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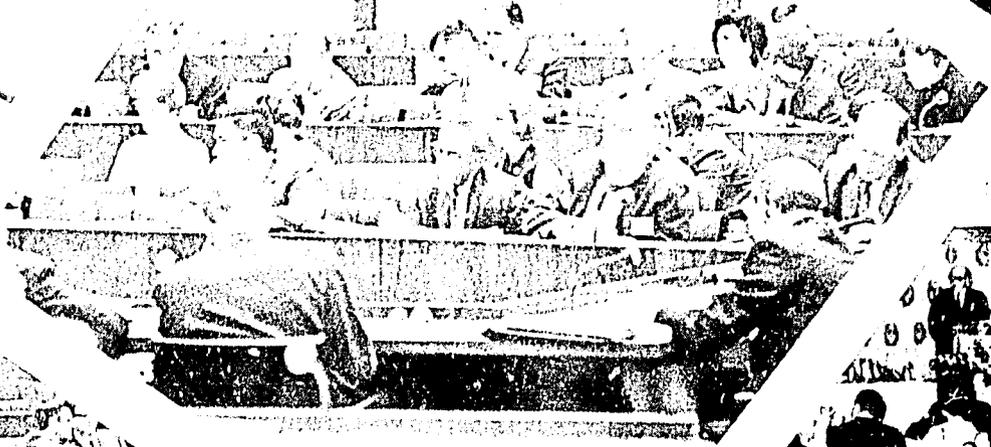
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COMPANHEIROS DA ALIANÇA

COMPAÑEROS DE LA ALIANZA

BASIC PROCEEDINGS



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PARTNERS OF THE ALLIANCE

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BASIC PROCEEDINGS
FIRST INTER-AMERICAN CONFERENCE
PARTNERS OF THE ALLIANCE
JUNE 10-11, 1965
WASHINGTON, D.C.

A.I.D. HISTORICAL AND
TECHNICAL REFERENCE
ROOM 1086 NS

August 20, 1965



Partners of the Alliance:

I have been honored to serve as the General Chairman of the First Inter-American Conference of the Partners of the Alliance. I wish to extend my thanks to the representatives throughout Latin America and the United States for their dedicated approach to the matters under discussion.

This Conference has fulfilled several functions. It has provided a forum in which to gain knowledge of the different techniques used by each of the various Partners. It has shown that there is more than one way to achieve our goals.

Above all it has brought thoughtful private citizens together from all over the Hemisphere. We have found that despite individual differences that we have a great mutuality of interest and a great deal to learn, each from the other.

We look forward to the next conference in the Fall of 1966. The basic work accomplished in the First Conference will facilitate the development of an agenda which will make best use of our combined experience.

With warmest regards,

A handwritten signature in cursive script, reading "Edward Marcus".

Edward Marcus, General Chairman
First Inter-American Conference
Partners of the Alliance

August 20, 1965

Compañeros:

As requested by the delegates to the First Inter-American Conference of the Partners of the Alliance, we are happy to publish these "Basic Proceedings." We hope that you will find this publication useful -- both as a valuable resource and as a record of your stay in Washington and of the people you met and spoke with.



Because some of the tapes taken during the meetings were somewhat muddled, we have taken the liberty of providing some limited editorship for what, we hope, is improved clarity and understanding on your part. We hope you will take special interest in the Committee, State/Country, and Related reports. Here, again, we have had to extract from these reports in some cases to keep within our publishing limitations.

We congratulate you on a fruitful and productive conference. With these Proceedings go our staff's best wishes for continued and increased success in your partnership programs.

Sincerely yours,

A handwritten signature in cursive script that reads "Jim Boren".

James H. Boren, Director
Partners of the Alliance

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CONFERENCE PROCEEDINGS

BASIC PROCEEDINGS
FIRST INTER-AMERICAN CONFERENCE
PARTNERS OF THE ALLIANCE
JUNE 10 - 11, 1965
WASHINGTON, D. C.

THURSDAY, JUNE 10

8:30 a. m. — REGISTRATION

9:00 a. m. — CALL TO ORDER

James H. Boren, Director, Partners of the Alliance:

The Alliance for Progress is not now nor was it ever conceived of as being an effort of governments alone. It is also a great partnership of people working together to implement the spirit of the Charter of Punta del Este. The Partners of the Alliance is a channel through which areas in Latin America and areas of the United States can work directly with one another in programs of mutual interest.

It is my privilege and pleasure to introduce to you the man who will serve as the general chairman of your conference, Mr. Edward Marcus of Dallas, Texas. He is one of the Hemisphere's outstanding business leaders. As Chairman of the Texas Partners of the Alliance, he has demonstrated his outstanding leadership ability in organizing an effective and developing partnership with Peru. As I had the opportunity

of talking with various chairmen of Partners committees prior to the conference, one name was constantly put forward as a suggestion to serve as your conference chairman. That was the name of Mr. Edward Marcus. It is, indeed, a pleasure and privilege for me then to pass the gavel to him and ask him to officially convene this First Inter-American Conference of Partners of the Alliance. Ladies and gentlemen, Mr. Edward Marcus, your chairman.

Mr. Marcus: Good morning ladies and gentlemen. It is an honor to open this First Conference of the Partners of the Alliance. I think there is an implication that we have accomplished a great deal in Texas and this is why I am standing here. I am afraid that is a great exaggeration. I am more in the position of the man who attends a conference, talks too much, and is automatically made chairman of the committee. I am sure most of you have been in that position at one time or another in your life and have learned better than I to keep quiet.

I would like particularly to welcome at this meeting the auditors. There are a number of returned Peace Corps volunteers who will be at the conference. We are very anxious for these returning volunteers to share with us the benefits of their experiences, and we are very anxious that they participate in our work in the future.

We also welcome the other auditors, representatives of the State Department, AID, other executives of other branches of the Government, and all other visitors who participate in this meeting.

The significance of this assembly of representatives of so many countries of Latin America and so many states of the United States is that together we have found the work of the Partners of the Alliance so challenging, so stimulating, so fascinating, and so rewarding that we are impelled to go further in this study. We are gathered here not to celebrate what we have accomplished because, indeed, we have only scratched the surface, but we find the promise of the future enormous. Most of us have never been involved in international relations on a formal scale. We have found, though, in this formula of state-to-state partnerships, the chance to enter into international relations on a scale not dreamed by any of us.

The person-to-person relationships that have been established have encouraged discussions among ourselves that reveal points of agreement on many subjects and respect and understanding on the points of disagreement that quite properly exist among men.

In this last several weeks of international stress, we hope and believe that these relationships which have been established have been helpful in easing the strain that quite naturally has developed.

We are here primarily to discuss ideas and methods. I believe that each of the partnerships has some different approaches and different techniques. As we divide into smaller groups, we hope to explore each of these techniques, possibly drawing benefits from each one. There is no necessity that at the end of this meeting we should have established a uniform system for all partnerships. We are thankful that we are free to operate as independent agents unencumbered by governmental edict as to our methods of operation, and that we can gain mutually by the experiences of each of us.

We have many messages of greetings. We have had a personal welcome from the President of the United States and also a letter from the Vice President which I would like to take this opportunity to read.

I hope you will extend my greetings to the participants in the First Inter-American Conference of the Partners of the Alliance. I regret that I am unable to attend any of your sessions, for this program is one in which I am very keenly interested. The aim of the Alliance for Progress is to unite in a common effort to bring our people accelerated economic progress and broader social justice within the framework of personal dignity and personal liberty. I can think of no program which more clearly reflects an understanding of this goal than the Partners of the Alliance. Men and women from the private sector of all the countries in this Hemisphere, realizing their common humanity, have pooled their resources to achieve a better life for the people of Latin America. A no less significant and vital effect of your efforts is an increase in understanding and communication in real friendship between the peoples of our countries. Through your partnership, a new and dynamic appreciation of the values and culture of our countries is being gained, and it is only through such understanding that we can ever hope for true peace in the world. My very best wishes for a successful conference.

Sincerely,

Hubert H. Humphrey
Vice President of the United
States of America

During the various sessions of the smaller groups, notes will be taken by an appointed member in each group. You will note that in the latter part of the conference we have devoted a fair amount of time for a review of the various committee reports which will be made by the chairmen of these committees. We assume that your

meetings will be relatively informal. Similarly we anticipate having flexibility in our program tomorrow afternoon so that, while we are trying to limit the reports of each committee to a brief five to ten minute talk, should additional discussion seem desirable we can extend that discussion beyond the amount of time specifically allotted.

While we are awaiting the first speaker, I would like to comment briefly on a man who is going to speak to you (although I don't know whether he is going to talk to you right now or after a few minutes). I think it might be a good idea for me to comment on him at the present time. In a sense there is less comment necessary about him than anybody else I could talk about because he is the one man here who knows each of you and whom each of you knows. I speak, of course, of Mr. Jim Boren who is going to discuss the work sessions more specifically with you in a few moments.

I believe that each of us has found Jim Boren to be one of the most tireless workers that we have ever come in contact with. This whole Partners of the Alliance idea sprang up in the mind of Jim Boren, who was successful in selling his idea to various individuals all the way up to where the final decision was made, in the office of President Kennedy.

He graduated from the University of Texas. He received his Master's Degree in Economics from the University of Southern California and received a further degree in psychology from the California State College. His professional experience in the Government includes four years as Administrative Assistant to Senator Yarborough. He then became the Deputy Director of the AID Mission to Peru, and that is where his idea for Partners of the Alliance originated. It was little more than a year ago that he actually became Director of the Partners of the Alliance. I think that we will ask you, Jim, to speak to us now about the various work sessions. We will proceed with the rest of the program after that.

Mr. Boren: Thank you very much, Mr. Chairman.

The key word, I think, for the conference as we move along here is "informality," although we hope to be able to stay as close to the general time schedule as possible.

Mr. Chairman, I recently had the pleasure of meeting with the Maryland Partners of the Alliance and I tended to filibuster for a period of time. At the next meeting I was presented with a special timepiece to insure that I would speak within the

time allotted to me. With your consent, I would like to formally proclaim this as the official timepiece of the First Inter-American Conference of the Partners of the Alliance.

In the discussion groups, frankly, we are not looking for a great collection of speeches and such, but rather for a free interplay of ideas and the exchange of experiences, including the discussion of some problems that may have developed as some of the programs began to develop. But, frankly, we are hoping that we can be truly "partners," in a sense of sharing our ideas and having free interplay without a great deal of formalism.

As is the case in any first conference, there are certain, at times, arbitrary decisions that have to be made, and frankly, there may have been some other ways in which we could have approached the Conference in terms of the division into the various groups. But the discussion groups that are listed on your program are based on what we have found to be the basic interest areas and also based in terms of the level of activity in the various partnerships. There will undoubtedly be some overlapping in some of the discussions as we get into these activities, but this is the type of approach that we shall make.

I would like to turn the stand back over to your conference chairman, Mr. Marcus.

Mr. Marcus: Thank you.

Our first speaker today as you will see is a young man, but he has a wealth of experience and knowledge behind him and most specially in the field of Latin America. Ambassador Jack Hood Vaughn, Assistant Secretary of State for Inter-American Affairs, is a native of Montana. He spent a part of his youth in Mexico, later entered the University of Michigan, where he obtained his first degree in 1943. He entered the U. S. Marine Corps as a private and rose to captain by the time of his discharge. He returned to Michigan where he took his Master's Degree, specializing in Latin American affairs. He taught at both the University of Michigan and the University of Pennsylvania but left academic life for service as Bi-national Center Director for the United States Information Agency, serving in La Paz, Bolivia, and San Jose, Costa Rica. In 1952 he joined the Foreign Operation Administration as Program Officer in Panama City, later serving in the same capacity in the International Cooperative

Administration Mission in La Paz. From 1958 to 1960 he was in ICA's Office of Program Planning and also taught at the Johns Hopkins School of Advanced International Studies. In 1961 he became Director of the ICA Mission to the Republic of Senegal and in October was chosen as Regional Director for Latin American programs of the Peace Corps. He was sworn in as U.S. Ambassador to Panama in 1964, and in Panama he traveled widely throughout the country meeting with representatives of all sectors of society. He is fluent in Spanish. He has visited 17 Latin American countries. Earlier this year he became the Assistant Secretary of State. It is a high honor to introduce to this First Inter-American Conference of the Partners of the Alliance the Assistant Secretary of State for Inter-American Affairs, Ambassador Jack Vaughn.

9:30 A. M. — OPENING REMARKS



*Ambassador Jack H. Vaughn
Assistant Secretary of State for
Inter-American Affairs
U.S. Coordinator, Alliance
for Progress*

Thank you very much, don Eduardo, for that lovely presentation. Beautiful ladies, handsome and distinguished gentlemen. Dear friends. First of all, I wish to thank all of you for attending this important Conference. This gives me a great pleasure as I am very much familiar with the activities of the Partners of the Alliance — both in Latin America and here in the United States. I am acquainted with some of the partnerships and I can sincerely say that this is one of the most important, among the programs we are working with, to bring our peoples closer together.

My first job as a young man was working in a gift shop, and I worked in the back room, and my principal occupation was to unpack and take the labels off Japanese ceramics and glassware, perhaps to give the impression that this was Swedish material. I thought that this was a fairly menial undertaking at the time. I've come to realize that there are many labels that should be removed in our societies and in our relationships, and actually in subsequent years I have been trying to do little else than to remove labels. I think in many cases labels are outmoded, that labels pose unnecessary problems and obstructions to understanding. I think there are many

things that should be redefined. I'm not sure that conservative and liberal and leftist and rightist and centrist and Republican and Democrat and Christian Democrat and Democratic Christian and Atheistic Democrat mean as much as some people think. I think that one of your principal tasks is to go beyond labels and to try to understand each other as Americans in the broadest sense. I consider myself personally more of a gringo than I do as a man of certain political, social or other persuasions, and I think that's a good point of departure in trying to find ways of working together without prejudice about obstacles.

There are great advantages that you have in the alliances that you are engaged in over the Alliance that I am engaged in. You have the ability to do things much more rapidly. You don't need a feasibility study for friendship. You don't need a Foreign Office note for a handshake. You have the opportunity to get there first, and to remove barriers more easily than we — through government and traditional channels. Moreover, the Partners of the Alliance program has the obvious facility of being able to reach areas that we have never been able to reach — in geographic terms, age groups, social and business groups where for some reason government programs have not been at their best, have not been able to reach. I think that it's clear that the kind of relationships, the kind of projects that develop from your activities are sure to last longer than government programs that are as temporary as the bureaucrats that foment them. To me the key word, the key fact of what you're doing is initiative. There is no limit to what you can do or how you can do it. You can experiment and enter into agreements in ways that a government operation could never undertake. Much of your success will hinge on your imagination and your initiative.

I was associated with the Peace Corps for about three years — the most exciting thing that ever happened to me by far — in an endeavor very similar to the kind of thing that you are doing. And the successful Peace Corps Volunteers and their co-workers were those who used their imagination and used their initiative to come up with unheard-of projects that brought people together and that brought rapid progress. I remember the first Peace Corps Volunteer I saw in the field in St. Lucia, an island in the Caribbean. This volunteer was in the downtown plaza when I arrived there for the first time, and she was tearing crates apart. She was a nurse, and she was standing in back of a jeep in the central square ripping large packing crates apart.

I introduced myself and asked her what she was doing, and she said, "Well, I'm a full-time nurse, but I have extra time, and I am engaged in a furniture-building program to provide tables, desks, bookcases and the rest for the schools of the island." And she said, "Within another year we will have provided this material for all the schools of this country." I asked her where she was getting the money. She said, "I don't need money. My boy friend is the manager of the warehouse, and our understanding is: no crates, no dates." And she said, "He gives me everything I want, crate-wise."

There have been very exciting things done that I have heard about, that I have seen, that I have gloated over in your activities, and I am sure there are even greater things to come. I would guess that were it possible to do a cost-benefit study to determine what we Americans, all Americans, get out of your endeavors compared to what is put in in time, effort and money, that this would be the most exciting program in history. We need your ideas. We in the United States have reached certain affluence, have reached certain heights materially, economically, politically, socially, but there's a lot we don't know, and a lot that we don't understand both about you to the South and about our own society and where we're going. We need your candid observations. We need your best ideas, and we need your help. Very much of what you're doing is not tangible, and very many of your accomplishments are not measurable, but this doesn't mean that they aren't of the greatest significance.

I was at a meeting in Cuernavaca six weeks ago. This was a meeting of intellectuals from 16 Latin American countries and a very distinguished group of intellectuals from Gringolandia. We met for 5 days and quietly, candidly talked about the misunderstandings and the differences between us as people, between us as Americans, and there were many rather unusual things that I learned even after having been in Latin America for 25 years off and on. There were many things which surprised me in terms of attitudes, problems, misconceptions, things that tended to block real understanding, real communication; and in spite of all the very frank and friendly comments made and the many suggestions, I felt that the suggestion that meant the most, that really got to the heart of the matter was that we just aren't communicating fully. There are too many old labels and too many new and old cliches to describe us and our politics, who we are and what we stand for.

My motto is down with cliches. And I have been destroying labels, or I have been trying to, since I was 16. That's the word that I would like to leave with you this morning. We need greater, more friendly and frank communication between the peoples of our countries. We need your ideas desperately, and we're extremely flattered and grateful that you have taken the time to come and sit with us and discuss where we can go from here. It will make a difference in our democratic societies. I wish you well. I personally, and in speaking for the Department of State, am truly delighted that you are here, and I am sure that important things, good things, and greater understanding will come for your deliberations. Thank you very much.

Mr. Marcus: Thank you, Mr. Ambassador. I had not realized until you started to speak that we used to be fellow retailers. I trust that we will heed this advice and speak as openly and frankly as we can in the individual meetings. It is only in this way that we will gather the greatest good from this conference.

One of the most instructive and rewarding facets of this work that we have been involved in, as far as I am concerned, is the number of people I have come to meet and know. I have found that people in high places are human. I think that many of us who do not find much association with the heads of state feel that there is some thing, some physical property that puts these people apart from the rest of us and that there is some magic in being a government official that makes a man different. This is just not true. While we hope we have selected these government officials to be among the best of us, they are human. That is one of the fine things about what this Alliance has done. I think we have found, I have found as you have, that in talking with the young man in the slums that this young man is human also. Whatever his disadvantages, he also has something to offer, because from him perhaps you can learn first-hand the true longings of this individual and of the whole class which he represents.

Among the people whom I have come to know in this work is our next speaker, Mr. William D. Rogers, who is Deputy U. S. Coordinator of the Alliance for Progress. He is a native of Wilmington, Delaware. He graduated in 1948 from Princeton University and obtained his Law Degree from Yale in 1951. After graduation he was Clerk for Judge Charles Clark of the Federal Court of Appeals and then for the United States Supreme Court Justice Stanley Reed. In 1953 he joined the Washington Law Firm of Arnold, Fortas and Porter and became a partner in 1960. During this time

he served as a legal adviser to the Commonwealth of Puerto Rico and was special Deputy Attorney General for the State of Hawaii. Mr. Rogers joined the Agency for International Development in February 1962 as Special Counsel to Theodore Moscoso, the then U. S. Coordinator. He became Deputy U. S. Coordinator in August, 1963. In his capacities with AID, he has served as a U. S. delegate to international conferences and meetings connected with the Alliance for Progress, including the First Annual Review meeting in Mexico City, in 1962, and the Second Annual Review meeting in Sao Paulo, Brazil, in 1963. He also has participated actively in the negotiation of major loans and agreements under the Alliance for Progress and has assisted in the preparation of U. S. draft legislation affecting the programs. Many of us have felt the muscle of his logic and the warmth of his understanding, and we are grateful for his encouragement to the development of the Partners of the Alliance and for this valuable advice and counsel. It is an honor to present to the Conference a man who has done so much to advance the private sector participation in the Alliance for Progress. Mr. Bill Rogers.

9:45 a. m. — ADDRESS



*William D. Rogers
Deputy U.S. Coordinator
Alliance for Progress*

I asked Jim and Mr. Marcus how long do you want me to speak, and they said, "Be flexible, anything up to 10:15." I found when I got to the forum that they have a small reminder. I will not keep you because this is a working session and it is a serious session, and you are not here to listen to a lot of long and turgid speeches by, if you'll excuse the expression which Jack used, Government Bureaucrats.

I would like to say right at the outset that this meeting, in a sense, is an extraordinary satisfaction for a number of us here in this building who have been here for some time and who have had for many years a fierce belief in the basic notion of the Partners of the Alliance and who have been convinced ever since the Alliance for Progress was officially launched that there was a profound role to be played by the peoples and communities and organizations and State governments of this country in assisting the development of Latin America. And by the same token, there was a profound role for similar groups and entities in Latin America to work in cooperation with their counterparts in this country. That a notice of the Alliance for Progress was limited to inter-governmental relationships would never do the job and that, indeed, essential to the success of the whole concept of the Alliance for Progress, as set out

in the Charter of Punta del Este, was a vigorous development in what the economists like to call private sector but which I prefer to call the people; and that, some institutional mechanism — some device — had to be found to marshal these energies and these initiatives and these ideas. And that, we who have believed this so long are now seeing its fruition and culmination in this meeting here today.

Among the people who have believed this, of course, has been Jim Boren and his extraordinary team of colleagues, Wade Fleetwood, Ted Tenorio, Bob Ruben and Chuck Clarke, all of whom I think you know. I would like to say right here and now what an extraordinary job I believe that they have done, and I know that you all agree with me and pay in a public way what may be an embarrassing but nonetheless sincerely felt compliment to their efforts and their beliefs and their convictions and their energies which they have put on the line on this effort over the last three or four years.

As Jack brought out, many of us tend to think back about our experiences in an operation such as Alliance for Progress in terms of small individual vignettes, small experiences which somehow symbolize what the whole big confusing picture is all about. This is true in my case as well. As I recall my own experiences as part of the Alliance for Progress, I tend to think about the First Annual Review by IAECOSOC of the Alliance in October of 1962, at the very height of the Cuban-missile crisis. I tend to think of that touching moment at the White House the day after the burial of President Kennedy when President Johnson called together the Diplomatic representatives of the Nations of Latin America in his first official foreign policy set, and in the same room where President Kennedy in March of 1961 had originally proclaimed the Alliance for Progress, President Johnson, in the presence of Mrs. Kennedy, reiterated this Nation's firm dedication to the principles and programs of the Alliance and made this the central thread of his Latin American foreign policy as it had been the central thread of President Kennedy's Administration.

I tend also to think of the Dominican Republic, where I was just a week and a half ago, which I think in some ways symbolizes what happens when objectives and goals of the Alliance are not achieved — the dangers, possibility for chaos and total destruction, when political, social, economic development do not occur and when the just aspirations of people are frustrated. And finally I tend to think of this meeting which to me — though a vignette, as if one were required — is a firm reaffirmation of the validity and toughness and strength of this thing we have been talking about

called the Alliance for Progress. Because I think, if anything, we here in Washington take this meeting — we interpret your coming here at your own expense — we interpret your sincerity and your dedication as evidenced by the fact that you are prepared to sit around this table and work on this problem, and your efforts thus far in the Hemisphere, in the field, and the efforts that are to come — as evidence to us that what we have been talking about is not all official hot air — that the idea of effective development in the Hemisphere is something which is catching hold — which does take the hearts and minds of the peoples of both the United States and Latin America, which has a fundamental validity, and which we are now convinced is going to go forward.

I think none of you underestimate the difficulties which any extraordinarily ambitious program such as the Alliance for Progress faces. What happened in Punta del Este in Uruguay in August of 1961 sometimes still boggles my imagination. Here was an example of 20 free nations of the Hemisphere, sitting down to sign an international document which was not a treaty, which was not in the usual traditional forms of diplomatic interchange, but which was an agreement between themselves and between each government and its own people, that all the peoples of the Hemisphere would put forward their best efforts to a concentrated program of development and modernization, that that effort would have clearly stated goals such as — you all know from the Charter — literacy, sixth grade education, decent housing, industrialization, diversification of exports, integration of markets and a host of others, all subsumed in an extraordinary ambition — an overall target of 2-1/2 percent growth rate in per capita income.

A document, a treaty, a commitment, a pledge never, I think, equalled before in the history of mankind. It is not a document or a pledge or a program for the timid or for those who fear a commitment of extraordinary ambitions, one to which we have pledged our national honor and to which each of the other free nations of the Hemisphere has done the same. This in spite of the fact that the barriers to development in Latin America are profound — barriers which each of you, I am sure, with your experience in the field thus far, fully appreciates.

Latin America is an area which is suffering from a host of hazards, a host of difficulties, inflation, limited schooling, lack of literacy, slums, rapid population growth, lack of industrialization, old traditions and ways of doing things which impede

the rapid development which other more fortunate areas of the world such as our own and Europe and Japan. Agricultural patterns which have resulted in recent years in a relative decline of agricultural output at the same time population is increasing, ancient and outmoded ways of marketing agricultural products in the cities, lack of large markets which are an inducement to industrialization, limits on capital, innumerable other problems which have resulted in the present state of Latin America's development and which, of course, manifest themselves not merely in the indicia of underdevelopment and economic sense but also in a blighted life for vast numbers of the 200 million people in the Hemisphere busy with frustrated hopes and ambitions, in political tension, and in social misery.

We are engaged in a program to tackle these problems. We have thus far mounted, I think, what are extraordinary efforts, even though they have not solved all these problems in the last three and a half years.

You will hear from the Secretary this evening who will discuss some of the achievements which we in the United States Government, in cooperation with the governments of Latin America, have been able to wrought. These are achievements which are measurable in terms of numbers of houses, in terms of numbers of schools, in terms of numbers of miles of roads, in terms of industrial re-lending banks, in terms of improved tax collections through our technical assistance, in terms improved agricultural productivity, and a host of other areas. But these achievements have not by any means solved the problems. They merely establish a momentum to the process of healthy change in the Hemisphere, and they depend obviously for their success not on U. S. charity and not on the beneficence of our own intentions but on the energies and effective efforts of the peoples of Latin America. It is on this that the ultimate hope for the success of the Alliance rests: What Latin America is prepared to do for itself, and hence the ways in which we in the United States can support those efforts.

And this, I think, demonstrates again the reason why the basic notion of the Partners of the Alliance program is right, valid, correct, and worth your most intense efforts and the best support that we can give to it. Because this cannot, as I have said before, be a program which will succeed solely through efforts of governments. It must, as Jack Vaughn said before, depend for its success or failure on the initiative of people — on the kind of initiative — the kind of local effort — the kind of

courage on the part of hundreds and thousands of small people to take chances; this, I think, has been in a sense, the glory of our own political experience over the last century and a half, which we can perhaps instill, spread, expand and support in Latin America. It is in this sense, I think that we can expect extraordinary things from the kinds of efforts which you will be talking about during the next two days.

Cooperation between private groups — cooperation between individuals in this country and in Latin America will open the doors to all the imaginative new ideas of mounting development in innumerable sectors which we, in this staid atmosphere of the Department of State and the AID Agency, can ever imagine, but which you can demonstrate by actually doing. Hence, as I said in the beginning, this meeting for me, for Jim and his staff, I know, is an affirmation and a confirmation of a faith in the ideas of the Partners of the Alliance which we have held for many years. Hence, I think I would like to close by, if you will, saying thank you even before you have begun your work. You are demonstrating something that we have believed in and will continue to believe in and now know to be true — that the people of the United States and the people of Latin America play the critical role in the development effort of the Hemisphere, that this development effort as staked out in the Charter of Punta del Este is valid, that it can work, that it is, if not the last, certainly the best answer we have to the profound challenges which Latin America faces today, and that it is the peoples of both the United States and Latin America who are pledged to and prepared to support the basic program of economic, social and political development which is inherent in the Charter Punta del Este. Thank you very much.

Mr. Boren: Mr. Marcus had asked that I take up a couple of quick points before we go into our specific discussion groups.

In the breakup to our various groups, the types of sessions that you will have are actually unstructured. There are no set or described forms. There are no panel talks to be made. But rather in your discussion groups you'll have an opportunity to start discussing, exchanging experiences, exchanging ideas of new types of programs. I may give some illustrations of some of the things you might consider. In the committee or work session group dealing with educational and labor, for example, what are some of the activities that have already been carried out? Are there some scholarship operations on a two-way basis that might be explored or that have already been put into effect? Is there an opportunity here, specifically for the Partners to make a

significant contribution in the field of language development? For example, Miami University of Ohio is going to receive some assistance from the Parana Partners of the Alliance, providing a professor of Portuguese for a special course that is going to be held this summer, very shortly in fact, to introduce the language of Portuguese to some of the teachers in the high schools that have competency in some other languages. This will be a significant contribution. A similar project is being explored in the area of assistance in the language of Spanish. In the general field of education and labor, have there been some specific activities that have been carried out already in terms of assistance with conferences and in training programs, in exchanges of various types?

In the area of health and social services, what are some of the specific things that are being explored? Have hospital associations in some of the States of the United States been active with their counterpart Partners activities groups in Latin America, ranging from the sending of hospital equipment to providing opportunities for some medical research in high altitude medicine or in tropical medicine? What are some things that have been done, what are some things that can be explored further in terms of exchanges, scholarship programs of that nature?

Agricultural and cooperatives — again, what has been done? There have been some instances, I know, in which there has been the provision of rural electric cooperative equipment of certain types to some specific cooperatives in the Latin American Partner areas. In the State of Rio Grande do Sul in Brazil, for example, I know that there has been the exchange of some seed, that is being tested in the partner State of Indiana. The two-way flow, the partnership, is the key thing that we're interested in stressing and exploring — not only in terms of what has been done but what can evolve in the future.

In the area of industrial development and investment opportunities, what contacts have already been made, what discussions are underway? Is it possible that at some point in time, a group of businessmen and leaders from a particular Partner area in one of Latin American countries might wish to come to a widely publicized investments and general industrial development conference in their Partner's state in the U.S. — not to talk about general investment climate but about specific opportunities. Is this something that might be possible, or is this practical? What are some other areas of specific exchange of ideas and of specific opportunities of mutual interest?

In this session with the State Chairmen and the Executive Secretaries, they are going to discuss basically organizational operations. How is your particular Partners committee organized? By geographic area, by functional lines or by economic ties on the basis of State trade associations organizations? How do you operate in terms of your committee? Do you have a large committee or a small executive committee? How often do they meet? Who handles the day-to-day follow-through work? Do you have an executive secretary that is on either full-time or part-time in your operation? Who handles and channels the communication? And also, how are projects then implemented? What are the fund-raising techniques that have been found to be helpful and useful? Some of these are the practical ideas that can be explored in the various committees.

Let me move to the next item of business which has to do with the chairmanship of the various discussion groups. We have made some suggestions on the basis of the information that we have seen flow through our office. (May I add here that this has been a somewhat difficult and, frankly, somewhat embarrassing task.) In order to conserve some of our valuable time, we have had to make some basic decisions; so we have taken the liberty of suggesting a few people to chair our discussion groups. We have selected several individuals on the basis of the activities in which they have been involved, trying, at the same time, to gain a fair geographic representation.

We will ask Mr. Bob Carmin of Indiana to be co-chairman of the Education and Labor committee. We will also ask the committee to select a co-chairman for Bob during its first session. Mr. Carmin has been very active in the Indiana Partnership program and is the Dean of the College of Science and Humanities at Ball State University. (Dr. J. A. Messeder of Brazil was selected.)

We have had several suggestions for the chairmanship of the Industrial Development and Investments committee, but we have made no selection. I have talked with several of the persons suggested by the Latin American partners, but those I talked to felt that their range of interest was not such that they wanted to serve as co-chairman of this committee. So I'll ask that this selection be done in the committee. Mr. Ed Golin, who has served with the Delaware State Board of Economic Development has agreed to serve as the co-chairman. (Dr. Eduardo Dibos of Peru was selected.)

We would like to ask Mr. Tony Dominguez of Panama and Mr. Fred Heldring of Pennsylvania to serve as co-chairmen of the State Organization Committee. Mr.

