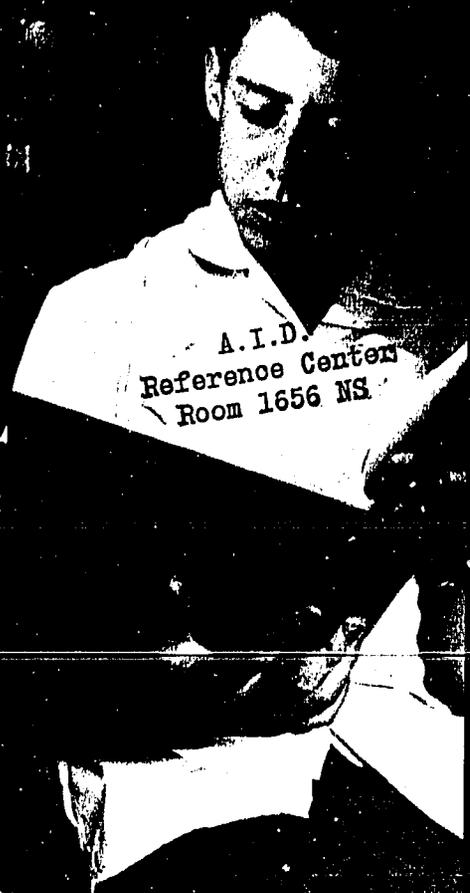


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TOWARD A DECADE OF PROGRESS

1969
YEAR-END
REVIEW
OF THE
ALLIANCE
FOR
PROGRESS





Training for modern industry -- This young Brazilian is learning how to operate a large lathe for metal working. Free training is provided through cooperation of Brazilian industrial concerns, the Governments of Brazil and the United States and the Inter-American Development Bank.

Cover Photo: Light to Learn By -- Rural electrification, as part of the agrarian reform program in Colombia, helps this farmer's son to study at night.

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ACTION FOR PROGRESS

The year 1969 was marked by preparing for a decade of action, with reaffirmation of the U.S. desire to cooperate and participate in development efforts of the Western Hemisphere. Development moved forward.

Shortly after taking office, President Richard M. Nixon asked Governor Nelson Rockefeller to undertake a mission to Latin America. The object of the mission was to gather information that would help the new administration develop policies for the conduct of relations with the other American republics.

Addressing the Council of the Organization of American States on April 14, President Nixon said:

"Simon Bolivar said 150 years ago that the 'freedom of the New World is the hope of the universe.' That was true then. I believe it is even more true today.

"But then we have to make this freedom in the New World something which can be more meaningful to the millions of people not only in America, but in all the countries of this Hemisphere so that there will be hope where there is now despair, so that there will be opportunity where there is now no chance for millions who simply want a chance, a chance not to receive but a chance simply on their own to make their own contribution both to their own welfare and to their country's welfare."

On June 20, Assistant Secretary of State for Inter-American Affairs Charles A. Meyer, speaking to the Sixth Meeting of the Inter-American Economic and Social Council, announced the discontinuance of "additionality" requirements to U.S. assistance.

In a talk to the Inter-American Press Association on October 31, President Nixon said:

"...we have joined in an Alliance for Progress, whose principles still guide us. Now I suggest our goal for the 70's should be a decade of Action for Progress for the Americas."

The President had told the assembly:

"I offer no grandiose promises and no panaceas.

"I do offer action.

"The actions I propose represent a new approach, based on five principles:

"First, a firm commitment to the inter-American system and to the compacts which bind us in that system -- as exemplified by the Organization of American States and by the principles so nobly set forth in its charter.

"Second, respect for national identity and national dignity, in a partnership in which rights and responsibilities are shared by a community of independent states.

"Third, a firm commitment to continued U.S. assistance for Hemisphere development.

"Fourth, a belief that the principal future pattern of this assistance must be U.S. support for Latin American initiatives, and that this can best be achieved on a multi-lateral basis within the inter-American system.

"Fifth, a dedication to improving the quality of life in the Western Hemisphere -- to making people the center of our concerns and to helping meet their economic, social and human needs."

On November 10 President Nixon announced that if a liberal world-wide system of general trade preferences is not established, the United States will take special action to assure that the American nations will have preferential access to the U.S. market.

ECONOMIC INTEGRATION

The economic and physical integration of Latin America to accelerate economic, social and cultural development are key goals of the Alliance for Progress. The need for hemispheric integration as a major objective was emphasized by the Presidents of America at their 1967 Summit Meeting. The year 1969 saw some movement towards those goals.

Latin American Free Trade Association

1969 was a year of re-evaluation and reappraisal for the Latin American Free Trade Association (LAFTA). The events of 1969 provide evidence that LAFTA is a going concern and that its members are committed to Latin American economic integration, though at a somewhat slower pace than that provided for in the Summit declarations.

During 1969 the 526 new national list tariff concessions negotiated in late 1968 went into effect, bringing total concessions to nearly 11,000 since the founding of LAFTA in 1961. Two new complementation agreements were signed -- in the glass and electrical generating equipment sectors -- bringing total complementation agreements to nine. Another significant development was the meeting of representatives of Central Banks of the LAFTA countries in Santo Domingo in October, which resulted in a new multilateral credit arrangement. This new arrangement supplements a 1965 agreement, which established a limited (basically bilateral) clearing mechanism within the region by creating additional lines of credit totaling \$30 million. These lines of credit are automatically extended -- under certain conditions and within prescribed limits -- by members experiencing improvements in their zonal accounts to members whose zonal balances deteriorate.

At their Ninth Annual Meeting in December 1969, the LAFTA members approved the "Protocol of Caracas," which provides that the period of formation of the free trade area be extended from 1974 until 1980.

Table 1.

LAFTA

A. Population and GNP

<u>Members</u>	<u>Population - 1969</u> (000,000)	<u>GNP - 1968</u> (\$000,000)
Argentina	23.8	\$16,275
Bolivia	4.5	804
Brazil	90.9	32,900
Chile	9.4	5,820
Colombia	20.5	6,100
Ecuador	5.9	1,475
Mexico	48.9	26,740
Paraguay	2.3	498
Peru	13.0	4,220
Uruguay	2.9	1,542
Venezuela	10.0	9,110
Total	232.1	\$105,484

Source: AID Data Book

* * *

B. Total and Intrazonal Imports 1961 - 1968 ^{1/}

<u>Year</u>	<u>Total Imports</u> ^{2/}	<u>Intrazonal Imports</u> ^{2/} (\$000,000)	<u>Percent</u>
1961	\$6,011.3	\$360.2	6.0
1962	5,930.9	420.1	7.1
1963	5,745.6	525.1	9.1
1964	5,995.8	644.4	10.7
1965	6,015.6	772.5	12.8
1966	6,887.9	784.6	11.4
1967	7,054.1	763.4	10.8
1968 (Est.)	7,833.7	847.7	10.8

^{1/} Does not include data for Bolivia or Venezuela.

^{2/} CIF.

Source: LAFTA "Sintesis Mensual" and IMF "Direction of Trade".

The Protocol is an amendment to the Treaty of Montevideo, which established LAFTA, and will require ratification by all member countries.

The time from now through 1974 will be utilized to study possible modifications in the trade liberalization program and a possible new starting date for a Latin American common market.

A computer, which was presented to LAFTA by AID to help in the analysis of trade flows and tariff concessions, will be in operation in 1970.

The Caribbean Free Trade Association

The Caribbean Free Trade Association (CARIFTA) completed its first year on May 1, 1969. Under the agreement between eleven British Commonwealth nations and territories,^{1/} trade barriers are to be progressively lowered among the participating countries so that free trade in most products is achieved within five years for the relatively advanced members and in ten years for the less-developed members. Although little data is yet available on the impact of this treaty on Caribbean trade patterns, preliminary indications show that the larger countries, especially Jamaica, are increasing their sales to the smaller islands.

The Caribbean Development Bank is a mechanism designed to foment industrial development in the area and to spread the benefits of this process among the various members. The Bank, with an initial capitalization of \$50 million (\$30 million from its regional members and \$20 million from Canada and the United Kingdom), is to be formally established in early 1970.

1/ Jamaica, Barbados, Guyana, Trinidad and Tobago, Antigua, Dominica, Grenada, St. Lucia, St. Vincent, Montserrat, and St. Kitts-Nevis-Anguilla

The Andean Common Market

Perhaps the most exciting development in the Latin American integration movement during 1969 was the signing of the treaty establishing the Andean Common Market. The treaty, signed on May 26 in Bogota by Bolivia, Chile, Colombia, Peru and Ecuador, provides for, among other things, automatic tariff reductions, a common external tariff, joint industrial programming, harmonization of economic and social policies and preferential treatment for Bolivia and Ecuador. The members also are in the process of ratifying the statutes of the Andean Development Corporation, which will provide funds for the industrial development of the region.

The Andean Common Market is an official subregional group of LAFTA operating within the provisions of the Treaty of Montevideo. Its establishment represents an effort of sub-regional economies of South America to achieve measures which have proven difficult to achieve within the larger LAFTA context and stems from their desire to be able to deal with the larger countries (Argentina, Brazil and Mexico) on more equal footing. The implementation of the treaty will require considerable effort on the part of its members, as the number of commitments agreed to is considerable. If successful, however, it should provide a stimulus to the entire Latin American integration movement.

The Central American Common Market

1969 was a year of crisis for the Central American Common Market (CACM). The war between Honduras and El Salvador brought intra-CACM commerce to a standstill and the prolonged closing of the Pan American Highway to Honduran-Salvadorean trade has impeded the return to normalcy.

A meeting of foreign ministers was called in Washington and a cease-fire, supervised by OAS officials, was arranged. Then the Organization quickly swung into relief and rehabilitation operations, designed to care for refugees and to help rebuild the economies shattered by the conflict.

Table 2CACMA. POPULATION AND GNP

<u>Members</u>	<u>Population 1969 (000,000)</u>	<u>GNP 1968 (\$000,000)</u>
Costa Rica	1.7	734
El Salvador	3.3	930
Guatemala	5.2	1,500
Honduras	2.6	615
Nicaragua	1.9	697
Total	14.7	4,476

Source: AID Data Book.

* * *

B. TOTAL AND INTRAZONAL IMPORTS - 1960 - 1968

<u>Year</u>	<u>Total Imports (\$000,000)</u>	<u>(\$000,000)</u>	<u>Intrazonal Imports (Percent)</u>
1960	514.1	32.7	6.4
1961	495.8	36.8	7.4
1962	552.1	50.8	9.2
1963	652.6	72.1	11.0
1964	770.5	106.2	13.8
1965	889.3	135.5	15.2
1966	937.0	174.7	18.6
1967	1,030.4	214.0	20.8
1968	1,057.4	259.2	24.5

1/ CIF

Source: SIECA "Economic Indicators"

Intra-CACM trade continues to flow, although at a much reduced rate. Regional institutions continue to perform their functions and to plan for the future. A meeting of economic ministers is scheduled early in January 1970.

Latin American Common Market

The creation of a Latin American Common Market moved slowly forward in 1969.

The Joint Coordinating Committee charged with effecting a merger between the already existing LAFTA and CACM has not held meetings since its first reunion in October 1968. At that meeting, an elaborate work program was established, to be carried out by the secretariats of both LAFTA and CACM, encompassing studies of the nature of the process of the convergence of the two groups, the possibility of signing subregional and complementarity agreements between members of LAFTA or CACM and other Latin American nations, and the establishment of Latin American tariff preferences related to the degree of underdevelopment of the various countries. Work on these studies is progressing. A second meeting had originally been scheduled for the second half of 1969.

