

[SUBCOMMITTEE PRINT]

TECHNICAL AND ECONOMIC ASSISTANCE
TO
COOPERATIVE ENTERPRISES
UNDER THE
FOREIGN ASSISTANCE ACT OF 1961

STAFF REPORT
FOR THE
SUBCOMMITTEE ON INTERNATIONAL FINANCE
OF THE
COMMITTEE ON BANKING AND CURRENCY
HOUSE OF REPRESENTATIVES
89th Congress, 2d Session



MARCH 21, 1966

BEST AVAILABLE

Printed for the use of the Subcommittee on International Finance
Committee on Banking and Currency

U.S. GOVERNMENT PRINTING OFFICE

WASHINGTON : 1966

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LETTER OF TRANSMITTAL

MARCH 16, 1966.

To Chairman Patman and Members of the Banking and Currency Committee:

As chairman of your Subcommittee on International Finance, I am transmitting to you herewith the attached staff report on the activities and accomplishments of the Agency for International Development (AID) in assisting cooperative enterprises under the Foreign Assistance Act. Section 601 of that act provides in relevant part that—

* * * it is declared to be the policy of the United States * * * to encourage the development and use of cooperatives, credit unions, and savings and loan associations. * * *

This provision was received in the Foreign Assistance Act of 1961 in the form of an amendment offered by then Senator Hubert H. Humphrey in the course of the debates on the act in the 87th Congress. Accordingly, it is popularly referred to as the Humphrey amendment.

The committee recently concluded action on the Asian Development Bank bill which today was approved by the President. In the report on that bill, the Bank was urged to establish "close liaison * * * with cooperative organizations * * * to insure success of the Bank's projects." Similarly, the committee has in the exercise of its jurisdiction over enabling legislation for international financial institutions (the World Bank, the Inter-American Development Bank, the International Development Association, and the International Finance Corporation) given extended consideration to these and related problems.

It is for these reasons that I deem it both appropriate and valuable that the attached report be made available to the members of the committee specifically, and all Members of Congress, for their information and consideration.

This report, the fourth annual report to the Congress, was prepared with the assistance of the International Cooperative Development Service of the Office of Material Resources, AID, the AID Country Missions, the four regional offices of AID, as well as cooperative enterprises with AID contracts. Further assistance was provided by other departments and agencies recognizing the value of cooperative enterprise as a means of stimulating private initiative and democratic institutions.

Sincerely yours,

HENRY S. REUSS,
Chairman, International Finance Subcommittee.

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To those nations which do commit themselves to progress under freedom, help from us and others can provide the margin of difference between failure and success.

LYNDON B. JOHNSON

AID ASSISTANCE TO COOPERATIVE ENTERPRISES, FISCAL YEAR 1965

The care of human life and happiness * * *
is the first and only legitimate object of
government.—THOMAS JEFFERSON.

The United States and 17 other nations of the free world are now providing substantial economic assistance to the new and developing countries. Thirty-eight countries are joined with us in providing food through the world food program of the United Nations. This assistance by the free world amounts to over \$8 billion a year.

Thus, foreign aid is no longer our responsibility alone. It has become a joint effort by industrialized nations which realize that the peoples of the world must be responsible for each other if the free world is to survive.

The Agency for International Development (AID) is the organization through which the American people are providing help for 71 countries. Most of this economic assistance is directed to countries in Latin America, Asia, and Africa. Sixty percent of AID's \$1.5 billion economic development assistance and two-thirds of its development loans, however, are concentrated in Chile, Colombia, Nigeria, Turkey, Tunisia, Pakistan, and India.

USING PRIVATE ENTERPRISE RESOURCES

Our present methods for providing this assistance make it possible for the United States to use the resources of private enterprise, as well as Government. The United States' bilateral assistance, including food-for-peace Public Law 480, is carried on directly by AID, or through Government contract by business organizations, cooperatives, religious institutions, and voluntary foreign aid associations.

The recruiting of cooperative assistance by AID began in 1962. This was made possible by the Humphrey amendment to the Foreign Assistance Act of 1961, in which " * * * it is declared to be the policy of the United States * * * to encourage the development and use of cooperatives, credit unions, and savings and loan associations * * * " in foreign assistance.

In the 4 years since this partnership with AID began, the U.S. cooperatives have been able to help people in the developing countries improve their economic condition in many ways. In fiscal year 1965 help was extended to 39 countries to develop cooperatives and mutual enterprises. Major efforts, however, were concentrated in Brazil, Colombia, Ecuador, Chile, Nigeria, Uganda, Kenya, Jordan, and Vietnam.

More than one-half of the AID cooperative projects were carried out under agreements with U.S. cooperatives and farm organizations. These organizations, which are owned by the millions of Americans who use their services, are engaged in practically every kind of business.

These cooperatives assist AID in areas where the best use can be made of their resources. Such efforts are focused in those parts of the world in which the standard of living is limited by a per capita income of less than \$100 a year, and where underdevelopment is the reality of daily life for 2 billion people.

To get the best out of these people and to put their inherent genius to work is often slow and difficult. The needs of these people, as well as the obstacles to giving assistance, are much greater than one would anticipate. Yet, the greatest resources a developing country has are its people and its trained manpower. It is these that cooperatives seek to put to work.

A MEASURE OF ACHIEVEMENTS

In carrying out this important task of helping people to help themselves, the cooperatives have been guided by the direction which President Johnson laid down, based on the principle of mutual assistance:

To concentrate efforts "where they will produce the best results and speed transition from United States assistance to self-support wherever possible";

To "do more to utilize private initiative in the United States and the developing countries";

To "insist on steadily increasing efficiency in assistance operations";

To "continue to seek greater international participation in aid."

Cooperative projects have measured up well under the yardstick of achievement. In the short time since International Cooperative Development Service (ICD) was established as a division in the Office of Material Resources, and each AID region was requested to staff a cooperative specialist, considerable spadework has been done to get recognition, understanding and acceptance of cooperatives as a valuable resource for foreign aid. A country-by-country breakdown of what has been accomplished since the first cooperative contract was signed in 1962 is contained in the mission reports beginning on page 31.

PERSON-TO-PERSON ASSISTANCE

There are examples in every developing country of how much even the simplest kind of cooperative assistance can mean to the people. These are some of them:

In Ecuador a town plan for community development helped to establish cooperatives for fishermen and carpenters, a municipal market for farmers, a sewing center for women, a garment factory, and even to start new housing developments.

In mountain villages of the Andes, many Indian artisans in Bolivia, Ecuador, Peru, and Colombia now bring their handicraft work to cooperative centers, instead of bartering with peddlers. They are receiving counsel, establishing an export market, and getting better prices.