Dominguez is the President of the Twenty-Thirty Club, active in quite a number of areas in Panama. Mr. Heldring is Vice President of the Philadelphia National Bank in charge of their international division.

For the Agricultural and Cooperatives Committee, Mr. Edison Montes de Oca's name has been suggested by the Latin American Partners committees. Mr. Montes de Oca has been very active in the general agriculture field and was, I believe, manager of Ecuador's first rural-electric cooperative. (Mr. Jim Egan was selected later by the committee as co-chairman.)

In terms of some of their activities in the past and their experiences in the Health and Social Services areas, we would like to ask Dr. Will Pirkey and Dr. Garrido Lecca to chair this committee. Dr. Pirkey is a physician and is Chairman of our Colorado Partners. Dr. Lecca, also a physician, was the former Minister of Health in his country, Peru.

With this general background then, may I suggest that we might adjourn shortly to these meetings.

I wish to apologize to you for the extensiveness of my role; and I wish to again ask your indulgence and understanding for some of the ways we have had to move to make decisions, but we have done this in the interest of time. Our particular role from our office can now, after having served somewhat as catalysts to help bring the groups together, be to withdraw to the background as much as possible. We will be available to be of as much help to you as we can as your resource assistants, but this is your program. It will be your success. It will be your failure. We stand in the wings to be of any and all assistance to you, and I hope that my direct role can diminish as your programs develop.

I would like to add my appreciation, along with that expressed by Mr. Marcus, for those that are here from the ranks of the Peace Corps. I know that all of us have seen them in operation and know that they have a great deal to contribute, particularly to our Partners groups here in the United States. As they go back, they are able to translate to our citizens in the various states the meaning of the overall Alliance activities, and also to express and explain to some of those of our own citizens who do not fully understand and comprehend the activities taking place in the rest of the world. They can do this and, in a sense, be continuing as your ambassadors in this country at the grass roots level.

10:15 A. M. — COMMITTEE WORK SESSIONS

12:15 P. M. — LUNCH BREAK

1:30 P. M. — RECONVENE

Mr. Marcus: The meeting will please come to order. I am sure we all feel we know one another a little bit better, now that we have had this morning of discussion. I have talked with some of the chairmen of the groups and I think the consensus is that after a little bit of churning, most of us arrived at a modus operandi that will permit us to make more rapid progress this afternoon.

I have an announcement to make. The Manager of the Mayflower Hotel wishes to express his official embarrassment over the fact that many of you were not accommodated as you should have been. He has already contacted the Gramercy Inn and the Dupont Plaza Hotel. These hotels are willing to honor the agreement on rates which were made earlier with the Mayflower. There has been no confirmation of similar arrangements with other hotels up to the present time. He hopes he will be able to accomplish that as well.

And now we have the opportunity to hear from a distinguished gentleman, Mr. Richard W. Reuter, who is a Special Assistant to the President and Director of Food for Peace. Mr. Reuter coordinates the operating responsibilities of the Departments of State and Agriculture and the Agency for International Development in the 1 and 1/2 billion dollar a year distribution and sale of food overseas, authorized by Public Law 480, the Agricultural Trade and Development Act. He has worked closely with trade groups to stimulate private sector participation in the struggle for freedom from hunger for all peoples.

Prior to his appointment in 1962, Mr. Reuter served as Executive Director of CARE, having joined that international voluntary aid agency in 1946, soon after its founding.

He was a former assistant editor of Town and Country magazine, and his business experiences have included administrative posts in publishing and retailing.

He was born in Brooklyn in 1918, educated in the New York City school system, and received his Bachelor of Arts degree with high honors in Economics from Amherst College in 1938. In 1963, Amherst awarded him an Honorary Doctorate.

It is a real pleasure to introduce the Special Assistant to the President and the Director for Food for Peace, Mr. Richard Reuter.

1:35 P. M. - REMARKS



*Richard W. Reuter
Special Assistant to the
President
Director, Food for Peace*

Mr. Chairman, Mr. Boren, fellow Partners of the Alliance, after spending the morning discussing the Mekong Delta and Southeast Asia, I am trying to shift gears quickly here and get back to an area that I know much better.

It is really a privilege and a real pleasure to join you here today, for this is a most important undertaking. We need, we encourage, private sector participation and cooperation. I apologize to the Latin American delegates for not speaking to you in your native tongues; however, in a meeting such as this we all do speak a common language in our thoughts. Whatever way it is spelled, Desarrollo, or Desenvolvimiento, or Development, we are working toward a goal that is universally understood throughout the Hemisphere.

I am sure that all of you who have visited a school lunch program or have seen food distributed to the hungry — whether you have seen it in the Appalachians or you have seen it in Puno, Peru — know from the faces of the children that food needs no explanation or introductions. I have come here today just to say a word on a subject which I am sure you have been discussing, Operation Ninos, and to share with you some of our plans for the future, seek your advice and suggestions and help.

As you may know Operation Ninos was conceived in mid-1962 as a cooperative effort under the Alliance for Progress to expand child-feeding programs dramatically, to expand child-feeding programs throughout Latin America, to improve these programs where they already were in operation, and to create an awareness and a concern and a support for an improved nutrition for the children of our Hemisphere. Operation Ninos has been a success. Today, less than three years since the program was inaugurated, more than 13 million school-aged children and over 2 million pre-school children in Latin America are sitting down to at least a glass of milk or a meal in which Food for Peace commodities are being served, very frequently being supplemented by locally available supplies. This represents a three hundred percent increase since Operation Ninos began. The number of school-aged children being reached has jumped from 3.9 million to over 13 million. The number of pre-school children has more than doubled. This has been an impact program making the Alliance visible and real to many people, even in the remote villages. Of course, Operation Ninos has not been solely a U.S. effort, and its success would not have been possible without the hard work and dedication of local governments and institutions which have provided that additional food supplement, cooking utensils and transportation and administration, and that most valuable ingredient, human concern and personal participation.

I think that Operation Ninos has been a true embodiment of the spirit of the Alliance for Progress, a combined effort of people in all parts of the Hemisphere. Even though I say Operation Ninos has been a success by most standards, we really have no right to be satisfied, certainly no right to be satisfied as long as the need that remains unmet is as great as it is. We still haven't reached effectively and efficiently the pre-school child. We doubled the number we are reaching, but it is a very small percentage of those in this most vulnerable group which requires more and better nutrition and more awareness on the part of their families on what proper nutrition is if we are not to stunt irreparably both their physical and mental development.

We really haven't solved the problem of how to reach this pre-school child. Most of our effective work so far has been through the mother-child centers and small health clinics, but we can't wait until we get the clinics. Are we going to be able to find ways? Perhaps we can use the schools as a center: The facility that's there for providing the meal for the school child might also be used off-hours to provide supplementary rations for the pre-school child. We've got to make maximum use of the

facilities that we do have. I think this is a challenge for us. I think we should realize that food, however essential, is just really a starting point.

We now seek ways to improve the health and welfare of our children so that they may take their rightful place in the world of tomorrow. We are searching for new answers and new ways to provide children with the opportunities they deserve. And this is a part of what we call Operation Ninos. Certainly they have to do the food job first, but there's a broader job to be done also. And this in part does explain why Operation Ninos activities have now been related to the Partners of the Alliance Program. It is the union of two dynamic programs which can help in building a better life in the Hemisphere.

What has Partners of the Alliance to do with the feeding program like Operation Ninos? This is a logical question, but the answer is just as logical. There is no reason that Operation Ninos should be considered strictly as a feeding program. The economic and social development of the Americas will be only as broad as our vision and our conception of the goals we seek. As I said, children do need more than food. They need opportunity to help themselves. They need decent schools. Parenthetically I must add that I think that probably our feeding scheme through the schools has done as much for education, for getting people into school, and for keeping them there and having them alert enough to take advantage of that, as any other single activity that we've done. They have a multitude of other educational needs, including school equipment, kitchens, books and teaching materials, health and dental facilities, and recreational equipment. (And I hope we won't forget the recreational equipment.)

Sometimes the simplest of needs is the one with the greatest impact. A quick example is the school garden project in Brazil. Youngsters in a number of the Brazilian schools are now learning that gardens can be of great value in providing a better diet when added to Food for Peace commodities they are now receiving in Operation Ninos school lunch programs. The gardens encourage children to learn by doing, stimulating similar projects at home and on a community level. What started these projects? A donation of seeds from a seed company in the U. S. , plus a little encouragement and some administrative support. The idea has caught on and now similar projects are under way in a number of other countries. And I can well remember a visit to a little school outside of Guatemala City in Guatemala. Here, the children had undertaken a very significant garden activity, and the mothers were petitioning the Ministry of Health to send in a home economist to teach them how to use these

green vegetables. The joke around this is that a year before this the home economist had come to the village to try to work with the families and got a cold reception and finally left, having failed in completing her mission. But with the involvement of the children in growing green vegetables for the first time, they wanted to know because the kids said, "We're supposed to eat these."

Another and a very different project in Bogota, Colombia, that's just about to open illustrates how U.S. private industry can cooperate with Operation Ninos under the Partners of the Alliance. At Ciudad Kennedy, a housing development near Bogota, the U.S. Food Industry is now equipping, paying all the costs for, a cafeteria which will serve hot breakfasts and lunches to 2,400 children each day. Food for Peace commodities will be provided through the CARE program, and the Colombia Government agencies will supplement these foods with fresh foods in the provinces. The food industry group not only is providing the equipment, but they're also providing technical assistance so that the staff in Colombia will know how to operate, service, and maintain this equipment.

There are limitless opportunities and I'd love to tell a number of the human interest stories that you have in this kind of operation, but there are a tremendous number of opportunities in a vast area for private sector cooperation under our broad Operation Ninos concept. We stand ready to help with food, but food alone is not enough. Nor are the resources of the government as such enough. Assembled in this room this afternoon are distinguished business and professional people from the Americas. You have the talent, the resources, and the ingenuity to accomplish what we seek for our children. Your record and the achievement of the Partners of the Alliance program is already an impressive one. There is more that we can do, and this is the challenge that I wish to leave with you today.

I can assure you that no program means more to President Johnson than our efforts to raise the potential of and the opportunities for our youth. I can assure you of our cooperation in every way possible. Thank you.

Mr. Marcus: Through the cooperation and financial support of television station, KPRC, in Houston, Texas, a film has been prepared concerning the Texas-Peru Partners of the Alliance. Today will be its first public presentation. It will go on television throughout Texas, and after that it will be used for luncheon groups in conjunction with talks that are made by members of our committee who are seeking the support of these various civic and student groups throughout our state.

We felt in having this made that we would not be successful in what we were trying to accomplish unless we could expose our story to a tremendous portion of people in Texas, and that the greatest number of people we could get involved in our movement, no matter how small, was more important really than the specific number of dollars that move through us. This film is only one way. We are reaching many through exhibitions, through school groups, and through civic groups, but I think now we'll let you take a look at this film.

1:45 P. M. — FILM "Texas-Peru Partners of the Alliance"

(Text of film is available upon request to the Partners Washington office.)

2:15 P. M. — COMMITTEE WORK SESSIONS

6:00 P. M. — COMMITTEES ADJOURN

7:00 P. M. — RECEPTION

8:00 P. M. — DINNER

Mr. Marcus: Ladies and Gentlemen, if you will continue with your dessert and coffee, it will be perfectly all right. I might say this is the third time I think I've appeared before you today, and you all look better than you've looked the previous two times. I don't know whether it's that you're more relaxed, or whether I've gotten used to you. I think though that it's because you have more ladies with you, and somehow or other, that makes you gentlemen look more attractive.

I would like to introduce those at the head table who will not appear on the program, and one other person who is not at the head table. At my left, the Honorable Robert Sayre, who is the Deputy Assistant Secretary of State for Inter-American Affairs. Next to him is Mrs. Magalhaes, wife of the Brazilian Ambassador to the United States; the Reverend George Davis. Next is Mrs. Edward Marcus who puts up with a great deal from me and is going to put up with more because I'm going to be out of the country more than she thinks I ought to be in the next few months. Starting on my right is Mrs. Sayre; Mr. William D. Rogers, the Deputy U. S. Coordinator of the Alliance for Progress; Mrs. Dean Rusk; and the gentleman who modestly did not put himself at the head table, but to whom we all owe considerable debt for the tremendous job he had done in terms of fathering the Partners of the Alliance Group, Mr. James Boren.

It is now my pleasure to make a presentation to a gentleman who is at the head table. I should like to ask him to step up and stand with me while I read a certificate presented to him by us, meaning the voluntary as well as professional members of the Partners of the Alliance. Mr. William D. Rogers, the Honorable William D. Rogers. This, I believe, is a surprise. Will you come up here, Bill? I shall read this if I may.

Presented to Mr. William D. Rogers, Deputy U. S. Coordinator of the Alliance for Progress, on the occasion of the First Inter-American Conference of the Partners of the Alliance, in recognition of his outstanding contribution and constant encouragement to the development of the Partners of the Alliance program and for his efforts in stimulating the private sector participation in the Alliance for Progress.

Most of us heard from Mr. Rogers at our meeting earlier today. And now I would like to introduce to you the Honorable Ambassador of Nicaragua, Dr. Guillermo Sevilla-Sacasa, Dean of the Diplomatic Corps.

Ambassador Sevilla-Sacasa: Excellencies, ladies and gentlemen, I have the honor to propose a toast to the President of the Inter-American Republics. The President.

Your Excellency the Secretary of State, Mrs. Rusk, Mr. Marcus, Mrs. Marcus, Mr. Rogers, Honorable Senators and Members of the House, distinguished officials of the Government of the United States, their excellencies, the ambassadors of Latin American republics, friends and Partners of the Alliance for Progress, ladies and gentlemen, we are celebrating the First Inter-American Conference of Partners of the Alliance for Progress. We are gathered together to become familiar with the development of such a vast enterprise throughout all corners of the continent. The presence of friends representing the different Latin American areas under sister American states is already a symbol of solidarity, born of that common effort in which our peoples are engrossed. We know that this first conference has been held by petition of the organizing private entities, both the Latin and North American, and that the interchange of impressions and ideas of new fields of action has been one of the main objectives. The fraternal relation which has presently been established among 26 American states and an equal number of Latin American areas in this short span of little more than year is proof of the effort that there exists to improve the welfare of our peoples. I take pleasure in greeting the Partners who have arrived in this beautiful city of Washington to participate in the Conference. We are grateful to all of them

for their kindness in having invited us to this magnificent dinner that is awed by the presence of the illustrious Secretary of State and his charming wife, Mrs. Dean Rusk.

In the Secretary of State we see a person of notable accomplishment, a gentleman of great qualities, one of the moral leaders of international harmony. My country, Nicaragua, is one of those which has pinned its hopes on the Alliance for Progress. This confraternity makes us stronger, more prosperous, and therefore freer. The Alliance for Progress is a concept of vast scope. It is the participation of the United States of America in a program that permits Latin America to think of a new economic and social structure that might make it possible to solve the problems of the large masses that are still living in ignorance and poverty. Just as the United States was able to make progress in the early years of its economic development, awaiting and obtaining technical aid and capital from Europe without which it would not have made such progress, thus is Latin America seeking aid and capital.

The Alliance for Progress is a revolutionary step. It completes the unfinished revolution of the first century since the Latin American Republics became independent from Spain and Portugal. The revolution of the 19th Century was of a political nature. Many things remained unchanged in the social sphere. We completed that revolution with the aid of the United States, this great friendly and powerful nation, bulward of peace and champion of justice, that has offered to take part in the economic development of Latin America. Under the sign of the Alliance for Progress flutter the hopes of the peoples of Latin America who still have not reached the level of economic development and social justice to which they have aspired. The Alliance for Progress is a cooperative and political plan. It implies the cooperation of the governments of Latin America and of our peoples. Responsibility must not all lie with the United States. The Alliance for Progress offers the opportunity to show that democracy is the best method to transform society. Let us make use of the Alliance in order to progress. Let us progress under the sign of the Alliance.

One of the great merits of the Alliance for Progress is that it allows us to accelerate the development of our peoples who at times become impassioned and think that the Alliance will give them the aid so vital for a faster development. But, of course, here always arises the question of the steps to be taken by the government. The fiscal structure of our countries should be reformed to manage a fairer distribution of tax charges. A way should be found so that those who are better off should pay

more, and that indirect taxes will be reduced insofar as possible, because indirect taxes fall more heavily on those who are less able to pay. Much more could be said about the revolutionary plan that is a compass within the Alliance for Progress. All of you can appreciate the scope of that plan that seeks to carry out a social and pacific revolution, to avoid a violent one. I believe in the Alliance. I congratulate all those who have interpreted it in its true scope and sense.

As Dean of the Diplomatic Corps, I am honored to introduce to you my distinguished colleague and friend, His Excellency Juracy Magalhaes, Ambassador of the sister republic of Brazil, who has served his country in the military and political diplomatic fields. Ambassador Magalhaes comes from the state of Ceara, a state of men tempered in battle and exemplary as gentlemen. After completing high and preparatory school studies, he entered the Brazilian Military Academy in 1923 and graduated in 1926, having later completed advanced officer training courses in Rio de Janeiro as well as Fort Leavenworth, Kansas. The wealth of knowledge acquired in the centers of higher learning put him at the service of his country in different regiments and battalions of the glorious army of Brazil. His activities and impulses made him participate in politics from a very early age, having taken over duties of responsibility, such as federal interventor of the State of Bahia, Governor of the same state by popular election in 1935, and later going to Congress as a state representative from Bahia. The Ambassador has the sole distinction of being one of the drafters of the present constitution of his beloved country. He was military attache of the embassy in Washington, president of Petrobras and other reputable companies, and senator from Bahia from 1954 to 1958. In the Senate, he obtained the position of Chairman of the Committee for Economic Affairs in which he showed his singular capabilities. For the second time he was elected Governor of Bahia in 1959, and later his government entrusted him with the delicate mission of becoming Ambassador to Washington in July of 1964. He has represented Brazil at numerous international conferences and has led the Party for National Democratic Union.

For me, it is a great and personal satisfaction that this illustrious public man has been also honorary consul of Nicaragua in Bahia, and rendered magnificent service to my government and my people. On Ambassador Magalhaes' breast many medals of honor have been pinned which express recognition of his merits, talent, and the strength of his character. Excellencies, ladies and gentlemen, I am very pleased to present to you the eminent diplomat, gentleman and friend, Ambassador Juracy Magalhaes.



*His Excellency
Juracy Magalhaes
Brazilian Ambassador*

Mr. Secretary, Dean of the Diplomatic Corps, Ambassadors, Members of Congress, Mr. Chairman, ladies and gentlemen, a good introduction is indeed a good beginning. That, my dear good friend, Ambassador Sevilla-Sacasa was so kind that I feel that he said too much for my blood. I am very happy and proud that the distinguished Dean of the Diplomatic Corps has introduced me to you, and I am very grateful for what he said about me, out of his kindness, and furthermore what he said about my country.

When I accepted the invitation to speak tonight, I did not know that I would have the privilege, which adds to my pleasure, in being with you on this important occasion. Also, at that time, I did not know that you, Mr. Secretary of State, would be here and would address us. It is an honor to greet you, Mr. Secretary, not only as a friend for whom I have a deep and well-deserved admiration, but also as a highly regarded aide to President Johnson, the great statesman, able and effective conductor of the foreign policy of his government. Moreover, it is a pleasure to render my tribute to you, Mr. Secretary, as a sincere and good friend of Brazil — a friend who has under all circumstances shown the clearest understanding of the importance for the Western Hemisphere

as well as for the whole Free World of the close and long-standing amity and cooperation between our two countries.

Ladies and gentlemen, I have great pleasure in taking part in this dinner which celebrates the First Inter-American Conference of the Partners of the Alliance, and in presenting to its organizers and participants my warmest greetings, both as a profound admirer of the program of the Partners of the Alliance and as a happy resident of this hospitable city.

This program originated through the sponsorship of the Alliance for Progress which, more in reality than in its emblem, is a torch that clears our skies from darkening clouds and helps to illuminate the future of our countries. To me, one of the main characteristics of the Alliance for Progress is its multilateral proclamation. This is, for the Alliance, a joint effort, which ennobles those who participate in it, and stimulates friendly interaction between the countries of the Western Hemisphere. From this characteristic and this ideal emerges the inspiration for the Partners of the Alliance for Progress, which seeks to transpose to the relations between states, regions, and countries, the cordial understanding which exists at the governmental level.

History shows mankind has experienced various phases as times change and as man broadens his knowledge and widens the aim of his action. Today, only 20 years after the world conflagration, humanity is afflicted by obstacles which bar mutual understanding and by threats to its tranquility and even its self-preservation. Nevertheless, I do not foster pessimistic views. I am convinced that mankind is undergoing a phase of transition and that driven by the circumstances which permit the research and control of the atom as well as the penetration and exploration of outer space, we are advancing toward the establishment of a new order at the international level in which the conscience of interdependence will replace the concept of national sovereignty, and in which the general interest shall prevail over particular ones. Consciously or unconsciously, willingly or not, all countries and peoples are living in this transition, which is as harassing as all changes but whose progress has been very much aided by the work accomplished by several international organizations, and above all, in world bases, the United Nations with its various organisms and its specialized agents. We who form the Inter-American community can be particularly proud of the contribution we handed to the attainment of international order through the efforts and

example of the Organization of American States, the oldest and, without doubt, the most assorted of international organizations.

The OAS faces today a serious crisis, this having started in one of its member states, and Continental tranquility itself is being threatened; the situation arose from internal factors and was aggravated by external influences which are incompatible with the Inter-American system. In this connection, however, I am also optimistic and am confident that this Hemisphere will succeed in surmounting the present crisis and that the OAS will emerge renewed, strengthened, better equipped for its noble task and, God willing, free from the mistrust and suspicion which should be banned from congenitally allied countries.

In this framework of international cooperation, the program of the Partners of the Alliance has its mission to accomplish. I am aware that the program has, among others, the ambition to aid, within the natural limitation imposed by its means, projects of social and community work. This purpose deserves much praise for good works are the best, or at least the most perceptible, expression of good intentions. I do believe, however, that in order to obtain complete fulfillment, the program needs but to pave the way for the direct and constant contact between the states, regions, and countries associated in each of its partnerships. Indeed, the promotion of this friendly and intimate understanding between the Partners of the Alliance, this people-to-people communication, represents in my opinion the greatest force, the best expression, and the highest aim of this remarkable program.

Almost a month ago, as I addressed a group of high-ranking clergymen, I aroused laughter when I said there was no point in preaching to preachers. As I still follow that rule, I will not dare make remarks about the best way to attain the aims of the Partners of the Alliance for Progress. The Partners themselves, now meeting here, will know better than myself what to do in order to carry on their work. For this, they will rely on the experience already accumulated by the various committees and on the assistance of those through whose efforts in this and in all other represented countries, we owe the highly developed state attained by the program as of now. On my back, and speaking with the responsibility and the humbleness of the representative of a great country which takes pride in having already 9 Partners of the Alliance committees, I assure you that Brazil is following with great satisfaction the work you are accomplishing, and thanking you for the attention you have granted me at this

magnificent occasion. Let me express my best wishes for the complete success of your, of our program.

Mr. Marcus: Mr. Ambassador, His Excellency Sevilla-Sacasa did not overstate what we might expect from you. It was a very inspiring, thoughtful message. I might say that in all of the committees that have met today, I have received messages from members and chairmen that there have been outstanding countrymen of yours that have taken brilliant parts in these discussions. Nevertheless, I am sure that each of them and each of us wish that you could sit personally at each of these committees to help us pursue our aims even more fruitfully.

The honor of introducing the Secretary of States goes to one of our Partners of the Alliance, Mr. John A. W. Richardson. Mr. Richardson is Vice President of the First National Bank of Boston, in charge of the Bank's Latin America area, operating 10 banks in South America. He came with the Bank in 1947, and prior to that time had been the Assistant Vice President of the Chemical Bank-New York Trust Co., where he served the Executive Loan committee which related to foreign and domestic credit. In this connection, he spent a good deal of time on liquidation of the German Mark position between the two World Wars. Mr. Richardson went to Argentina for the First National Bank of Boston in 1947 and returned from there in 1951. He is a trustee of The Council for Latin America, and a member of the Pan American Society of New England. He is on the Foreign Property Committee of the National Foreign Trade Council, and, last but not at all least, he is a member of the Steering Committee of the Massachusetts-Antioquia Partnership program. Ladies and gentlemen, it is a pleasure to introduce the Vice President of the First National Bank of Boston, Mr. John A. W. Richardson.

Mr. Richardson: Distinguished representatives of governments of the Western Hemisphere, their charming wives, and our partners under the Alliance for Progress, it was a great honor for me to have been asked to introduce your next speaker, and to be present at this meeting. In part at least this honor has come my way as one of the senior, by reason of age alone I fear, partners from the private sector. The partnerships here are a true amalgamation of people from all over the Hemisphere, and from both public and private operations.

In North America, we of the private sector count ourselves as very fortunate to have the opportunity of working on a day-to-day basis with Jim Boren and his colleagues

from the public sector, without whose advice and encouragement we do not believe we would have progressed as far as we have.

The various partnerships which have been formed between political subdivisions of both North and South America are a very important part of the general and broader operation of the Alianza para el Progreso itself. Each of us recognizes that in this relationship, both the Northern and Southern counterparts contribute to each other, and by no means is any one partner dominant over any other partner. It is a two-way street. The Alianza para el Progreso is a new name but not a new idea. The idea of interchange between various peoples in the Hemisphere had been thought out sufficiently to warrant an attempt at a meeting in the latter part of the 19th Century in Panama, but the various persons couldn't get there because of various storms and steamship difficulties. The idea, since that time, has lain pretty dormant, and it could not begin to function until the Punta del Este Conference, where it was given the strong impetus by John Fitzgerald Kennedy, who, as you know, was from Massachusetts, itself an area where men became individuals and life, liberty, and the pursuit of happiness began to take shape in that part of North America. President Kennedy suggested that the operation bear its present name. Since the Conference at Punta del Este, the Alliance has made tremendous progress in spite of the fact that it has encountered in its initial stages tremendous but expected difficulties. We in the private sector feel that one of the important parts of the partnership under the Alliance is a mixing of people from one area with the people of another area, and the program of the Partners of the Alliance has increased the interchange of these relationships.

In the case of our partnership with Antioquia, we have so far developed three short-term projects and one long-term project, the latter of which we're going to call an exchange of junior executives. Somewhat before the formation of the partnership, we in our office had been experimenting with such an exchange, and we currently have with us a young man from Medellin who is working with us in Boston. The prior year, one of our young men lived in Medellin and worked in a local bank there. It is our considered opinion that this exchange has been practical for both of the men, advantageous to their various countries and has furthered the whole idea.

The partnership activity under the Alliance is one of the many functions under the general supervision of our next speaker who is the 54th Secretary of State in the United States of North America, having been sworn in on January 21, 1961. The

Secretary has a most distinguished record, both in and out of government. He began his services in our State Department in 1946 and served in various capacities until 1952. From 1952 to 1961, he was absent from the State Department in his private function as President of the Rockefeller Foundation. He has many honors and has functioned both in the field of peace and the field of war. He holds the Legion of Merit and the Oak-Leaf Cluster. He was awarded the Cecil Peace Prize for an essay which he created at Oxford. He is, therefore, a man of peace with knowledge of war. I am pleased to introduce to you the Secretary of State of the United States of North America, the Honorable Dean Rusk.

9:30 P. M. — ADDRESS



*Secretary of State
Dean Rusk*

Mr. Richardson, Mr. Marcus, Mr. Dean and Excellencies, distinguished Senators and Members of Congress, honored guests from our sister Republics and ladies and gentlemen, I do indeed count it a great personal privilege to be here this evening as you bring to a conclusion your first day's work as delegates to this First Inter-American Conference of the Partners of the Alliance.

I'm also greatly honored to find myself on the program just behind our distinguished Ambassador from Brazil, despite the fact that I had been warned that his eloquence would make it very difficult to follow in his train. Because he has taken the story of our Alliance for Progress into all corners of our own country with a conviction and a persuasiveness which has greatly strengthened the Partners of the Alliance and the understanding of our own people here of what is going on in the rest of the Hemisphere. Barely four years have passed since representatives of the Republics of this Hemisphere met in Punta del Este to fashion this Alliance for Progress. The charter which was there given life, in turn gave hope and reality to the aspirations of responsible and progressive Latin Americans.

It is true that the United States helped in the formulation of the Charter, but the ideas and the inspiration were profoundly Latin American. The signatory governments

pledged to their own peoples and to one another that they would meet the challenges of the 20th Century. The commitment was clear to change old ways so much that each nation would become politically more democratic, economically more developed, and socially more just, the unfinished business of us all — or as the Dean put it — the unfinished revolution of this Hemisphere. The ties that bind the American Republics in the Inter-American system command us to respect one another and to help one another. The Alliance for Progress was fashioned in that spirit of mutual help and respect. The Charter of Punta del Este made it plain that no one nation would or could assume the major responsibility of carrying out the purposes of the Alliance. Indeed, that historic document declared that this was to be a common and united effort of the people of the Americas. The Charter of the Alliance recognizes that the strengthening of liberty in Latin America requires rapid and profound change. I think it is not too much that we pause occasionally to remind ourselves of the noble conceptions which are at the heart of living institutions, because that Charter declared that men and women of our Hemisphere are reaching for the better life which today's skills have placed within their grasp.

They determine for themselves and their children to have peace and even more abundant lives, to gain access to knowledge and equal opportunity for all, to end those conditions which benefit the few at the expense and dignity of the many. It is our inescapable task to fulfill these just desires, that Charter declared, to demonstrate to the poor and forsaken of our countries and of all lands that the creative powers of free men hold the key to their progress and to the progress of future generations.

So those are the words that call for that peaceful revolution, and as President Johnson has said, "those who make peaceful revolution impossible, make violent revolution inevitable". Obviously, then, the United States welcomes change in Latin America. From its inception the Alliance for Progress has been the cornerstone of our policy in this Hemisphere. The Alliance objectives of reform and development in democracy are our own objectives as well. They are our objectives because we strongly believe in them, and because their attainment in each and every country of Latin America is both a coming interest of the Hemisphere and a national interest of each one of us.

The Alliance for Progress is now approaching its 5th year. It stands at a hopeful but critically important stage. It's hopeful for several reasons. Last year Latin

America achieved an overall increase in its gross national product of 2-1/2% per capita, the rough target set in 1961. The increase varied from country to country but was well spread. The Inter-American Committee for the Alliance of Progress here feels that there is a fair chance that overall 2-1/2% per capita rate of growth will be achieved again in 1965. But let me remind you of just a few figures on the Alliance thus far. Twelve countries have land reform laws. Ten have produced national development plans or sector development programs, and other country programs are being completed. Fifteen have self-help housing programs, and more than 300,000 dwelling units have been completed or are near completion. That 300,000 is not just a number we use at a dinner here in Washington. Try to leap across space and think of 300,000 homes — 300,000 families in this Hemisphere. Every Alliance country has improved its tax system, tax administration. Nine have undertaken major tax reform. 42 intermediate credit institutions have been created. 6,150 miles of roads have been built. More than 75,000 teachers have been trained. Ten million school books have been circulated, and more than 13 million school children are participating in special school lunch programs — three times the number of 2-1/2 years ago. More than 200,000 agricultural credit loans have been made.

So, in most of the countries of Latin America, there are governments backed by a vital new generation in public and private life, facing courageously the tremendous problems which must be solved to achieve well balanced economic and social development. It is not easy to bring inflation to a halt. It is not easy to increase tax collections and to design and execute programs of land reform. It is not easy to move away from the protection of high tariff barriers and to expand manufactured exports in a competitive world, but these things are happening. And the language of the Charter of Punta del Este is being translated into a living reality.