Before a Latin American Common Market can become a reality, the LAFTA and CACM members will have to agree on the approach they will take toward eliminating tariffs between them. At the present time, such an agreement is not in sight.

Under the timetable established at the 1967 Punta del Este meeting, a common market, based on the convergence of LAFTA and CACM, was to be created beginning in 1970 and to be substantially in operation by 1985. On the basis of progress so far, there is little likelihood this timetable will be adhered to.

Physical Integration

The Presidents at Punta del Este in 1967 recognized that advancement in the areas of transportation, communications, power and the joint development of international river basins

and frontier areas would facilitate the overall development and economic integration of the region. Work is under way by the Inter-American Development Bank (IDB) to provide support for pre-investment studies for physical infrastructure programs and projects as requested by member countries.

The most salient development in the physical integration field during 1969 was the signing of the River Plate Basin Treaty in April by Argentina, Bolivia, Brazil, Paraguay, and Uruguay. The treaty formally established an Intergovernmental Coordinating Committee designed to coordinate action on a program of multilateral and bilateral works to develop the region. The Committee's role in initiating action is limited, however, as it may act only after being expressly instructed to do so by a unanimous vote of the member nations.

Although the physical integration of Latin America has moved ahead, a great deal more remains to be done. Outstanding examples of physical integration projects already completed or now under construction include the Pan American Highway network and an area-wide telecommunications system.

Proposed legislation, now in the U.S. Congress and supported by President Nixon, will help finance construction of the last remaining link in the Pan American Highway through the so-called Darien Gap separating existing links in Panama and Colombia. All that remains to join North and South America is 249 miles, 199 in Panama and 50 in Colombia.

Bridging of the land barrier between the Andean and the CACM groups will be an important step toward bridging the economic and political gap between them as well -- and may give Panama, today not a member of either group, an opportunity for participation in the economic efforts of the nations of Central and South America.

THE ORGANIZATION OF AMERICAN STATES

The Alliance for Progress was established in 1961 through the mechanism of the OAS, and the new Economic Council of the reorganized OAS will play an important part in continuing Alliance activities.

The new OAS Charter, approved in 1967 and providing for the establishment of the Economic Council, moved one step closer to reality in 1969 with the ratification by Panama, making the total ratifications 13. Sixteen member states must ratify. In August, Jamaica, largest of former British island colonies of the Caribbean, became the 24th member state of the Organization.

Within the OAS significant steps were taken to reform the administrative structure of the world's oldest international political organization. A new Administration of Technical Cooperation was created to manage the development assistance programs of the Organization; a gradual shift of personnel from Washington to member states was begun; the various budgets of the Organization were consolidated and, for the first time, presented in one document with projections made for six years ahead.

In May the countries members of the Special Latin American Coordinating Committee met in Viña del Mar, Chile, and drafted a broad statement of their developmental needs, a document that came to be known as the Consensus of Viña del Mar. The Consensus was presented to President Nixon as an expression of the Latin American countries for changes they seek in the pattern of hemisphere trade and aid. This formed the central discussion topic at the June meeting of the Inter-American Economic and Social Council (IA-ECOSOC) in Port-of-Spain, Trinidad. The IA-ECOSOC created a Special Committee in which the United States and Latin America could begin discussions on the points contained in the consensus -- trade, transportation, financing and investment, social development and scientific and technological development. The Special Committee met in a two-week session in Washington in late November and scheduled further talks for January and February in Caracas, Venezuela.

CIAP

To prepare the Inter-American Committee on the Alliance for Progress (CIAP) for the expected increase in its responsibilities, the IA-ECOSOC in its June meeting in Port-of-Spain, Trinidad, authorized the number of members of the Committee to be increased from seven to ten. At a meeting of an IA-ECOSOC Special Committee in late November in Washington, it was recommended that both the CIAP and the Inter-American Development Bank be strengthened and given larger authority in the external financing of development. For the first time, CIAP in 1970 will conduct a review of the development programs of the United States as the principal coordinating body for economic and social development programs of Alliance countries.

Throughout the year, the CIAP re-enforced its ties with other international agencies in the development field. The Chairman of the Committee participated in the meetings of the Special Latin American Coordinating Committee (CECLA) and also engaged in high level conversations with members of the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD).

IDB financed 24 industrial projects in a \$3.7 million credit program.



INTER-AMERICAN DEVELOPMENT BANK

During 1969 total Bank lending amounted to about \$600 million. This is an increase of \$100 million over the Bank's previous record lending year -- 1967 -- when loans totaled \$496.4 million, and it is an increase of some \$170 million over the 1968 figure of \$430.8 million.

During the past year the Bank's member countries were scheduled to contribute an additional \$400 million in resources to the Fund for Special Operations. This represents the third and last installment in a \$1.2 billion increase authorized in the Fund's resources in 1967. The United States has contributed \$900 million of the total.

An indication of the Bank's loan distribution through September 30, 1969, expressed in millions of dollars, is shown in the following table:

Sector	Volume	Percent
Agriculture	\$ 815.2	25.9
Industry and Mining	558.4	17.7
Electric Power	430.5	13.7
Water and Sewage Systems	429.4	13.6
Transportation	360.8	11.5
Housing	322.8	10.2
Education	133.5	4.2
Preinvestment	61.5	2.0
Export Financing	<u>36.7</u>	<u>1.2</u>
TOTAL	\$3,148.8	100.0

During 1969 membership of the Bank was enlarged by the addition of Barbados and Jamaica as its twenty-second and twenty-third member nations.

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

World Bank Group commitments in Western Hemisphere countries reached \$500 million during Fiscal Year 1969, up from \$402 million in the previous year.

Lending for agriculture and education in Western Hemisphere countries received particular attention. Aid to agricultural projects totaled \$97 million, including a \$65 million loan for agricultural and livestock development in Mexico, the largest yet made by the Bank to a member country for the agricultural sector. Five of the 10 education projects financed by the Bank and IDA* during the year were located in Western Hemisphere countries: Colombia, El Salvador, Guatemala, Guyana and Trinidad and Tobago, which received \$31 million to build and equip secondary, technical and vocational schools as well as teachers' colleges.

Power development again received the largest share of all Bank and IDA lending in the Western Hemisphere: nearly \$200 million. Almost \$100 million, or over one-third of all Bank and IDA financing for transportation, went to five South American countries: Argentina, Brazil, Chile, Colombia and Venezuela.

*International Development Association



These farmers are cultivating their under-24-acre plot in a program to put 25,000 farmers in Mexico's agricultural economy, financed by a \$50 million IDB loan

EXPORT-IMPORT BANK

Export-Import Bank activities involving Latin American countries totaled \$721.4 million for the FY 1969. All of these finance the purchase of U.S. goods and services.

Of this there were 24 direct loans to Latin American countries totaling \$262.5 million. These included:

- 4 credits totaling \$27.2 million for nuclear power and electric power production to Argentina, Brazil, Mexico, and Venezuela;
- 3 credits totaling \$24.9 million to finance purchases of aircraft and other transportation equipment by Brazil, Colombia, and Paraguay;
- 3 credits totaling \$102 million for mining equipment for use in Chile, Guatemala, and Peru;
- 3 loans for cement plant equipment in Argentina and Mexico totaling \$12.9 million;
- 5 loans for chemical plant equipment in Brazil, Chile, and Colombia totaling \$37.4 million; and
- One loan for electric power generation in Jamaica for \$16 million.

Of the total authorizations for loans, guarantees, and insurance made by the Bank during FY 1969 for all areas, some 27 per cent were to Latin American countries.

U.S. ECONOMIC ASSISTANCE TO LATIN AMERICA

COMMITMENTS IN MILLIONS OF U.S. DOLLARS

FISCAL YEAR	A.I.D. #		EX-IM BANK	FOOD FOR FREEDOM	SPTF **	* OTHER ECONOMIC	TOTAL
	LOANS GRANTS	TOTAL					
1961	144 110	254	450	146	—	2	852
1962	358 120	478	63	128	226	120	1,015
1963	394 148	542	65	167	127	79	980
1964	511 92	603	168	297	42	83	1,193
1965	399 128	522	153	104	101	284	1,164
1966	505 132	637	134	188	24	288	1,271
1967	466 90	556	497	70	5	274	1,402
1968	414 82	496	301	228	5	329	1,359
1969 (PRELIM.)	248 78	326	289	137	2	326	1,080

SOURCE: AID STATISTICAL RESEARCH DIVISION

*INCLUDES PEACE CORPS, INTER-AMERICAN HIGHWAY AND U.S. CASH CONTRIBUTIONS TO THE I.D.B.

#NET COMMITMENTS AS OF NOVEMBER 1969

**SOCIAL PROGRESS TRUST FUND (INTER-AMERICAN DEVELOPMENT BANK)

***ASSISTANCE FROM OFFICIAL U.S. SOURCES

ECONOMIC ASSISTANCE TO LATIN AMERICA BY INTERNATIONAL AGENCIES AND (OTHER THAN U.S.) BILATERAL DONORS

COMMITMENTS IN MILLIONS OF U.S. DOLLARS

FISCAL YEAR	IDB (OC&FSO)	IBRD	IFC	IDA	UN AGENCIES	EEC	OECD (DAC)	
1961	66	131	3	27	39	4	86	356
1962	138	408	8	30	39	5	156	784
1963	184	123	10	11	42	7	205	582
1964	124	256	7	12	43	10	195	647
1965	238	208	10	19	55	9	231	770
1966	366	375	24	8	74	10	207	1,064
1967	445	271	12	2	48	7	189	974
1968	408	376	17	9	48 (EST.)	7 (EST.)	200 (EST.)	1,065
1969 (EST.)	495	550	22	10	48	7	200	1,332

SOURCE: SRD & LA/DP 3/69

ABBREVIATIONS EXPLAINED

IBD Inter-American Development Bank
 IBRD International Bank for Reconstruction and Development
 IFC International Finance Corporation
 IDA International Development Agency, an affiliate of IBRD
 EEC The European Economic Community
 OECD The Organization for Economic Cooperation and Development
 DAC Development Assistance Committee

DAC Countries are:
 Australia, Austria, Belgium
 Canada, Denmark, France,
 The Federal Republic of
 Germany, Switzerland, Italy,
 Japan, The Netherlands, Norway,
 Portugal, Sweden, Great Britain
 and the United States

NOTE: UN AGENCIES & DAC DATA ARE FOR CALENDAR YEARS
 DAC DATA ARE GROSS DISBURSEMENTS EXCLUDING U.S. FUNDS

AGRARIAN REFORM

Latin America's economy is largely agricultural, but only 36 percent of its 3,700 million acres of land is arable and less than one quarter of the arable land is actually farmed. Better utilization of these resources by modernizing agricultural procedures is now being sought by Latin American countries. Since the Punta del Este agreement in 1961 sixteen countries have enacted agrarian laws aimed at these objectives.

A solution is not a simple matter, such as breaking up big estates into little ones and transferring titles to the peasants. Many such attempts at land distribution have been unsuccessful because they have not met other basic needs such as credit, technical information, good seeds, favorable markets, roads, transportation facilities, irrigation, electric power, storage facilities, and most of all of trained and efficient management.

To date over one million families have benefitted from the new land tenure policies, but over five million rural families still remain landless.