Wherever rural electrification comes, whether to teeming cities or rural villages, it eases life. Electrification can be as simple as dropping portable electric plants by helicopter into Colombian

jungle towns, or as ambitious as building generating plants and stringing thousands of miles of cable, and linking small power stations, as is being done in Chile and Nicaragua and Colombia.

In the town of Santo Domingo, Ecuador, an electric cooperative has revitalized the countryside, stimulated industry, and encouraged a new look at the nation's power needs. Now efforts are being directed at finding how these needs can best be met in a partnership between cooperative, municipal, and commercial enterprises. Ambitious electrification plans are ready for development in Peru, Venezuela, and Costa Rica. New requests came from African nations, from Vietnam in the Far East.

Cooperative housing has made homeownership possible for thousands of people in Africa and Latin America. Many such homes have already been built in countries extending from Argentina and Chile northward through practically every country to Mexico. The AID-assisted savings and loan project in Latin America has financed 33,000 new homes. Sharing responsibilities with AID are local governments, U.S. labor unions, American corporations with holdings in Latin America, the Foundation for Cooperative Housing, and savings and loan institutions in the United States and the developing countries.

Credit unions are spreading the lessons of thrift around the world. Reaching even the poorest people in the slums, credit unions have organized over 500,000 families in Latin America in 3 years, and have helped them to save over \$24 million, making it possible through relending for these people to borrow \$60 million. For many new members, the ability to save becomes an almost miraculous escape from a life of debt. It can also become, as it often has, a personal rehabilitation.

In Latin America, young campesinos who were trained on U.S. farms, are organizing cooperatives, developing community projects, leading resettlement projects, and preaching better farming methods. In Peru they are a moving force in the growing cooperative-type, nonprofit *Asociacion Campesino Comunal*, to provide basic agricultural services to small farmers in the Andes. The associations have furnished tools, seeds, and farm supplies at cost, eliminating price markups that had been as much as 300 percent. Several are creating a market for small tractors adapted to the high altitudes and rough terrain of the region.

There are also larger and more ambitious projects, such as creation of national cooperative banks in Nepal, Uganda, Peru, Argentina, Ecuador, Chile, and Colombia to unify the cooperatives and provide improved management services, as well as capital.

The main purpose of these efforts is to bring more people closer to the mainstream of national life in the developing countries. In so doing, new markets are being created. Rural electrification projects are markets for wire and cable, and equipment to generate and transmit power, as well as for appliances in the homes and equipment for industries using the electric power. The campesinos of Peru today—and those of the other Andean countries tomorrow—are a growing market for farm tools and power machinery. The members of credit unions and savings and loan associations, and any other group that can be helped to rise above a hopeless subsistence level of living, are potential customers for all kinds of new goods and services.

Most of these are Latin America examples, because this is where cooperative development has been most rapid, but similar examples of AID assistance are also to be found in the countries of Asia and Africa.

EXPENDITURES FOR COOPERATIVE PROJECTS

AID has had enough confidence in the value of projects such as these to approve a modest increase in the cooperative budget each year. Foreign assistance funds for cooperative projects increased from \$2,794,000 in 1962 to \$16,018,000 in fiscal year 1965. Most commitments are for the full life of the projects, which usually extend over more than 1 year.

Actual expenditures for cooperative projects were \$7,557,000 during the past fiscal year. Of that amount, \$4,551,000 was with nonprofit and cooperative organizations, which held 88 contracts with AID. These contractors were engaged in 223 country projects in 39 countries. They employed 286 short-term consultants and full-time technicians. In addition, AID had 97 of its own people directly engaged in cooperative work. A detailed breakdown of expenditures, projects and services begins on page 9.

Latin America has been a stronghold of cooperative development from the beginning of the program, principally because of the early emphasis placed on people-to-people projects under the Alliance for Progress. Expenditures in Latin America in fiscal year 1965 represent 70 percent of all money spent in this field. The \$5,176,000 spent in Latin America was 60 percent more than all of AID's cooperative expenditures in 1964. Expenditures in Africa were \$1,553,000 in fiscal year 1965. Near East and south Asia expenditures were \$493,000. Far East expenditures were \$327,000. In the Far East, dollar assistance was supplemented by the equivalent of several million dollars in food for peace, Public Law 480 assistance, and AID-controlled local currency. A significant portion of such expenditures were made in Vietnam, as part of the counterinsurgency program.

Cooperative marketing and consumer associations were incorporated into a number of resettlement and land reform programs in Latin America, which used \$1,973,000 in food-for-peace generated funds and \$5,181,000 in AID-controlled local currency. These amounts and the \$7,557,000 from foreign assistance funds brought to \$14,711,000 the total expenditures for AID cooperative projects in fiscal year 1965.

AID loans for cooperative-type projects, mostly housing, electrification, and agricultural credit, amounted to \$56.5 million. Outstanding obligations and new loans by the Inter-American Development Bank amounted to \$159,678,000. This was an increase of \$47.5 million over fiscal year 1965. AID investment guarantees on private cooperative loans, in major part for housing developments, amount to \$76 million.

These sums do not include any contributions made directly by U.S. cooperatives, voluntary agencies, private missions, and international cooperative organizations, many of which also work directly with AID. Presently 31 of the 242 voluntary agencies eligible to work with AID include the development of "cooperatives and credit societies" among their objectives. These organizations have more than 3,000 persons abroad, helping with their overseas programs.

RELATED COOPERATIVE DEVELOPMENTS

The commitments and expenditures enumerated thus far are only for projects which have as their main purpose the establishment and development of cooperative-type institutions, including credit unions and savings and loan associations. There is, however, a much larger area of assistance in which cooperatives are utilized, but in a minor capacity.

These include projects, mostly under contract with U.S. universities, which are directed at increasing agricultural production, national income, and individual living standards. They include assistance to cooperatives, credit societies, rural electrification, and rural and community development in their overall planning.

This growing awareness of the special kind of help that cooperative-type enterprises can provide is indicated by their inclusion in the plans of more than 100 of these projects for which \$251 million has been allocated, and \$49 million was disbursed, during fiscal year 1965. The funds allocated to these projects on a regional basis are as follows: Latin America, \$98 million; Africa, \$83 million; Near East-South Asia, \$58 million; and Far East, \$12 million.

INTERNATIONAL COOPERATIVE CONFERENCE

The international cooperative meetings held in 1965 are another sign of the importance that many countries are attaching to cooperative development. Meetings which the United States sponsored or participated in included—

The International Labor Organization (ILO) conference, in Geneva, Switzerland, on "The Role of Cooperatives in the Economic and Social Development of Developing Countries."

The International Conference of Extension Leaders, in South Dakota State University, Brookings, S. Dak. The first international meeting of its kind attended by delegates from 42 countries.

The Far East Workshop on Agricultural Credit and Cooperatives, in Seoul, Korea.

The International Federation of Agricultural Producers, in Paris, France. Directors meeting to discuss multilateral participation of member countries in foreign assistance.