The Western Hemisphere has fashioned effective machinery for promoting sound development and reform — such institutions as the Inter-American Development Bank, and Inter-American Committee for the Alliance for Progress. Many of our friends in Latin America wish to go beyond the modernization of the individual nations of this Hemisphere. They seek to accelerate the progress of economic integration. We see the beginnings of this process in the Central American common market and the Latin America Free Trade Association. Economic integration offers many potential advantages. Investments for integrated markets can be more efficient and productive. Wider markets stimulate competitive attitudes and practices. Integration accelerates

diversification of agriculture and industry, and diversification is fundamental to efficiency and regular self-sustained growth. The United States has supported and continues to support economic integration in Europe. We think integration would be correspondingly beneficial here in this Hemisphere. We look forward to having a strong economic and political partner in Latin America, and that partnership would be strengthened by the success of the integration movement.

Although we have solid grounds for satisfaction in the progress that has been made and for hope as we look to the future, we mustn't underestimate the difficulties that still are in front of us. One of the most serious is the decline in the prices of certain traditional Latin American exports — exports on which many Latin American countries depend to earn their foreign exchange. The drop in the price of sugar, for example, from 11 to 2-1/2¢ was surely one of the causes of the crisis in the Dominican Republic. The long-range solution to over-dependence on the export of a few agricultural commodities lies among other things on the diversification of agriculture and the development of export industry. Another serious problem in several countries remains inflation. Controlling it is a searching task, politically and socially as well as economically, and we are full of respect for those governments which are dealing with the inflation courageously and tenaciously.

A fair problem and a far reaching one is the modernization of rural life. Latin America is at a stage of development where industry and urban life are moving ahead with a very high momentum. But most people in Latin America still live in the countryside, substantially untouched by these technical aspects of modern life. These people need schools and roads and electricity. They need to organize cooperatives to sell their products in the cities at a fair price. They need to learn how to improve and diversify their production. And, above all, they need to hope that they will not be left behind as the modernization of Latin America moves forward. They need to feel that not only their governments but that their fellow citizens in the cities have an interest in improving rural life, for building a modern nation is more than a technical task. City folk, and country folk, rich and poor, educated and illiterate must develop a sense of common purpose and brotherhood.

The Alliance for Progress was only beginning to take hold in the Dominican Republic, a little country with a great potential to provide a good life for its people, when the government was overthrown in April. Tragically, a hard-handed dictator had

for three decades thwarted the development of the institutions required for effective democracy and social progress. Such economic advance as took place was poorly balanced, and potential leaders in the country did not have an opportunity to develop mutual understanding and trust. Such a legacy has been hard to overcome.

The countries of this Hemisphere must devise new mechanisms for positive action in the Dominican situation, and for similar crises which might arise in the future. But all of us in the Alliance for Progress must demonstrate our deep and affectionate interest in the welfare of the people of the Dominican Republic, for they won't let the rest of us want for our friends' representative constitutional government, economic and social progress, hope that their children's lives will be happier and more fruitful than their own. So one of our jobs in this Hemisphere is to help the Dominican people to obtain these objectives. The machinery of the Alliance for Progress is set to work to build as rapidly as possible on that island the economic and social foundations for a modern, democratic life. Above all, however, the Alliance for Progress needs the enthusiastic and sustained support of the people of all the member countries. The people must know that this is their program, and they must know this because it can only be their program, for the development cannot be exported across a national frontier. Development starts from where the man is, where the woman is, where the child is, in hope and commitment and dedication and interest.

And this is where you, the Partners of the Alliance, are helping to make an invaluable contribution. You have established a means whereby the people of all our countries can join together in a partnership of mutual help, a partnership based on respect for each other's culture and for each other's dignity. One of the greatest strengths of our form of society is the readiness of private citizens, as individuals and through voluntary organizations, to further public objectives. Through your efforts more and more people will come to see and understand that the Alliance is a living thing, and that it goes beyond power projects and trade conferences and governmental decrees. For through your efforts more and more people will come to realize that there are many things that they can do for themselves, things that government cannot do for them, things that they can do right now to change their lives and to improve the chances of their children having better lives. Your work has already produced suggestions for hundreds of ways in which the people themselves can participate in the great Alliance for Progress. And so I think we are all entitled to regard this First Inter-American Conference of the Partners of the Alliance as a significant milestone. I

should like to congratulate you for it and to express our official appreciation to you for this enormous assistance.

And so let us get on with it together, never forgetting as President Johnson said recently, that we in North America and Latin America have always had very special ties of interest and affection, and that together we share and shape the destiny of the Free World -- of the New World. The tempests of the day will pass, even though other tempests may take their place. But the yearnings of the people of this Hemisphere will endure, yearnings that are rooted deeply in the spirit of Man himself, and yearnings that are responsive to the commitments of this Hemisphere and to the great principles written into our most fundamental charters. This is our main job, and that is the job that will determine how this Hemisphere will look 50 years from now or 25 years from now, or at the end of this decade. And so your task and our task is to guard our direction by the Charter of Punta del Este, to work zealously, and tirelessly with hope and confidence to a complete fulfillment. Thank you very much.

Mr. Marcus: Mr. Secretary, I am sure I express the feeling of every person here in thanking you for your most significant words. They inspire us to go ahead with our work with a new vigor. Your honest hopes and realistic recommendations will serve not only as a keynote for our work at this Conference, but will also be recalled for many, many conferences to come.

(The meeting was adjourned after a benediction by Father John L. Urban, St. Bernard's Church, Diocese of Madison, Wisconsin.)

FRIDAY, JUNE 11

9:00 A. M. — RECONVENE

Mr. Marcus: We would like to have a statement of principle to be presented, and we are suggesting that a committee might get together around lunch today to draft a proposal of Statement of Principle to be presented at the meeting this afternoon. The committee to consist of Dr. Eduardo Saenz Garcia of Bolivia as Chairman; Dr. Edgar Barbosa Ribas of Parana, Brazil; Dr. Eduardo Rodriguez, of Guatemala; Mr. Jim Egan of Texas; and Mr. Lee Collins of California.

In your work session, it might be wise for you to ask what are the five most effective programs that have been initiated in the entire group, so that these might be

goals for some of the other partnerships that may have less experience. I am sure that you'll find some of the experiences of the older partnerships will be useful guides in your newer partnerships.

Above all make sure that your conclusions have to do with the role of the Partners and try not to get into the general policy of countries about which we can do less. Let us stay with that over which we have some control.

Now, ladies and gentlemen, it is a pleasure for me to present a very old and respected friend who is going to address you this morning. About twenty-three years ago was the first time I met Frank Pace; I was a very green young officer in Romulus, Michigan, with the Air Transport Command, and Frank Pace was just about as green when he walked in about two days after I had arrived there in order to check in.

In a manner of a very few weeks, it was apparent to every private and certainly every top man on the base that this new Second Lieutenant was a man to be respected. Every existing Captain and Colonel and every visiting General soon was sure in his own mind that after the war, a great deal would be heard from Frank Pace in terms of public service. I was fortunate that our moves from one base to another happened simultaneously, so that all during the war, my office was never more than twenty feet away from Mr. Pace; so we did get to know and respect each other mightily.

Mr. Pace received his formal education at Princeton and Harvard, and practiced law in Arkansas from 1936 to 1942. Our expectations of his entering into government service after the war were borne out when he became Special Assistant to the Attorney General in 1946 and the Executive Assistant of the Postmaster General in 1946 to 1948. He then became Assistant Director of the Bureau of the Budget and then became Director of that Bureau. In 1950 he was appointed Secretary of the Army and served in that capacity until 1953. You can see that he has made a very broad and important contribution to government service.

At that point Mr. Pace left the government service to enter private industry where he became the Chief Executive Officer of General Dynamics Corporation. He is retired from that but still serves there as a Director. In the last few months he has become the head of an organization called International Executive Service Corps, a private sector organization dealing in international affairs. He is going to tell you what the work of this is and afterward, he will sit in with the Investment Opportunity and

Industrial Development Committee. Mr. John Dieffenderfer, who is the Director of Volunteer Services for IESC, will sit in with the Chairman and Executive Secretaries Committee.

It gives me great pleasure to introduce my old and good friend, Frank Pace, Jr.

9:15 A. M. — ADDRESS



*Frank Pace, Jr.
President
International Executives
Service Corps*

Mr. Marcus, I thank you for a thoughtful introduction.

I want to tell you about a program that closely parallels the work that you are doing and that brings you here to Washington. It arose originally in the minds of a group of distinguished Americans headed by David Rockefeller. It was their belief that the problems that faced our friends in the business world in the developing countries were problems more of management than of money. Philosophically, they believed that given sound management, capital -- both private and public -- would be obtainable in adequate quantities.

At the same time, Senators Hartke and Javits, travelling around the world, reached a similar conclusion, and so the time, it seemed, was ripe for action. With the cooperation of men such as the late C. D. Jackson, Senior Vice President, Time Incorporated; Sol Linowitz, Chairman of the Board, Xerox Corporation; Dan A. Kimball, Chairman of the Board, Aerojet-General Corporation; and William S. Paley, Chairman of the Board, Columbia Broadcasting System, Inc., a unique program was launched. For the first time in the history of our country, a major public program was entrusted to the private, or business, sector to execute. Because the scope

of the program lay beyond the financial capacity of the private sector to support, it was agreed that in the original stages 75 per cent of the funds would be provided through the Government and 25 per cent would be provided by the private or business sector. And it was agreed also that the program would be run by business people in a business-like way.

In the ensuing months, a board of directors was established of some 55 people that included businessmen from both small and large companies, and distinguished leaders in the business school and consulting professions. A small staff was organized in New York consisting of eight principal officers, including area directors covering four principal areas of the world -- South America, Central America, the Far East, and the Middle East and North Africa. As of January 15th, 1964, we were organized to move. David Rockefeller became Chairman of the Board, I became the President, and Sol Linowitz, the Chairman of the Executive Committee.

When Mr. Rockefeller approached me to undertake this assignment, I said that I would like to give it consideration for at least two months. Quite frankly, the program appealed to me enormously because I felt that not only was the concept correct (that capable management was a key factor in the growth of a free enterprise system), but I also felt that this was something that had to be executed by the private sector. It had long been my belief that it would take more than mere governmental effort to enable us to survive as a leader in the Free World, and that the business community must in one way or another become a part of that effort. It also seemed to me to be a logical extension of the important principle of the necessity of private participation in public responsibilities.

I talked to a great many businessmen. Some of my close friends urged me vigorously not to undertake it. They felt that the odds against its success were too great and that in a sense I would be jeopardizing my future career by participating. After long and thoughtful consideration and lengthy discussion, I came to the conclusion that this was something that I personally wanted to undertake. I felt that the benefits were so great that it had to be undertaken. Though a difficult project, it seemed the prize was worth the struggle.

In any event, we were fortunate in collecting a group of highly qualified men in New York. We were also quite fortunate in finding men to represent us around the world. In Central America, we are represented by Ivan Cunningham, formerly

Coordinator for Latin America at the headquarters of the Standard Oil Co. (NJ). In South America, we are represented by Arthur Sherwood, Executive Vice President of two small businesses who also operated a small business in South America and worked for a year and a half as a special consultant to the Head of AID, David Bell. In the Far East, Morley Theaker, the head of Sears-Roebuck in Hawaii, took early retirement from a highly-paid position to work for us for nothing. In North Africa and the Middle East, our man is E. E. Pardee, of Firestone and General Tire, who has over 40 years of experience in the international field. These men have, in the six months since we began operating, justified our original confidence in both their energy and judgment, for their work calls for both.

I won't go over the New York staff, other than to say that we have men with many years in business -- flexible men who understand that the function of the New York staff is to serve the field, and not the contrary.

We started off by identifying the places in which we would begin operations. I think it is worth running over them very quickly. In South America, we initially will operate in Brazil, Venezuela, Peru and Colombia; in Central America, Panama, Costa Rica, Nicaragua, El Salvador, Guatemala and Honduras; in the Far East, Thailand, Korea, the Philippines, Malaysia and Taiwan; and in North Africa and the Middle East, Tunisia, Morocco and Iran.

A lot of questions had to be answered "yes" before we could feel that this program would succeed. The first question was: Would we be welcomed by the local business communities? Without their enthusiastic endorsement and their willingness to help make this program work, we could not possibly succeed. The transition of a man from the U. S. management culture to that of other countries is a difficult one, and we can achieve that only if the local business community is prepared to help us. Thus, we determined to go only where we were wanted, and more specifically, to go there only if the local business community was willing to make the kind of effort in cooperation with us that is necessary in order for us to move ahead.

Next, we had to determine if the American business community would welcome this approach abroad. The answer was clearly "yes". They feel that in upgrading the quality of performance in local competition, broad service is rendered to the whole process of economic development from which they will ultimately benefit.

The third question we had to answer was: Would the governments in the countries in which we planned to operate feel that our coming was an intrusion? Although we deal directly with businesses, we must have at least the concurrence of the government in order to function. We have found that it has ranged from enthusiastic support to "we'd like to wait and see how you operate." Nowhere has there been any opposition to our entry into the country.

Next, we had to find out what projects were available. We found that there were projects in substantial numbers. In fact, our problem is how not to encourage too many projects too quickly. Therefore, as we have travelled to various countries, we have undertaken to avoid widespread publicity until such time as we are better oriented and able to move more quickly as projects develop in larger numbers.

We had yet another question to answer: Could we find projects that would be meaningful? This is a business-to-business program. It is not something that can be done on a very broad or loose basis. It requires precision in selection of targets. If we are to be of benefit and effectively use the effort that is being made, it is critical that we select projects in a fashion that will give us what we call a multiplier effect. In development banks, for instance, the placement of an experienced American businessman to aid the bank loan department to establish sound criteria and standards for granting commercial and industrial loans and to assist borrowing concerns, when necessary, to improve their operations to assure orderly repayment of the loan, can have this kind of multiplier effect, leading to additional projects. The same kind of chain reaction exists in, say, the insurance field, the construction industry, the agro-industrial field, and in the communications field. In fact, we have observed that a weak communications system can severely limit the growth of free enterprise.

Finally, we had to ask ourselves: Is two or three or even six months enough time? We have found, to our great satisfaction, that a period of three months has been adequate to do the job in most instances. Six months, occasionally divided into an initial period of three months and then a review period of two or three months some time later, would certainly do the job. Where a problem requires more time, it is our plan to send a man for three months who would then consider working permanently in that business and in that area. Quite frankly, if you consider the ability to attract volunteer executives for the program, both in terms of retired

people and people who are still active in business, a tour of more than two to six months would so limit the field of available people that the program would always lack effectiveness of impact.

Having answered all these questions to our satisfaction, we had to turn to the other side of the coin and determine if we could find quality men in the U. S. business world who would be willing to make this kind of an effort. Was the pioneer spirit still an essential part of the American business community? We met our original requirements largely by the hunt-and-peck system. When we found that our basic program was a realistic and possible one, we then organized a major recruiting job in the U. S. We were fortunate in finding John Dieffenderfer to take on that particular assignment. Most recently he served as Associate Director of Aid in Brazil, where he headed the AID Mission in Northern Brazil. He has laid out a comprehensive program to recruit qualified volunteer executives.

I won't go into his plans in depth. However, we are contacting all the major professional and trade associations in order to make sure that the various professional and business groups know what we are doing. We are working closely with the Small Business Administration, which has been very generous in its efforts to help us get started. We are working with several of the major business schools of the country, who are not only helping us to identify people for the program, but who are screening them as well. Most importantly, however, we are setting up a program in about 50 major metropolitan areas across the country. Each local program will be headed by a volunteer representative who has a broad knowledge of the activities and membership of the Chamber of Commerce, the Rotary, the Alliance, the Kiwanis, and other local groups in the business community, and who can himself help to identify and screen people. Thus he will be able to help us develop a pool of people who are prepared to volunteer and who can be reached once we have identified a specific project and its needs. We feel that with a pool of some 2,000 people-- not an unrealistic number-- we can meet 60% of our needs, and the remaining 40% can be secured through other special pipelines.

As you know, we charge for our services. We do so for three reasons: (1) So that it will be known that we are not part of the Government. (2) So that we can be sure that whoever asks for our services really wants them and needs them. And

most important, (3) So that we know that whoever receives our services is planning to use them to the fullest extent.

I will close by saying that this could not have worked without the help of AID. We have had the necessary free hand to develop the program. Much credit for this is due to David Bell, Administrator of AID. His support and understanding of the program have been of pivotal importance. We have received no directional flow from AID as to how we should operate. They reserve the right, however, to pull the string if they do not feel that we are successful.

We are building slowly and carefully, but we know we will stir a truly American spark. And we know that our business-to-business program will help our friends around the world in a way that will have permanent value.

Mr. Marcus: We are appreciative of the realistic examples and the non-theoretical approach that Mr. Pace has addressed us with. I think you can see the reasons why so long ago, we recognized that the deliberate and incessive manner in which he works would lead him far in whatever field he chose. If there are any questions, which you might want to address to him at the present time, we will entertain them. Does anyone have a question?

Question: In keeping with the idea of a two-way flow in our Partnerships, would you say that executives and managers from Latin America should be invited to visit the U. S. A. to help U. S. Management? Is this a proper approach?

Mr. Pace: As you have very clearly identified, this is the other side of the coin. Quite frankly we have to crawl before we walk. The task we have assigned to us at the moment is really all that we can handle and one value of the business process is to determine your own limitation in advance and not try to move beyond it. I do not

want to underestimate the value of what you have suggested and it needs to be done. One thing we find that most American businessmen would not really understand is the quality of mind and approach that we find in the countries to which we go.

Question: Mr. Pace, since you indicated you want to move slowly and cautiously in the program, are you slowing down in the recruitment of the personnel or are you actively engaged in that process?

Mr. Pace: No, you see we have been at it six months. There was great pressure on me from many areas to move quite rapidly because, to a high degree, we in the U.S.A. are susceptible to the numbers game. How many do you have overseas? Do you have the right guy? But when you're talking business, you've got to have the right guy. As I have said, if I had a choice between having two programs that work right or ten programs out of which nine worked right I would want two programs that worked right. We have now moved to the point where we are satisfied with the retired American businessman. He is flexible enough, and we found the receptivity so great. Otto Berwin said, "How can you really turn over the basic decisions of this business to me when you have only known me for two weeks?" (They wanted him to sign all the checks.) They said, "Well, we do not believe that the IESC would send a man who was not competent and not honest." It puts a tremendous pressure on us, but we now know that the questions that were unanswered are now answered. We know the projects are available in substantial numbers. We're at the point now where we feel that we can move aggressively in recruiting. The one caveat that I have is this. I spoke of a pool of 2,000 people. You know the difficulty of fitting specific skills to specific projects. A man might volunteer and might not be called on for six months to a year. Obviously, his requirements might change in that time and we have to understand that. But we do need those basic skills because our people abroad generate a sense of excitement, and if a man says, "all right, I'm going to take an IESC representative," and we're six months getting him there, the whole thing is just going down. Therefore we need the basic pool to move and we also need the pipeline. So the answer is we are now ready to move.

Mr. Marcus: I think that the message we have just had from Mr. Pace and the questions and answers that we have had, indicate that a great degree of collaboration is possible between the various institutions within the United States that are working with the Partners of the Alliance. There are institutions within any of the Latin

American countries, many of which have the possibility of offering something very exciting to work together with. There is no competition between these institutions and our Partnership Committees. This is something with which we should be working together.

Our next speaker is Mr. Irving Tragen, who is the Director of the Office of Institutional Development. Mr. Tragen is a Foreign Service Officer. He received both his AB and Law Degrees at the University of California. Preceded by his graduate law studies at the University of Chile, he has had twenty years of work in Latin America. He has worked in all or practically all of the countries and has been assigned to Mexico, El Salvador, Chile and Venezuela. His subject will be the "Assistance that the Partners, both U. S. and Latin America, can give to the development of institutions throughout the Americas." It gives me great pleasure to introduce to you Mr. Irving Tragen, Director of the Office of Institutional Development.



*Irving G. Tragen
Director
Office of Institutional
Development*

Thank you, Mr. Chairman. Ladies and gentlemen. It's a real privilege and pleasure for me to be able to speak with you for a few minutes this morning and to attempt to, first, focus on the way in which we have been working within the Alliance framework throughout Latin America in attempting to build institutions, and then, secondly, try to make a few suggestions as to how the cooperation, which has been so well begun by all the Partners, can be expanded into future areas throughout your programs.

When the Alliance for Progress was founded in 1961, the primary way in which the United States Government attempted to work with Latin American countries was to demonstrate techniques or systems for solving problems. We weren't really in the business of helping countries to develop in a total sense. We were really interested in showing how they could overcome specific kinds of problems. If there was a need for control of mosaic disease, for example, in sugar production, we attempted to do that. If there was a shortage of certain kinds of skills, we attempted to demonstrate through school techniques how you are able to train people. We worked a great deal on various kinds of health programs. We worked to some degree on government

stimulated productivity centers in the field of industry. But in each case the philosophy behind what we did was to demonstrate, not to really help develop in the total sense.

When the Charter of Punta del Este was signed, our whole focus became one of helping countries in Latin America to solve their own problems. It meant that we were no longer trying to demonstrate, we were attempting to mobilize resources in the United States to help the various countries of Latin America in the mobilization of their resources. It is a very different focus and a very important difference. It became necessary then to stop worrying about direct government action programs and to consider more and more how the U. S. Government could arrange to stimulate groups, such as your own, in working with similar groups in various countries of the Hemisphere.

What Mr. Pace has described in the field of the Executive Service Corps can be paralleled with similar examples in our work with the U. S. labor movement and our work with U. S. cooperative movement, in our work with U. S. universities and, to a very substantial degree, with a number of base organizations ranging from the League of Women Voters to the National Academy of Sciences.

What basically we try to do today with a limited government staff is to use our money, whether it is loans or grants, to help institutions in Latin America find the kind of institutional help from the United States which those institutions need in order to develop.

I think, in all honesty, when we look around the countries of Latin America (and many of you, I know, have now visited your partner countries and many of the representatives from the Latin American countries have had a chance to visit in their host states), one of the most compelling absences is the lack of the kind of base organizations which we are accustomed to find not only in the United States but in most of the developed countries. Organizations which range from strongly functional municipal governments to the kinds of Chambers of Commerce and trade union organizations, cooperative organizations, savings and loan associations, intermediate credit institutions of all kinds, which are typical of a more developed country. And what we have attempted to do in these last three years has been to help identify those institutions of a most compelling and urgent nature so that those institutions can be built up and made viable.

We start generally within the framework of the A. I. D. program at the key ingredient, which is government. If a government is unable to function to service its people to create an environment in which business and labor and all of the other institutions can function efficiently, there is little hope that we can overcome the problems of underdevelopment.

When you go into a country and you see resources not properly used, it is a very simple thing to go in, as Mr. Pace indicated earlier, and try to take over the running of an operation. I think you can do that for a limited period of time, and I suppose you could call it "19th Century colonialism," and I suppose in this century the Soviets call it "neo-colonialism" and Latin Americans may call it "Yankee imperialism." We can give it a lot of other words or names, but the basic fact is that if you are really going to solve the problem, you have to help the people in the country to solve their own problems. And very often in their own ways.

Hence, as we start in the process of government, you no longer start trying to improve a health ministry and make it function more efficiently, but you start with trying to increase tax revenues, and create some kind of a planning machinery within a democratic sense that helps countries better allocate their resources, and then you try to improve the staffing of government services and gradually the services themselves. Very frequently you have to start with the services because if there is no confidence that services will come, there is little incentive to pay taxes. It is also true that in the same process, you have to identify as early as possible some of the key institutions which those countries need.

I'd just like to touch on one area of institutions at this point; this is in the housing field. There is, as all of you know, a tremendous shortage of housing throughout Latin America, especially in the middle and lower income groups. For lower income groups, you can probably use public housing, but for the middle income groups, you want to create an incentive and the means for a man to buy his own house.

As late as 1960 in most countries of Latin America, the only credit available for housing was a 50%-down, three-year mortgage, with 20 to 30 percent interest per year. This, for someone with a middle income, is not very attractive. So our primary effort, in a number of countries in the housing field during the course of the last three years, has been to help stimulate the creation of savings and loan systems. In the course of this period, we have helped six countries to get over 71 institutions now

functioning, total savings of over 75 million dollars, and housing increasing very sharply. We also are working in the area of cooperative housing to begin to adapt the savings and loan mechanism into lower income groups. We can point to a similar type of approaches in the fields of intermediate credit institutions, private development banks, and agricultural credit, particularly.

These are merely indications of the types of institutions with which we work. And in almost every case we attempt to identify institutions in the United States which work with the developing institution in the Latin American country so that together they can establish not merely the basis of a viable organization with government funding at the beginning but an ongoing relationship that will allow the then developed institution in Latin America to continue working with her sister institution in the United States.

We have the same examples as I have indicated in the field of cooperatives — whether it is rural electric coops, whether its savings institutions like credit unions, or whether it involves, as we are now doing in four countries, the development of artisan handicraft cooperatives tied to export markets in the United States. The Sears-Roebuck organization has been one of our most cooperative elements in helping to develop the market in the United States, and we are now in the process of building up the production outlets through cooperatives of artisans in four countries, Bolivia, Peru, Colombia, and Ecuador, and we're about to move into a fifth country, Guatemala. This is done under a contract with the Cooperative League of the USA and under sub-contracts by the Cooperative League with a number of business enterprises.

Now, I would like, in coming to grips with the problem of where the Partners fit into this effort, to go over some of the thinking which Jim Boren and I have spent a good deal of time on over the course of the last couple of years. I first had the opportunity of working with Jim when he was Deputy Director in Peru, and I think I helped encourage him to come back to Washington and not abandon the Alliance when it was necessary for him for medical reasons to leave Peru. And I felt from the beginning that this program offers that margin of assistance which is necessary in a great number of countries for the programs to be successful.

I think it is quite obvious that U. S. Government resources and local government resources are limited. They of necessity have to be. If you start worrying about priorities and you determine how much money is needed in a number of fields, the money that is available to governments just doesn't go around.

It seems to me the parallel dimension in which the Partners' offer is one of the critical ingredients for making this program effective and quick.

Let's take a simple field like education. We can work with our resources on a variety of things, ranging from teacher training to the development of some educational planning so that they can make some analysis of their resources.

The average Latin American country now provides schooling from about 40 to 60% of the potential school-age youngsters. Of that number roughly 75 percent are dropouts by the third grade. Of the number which go into high school, less than 10% in the average country graduate from high school, and in a country like Colombia which certainly stands at the vanguard of culture in Latin America, there is still only a minimal number of their youngsters who ever get to college. And the dropout rate in Colombia, if my memory is correct, indicates that less than 10% of the youngsters who go into college graduate.

Now, if you start worrying about how you allocate resources you run into a number of problems at the same time. The youngsters are looking for some answers to a lot of serious questions, and they don't know where to find these answers. The youngster who drops out by the third grade is only semi-literate. The fact is, very frequently, he becomes a functional illiterate by the time he leaves school. There is no skill training activity in a lot of countries, so that he can join the work force and make an effective contribution. So the first question that arises in the short-run is do you allocate your resources to hitting the third grade dropout and making him into a skilled worker or you worry about the leadership of the country at the top and concentrate on university education or do you worry about the middle level, the high school level, and the attempt to upgrade the quality of teaching and try to create a better and steadier flow of students into the university? If you attack one or two of them you have used up all of the available government resources, very clearly so.

It seems to me that there is a very definite role that the Partners can play, in working with the Missions, in trying to see if part of the rest of the problems, which can't be covered by government resources, couldn't be covered by a variety of programs. I am very much impressed by the activity of Oregon and Costa Rica in terms of teacher exchange, a mutually advantageous teacher exchange. (The teaching of Spanish in the schools of Baker County, Oregon, and the colateral effort of the school districts of that area to assist the Costa Ricans in dealing with their school problems.)

I am deeply interested in the work of another one of our Partners in the area of municipal government. This is a very serious problem when you talk about development in Latin America. If there is inefficient local government, there is a tendency to centralize all power in a central government. And if all the resources are allocated by a central government, you neither create local initiative nor do you, over a longer period of time, establish those essential conditions which permit communities to mobilize their own resources and begin to do things for themselves. They are very simple problems like how do you keep books. How can you organize better use of the limited tax resources which most municipalities have? Can you develop better rate structures for things like collection of garbage, water, electricity, and a number of other services which communities give. It seems to me that this is an area which can be explored, too.

I think a third area which directly relates to what Mr. Pace was talking about is the question of an inventory of people within the various states who might be willing to work in a Latin American country for a short period of time — whether it is done under invitational travel orders from AID, under an assignment with the Executive Service Corps, whether it is in connection with the American Institute for Free Labor Development, or whether it is in connection with the cooperative movement of the United States. Or maybe there is another area, one which is related to something which I think we're all deeply committed to, which is the strengthening of democratic institutions throughout all of this Hemisphere.

I've had the privilege of working for the last couple of years with the League of Women Voters in the development of the Overseas Education Fund, and its activities for training ladies from various parts of Latin America in techniques of democratic leadership. The attraction of women to political action until very recently has been an exclusive area of action in Latin America by the Communists, and it's only been in the past two to three years that we've begun to worry about the mobilization of this tremendous civic resource. The League of Women Voters has brought up a number of ladies from different countries in Latin America, many of them countries with which you are, in your partnership relationships, allied. It seems to me that there is an ongoing possibility of assistance within the Partners to these private organizations which would keep them out of government channels and permit a kind of democratic groundswell in which involvement with government might tend to inhibit.

I think there are similar types of activities involving similar groups that could also be considered. I don't think it's possible to come up with an exclusive checklist and I don't intend to. I merely feel that we do have a broad area of cooperation which, if carried on in the kind of close cooperation with the missions, with Jim Boren's operation, and with the various Partners groups, we can begin to fill some of these voids which government cannot efficiently deal with.

Before I came up to the podium, I noticed that my good friend, Dick Rubottom, is here from Southern Methodist University. Mr. Rubottom has undertaken to add a new dimension to our work in the Alliance by offering and developing the services of the Law School of the Americas at S. M. U. in helping Central America focus on some of the basic legal problems which are associated with development. In every one of our states we have very strong bar associations. I belong to the California State Bar, and I know the interest it has in international affairs. And yet there has never been a systematic attempt to involve the bar associations in analyzing and understanding some of the problems which exist in the Latin American countries in connection with development.

I'd just like to touch on one here which runs at the very heart of business development, and that's the question of corporate responsibility for fraud. In all Latin American countries a corporate officer is not responsible for any action taken by the corporation, and this has led to an abuse which, at the base of the society, has led to the discrediting of the corporate mechanism. This has a great deal of implication in terms of what we can do and what we suggest, and I would suggest that there are dozens of similar problems which affect our outlook and our concepts of how we work in Latin America; and I think if each one of you is working within the framework of a given country, there is the possibility of mobilizing the resources of your local bar association to begin to understand what some of these problems are in the various countries and then leading through to the Inter-American Bar Association to begin a meaningful private dialogue as to what can be done.

I think similar actions are possible in fields ranging from health to community organization to social welfare. I hope that some of these other avenues will be explored by you in your various committee work, and let me assure you that for those of us who still wear the hat of bureaucracy we hope that from this kind of partnership effort, we can get new dimensions, some new ideas and some new ways of breaking through. Because development is not a process of government alone, or industry alone,

or labor alone or any other single element alone. It is an effort, as we know in our own society, of developing the basis upon which each of these groups together can find the basis for living and growing, and I think that the Partnership is one of these really important, new instruments for achieving the objectives which are set forth in the Charter of Punta del Este. Thank you, gentlemen.

Mr. Marcus: Mr. Tragen, we're grateful. I think we're fortunate to have had two such outstanding talks this morning. I wish I had the capacity to make the talk that you just made. I feel that Mr. Tragen's remarks will help the various committees to focus their attention this morning the way that it needs to be focused on the problems at hand. Before adjourning for the special conferences, I'd like to ask Jim Boren to step up here and lend any advice that he has for us in terms of the conduct of our business during the balance of our program.