AID assistance has been directed largely at facilitating -- upon request of Latin American countries -- a rational and orderly process of rural modernization. U.S. support has included:

- Assistance in the planning of agrarian modernization.
- Counseling on the legal aspects of modernization, including titling legislation and assistance in improving water-use laws.
- Aerial photography and cadastral surveys for accurate definition of land ownership -- needed for tax and resettlement purposes.
- Resource surveys to assess land capability potential.



Farm couple examining their own crop.



Credit supervisor giving technical assistance to farmer.



Children swimming in new irrigation canal.

AID has been helping a rural development program in Colombia through loans totaling over \$18.5 million.

Six and a half million acres of fertile land have been redistributed to campesinos – many of whom formerly worked as share croppers. In 1969 eighty thousand families were purchasing their own farms under the Colombian Government's program and the gross annual income of the average small farmer had increased from \$580 to \$1367 in the brief span of two years.

- Loans for land development and for extension of credit to small farmers.
- Agrarian research through the University of Wisconsin Land Tenure Center and the Inter-American Committee for Agricultural Development (CIDA).
- Training of agrarian specialists through the Wisconsin Land Tenure Center and the OAS-sponsored Inter-American Center for Agrarian Reform in Bogota.

Over \$202.6 million in AID loan assistance has been made available to Latin American nations to help new settlers with needed credit and housing.

Multilateral technical assistance has been provided for Latin American agricultural reform by the United Nations Food and Agriculture Organization, the International Institute of Agricultural Sciences and the Inter-American Development Bank. Other bilateral assistance has been provided by Italy, Belgium, Holland, Israel, Japan and the Netherlands.

Irrigation now means lush crops later.



AGRICULTURE

On the whole 1969 has been a good year for all agricultural production. The harvest of some commodities is reaching record levels.

Preliminary United States Department of Agriculture (USDA) forecasts indicate significant recovery in food and agricultural production of the Latin American countries (excluding Cuba) following the 1968 slight decline. Food and agricultural production for 1969 is expected to rise.

Improved growing conditions resulted in a sharp recovery for agriculture in the Caribbean and Central Andes (Ecuador, Peru) hit by a severe 1968 drought. Improved moisture also increased yields of early harvested 1969 crops in other South American countries; although dry, hot weather adversely affected some later harvests. 1969 agricultural output in Argentina and Brazil was estimated well above reduced 1968 levels. Colombia's production is expected to exceed the 1968 record, reflecting strong programs to expand and diversify exports.

However, unusually dry weather resulted in a sharp reduction in Chile's 1968 production and is expected to retard production in 1969. Expansion in Central American production was restricted to near the 1968 level by serious wind and floods from the September hurricane "Francella" which seriously damaged bananas and some late crops.

A reduction in world cotton prices in late 1968 encouraged some cut-back in 1969 cotton plantings in Mexico and Central America. Brazil's 1969 coffee harvest was up significantly but July frost damage is expected to affect the 1970 crop unfavorably.

FOOD

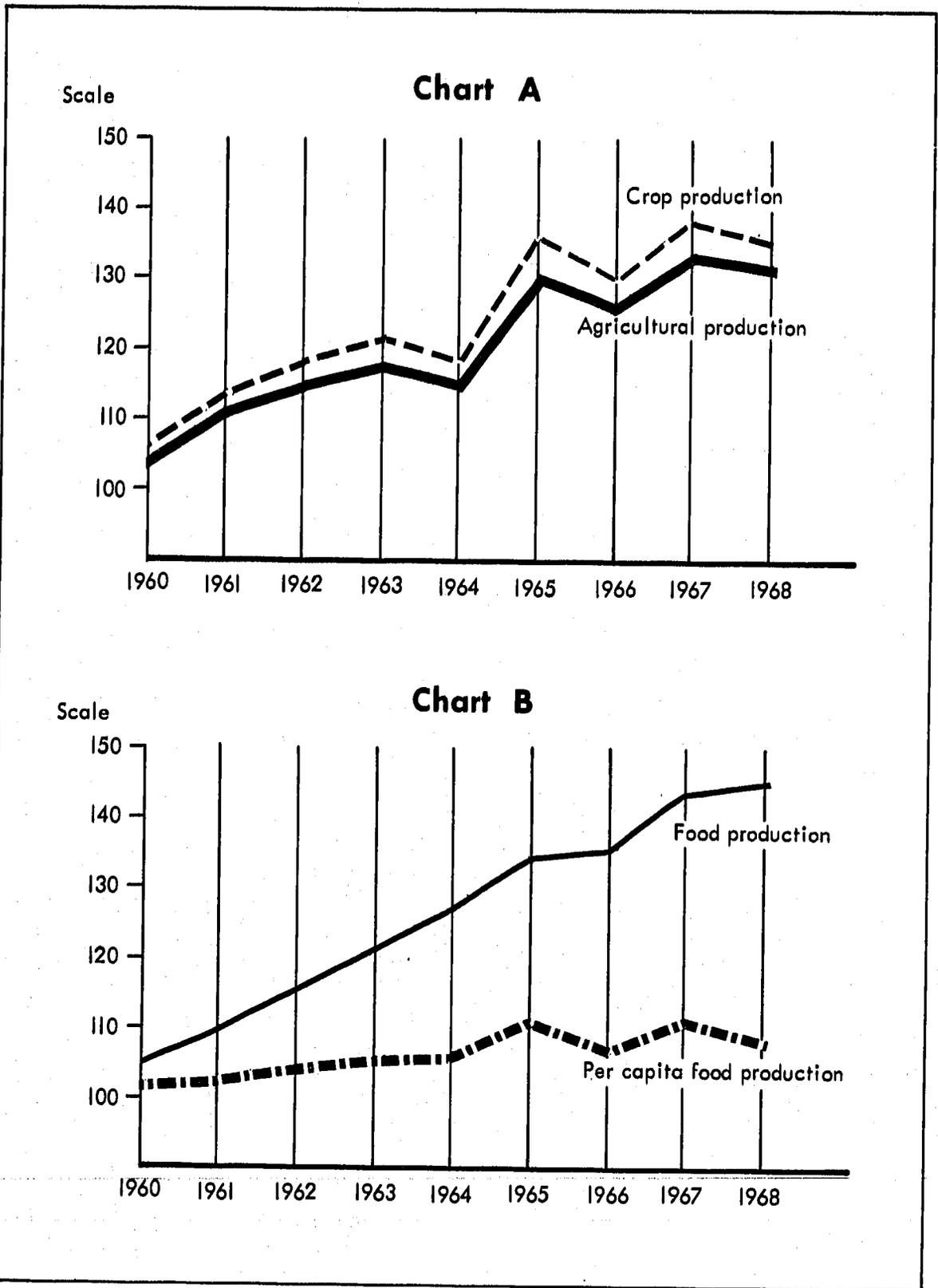
Food Production

Indexes of total food production in Latin America rose from 105 (base period 1957-59) to 145 (preliminary) in 1969. While per capita food production for the 1960-69 period did not rise as much, it did rise from 99 to 106 (preliminary).

Indications for a larger wheat harvest in Mexico and Brazil combined with other production prognostications were high enough to anticipate a reduction of food imports by Latin American countries during late 1969 and early 1970. Supporting this conclusion is the fact that when completed, the harvest of a larger rice crop in Brazil, Ecuador, Peru and the Dominican Republic will more than offset smaller harvests in Chile, Guyana and Venezuela. Although corn production in Brazil and Mexico was lower than in 1968, this was offset by production of substitute crops and the production in other countries. For example, better than average growing conditions in Bolivia, Venezuela, Ecuador, Guyana and Uruguay during 1969, along with early harvest reports, indicate yields greater in 1969 than in 1968 for crops in general. At the same time a higher support price encouraged a considerable increase in production of corn while cotton and rice production continued in their upward trend. However, barley and some of the corn plantings replaced some wheat and led to a smaller than average harvest of that crop.

Production trends indicate a continued increase in the production and consumption of meat in Latin American countries. Commercial poultry production in the Dominican Republic, Paraguay and several other countries is increasing rapidly. Early reports from Mexico, Argentina and Brazil indicate up to a ten percent increase in the production of beef and veal.

INDEXES OF PRODUCTION



In FY 1969, commodities valued at more than \$141.02 million were authorized through Food for Peace programs in Latin America, contributing further to the benefits already reaching 19 million people.

Sales agreements totaling more than \$63 million were signed with Latin American countries under Title I of Public Law 480, the Food Assistance Act. Title I provides for U.S. Government financing of U.S. agricultural commodities for both local currency and dollar credit terms where the countries engage in self-help development activities. All of the agreements signed with Latin American countries in 1969 were on dollar credit terms -- the largest being for \$32.33 million with Chile.

The vast majority of the foodstuffs were distributed under the donations program (Title II) through schools, maternal child welfare clinics and food-for-work programs. Brazil, Chile, Colombia, the Dominican Republic, Guatemala and Ecuador were the principal recipients in 1969.

In Brazil, a milk distribution program is reaching more than 5 million children who also receive hot meals. A school feeding program in Peru will provide a full breakfast or lunch to an estimated 750,000 primary school students. Other ways in which the food is being utilized include community development programs in Chile, El Salvador and Guyana.

Nutrition and Child Feeding

Much of the food is distributed to mothers and children by U.S. voluntary agencies. Related to the child feeding projects is a program to provide incentive grants to voluntary agencies for the development and testing of new approaches in nutrition education and child feeding. To date, activities have been supported in Brazil, the Dominican Republic and the Central American countries.

Under another program incentive grants have also been made to U.S. food companies to stimulate the development and production of low-cost high protein foods. Assistance has been provided to eight countries for research in investment opportunities in six Latin American countries.

Paving the way for new activities are a number of research projects including work to increase use of beans and soybeans in a number of countries, adaptive research on high protein corn, work on Vegetables and on livestock production, and some work on both inland fisheries and possibilities for production and use of fish protein concentrate.

Research

Twenty research projects which hopefully will further the development of Latin American agricultural resources were financed by A.I.D. in 1969. Some of the projects were:

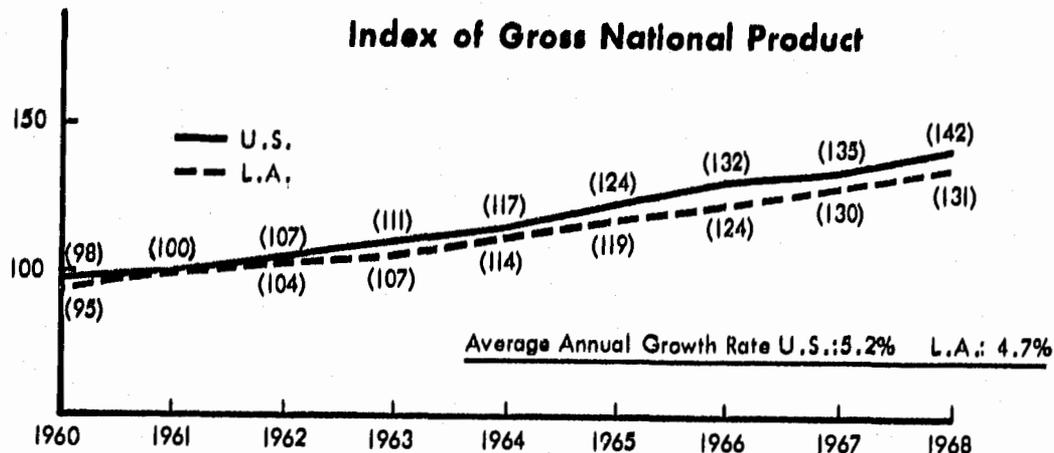
- Analysis of data on the nutrient status of soils in Latin America.
- Analysis of factors associated with differences and changes in agricultural production in the less developed countries.
- Research and training in land tenure and reform in Latin America.
- On farm water management research.
- Hemoprotozoal disease of food producing livestock.
- A newly developed foot and mouth disease vaccine is being tested for potency, viability and immunity duration.