The International Conference on Cooperative Assistance to Developing Countries, in Copenhagen, Denmark.

Agricultural cooperatives in America and Europe have for a long time been effective distributors for conveying advice and information quickly to farmers. Cooperatives are beginning to perform a similar service in the developing countries. They are particularly effective because the information does not go to isolated individuals, but to a permanent, coherent group. Counsel and advice become methods of action, used and recommended by one's friends and neighbors.

This ability of cooperatives to communicate with the people has special significance to leaders in most of the developing countries, where the people spend much of their lives fighting nature and the harsh dictates of geography in order to raise enough food to survive. This shortage of food is one of the threatening problems faced by most of these developing nations which seek to advance the welfare of their

people. Many of the villages in which these people live are still little more than subsistence economies. More food and agricultural growth is not only desirable to make life easier and better for the people, but is essential as a basis for industrialization and diversification.

REACHING THE LONE VILLAGER

Once it was widely believed that all a nation had to do was inject some fertilizer and tools and better seeds and insecticides into the countryside and its agricultural output would rise automatically. This was proved to be false. The fruits of the land cannot be reaped unless the people themselves are technically equipped to do the reaping.

The man who is supposed to use the fertilizer and new seed—the lone villager on whose shoulders the economy must be raised—must be given proper motivation before he uses ideas which are strange to him. The peasant must see concrete evidence of what will happen when he discards methods which his ancestors have used for hundreds and hundreds of years. It is the total man that must be appealed to. It is the whole community and countryside that must be involved. That is why the problem is so enormous.

Experience has shown that cooperatives are one simple and direct means of reaching the man who is expected to increase his country's agricultural production. The most important task for cooperative technicians and advisers is to be able to communicate with the people in the villages and countryside about things that are interested in, in ways that they can understand.

As a start, many thousands of people in many countries have already attended meetings and classes that were set up by AID in cooperative halls or on the open countryside. One purpose of these meetings and classes was to improve the members' business. In that sense, the cooperatives are practical vocational schools. They teach the farmers ways to save time and trouble, to improve the quality of their products, and how to market them in a way which reduces the costs of grading, processing, storage, transportation, and sales. The other purpose is to develop individual and community responsibility. In that sense, the cooperatives are "primary schools of democracy."

THE CHALLENGE OF RURAL POVERTY

The poverty of land and people has also been of deep concern to AID for a long time. A great deal of effort has been directed to rural development, but the results to date have not been too heartening. There is need for greater involvement of the people. The ability to put people to work on self-help projects is one of the great assets of a cooperative. As cooperatives involve more and more people directly in development programs, and provide technical information and classes to train employees, there is good reason to believe that progress can be hastened.

These are some of the reasons why cooperative-type institutions are under a new scrutiny by AID, as well as the planning bodies of many developing countries. Some of these countries have already included a provision for encouraging the establishment of cooperatives in their plans for economic development. Their purpose is to have co-

operatives help agricultural producers develop their own production, marketing, purchasing and credit organizations, and to stimulate local support for such services as electrification, health, insurance, housing, and education.

In order to succeed in increasing production and raising the living standards of their people these nations must also be able to draw on much larger resources: resources of capital; resources of knowledge; resources in terms of more and better technicians and specialists; resources of faith and hope in the possibilities of economic and social progress in the land; and resources in terms of sustained determination to make an expanding agriculture one of the primary objectives of national policy.

AID is aware of how essential each one of these resources is. However, it has also learned that no one formula or one yardstick can be applied to all countries. Before a cooperative project begins, the AID mission in that country must make a careful examination of the actual conditions, in order to devise an adequate formula that most clearly meets local needs.

A COOPERATIVE TRAINING CENTER

One of the most important requirements for bringing people together and establishing new institutions is trained manpower. There is a dearth of trained and experienced people. AID has endeavored to fill part of this gap through special training. The International Cooperative Training Center at the University of Wisconsin was established for this purpose. During fiscal year 1965 more than 300 students from 35 countries attended the Center. Many of the 700 persons from 60 countries who have attended the Center since 1963 are now holding important positions with their government or cooperatives.

Many of these students have also taken back to their countries the lessons they learned in our free society. They are now teaching these same lessons to students in their own countries. There are numerous instances in Kenya, Uganda, Tunisia, Thailand, Korea, Vietnam, Peru, Venezuela, Colombia, Chile, and Bolivia of young men who were trained in the United States inspiring others to join with them in organizing cooperatives and creating the economic foundation for a democratic society at the grass roots. In fiscal year 1965 more than 300,000 people attended rural cooperative meetings which were made possible because of assistance originally provided by AID.

Cooperatives have also displayed their efficiency in the supervision of private and government credit, in the marketing of agricultural commodities, and in the distribution of fertilizer, chemicals, insecticides, and seeds. They have helped to make land reform programs work better. Two excellent examples are the Republic of China, Taiwan, which "graduated" from AID this year, and the Republic of Korea, where farmers are now in the process of raising \$100 million to capitalize their own cooperatives.

DEVELOPMENT IN KOREA

The National Agricultural Cooperative Federation of Korea plans to put the cooperatives, which serve 2.2 million families in more than 18,000 villages, on an independent and self-supporting basis by 1973.

Even though the per capita income of Korean farmers is less than the national average of \$90 per person, its goal is to have the cooperatives raise more of their own capital—the farmers' own money—to help finance the country's growing agricultural credit needs.

Cooperatives are also in a better position in Uganda, Nepal, Peru, Argentina, Ecuador, Colombia, and Chile to start accumulating capital and expanding credit through the assistance of recently created national cooperative banks. AID technical assistance and loans have helped cooperatives in all of these countries.

Assisting these countries build cooperatives—especially rural institutions, because most of the people live in the country—is a stirring experiment in letting people grow by learning from their own experiences. This process will doubtlessly have a major impact on all of the developing nations.

Helped by the will and determination of the governments and people of the emerging countries, the United States in partnership with other nations can, in the words of President Johnson, "build a world in which the weak can walk without fear and in which even the smallest nation can work out its own destiny without the danger of violence or aggression."