Mr. Boren: Irv Tragen referred to his wearing the hat of bureaucracy. As a fellow member of that same fraternity, I say that he has given a tremendous amount of help and support to the development of the Partnership program. He has been a very great friend to our Partners in many, many ways, and if he wears the hat of bureaucracy, it is in the best sense of that word, not in terms of being a red tape operator. He is a man who knows how to move.

Mr. Pace, everybody knows of the tremendous task you've undertaken and the contributions being made. I certainly feel that there can be very, very close collaboration of the Partners committees with the International Executive Service Corps. Your state committees can be additional contact points, in addition to the IESC's own representatives in the areas where they are established, for seeking and identifying people who might be interested in this particular sector of the activity.

Is Mr. Faunce of Maryland here? If you would, I would like you to make the next introduction.

Mr. Faunce: Ladies and gentlemen, I wish to introduce the representative from Medellin, Jorge Alberto Uribe, who will speak for the rather large group that we are fortunate to have come up from Colombia and tell us a little bit about the film that is going to be shown.

Mr. Uribe: The School of Administration and Finance was founded just a few years ago, but with the help of AID, the Whirlpool Foundation, and other private groups,

and also with the full stamina of our people from Antioquia the cooperation of a very large group of people — we have been able to provide not only our section of the country, but also Colombia as a whole, with one of the best business schools in Latin America.

We are, as you will see from the movie, not yet finished. This is a job that is never finished, but we will be very happy to know what your opinions are and to listen to your suggestions and to have you down in Medellin to look at our schools. Thank you very much.

10:15 A. M. — FILM "School of Administration and Finance, Antioquia, Colombia"

10:30 A. M. — COMMITTEE WORK SESSIONS

12:00 noon — LUNCH BREAK

1:30 P. M. — COMMITTEE WORK SESSIONS

3:00 P. M. — RECONVENE (to hear Committee Reports)

I. Health-Social Services

Dr. Gmc. Garrido Lecca (Peru)

Dr. Will Pirkey (Colorado)

Dr. Lecca: The Committee on Health and Social Services AGREED:

1. To adopt as basis for future programs, the final conclusions of the Charter of Punta del Este dealing with Health and Social Services, which was discussed and developed in the meeting of Ministers of Public Health held in April of 1963.

2. That the goals of the Committee are two-fold: immediate and long range.

3. That the Latin American Partners of the Alliance will study and try to solve problems locally, presenting to the Partners in the states projects for which help is needed. Similarly, Partners of the Alliance in the states will refer to their Latin American Partners projects in which their help is needed.

4. That the specific projects and details thereof should be decided between the individual partners, with priority being given to the promotion of human resources. Emphasis should be placed on development plans.

5. To promote health through community development with emphasis on communities where self-help programs have been initiated.

6. To encourage and establish means of exchange of knowledge and personnel for the purpose of study in all fields related to Health and Social Services.

7. That should the assistance required not be available, the request should be sent to a central file established in Washington for consideration by all partners. In order to preserve the identity of the partners, all requests must be processed through and by the corresponding partner.

8. To establish a committee made up of representatives of all Partnership countries and States to develop emergency procedures and teams consisting of medical, paramedical, and social service members.

9. That Partners of the Alliance will publicize the concept of the Partnership and stimulate private enterprise in the United States and Latin American countries to cooperate in the development of projects concerning Health and Social Services.

II. Education-Labor Committee

Dr. Jayme Messeder (Brazil)

Dr. Robert I. Carmin (Indiana)

Dr. Carmin: Thank you, Mr. Chairman. The co-chairman, Dr. Jayme Messeder of Bahia, Brazil, and I had a very noble secretary, Mr. Daniel Gleason, Peace Corps volunteer returnee. This is Education and Labor, and we first resolved what numbers we had in each of the two groups; poor labor was outnumbered, but I hope we gave it a fair shake. There were four or five representatives from labor, and one point seemed to be in common agreement by them, that in their tour of their Latin American states, they felt that the most urgent thing needed to develop a strong labor movement was increased education; so this generally got us back very quickly to education, and I say we did not coerce them. This came about, I believe, in a natural fashion. In other words, the majority of our report then does center around education itself, but we kept in mind at all times the aspects and relationships of labor as a part of the education need. Early in our discussion a point was made by a participant and considerable support by the various representatives was made for this. The statement was made to the effect that the Latin American partner nations should offer assistance to the U. S. as well as receive it, that the partners program is meant to be a cooperative one, completely reciprocal in nature. Members of the committee felt that

it is in the area of cultural affairs that Latin America can offer most to the United States, but that all possible avenues of reciprocal relationships must be explored, and examples were given.

There were suggestions for exchanges of drama groups, art exhibitions with the artist present and lecturing, music and dance recitals by touring groups and by performing artists, seminars on business, and lectures on the history and political situations by Latin American experts. Student art exchanges were suggested also. This, then, is a summary of the broad, general aspects of cultural exchange.

The first session closed with the personal introduction of everyone present, each stating his interest so we got better acquainted, and there were 35 members registered for that first session. I think we had good attendance and faithful attendance.

The second session we had a brief description of the possible variety of scholarships. If there was one word that was mentioned most often it was scholarships. This seemed to be a prime concern of the group, and in considering the various types of scholarships we noted that some might be for four-year degrees, or graduate degrees; some might be for only one-year periods of what we could call additional study; and others for short periods, probably during an academic vacation period. These would be for students or very often for technical development and training in working with industry or business. These could be then, as we saw it, scholarships of the non-academic type. The states of Ohio, Indiana, Illinois, Texas, and Florida already offer scholarships to Latin American students under the partners program. Tuition and fee-remission scholarships are offered by most of the above. Plans for funding transportation and room and board costs followed no set pattern, with different committees pursuing different approaches to this problem. Many schools allow part-time employment. We were thinking here perhaps more of the United States schools. Many schools allow part-time employment for students in the positions of librarian, language laboratory assistant, and as graduate assistants in various ways of teaching. One plan to help defray living expenses is to place the students in American homes. Another is for the local chapters of the Rotary, Lions Clubs, and Federated Women's Clubs, and others to provide scholarships for living expenses. Caution was expressed concerning students living in private homes. It was felt in some cases that students should live in dormitories which would be better for his studies and would provide greater cross-cultural advantages. This, we felt, would have to vary with the individual

case. It could be made a judgment on the part of the two joint committees sponsoring the scholarships.

Accreditation was an important point. That is, a credit from one institution allowed in another. These we found no set pattern, but we recommend investigations be made with respect to this point. In other words, if a Latin American student has not finished his high school, say, or a degree in a university, by all means we should try to see first whether his credit could be extended when he obtained it in another institution. It could be then allowed for him in graduation from his own school. Another problem, that of language, was discussed. The problem that one-year scholarships are not usually long enough for monolingual students, who are usually the poorer students and most in need of scholarships, found no satisfactory answer. Transportation, besides living expenses, is one of the biggest financial obstacles for the student. Mr. Boren happened to be present at part of our session, and made a statement — I hope that I don't misquote him — something to this effect, that if an individual or small group of students could be trained and that this group or individual could be thought of as something as a seed — I'm thinking in English — a seed, that is, could go and spread the word in his own country. that this kind of thing might gain some support from the Alliance Program itself. But individual scholarship support certainly we expect by the individual partnership teams. One of the interesting points that we have definitely finalized in the other direction relates to the University of Parana and the Ohio team. The University of Parana will pay the room and board and fees for 20 Ohio students who will go to the State of Parana and will stay in private homes. This is one very strong, interesting, definite point in the other direction.

In the area of professor exchanges, it was suggested that other states follow the example of Miami University in bringing Latin American professors of language to train language teachers here in the United States. The teaching of Portuguese is nonexistent in most colleges and universities, and the Miami University experiment can be a guide to other schools. Miami University will import a Brazilian instructor who will teach up to 20 high school teachers for a summer period. One of the major problems in the instruction of Portuguese in this country is the lack of adequate materials, books and tapes and so forth, especially at the high school level. We were attempting at all times to explore what the various teams had done, what they had performed, so that each could learn from the other. Rio Grande do Sul is planning to send a folkloric

group, a dance and music group to Indiana, and all profits will go to the partnership allotment for Rio Grande do Sul.

One of the points made, too, is interesting and may be of very great use to all of you. It happens that Rio Grande do Sul will have an exhibit at the Indiana State Fair this August. There is an international building, and there will be a special booth space for Rio Grande do Sul, and I think this is a minimal-cost approach to letting many, many people know about the program. Items have already been sent. Some have come, and others are on their way for this exhibit. After the exhibit at the State Fair, we expect to send these materials to other places around the state. I am certain that the universities can put these on exhibit. When we think we have exhibited all we can exhibit, we will attempt something like an auction of these splendid materials, many of silver, and send the profits back to Rio Grande do Sul.

The committee closed the session with a discussion of material aid to Latin America. One committee member suggested that money and supplies be sent through CARE where that is applicable. Another member suggested that any type of used but serviceable machinery, typewriters, refrigerators, jackhammers and so forth, could be used to advantage in Latin America. These machines should not be scrapped, but sent to partner countries. We did, however, caution about transportation costs. These should be carefully checked out, and also the packaging of these materials should be carefully planned. The Partners of the Alliance, Illinois-Sao Paulo Group, submitted in this committee a report describing their scholarship program. They described three types of scholarships that they plan to support. The report also described the organization they will develop and criteria they will use in awarding the scholarships. Our committee, that is the Education and Labor Committee, believes this Illinois-Sao Paulo project can serve as a useful model for others to consider in developing scholarship "machinery" for the partners committees. We would like to ask and will do this in our final written report that the central office of the partners program reproduce this model and distribute it to other interested partners groups. Thank you.

III. Agriculture-Cooperatives Committee

Mr. Edison Montes de Oca (Ecuador)

Mr. James Egan (Texas)

Mr. Montes de Oca: Mr. Chairman, I must thank you for the opportunity of being here for the purpose of helping Latin America. We have reached a point of

making recommendations to the general conference after a swift and sound discussion among the different members of the committee. We started out our work once we knew each other, exposing our problems, and found a common denominator to most of them. We have considered, in order to make this recommendation, the difference in identity of our countries, the different situations of our countries, the different needs, the different hopes, and we have considered the dignity of the people who need to be helped by this human fraternity of the ones who understand justice and freedom, or the ones who want to share this prosperity and wealth with the poor and suffering masses of Latin America.

Our first recommendation is to increase the educational facilities for all of the people we want to help. Our recommendations are only from the people-to-people level. By recommending this, we have considered that only by reaching the minds of the people through education can we succeed in the implementation of any project. Otherwise all the material help will go to waste. In order to help education at all levels, whether it is a school, farm, home, or cooperative, we want to mention in the first place, the sending of specialized technicians to each of the different projects. We want to mention the need for increasing short-term scholarships for specialized education. We also mention a cultural exchange of people, including tourist trips. We want to mention also the project of the Venezuelan delegation. They want to invite cooperative leaders to Centro de Educacion Cooperativa de America which is a new cooperative educational center for leaders of cooperatives.

We have also mentioned implementation of the 4-H clubs which are close in touch with the people of the rural areas. These clubs must be helped by the Lions and Rotaries, Junior Chambers of Commerce, and other organized civic organizations. We have also mentioned the financing and equipping of these educational centers, and as the final recommendation regarding education we want to mention the methods of teaching of which the most practical is the oral, visual method, since most of the Latin American countries have a very high rate of illiteracy.

Our second recommendation involves making use of the resources and needs of the different projects. It is obvious that without a previous survey any project would be a blind one. One of the things we believe will help the Latin American countries will be organizing more cooperatives of all kinds. That's a very practical way, a very practical medium of going directly to the people of Latin America. This is a

very effective way of improving social and financial conditions. This could be helped with revolving funds which will help to organize rural credit for production, marketing, and rural housing. We have also mentioned many small projects which will cause very strong impact among the people of Latin America. These projects we mention must be very simple and of immediate result. For example, we have mentioned the priority to teaching techniques of food preservation.

The priority of projects, in the general form we have discussed them, comes in the first place to education. As I have mentioned, this must be accomplished in all levels. In the second place, we feel that cooperatives, as I mentioned before, also are a means of going easily and directly to help the people to organize themselves to work together.

And finally we have brought to discussion the helping of certain private enterprises through this Partners of the Alliance program. We have partners states and by coming to the United States on this occasion I had the personal opportunity of meeting fine gentlemen of Kentucky. I think that this way of meeting Americans is also going to help very much the setting up of more businesses which will come to the help, financial and technical, of the Latin American countries. Thank you.

IV. Industrial Development-Investments Committee

Mr. Ed Golin (Delaware)

Mr. Eduardo Dibos (Peru)

Mr. Golin: I would first like to thank my co-chairman without whom this would have been completely impossible, Mr. Eduardo Dibos, and our secretary, Ernesto Satizabal.

We had in the Industrial Development and Investment Opportunity Committee fantastic harmony, extremely intelligent and practical recommendations, and one hundred per cent participation, and we want to thank the chairman for giving us such an astute group to work with.

Our objectives, we thought, were twofold, one was the fullest possible employment on a sound economic basis and, two, of course, economic stability. The following is a summary of the high points of our discussion upon which we don't believe there was any objection. — First, we felt that industrial development is a vital aspect in

the process of economic development. Secondly, a business climate in each country should be established that affords security, incentive and opportunity for private investment. Third, the local Partners of the Alliance should on a continuous basis maintain a list of projects beneficial to the area involved, and recommend priorities where appropriate, and that new investment opportunities be reviewed by an appropriate committee of the Partners of the Alliance in the host country, as well as local manufacturers groups and chambers of commerce. Fourth, economic education at all levels is vital to permit conditions of stability and growth. Fifth, partners should stimulate modern management programs. Sixth, coordination of information concerning industrial development and investment for all partnerships should be established so as to provide complete interchange of information for the benefit of all partner groups, and this is one of our vital points that we want to cross states if necessary for the advantage of the various countries.

Seven, encourage investment to promote small labor-intensive industries in the category of artisanship. Finally, tourism is considered an important economic factor and should be approached as a specific effort.

In conclusion, then, we would like to encourage or actually initiate enterprises vital to the economic development of the area. We would like to encourage technical assistance to achieve practical results in all phases of industrial development including production, marketing, merchandising, advertising, and so on. And, three, to stimulate private investment by citizens of all areas involved.

We have a resolution that we would like to recommend to the group at this time:

RESOLUTION

INDUSTRIAL DEVELOPMENT AND INVESTMENT OPPORTUNITY

Whereas the Alliance for Progress has recognized the need for the investment of 100 billion dollars in Latin America during a ten-year period if real growth and development at a rate sufficient to meet human needs and bring about social progress is to be attained in all of the free countries of the Americas;

And whereas the need exists for one-tenth of this new investment to come from private, non-governmental sources in the U. S. ;

And whereas private investment capital is urgently required in all parts of the free world;

Therefore this First Inter-American Conference of the Partners of the Alliance hereby re-affirms that the establishment and maintenance of conditions in each of the member countries of the Alliance for Progress that will encourage the formation of private capital, and will further enhance and encourage the investment of such private capital from both internal and external sources in projects that will promote economic growth, is of the highest importance to the successful achievement of the goals of the Alliance for Progress.

Thank you.

V. *State Organization Committee*

Mr. Fred Heldring (Pennsylvania)

Mr. Tony Dominguez (Panama)

Mr. Heldring: In our first meetings we did a great deal of discussing and churning, but in the last meeting this afternoon, we seemed to break through the sound barrier and pass one resolution after another which I will read to you — seven in total.

The first one to authorize the publication of the results of this conference. The second one to authorize Mr. Boren to distribute the bylaws of other state organizations to any chairman of a state organization that asks for it. Number three, to urge Mr. Boren of A. I. D. to issue a newsletter periodically so that we all may know what other states are doing. Number four, a resolution that a committee be appointed by Messrs. Marcus and Boren to decide on such matters as the location and time of a future conference, the planning of an agenda thereof, and any other matters that may come up. It may be interesting to note in this connection that the Ambassador of Brazil has been generous and kind enough to invite the next conference to Brazil. Five, a resolution to the effect that all governments be urged by their committees to allow all goods moving under the program duty-free into their countries. Resolution number six, that Mr. Boren of A. I. D. prepare a workbook for chairmen in three languages with suggested procedures for committees. In preparing this workbook he should and may consult with the chairmen of existing committees. Finally, a resolution that the committees in the respective countries urge their national airlines to allow individuals, traveling between the United States and Latin America for the acquisition of knowledge, free space on those airlines. I should also report to you some of the contents and substance of our discussion. In the first place, we spoke the first morning and part of the afternoon on our different organizational structures. Secondly, we had a lengthy

discussion on the concept of self-help until the chairman of Illinois came up with the prize description which he had heard from a judge in Brazil, which is the following: "When a man is hungry you teach him to fish, you don't give him a fish." We had a discussion also in connection with this self-help. The majority of our committee felt that self-help should be a major requirement in the projects in which we engage. But it should also be noted that other members of the committee, possibly in the minority, stressed the fact that the concept of self-help in some countries just does not exist, and that one of the first steps that must be taken are necessarily of a charitable nature.

The third item we discussed, and conclusion we came to was that if there should be anywhere a tendency to measure the results of this program in monetary terms, this tendency should be deplored. It should be realized that there are other, much more important measurements when we think of the additional cultural values that are being acquired by citizens of our own states, when we think of the knowledge and skills that are being transferred back and forth under this program. Therefore, we seek not to try to ask how many checks pass, but ask more, if it's possible, a description of the skills and knowledge and culture that is being exchanged.

The fourth item was this: that we all felt that this program should be as much as possible on a people-to-people basis. My co-chairman stressed the fact that we should not always turn to A. I. D. and ask can A. I. D. do this and can A. I. D. do that. Let us help ourselves.

Also, that the program should be as diversified as possible and not be limited to one group of people alone. A last point to which we came to a conclusion in our discussions is that every single partnership is unique, that every partnership should get together and establish their standards as to their future program, but that what holds true for one country with its state does not necessarily hold true for another country with another state, and that the situation is always unique.

4:30 P. M. — CONCLUSIONS AND RECOMMENDATIONS

Question: In the Education and Labor Committee report, a statement was made about training people to spread the program in the country, individuals or small groups, and I didn't understand what Dr. Carmin was referring to specifically. I wonder if he could enlarge upon that particular point?

Dr. Carmin: We were exploring ways that transportation might be paid for and we said that basically each committee would have to investigate their own methods and various sources were suggested like the Rotary, the Federated Women's Clubs, the Lions Clubs, and so forth. This is for the general scholarship. I think that's what the reference was to, that perhaps for a few people, individuals or groups, some transportation money might be forthcoming. This goes back against the last speaker from A. I. D. This was only on a very minimal scale. If this was a sort of a seed group, I said. In other words, a team might come to the United States and then go back and tour in that state. I hope I quoted Mr. Boren properly. But for the most part the transportation is the aspect that we would expect to have to take care of, committee by committee.

Comment: An important point which came out of the Agriculture and Cooperative Committee which was overlooked in the report just presented was the fact that we generally agreed that as a long-range project, more emphasis should be placed upon agricultural research and production and marketing, as well as extension efforts to disseminate this information to the agricultural groups of both countries. I think this should be included.

Business: It was moved and seconded that the resolution of the Industrial Development and Investments Committee be approved. Passed.

It was moved and seconded that the seven resolutions of the State Organization Committee be approved. Passed.

Mr. Dominguez: The Delaware-Panama Partners would like to present a resolution. I think the rest of the groups will agree with us to congratulate Jim Boren and his staff, not for this conference alone, but for the interest they show and the fine work they have done in getting this program started during the past year.

Mr. Marcus: I think it's a fine resolution and I propose a standing vote of thanks to Jim and his staff. May we suggest that you rise in appreciation for the work that they have done. (Passed by standing vote.)

Mr. Marcus: Ladies and gentlemen, it seems to me that you've accomplished a good deal. I think that we will expect future conferences to be increasingly efficient in terms of the exchange of human thought based on what we have already accomplished here.

We have stressed, it seems to me, several things which exist through all the committee reports, and that, very simply, is entitled Form or Education, number one, reciprocity among the countries both in thought and action, self-help as being a primary consideration of most projects. Number two, a definite means of establishing an interchange of information between partners, between the various partnerships. Number three, maintenance of a people-to-people as against a government-to-government relationship. And lastly, recognition of the uniqueness of each partnership, and therefore an ability for each of these partnerships to be different. There has been a declaration of purpose prepared by the committee that was appointed this morning under the chairmanship of Dr. Saenz of Bolivia which I will read to you.

STATEMENT OF PRINCIPLE

It is the purpose of the Partners of the Alliance to add a new dimension to the Alliance for Progress through bringing the people of the Americas together in a working and voluntary partnership to help people help themselves, to raise standards of living through interchange and mutual efforts, not as charity, but in the spirit of dignity, mutual responsibility, and aggressive personal involvement.

Through joint study of common problems and interchange at educational, cultural and economic levels, and with emphasis on programs based on human dignity, the Partnership shall provide a channel through which the goodwill and initiative of the people of the Western Hemisphere may be expressed.

As citizens of the nations of the Western Hemisphere we pledge our initiative and effort to effect the reality of the ideals expressed in the Charter of Punta del Este.

Gentlemen, I move that this resolution be adopted by the body. Is there a second to that? There is a second. All in favor please indicate by saying Aye.

Voices: Aye.

Mr. Marcus: All opposed — The motion is carried and shall be recorded.

Mr. Boren has asked permission to make one statement to you.

Mr. Boren: Thank you very much for this last opportunity and privilege of saying once again to all of you, thanks for the tremendous initiative and the efforts that all of you have made in moving forward in this new activity. I speak for myself,

for Bob Ruben, Ted Tenorio, Wade Fleetwood, Chuck Clarke, Aida Berio, Evelyn Hayes, and Lee Canales, your team, your resource people, and we are most grateful to you. We would not have come to this point where we have come today without the great responsiveness and initiative that has been exhibited at the grass roots level, if I may use that word again.

We of the A. I. D. Partners Staff are anxious and eager to withdraw as rapidly as possible into the wings, but remaining there as your resource team. It's your program, and I wish to say again, thanks to all of you for what you have done in getting this launched and for moving it to the point of this first conference. We are very appreciative for the kind words and the expression from the floor on the motion made by Mr. Dominguez. Thank you very much.

Voice: The Peruvian delegation and I think that all of the rest of the Latin Americans here would like to thank and congratulate the Chairman, Mr. Edward Marcus.

Mr. Marcus: Thank you very much.

The committee to plan our next conference will be appointed, and if any of you have any thoughts on the agenda for next year or what meetings should be held of where it should be held, if you will direct those recommendations to Mr. Boren's office, they will be held for the committee as soon as it is formed.

And now it is my pleasure to introduce once again to you, Mr. William Rogers who is the U. S. Deputy Coordinator of A. I. D. without whom we think there would be no Alliance. No Partners of the Alliance.

5:15 P. M. — CONCLUDING REMARKS. *Mr. William D. Rogers*
Deputy U.S. Coordinator
Alliance for Progress

Thank you, Mr. Chairman.

I'm honored at the opportunity to say some of the last words at this Conference. I supposed we're entitled to that because we own the lectern. I don't want to come here and say thank you, because what you are doing here you are not doing as a favor or a benefit to a few U. S. Government bureaucrats. What you are doing is in the interest not of us. We are unimportant and insignificant. What you are doing is in the

interest of the people of Latin America, and if anyone has the right to say "Thank you," it is obviously they rather than me. But I am glad to have the chance to tell you how gratified we are, and how moved we are by this meeting and its result. I was somewhat embarrassed last night and also very much surprised by the certificate that the chairman presented to me. I think, just to carry on the theme with respect to this fine resource team that is backstopping your efforts here, that the only basis for this certificate was the fact that I had something to do with hiring Jim Boren in the first place. And after having done so I just stepped back out of the scene and things have been moving. Moving, not only because of Jim's energy, but also, far more importantly, because of the energy, initiative and enthusiasm that each of you have displayed.

I know that this road has been tough. It has been confusing. The way is not clear. None of us has a precise idea about what we are doing, but we are experimenting. But I think in a sense, this is a problem of all pioneers. I think that it is not too much to say, by any means, that what you are doing here is a real pioneering effort, a real pioneering effort in the sense of striking out on a frontier, staking out a path and a course of action which no one has ever tried before. All we really have here in this room at this moment beyond the first year of experience is the idea -- the idea that we all believe in -- that there is a community between the people of the United States and the people of Latin America -- that there are resources in the private sector; there are ways of getting the development job done beyond governmental ways; that there are things that people can do among themselves; that there are ways in which private groups and organizations and agencies and town governments and cooperatives and labor unions and universities extend their hand to similar groups in Latin America -- which can be just as revolutionary and just as important and just as catalytic for this great development objective we have set for ourselves as anything that we can do between governments.

We here believe that. I know you all believe that. It has of course put us into a fairly unusual position. We have been appearing before you now for some time trying to explain why we in the United States Government cannot do the whole job which the United States Government has assumed for itself. The United States Government by itself is inadequate for the great task which the people of the United States have assumed in the Charter of Punta del Este. Somehow, in some way, the resources, the

energies, and the initiatives of lots of people outside this city of Washington must be mobilized and can be mobilized for this job. You, I think, are doing that. It is not by any means easy because it is so new. I want you to know that you have not only our understanding, our sympathy, and our support, but that we will continue to provide you with what we can provide you in the way of real resources to get that job done.

Specifically, I know that you have considered the question of next year's meeting. I want you to know that my own personal instinct is that it would be fine thing if this were to be held some place in Latin America, and that this Agency will be prepared to consider appropriate support for that kind of a meeting. Obviously, this question of the relationship and the extent to which the Agency throws in money is a delicate one, not only for our purposes, but also for yours. We do not want to muddy the picture of the Partner's programs, becoming overly dependent upon the United States taxpayer. This is in your interest, and in the interest of the purity of the idea as well as in ours. But, all that to one side. We are interested in the next year's meeting and we would be interested in considering appropriate support for it.

This is really all I have to say, except that again, as I said yesterday, your presence here is a profoundly moving experience for me personally because you are demonstrating on behalf of the people of both Latin America and United States that we can establish relationships between private groups in our country and the countries of Latin America whose sole interest is not making money. In fact, so much of their effort is done at very personal sacrifice — whose sole interest is not the furtherance of some U. S. public policy objective, but whose sole interest is in cooperating toward the improvement of the life of the people of Latin America. This, to me, is a high ideal and a high objective. Indeed, I know of no other that is higher, and I know of no better evidence of the resiliency and the meaning and the validity of that idea than the fact that each of you have come here at the personal sacrifice to attend and work at this meeting. Thank you very much for the opportunity to be with you, and I gather I'll see some of you this evening. Thank you.

5:30 P. M. — CONFERENCE ADJOURNED.

Mr. Marcus: And with those words, ladies and gentlemen, I believe that our conference is adjourned. Thank you.

COMMITTEE REPORTS

AGRICULTURE AND COOPERATIVES COMMITTEE

We started our work (once we knew each other), exposing our problems and found a common denominator to most of them; we have considered the dignity of these people who need to be helped by the fraternity of the ones who understand justice and freedom, of the ones who want to share their prosperity and wealth with the poor and suffering masses of Latin America.

Our first recommendation is to increase the educational facilities of all the people we want to help; our recommendations are only on a people-to-people level.

By recommending this, we have considered that only by reaching the minds of the people through education can we succeed in the implementation; otherwise, all the material help will go to waste.

In order to help agricultural education at all levels, whether it is at schools, farms, homes, or cooperatives, we want to mention:

- (1) The sending of specialized technicians to each of the different projects;
- (2) Increasing short term scholarships for specialized education;
- (3) A cultural exchange of people, including tourist trips;
- (4) The project of the Venezuelan delegation which has started sending cooperative leaders to Centro de Educacion Cooperativa de America;
- (5) Implementation of 4-H Clubs for agricultural training and teaching, with the help of Lions and Rotary Clubs;
- (6) Financing and equipping of Educational Centers; and
- (7) Employment of audio-visual methods of teaching.

Our second recommendation is for making surveys of the resources and needs of the different projects. It is obvious that without this preparation, any project would be a blind one.

Implement the organization of cooperatives of all kinds as a practical medium, or a way of going directly to the people of Latin America, improving social and financial conditions, with revolving funds to help to organize rural credit for production, marketing, rural housing, etc.

Implementation of simple projects, to get immediate results, like, for example, the teaching of techniques for food preservation.

We have reached agreement on the priority of these objectives: (1) Education, (2) Cooperatives, and (3) Private Enterprise.

COMMITTEE ON EDUCATION AND LABOR

Of the 35 persons participating in the four sessions, only 5 indicated a primary interest in labor. These labor leaders, whose associations with the Partners program had taken them to Brazil, noted there had been an almost complete breakdown of the labor movement in Brazil during the Goulart regime. They agreed the most basic need for redeveloping a viable labor movement in Brazil would be through general improvements in education. They did not recommend designing specific education programs for labor leaders, but emphasized the need for a larger pool of formally educated Brazilians from which labor leaders would derive naturally. With this clarification, most subsequent discussion centered on education.

Early in the discussion a point, made by one participant, found considerable support of representatives, both from the United States and from Latin America. The statement was to the effect that the Latin American partner nation should offer assistance to the U. S. as well as receive it — that the Partners program is meant to be a cooperative one, completely reciprocal in nature. Members of the committee agreed that it is in the area of cultural affairs that Latin America can offer most to the U. S., but that all possible avenues of reciprocal relationships must be explored. There were suggestions for exchanges of drama groups, art exhibitions, with the artists present and lecturing; music and dance recitals, by touring groups, and performing artists; seminars on business; and lectures on the history and political situations by Latin experts. Student art exchanges were suggested also.

The first session closed with the personal introduction of everyone present, each stating his interest. The second was structured on the basis of committee members' stated interests.

Committee co-chairman, Dr. Carmin, opened the second session with a brief description of the variety of scholarship programs possible for the Partners of the Alliance to undertake: Latin American students studying in the U. S. and vice versa; scholarships for degrees—undergraduate and graduate; one year or shorter study

periods for college students; and training courses for specialists. The States of Ohio, Indiana, Illinois, Texas, and Florida already offer scholarships to Latin American students under the Partners of the Alliance. Tuition and fee remission scholarships are offered by most of the above. Plans for funding, transportation and room and board costs followed no set pattern with different state committees pursuing different approaches.

Many U.S. universities and colleges allow part-time employment for students as librarians, language laboratory assistants, and as graduate assistants. One plan to help defray living expenses is to place the students in American homes; another is for the local chapters of the Rotary, Lions Club, Federated womens clubs, etc. to provide scholarships for living expenses. Caution was expressed concerning students living in private homes. It was felt in some cases the students should live in dormitories which could provide a better climate for study and offer greater cross-cultural advantages.

The Chairman mentioned the problem of accreditation, very difficult on the undergraduate college level, but less serious for graduate students who would already have their degrees and titles.

Another problem, that of language, was briefly discussed. The problem that one-year scholarships are not usually long enough for the mono-lingual students who often are poorer students and most in need of scholarships, found no satisfactory answer.

Transportation, besides living expenses, is one of the biggest financial obstacles for the student. Mr. James Boren, observing the meeting, said the Partners of the Alliance could pay an individual's travel expenses when that individual's coming to the U.S. would benefit many more people, either here or in a Latin American country. It was also suggested contemplated money-raising concerts by visiting musicians and other cultural groups, could provide travel money. Rotary, Lions Clubs, Women's Clubs, and other groups in Latin America could also raise funds for travel.

All scholarships arrangements have been made in one direction except with respect to the Ohio-Parana team. The University of Parana will pay the room and board and fees for 20 Ohio students who go to the state of Parana and live in private homes.

In the area of professor exchange, it was suggested that other states follow the example of Miami University in bringing Latin-American professors of language to

train language teachers here in the United States. The teaching of Portuguese is nonexistent in most U. S. colleges and universities, and the Miami experiment can be a guide for other schools. One of the major problems of the instruction of Portuguese in this country is the lack of adequate materials, books, and tapes at the high-school level.