- Studies on the control of vertebrate pests to include estimates of vampire bats and bird damage to crops.
- An inter-American investigation of infant and childhood mortality.
- Development of conservation processes with regard to fish by-products.
- Extending protein concentrates for child feeding by adding simple and inexpensive nitrogen sources.

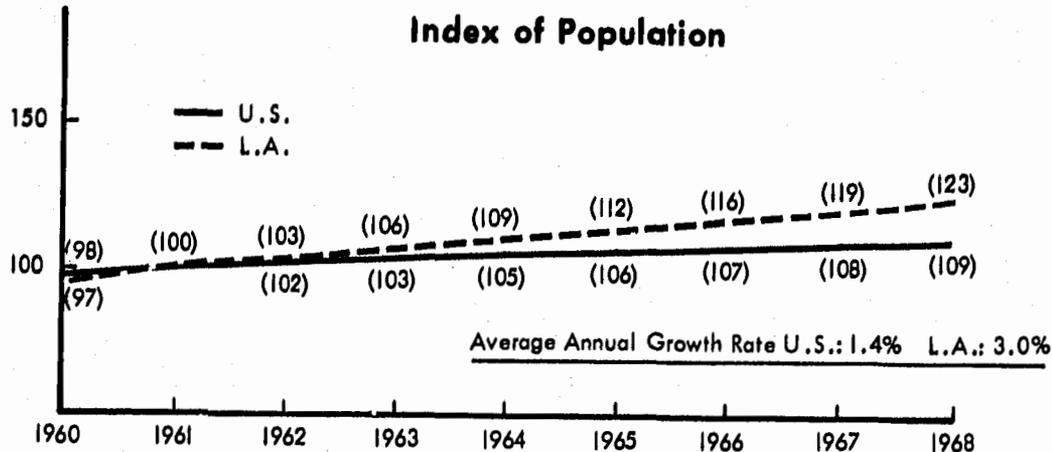


Children attending nutrition clinics have, among other physical improvements, shown greater resistance to parasitic disease.

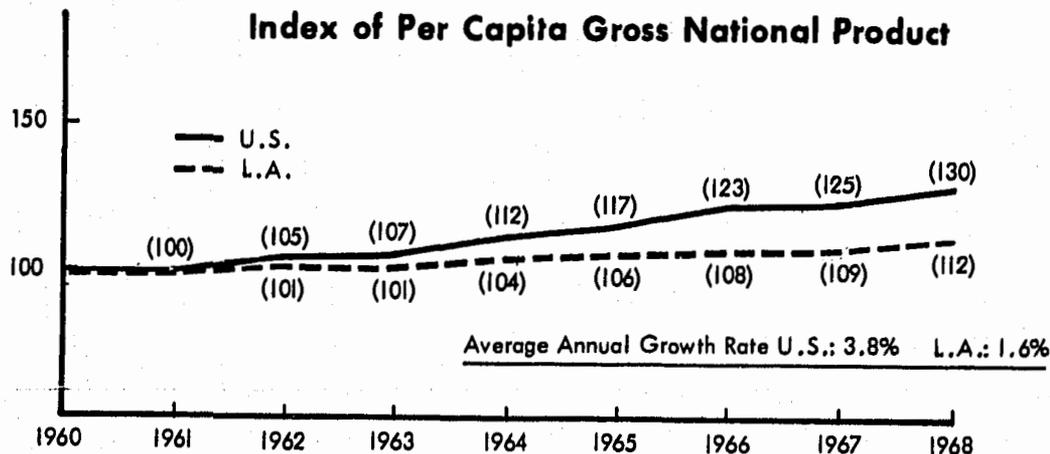
Good Growth in Latin American GNP-



- because of population growth.



- produced only a slight increase in GNP per capita -



GROWTH IN THE GROSS NATIONAL PRODUCT. The growth in the GNP in Latin America went from an index of 100 in 1961 to 161 in 1968 -- an annual average growth rate of 4.7 per cent. However, because of population growth -- from an index of 100 in 1961 to 123 in 1968 -- the per capita share of GNP in Latin America increased by only 12 per cent during the period 1961 to 1968. The chart showing the comparison with the United States is shown.

HEALTH

Health planning, development of water resources, health manpower development, malaria eradication and population and family planning received priority attention in 1969.

The Pan American Health Organization (PAHO) was active in developing comprehensive national plans for health services and programs. These activities included courses in health planning and technical assistance in the development of country plans.

Potable Water

Progress has been made toward meeting the Alliance for Progress objective of providing potable water to 70 per cent of the urban and 50 per cent of the rural populations in Latin America. The goal for the urban areas will be met, as planned, by the end of Calendar 1971. However, the goal for the rural areas is not likely to be met during this period because of social, administrative, and financial problems inherent in the developmental progress in these areas. Local governments contribute over 50 per cent of the total costs of these activities and other financial support is provided by the Inter-American Development Bank and from AID development loan funds. Technical assistance is provided by AID and PAHO.

Schistosomiasis

The treatment of schistosomiasis, a parasitic disease that affects such organs as the intestines, the liver, and the spleen, was advanced by the use of Hycanthon, a new drug developed by the Sterling Winthrop Research Institute. The disease attacks over 200 million people in the developing countries of the world, including approximately 7 million people in the countries of the Western Hemisphere, most of whom live in Brazil. Ninety per cent of the people treated in Brazil have been freed of the parasites within 30 days after treatment.

Malaria

The status of malaria eradication, as reported by the Pan American Health Organization, reflects progress during the past year. In 1968, for the first time, the remaining approximately 12 million inhabitants of the entire originally malarious areas of Latin America were brought under attack phase* with the application of attack measures. However, because of difficulties in access to their places of residence, 217,000 persons (0.1 per cent) continue to have no protection from malaria. Malaria eradication, claimed or achieved, affected 72,411,000 inhabitants in 1968 as compared with 50,741,000 in 1960. Inhabitants of the areas in the consolidation phase** of the program increased to 45,806,000 in 1968 as compared with 1,991,000 in 1960.

In Middle America, 56 per cent of the population living in the originally malarious areas is now in consolidation and maintenance phases,*** and 44 per cent in attack phase.

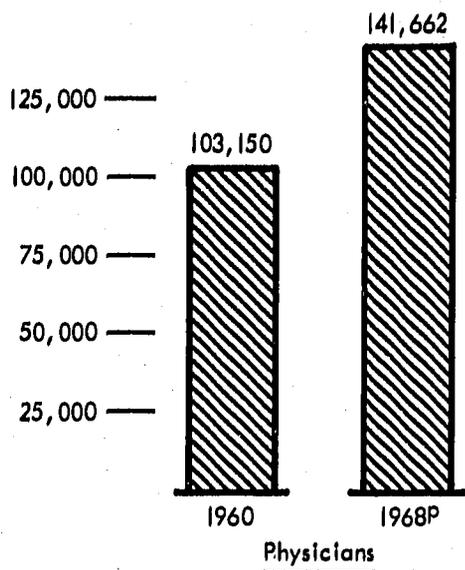
In South America, one-half of the population now lives in areas of consolidation and maintenance phases and the other half lives in areas in attack phase. Since 1947, 4,200,000 inhabitants were freed from the risk of infection and their areas of residence have passed from the attack to the consolidation phase.

*The attack phase has two objectives: to interrupt transmission by spraying the dwelling of every person living in a malarious region for 3-1/2 to 4 years, and to prepare for the consolidation phase which follows.

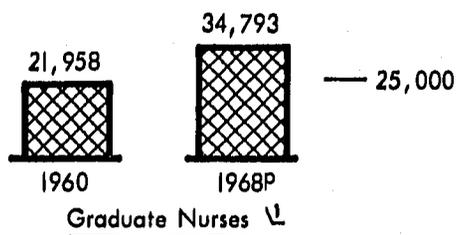
**The consolidation phase lasts a minimum of 3 years when every resource is employed to eradicate malaria in residual pockets, with emphasis on casefinding and treatment.

***The maintenance phase begins when criteria for eradication have been met, and when the public health services at national, provincial and local levels assume full responsibility for activities.

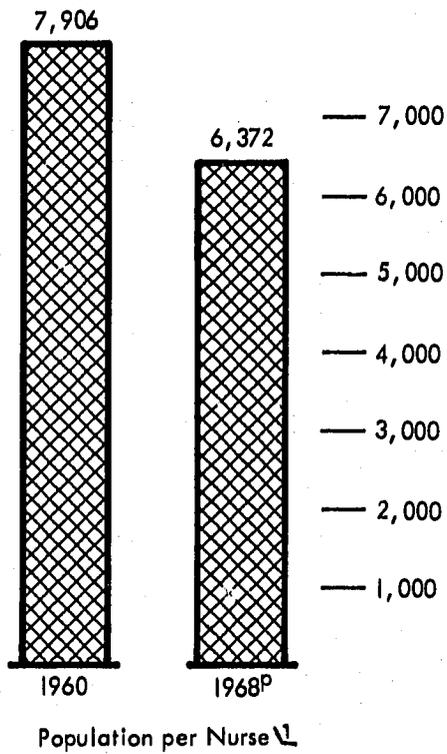
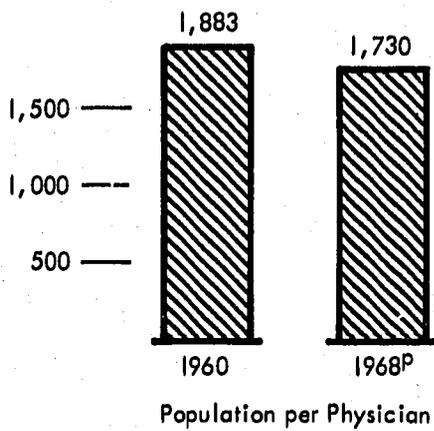
PHYSICIANS & NURSES IN LATIN AMERICA



Since 1960, the number of physicians in Latin America has risen by 37 percent, and the number of graduate nurses by 59 percent --