STATISTICAL DATA

TABLE 1.—*Cooperative projects under AID contract, fiscal years 1964-65*

Name of contractor	Number of contracts		Number of country projects		Number of persons employed under co-op contracts		Total dollars obligated for contracts in effect		Total dollar expenditures by cooperative contractors	
	1964	1965	1964	1965	1964	1965	1964	1965	1964	1965
	American Institute for Free Labor Development (AIFLD).....	3	5	20	22	45	45	\$1,558,000	\$1,973,216	\$1,050,000	$628,015
Cooperative League of the U.S.A. (CLUSA).....	11	8	51	50	28	50	1,376,315	3,492,954	403,000	1,157,530
Credit Union National Association (CUNA).....	8	11	30	25	23	21	1,145,865	1,419,208	430,000	644,007
Farmers Educational & Cooperative Union of America (NFU).....	8	10	16	26	18	25	962,000	1,657,255	348,000	451,489
Foundation for Cooperative Housing (FCH).....	21	19	55	50	58	34	1,005,000	1,306,150	276,000	419,193
Fund for International Development (FICD).....	2	1	21	11	5	14	332,000	484,000	10,000	120,000
International Cooperative Development Association (ICDA).....	2	2	1	0	---	3	112,000	112,183	5,000	28,243
International Cooperative Training Center (ICTC).....	2	2	1	0	23	23	358,500	425,694	132,000	163,304
National League of Insured Savings Associations (NLISA).....	7	4	25	8	19	17	175,149	161,805	65,000	66,363
National Rural Electric Cooperative Association (NRECA).....	23	23	38	28	32	52	679,307	770,426	181,425	356,822
Joint Commission, Rural Reconstruction in China (Vietnam).....	1	5	1	1	---	---	300,000	568,000	300,000	268,340
Checchi & Co. (Sierra Leone).....	2	2	1	1	2	2	---	886,000	---	248,000
Fellman Associates.....	2	0	10	1	---	---	31,000	---	31,000	---
Goldberg Milton, Associates.....	2	0	8	0	---	---	50,000	---	50,000	---
Total.....	94	88	279	223	254	286	8,085,136	13,256,891	3,281,425	4,551,306

TABLE 2.—*Manpower employed on AID cooperative projects, fiscal year 1965*

Region	Contract employees	Direct hire and PASA ¹ employees	Man-months of time (estimated)	Number of participants ²	Number of trainees ³
Worldwide.....	52	7	650	-----	-----
Latin America.....	195	40	800	⁴ 725	15,430
Africa.....	21	36	400	110	⁵ 6,000
Near East-South Asia.....	6	7	75	13	1,000
Far East.....	12	7	100	-----	⁶ 5,000
					⁷ 4,500
					⁸ 310,000
Total.....	286	97	2,025	862	342,080

¹ Participating agency service agreement (PASA) with other U.S. Government agencies.

² Participants are assisted by AID in receiving training and instruction in the United States or a third country.

³ Trainees are assisted by AID in receiving training in their home country.

⁴ Includes 453 Latin Americans who received training at the International Credit Union Training Center at Lima, Peru, supported by AID.

⁵ Approximate number of cooperative members who attended local meetings conducted by AID technicians in Uganda and Dahomey. Special classes were conducted for cooperative officers, directors, and employees by AID technicians at AID-supported centers.

⁶ Including 3,389 at Cooperative Research Training Center in Saigon, Vietnam, partially financed by AID. Now mainly devoted to training Government cooperative officials.

⁷ Korean National Agricultural Cooperative Federation project, assisted by AID, has expanded training center work, to provide weekly instructions for 1,500 fieldmen and special seminars for leaders in Seoul.

⁸ Korean local membership training by fieldmen and qualified local cooperative officials, through National Agricultural Cooperative Federation, and assisted by AID.

TABLE 3.—*Total amounts obligated by AID for all cooperative projects, fiscal years 1962-65*

Region	Obligated, fiscal year 1962	Obligated, fiscal year 1963	Obligated, fiscal year 1964	Obligated, fiscal year 1965	Dollars spent, fiscal year 1965
Worldwide.....	\$480,000	\$395,000	\$949,000	\$1,096,000	\$300,000
Regional:					
Latin America.....	689,000	4,045,000	7,939,000	10,063,000	5,102,000
Africa.....	235,000	1,627,000	1,871,000	2,732,000	1,484,000
Near East-South Asia.....	1,001,000	2,077,000	506,000	260,000	418,000
Far East.....	389,000	717,000	1,679,000	967,000	253,000
Total.....	2,794,000	8,861,000	12,944,000	16,018,000	7,557,000

TABLE 4.—*Dollars obligated and loans approved for AID cooperative projects, fiscal year 1965*

Region	Total dollars obligated for projects in effect, fiscal year 1965	AID loans approved, fiscal year 1965	Total obligations and loans in effect, fiscal year 1965
Worldwide, mainly supervision.....	\$1,096,000	-----	\$1,096,000
Regional:			
Latin America.....	10,963,000	¹ \$45,300,000	56,263,000
Africa.....	2,372,000	7,400,000	10,132,000
Near East-South Asia.....	260,000	² 14,800,000	15,060,000
Far East.....	967,000	-----	967,000
Total.....	16,018,000	67,500,000	83,518,000

¹ Includes \$3,200,000 in food for peace, Public Law 480 generated local funds.

² Includes \$2,500,000 in food for peace, Public Law 480 generated local funds.

TABLE 5.—AID loans for cooperative-type projects, fiscal years 1964-65

Region	Loans approved, fiscal year 1964	Loans approved, fiscal year 1965
Latin America.....	\$32,000,000	\$37,100,000
Africa.....		1 8,200,000
Near East-South Asia.....	7,000,000	7,400,000
Far East.....	14,800,000	12,000,000
		2 2,800,000
Total.....	53,800,000	67,500,000
Approved loans, fiscal year 1965.....		67,500,000
Loans approved, fiscal years 1962-64.....		207,800,000
Total AID approved loans to cooperative-type projects.....		3 275,300,000

¹ Food for peace, Public Law 480 generated local funds, Brazil.

² Food for peace, Public Law 480 generated local funds, Iran.

³ AID has approved investment guarantees of over \$76,000,000 in private loans to cooperative projects.

TABLE 6.—AID loans for cooperative-type projects, fiscal year 1965

Latin America:	
Chile, rural electric cooperative, authorized Sept. 22, 1965, No. 513-L-024.....	\$3,300,000
Chile, cooperative bank, authorized June 24, 1965, No. 513-L-26.....	3,650,000
Colombia, livestock bank, signed July 14, 1964, No. 514-L-038.....	4,000,000
Costa Rica, rural electric cooperatives, authorized June 24, 1965, No. 515-L-15.....	3,300,000
Ecuador, INECEL power survey, signed Aug. 24 1964, No. 518-L-027.....	600,000
Ecuador, rural electric cooperative, signed Aug. 30, 1964, No. 518-L-023.....	650,000
Ecuador, cooperative bank, signed Feb. 8, 1965, No. 518-L-024.....	1,200,000
Panama, agricultural development, signed Nov. 2, 1964, No. 525-L-010.....	2,400,000
Paraguay, agricultural production, authorized Sept. 25, 1964, No. 526-L-012.....	3,000,000
Peru, agricultural development, signed July 8, 1964, No. 527-L-034.....	6,600,000
Peru, cooperative housing program, signed Feb. 15, 1965, No. 526-L-012.....	6,000,000
Uruguay, agricultural cooperatives, signed Nov. 27, 1964, No. 510-L-017.....	2,400,000
Total, Latin America.....	37,100,000
Africa: Tunisia, electric distribution, signed Sept. 2, 1964, No. 644-H-021.....	7,400,000
Near East-South Asia: Israel, agricultural loan, signed Oct. 22, 1964, No. 271-H-095.....	12,000,000
Total.....	56,500,000