Discussion on cultural exchanges revealed that the State of Rio Grande do Sul may send a folk dance group to tour Indiana and raise funds. There will be a Rio Grande do Sul exhibit in the Indiana State Fair this coming August. Again, with respect to cultural exchanges, one delegate suggested newspapers should send a selection of the best photos, representative of the life and cultural activities of that country, to sister newspapers or local committees here.

The Committee closed the session with a discussion on material aid to Latin America. One member stated that any type of used but serviceable machinery — typewriters, refrigerators, calculators, etc. can be used to advantage in Latin America. These machines should not be scrapped but sent to partner countries. Transportation costs and packing requirements should be checked in advance, however.

The Partners of the Alliance "Illinois-Sao Paulo" submitted a report describing the organization they will develop and the criteria they will use in awarding the scholarships. Our Committee believes this report of the Illinois-Sao Paulo group can serve as information for other teams to consider in developing scholarships "machinery" for their Partners committees. We will ask the central office of the Partners to reproduce this "model" to distribute it to other interested Partners groups. (Note: Project brochure can be found in the State/Country Reports.)

COMMITTEE ON HEALTH AND SOCIAL SERVICES

The Committee on Health and Social Services AGREED:

1. To adopt as basis for future programs, the final conclusions of the Charter of Punta del Este dealing with Health and Social Services, which was discussed and developed in the meeting of Ministers of Public Health held in April of 1963.
2. That the goals of the Committee are two-fold: immediate and long range.
3. That the Latin American Partners of the Alliance will study and try to solve problems locally, presenting to the Partners in the States projects for which help is needed. Similarly Partners of the Alliance in the States will refer to their Latin American Partners projects in which their help is needed.
4. That the specific projects and details thereof should be decided between the individual partners, with priority being given to the promotion of human resources. Emphasis should be placed on development plans.
5. To promote health through community development with emphasis on communities where self-help programs have been initiated.
6. To encourage and establish means of exchange of knowledge and personnel for the purpose of study in all fields related to Health and Social Services.
7. That should the assistance required not be available, the request should be sent to a central file established in Washington for consideration by partners. In order to preserve the identity of the partners, all requests must be processed through and by the corresponding partner.
8. To establish a committee made up of representatives of all Partnership countries and States to develop emergency procedures and teams consisting of medical, paramedical and social service members.

9. That Partners of the Alliance will publicize the concept of the Partnership and stimulate private enterprise in the United States and Latin American countries to cooperate in the development of projects concerning Health and Social Services.

INDUSTRIAL DEVELOPMENT AND INVESTMENTS

It was unanimously agreed that a major objective of the Partners of the Alliance was "fullest possible employment on a sound economic basis."

The discussion turned to means of achieving this goal through the encouragement (or actual initiation) of enterprises vital to the economic development of the area - especially where natural resources could be exploited. It was felt important that technical assistance in such fields as production, packaging, merchandising and advertising be introduced at the same time to assure a practical and profitable result. At the same time, these efforts could create a pride of product and service that seem to be lacking for the major part. Finally, the stimulation of private investment was believed important to the confidence and continued progress of the areas.

The following is a summary of the main points of discussion:

1. Industrial development is a vital aspect in the process of economic development.
2. A business climate in each country should be established that affords security, incentive and opportunity for private investment.
3. Local Partners of the Alliance should, on a continuous basis, maintain a list of projects beneficial to the area involved, and recommend priorities where appropriate; and that new investment opportunities be reviewed by an appropriate committee of the Partners of the Alliance in the host country as well as local manufacturers groups and chambers of commerce.
4. Economic education at all levels is vital to permit conditions of stability and growth.
5. Partners should encourage modern management training programs.
6. Coordination of information concerning industrial development and investment for all partnerships should be established to provide complete interchange of information for the benefit of all partner groups.

7. Encourage investment to promote small labor intensive industries with emphasis on artisanship.
8. Tourism is considered an important economic factor, and should be approached as a specific effort.

We had the good fortune of excellent briefings by Frank Pace; Jr. President of the International Executive Service Corps; Robert Oshins, Director of International Investments of U. S. Department of Commerce; and Stanley I. Grand, Agency for International Development.

For ACTION, the following is suggested:

1. Establishment of one Industrial Development, Investment and Tourism source - for all Partners - to encourage concentration of economic activity in the Western Hemisphere.
2. The collecting, sorting and recording of data involving industrial projects, investment opportunities and tourism potentials.
3. The publication and effective distribution of this information.

STATE ORGANIZATION COMMITTEE

The following resolutions were passed at our committee meetings:

1. A resolution authorizing publication of the results of the Conference;
2. A resolution authorizing Mr. Boren to distribute bylaws of other state organizations to any organization which requests them;
3. A resolution recommending that a newsletter be issued periodically by AID and distributed to all committees;
4. A resolution that a committee be appointed by Messrs. Marcus and Boren to decide on the location and time of a future conference and plan the agenda and any other matters of importance;
5. A resolution that all governments be urged to allow all goods moving under the program duty-free;
6. A resolution that Mr. Boren of AID prepare a workbook for chairmen in three languages with suggested procedures; and
7. A resolution that all national airlines be urged by the committees in their countries to allow individuals traveling under the program, for the purpose of acquiring knowledge, free space.

The Committee reached the following conclusions:

- (1) A majority felt that self-help was the most important principle in the program. A minority stated that self-help was a concept that just did not exist in their particular countries.
- (2) The whole committee felt that the effectiveness of the program should not be measured in monetary terms. The most important part of it is cultural exchange and transfer of knowledge. Neither can be measured monetarily.

- (3) State-to-country relations are unique. What is valid for one committee and its relationship with its counterpart committee may not be valid for another committee relationship.
- (4) Some feeling was expressed that we should not always turn to AID for assistance but apply the principle of self-help to our own efforts also.
- (5) These efforts are to be as much as possible on a people-to-people basis with as diversified representation of the community taking place as possible.

EXTRACTS FROM TRANSCRIPT OF MEETINGS OF THE
STATE ORGANIZATION COMMITTEE

Organization of the various state/country committees:

Alabama: Originated with Mobile Junior Chamber of Commerce. Volunteer executive secretary using his own clerical help on a \$1500 budget. Now going state-wide through Jaycees.

Maryland: Original committee of four appointed by the Governor. Now has fifty members, statewide although 35 are from Baltimore. Small central steering committee meets weekly. Setting up regional committees. All volunteers to date; desire full time executive secretary, around \$3000 operating budget.

Rio de Janeiro: Committee is more or less university oriented.

California: Set up through the State College System, with Fullerton Foundation directors organization. Just organized committees on Progress and development, Organization, Communications, Finance, Administration. Emphasis to be on agricultural technical assistance, faculty and student exchanges, investment, and research.

Connecticut: Governor asked State Department Commission to organize the Committee. About 50 per cent government employees. Will have \$20-25,000 budget from state, 40 to 50 committee members, and an executive committee.

Paraiba: The State Department commission is also spearheading the development of the Paraiba committee.

Delaware: Governor asked State Development Commission to organize. Eight members from state officials, newspapers, business, and university.

Panama: Fifty to sixty Lions and Rotary Clubs are organizing the committee.

Florida: Governor asked Secretary of State to organize committee. Alliance coordinator is the assistant to the Secretary of State. Florida has appropriated \$30,000 budget. Education subcommittee organized. Inter-Alliance Education Fund being formed.

Northern Coastal States of Colombia: Governor has formed committees on Commerce, Education, Agriculture, Public Works, Water, and Administration.

Indiana: State government organized committee, representing various areas. Fourteen districts have representatives through commercial centers. Chairman uses his own secretary part time. Hoping for state budget. Steering committee meets monthly.

Rio Grande do Sul: Secretary and facilities provided by Chamber of Commerce. Committee represents 29 in Commerce and University. Has strong backing from 75 Rotary and 75 Lions Clubs. Five subcommittees including one on Rural electrification.

Illinois: Committee appointed by governor. Board of Development sponsorship. State budget. Sub-committee being organized in Southern Illinois.

Kentucky: Thirty member committee set up through Chamber of Commerce. Chairman is executive secretary of the Chamber.

Massachusetts: Organized by Senator Kennedy, representative of Boston bank, and universities. Will have full-time secretary and \$25,000 yearly budget from private funds.

Antioquia, Colombia: Operated through Corporacion Patriotia of Antioquia. Will have executive secretary, budget through Corporacion, and work mainly in cultural, economic, and agricultural fields.

Minnesota: Just getting started.

Oakland County, Michigan: Committee represents all private sectors. Had man in Cali as technical assistant on \$45,000 budget—one-third being provided by State of Michigan, Valle del Cauca, A. I. D.

Valle de Cauca, Colombia: Director is Executive Director of the Development Corporation of Valle del Cauca.

Arkansas: Committee just formed.

Minas Gerais: Committee formed from local club officers. Government representative and use of government secretary four hours daily.

Sao Paulo: Organized through existing Federation of Social Works, which administers Food for Peace. Teams organized and working in agriculture, fishing, and others, all aimed at augmenting production of lower classes. Expect cooperation from U. S. companies.

New Jersey: U. S. Senators organized committee through Chamber of Commerce, business leaders, etc.

Alagoas: Executive committee includes people from cultural, local clubs, industry, and social. Secretary is head of the Ministry of Social Assistance. Welfare Agency will help through regional headquarters.

Ohio: Committee from whole state -- principally university oriented. Five subcommittees. Publishing bi-lingual newsletter monthly.

Pennsylvania: Organized through Chamber of Commerce of Philadelphia. Full-time volunteer executive secretary. Committee represents civic clubs and industry, and state-wide regional subcommittees projected.

Bahia: Committee organized through backing of governor, including Secretary of Interior as chairman, representatives from Journals, university, local clubs, labor, and social welfare agencies.

Texas: Organized through private sector -- trade, civic clubs, and industry. Has own publicity director.

Peru: Has permanent secretary. Working with Institute for Developing Education. Funds from government of Peru. Cultural interchange with embassy help. Social work through Peace Corps and A. I. D.

Tennessee: Newly organized. Working on Rural Electrification Cooperative project. Venezuela specialist in U. S. on exchange. Want similar two-way programs.

Mexico: Treasurer of one of the four states involved is organizing the main and subcommittees.

EXTRACTS FROM THE CONNECTICUT/PARAIBA(BRAZIL)
TEAM REPORT

In accordance with the authorization granted by the Connecticut Partners of the Alliance Planning Committee, a team of six conducted a study tour of Paraiba, Brazil, during the period February 7 - 19, 1965. The team consisted of the following members:

- Mr. James S. Klar
- Mrs. Chase Going Woodhouse
- Dr. Paul E. Waggoner
- Mr. Daniel J. Gallagher
- Mr. David Wiggins
- Dr. Richard C. Briggs

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A briefing was held in Rio de Janeiro under the direction of Mr. James Glazier, the Assistant Director of the USAID office in Rio. These briefings were given in the following fields: Peace Corps, public health, education, United States Information Service, labor, Food for Peace, agriculture, social problems, and the over-all political and economic situation.

.....

Perhaps the most important and most worthwhile part of the team's stay in Rio was the opportunity we had to meet with His Excellency Pedro Gondim, the Governor of Paraiba. The Governor was in Rio on business while the team was there and it was possible for him to attend a luncheon with us. The Governor exhibited a real knowledge of the Partners of the Alliance program and was most enthusiastic about the potential of the program. He was very interested in our visit to Paraiba and desired to discuss this visit in greater detail.

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In general, it can be said that the economy of Paraiba is lagging and that the most needed assistance is in the forming of the social institutions consisting of education, public health, welfare agencies, and others.

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In order to facilitate the presentation of this report, the listing and a brief description of the projects will not be given here but will be included later in the report. In all, seventeen projects were initially submitted to the Connecticut team.

These projects were suggested by the following groups:

- Paraiba Development Group
- Organization of the Municipalities
- Lions Club
- Women's Volunteer Organization

In terms of classification of the projects, they may be broken down as follows:

- Education - 5 projects
- Health - 8 projects
- Other - 4 projects

The location of the projects is broken down as follows:

- Joao Pessoa - eight projects
- Areia - two projects
- Santa Rita, Mulangu, Campina Grande, Taperoa, Antenor Novarro, Itaporanga, Bonita de Santa Fe - one project each

.....

The following are the criteria used in evaluating these projects:

1. It denotes the principle of self help since a great deal of initiative has been shown and a functional, badly needed project has been started.
2. It will provide benefits to the entire community and has implications for the future improvement and development of the community.
3. It is obvious that a real need exists for the completion of the project.
4. The team feels that the importance of this project can be translated into positive action.

DELAWARE/PANAMA PARTNERS

Very briefly, the Delaware-Panama partnership has swung into action upon return from our survey trip on February 4, 1965.

We held a banquet for civic leaders and state officials (160 attending) at which Mr. Boren was the featured speaker. Two of our Panama companeros attended. As a result of the information offered at that dinner, various Delaware organizations are inquiring into possible projects.

To date, we have shipped 150 pounds of vegetable seed for experimental planting by Panama's Ministry of Agriculture. If results are encouraging, we will continue to send seed. This is being provided by our own State Department of Agriculture. We also sent Mylar sheeting for experimentation with planting vegetables during the wet season.

The Boy Scouts of this area have pledged \$1,000 for 1965 to help their counterparts in equipping headquarters and camps.

The original survey team sent \$200 to set up a rotating fund for the purchase of fishing nets in remote coastal areas.

Our Department of Public Instruction is considering positions for one year each for on-the-job-training in the construction of highways.

There is a flurry of activity in industrial development planning. Investments are being considered for small industries that will take advantage of Panama's natural resources.

THE FLORIDA-COLOMBIA ALLIANCE PROGRAM

I. ORIGINS AND PURPOSE OF THE ALLIANCE

The Florida-Colombia Alliance was established with the Republic of Colombia in October, 1963, when informal agreements of cooperation and mutual assistance were made between the Department of Atlantico and the State of Florida. The alliance document was signed by the then Governor Jorge Arrazola Madrid of Atlantico and Secretary of State Tom Adams of Florida. The agreement receives the continued recognition and support of the present Governor of Atlantico, Dr. Francisco Posada de la Pena.

This relationship was the outgrowth of a week-long good will visit to Colombia by Secretary Adams which was sponsored by the Organization of American States. The purpose was to generate a "state-to-nation" cooperative program between individual states of the United States and the republics of Latin America.

In essence, the Florida-Colombia Alliance program is aimed at fostering good will and closer relations between the peoples of Florida and Colombia. The Alliance seeks to do this in a tangible and meaningful way. Thus the program is founded on such cooperative efforts as student and teacher exchanges; training of technicians in industry, agriculture and government; soil analysis and crop improvement; expanded commerce and tourism, etc. The emphasis is on long-range programs of permanent value.

The State of Florida possesses a wealth of technical know-how and resources in many fields and is eager to share this knowledge with her Colombian neighbors. The Republic of Colombia, on the other hand, has much to offer Florida in culture, commerce and other fields of endeavor. The Alliance seeks to serve as the catalyst to bring these together.

The Alliance program works both with and through governmental agencies, civic organizations, corporations and private citizens of the two nations. And, as the name implies, it is a partner in the United States Alliance for Progress.

II. COMMITTEE ORGANIZATION

The Florida-Colombia Alliance activities are channeled through a committee structure in that nation and this state.

In Atlantico, subcommittees for agriculture, tourism, cultural affairs (including education), commercial relations and public administration have been formed. The Chamber of Commerce in Bolivar and the Director of Tourism in Magdalena are coordinating efforts in their states.

In direct response to the first priority for national development placed upon education by Colombian authorities, the first subcommittee to be appointed by Florida Secretary of State Tom Adams in February 1964 was for education.

As with education, other subcommittees in Florida are being formed after carefully establishing priorities and formulating general goals. Now that projects have been recommended by the Florida Survey Team, subcommittees for agriculture, health and civic organizations are being appointed.

Coordination of the committee's efforts and activities in Florida is the duty and responsibility of the Administrative Assistant to the Secretary of State for Florida, appointed in August 1964.

III. ACCOMPLISHMENTS

Since October, 1963, many noteworthy achievements have been realized by activities initiated within the framework of the Florida-Colombia Alliance:

A. Education

1. Scholarships

The Alliance's Education Subcommittee was instrumental in receiving the concurrence of the Florida Board of Regents in the granting of tuition and enrollment fee waivers for up to 15 graduate-level students per trimester from Colombia to study in Florida State universities beginning in January 1965. The students are screened and selected by ICETEX, which supervises Colombia's scholarships and foreign education program.

Additionally, junior colleges throughout Florida have granted a total of 40 scholarships for Colombian high school graduates. More are expected as county school boards are able to meet.

In return, ICETEX obtained confirmation from 20 Colombian universities that they will grant waivers to a like number of Florida students.

2. Students Enrolled

Since January 1965 twelve Colombian students have enrolled in Florida educational institutions: Six graduates at universities and six high school graduates at junior colleges. More applications are being received and additional students are expected to enroll for each academic period.

3 Florida Students to Colombia

Procedures are now being established and mechanisms formulated for announcing Colombian scholarships available to Florida students; for selecting, screening and sending under-graduates mostly in their junior-year to Colombia.

4. On-the-Job Training

Several Florida port directors have expressed their concurrence in a plan whereby Colombian students interested in port management and trade coming to study in universities and junior colleges in port cities would be afforded the opportunity of on-the-job training.

B. Florida Inter-American Alliance Education Fund

The charter is being filed to incorporate within the laws of the State of Florida a non-profit Florida Inter-American Alliance Education Fund. The purpose of the Fund is to provide finances from contributors within Florida to further implement the educational and technical assistance program of the Florida-Colombia Alliance.

C. Colombian Team Visit to Florida

In June 1964 the Florida Committee hosted five distinguished Colombian visitors including the national director of ICETEX and the Governor at Cundinamarca who is now Colombia Ambassador to the United Nations. The Colombians visited state universities and junior colleges throughout Florida where working conferences were held with institutions presidents, faculty and staff.

D. Florida Survey Team

Florida's eleven-man survey team made a 13-day working trip to Colombia in December 1964. The primary purpose was to make a first-hand survey of the northern coastal departments of Atlantico, Bolivar and Magdalena to determine new programs which the Florida-Colombia Alliance might next initiate.

It was recommended that priority attention be given by Florida and Colombian counterpart committees to expanding the present education programs as well as implementing, among others, the following projects:

1. Agriculture - provide soil testing kits (first shipment sent in December 1964); plant disease identification kits; schedule Colombian agriculturists to visit Florida; establish a model farm near Barranquilla, etc.
2. Civic Organizations - Orient Florida civic organizations about the alliance program; assist other Florida alliance subcommittees with implementation of their programs; assist Colombian civic organizations in training and programming, etc.
3. Public Health - provide polio vaccine; establish short courses in Florida for Colombian hospital administrators; establish in service training in Barranquilla for nurses and dieticians, etc.

Of the eleven members of Florida's team, the travel expenses of seven were financed by the Partners of the Alliance. A 26-page printed Report on Colombia was written by Florida team members and published in the English language with the Spanish version following.

**EXTRACTS FROM FLORIDA-COLOMBIA ALLIANCE
VISIT BY COLOMBIAN COORDINATORS**

Programs Underway

1. Director of Dodge Island Seaport will invite interested port administrators from Colombia who desire to observe the new Seaport when it is opened.
2. Student exchanges in progress or being planned:
 - a. Miami-Dade Junior College - three students
 - b. Several at the University of Miami
 - c. Medical doctors program at U. of Miami
 - d. St. Petersburg Junior College - three students
 - e. Several at the University of Tampa
 - f. University of Florida - five students.
3. Dade County Health Department will assist in answering inquiries from Colombian health services.
4. Professor exchanges are being planned at University of Tampa and the University of South Florida.
5. The University of Miami Institute of Marine Science may help in establishing a similar institute at the University of Cartagena.
6. Tampa Chamber of Commerce suggests inviting Colombian businessmen to show their products at a trade fair in Tampa.
7. University of Tampa has offered assistance to the Northern Coastal states of Colombia by:
 - a. Assisting (along with Florida State University) Barranquilla in establishing a four-year college of business administration and industrial engineering.

- b. Helping with new scientific and economic methods of silo building.
 - c. Offering opportunity for Colombian cattlemen to visit and observe latest advances in breeding methods.
8. The Tampa Electric Company is interested in the possibility of exchanging two electrical engineers with Colombia.
9. Florida State Department of Agriculture has offered to send to Colombia some seed to be planted for experimental purposes.
10. The Florida-Colombia Alliance hopes that it may be able to effect the reestablishment of the U. S. Consulate in Cartagena.

PROGRESS REPORT
IDAHO PARTNERS OF THE ALLIANCE

In February of 1964, Mr. James Boren, appeared at a public gathering at the Owyhee Hotel in Boise, and explained the partnership program to the people of Idaho. As a direct consequence of Mr. Boren's visit a private non-profit organization was formed called the Idaho Partners of the Alliance. Mr. John S. Chapman was appointed chairman and a local committee was appointed to work with him in coordinating the various projects. Idaho was assigned Ecuador as its partnership country. In May of 1964, a program development team was sent by the State Department to Ecuador to observe first hand the needs of the people. This team was composed of Mr. Chapman as chairman, George Wilhelm, Business Relations Director for Boise-Cascade Corporation, Gayle Allen, Real Estate Man and Contractor in Boise, Dr. Boyd Martin, Dean of the College of Letters and Science at the University of Idaho and Mrs. Boyd Martin also attended the tour of Ecuador. After returning from Ecuador the non-profit corporation was filed with the Secretary of State, September, 1964, and a copy of these articles are attached herewith.

To assist in raising money membership classifications were determined; \$2.00 and \$9.00 regular membership, \$10.00 to \$49.00 contributing, \$50.00 and over sustaining. Local committees were organized in Caldwell, Boise, Twin Falls, Pocatello, Idaho Falls, and nine North Idaho Counties. The chairmen are William Crookham in Caldwell, Max Sarvis in Boise, Sy Koleman in Twin Falls, Robert Huntley in Pocatello, Orville Hansen in Idaho Falls and Dr. Boyd Martin is the General Chairman in North Idaho. A State committee was then formed with John S. Chapman as State Chairman, Elaine Durbin as Executive Secretary, Byron Johnson as Treasurer, Dr. Boyd Martin, Gayle Allen and George Wilhelm are Members of the Board of Directors.

The following is a statement of the receipts and disbursements of the Idaho Partners of the Alliance from September, 1964, through May 26, 1965:

Receipts		\$2, 717. 51
Disbursements:		
Expenses	\$ 113. 98	
AID Quito	1, 240. 00	
		<u>1, 353. 98</u>
Balance on Hand		\$1, 353. 98

This money was raised from various civic organizations, schools and Spanish Clubs, as well as individuals throughout the State of Idaho. Organizations donating to the Idaho Partners of the Alliance are the Foreign Relations Club of the College of Idaho, Borah High School Spanish Club, North Junior High School, Boise, Boise Junior College Spanish Club, University of Idaho Campus Chest, Moscow, Idaho, Mountain States Tel & Tel Company, Moscow's American Association of University Women, Simplot Company are a few examples. Equipment donated are 4 sewing machines from Boise Junior Chamber of Commerce, 1 typewriter from Hogar Indigina, Boise Cascade Corporation 2,000 hypodermic syringes donated by Dr. Hal Reynolds, Caldwell, for inoculations of rural children, sleeping bags and tents from Boise Cascade Corporation for Gonzales Suares Deforestation Cooperative, sundry drugs for the Pelileo Hospital from Boise Medical Auxiliary. Equipment being processed for shipment; 1 manual drill donated by Max Sarvis, 1 X-ray machine donated by Dr. C. C. Reiger.

The Idaho schools are particularly supporting the partnership program and student participation has been enthusiastic, in the schools that have been reached in the Boise and Moscow areas. The Borah Foundation at the University of Idaho has donated \$2,000.00 for the preparation of a brochure on Ecuador and the Partnership Program for distribution to the school students throughout Idaho. A sufficient number of these brochures will be prepared so that every school child in Idaho will have access to one and it should be completed by the Fall of 1965.

The Idaho organization feels that the secret to success is strong local organization and we are striving to strengthen our organizations throughout the State. In August of 1965, a State Seminar will be held which will be attended by all local chairmen to coordinate the State's effort for the Fall of 1965 and the Spring of 1966. State Chairmen are being appointed for each civic club such as the Kiwanias, Lions and Rotary to coordinate each of these organizations activities throughout the State for the

Partnership Program. Primary emphasis is being put on the Pelileo Town-Plan and our goal is to raise \$10,000.00 by the end of the 1965 year.

The first project of the Town-Plan specifically, the Soil Conservation, Irrigation and Cabuya Project has been completed thanks to the private donation of Mrs. Grace Martin from Moscow, Idaho. With that assistance, Pelileo has purchased agriculture equipment and tools. The Idaho Partners of the Alliance has now collected sufficient funds to complete the Cannery Co-operative project which is project no. 4 of the town plan and we plan in September, 1965, to send a Home Demonstration agent from Idaho to Pelileo to set up the Cannery which has already been constructed by the Pelileoians themselves.

A feature of the Partnership program which is extremely important to its success is public relations and publicity. Each State organization should have a publicity chairman and great emphasis should be put on educating the people about the great needs for this grass roots approach to assistance. The recent visit of the Ecuadorian Delegation to Idaho was a terrific boom to educating the people and we received very good response from the radio, television and newspaper media. In addition, the Idaho group plans to form a speaking bureau of knowledgeable, energetic and enthusiastic people to present the program to the various civic and service organizations. It is important to conduct seminars with these speakers to acquaint them with the program and to enthuse them about its worthwhile purpose.

**SCHOLARSHIPS - PARTNERS OF THE ALLIANCE ILLINOIS -
SAO PAULO PROJECT
INTERNATIONAL EXCHANGE OF STUDENTS AND PROFESSIONALS**

Finality

1. The purpose of the "Alliance Illinois - Sao Paulo" consists in strengthening the bonds of friendship between the two great states of the United States and Brazil, by promoting and supporting:

- a. The establishment of industrial and commercial relations.
- b. Stimulating science, education and agriculture.
- c. Financial and medical assistance.
- d. Exchange of cultural knowledge.
- e. Opening new opportunities for young people.
- f. Strengthening of the Alliance for Progress.

2. The grant of scholarships between Illinois and Sao Paulo will contribute to the improvement of youth, fostering international understanding and establishing better links of friendship among nations.

Types of Scholarships

3. Three types of scholarships will be established for youngsters between 14 and 28 years of age, for the same purpose and by special means for each of them:

- a. Student)
- b. College) Scholarships
- c. Professional)

4. These scholarships will be granted in variable numbers according to the funds and facilities available to the Partners of the Alliance Illinois - Sao Paulo.

5. The scholarship for "Student" is offered to boys from 14 to 18 years of age who want to profit by their vacations to improve their knowledge of the language of the country visited, observing its habits, studying its culture and by transmitting on a reciprocal basis the general knowledge acquired in their homeland.

6. The "College"Scholarship is intended for young students who have finished high school and want to enroll for a 1-year term in any of the universities of the country visited, attending the classes regularly, doing research work or other studies under the supervision of the professors of the respective institution.

7. The Professional Scholarship will be extended to students who have finished high school or college or undergone vocational tests and who want to specialize in a given profession by apprenticeship in an industry, having the option to stay in the country visited at their own responsibility and expense, once the scholarship term has expired.

Financial Resources

8. The financial resources for the grant of a scholarship will be obtained through:

- a. Transportation will be provided through the respective committee of the AIP which will obtain from official or private enterprises adequate means of transportation to the country to be visited, free of charge for the candidate.
- b. Lodging for scholarship holders will be provided as follows:
 - I. For "Student" scholarships: The candidate will enjoy the hospitality of the family of one of the members of the Alliance or will stay in a place chosen by the Committee, being accepted as a member of the family, with room and board free.
 - II. For "College" scholarships: Students will live at the university dormitory or any other institution able to offer free room and board.
 - III. For "Professional" scholarship: The candidate will receive free lunch at his place of work, offered by the industry in which he makes his apprenticeship, his room and other expenses being financed by the candidate himself through the earnings he gets as a "trainee".

Selection of candidates

9. Besides the general knowledge which scholarships provide, they are meant to promote good will among the Nations, through a constant work for the maintenance of peace, and therefore the selection of the candidates must be made with the following considerations:
- a. Candidates must be students of high merits, with personality, first class education and fair knowledge of the country language in which they are going to study, being endowed with all attributes necessary to be an efficient Ambassador of GOOD WILL.
 - b. The selection will be made through special regulations to be elaborated by the respective committees and through competition held among at least 3 candidates.
 - c. Once there exists an opening for a scholarship in the various categories and the means of transportations have been secured, the Committee will notify its partner so that the candidate might be selected and transportation arranged.
 - d. The Committee of the Partners of the Alliance Illinois - Sao Paulo which confers the above-mentioned scholarships will also grant free transportation back to the country of origin once the candidate has completed the term of his scholarship.

SUMMARY:

10. The success of these scholarships depends mainly on the basis used for the selection of the candidates and their capacity for assimilation of the knowledge acquired. After his return to his home country the candidate must submit a report in writing and may hold conferences on the subject of his specialization, so that his colleagues who did not receive the benefit of the grant might at least take advantage of the knowledge he has acquired.

11. The candidate selected must be of good character, a competent student or professional, conscious of his responsibilities and must be thoroughly acquainted with the purposes of the ALLIANCE ILLINOIS - SAO PAULO, supporting it by all means.
12. Through the grant of these scholarships we shall succeed in establishing rapidly a friendly understanding among all students concerned for the benefit of this bond of friendship established through the ALLIANCE - ILLINOIS SAO PAULO for the progress of humanity and creation of GOOD WILL among people.

***** ALLIANCE ILLINOIS - SAO PAULO *****

MARYLAND/RIO DE JANEIRO PARTNERS PROGRAM

HISTORICAL BACKGROUND

The Maryland Partners of the Alliance Committee was formed in November, 1964. Owing to the earlier organizational work done in the State of Rio, the Maryland Committee found upon its formation that its partner state was already well advanced in planning and in enthusiasm. As a result, virtually the first activity of the Committee, after the election of its officers, was to send a team down to the State of Rio to make immediate contact with our opposite numbers. The members of the team were Albert Berney, Chairman of the Maryland Committee, Dr. Vernon Vavrina, Associate Superintendent of the Baltimore Public Schools and Julian Stein, Secretary of the Committee. Mrs. Stein also accompanied the team.

The team arrived in the State of Rio on November 14th and remained ten days. During that time we visited eighteen towns in the State and saw forty-four of the sixty-three projects which had been screened by the State of Rio Committee.

While in Rio, the two Committees engaged in discussions which set up the ground rules for future operations and emphasized the need for strict standards regarding the eligibility of a project and the amount of funds which could legitimately be asked from the Maryland Committee. At the same time the two committees arrived at very clear understandings regarding the procedures which would govern the delivery and accounting of funds.

Upon their return, the Maryland Committee, which still only consisted of the small original group of organizing members

set about to expand its membership and to institute a committee system. The committees established were (1) Education, (2) Health, (3) Technical Assistance, (4) Cultural Exchange, (5) Public Relations, and (6) Miscellaneous. (Appended to this report is a list of the members of the Maryland Partners Committee.)

The Committee also undertook a series of efforts to publicize its trip and to tell the story of the new relationship established between Maryland and the State of Rio. Highlight of this effort was a dinner held by the Committee in Baltimore attended by Ambassador Magalhaes of Brazil, Governor Tawes of Maryland and Mayor McKeldin of Baltimore. On another occasion the flag of the State of Rio was flown over the Maryland State House while the Maryland flag was being flown simultaneously over the Rio state capitol in Niteroi.

ACTIVITIES AND ACCOMPLISHMENTS

Education: The Maryland team's visit to Brazil confirmed the fact that the most important problems confronting the State of Rio lay in the field of education. As a consequence the largest share of the Maryland Committee's total time and effort has gone into this area.