-- but growing population lessens the improvement of conditions



p=preliminary
 √ excludes Argentina
 LA/DP:RMS : 11/25/69

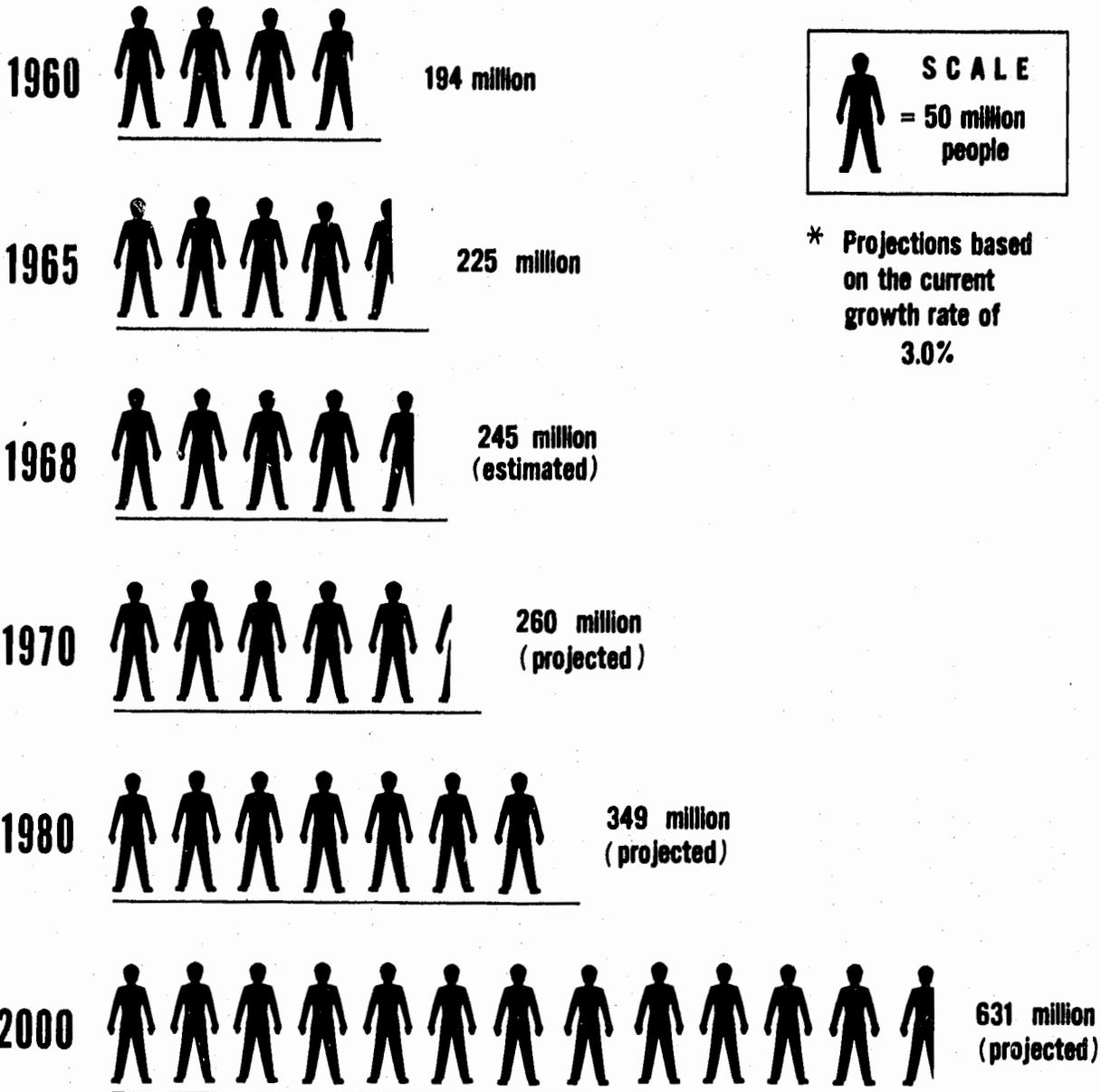
Population

The Latin American leadership, representing a variety of sectors of society, participated in activities to alleviate the problems resulting from population growth in Latin America. These activities included regional meetings attended by journalists and publishers from 14 countries to discuss their roles in providing public information on population and family planning; a regional meeting for the industrial sector which was attended by representatives from nine countries; a regional meeting, sponsored by the OAS, on social security and population, which was attended by Directors of national institutes from 24 countries; and international seminars, which were held in two countries, on the role of labor leaders in relation to population problems. In addition, two regional meetings on the teaching of demography in schools of economics and sociology were attended by representatives from schools and research centers; and a regional meeting was held on the teaching of demography in medical schools. This was the culmination of continental efforts to stimulate interest in population growth implications as a subject of study by the medical profession and resulted in the development of new programs of research and education.

Rural mobile health units bring medical treatment to areas where facilities for sick do not exist.



POPULATION TOTALS AND PROJECTIONS*



EDUCATION

Substantial progress has been made but great problems lie ahead for education in Latin America, in great part as a result of an average population growth of over three per cent. The need and demand for education modernization is great. New systems and procedures in the use of trained personnel, traditional instructional materials and new educational technology are being explored through AID funds for experimentation and innovations.

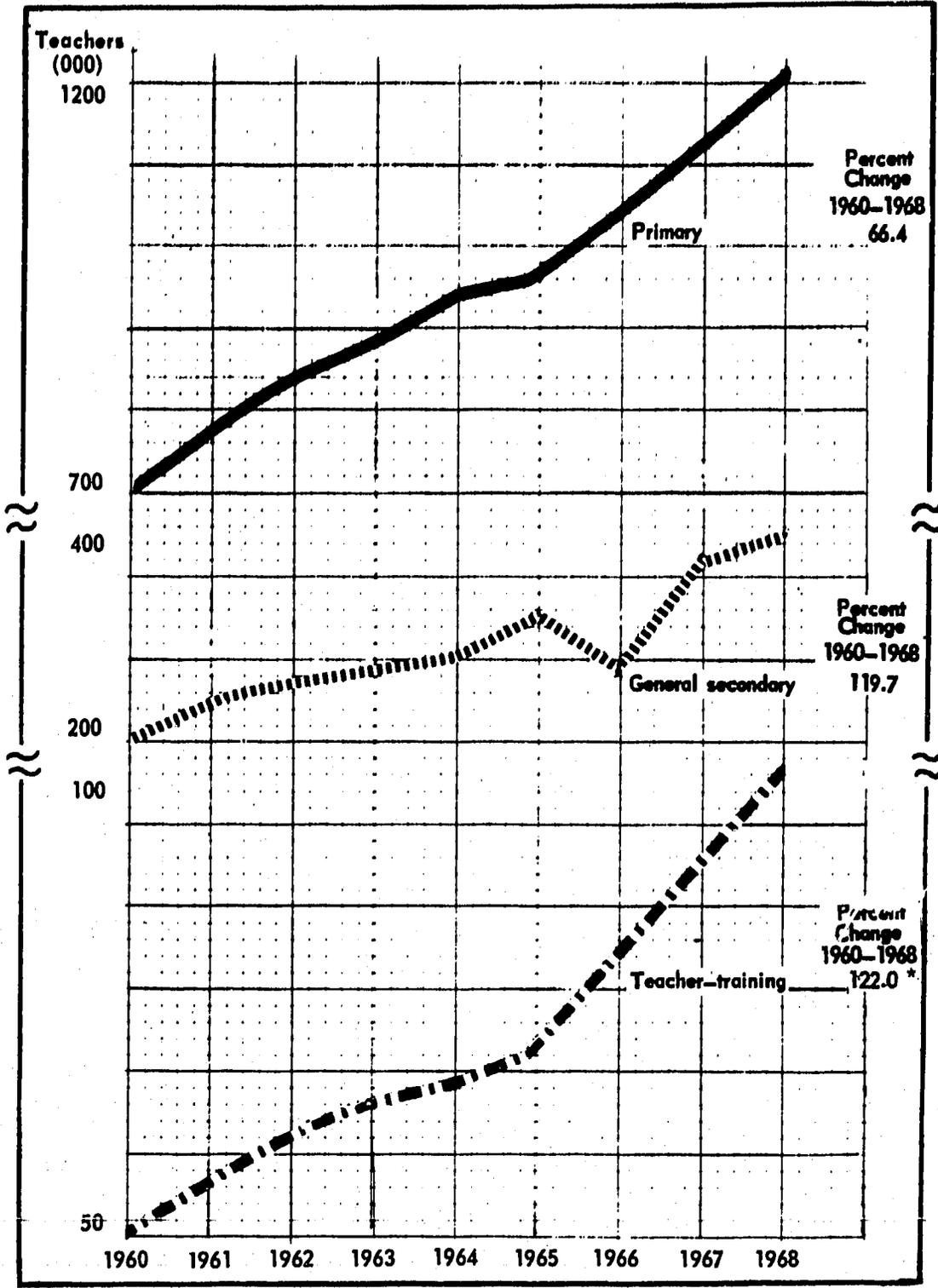
As of this date, education sector loans totaling \$68 million have been made in Chile, Colombia, and Brazil. The education sector loan is a developmental tool to bring planning, investment and management closer together. A comprehensive sector analysis first organizes the basic data essential for the development of a sector loan strategy. Then the activities that must be carried out to achieve the country's education objectives are identified and priorities are defined. A process of continuous review is established which allows the host country to measure performance, identify unforeseen problems, and in this manner relates and coordinates planning and execution.

In June 1969 the second meeting of the Inter-American Cultural Council (CIC) of the Organization of American States (OAS) was held in Port-of-Spain, Trinidad and Tobago. The new hemispheric development program in education and science, initiated in Maracay, Venezuela, in 1968, was expanded in Port-of-Spain with the approval of an annual budget exceeding \$4 million for education and over \$7 million for science and technology.

Educational TV

The education reform and instructional television pilot program in El Salvador has made substantial progress. During the first year of operation, the Plan Basico (grades 7, 8 and 9) program with its new seventh-grade curriculum and application of ITV as the major medium for improving instruction, reached approximately 1,800 students. Research in teacher and

TEACHER EMPLOYMENT, 1960-1968



*For 16 countries, excludes Honduras and Uruguay.

student attitudes both before and after the ITV exposure has been conducted and data are being processed for detailed analysis. Achievement tests in math, science and social studies have also been administered in the form of pre-and post-tests using four classrooms as a control group, and data from such tests are being analyzed. It is anticipated that prior to the second year of ITV operation, the results of such research and evaluation will assist curriculum specialists and guidance counselors in structuring the new eighth-grade curriculum, as well as provide modifications in the current seventh-grade program. As to the financial support, a second AID loan has been authorized in the amount of \$8.2 million, a substantial part of which is to support the expansion of this project.