TABLE 7.—*Inter-American Development Bank loans, outstanding and requested, fiscal years 1964-65*

Type of loan	Applications		Requests under review		Loans approved	
	1964	1965	1964	1965	1964	1965
Housing cooperatives.....	0	1		\$1,000,000		
Do.....	9	15			\$68,600,000	\$84,735,000
Agricultural cooperatives.....	6	2	\$24,550,000	22,000,000		
Do.....	13	19			43,775,000	74,943,950
Total.....	28	37	24,550,000	23,000,000	112,375,000	159,678,950

COOPERATIVE CONTRACTS WITH AID

THE USE OF NON-GOVERNMENT RESOURCES IN FOREIGN ASSISTANCE PROGRAM

There are three categories of AID cooperative projects: (1) worldwide or interregional; (2) continental or regional; and (3) country or mission. There are two ways that cooperative projects are executed: (1) by direct hire, in which case AID employs its own personnel and does the work itself; or (2) by contract, in which case AID contracts with a private organization, usually a cooperative, to employ its own staff to carry out a specific project under conditions specified by AID.

Worldwide contracts

Worldwide contracts are basic agreements between AID and outside participating organizations. They are the foundations on which AID's regions, technical offices, and country missions establish individual cooperative projects with non-Government organizations.

The Office of Material Resources approves and supervises the basic agreements with the outside participating cooperative organizations. Such agreements are between AID and participating cooperatives and other non-Government organizations. It provides for an interregional office usually in Washington, a Central Coordinating Project Director, and is financed by funds from the International Cooperative Development Service of AID. The work orders, which are for particular projects in particular places, are almost without exception issued and financed by either the region or mission affected.

Worldwide basic agreements provide two major advantages: (1) they make the experiences, ability, and resources of cooperative organizations available to AID, and (2) they make these services available with minimum program development effort by the AID missions or regional bureaus.

Mission and regional projects

Projects of AID missions and regions are carried out by AID staff, by AID direct-hire personnel, or by contract with outside organizations. Each project is under the supervision of one of the four regions: Latin America and the Alliance for Progress, Near East and South Asia, Africa, or Far East. The regional projects embrace more than one country, but are in the same continent; the mission projects are restricted to one country.

When a mission or regional bureau wishes a participating cooperative organization to carry out a project, it can secure the services it needs for a particular country or area by attaching an approved request (task order) to the worldwide agreement.

Cooperative resources

The assistance provided by AID cooperative projects falls into three classes:

1. *Financial*.—Assisting through grants or loans, for a variety of purposes including training and research, but primarily to build, expand, or improve productive cooperative facilities.

2. *Participants*.—Assisting people of host countries to receive training in the United States or some country other than their own, in order to qualify for cooperative teaching, research, managerial, or government positions.

3. *Technicians and consultants*.—Applying the skills, experiences, and training of U.S. professional cooperative people to educate, instruct, and train people to understand, build, and operate their own cooperatives, and in so doing to help strengthen the democratic process in their community and country.

For the purpose of definition, a technician in AID is usually a person retained for more than 1 year, and engaged in a wide range of activities, from building local credit associations to being an adviser to a host government.

A consultant is usually defined as a person engaged for a short term and for specific responsibility. His services are sought for surveys and evaluations, and for special seminars and short courses.

AMERICAN INSTITUTE FOR FREE LABOR DEVELOPMENT (AIFLD)

Contracted projects operative during fiscal year 1965

Type of project	Total dollars obligated for contracts in effect fiscal year 1965 ¹	Actual expenditures fiscal year 1965 ²	Duration of contracts		Contract No.
			Beginning date	Termination date	
LA social and cooperative development.	\$1,501,916	\$1,390,057	January 1964....	January 1966....	la-162
Brazil urban social and cooperative development.	91,000	65,039	July 1964.....	July 1965.....	la-162
Brazil rural social and cooperative development.	280,000	76,915	September 1964..	August 1966....	la-162
Ecuador social and cooperative development.	50,000	26,581	January 1965....	December 1965..	la-162
Uruguay social and cooperative development.	50,300	34,755	August 1964.....	December 1965..	la-216
Dominican Republic social and cooperative development.	600,000	44,816	July 1965.....	Open.....	la-216
Total.....	2,572,916	1,633,143	.....	.....	.....

¹ Revised Sept. 15, 1965, \$599,700 increase over original estimate.

² Revised Sept. 15, 1965, \$745,000 increase over original estimate.

AMERICAN INSTITUTE FOR FREE LABOR DEVELOPMENT

The amounts listed above represent the Social Projects Department's (SPD) portions of larger contracts that the AIFLD holds with AID. The above sums constitute administrative funds to support the Department's staff which is assisting the Latin American democratic labor unions to develop social projects. The AIFLD/SPD analyzes programs submitted by unions in Latin America to meet the needs of their members and is currently assisting the unions with projects principally in the fields of cooperative housing, workers' savings and credit institutions and agrarian union development. Within the housing projects, cooperative activities such as cooperative savings programs are being initiated or strengthened, although it is impossible to determine the portion of total financing and the amount of man-hours spent specifically on this phase of the activities. Other projects, such as workers' banks, and consumer, producer and marketing cooperatives, are more directly related to formation of cooperative

structures. In urban areas the small projects administered by the AIFLD/SPD for the AFL-CIO and for AID are often for equipping cooperatives. In rural areas, campesino service centers will provide the means through which agrarian union development programs will be carried out. Some of the services to be provided through these centers will be the establishment and operation of consumer, credit, marketing and production cooperatives. The first of these centers is being built in northeast Brazil. In addition, an application is pending for funds for an agrarian union development program in Colombia, and studies are currently underway to establish similar programs in two other countries.

In addition to the above-listed administrative funds, other AID assistance is being provided through project loans or investment guarantees of AFL-CIO affiliated unions' pension and welfare funds. Of those projects now essentially completed, a workers' housing project in Honduras is being financed by an AID loan of \$400,000. In Peru, an AID loan was made for \$6 million, one-half for workers' housing in the provinces. ASINCOOP, the first workers' housing bank in America, is now making long-term, low-interest loans to members of workers' housing cooperatives. In Mexico, a workers' housing project has been financed by an AID-guaranteed \$10 million loan from AFL-CIO affiliated unions' pension and welfare funds.

The total value of guarantees earmarked for AIFLD/SPD projects by AID for use of AFL-CIO affiliated unions' pension and welfare funds is \$67 million. Included under this program is the above-mentioned Mexico project plus other projects in various stages of development in 10 countries.