Direct economic aid has consisted of \$1,000 which is being used for supplies for a school in a Niteroi favela. The school is operated by a volunteer student group from the University of Rio. As a result of our visit the State of Rio has blueprinted a standard minimum school building which can be built anywhere for \$1,200. Both the Maryland and Rio Committees are now actively engaged in seeking additional funds in order to construct additional schools. Three hundred dollars has also been appropriated for a favela school in Terapopolis.

In order to arouse interest in Maryland schools, a series of meetings have been held in both junior and senior high schools, public and private. Most of the schools contacted are now endeavoring to work out relationships with a partner school in the State of Rio. Several of the schools are raising money for the Partners program.

An effort is also being made to build a study segment about the State of Rio into the public school curriculum. This suggestion was made at a meeting of the school superintendents from each of Maryland's twenty-three counties and Baltimore City. At present it appears that this idea has aroused particular interest in Montgomery County and Baltimore City.

At the university level, a series of meetings has been held with both faculty and students at the University of Maryland. As a result of these meetings the Maryland Student Government Association has furnished \$300.00 to the University of Rio for the specific purpose of purchasing much-needed books for the School of Odontology. In addition, the Maryland students are developing an exchange program in conjunction with the University of Rio. If the program works out as envisioned, the respective university student groups will provide all expenses for the exchange student once he arrives on campus. The exchange would take place during the summer months, thus permitting the exchange student to be on the foreign campus during the host's school year. Maryland students in Rio, in addition to studying, would actively participate in the Rio student's favela assistance program, establishing, in effect, a State of Maryland Peace Corps. Maryland University students have also expressed an interest in assisting the University of Rio in raising funds for a student cafeteria.

In addition to the exchange program described above, the Committee has discussed the possibilities of exchanges at the high school level and faculty exchange. These programs are still a considerable distance from realization. However, arrangements are firm for one Maryland high school student to visit a family in Niteroi this summer.

Health: The team that visited Brazil in November was shown many hospitals where conditions were crowded, where medicines were lacking and where operating rooms were inadequate and

primitive. The Health Committee has been concentrating on raising \$1,000 for a hospital project in the Paraiba Valley. So far they are still short of their goal. In addition to monetary aid a consulting psychiatrist from the State of Maryland plans to visit the State of Rio to provide guidance regarding procedures and techniques used at a vocational guidance center in Niteroi.

Technical Assistance: Progress is underway in seeking technical assistance in rural electrification and in agricultural extension work. Four sewing machines are being sent to a labor union vocational school in Sao Concalo by the Maryland regional section of the AFL-CIO. In addition, two technical problems were solved through local initiative as a direct result of advice and suggestions made by the Maryland team during their November visit. In one case a fishing village followed up on a suggestion that State of Rio engineering talent could provide the answers to a fairly simple question of tidal drainage. In another case a mayor was inspired to encourage farmers to pool their efforts and labor to re-build a washed-out bridge. The Maryland Committee believes that these prods to extra local

Pratt Library, Baltimore's principal public library. The Baltimore Museum of Art is interested in an exhibit of Brazilian paintings, and efforts to bring this about are being undertaken.

Miscellaneous: Under this heading we should list a special relationship which has been established between the town of Westminster, Maryland, and Macaë in the State of Rio. Letters have been exchanged between the two mayors and committees have been established in the two towns. For some reason the Maryland Committee has had problems engaging the vigorous participation of service clubs such as the Lions and the Rotary. Members of both organizations are represented on the Maryland Committee, and it is hoped that we will be able to implement some projects through these organizations before too long.

This report should end with mention of the return visit which was paid to Maryland last March by two members of the State of Rio Committee, Ronald Hees and Durval Gonçalves. These two gentlemen greatly increased the enthusiasm for the program wherever they appeared and their visit has done much to speed up the entire timetable on the Partners effort in Maryland. In addition, the friendships and good-will resulting from their visit was an asset in itself. Besides visiting many schools, industries, clubs and other groups, the visit of Messrs. Hees and Gonçalves served to provide the occasion for a dinner given in their honor by Governor Tawes, a luncheon by Mayor McKeldin and numerous opportunities to explain the Partners program in the newspapers and over TV and radio.

MINNESOTA/URUGUAY
PARTNERS OF THE ALLIANCE PROGRAM

HISTORICAL BACKGROUND

Senator Eugene McCarthy provided information on the Partners program to the Minneapolis Area Chamber of Commerce sometime last summer. The Chamber, lacking a statewide organization, referred this information to the Minneapolis Junior Chamber of Commerce in approximately September. The Minneapolis Junior Chamber through its International Relations Committee proceeded to gain a general understanding of the Partners concept and programs in other states through telephone conversations and correspondence with representatives of the Department of State's Agency for International Development.

Taking into consideration the fact that the City of Minneapolis was heavily committed to a Sister City Program with Santiago, Chile, through a very active Person to Person organization, the committee determined: 1) that any program undertaken should be representative of the entire state rather than the City of Minneapolis, and 2) that in order to tie in the established and successful Minneapolis-Santiago Sister City relationship, it would be highly desirable to establish a Partnership program with an area of Chile adjacent to Santiago.

On the first point, the Minneapolis Junior Chamber decided to seek adoption of the Partnerships' program as a project of the Minnesota Junior Chamber of Commerce at a state convention at Moorhead, Minnesota, in February. The program was explained to the state Jaycee Executive Committee and Board of Directors and adopted as a state project. Wade B. Fleetwood, Special Assistant to the Director of the Partners Program, was the featured speaker at a luncheon attended by more than five hundred Jaycees representing approximately one hundred chapters throughout the State.

Following the luncheon, Mr. Fleetwood answered questions at a forum attended by approximately forty Jaycees.

As to the objective of relating the Minnesota program to the flourishing Minneapolis-Santiago Sister City project, the committee was advised by the State Department that Chile was already involved in a Partners project with California. While recognizing that the non-availability of Chile would limit participation in the Partners program by the people of Minneapolis, the committee still felt there would be sufficient outstate interest in the program to justify establishment of a Partners Committee. Since Minnesota is basically a grain and cattle farming state plus a large metropolitan area with accompanying industry and culture, the committee indicated its preference for a partnership program with an area in Latin America with similar characteristics. The State Department suggested Uruguay which is also characterized by a large metropolitan area and extensive cattle and grain production. This relationship seemed very logical in these terms and also because of the existing Montevideo, Uruguay-Montevideo Minnesota, Sister City program.

Having decided on an area and having the backing of the State Junior Chamber of Commerce, the Jaycee committee was ready to undertake the next step which was organization of a statewide Partners of the Alliance Committee. In organizing the State Partners Committee, the Jaycee committee attempted insofar as possible to develop a list of the best qualified individuals in the State in the areas of agriculture, business, labor, health, welfare, education, government, and international organizations. The committee has been engaged in this phase of activity since February. A list of approximately forty individuals was developed and they were introduced to the program through a letter from Senator McCarthy's office.

The letter from Senator McCarthy is currently being followed up by personal calls by members of the Jaycee committee. The purpose of the calls is to explain the Partners concept in detail, to obtain recommendations as to the proposed organizational concept and the names of other individuals who might be interested in participating, and to ascertain the individual's interest in personally serving on either the Advisory Board or the Corporate Board of Directors, soon to be organized.

Presently about fifteen individuals have been contacted and have given commitments to serve on one of the proposed Boards. They represent the following institutions: The Minnesota World Affairs Center, The Governor's Office, the Minneapolis School Board, First Bank Stock Corporation, Northwestern Bancorporation, Minneapolis People to People, the Minnesota Foreign Policy Association, Minnesota International Center, Minnesota Employers' Association, Gneral Mills, Inc., and the Minnesota Junior Chamber of Commerce.

Action to be taken in the near future includes completion of contacts with selected individuals, a series of small briefing meetings attended by about ten proposed Directors each, a full scale formal incorporation meeting and banquet, establishment of a working Minnesota Partners Corporation, and selection of a Survey Team to go to Uruguay. This report describes action to date. Details of the formal Minnesota organizational concept will be provided at a later date.

F. A. Wipperman
Minnesota Partners of the Alliance
Jaycee Project Chairman

W. L. Sulzbach
International Director
Minneapolis Jaycees

REPORT OF THE NEW JERSEY PARTNERS OF THE ALLIANCE

Citizens of New Jersey were introduced to the aims and purposes of the Partners of the Alliance program when our Senators Clifford P. Case and Harrison A. Williams, Jr. , arranged for a meeting on September 30 of representatives of service clubs and other statewide civic and business organizations.

The initial meeting was held in the Federal Building, Newark, and was personally attended by Senator Case. Representatives of the offices of Senator Williams and Congressmen Peter W. Rodino, Jr. , and Peter Frelinghuysen, were also present. After representatives of the State and Local Partnership Program office had explained the details of the program and what was expected of New Jerseyans, those present turned responsibility for getting things started to a "Steering Group" consisting of 12 of those present including two men who had volunteered to serve as Temporary Chairman and Secretary, respectively.

The Steering Group, meeting shortly thereafter, named a small Nominating Committee to define the Committee structure and to offer nominees for the positions to be created. The Nominating Committee was also charged with the responsibility of assembling a team to visit our Partner State of Alagoas in Brazil.

The team was assembled for departure on January 10 for a two-week stay in Brazil. Selected were a doctor, an engineer, an educator, an agriculturalist and a businessman so that the team possessed a broad range of professional experience in approaching the problems we had reason to believe the team would be dealing with during their visit. The team members were:

Dr. Jesse B. Aronson, Director, Division of Local Health Services,
New Jersey Department of Health, who is a resident of Trenton

Everett C. Curry, President of the New Jersey Education Association
and a resident of Ataltnic Highlands

Louis J. Fontenelli, an Engineer recently retired from The Fibro Corporation (a Division of The Drackett Company), Clark, and a resident of Garwood.

Charles C. Phillips, President, Edgar Phillips & Son, Inc., Neptune and a resident of that city.

Frank A. Soraci, Director of the Division of Plant Industry, New Jersey Department of Agriculture, Trenton, a resident of Titusville.

Mr. Phillips, who earlier had volunteered to serve as Temporary Chairman of the full Committee, also served as leader of the team. He is a District Governor of Rotary International.

Since the team's return, they have reported upon their experience to the full Committee and they have made some individual presentations to civic and service groups throughout the state.

To implement the program in New Jersey, the Nominating Committee, under the direction of Charman Albert H. Acken, Executive Vice President of the New Jersey State Chamber of Commerce, has had the necessary articles of incorporation drawn up by counsel to conform with New Jersey law. By-laws have also been drafted. An initial Board of Trustees will formally incorporate the Committee at a meeting to be held in Newark on Monday, June 7. At the present time a total of 17 prominent New Jersey citizens have agreed to serve on the Board, and it is expected that the following slate of officers will be formally installed at that meeting:

Chairman:

Charles C. Phillips, President

Edgar Phillips & Son, Neptune, N. J.

(District Governor, Rotary International; Leader of the Alagoan visitation team; Temporary Chairman of the New Jersey Partners Committee)

Vice Chairman - Administration:

Louis J. Fontenelli

Garwood, N. J.

(Retired Engineer, member of the Alagoan visitation team, representative of Lions International)

Vice Chairman - Finance:

Albert H. Acken, Executive Vice President

New Jersey State Chamber of Commerce

Newark, N. J.

Secretary:

Arthur M. Cox, Jr., Director of Public Relations

New Jersey State Chamber of Commerce

Newark, N. J.

(Served as Temporary Secretary of the New Jersey Committee)

Treasurer:

John L. Wetten, President

Wetten Monuments

Caldwell, N. J.

(New Jersey District Treasurer of Kiwanis, International)

OHIO/PARANA PARTNERS OF THE ALLIANCE

1. Formation of the Committee

The Parana-Ohio Committee was officially formed on October 21, 1964, at an all-day meeting in Cleveland, Ohio. James Boren was present to explain the program to a group of about 60 interested persons from all over Ohio. Brazilian Ambassador to the U. S., Juracy Magalhaes, was the key speaker at the dinner in the evening. Dean Paul L. Noble, then Dean of the College of Business Administration of Ohio University, was elected Chairman of the Executive Committee.

Ohio institutions which gave initial support to the Committee were:

Ohio University
Ohio State University
Miami University
Cleveland World Trade Association
Young Men's Christian Association
Chamber of Commerce

In addition, numerous individuals and corporations having either personal or business interests in Latin America responded to the formation of the Parana-Ohio Partners program.

2. Program Development Team Visit to Parana

Four members of the Ohio Executive Committee left New York for Brazil on January 3, 1965. They were Chairman Paul Noble, Lynn Brya, Donald Newkirk, and Mervin Smith. The team stopped for a day in Rio for briefing before proceeding to Curitiba, capitol of Parana. There were several days of meetings in Curitiba with the Parana Committee, at which time objectives were clarified and agreed upon by both state groups. The statement of objectives is attached to this report.

A meeting with the Governor of Parana, Ney Braga, was held, at which time a plaque commemorating the formation of the Partners program was presented to him by the Ohio team. Other meetings with state and city leaders were also held.

Following the work in Curitiba, a week was spent in visiting other major cities in Parana such as Paranagua, Ponta Grossa, Meringa, and Londrina. In all of these places visits were made to schools, hospitals, industrial shops, welfare centers, etc. Many formal and informal meetings were held with Paranans interested in the program.

A final day was spent in Rio with AID mission staff reviewing the visit to Parana with them.

3. Inventory of Projects

The Ohio Committee has been organized into the following sub-committees: (1) Medical and Health; (2) Education; (3) Agriculture; (4) Industry and Commerce; (5) Social Welfare. Not all the sub-committees and projects are under way at this time. The active projects are listed below.

Medical and Health: A number of Ohio hospitals have offered the Committee used, but usable, surplus medical supplies and equipment. Shipping lists translated into Portuguese are being prepared and shipping arrangements are now being made. Much of the material is being consigned to the Hospital Misericordia in Paranagua. This 130-year old hospital, operated by Nuns, was one of the hospitals visited by the Ohio team in January and their needs were recognized.

Education: The Ohio Committee is co-sponsoring, with Miami University in Ohio, a ten-week intensive program in beginning Portuguese. This program will run from June 21 to August 27. A professor from the University of Parana is coming to Ohio to participate in this much needed project.

Agriculture:

A. Exchange of Farm Cooperative Couples

It is expected that five Cooperative members and their wives from Parana will visit Ohio and that five Ohio Cooperative Couples will visit Parana. They will each pay their transporta-

tion to and from Ohio and Parana, but they will be guests in the homes of each other while they are in Ohio or Parana. The Parana people are expected to visit Ohio in the autumn of 1965 and the Ohio couples will visit Parana in late winter or early spring of 1966. The Parana people will be from the Coffee Cooperative at Marenga, Parana, and the Ohio couples will be members of various Agricultural Cooperatives in Ohio.

These people will be not only outstanding farmers but also community and agricultural industry leaders. Through the experience of these people they likely will have further ideas for exchange and Parana-Ohio projects.

B. Exchange of Farm Youth

An attempt is being made to develop an exchange of farm youth between Parana and Ohio. The youth would be mostly between 16 and 20 years of age. Youth from Parana would come to Ohio and Ohio youth would go to Parana. They would stay from three to six months.

This program may be handled by the present State IFYE (International Farm Youth Exchange) Committee. The travel expenses of the youth would come from contributions of people in the state and possibly from the payment for programs put on by returning youth.

The youth would apply for participation and they would be selected by a state committee. They would not receive any pay. Farmers in Parana and Ohio would agree to keep them in their homes. They would work on the farm and in the community.

Consideration is being given to exchange of urban youth as well as farm youth.

C. Professional Young People's Service--Semi-Voluntary

Consideration will be given to sending young specialists in Agriculture, Education, Health and Community Service to Parana for one or two years. These would be similar to the Peace Corps except that it will not be Government sponsored.

This might be administered by the International Voluntary Service, Inc. Dr. Mervin G. Smith of the Ohio Executive Committee is on the Board of Directors for this non-profit private organization. The cost of such a program is \$5000 to \$6000 per person per year, about one-half the cost of a Peace Corp worker.

The participant of such a program would receive a salary of \$80 per month, plus transportation and modest living expenses.

The money for this would need to come from contributions of people to support such work. It is hoped that finances could be found for five or six persons. Perhaps some finances might come from Parana as well as Ohio.

The participant most likely would be a college graduate. He would be carefully selected and given some special training, especially in language. In most cases they would be young, unmarried people and from Ohio.

The person in the program would live in the local community. Agreement would be made and understood with authorities and leaders in Parana as to what the person would do. Likely he would be an advisor or consultant in Agriculture, in community development, in health work, or a teacher in the school.

D. College of Agriculture - University of Parana

Development of Area of Agricultural Economics and Agricultural Credit. An attempt will be made to provide for a graduate student in Agricultural Economics from the College of Agriculture, Parana University, to come to Ohio State University for graduate training. It is hoped that a visiting professor can be provided in this field at this college for a year. In connection with the International Training and Research Center in Agricultural Finance at the Ohio State University, research in agricultural credit may be developed in cooperation with various agencies in the State of Parana, in the next year.

Social Welfare: Arrangements are being completed to establish a "Troop Partners Program" between the Girl Scouts of Ohio and both Girl Scout and Non-Girl Scout groups of girls in Parana. The Committee is deliberately not specifying the nature of the activity between these two groups, believing rather that in the natural course of events the children will develop activities and communications suitable to their interests and needs.

General: The Ohio Committee has just published its second monthly bi-lingual newsletter entitled "Progress Notes." This publication is being sent to hundreds of interested people in both Ohio and Parana. In due course it is expected that contributions to the publication will be made by both Ohio and Parana participants, although initially only the Ohio Committee has contributed.

4. Future Plans

The Ohio Committee expects to undertake a fund-raising campaign with which it can increase its activity and improve its projects. An executive director who will work either full-time or a substantial part of his time is being sought. It is hoped that this person may be a retired executive willing to donate his services. It is expected that he will be provided with an office, secretarial assistance, and an expense allowance to enable him to carry out the day-to-day affairs of the program.

Statement of Objectives and Purposes of the Alliance Parana-Chio

The Partners of the Alliance is a program which is being developed throughout Latin America and the United States to encourage better understanding, closer cooperation and mutual interchange between the peoples of the two areas.

The Alliance Parana-Ohio has been organized by purely private citizen groups in each of the two States. As such, none of the administration of the program shall be the responsibility of any government, and likewise the responsibility for the failure or success of the program shall not rest with any government or governmental agency.

In order to carry forward the objectives of the program, each of the two State Committees will first endeavor to obtain a thorough understanding of the people of the other State. This will be done by an exchange of visitation teams which will spend approximately two weeks touring the partner state, establishing acquaintances with the people, studying the nature of their society and their economy, and learning of their problems. The Agency for International Development in Washington, D.C. has offered to provide modest financial assistance for these exchange visitations.

Secondly, each of the two State Committees will identify specific projects which can be carried forward by groups in one of the Partner States, to the assistance and help of groups in the other Partner State. Examples of such projects might include the following:

- Cultural exchange
- Educational exchanges
- Youth Programs
- Professional exchanges and contacts
- Provision of Educational and technical equipment and tools
- Technical assistance in such fields as medicine, agriculture, industry, and public welfare
- Promotion or encouragement of commercial relationships.

Thirdly, after the identification of worthwhile projects, the Committees in each State will endeavor to persuade private citizen groups in each state to undertake the responsibility for carrying forward a single project. Examples of private groups which may be persuaded to carry forward a project are:

- Civic Clubs (Rotary, Lions, etc.)
- Women's clubs and groups
- Cultural groups
- School and Educational groups
- Chambers of Commerce
- Trade and Professional Association
- Welfare organizations

Fourthly, continuing efforts will be made by both committees in the months and years ahead to encourage citizens of each State to visit the other partner State, to encourage contacts between groups with common interests, and to foster a continuing dialogue and exchange of information between the people of the two partner States.

The financing of the specific projects contemplated in this partnership will be a part of the obligation of the civic or other groups which will be asked to assume the responsibility for a project. Basically, there shall be no obligation on the part of any governmental unit for the financing of this partnership.

On the other hand, certain projects may clearly fall within the type of activity usually financed by A. I. D., or other governmental agencies, in which case a proposal to such agency for financial assistance for a specific project will be entirely in order.

In summary, the Alliance Parana-Ohio is an association of individuals dedicated to the proposition that through self-help and determined effort, private citizens can accomplish much in solving their own problems while also promoting international understanding, thus enhancing peace, freedom and a richer, more meaningful life for all.

In dedication to the principles and objectives set forth above, this statement is hereby adopted on behalf of the Committees in the respective States of Parana and Ohio by the undersigned, this fourteenth day of January, 1965.

For the Parana Committee of
The Alliance Parana-Ohio

For the Ohio Committee of
The Alliance Parana-Ohio

Signed

Dr. Edgar Barbosa Ribas, Chairman

Signed

Dr. Paul L. Noble, Chairman

**REPORT OF SPECIFIC ACCOMPLISHMENTS TO DATE BY THE
PENNSYLVANIA-BAHIA PARTNERSHIP OF THE ALLIANCE**

Since the Pennsylvania members of the Pennsylvania-Bahia Partnership of the Alliance returned to the United States on April 16, 1965, the following tangible results have been achieved:

<u>CONTRIBUTIONS</u>	<u>Value</u>
1. Each member of the seven member team who visited Bahia has contributed or pledged \$100.00 to the Partnership Program	\$ 700.00
2. Brazilian Ambassador to the United States Juracy Magalhaes present a check in the amount of \$100.00 to the Pennsylvania-Bahia Partnership of the Alliance.	100.00
3. The Philip and Muriel Berman Foundation (Allentown, Pennsylvania) has submitted a check in the amount of \$1,000 to be used to build a school in Bahia.	1,000.00
4. Harvey Williams, President, The Company for Investing Abroad, has pledged \$1,000 to be used to build a school in Bahia in honor of his late daughter, Mrs. Hooker W. Ackerman.	1,000.00
5. The Atlantic Refining Company is presenting \$1,000 in Cruzeiros, in Bahia, to the Bahian members of the Pennsylvania-Bahia Partners of the Alliance. Project to which it is to be applied is yet to be determined.	1,000.00

<u>CONTRIBUTIONS</u>		<u>Value</u>
6.	Temple and Villanova Universities have each offered a full four year, tuition free scholarship to a Bahian youth.	4,800.00 4,800.00
7.	Spring Garden Institute has offered one two year scholarship.	2,300.00
Total		<hr/> \$15,700.00

As of this writing, a considerable number of other projects are in the discussion stage.

TEXAS PARTNERS OF THE ALLIANCE

The Texas Partners of the Alliance was formed in March of 1964 on the request and under the sponsorship of the U. S. State Department's Agency for International Development (A.I.D.). Texas was fortunate enough to be assigned Peru.

At the outset, we were asked to direct our attentions to the support of impact type social projects - meaning self-help projects which needed a helping hand to make possible through minor financial assistance, the success of the projects.

In the State of Texas, there is an organization known as the Pan American Student Forum, which is sponsored by the Good Neighbor Commission of Texas. There are 115 of these chapters in Junior and Senior High Schools in Texas. At their State Convention in 1964, and again in 1965, the organization voted to assist the Texas Partners in the impact projects. \$6,000 has been raised by various chapters in the past 12 months.

Other civic and community groups, such as the Business and Professional Women's Clubs, Lions, Rotary, Kiwanis, PTA, etc., are now in the process of raising money for specific projects.

The Educational Committee of the Texas Partners has been active in telling the story of our organization and work to the Institutes of Higher Learning in Texas. It is the goal of this Committee to place at least one Peruvian Student in every accredited College or University in Texas. Working closely with the International Institute of Education (particularly the Houston office) and the Institute for Educational Promotion, in Peru, the Educational Committee is already sponsoring a Peruvian student at the University of Texas.

Encouragement of investment on the part of the private sector was brought about by our feeling that in the long run, the best possible relations between peoples of the two countries would be inspired by profitable business dealings between each other. It was specifically stated at the early meetings that investment on the part of any member in Peru was not to be criticized. Of course, the individual must not utilize his membership on this committee to an undue advantage.

In the past year, two teams have visited Peru. The first in August of 1964 included the following:

James Egan, representing Texas Electrical Cooperatives, 8140 Burnet Road, Austin, Texas.

Alton Ice of the Vocational Agricultural Teachers Association of Texas, Suite 3-D Page Building, Austin, Texas.

Mrs. Pauline Bartlett Kayser, 4200 University Street, Wichita Falls, of the Mitchell County School of Spade.

Augusto R. Larreta, Regional Director for Latin America for Dresser Industries, Republic National Bank Building, Dallas, Texas.

Dr. John Palmer, District Manager, Department of Health, Education and Welfare, 309 Dwyer Avenue, San Antonio 4, Texas, International Counsellor of Lions International.

Fred Pool, 404 West Woodcrest Lane, Executive Vice President of the East Texas Chamber of Commerce, Longview, Texas.

Howard Shipley, oilman and builder, 3005 25th Street, Lubbock, Texas.

Jose Humberto Vazquez, 1620 Washington Street, Laredo, or the Texas State AFL-CIO, 402 West 13th Street, Austin, Texas.

Dr. David Wade, 4007 Balcones Drive, of the Texas Education Agency, Austin, Texas

They spent two weeks studying social projects and the social structure of Peru.

In February of 1965, a second team visited Peru to study the work of the Partners, to develop a film covering this work, and to investigate the possibility of private investment of Texas experience and capital. This team included:

Edward Marcus, Chairman, Texas Partners of the Alliance, Executive Vice President, Nelman-Marcus Company, Dallas, Texas.

DeWitt Ray, Sr., retired General Vice President of the Republic National Bank, Dallas, Texas

Banks Miller, Jr., Executive Secretary, Texas Partners of the Alliance, P. O. Box 772, Austin, Texas

Ray Miller, Television News Director, KPRC, Houston, Texas

Frank Hildebrand, Executive Director, Texas Tourist Agency, Austin, Texas.

The Texas Partners deal with several agencies in Peru. The prime connection, of course, is through the U.S.A.I.D. Mission in Lima and through them in some instances, the Peace Corps.

A prime relationship has been established with the Instituto Peruano De Fomento Educativo, which is a group of outstanding professional and business leaders in Peru, who have created an apolitical organization. They believe that the future of Peru is in education and are interested in education at every level. Our educational projects will undoubtedly go through them.

Most inquiries as to private sector will be handled through the Stanford Research Institute, which is on contract with the A.I.D. Mission with strong representation in Lima. Mr. Bob Bumand, an ex-Chrysler executive in South America, is our contact person.

A table of organization has evolved to include many highly qualified and dedicated men as Chairmen and members of various committees. See attached chart.

Medical Education

Dr. David Wade of Austin is also President of the Texas Medical Association. He is working to develop internships and residences in Texas medical schools. He is also working in related fields.

General Education

Mr. R. Richard Rubottom, Vice President of Southern Methodist University in Dallas. He is former Assistant Secretary of State of Latin American Affairs, and also former Ambassador to Argentina. He is organizing a group of Texas educators for implementing a program to utilize scholarships currently available through A.I.D. for advanced education. It is planned to take advantage of the Lions Club's prospective new program of providing "Scholar Dollars" to aid in this program.

Social Projects

Mr. James Egan, Texas Electrical Cooperatives, Austin, is Vice Chairman of the Partners and is Chairman of the Social Projects Committee. This prime work of the committee is being handled through many individuals and groups, notably the Pan American Student Forum and the Federation of Texas Women's Clubs.

Cultural Relations

Augusto Larreta, a native of Argentina, graduate of Southern Methodist University, is in the foreign business development division of Dresser Industries. His familiarity with Latin America, his interest in the Arts, and his acquaintance with officials and experts in the field of business and art are helping to develop exhibitions of Peruvian art in Texas and American art in Peru.

Private Investment

Mr. Edward Marcus, Executive Vice President, Neiman-Marcus Company, Dallas, Texas.

Mr. DeWitt Ray, Retired General Vice President, Republic National Bank, Dallas, Texas

Mr. Rex Baker, Jr., President, Southwestern Savings Association, Houston, Texas.

Executive Secretary

Banks Miller, Jr., of Austin, Texas, who operates his own Public Relations and Trade Association office. He is the only paid member of the organization and devotes much time for very small compensation. His work has primarily to do with administration and publicity.

EDWARD S. MARCUS
CHAIRMAN

VICE CHAIRMAN
James Egan

EXECUTIVE SECRETARY
Banks Miller, Jr.

Educational

Private Sector
Investment

General
Rubottom

Medical
David Wade

Edward Marcus
DeWitt Ray
Rex Baker, Jr.

Social Projects

James Egan

Cultural Projects

Augusto Larreta
Ann Lafferty

IPFE

LULLI
Peruvian Embassy

STANFORD RESEARCH
INSTITUTE
Robert Bumand

UTAH/BOLIVIAN ALTIPLANO
REPORT OF EDUCATIONAL COMMITTEE

1. The four Phi Delta Kappa chapters in Utah are individually and collectively planning and anticipating participation in a teacher exchange program with Bolivia. (No specific commitments have yet been reported to me.) I met with the officers of the chapters April 24, 1965.
2. A resolution of interest for involvement in providing materials or supplies was voted down as being inappropriate for Phi Delta Kappa fraternity projects. This type of activity seems more appropriate to service clubs or to the U. S. A. I. D. program.
3. I have personally contacted most of the superintendents of the larger districts of the State of Utah. Even though they see merit in a teacher exchange or simply the hiring of Bolivian nationalists for a contract period, some concern for the need as well as adequate certification standards under state school law has delayed action in this program.
4. Some Colleges of Education of the major institutions of the State of Utah have expressed an interest in hiring (for a short term up to a year) bi-lingual staff who hold acceptable certification qualifications. Each Phi Delta Kappa chapter has been assigned to make arrangements for this program.
5. Utah State University College of Education has been making preparation for an extended education project with Bolivia paralleling other major project activities now under contract with U. S. U. This project has considerable potential.
6. Special teaching units on Bolivia have been prepared with selected artifacts from Bolivia and have been used by the U. S. U. training school for teachers. The "Treasure Chest" of artifacts has been announced as available to all schools of the state.

7. An international seminar will be conducted July 6 and 7 at U. S. U. State-wide invitations for participation will be extended. Discussion on the implementation of Bolivian contacts will be given particular attention.

Even though the above itemized activities fall far short of anticipated achievement for the past year, we who have been involved in this project have greater hopes for making more direct contracts with Bolivia during the coming year.

UTAH/BOLIVIAN ALTIPLANO
MINING & MINERAL INDUSTRIES COMMITTEE REPORT

There are a number of large and small mining companies who indicate an interest in mining ventures in Bolivia. The rich ores in tin, silver and gold are particularly attractive to the mining industry.

Because of unfortunate experiences of free enterprise in Bolivia during and after the 1952 Revolution, a wariness has developed among those who would otherwise be willing to promote a venture. The recent political and economic climate has not been conducive to gaining the confidence of such entrepreneurs. It is impractical to expect a mining firm to invest sufficient funds to develop a mining operation without the guarantee and assurance that their investment will not be confiscated or their profits taxed away. Until a stability is attained, it is unlikely that anything can be accomplished thru free enterprise from outside Bolivia.

This is very unfortunate. If for example a socially conscious firm could open-pit mine Cerro Rico Hill in Potosi, it could raise the standard of living of the people materially, eliminate silicosis and control the tuberculosis in that area. A number of such operations could conceivably build an economy that would revolutionize the living standards throughout Bolivia.

Lacking sufficient stability, we must confine our activity in this field to the offering of technical aid in those areas where needed. Dr. Armand J. Eardley, Dean of the School of Mines and Mineral Industries of the University of Utah, is the chairman of the Utah-Bolivia Partners of the Alliance Program. He has communicated with people who have had experience in Bolivia Mining. He is a man of considerable stature in this field and should be of value in this area.