Education Planning

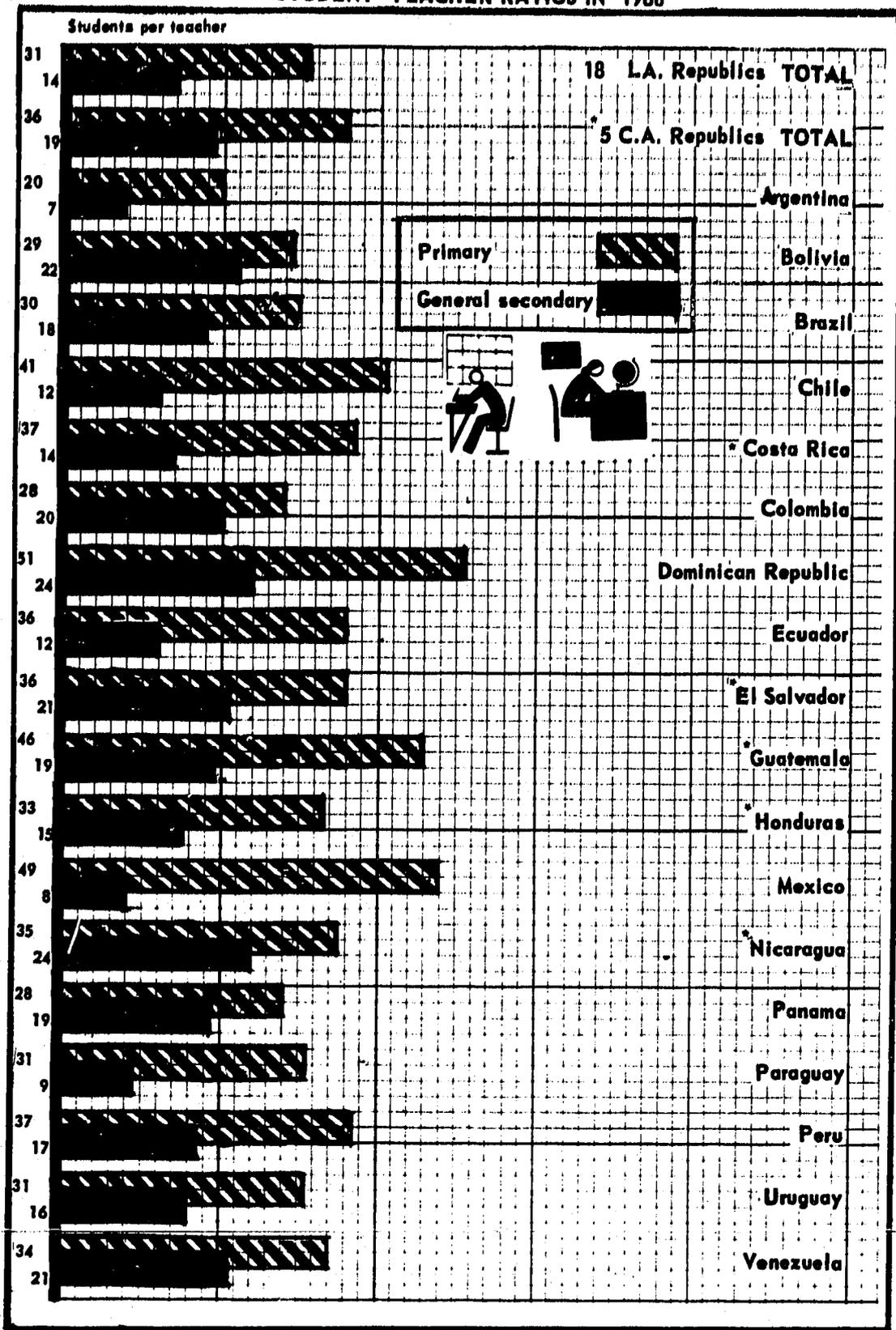
- Assistance to the Panamanian Ministry of Education in developing a national education plan was completed. The plan is now being put into operation.
- In Bolivia and Nicaragua, comprehensive manpower and education studies were completed.

Textbooks and Teaching Aids

The Regional Training Aids Center (RTAC) of AID has published approximately seven million copies of some 2,300 different books and booklets in Spanish, over 232 of which have been university textbooks. University textbook rental libraries and establishment of university bookstores are actively promoted by RTAC. Fifty such libraries are now in operation in sixteen countries. RTAC also maintains a large loan library of Spanish-language technical films. The recently established branch office in Argentina has more than 530 films and 30 film strips in its library.

The primary school textbook program, serving Central America and Panama, is moving ahead in the achievement of its objectives with the assistance of the Regional Organization

STUDENT-TEACHER RATIOS IN 1968



P-Preliminary

**Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua.

for Central America and Panama/Central American Office of Education (ROCAP/ODECA). Twenty-four of the planned 33 titles for grades 1 - 6 have been published, and the total production reached the 10 million mark this year. ODECA recently initiated an overall follow-up and evaluation of the program with technical assistance requested from AID. The Ministers of Education of the participating countries and ODECA have plans for organizing a Regional Textbook Institute which will promote research and the provision of textbooks for use at the secondary school level.

Physical Facilities

School buildings and campuses are needed for the ambitious educational programs called for in the Charter of Punta del Este to be put into practice. Some of the plans and accomplishments for these physical facilities are listed below:

- Construction of the new campus of the Autonomous University of Guadalajara, Mexico, neared completion. Four of the eight buildings -- the Schools of Architecture, Engineering, Law, and Commerce and Business Administration -- are in use. Remaining buildings and urbanization work will be completed early in 1970.
- Construction of the first phase of the Universidad Agraria La Molina in Lima, Peru, was completed except for installation of some utilities, furniture, and hardware. Nine buildings were constructed in the first phase, jointly financed by AID, IDB and the Government of Peru. These include a library, four faculty office buildings, two laboratories, a student union building, and a maintenance facility.
- A loan to the Universidad Santa Maria La Antigua in Panama will finance construction of the first phase of a new campus. Construction is expected to start late in 1970.
- A new two-story building of the American School in El Salvador was completed. The building has about 4,600 square meters of floor space.

HOUSING AND URBAN DEVELOPMENT

Since 1961, the United States Government has assisted housing development in Latin America through dollar loans, local currency approvals, or investment guarantees. This is aside from the similar assistance provided for urban infrastructure. In keeping with U.S. domestic trends, the emphasis is shifting from housing to urban development. The concentration of financial assistance, however, is still on developing such institutions as home credit institutions and housing cooperatives. Despite these and other efforts, a housing deficit continues to exist in Latin America.

During 1969, direct dollar assistance for housing consisted of one loan of \$1 million to Costa Rica as "seed" capital for a savings and loan system and investment guarantees put under contract in the amount of \$46 million. This brought the total dollar loans over the eight year period to \$176 million. Investment guarantees authorized now total \$314 million, of which \$212 million are under contract.

Technical assistance continued to be provided. Prime examples of technical assistance were the highly successful Workshop on Squatter Settlements attended by 34 officials from 15 countries; the completion of an Inter-Agency Committee project on Experimental Low Cost Housing In Central America; and initiation of planning for Model Cities (large scale urban renewal) in several Latin American countries.



Three years ago this squatter settlement was home.

Today 1,100 families have been relocated in communities such as this. Some chose to receive as much as \$500 in construction material loans to build their own homes, while others opted to purchase a shell house and obtain a loan to complete it. Water and electric lines have been installed although some urbanization remains to be completed.



INVESTMENT GUARANTIES

Specific Risk Guaranties

To encourage private U.S. investment in developing countries, AID insures business firms for specific risks. These guaranties cover: nonconvertibility of host country currencies; loss from expropriation; and damage due to war, revolution, and insurrection.

Fifty-three U.S. companies used AID's specific risk insurance for 39 projects in 16 Latin American countries during the first nine months of 1969. These companies proposed to invest approximately \$70 million in the area.

Over ten million dollars were involved in various food and agriculture projects. Other projects included the manufacture and sale of incandescent lamps, bronze valves and fittings, plastic insulated wire and cable, vitreous china sanitary ware, airblast equipment and abrasives, phthalic anhydride and plasticizers, tires and tubes, plastic pipe, bottles and packing materials, a sawmill operation, the establishment of banking and financing facilities and investments in the extractive industries.

Investment Surveys

Another way in which AID encourages private U.S. investments is to guaranty feasibility studies for potential investors. Should the results of the survey show the project is not suitable, the company may claim return of the cost of its survey.

Since the program began in 1962, 21 projects in Latin America with an estimated investment of \$17 million have resulted. Six surveys are currently in progress.

INFRASTRUCTURE

Electric Power

Rural electrification projects are under way in Chile, Argentina, Colombia, Venezuela, Nicaragua, Peru, Costa Rica, and Ecuador. During the year electric cooperative systems were completed in Ecuador, Colombia, and Costa Rica.

Construction of a new 13,000 kilowatt power plant in Santa Cruz, Bolivia, was started. Initial power production from this plant is expected early in 1970. The existing distribution system in that city is being rebuilt and expanded. An electric cooperative organization has been formed to own and operate the distribution system when the new facilities are placed in service.

Airports

In Paraguay, construction continued on a new 11,000 foot runway and other improvements for the international airport at Asuncion.

Uruguay will improve navigation and communications at Carrasco Airport in Montevideo with equipment and services procured through an AID loan.

A country-wide feasibility study was made on air transportation in Colombia.

Water and Sewage

A preliminary study for an extensive aqueduct system in the southeastern provinces of Argentina -- a system that will provide water to about three-quarters of a million people living in 125 rural towns -- was completed, and the feasibility study for first-stage construction has been completed.

In Colombia, improvements to the Bogota sewerage system are 85 per cent complete. In Medellin, final plans for a new sewage collection system were completed and construction is underway.

Improvements to Cali's sewerage system are progressing.

Feasibility studies for extension of the water supply system of Cartagena and the water and sewerage systems for the cities of Tulua, Palmira, Pereira, Amenia, Manizales and Nieva, Colombia, were completed.

A master plan for a water supply system for the State of Guanabara, Brazil, was completed.

Six personnel training programs in the operating, maintenance and administration of the Rio de Janeiro water and sewerage systems were carried out both in the United States and Brazil.

Final plans for a marine outfall sewer for Rio de Janeiro were completed.

In Nicaragua, feasibility studies for improvements in the water and sewerage systems in six towns are nearing completion.

Construction of the new \$10 million water supply system for San Jose, Costa Rica, is on schedule and 70 per cent complete.

Feasibility studies for extension and improvements of the water and sewerage systems of Santiago and the sanitary and storm water systems of Santo Domingo in the Dominican Republic were completed.

In Guyana, a contract for the drilling and development of seven deep wells for rural water supply was awarded; work was also started on the rehabilitation of existing systems.

A contract was awarded for a feasibility study to supply water to Kingston, Jamaica, from rivers in the Blue Mountains.

A contract was awarded for the preparation of final plans and the supervision of construction of a new \$23 million water system for Panama City; also contracts for extensions of water lines along Tocumen highway and storage tanks at Tocumen airport have been completed.

Extensions to the Lima, Peru, water system were completed and placed in service.

Other Facilities

Construction of the El Alto, Bolivia, Customs and Warehousing Center was completed in June 1969. The \$2,705,500 project was initiated in July 1967.

Guyana obtained a \$12 million loan for the construction and operation of six modern rice storage centers and the establishment of a rice research station.

Communications

During 1969 the Peace Corps began implementing host country requests for more technically skilled Volunteers. About 3,000 Corpsmen were working in 20 Latin American countries. Bolivia, for example, has requested professional communication specialists to help train its community development personnel in the use of communication aids. Over forty candidates with master's degrees and experience in the media, psychological and educational fields applied for training.

A \$26 million loan by the IDB will be used to improve telecommunications in the Brazilian State of Bahia.

TAX REFORM

Tax reform successes continue in Alliance for Progress countries. Available data indicate that almost all countries are continuing to collect record internal tax revenues, and that the unit cost of collection continues to decrease. A substantial share of these successes is attributable to the steady improvement in the design of tax laws and in improvements in administration.

AID, with the Internal Revenue Service, has been providing technical assistance in tax administration. This assistance takes two basic forms -- on-site advisory assistance, plus training both in the United States and in the host countries. U.S. advisors are on-site in sixteen Latin American countries, concentrating on the development of such crucial program areas as audit, collection, taxpayer information and education, automatic data processing, general organization and management, and training.

These advisory efforts have been supplemented by the training of technicians by the national tax agencies. This training has been extended to more than 23,000 technicians since 1963. Additionally, more than 800 Latin American tax administration executives have come to the United States for training and observation in the latest managerial and supervisory concepts and methods.

The Inter-American Center of Tax Administration (CIAT), a direct outgrowth of the AID/IRS assistance program, held its third annual assembly in Mexico City in May 1969, on the theme Planning in Tax Administration. Sixty tax administration executives from 21 hemispheric countries took part, as well as more than 40 observers from other countries and international organizations. Canada is the most recent member.

FOREIGN PRIVATE SECTOR INVESTMENT

The foreign private sector investment in Latin America from the United States and other countries accelerated its industrial development.