The AIFLD/SPD is prepared to work with cooperative organizations in carrying out its democratic labor development program in the free Latin American Republics.

COOPERATIVE LEAGUE OF THE U.S.A. (CLUSA)

Contracted projects operative during fiscal year 1965

Type of project	Total dollars obligated for contracts in effect, fiscal year 1965	Actual expenditures, fiscal year 1965	Duration of contract		Contract No.	T.O. No.
			Beginning date	Termination date		
Worldwide agreement	Open	Open	1963.....	Open.....	csd-267	-----
Project director and staff.....	\$70,000	\$46,800	July 1963.....	October 1965.....	csd-267	1
LA individual and resource recruitment.....	88,000	32,240	.....do.....	.....do.....	csd-267	2
5 area field technicians, 1 editor for LA socioeconomic survey program and assisting Organization of the Cooperatives of America (OCA).....	343,000	78,870	June 1963.....	March 1966.....	csd-267	3
Chile cooperative education adviser.....	37,845	23,950	March 1964.....	September 1965.....	csd-267	6
Handicraft development and marketing: Peru, Ecuador, Bolivia, Colombia.....	2,902,859	928,150	February 1964.....	July 1966.....	csd-267	7
Creation of cooperative insurance institutions—LA.....	25,000	21,520	June 1964.....	October 1965.....	csd-267	8
Colombia wholesale grocery consultant.....	7,000	7,000	July 1964.....	August 1965.....	csd-267	9
Advisers to FENACOA, Uruguay.....	19,250	19,000	September 1964.....	December 1964.....	csd-267	10
Total.....	3,492,954	1,157,530	-----	-----	-----	-----

COOPERATIVE LEAGUE OF THE U.S.A.

Services of the Cooperative League of the U.S.A. are available in all regions under an open end agreement, but contracted projects so far have been primarily in Latin America. AID regional and country requests for specific training, technical advice, and assistance to cooperative organizations are made through contracts (task orders) attached to the league's worldwide agreements.

One major undertaking is to bring together cooperatives in Latin America, the United States, and Canada in the Organization of Cooperatives of America. First step is to organize Latin American cooperatives into national federations, which would then be confederated into a Western Hemisphere confederation. The league is assisted in accelerating the development of the Organization of Cooperatives to a self-sustaining size. Five OCA fieldmen give technical assistance to cooperatives and groups forming cooperatives. OCA publishes "Cooperative America," in Spanish and English. It has a monthly circulation of 3,300 copies. The editorial offices are in Mexico City.

The artisan handicraft project participated in by Ecuador, Colombia, Peru, and Bolivia, is designed to develop an international market for Latin American handicrafts. The handicrafts are produced by Indians in these four countries. Cooperatives to market the products have been established and each country receives technical assistance from CLUSA-recruited specialists. The assigned teams consist of resident advisers, controllers, production specialists, design specialists, cooperative organizers, and cooperative advisers.

CLUSA has subcontracted a merchandising firm and a management consultants firm to carry on the sales promotion and public relations work for the project. A showroom and product development center has been set up in the Empire State Building, New York.

A Washington office coordinates the program. The project has a \$2.7 million budget and its operations will extend over several years. Early effects are likely to be limited, although sales were approximately \$1 million in the first year and are expected to reach \$10 million per year within 5 years.

The Cooperative League is also acting under contract with AID, as an insurance consultant for the development of insurance cooperatives in Latin America. An insurance specialist is stationed in Lima, Peru. The Banco de la Vivienda is proceeding to make available a packaged mortgage life insurance, mortgage insurance, and fire insurance policy developed by the specialist and the AID Housing Division.

The league represents mostly farm, consumers' service and insurance cooperatives, with a membership of 15 million persons. The league and its members have conducted their own oversea cooperative programs for a number of years.

CREDIT UNION NATIONAL ASSOCIATION (CUNA)

Contracted projects operative during fiscal year 1965

Type of project	Total dollars obligated for contracts in effect, fiscal year 1965	Actual expenditures, fiscal year 1965	Duration of contract		Contract No.	T.O. No.
			Beginning date	Termination date		
Latin America organizing and training.....	\$429, 835	\$114, 057	May 1962.....	December 1965..	1a-11	-----
Worldwide agreement.....	Open		January 1963.....	Open	csd-236	-----
Project director and staff.....	137, 618	52, 729	.....do.....	October 1965..	csd-236	1
Central America organizing.....	412, 000	310, 812	June 1963.....	.....do.....	csd-236	4
Ecuador, organizing.....	132, 000	69, 313	March 1963.....	.....do.....	csd-236	5
Africa regional survey and evaluation.....	4, 500	3, 404	June 1964.....	September 1964..	csd-236	7
Ecuador, production credit specialist.....	29, 820	19, 767	September 1964..	September 1965..	csd-236	8
NESEA feasibility survey.....	3, 435	3, 264	October 1964.....	December 1964..	csd-236	9
LA regional office.....	191, 700	44, 770	January 1965.....	December 1965..	csd-236	11
Venezuela.....	31, 700	4, 990	.....do.....	.....do.....	csd-236	12
Bolivia.....	12, 000	5, 239	.....do.....	.....do.....	csd-236	13
Colombia.....	34, 600	15, 662	.....do.....	.....do.....	csd-236	14
Total.....	1, 419, 208	644, 007	-----	-----	-----	-----

CREDIT UNION NATIONAL ASSOCIATION

The Credit Union National Association is prepared, under its contract with AID, to furnish technical assistance within the terms of the agreement to any country in the free world which is interested in starting a credit union program. Until this year AID operations have been confined to Latin America. The first project there was started in 1962. A program now is being developed for Africa. Forming self-sustaining, dues-supported systems of credit unions takes an average of 5 years.

There are 1,743 credit unions with 510,756 members and savings of \$24.6 million in 12 Latin American countries. AID has provided assistance in Venezuela, Brazil, Colombia, Bolivia, Ecuador, Peru, Guatemala, Honduras, Costa Rica, Panama, Nicaragua, and El Salvador. The goal for these countries is 4,500 credit unions by 1970. Nearly 3,000 Latin American leaders and organizers have received training at the Latin American Regional Credit Union Training Center in Lima, Peru.

In fiscal year 1965 the number of credit unions increased from 1,094 to 1,743, membership from 386,000 to 510,000, and savings from \$13,138,536 equivalent to \$24,585,093. Loans for the year exceeded \$24 million, making the cumulative total of loans \$60 million since 1962. The project has raised \$25 in new capital for each \$1 of technical assistance provided by AID.

Worldwide development took on new dimensions in 1954 when CUNA established its World Extension Department to help other countries start credit unions. There are now credit unions in 70 countries. The emphasis on training and education has spread the

influence of these mutual thrift organizations beyond that of thrift and accumulating indigenous capital, to encouraging organization of other cooperatives.