UTAH/BOLIVIAN ALTIPLANO CULTURAL EXCHANGE PROJECT

It is a pleasure to report to you progress made toward an exchange of exhibitions of contemporary paintings of Bolivia and Utah.

I feel that this will be one of the most important activities of our committee and am gratified with the enthusiasm shown both in Bolivia and Utah for this project.

The Bolivian exhibition of about thirty works by about twelve artists is scheduled at the Salt Lake Art Center for February 6 to March 2, 1966. The counterpart of Utah paintings will open in Bolivia shortly thereafter. Both will travel after their initial showings. The Utah show will tour Bolivian cities, especially those whose artists are represented in the Bolivian exhibition, for about six months. The paintings from Bolivia will circulate throughout Utah, then to other Western states for nine to twelve months. The Boise, Idaho, Art Gallery is interested in scheduling the exhibition since they are now working on an Ecuadorean exchange show. San Francisco State College has expressed interest.

Illustrated catalogs will be published. The Bolivian show will be featured on the Salt Lake Art Center's monthly television program, broadcast twice in Salt Lake City and once in Logan. Guided tours will be booked for many school children and adult groups.

In Bolivia we have a coordinating committee which includes representatives of the office of Community Development (in charge of the Utah-Bolivia People - to - People program and USIS, as well as various other persons interested in Bolivian art. The selection of works for both exhibitions will be accomplished through color slide viewing.

Funds for almost half of the cost of the total project have already been pledged to the Salt Lake Art Center from public, private and organizational sources. Bolivia anticipates no problem in raising their half.

UTAH-BOLIVIA 4H-4S EXCHANGE

1964 - 1965

Sponsored by

Partners of the Alliance for Progress

Utah Committee for International Contacts

and

U.S. A.I.D. Mission in Bolivia

UTAH TO BOLIVIA 4-H -- 4-S EXCHANGE PROGRAM -- 1964-65

The idea for an exchange between 4-H and 4-S clubs in Utah and Bolivia was initiated by Dr. Daryl Chase, President of Utah State University, following his return from a trip to Bolivia in the spring of 1964. As a member of the Utah Committee for International Contact (UCIC), President Chase went to Bolivia with three other members of this committee, Mr. Royden Derrick, Mr. Glenn Snarr, and Mr. Richard Groen, at the suggestion of officials of the Partners of the Alliance for Progress, an office within the United States Agency for International Development, United States State Department. The purpose of their trip was to assess the possibilities of grass roots contacts between corresponding groups in Utah and Bolivia.

As they contacted various groups and individuals in Bolivia, President Chase was impressed with the work of the 4-S Clubs in helping to improve agriculture and homemaking. He felt that one of the most valuable and challenging assignments the 4-H clubs of Utah might assume would be communication and cooperation with the 4-S clubs of Bolivia. Said President Chase, "If the 4-S members and leaders in Bolivia know that the 4-H members and leaders in Utah are interested in them, they will re-double their efforts."

During the summer Dr. B. Austin Haws, Assistant to the President on Latin American Affairs, corresponded with various officials in Washington, D.C., and in Bolivia exploring the possibilities of a 4-H-4-S exchange program. These included Mr. James H. Boren, Special Assistant to the U. S. Coordinator, Alliance for Progress, Washington, D. C.; Mr. J. William Wenrich, Staff Assistant to the Ambassador, U. S. Embassy in Bolivia; and Mr. Joseph C. Huber, Extension Adviser in La Paz.

Miss Amy Kearsley, Associate State 4-H Leader, representing the Utah State University Extension Service, was assigned to work with Dr. Haws on the 4-H-4-S exchange program. She corresponded with Mr. Warren Schmidt, National 4-H Foundation, Washington, D.C. who was then coordinator of 4-H Peace Corps projects and who had had much experience in international exchange programs.

When the Inter-American Rural Youth Leaders' Conference was held in Washington, D.C. in August 1964, Dr. Haws made a telephone contact with Mr. A. E. Barrigan of Bolivia regarding possibilities of an exchange and later corresponded with him. About mid September, Mr. Alex Firfer, head of the USAID Mission in Bolivia came to Logan to confer with President Chase and interested staff members concerning a contract between USU and Bolivia. The 4-H-4-S exchange program was also discussed with him.

The idea of an exchange program was introduced to a group of over 300 4-H members, leaders and Extension Agents from throughout the state who were participating in 4-H contests held at the Utah State University in Logan on September 17 and 18. In attendance at this meeting to explain the possibilities for an exchange program and to give some background information on Bolivia were President Chase, Dr. Haws, Dr. Delworth Gardner, U.S.U. Professor of Agricultural Economics who had recently returned from a trip to Bolivia; Mr. and Mrs. Armando Cardozo and their three children. Mr. Cardozo, Director of the Patacamaya Experiment Station near La Paz, is working on an advanced degree at Utah State University. Another guest at this meeting was Mr. Enrique Blair of Peru who is director of the Inter American Institute of Agriculture Sciences, OAS, Andean Zone.

Considerable interest in an exchange program with 4-S members of Bolivia was expressed by the 4-H members who attended this meeting.

During October and November a pilot project called "Letters for Friendship" was begun among the 4-H members of Cache County following a meeting with the Extension agents, Miss Bessie Lemon and Mr. Ray Burtenshaw, and the 4-H leaders council. Special letterhead stationery was printed with the 4-H and 4-S symbols. A letter of explanation and instructions was prepared. These letters along with a supply of stationery were personally delivered by the 4-H Council members or were mailed to all Cache County 4-H leaders.

More than three hundred letters were written by 4-H members and leaders to 4-S members in Bolivia. Many of these 4-H'ers also contributed toward the purchase of pencils imprinted with the two emblems and the words "Utah to Bolivia."

The first thirty-five letters submitted to the state 4-H office were taken to Bolivia by Mr. Lucio Arce, a soils specialist of Cochabamba, Bolivia, who was visiting on the Utah State University campus at the time.

Subsequently three hundred letters and five thousand pencils were taken by Dr. Haws to Bolivia for distribution to 4-S members. Other groups contributing to the pencil project included the Yeshara Club of Logan, Summit County Extension Service and 4-H groups, and 4-H leaders who attended state and district training schools.

In December 1964, Dr. Haws met with Mr. Boren and other officials of the Partners of the Alliance in Washington, D.C. to discuss possibilities for further exchange programs. Preliminary plans were made to bring a group of 4-S members to Utah.

On January 6 we received a telephone call from Mr. Boren's office indicating that a group of ten 4-S members and a leader would be arriving in Utah on January 15. In answer to our cablegram to Mr. David Anderson, at the American Embassy in Bolivia, we learned that there would be five boys and five girls in the group ranging in age from 15 to 19, that their leader was Mr. Germán Peducasse, that they spoke no English and had limited winter clothing. A letter from Joseph Huber which arrived a few days later gave us the names of the delegates and their home department.

Germán Peducasse (Leader), La Paz
Teresa Alvarez, Santa Cruz
Daniela Calzadilla, Santa Cruz
Cleto Chambi, Potosí
Martha Chávez, Santa Cruz
José Nina, La Paz
Eusebio Pacheco, Potosí
Dalcy Pinto, Santa Cruz
Benjamín Tamayo, Potosí
Amadeo Vidal, Cochabamba
Herminia Zambrana, Cochabamba

There followed a busy ten days lining up possible host families where at least one member spoke Spanish, setting up a tentative program, finding interpreters, etc.

Bolivian 4S members presented many programs to public gatherings as well as on TV and radio all over Utah.



Herminia Zambrana and Mrs. Ray Burtenshaw, wife of USU Extension Agent, prepare a Utah-Bolivian dinner luncheon.

Professor Von H. Jarrett, Assistant Professor of Air Science, shows 4S group members how to build a model scythe and cradle for harvesting grain. The boys said: "This would facilitate harvesting crops."



The group arrived at the Salt Lake airport on January 16. It was a cold foggy morning. However, they were warmly received by President and Mrs. Chase, Dr. Haws, Miss Kearsley, Miss Georgia Beth Smith and Mr. J. R. Allred of the U.S.U. Information Service, Mrs. Bessie Lemon, Cache County Home agent, Mr. Richard Groen, representing UCIC, Mr. Cardozo and Anibal "Nick" Santos, a student at U.S.U. from Costa Rica who was to serve as an interpreter on the return trip to Logan. During the two-hour ride from Salt Lake to Logan, we were able to get some biographical information from each delegate and from Mr. Peducasse.

About noon that Saturday they met Mr. Glenn Baird, State 4-H leader, and their first host families who had received some orientation from Mr. Baird and Dr. Delworth Gardner during the morning. Mr. Baird subsequently assisted with orientation of the other host families.

The eight families with whom they stayed over the week-end were the first of forty-four different families with whom they lived during their seven weeks in Utah. Among these were University President and Mrs. Chase in whose home Dalcy and Daniela lived while they were in Logan, and Dr. Phyllis Snow, Dean of the College of Family Life.

The first two weeks were spent in Logan and surrounding towns in Cache County, the next week with families in Salt Lake City, and the following two weeks with families in Salt Lake and Davis Counties. They were then transferred to the southern part of the state where they lived for about ten days with families in Washington, Iron and Sevier Counties.

During these weeks they had a busy schedule which included visits to 4-H clubs, farms, dairies, cooperatives, factories, processing plants, elementary and secondary schools, colleges and universities, churches, city commissions, the Governor's office, both houses of the State Legislature, service clubs, a copper mine, a ski resort, and other scenic and historical attractions in Utah including Temple Square.

They had an opportunity to present some of their native songs, dances, instrumental music, and to show slides of their 4-S work to 4-H groups, civic clubs, host families and friends, and on a thirty-minute television show filmed in the KUSU-TV studios at Utah State University.

For their final five days in Utah, they were back in Logan for evaluation, a few additional classes on nutrition, health, sanitation and water purification, and a farewell party.

A large group of host families and friends attended this party given in their honor by the Hi 4-H club of Cache County. Another large group was at the Salt Lake airport to bid them farewell when they left for Washington, D.C. on March 4.

They left with many expressions of love and affection including material gifts from host families and friends and from those of us who had worked closely with them. We learned to appreciate and respect them as intelligent, resourceful young people -- eager to learn, willing to serve, wanting to improve themselves, their homes and communities.

They also expressed appreciation for the way they were accepted in the homes of their host families, for the helpfulness and friendliness of all whom



A frosty fairy land (see frost on trees) greeted the Bolivian 4S delegates as they arrive at Utah State University. Keith Chapman, USU Extension Agent, served as one interpreter.



4S Bolivian delegates attended a tea at the Bolivian Embassy with hostess Mrs. Guillermo Scott-Murga, wife of Charge d' Affaires, James Quanbeck and Miss Jannie L. Sweat of the National 4H Foundation, Washington, D. C.

they met. Mr. Peducasse expressed their feelings in a note sent from Washington, D. C. just before they left for Bolivia:

All of us are feeling sad about leaving the United States and we feel most nostalgic about Logan. We thank you for all you have done for us, because we have felt very comfortable and happy during our stay in your country. We will always remember you with much affection.

In a joint evaluation with the 4-S delegates of this phase of the Utah-Bolivia exchange, we concluded that the program could have been improved (1) had there been more time for preparation for their visit both in Bolivia and in Utah (2) had all those concerned been given some training in English or Spanish to facilitate greater understanding and ease in communication, (3) had the 4-S members made their visit in the spring, summer or fall rather than the winter, since the 4-H club program in Utah is in full operation then and most farming operations and irrigation practices in Utah can be seen only during these seasons. Even with these handicaps, we all felt that their visit was mutually beneficial.

We are indebted to many groups and individuals who contributed to the success of this exchange program.

--to Mr. James H. Boren, Mr. Theodore Tenorio and their associates in the Partners of the Alliance and the Bolivian Desk for making it possible for the 4-S group to come to Utah.

--to those in Bolivia who selected an outstanding group of young people and a capable leader to represent the Bolivian 4-S program. Among these are Mr. J. W. Wenrich, Mr. Alex Firfer, Mr. C. David Anderson, Mr. Joseph Huber, Mr. Sandy White, Mr. Guadalupe Ramirez, Mr. Jaime Cusicanque V.

--to the Utah Committee for International Contact for their financial support assistance with publicity and personal interest in the program. Those most directly involved were Mr. Dale Paak, Mr. Royden Derrick, Mr. Richard Groen and Mr. Sherman Low.

--to Utah State University for its resources and facilities and for the cooperation of many resident and Extension staff members. Among these were President Chase, Dr. William H. Bennett, Director of the USU Extension Services, Dr. Phyllis Snow, Dr. B. Austin Haws, Mr. Glenn Baird, Mr. J. R. Allred, Miss Georgia Bath Smith, Mr. Keith Chapman, Mr. Reed Roberts, Mr. Carl Bartel, Mr. Von H. Jarret, Mr. Carl Jones, Mr. Carl Wallis, Dr. Warren C. Foote, and Extension Agents, Mrs. Bessie K. Lemon, Mr. Ray Burtenshaw, Mr. Lamont Tueller, Mr. Wayne Rose, Bernice Palfreyman, L. S. Rogers, Karma P. Swindle, Mr. Wallace Sjoblom, Mr. Rodney Rickenbach, Mr. Don Huber and Miss Marjorie Johnson.

Foundation staff members participating were: Mr. Grant Shrum, Director, Mr. W. Francis Pressley, Mr. L. S. Nichols, Mr. James Quanbeck, Mr. Robert L. Weiss, Mr. Theodore Hutchcroft and Miss Jannie Sweat.

--to the forty-four host families who opened their homes and their hearts to these young people and their leader and treated them as family members. Following are the names of the host families and their places of residence:

Benson:

Mr. & Mrs. Wayne Cardon

Bountiful:

Mr. & Mrs. Alv G. Youngberg
Mr. & Mrs. Ray Kartchner

Cedar City:

Mr. & Mrs. Dan Crawford

Clearfield:

Mr. & Mrs. Juan Vasques
Mr. & Mrs. O. Ross Sanders

Crescent:

Mr. & Mrs. Max Hatch

Granger:

Mr. & Mrs. Odell Foote
Mr. & Mrs. David D. Lingard
Mr. & Mrs. Marion Weekes

Hyrum:

Mr. & Mrs. Woodrow Christiansen

Lewiston:

Mr. and Mrs. Don Waddoups

Logan:

Mr. & Mrs. Bertis Embry
Mr. & Mrs. Melvin Olson
Mr. & Mrs. Duane R. Price
Miss Phyllis Snow
Mr. & Mrs. Lyman Willardson
Mr. & Mrs. L. Grant Reese
Mr. & Mrs. Elwood Bingham
Pres. & Mrs. Daryl Chase
Mr. & Mrs. Ross Covington
Mr. & Mrs. Roger Peterson
Mr. & Mrs. Pershing W. Evans

Parowan:

Mr. & Mrs. Worth Orton
Mr. & Mrs. Don Applegate
Mr. & Mrs. George Rowley
Mr. & Mrs. Rupert Hulet
Mr. & Mrs. Roy Stubbs

Richfield:

Mr. & Mrs. C. G. Spencer

Salt Lake City:

Mr. & Mrs. John G. Marshall
Mr. & Mrs. Juan Ventura
Mr. & Mrs. Frank D. Parry
Mr. & Mrs. Laird Snelgrove
Mr. & Mrs. Arthur M. Jensen
Mr. & Mrs. Hector Grillone
Mr. & Mrs. Edwin Q. Cannon, Jr.
Mr. & Mrs. I. Ivins Bentley
Mr. & Mrs. Edwards Balderas
Mr. & Mrs. Doyle Richards

Smithfield:

Mr. & Mrs. Albert Packer
Mr. & Mrs. Easton Sampson
Mr. & Mrs. Will Peterson

St. George:

Mr. & Mrs. Eldon McArthur
Mr. & Mrs. Walter Brooks

--to the 4-H members and leaders, civic, school, and church groups and other friends, all of whom contributed significantly to the success of the program.

--to the many people who served as interpreters - Latin American students, staff members, returned missionaries, towns people. Included in this group were Dr. B. A. Haws, Duane Price, Donna Rose, Darwin Leavitt, Fernando Sanchez, Chad McGavin, Merle Hyer, Gary Sorensen, Fred Stevens, Thelda Covington, Barry Evans.

Special help was given by Nilda Pinto of Chile in translation and interpretation; Mr. and Mrs. Cardozo who helped to interpret many things besides language for the delegates and for us; Keith Chapman and David Johnson each of whom served two weeks as interpreters.

--to the Church Information Service who arranged a week of educational and recreational activities in Salt Lake City and nearby areas, and secured host families for the group while they were in the city. Mr. Kenneth Bennion and Mrs. Taza Pierce were responsible for arrangements.

--to the National 4-H Foundation for providing housing and meals while the group was in Washington, D.C., March 5 to 9, and for arranging an educational program including a visit to the Bolivian Embassy, meeting with Utah Congressmen, tours of the Capitol, national monuments and shrines, 4-H meetings in Maryland, and discussions on rural youth work in Bolivia.

We look forward to future exchange programs as we seek for mutual understanding and helpfulness.

Prepared by: Amy R. Kearsley
Associate State 4-H Leader
Utah State University Extension Service

VISIT OF UTAH STATE UNIVERSITY REPRESENTATIVE IN BOLIVIA

From January 26, 1965 to February 5, at the same time the Bolivian 4-S Club Members were in Utah, Dr. B. Austin Haws, Assistant to the President of Utah State University in Latin American Affairs, was in Bolivia. Included in his activities were visits with national, state, and local extension staff, Bolivian 4-S leaders and club members.

Dr. Haws presented 5,000 pencils inscribed "Utah to Bolivia" and 300 letters of friendship sent by Utah 4-H Club members to the 4-S members of Bolivia, in ceremonies attended by USA Ambassador Douglas Henderson and other prominent leaders of the 4-S program. Members of the Bolivian press and radio were generous in publicizing the Utah-Bolivian 4-H-4-S exchange program and in presenting to the Bolivian public, radio tapes made by the 4-S club members in Utah, as well as news releases and photographs of the Bolivian 4-S members and their activities in Utah.

As Dr. Haws traveled in Bolivia he met many 4-S leaders and club members and had an opportunity to report about the activities of the Bolivians who were in Utah at that time. He became well acquainted with many 4-S projects, the needs and interests of the 4-S club members and leaders, the organization and functions of the clubs in Bolivia. He was able to discuss plans for future exchanges and for "follow-up" in response to the pencils and friendship letters sent to Bolivia by the Utah 4-H Clubs. Channels for communications in the future were arranged and a coordinator for various Utah-Bolivia interchange programs (Mr. J. R. Johnson of LaPaz) was appointed.

Future plans.- The purpose of Utah 4-H members in sending pencils and letters of friendship to Bolivia was to initiate correspondence between individuals and clubs in the two countries with the expectation that, through their ingenuity and creative activities there will result an interchange of ideas and projects of mutual interest and benefit.

At present, plans for sending a 4-H leader and two older club members from Utah to Bolivia are being formulated among the sponsoring organizations mentioned in this report. It is being proposed that the Utah 4-H visitors travel with the Bolivian 4-S club members in Bolivia to their cities to meet with their leaders and club members where they can exchange ideas, techniques, and actually work on projects together. It is hoped that in future years, civic and social and business groups in Bolivia and Utah may continue and increase their participation in these exchanges of 4-H-4-S leaders and club members, and contribute to a rapid increase of mutual understanding among the people of our two nations and to a steady improvement of the social and economic conditions of all involved in the programs.



Kevin Zollinger demonstrates for Armando Cardozo, former head of the Patacamaya Experiment Station in Bolivia, and his family a stove Utahns sent to Bolivians 4S groups as an interchange project.



During the same time that the 4S delegates were in Utah, Dr. B. Austin Haws, USU Assistant to the President on Latin American Affairs, visited extension leaders and 4S Club groups in Bolivia. The Patacamaya Extension Agents and 4S Club leaders demonstrate one of their stove projects. Note oven being held by 4S Club leaders, second from the right.



Bolivian child shows photographer one of the 5,000 pencils sent by Utah 4H Club members to all 4S members in Bolivia.

RELATED MATERIALS

OPERATION NINOS

"Operation Ninos," originally conceived as an instrument to help alleviate misery, malnutrition and illiteracy in Latin America, has been highly successful from inception in its assistance to the developing generation there. Surplus PL-480 foodstuffs became the operational vehicle which provided at least daily food assistance to more than thirteen million school age children.

The tremendous impact of this first, or school feeding phase, coupled with recent scientific findings which conclusively show chronic malnutrition seriously retarding mental development makes it obligatory to move the still expanding feeding program -- and to do so now. Therefore, pre-school and maternal feeding programs now assume equal importance to the original effort.

This re-evaluation opens up vast new vistas for continuing expansion and "Operation Ninos" must look to U. S. community organizations -- those "partners" whether they be business, professional, voluntary or just plain John Q. Citizen -- for such support and assistance as is mandatory if we are to present a solid hemispherical front and move forward as the neighbor we are -- and have to be.

What are the needs? Pots, pans, cups, garden tools -- scholarships, training materials, adult motivational guides -- in fact, the whole gamut of aids obtainable only through a "partner-style" approach. But mostly, the need is for people!

Motivated people -- youth to crystalize the hopes of all into beads of action; business technicians to assist their Latin American counterparts in expanded productivity; mothers to heed their neighbors' call for food that will allow their siblings to grow up -- both physically and mentally; and yes, administrators who understand the entire future may well be shaped by their decision for action today -- not tomorrow.

EXTRACTED FROM REMARKS OF ED GOLIN -
CONCERNING INDUSTRIAL INVESTMENT

Thoughts on an industrial development and investment opportunity effort among Partners. I think if we first describe the desired goal and work backwards, we could arrive at a modus operandi.

It is hoped that small and medium-sized industries will be initiated or expanded throughout Central and South America in order to approach full employment on a sound economic basis. It is further hoped that most of this can be achieved through private investment by businessmen of the Western Hemisphere.

To entice the intelligent investor, it is necessary to present a convincing (documented) proposal of a profitable venture from a responsible source. The most convincing source can be our neighbor-citizen-businessman from Latin America. And, hopeful, his most highly interested, properly motivated listener should be a potential Companero from an Alianza state.

The problem now is how to bring a prepared, and I emphatically repeat "prepared", group of businessmen to a state for the purpose of effecting investments.

Through the normal Partner channels, Alaska notifies Argentina, for example, that it would be receptive to a visit of an Investment Opportunity Mission from the country. All arrangements will be made for meetings with Alaskan investors and various business groups. Furthermore, depending upon advance details, recommendations (and, if possible, arrangements) will be made for visits to other states with specific economic interests. The Mission will conclude the visit at a national conference in Washington where there will be an opportunity to confer with representatives of all areas of the Western Hemisphere.

In order to initiate investment action on this visit, Alaska recommends that the Mission document all investment opportunities according to the attached data sheets. It is also recommended that advice be sought from Partners' Economic Development Office for help in preparation of the investment proposals (available feasibility studies, translations, graphics, etc.).

When reports are completed, Alaska will abstract them, publicize them state-wide, and arrange meetings. At the same time, the abstracts are forwarded to Partners' Economic Development Office for national distribution to other Partners and possible coordination with International Executive Service Corps.

When the Argentine Mission members arrive at Nome:

1. They are prepared with attractive investment presentations.
2. They are fully accredited by their Government, AID, World Trade Directory Report.
3. The Alaskan public is informed of the investment opportunities.
4. Businessmen of other states have been informed via multifarious media, and meetings have been arranged where intentions are proven serious.
5. Intensive Washington meeting among all Partners with staffs of Commerce Department, AID, World Bank, private lending institutions, Embassies, development banks, etc., for consultations on concluding arrangements.

**RECOMMENDED INFORMATION FOR
PRE-INVESTMENT PROPOSAL**

- 1. Industry and products involved.**
- 2. Current and projected domestic and export demand for products (by types and grades where relevant).**
- 3. Current sources of products.**
- 4. Current price levels of products.**
- 5. Availability and general price level of production requisites:**
 - a. Site, buildings, building materials**
 - b. Transportation**
 - c. Power, water, etc.**
 - d. Machinery and equipment**
 - e. Raw materials**
 - f. Production labor**
 - g. Technical and supervisory personnel**
 - h. Other**
- 6. Estimated general level of investment required for project - in dollars and local currency.**
- 7. Availability of local capital for participation.**
- 8. If joint venture seems feasible, full information on potential local partner(s).**
- 9. Projected competitive situation for proposed new operations.**
- 10. Distribution channels available.**
- 11. Estimated cost of distribution.**
- 12. Special factors - favorable and unfavorable - affecting potential profitability of project.**
- 13. A rough estimate of level and timing of potential profits on project.**

INVESTMENT PROSPECTUS

A. DETAILS OF PROPOSED PROJECT

1. Summary of Proposal
2. Location of facilities
3. Buildings and Machinery Required
4. Material and Labor Requirements
5. Total Investment Proposed
6. Foreign Assistance Desired
7. Estimated Rate of Return on Investment
8. Feasibility Studies Needed

B. IMPORTANCE TO NATIONAL ECONOMY

1. Generation or saving of foreign exchange
2. Utilization of material resources
3. Advancement of economic development

C. SPECIAL INCENTIVES

1. Investment guarantees available
2. Policy regarding royalties
3. Tax concessions offered
4. Regulations applicable to foreign residents

D. ROLE OF GOVERNMENT

1. Equity ownership by government
2. Management participation by government
3. Government restrictions on production, profits, prices, imports or exports
4. Relationships with government agencies

5. Competing industries owned or operated by government
6. Special benefits through subsidies, tax exemptions, free services or other assistance

E. MARKET SURVEY

1. Estimated annual production and unit cost
2. Estimated consumption and intended markets
3. Present supply source and expected competition
4. Proposed sales price
5. Availability and cost of transportation
6. Proposed method of distribution
7. Estimated cost of distribution
8. Probable period of receivable turnover
9. Unusual distribution or sales problem

F. PROPOSED ORGANIZATION

1. Name and address of existing firm
2. Historical background
3. Type of organization proposed
4. Present company officials
5. Proposed capital structure and distribution of ownership

REMARKS BY MR. CHARLES WIGGIN
COORDINATOR OF THE BRAZIL PARTNERS
OF THE ALLIANCE PROGRAM

In July 1964, Brazil first entered the Partners program. Since that time, nine Brazilian states have been successfully, and creatively, linked with nine U. S. partner states. These states are:

Colorado	Minas Gerais
Maryland	Rio de Janeiro
Illinois	Sao Paulo
Connecticut	Paraiba
New Jersey	Alagoas
Ohio	Parana
Indiana	Rio Grande do Sul
Wyoming	Goiias
Pennsylvania	Bahia

USAID's role in the organization of these partnerships has been four-fold:

- to assist in organization of Brazil committees
- to establish good rapport and working relationship with state governments
- to assist Brazilian committees in planning and operating the program
- and, -- to act as expediter and coordinator of projects flowing between the two states

In these roles we have achieved a measure of success, although we recognize fully the need for further strengthening these relationships through mutually agreeable terms. We have designed and are studying an operating procedure which we believe will clarify understandings of the partners, and will hasten the flow of direct communication between the states.

Experience has indicated that there is a tendency for some states to communicate indirectly with their partner state, through USAID. The concept of the program does not encourage this kind of indirect communication -- instead direct communication between committees results in the stimulation of a number of special benefits in harmony with the concepts of the Alliance for Progress, they are:

- strengthening the direct bonds of friendship between people
- development of an attitude of self-alignment between non-government entities
- encouragement of mutual aspects of the partners program through private cooperation
- widening of social, economic and cultural ties through partner correspondence and visits.

This is not to mean that USAID stands passively by without knowledge of the inter-partner communication. We do want to be informed, we do want to assist whenever we can be of benefit, we do want to help with development activities within our means, and you can count on us to make every effort to assist you in solving mutual problems.

We have had one year of experience in the partners program. Much has been done. The Alliance is not yet operating at full efficiency for the program is new -- an innovation, complex and dynamic, but we are learning, adjusting, correcting our sights and estimates, and have now geared-up to operate the program within our frame of reference.

In view of the special problems we encounter, I wish to make a few remarks about the complex operational aspects of the Brazil Partners program.

First states are matched as nearly as possible in consideration of the following factors:

- geography
- ethnology
- economy
- culture

Obviously a match between partner states is never perfect. The kinds of people involved in a partnership is most important. Miners understand miners. Ranchers understand ranchers. Economists understand economists. Therefore, if people with like interests associate as partners, a measure of communication will result, and has resulted throughout our nine partnerships in Brazil.

Second, we have faced a formidable barrier in the language problem. Few members of our U. S. Teams speak Portuguese. Team visits, as a result, naturally generated numerous misunderstandings. We all know that communicating through even the best interpreters something is lost in the process. And sometimes a single fine nuance of meaning that fails to get across could spell success or failure of an immediate project under consideration. Yet despite this obstacle understanding were achieved and friendly relations established.

Third, the differences in organizational approach were of significant consideration. The speed at which we move in the U. S. A. is a faster tempo than that used in Brazil. The problem-solving approach is different, and the methods for problem-solving on both sides vary considerably. It is not a contest to determine whose method is right or whose wrong, it's a joint effort to achieve a relationship for mutual development. Despite the differences there were established operating organizations, and ideas and projects were generated.

Fourth, both committees and their teams were a heterogeneous group gathered together rapidly for the first time as an operating unit. Ordinary citizens, some rich, prominent, intelligent, creative, others poor, unimaginative or unsophisticated -- all joining hearts and minds together to amalgamate a plan for friendship and development. And they have developed plans -- some realistic, some visionary, and some schemes challenging the wildest imagination, but all adding up to progress.

The Partners program is moving forward -- action oriented. Those of us who see the perspective of the whole program, Brazil-wide, realize that the ground-structure for the partnerships has been laid, and there now remains much to be done.

We have observed many mutual benefits resulting from program development in its early phases. I will describe a few of these elements of development that all of us need to encourage in order to broaden our bridgehead and nurture our important partner relationships:

- now that we have established friendships between partners let us foster and expand these relationships through every means at our command -- through letters, personal visits, tours and like elements of communication.
- now that some projects have been uncovered let us do what we can to support and strengthen those projects. If there need be commodities or funds let us strive to raise those commodities or funds. A state is a large segment of people -- enlist the support of the whole state -- bring to bear the force of all the people in this endeavor.
- now that some of the people are on your committee, envision means to expand it -- avoid closing the door to others who may be interested or want to help; constantly broaden and enlarge the circle of partners in community, city, county, and throughout the state.
- let us not forget there are numerous ideas for building and strengthening these arrangements such as encouraging tourism between the peoples (include visits to private homes); spotlighting private investment opportunities; exchanging cultural entities; providing scholarships, and exchange of students and professors; communicating the spirit of the Alliance through books, pamphlets and motion pictures; and simply communicating the program to the public whenever the opportunity arises.

In this brief article I have attempted to highlight the program, and to give you an insight into the broad picture of the partners in Brazil. In closing, I particularly want to pay tribute to the pioneers -- the innovators who have participated in the program on both the Brazilian and the U. S. sides. The program is still in its infancy -- it still is undergoing growing pains, and much more remains to be done. It is still too early to evaluate results, but we believe we can count on Brazilian and

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PROGRESS OF THE ALLIANCE
By Congressman Jim Wright of Texas

No area of the world ~~means~~ more to our future than Latin America. No other area is as critically indispensable to our safety. None other beckons quite so appealingly or promises greater financial return for our investments. None other buys more of our total manufactured goods or produces more goods for our own market -- and there is no other wherein the potential for growth could mean so much to the future of democracy.

To project in a few words a true image of this land of 200 million people in 20 nations would be almost like trying to give a brief summary of the Encyclopedia Britannica.

There is no more a "typical" Latin American than there is a "typical" housewife or a "typical" North American or a "typical" baseball fan.