In his speech of October 31, President Nixon noted the important part that can be played by foreign private investment in economic development: "For a developing country, constructive foreign investment has the special advantage of being a prime vehicle for the transfer of technology. And certainly, from no other source is so much investment capital available."

The value of private U.S. direct investment in Latin America last year has been estimated at \$11,010 million, an increase of 7.3 per cent over the 1967 figure of \$10,265 million. Investments in Brazil climbed by 11.8 per cent to \$1,484 million; in Mexico 8.6 per cent to \$1,459 million; in Argentina 6.1 per cent to \$1,148 million; and in Chile 9.7 per cent to \$964 million.

Earnings in 1968 from direct U.S. investment in manufacturing in Latin America totaled \$389 million, over 47 per cent of which was reinvested.

No comparable data are available for investment in Latin America for 1969. However, estimates of plant and equipment expenditures by foreign affiliates of U.S. corporations indicate a rise over figures for last year. As of June 1969 estimates for this year are set at \$2,195 million compared with actual expenditures in Latin America of \$1,666 million during 1966. These increases appear to be attributable to intensified exploration and development in the extractive industries.

Clouding this optimistic forecast has been the dampening effect of recent expropriations of U.S. firms in the area.

INVESTMENT IN LATIN AMERICA DURING THE ALLIANCE YEARS
1962-1968*

<u>Source</u>	<u>Amount</u> (millions of U.S. dollars)	<u>Percent of Total</u>
Latin American Domestic Invest- ment	\$106,552 ^{1/}	84.2
U.S. Official (Govt) Investment	8,198	6.5
U.S. Private Investment	3,295	2.6
Other	8,465 ^{2/}	6.7
Total Investment	126,510	100.0

* Fiscal years

^{1/} Includes 1968 estimate

^{2/} International organizations may include dollars contributed by the U.S. and included in U.S. official investment. This figure is a rough estimate.



This new bar mill of the Establecimientos Metalurgicos Santa Rosa, S.A., of Argentina, is part of an expansion and improvement of steel mill facilities, assisted by a \$1,850,000 Eximbank credit.

Investment Development

The Inter-American Investment Development Center, inaugurated in 1967, continues to operate as a "clearing house" for investor and investment opportunities. With headquarters in New York, the Center receives a continual flow of investment proposals for all types of projects which are then analyzed and disseminated to the U.S. business community.

Export Production Center

To meet the need for expansion of Latin American export trade and to enhance the Latin American position in major world markets, the Inter-American Export Production Center (CIPE) was fully established in January 1969. Headquarters facilities were provided by the Colombian Government in Bogota.

As its primary task, the Center has set out to learn what the region as a whole, and each individual country, can competitively export. The next task is to help find markets for the exportable products.

CIPE is also concerned with making its services known to exporters. Officials of the Center are making personal contacts with government offices charged with export promotion. Making its services known to individual exporters is more difficult. In the case of the smaller countries, requests for assistance have come mainly from government offices. Requests from larger countries have originated mainly with private companies.

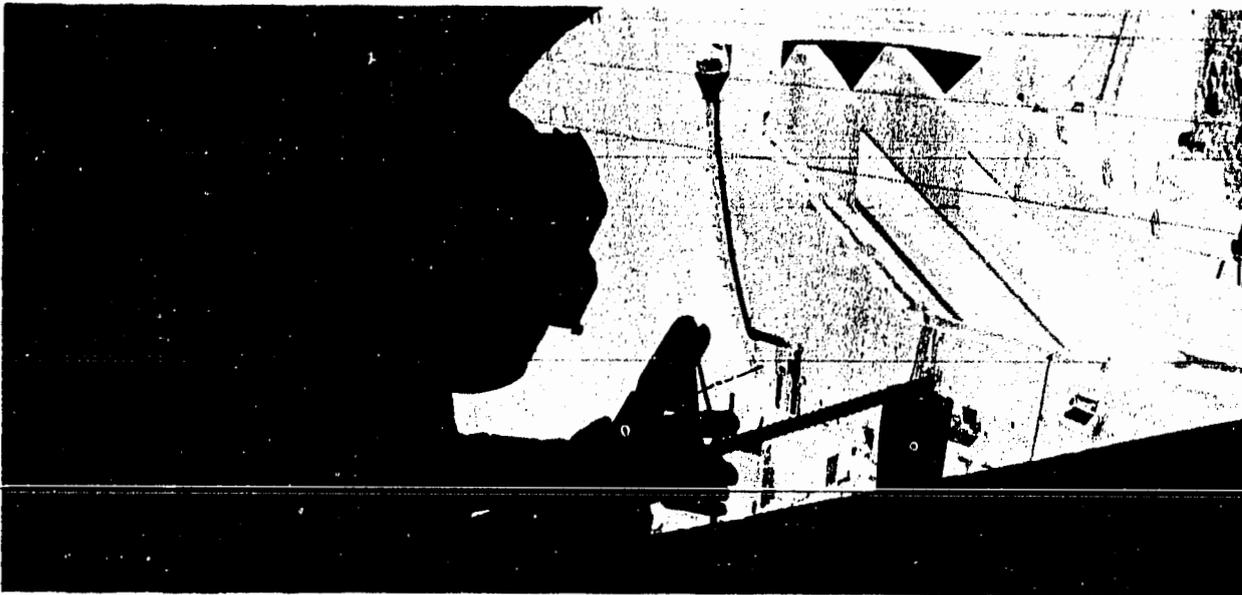
LABOR

There were a number of significant developments concerning free labor in Latin America. These included:

Labor Ministers Meeting

The Third Inter-American Conference of Labor Ministers was held in Washington, D.C., with 121 delegates and advisers representing 23 Western Hemisphere countries. Reflecting a consensus that there needed to be more labor and social input into Alliance for Progress development plans and action, the Conference approved resolutions to create a new post of labor adviser to CIAP. The ministers also ordered COTPAL, the Permanent Technical Committee on Labor Matters, to schedule its annual meetings in conjunction with the meetings of IA-ECOSOC. They recommended that IA-ECOSOC establish a working committee on social affairs and that it invite COTPAL representatives to form part of the committee.

In a parallel move to strengthen trade union participation at the Inter-American level in Alliance for Progress economic and social development planning and implementation, the ministers made the Trade Union Advisory Committee (COSATE) a permanent organ of the triennial conference.



Hydroelectric plant on the Parana River in Brazil.

COOPERATIVES

Over 300 new cooperatives, of various types, were formed in Latin America during 1969, bringing the total number of cooperatives to more than 28,000. This figure compares to an estimated 17,000 cooperatives existing prior to the beginning of the Alliance.

Of the various types of cooperatives -- agricultural, consumer, credit unions, fishing, insurance, rural electric, housing industrial and community school -- credit unions have increased most rapidly, both in number and membership.

Cooperatives which began full-fledged operations during 1969 include:

- In Honduras, 17 agricultural cooperatives with 1,600 farmer-family members have been formed. The multi-purpose marketing, supply and credit cooperatives have \$75,000 paid in capital, \$130,000 in loans outstanding.
- In Ecuador, fifty coffee cooperatives with 4,500 family members, sold \$4 million in coffee and raised income from \$11 to \$23 per bag in one year.

Continued assistance has been provided groups in developing cooperative banks, none of which existed prior to 1962. Banks are now established in Argentina, Chile, Ecuador, and Peru.



COMMUNITY DEVELOPMENT

To reach people who might not be directly concerned with other long-term national development projects, programs have been developed in support of small, short-run local projects. These activities are encouraged as part of the effort to promote community development.

These projects, under the Special Development Activities program, must:

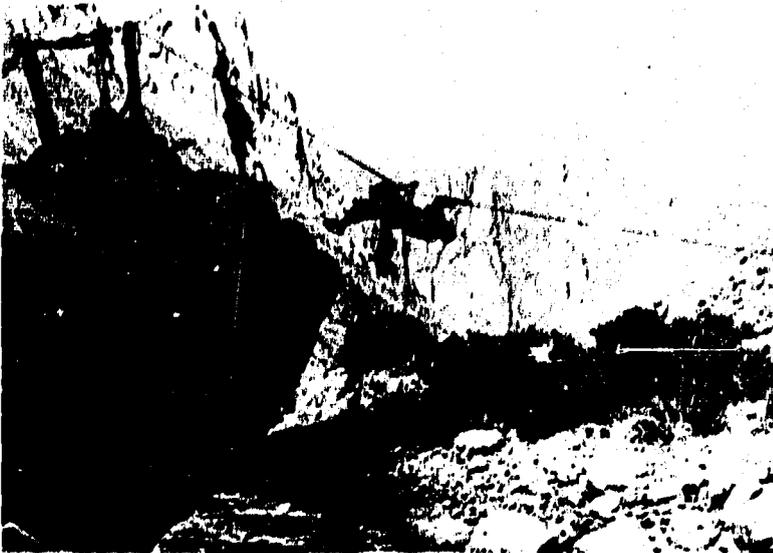
- have a direct civic, social or economic impact;
- benefit a group or community rather than an individual;
- be financed by the local community at a minimum of 50 per cent of the project cost -- either in money, labor or materials;
- show a "multiplier effect."

LEFT -- a housewife of Neiva, Colombia, does her share in a community effort to build new houses. In the background are the ramshackle huts in which the people of the community had been living. A Peace Corpsman designed a small house and with the help of a local engineer taught the townspeople to make bricks and concrete blocks. Some of the materials were bought with a \$5,000 AID grant.

PARTNERS OF THE ALLIANCE

Partners of the Alliance expanded in 1969 to bring together private citizens in 40 areas in 17 Latin American and Caribbean countries with similar groups in 40 of the United States to further the goals of the Alliance.

These citizens carried out privately financed projects valued at more than \$15 million, plus an unmeasurable enrichment in human relations and understanding.