Feasibility surveys have been made in Ethiopia, Sudan, Nigeria, Tunisia, Sierra Leone, India, and Pakistan. The average in-country mission-funded cost is \$50,000 with central supervision and back stopping funded regionally. The cost of the Latin America program is approximately \$962,000.

FARMERS EDUCATIONAL AND COOPERATIVE UNION OF AMERICA (NFU)

Contracted projects operative during fiscal year 1965

Type of project	Total dollars obligated for contracts in effect, fiscal year 1965	Actual expenditures, fiscal year 1965	Duration of contracts		Contract No.	T.O. No.
			Beginning date	Termination date		
Cooperative training and supervision: Paris and Dahomey.....	\$175,288	\$167,572	May 1962.....	October 1965.....	afr-7	-----
Worldwide agreement.....	Open		Open.....		csd-255	-----
Project director and staff.....	82,000	56,648	April 1963.....	December 1965..	csd-255	1
Tunisia, cooperative consultant.....	22,930	7,914	July 1964.....	July 1965.....	csd-255	2
Afro-Asian rural redevelopment, India.....	53,193	26,133	June 1964.....	June 1966.....	csd-255	5
Uganda, agricultural cooperative leadership training.....	422,552	48,063	January 1964....	May 1967.....	csd-255	6
Kenya, agricultural and cooperative leadership training.....	422,552	48,063	do.....	do.....	csd-255	7
Liberia, survey.....	9,514	875	November 1964..	Open.....	csd-255	8
Philippines, agricultural cooperative leadership.....	135,000	3,913	February 1965..	Open.....	csd-255	9
African coordinator.....	55,000	3	June 1965.....	June 1967.....	csd-255	10
LA agricultural and cooperative leadership training: Chile, Bolivia, Peru, Venezuela.....	433,127	130,684	June 1962.....	December 1965..	1a-23	-----
Total.....	1,657,255	451,489	-----	-----	-----	-----

FARMERS EDUCATIONAL AND COOPERATIVE UNION OF AMERICA

The National Farmers Union agreement with AID is to assist in securing competent personnel for rural cooperative projects abroad, develop cooperative leadership and to provide teachers and training facilities for cooperative classes. The contract is held in behalf of the U.S. members of the International Federation of Agriculture Producers which has membership in 32 countries. The U.S. members are the National Council of Farmer Cooperatives, representing most of the commodity cooperatives in the United States, the National Grange, oldest of the U.S. general farm organizations, and the National Farmers Union, with extensive cooperative affiliates in the Great Plains region.

The projects are carried out under Latin American region and worldwide agreements. The U.S. organizations and the foreign farm organizations are prepared to furnish technicians and consultants upon the request of AID. The advisory committee to the National Farmers Union, composed of representatives of IFAP, Food and Agriculture Organization and International Labor Organization of the United Nations, meets annually.

Regional and country projects have been established to train people for cooperative positions and agricultural leadership in Africa, Latin America, and the Far East. The Farmers Union has assigned agricultural and cooperative specialists to Kenya, Uganda, Dahomey, Tunisia, and India. It has held hundreds of local cooperative meetings and conducted leadership seminars in Uganda, Kenya, and Tunisia. It has made evaluation studies to determine the feasibility of livestock and grain marketing cooperatives in Ecuador. U.S. training teams have helped to coordinate cooperative rural work in Latin America. A third group of 83 Latin American farm people was invited from Bolivia, Colombia, Peru, Chile, and Venezuela to live with farm people in the United States. This group spent 3 months on U.S. farms, learning about agriculture, community life, and cooperatives, and 2 months in classes at Jamestown College in North Dakota, and the International Cooperative Training Center at the University of Wisconsin. This project's main purpose is to develop community leadership for campesinos organizations, particularly as land reform and resettlement go into effect.

The Farmers Union furnished a technical cooperative specialist to the Afro-Asian Rural Reconstruction Organization. This Organization with a membership of more than a score of Asian and African countries is concerned with the development of independent cooperative organizations and farm organizations.

Currently the Farmers Union is sending cooperative and credit specialists, organizers and teachers, to Uganda, Kenya, the Philippines and is reviewing with AID opportunities for giving assistance in Korea, Vietnam, Tunisia, Ethiopia, Liberia, and Nigeria.

FUND FOR INTERNATIONAL COOPERATIVE DEVELOPMENT (FICD)

Contracted projects operative during fiscal year 1965

Type of project	Total dollars obligated for contracts in effect, fiscal year 1965	Actual expenditures, fiscal year 1965	Duration		Contract No.
			Beginning date	Termination date	
Strengthening of the Latin America cooperative financing system (total)-----	\$484,000	\$120,000	May 1964....	May 1966....	AID/1a-188.

FUND FOR INTERNATIONAL COOPERATIVE DEVELOPMENT

The Fund for International Cooperative Development has undertaken to assist the Latin American cooperative movement to build a strong, viable cooperative financing system in Latin America. This objective is being approached by the simultaneous pursuit of two related targets:

(1) Assistance in the organization, rationalization, and operation of banks for cooperatives to be located within countries of Latin America requesting assistance from the program, which are designed to fill the needs of all qualified cooperatives; and

(2) Assistance in the organization and operation of a central finance institution called the Inter-American Cooperative Finance Development Society, known to the Latin Americans by the first

letters of the Spanish name, SIDEFCOOP. SIDEFCOOP will be owned by the cooperatives and cooperative finance institutions in Latin America. The functions of SIDEFCOOP will be, in addition to a broad range of financial functions (other than loans), the provision of supervision, the setting of standards, and the dispensing of technical assistance to the member banks.

I. Bank development program

A. Ecuador: The Banco Cooperatives Del Ecuador was formally opened in December of 1964, first accepted loan applications on April 1, 1965, and made its first loan in early May of 1965. H. F. Strickland, retired general manager of the Utica Grain Cooperative in Champaign, Ill., and a former business analyst with the St. Louis Bank for Cooperatives, is in Ecuador as adviser to the Bank and is under contract with our program to remain there at least until September of 1966.

B. Argentina: The Banco Cooperation Agrario Argentino opened early in June of 1965. FICD assisted this bank by sending James Pitts, comptroller of the Farm Credit Administration, and Earl Kittredge, also of the Farm Credit Administration, for a short period of time to advise the bank officials on the administration and organization of the bank.

C. Uruguay: FICD has withdrawn its consultant, Frank B. Ward, a retired regional chief bank examiner for the Farm Credit System, from Banco de Produccion y Consumo. The Bank is now closed, and the AID loan of \$2.4 million has been canceled.