It is a land of contrasts and contradictions. It is the Andes where commerce travels on the backs of llamas over little trails at 10,000 feet above the Pacific Ocean. It is the Panama Canal where the commerce of the world changes oceans. And it is the brooding jungles of the Amazon where swarms of piranha infest the rivers and commerce moves not at all.

It is the dazzling modernity of Brazilia, the world's most ultra modern capital city; and it is the Darien wilderness where life goes on among the Cuna Indians just as it did when Columbus discovered the New World. It is the thriving thirst for educational pre-eminence at the University of Mexico City; and it is the little adobe school in the back country of Guatemala. It is the hacienda and the hovel, the grandee and the peon, the ranchero and the ejido, the sparkling new hotel and the crowded slum -- all thrown into a churning caldron of ferment.

The average life expectancy throughout Latin America is approximately 45 years. The infant mortality rate is still four times higher than our own; yet the population grows faster than anywhere else in the world.

Roughly half the entire adult population can neither read nor write. Only one in eight hundred has finished college.

Per capita income, while growing, still is less per year than it is per month in the United States. Held down by centuries of grinding poverty, the people of Latin America are stirring to new ideas and determined by one means or another to build a brighter manana for their children.

Change is coming in the 20 Republics of Central and South America and the Caribbean. It is only a question of what sort of change. It is no longer a question of preserving a threadbare status quo. The status quo is already on its way out.

No longer is it possible for corrupt or complacent governments to entertain the masses with occasional fiestas and fireworks displays -- or to content them with unfulfilled promises. Where they can not read, they can hear the radio -- and even remote villages have receiving sets. The more they hear of the world's progress, the more they hunger to taste it for themselves.

Thus aware through modern communications that there is a better way, people no longer will tolerate conditions in which their children are doomed to live out their lives as indebted tenants, without opportunities for education, without rudimentary medical care, without a chance.

In the vacuum of hoplessness, in the rat-infested slums and on the poverty-ridden farms, the Communist conspiracy has marked Latin America as its next target. Russia has been pouring almost as much money into Cuba alone each year as we have earmarked for the entire continents of Central and South America. Radio Havana is broadcasting a steady daily stream of propaganda throughout the Hemisphere. Even Red China is promoting a broad exchange program attempting to lure Latin American opinionmakers with expense paid tours of that country.

The people of Cuba followed Castro not because they were Communists, but because they had given up hope of ever achieving anything better than the despair and desolation which had been their lot for generations ad infinitum. They had despaired of ever owning a home, of ever having a decent job, of sending their children to school, of ever seeing any meaningful development through the slow and orderly processes of government.

The peoples of Latin America do not fundamentally desire Communism. But where they have become cynical about the claims and promises of Democracy, it has loomed up as a last resort of desperation -- the one remaining promise of a way out.

This is the test: Unless it can be demonstrated that their legitimate economic and social objectives can be realized without the sacrifice of their political liberties, the Republics of Latin America will remain a cluster of ripe plums vulnerable to the swarming and infesting insects of Communism.

In March of 1961, President Kennedy announced the Alliance for Progress to demonstrate that economic democracy can be attained, in fact best attained, through the framework of political democracy.

It was to this task that the Alliance for Progress addressed itself. It is an objective which cannot be accomplished overnight. It is a far more difficult goal than that undertaken by the Marshall Plan. The Marshall Plan assayed only the rebuilding of an economic structure ravaged by 6 years of war. The Alliance undertakes to build, largely from the ground up, a social and economic structure ravaged by 500 years of cruel history.

It is a monumental undertaking, attempting to compress into a decade the development which has taken other civilizations generations and even centuries to achieve. But time will not stand still. Already we are late.

We know we can never hope to achieve the result unilaterally. The United States with all its resources cannot do this work unassisted. The best we can hope to do would be to provide a spark of inspiration, a beacon of hope, enough water to prime the pump, enough seed to plant one row in order that from its harvest a field can grow. It has to be a cooperative endeavor, and Latin Americans themselves must provide the lion's share of the effort.

So we explained in the beginning that the Alliance for Progress was not to be just another aid program supported primarily by the U. S. taxpayers. The total program would require a composite investment of at least \$100 billion in Latin American development during the decade of the 1960's. Of this amount, four-fifths -- or \$80 billion -- must be put up by the Latin American countries themselves -- by their governments and their private investors. Of the remaining \$20 billion required from external sources, only about one-half was to come from the U. S. government. The remainder would be in private investments.

Each dollar in U. S. taxpayers' funds would have to generate at least \$9 from other sources.

Criticism has been offered that the Alliance has been slow in getting off the ground. To some extent this may be true. But we do not speed its ascent by saying it will not fly or by withholding the wind from its wings.

Like others, I have been somewhat impatient for this vast program to take hold and begin to exercise its full effort. Yet it was never intended that the entire course of 5 centuries would be completely reversed in only 4 years. To have anticipated so sudden and dramatic a change would have been unrealistic in the extreme. If Rome was not built in a day, surely the traditions, outlooks and customs of more than 200 million people cannot be revolutionized in a mere 48 months.

But the important thing is that Latin American countries are rising to the challenge. The majority of them have instituted long-range planning, adopted internal land and credit and tax reforms as suggested by our country, appropriated funds of their own for social and economic development of their nations.

Look at the scoreboard to see what activity has been stimulated by this self-help program in only four years: By the middle of this year, 489,000 new houses or family dwelling units will have been constructed in Latin America; by the middle of this year, 38,490 new classrooms will have been built, providing facilities for one and a half million children - and almost 12 million text books will have been made available.

The ravages of disease and the rudiments of public health required a crash program to construct potable water systems. By this July, more than 2500 new sanitary water systems will have been built to serve 27 million people who never before had the benefits of a community water treatment program. All of this is attributable directly to the Alliance for Progress.

But the most heartening changes have been forged in the private, not the public sector. Before the monetary reforms demanded of local banking and governmental policies, capitalism was only a name -- and not a very popular name -- for a system reserved to less than 10% of the total population. Banks were institutions for the privileged few.

But today there are more than 23 times the number of individual savers in banks and savings and loan associations than there were just four years ago. Individual savings have increased from \$1 1/2 million to \$59 million. The number of new homes financed through these savings and loan associations has jumped from 417 in 1961 to 24,810 in 1964.

Four years ago, a priest named Dan McClellan in Peru pioneered against all advice in the establishment of a credit union. The move has grown like wild fire. From a beginning of only 27 members, participation has spread to over 500,000 individual small investors. Savings in Latin American credit unions now total \$25 million.

Savings of the local financial elite were being drained away into Swiss banks in fear of political upheaval. Today, with the establishment of stable governments, they are returning gradually but steadily to Latin America.

And what have the local governments done by way of self-help in response to the stimulus which the Alliance has provided?

Over 6,000 miles of roads have been constructed to bring the blessings of civilization to the remote and isolated villages and to provide the veins which can bring the lifeblood of commerce into the main arteries of the Inter-American Highway.

Nearly 300,000 agricultural credit loans have been extended, and the simple implements and techniques of modern agriculture are beginning to be known.

Over 12 million school children are participating in school lunch programs and more than 75,000 teachers have been trained to spread the benefits of education from the few population centers to the countryside at large.

Nine countries have undertaken major tax reforms, plugging the gaping loopholes and the leaky sieves through which their own privileged citizens had escaped taxation and by which it was made almost impossible for Latin American governments to raise their own revenues for their part of the task.

One of the greatest achievements of the Alliance is the Central American Common Market. The nations lying between Mexico and the Panama Canal have entered into agreements eliminating 95% of the tariff barriers between them, and the results have been impressive. Trade within Central America has increased from \$30 million in 1960 to over \$75 million last year.

In addition to this, the member countries themselves have created the Central American Bank for Economic Integration, and this bank has extended loans of \$18 million to foster development in the private sector. This has included the initiation and expansion of some 63 manufacturing enterprises.

If that figure seems relatively small to you, then gage its impact in light of the knowledge that all of these countries combined had less total industrial employment four years ago than the city of Houston.

However you may value it, this is progress. It is not enough, but it is movement in the right direction. To a large extent, it has been inspired by the hope held out through the Alliance for Progress. A candle has been lighted in the darkness. Other candles are lighting themselves from its glow.

And what have been the political effects of these economic advances?

Peru has returned to constitutional government.

The people of Latin America through their governments in 1962 unanimously supported the decisions to take whatever measures were necessary to remove the threat of Soviet offensive missiles in Cuba. And those missiles were removed.

Again, last year, the foreign ministers of the Latin American states formally censured Castro for his attempt to foster subversion through arms shipment to Venezuela, branding it an act of "aggression" within the meaning of Article 6 of the Rio Treaty.

Venezuela has instituted numerous reforms aimed at giving the average people a better break, and 56,000 families have been able to take up land of their own. Exports have increased by 15 percent over the past 2 years, and the government has maintained its popular support in spite of vicious communist terrorism.

No one of these improvements in itself is enough. All of them put together are not enough. The winds of change are sweeping over the ancient lands of the Incas, the Mayas and the Aztecs. Like a sleeping giant, awake from a long siesta, Latin America today is hungrily reaching out to satisfy the long-suppressed wants of its people.

Through the Alliance for Progress, the forces of freedom seized the vital initiative away from the Communists. But we must hold the initiative until the full force and effect of orderly democratic development can make itself felt.

A very great deal remains to be done. There is an impatience for results, both in our own country and throughout the Republics of Latin America. The danger is not fully removed.

And the government cannot do it all. An alliance, if it means anything, is more than a row of statistics or a formal agreement in stilted language on a piece of paper. An alliance is a thing of the spirit. If it is not this, it will not endure.

A philosophy of private investment is slowly beginning to emerge. Latin governments themselves are taking steps to guarantee foreign investments against the old dread of nationalization. And North American investors slowly are building a new image by bringing Latin citizens into partnerships and responsible managerial positions within the newly formed enterprises

Often the catalyst for progress is something very small by North American standards.

The little mountain village of Toabre in Panama, isolated from civilization for generations, has been brought into the 20th century by means of a pioneer road built at a cost of only \$5,000 a mile under the Alliance for Progress, connecting with the Inter-American Highway at Penonome, 30 miles distant. Where previously it took 3 days to walk down the mountains with only the oranges a native could carry on his back, now they are brought by carts and vehicles over the road, and a profitable industry has developed.

For generations the women of Toabre had rubbed fibers between their palms to make thread. The Alliance for Progress has introduced simple hand looms from Costa Rica at a cost of less than \$1 each and has revolutionized the weaving industry of that area. This is truly grassroots progress.

Many of the mountain villages in Peru are participating in the Peruvian government's literacy program. The adults are attending night classes in the village schools, but there have been no electric lights. It is difficult to see the small blackboard and to write when the only light is from candles, or at best a single kerosene lamp.

James H. Boren, a Texan who formerly taught economics at Arlington State College, introduced a small 12-pound generator, manufactured by an American firm, which will light seven 50-watt bulbs and operate for 5 hours on 1 gallon of gasoline. The total cost of each generator including transportation and two extra spark plugs, is \$85. The generators are not simply being given to the villages. They are part of a special self-help agreement whereby the community agrees to do certain things for itself in return, including the construction of larger blackboards. Thus are they developing the true sense of being "partners" in this Alliance for Progress.

To see and understand the impact of the Alliance, we must see it not as a few, huge, grandiose projects detached from the day-to-day lives of people. We must see it instead as literally hundreds of small self-help programs which touch the average people in their daily pursuits and help them individually to climb the next rung up the ladder of individual and community progress.

For the people of the Pampa de Comas barriada, a slum near Lima, the galvanizing and energizing force of the Alliance was introduced in the prosaic form of a cement mixer. The members of this barriada had organized a development committee through which they have been working to build a community center and a series of low-cost housing units. The cement mixer and some simple instructions in its use by a Peace Corps volunteer have speeded up their work, given them fresh hope and a new outlook of pride in themselves as they see their community center, into which they have put their own labor, nearing completion.

In the Peruvian Andes, the community of Yauli has created a sewing institute. The young women are being trained to sew and make marketable sweaters from local wool. The Alliance has helped this progressive community to help itself by providing materials for a knitting machine.

A hand loom ... a generator ... a cement mixer ... a knitting machine. This is the basic stuff of which the Alliance is made. It is at work in hundreds of different localities throughout Central and South America.

Private citizens determined to pour some cement of their own into this growing effort toward solidarity, are giving the program its real meaning. Governments can only provide a skeleton outline. It is up to private citizens to give the skeleton flesh and blood.

We in Texas have joined this effort in a truly meaningful way. Under the outstanding leadership of Edward Marcus, "Partners of the Alliance" are moving forward in an excellent partnership program. Rex Baker, Jr. of Houston has already become a member of the Executive Committee of the Texas program.

High school students of Texas have provided funds to purchase lanterns and blackboards for schools in the rural villages.

The Texas State AFL-CIO has donated funds for wheelbarrows, picks and shovels with which a back-country community is completing its own farm to market road as a means of moving their agricultural products from their isolated valley.

The Texas Rehabilitation Association sent training equipment for the Rehabilitation Institute in Lima to teach handicapped people a useful trade.

Because the Alliance for Progress is for and about people, it will never work if it is only a design on a drawing board. It has to be a shirt sleeve effort. Because of the sad history behind and the huge obstacles ahead, it is one of the most ambitious programs ever undertaken. For the same reason, it is one of the most important.

The path is long and the road is bumpy, but a good beginning has been made.

ECONOMIC COOPERATION BETWEEN BRAZIL AND UNITED STATES

By: C. H. Smith, Jr., President
The Steel Improvement and Forge Co.

It is a pleasure to have been asked to take part in this important conference between management executives of Brazil and the United States under the sponsorship of that great international organization, The Young Mens Christian Association. I'm certain that each of us recognize the urgent need in today's world for better understanding between nations, or we would not be here. Certainly there is an equally great need that in seeking better understanding we do so within an atmosphere of Christian principles. I therefore wish to commend the YMCA for its role in planning and organizing this conference.

I was particularly pleased that Sao Paulo was chosen as the site for this meeting because for me, this beautiful and industrious city has become almost a second home. My visit here this week represents my 15th trip to Sao Paulo in the last six years. I like to think that I have many friends here. I know my company has a very important investment in the State of Sao Paulo! Almost twenty percent of the total net worth of our small company is invested in this State. We, at the Steel Improvement and Forge Company in Cleveland, Ohio, and our partners in Brazil and the United States, are very proud of Sifco do Brasil and proud of the accomplishments of that company in the short four years since it was organized. I hope that many of you here today will be able to visit Jundiai this week and see what we are doing there, because I think Sifco do Brasil is a tangible, live, example of what can be accomplished by true economic cooperation between Brazil and the United States.

I have been asked to express some North American ideas on Economic Cooperation between Brazil and the United States, emphasizing (A) The role of foreign capital in Brazil and the United States, (B) Technical Assistance, and (C) The Alliance for Progress. Before diving into these details, I would like to spend a few minutes trying to express the philosophy of the businessman in the United States. Please note that I have said "the philosophy of the businessman in the United States" and not the philosophy of the United States. In any free nation such as ours there exists a healthy difference in opinion between various segments of the population; indeed there are pronounced differences of opinion between individuals within each segment. Not all businessmen in the United States will agree entirely with the views that I am about to express, but I believe that the vast majority would agree with most of these principles.

First: We believe that the greatest good for the greatest number of people can be attained by the system of Free Competitive Enterprise. The true meaning of Free enterprise is often misunderstood in many parts of the world and so I would like to elaborate on it. We believe that free enterprise properly carried out gives every individual the opportunity to participate in economic decisions by registering his or her preference in the most influential of all locations: the market place. Please note that I used the word "competitive" between Free and Enterprise because unless there is real competition for markets, there is no free choice available to the individual. We believe that the end result of allowing each individual (or group of individuals) to freely use his own talents and initiative to attempt to win the approval of the largest number of potential consumers under conditions of free competition will

make available the best selection of products and services with which the entire population can satisfy both its needs and its desires at the lowest possible cost.

Second: We believe that the proper role of government in this form of economic endeavor is that of a referee -- not an actual participant in the game (or struggle, if you prefer). Government must establish the rules (or laws) under which individuals or groups of individuals will compete for the approval of the population as a whole. To be most effective, these rules (or laws) must be held to a minimum, must be clear and concise, must not be easily changed, and must be administered without bias. If the rules of any competition are not clear and readily understood, or if they can be changed readily in the middle of the game (or struggle), few competitors will be willing to risk their reputations and their resources by entering into the game (or struggle).

Third: We believe that under any type of economic system, be it communist, fascist, socialist, capitalist, or a mixture of these or other systems, the accumulation of capital is simultaneously the most difficult and yet the most important step that must be taken if real economic progress is to result. We believe that of all the known methods of accumulating capital, the most equitable and the most efficient method is the one that gives the maximum amount of freedom to the individual: freedom to dispose of the fruits of his own efforts and labor with the maximum degree of choice; freedom to spend them, invest them, save them, waste them, or give them away. We believe that given real freedom of choice, the combined wisdom of all the people that make up a community or a nation in making this type of economic decision will bring better and quicker results for the community as a whole than the individual wisdom and thinking of the brightest, most intelligent economist, professor, businessman or

government official. We believe that given this type of freedom of choice under government regulations that are clear, concise, consistent, and impartially administered, capital will accumulate and will flow toward the location where it is most needed anywhere in the world where these conditions exist.

It is with these principles in mind that I would like to proceed to discuss the subjects assigned to me today, starting with the role of foreign capital in both Brazil and the United States. I have already emphasized the importance of capital accumulation in any effort to improve economic conditions in a nation, but let me try to enlarge a bit on this vital matter. Real economic progress is only possible where relatively simultaneously it is possible to create the goods and services desired by the population in order to improve living conditions and also put the economic means in the hands of large and growing segments of the population to acquire these goods and services. This means that the earning power of individuals must be increasing while the relative cost of goods and services must be decreasing. The only known method of accomplishing both these objectives simultaneously with any degree of permanence is to provide the individual workman or wage earner with the most modern up-to-date tools so that he can turn out a high quantity of satisfactory product. To use a simple illustration from my own industry, the forging industry; a blacksmith and helper, with a sledge hammer, charcoal furnace, and crude anvil, (in other words -- tools having a total value of perhaps \$1000), could undoubtedly produce a very crude but usable crankshaft for a gasoline engine. It would take several hours of work however to produce each rough crankshaft and the end product would be of relatively low value since much additional machine work would have to

be done when the blacksmith finished his job. Even then the end result might not be of high enough quality to enable it to be used in an engine designed for maximum efficiency.

By providing power driven hammers and presses, accurate dies, large continuous oil-fired furnaces, at a total cost of perhaps \$350,000, a crew of five or six men can produce 60 or 70 high quality crankshafts (requiring a minimum of additional machining) each hour of the working day without working any harder physically than the blacksmith referred to above. The blacksmith and his helper cannot possibly earn more than the value of one crankshaft (less material, fuel, and other costs) for his several hours work. The crew of the power driven equipment obviously have a much greater earning power.

To carry this example a step further, it is possible, with an expenditure of \$1,500,000 to provide automated special machinery that will produce perhaps 200 crankshafts per hour with a crew as small as three men; obviously increasing the individual earning power of the men still further, and reducing the cost of the product. In this case you must have a market that can absorb as many as 200 crankshafts each hour if the installation is to be an economic success.

In each step of this example it is the capital that was accumulated and invested that made possible the higher earning power of the workmen and the lower cost of producing the product. This then is the way to achieve the conditions that will bring about economic growth and a higher standard of living; that is by encouraging both capital accumulation and capital investment in the tools of production.

Capital can be accumulated in many ways and there are many devices that a government or community can use to encourage capital accumulation. However in

the long run, the source of capital accumulation in any nation must come from one of the following possibilities:

(A) Voluntary savings of individuals or groups of individuals.

This is only possible, of course, if the earning power of the individual is sufficiently great to enable him to defer spending part of his earnings and thereby, by a process of voluntary self-denial, accumulate capital. This is the method commonly used at this time in the United States and much of Western Europe. It is significant that when we talk about accumulating capital from the savings of a group of individuals we are in many instances talking about the profits of corporations. Retained earnings of corporations can be one of the most important sources of additional capital.

(B) Enforced savings extracted involuntarily from individuals or a group of individuals.

This type of capital accumulation can usually be carried out successfully only by governments. Savings of this type can be accumulated by extracting them involuntarily from the individual (or group of individuals) by taxation, thereby enabling the government to determine the direction and rate at which new capital will be invested to bring about economic development. This is the method most frequently used in Socialist countries although it is obviously used to one degree or another in every nation in the world. This system has two serious drawbacks: First, it deprives the individual of the opportunity to decide for himself how he will use much of the earnings obtained from his own efforts. And second, and even more important, when mistakes in planning take place (as they inevitably do wherever humans are required to make decisions) these mistakes occur on a gigantic scale.

The fact that investment capital is in short supply throughout the world, even in the United States, means that capital, the most basic requirement for economic development, will tend to move toward those areas that promise the most attractive combination of maximum security and potential earning power.

These same considerations do not apply however when loans are sought from governments. The subject of governmental loans involves so many considerations that I will not attempt to discuss them in this paper. It is suffice to say that free democratic governments have great difficulty in completing a loan of their taxpayers' assets unless the taxpayers understand and are sympathetic with the purpose of the loan.

This rather extensive review of the factors involved in capital accumulation and its subsequent use to bring about economic development is a necessary prerequisite to a review of the role of foreign capital in Brazil and the United States.

Many people are not aware that the economic expansion in the United States during the 1800's and even the early 1900's was financed chiefly by Europe. Without the tremendous assistance of capital flowing from Europe to the United States, the rapid expansion of the industrial capacity of the United States would have been much more difficult than it was. Still fewer people are aware that Europeans today continue to hold very large investments in the United States. In fact, the latest estimates indicate that European investments in the USA are 35% larger than United States investments in Europe. These figures, published by the United States Department of Commerce, show that Europeans today have about \$15,300,000,000 worth of investments in the U.S.A. while United States holdings in Europe are valued at about \$11,300,000,000.

Direct United States investments in Latin America, by comparison, were estimated to be about \$9,000,000,000 in 1959, and have continued to grow since then. In short, the role of foreign capital in the industrial growth of the United States was not only important, it was decisive! In the early stages of its growth, the United States did not have the capability of accumulating capital rapidly enough to finance its growth from within. And just as important, the role of foreign capital in the United States continues to be of tremendous significance. European investments in the U.S.A are almost one and three-quarters times greater than United States investments in all of Latin America.

Let us now turn our attention to the role of foreign capital in Brazil. Here in Brazil a gigantic effort is being carried out to raise living standards by rapid economic development. The goals of this program are necessarily high; they call for a rate of economic growth that is as great as has ever been achieved anywhere anytime in world history. The difficulty of the task is complicated by a rapid growth in total population - estimated to be at a rate of about 2-1/2% per year. Here, as in the United States a century ago, the role of foreign capital is not only important; it is decisive!

It is unfortunate that the flow of statistical information is necessarily slow and current figures are not easily obtained. As of 1957, United States private direct investment in Brazil totaled \$835,000,000, which made possible the production of \$1,268,000,000 in goods and services. Forty-seven million dollars of this amount was exported and the balance was consumed internally. Of much greater significance however is the fact that these direct investments by United States companies provided good jobs for approximately 140,000 Brazilians, and made possible wage and salary

payments of \$184,000,000. The companies created by these United States investments paid Brazilian taxes amounting to \$107,000,000 and purchased materials and services from other Brazilian companies having a total value of \$863,000,000. In return for creating this large economic activity, these same companies had net earnings of \$69,000,000 (8-1/4% return on investment), much of which was reinvested in Brazil. All of these figures are expressed in United States dollars, and were compiled by the United States Department of Commerce.

You can draw some other conclusions from these figures. It took an investment of \$835,000,000 to provide 140,000 jobs in Brazil in 1957. This is an investment of about \$6000 to create each job. If Brazilian experience is anything like the experience in the United States, you will find that it will take a constantly larger and larger investment to create one job as the needs of the Brazilian economy shift to more and more complex manufacturing facilities. In many industries in the United States today the amount of investment necessary to create one job has risen to a figure as high as \$100,000. The investment necessary to create truly productive jobs for the rapidly growing population of Brazil must come from either the resources presently available within Brazil, or resources outside its borders. The magnitude of the task appears so large that it is difficult to envision that it can be successfully achieved utilizing Brazilian resources alone, even if the Brazilian people are prepared to make the tremendous sacrifices that would be necessary over many decades of time in order to accumulate the necessary capital. The skillful use of foreign capital can do much to advance economic development in Brazil. It is essential however to remember that in free societies, private capital must be attracted to new fields of investment. It cannot be driven, forced, or cajoled. It will go where the return on investment is most attractive and the safety of its capital is most secure.

There is a corollary advantage to the attraction of foreign capital to Brazil as a means of speeding economic growth and development. Capital furnished as a direct investment usually brings with it a vast store of knowledge and experience of immeasurable value. Modern industrial operations are extremely complex and the technical knowledge that foreign investors can bring to Brazil can in many instances make a contribution that is as valuable as the capital they invest. I do not mean to infer that foreign investors have any monopoly on technical knowledge, because many complex manufacturing operations have been carried out in Brazil for a number of years. Nevertheless in starting any new business very significant savings are achievable when it is possible to have access to proven methods and techniques. There are many steps in every manufacturing operation that cannot be learned by studying text books or by going to school. Therefore the technical knowledge, the designs, specifications, manufacturing methods, inspection techniques, etc. that foreign investors can make available are extremely important and valuable. In some instances it is possible and practical for a domestic company to obtain this kind of technical assistance by merely working out a license agreement. It should be realized that in these instances, the company offering the technical assistance is sharing information and experience gained over many years at a considerable cost in return for a share of the savings that are possible by the intelligent use of this knowledge and experience.

It is impossible to discuss economic cooperation between Brazil and the United States without making some mention of the Alliance for Progress. The roots of this program, in my judgment, started here in Brazil when Juscelino Kubitschek proposed "Operation Pan-America". The "Alliance" is perhaps the most ambitious

A further refinement of this system of involuntary capital accumulation can be seen in the communist and totalitarian governments where capital is often accumulated by depriving individuals or groups of individuals of all of the economic value of their individual effort through the use of forced labor. It is a well established fact that Communist Russia and Red China have made extensive use of slave labor in a variety of construction projects. This is a method of capital accumulation that can be accomplished at the lowest cost in terms of money, but obviously the highest cost in terms of human suffering and sacrifice.

(C) Savings accumulated by others outside the nation.

If a nation's need for capital is greater than the amount that can be accumulated from its existing resources, there exists the possibility of tapping the accumulated resources of other nations. This is usually accomplished legally by borrowing from either public or private sources, or by encouraging individuals or groups of individuals located abroad to invest their savings in the nation seeking additional capital. If a nation seeks to attract capital from private resources outside its borders, it must offer conditions that are at least as attractive as conditions in other geographic areas where capital is being sought. These conditions involve, among other considerations, the relative safety of the capital and its earning power as expressed in the currency of the lender or investor. These considerations tend to balance themselves; that is, the greater the safety of the capital, the lower the earning power that is required to attract it. Conversely as risks increase, potential earning power must likewise increase in order to attract capital. These same considerations apply equally well whether capital is sought in the form of investments or loans from private sources.

program for economic and social progress that has ever been undertaken. It has established goals for Latin American countries which will represent major accomplishments if we can collectively find the way to reach them. These goals include a minimum average income growth per person of 2-1/2%, elimination of illiteracy by 1970, an increase in life expectancy of at least five years, enactment of comprehensive land and tax reforms, and last but not least, the encouragement of private enterprise. To bring about these accomplishments will require the investment of about \$100 billion in Latin America during the first decade. It is expected that 80% of this investment will be financed locally from public and private sources. The United States has agreed to underwrite \$11 billion and it is hoped that the remaining \$9 billion can be attained from private sources in the United States, and public and private sources in Europe. Incidentally, this \$11 billion to be furnished by the United States represents a commitment of over \$60 for every man, woman, and child in the United States.

Without question, mistakes have been made in the first two years of the "Alliance". Perhaps the most serious such mistake is the failure to recognize in the plans and actions of the 20 countries that are members of the "Alliance" the important role that the private sector can and must carry out if the program is to succeed. Almost all of the statesmen and political leaders who have had an important part to play in the "Alliance" have spoken of the importance of the private sector -- of the importance of free enterprise and private investment. Unfortunately very few countries have taken steps to implement these public statements -- very few countries have succeeded in establishing a climate that will encourage private capital to accept the tasks that are so necessary if real economic and social progress is to result. Perhaps one of the most constructive tasks that the public sector of the "Alliance" could fulfill would be to make a real study of the conditions necessary to permit and encourage private capital to do

a real job -- and then set up task forces to help each country establish the proper conditions within its borders tailored to its own situation.

Certainly a second major mistake has been to cause people in every nation to expect too much in too short a time from the "Alliance". Real economic progress that will permit social reforms leading to a better way of life for most people is necessarily a slow and difficult task. To expect that the problems that have been building up for decades, or even centuries, can be solved in a few months is a serious error; and yet all too often political leadership, particularly in the United States, in their desire to win support, encourages the public to expect sudden and dramatic improvements.

The fact that the Alliance for Progress is progressing slowly -- the fact that mistakes have been made, is not a legitimate reason to conclude that the program will not succeed. The need is great -- the goals are worthwhile -- not just for Brazil, not just for the Latin American countries, but for the whole world. It is, without question, in the best interest of the United States, of Canada, of Europe, -- in fact the entire free world, to have Latin America succeed in obtaining real economic growth and progress based on individual liberty, respect for private property, and the preservation of our mutual free democratic institutions. Nowhere in the entire world should this be more important than in the two countries with the largest populations in the Western Hemisphere: Brazil and the United States. Working together, they can, they must succeed!

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John D. Dieffenderfer, Director of Volunteers, I.E.S.C.

W. E. Eure, Assoc. Director, National 4-H Foundation

Shirley Gantz, AID

Mrs. Florence H. de Gonzalez, Program Officer, AID

Stanley I. Grand, Deputy Director, LA/CD, AID

Herbert E. Harris II, Legislative Counsel, American
Farm Bureau Federation

Peter A. Jay

C. M. Lewis, Finance Office, AID

Eleanor McKay, Asst. Dir., Field Dept., Girl Scouts of
America

Susan Mennis, Adm. Asst., Office of Economic Opportunity

Minerva Mores, Project Supervisor, Catholic
Relief Services

Javier Nesa-Salazar, Empresas Publicas de Medellin

Cesar Noreiga, USAID/Ecuador

Robert L. Oshins, Director, Office of International Commerce,
U. S. Dept. of Commerce

Helena B. de Ospina, Instituto Colombiano de Planeacion Integral
Frank Pace, Jr., President, I.E.S.C.
Frederic Pearson, Staff Asst., Office of Congressman William S. Broomfield
Mary Ellen Patterson, Adm. Asst., Peace Corps
Ana Maria Perera, newspaper writer
Jorge Restrepo-Uribe, Manager, Institute for Development of Antioquia
Jose A. Rivera, Colonel, U. S. Army Ret.
Walter W. Roberts, Internation Cooperation Caravan
Leo L. Ruelas, Food for Peace Officer, USAID/Ecuador
Margarita Schwartz, Medical Skills Desk Officer, Peace Corps
Dorothy Ann Shannon, Project Supervisor, Catholic Relief Services
Mansfield I. Smith, The Experiment in International Living
Theron Van Scoter, American Council of Voluntary Agencies for Foreign Service
Vicente Uribe, President, Commercial Bank of Antioquia
Ellen de Vasquez, School of Administration and Finance, Antioquia
Esther M. Warber, Vocational Counselor, District of Columbia
John F. Wood, Public Information Officer, Food for Peace
Thomas Wood, C.A.R.E.
Mrs. Anne W. Wright, Asst. to Senator Mondale

Total in attendance -- 199

57 Delegates from 23 Latin American Areas
89 Delegates from 25 U. S. States
42 Observers and Auditors
11 Peace Corps Volunteers