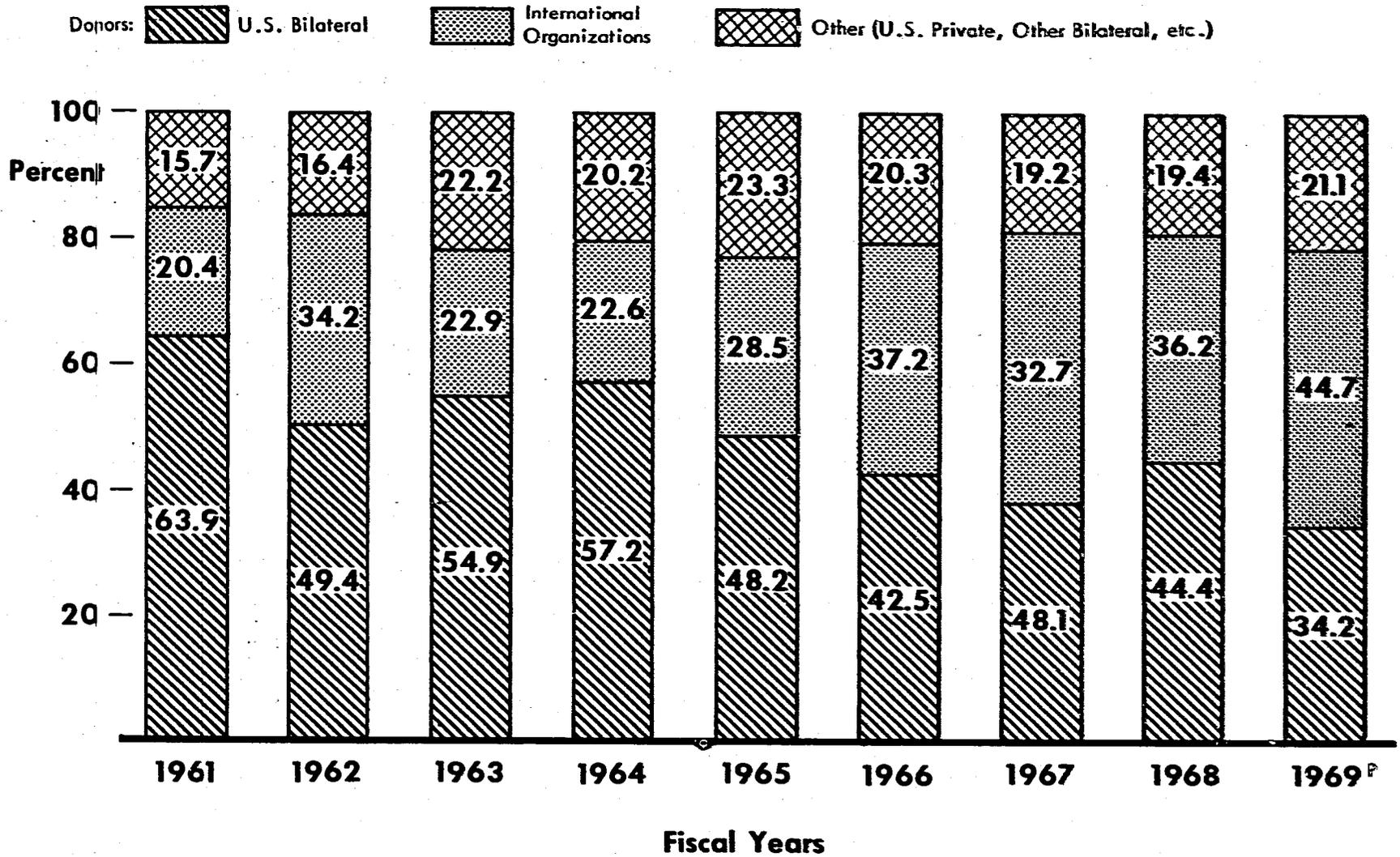


"Before we walked like monkeys".
For years the men of some villages in Southern Peru have hand walked 'monkey' bridges over Andean rivers to get to the land that they tilled.

"Now we walk with dignity"
The Jaycees of Lubbock, Texas, sent 1,200 feet of steel cable for the construction of a bridge over Rio Tambo so that the farmers could walk to their fields in safety and dignity.



Percentages of External Economic Assistance to Latin America

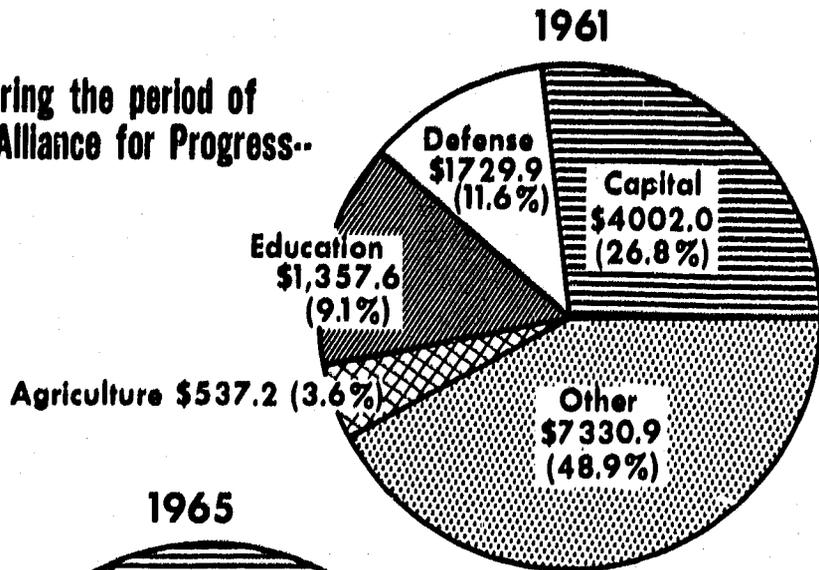


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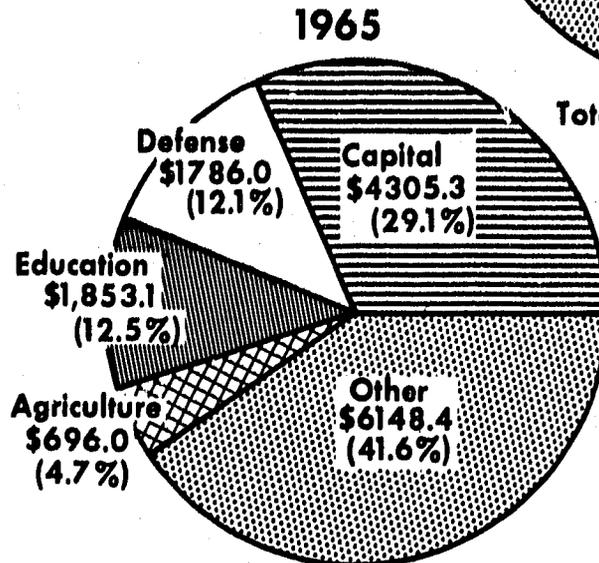
CENTRAL GOVERNMENT EXPENDITURES

(all dollar figures are in millions of constant 1967 U.S. dollars)

During the period of
The Alliance for Progress--



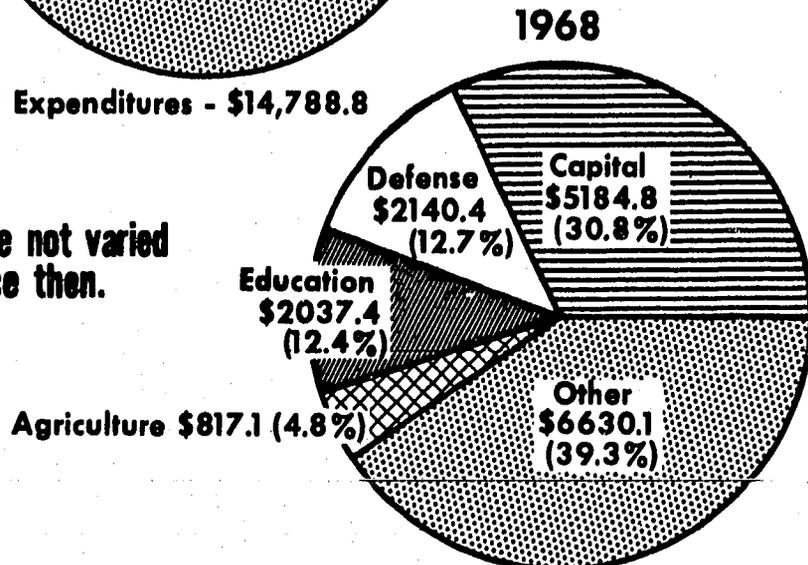
Total Expenditures - \$14,957.6



Total Expenditures - \$14,788.8

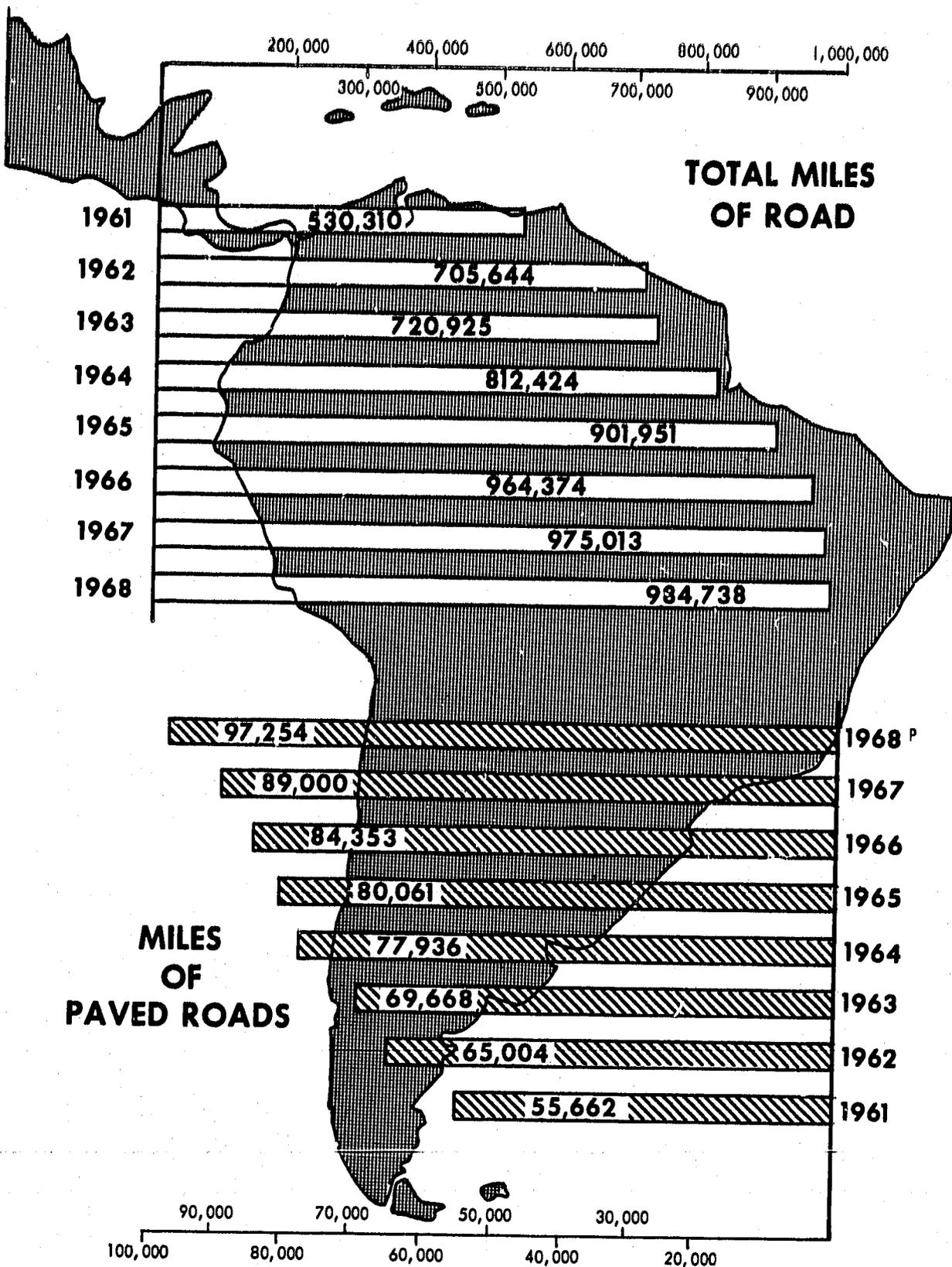
--Central Government
spending patterns
changed slightly
over the first half--

--but have not varied
since then.



Total Expenditures - \$16,859.8

ROADS





Gloria -- the name of the lady in stripes and her processed food product. Working in her own kitchen in Santo Domingo, Sra. Gloria Maria Persia quadrupled her output after she purchased modern equipment with a \$2,000 Alliance loan. The Fund for Artisans and Small-Scale Manufacturers was set up by the Banco Popular Dominicano with the aid of a \$100,000 U.S. loan.

This Review Was Prepared By

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