D. Chile: The AID loan to the Instituto de Finciamiento Cooperativo was approved by AID in early June 1965, on the basis of information submitted by the bank's organization committee, who were assisted by W. J. McAnnelly, retired president of the Houston Bank for Cooperatives, until his recent death. The bank expects to begin operations in the near future.

E. Colombia: The FICD program provided David M. Hardy, retired president of the St. Louis Bank for Cooperatives, to assist the organizing committee of a cooperative bank in Colombia. His report to the AID mission on the feasibility of the bank is now complete and ready for implementation.

F. Dominican Republic: FICD provided, at the request of the AID mission and of a group of cooperative leaders in the Dominican Republic, a team of two cooperative banking experts; Ivy W. Duggan, former Governor of the Farm Credit Administration and agricultural attaché to Spain, and John Roddey Edwards, a retired resident bank examiner for the Farm Credit System. They were evacuated at the outbreak of hostilities in April 1965 and at present are awaiting the opportunity to return.

G. FICD has also had some contact, and is awaiting formal proposals from, Brazil, Venezuela, Panama, Bolivia, and British Guiana. In Peru, the basic study has been completed by the Checchi Co. and was submitted to AID in September of 1963. FICD has been asked by the AID mission to furnish a cooperative finance expert to assist in the implementation of this report, and to assist in the formation of a cooperative finance institute.

II. Central Finance Institution (IIFCOOP)

The decision has been made to incorporate IIFCOOP in the State of Delaware as a supervisory, technical assistance, and promotion body, leaving outside of its charter for the present any financial functions. A board of directors meeting was held in Washington June 29 to July 2 to discuss aspects of this decision, and to come to an agreement with respect to certain details of organization and operation.

FOUNDATION FOR COOPERATIVE HOUSING (FCH)

Contracted projects operative during fiscal year 1965

Type of project	Total dollars obligated for contracts in effect, fiscal year 1965	Actual expenditures, fiscal year 1965	Duration of contracts		Contract No.	T.O. No.
			Beginning date	Termination date		
Worldwide housing.....	Open		June 1962.....	Open.....	csd-22	-----
LA regional housing study....	\$52,650	\$19,457	May 1963.....	December 1966..	csd-22	9
LA coordinator and staff.....	219,723	66,531	do.....	May 1967.....	csd-22	10
Worldwide coordinator and staff.....	80,000	57,084	June 1963.....	December 1965..	csd-22	11
do.....			do.....	do.....	csd-22	12
LA regional training.....	381,000	126,655	do.....	do.....	csd-22	13
Central America and Panama..	62,000	30,685	August 1963.....	September 1965..	csd-22	14
Peru.....	46,300	12,336	September 1963..	December 1966..	csd-22	16
Honduras.....	29,790	9,755	do.....	do.....	csd-22	17
Jamaica.....	13,000	9,059	March 1964.....	June 1966.....	csd-22	18
Colombia.....	28,000	5,187	do.....	October 1965..	csd-22	19
Brazil.....	7,800	7,800	June 1964.....	September 1964..	csd-22	20
Argentina.....	40,000	14,934	July 1964.....	September 1965..	csd-22	21
Mexico.....	15,000	11,860	June 1964.....	May 1965.....	csd-22	526-
Nicaragua.....	5,000	3,706	July 1964.....	October 1964..	csd-22	62-T
do.....			do.....	December 1965..	csd-22	23
Bolivia.....	23,387	17,691	do.....	January 1967..	csd-22	24
Colombia.....	80,000	12,853	January 1965.....	April 1967.....	csd-22	25
Panama.....	82,500	13,600	April 1965.....	April 1967.....	csd-22	26
Nicaragua.....	20,000	0	May 1965.....	December 1965..	csd-22	27
Central America and Panama..	60,000	0	June 1965.....	June 1966.....	csd-22	28
Brazil.....	60,000	0	do.....	December 1967..	csd-22	
Total.....	1,306,150	419,193	-----	-----	-----	-----

FOUNDATION FOR COOPERATIVE HOUSING

The Foundation for Cooperative Housing has a three-phase program to assist in homebuilding: an office of coordination for technical assistance, a training course for sponsors, managers, and members of housing cooperatives, and a housing program to develop a sustained volume of 5,000 cooperative housing units a year in a given country. Most of its emphasis has been on the first two phases, with effort concentrated in Latin America. The Foundation, however, has scheduled a survey of development opportunities in the other regions.

Developments are awaited in Peru, Colombia, Ecuador, and Brazil in Latin America, as well as in Nigeria and other west African countries. As an adjunct to sound home financing, setting up of auxiliary savings and loan associations, in connection with housing projects, is near completion in Peru and Colombia.

The Foundation has developed general guidelines to assist the housing programs in the different countries under the provisions of a worldwide contract. A director and Latin American assistant were furnished under an agreement with the Foundation for Cooperative

Housing, Inc., a major U.S. organizer, builder, and manager of cooperative housing developments. This is a nonprofit operating arm of the Foundation.

Contracts are in effect in Nicaragua, Argentina, Mexico, Brazil, Colombia, Jamaica, Honduras, Peru, Bolivia, Ecuador, Guatemala, Costa Rica, El Salvador, and Panama.

The primary work still is institution building and one of the most tangible results has been in the field of membership training. Among major seminars conducted by the Foundation for Cooperative Housing during fiscal year 1965 were:

(1) Argentina: Two 1-week training seminars were held in the cities of Rosario and Buenos Aires, Argentina, in August. One hundred and fifty leaders in the fields of cooperative housing, mortgage financing and co-op management participated. In Argentina, cooperative housing has a 50-year history of successful development.

(2) Colombia: Long-term mortgage financing (similar to FHA in the United States), co-op organization and management and land planning sessions highlighted a 2-week training seminar in Bogotá, Colombia, in November. Forty co-op representatives discussed with public and private housing and finance leaders the basic know-how necessary to implement the \$10 million AID housing loan in Colombia. The sessions were held at the co-op training center, CINVA, on the campus of the National University.

(3) Peru: 35 Peruvians, most of them representing trade union housing co-ops, met with FCH, CUNA, and CLUSA representatives in a training seminar in Lima, Peru, in December. In addition to financing, management, and organization problems, the discussions centered around the necessary steps to be taken by the Federation of Cooperative Housing in getting underway with the actual construction of the housing which is to be provided under the \$6 million AID loan.

(4) Regional Conference Unions, Guatemala City, in January 1965: The Central American Institute for Social Studies also held its first training course on cooperatives. The conference on credit unions and the training course on cooperatives, held simultaneously in Guatemala City, were organized and sponsored by CUNA and USAID/Guatemala. The Foundation for Cooperative Housing participated in these two conferences. Its representative lectured on "Organization of Housing Cooperatives in Latin America and Other Parts of the World," "Financing Cooperative Housing," "Organization of Housing Cooperatives," and "Financing Housing Cooperatives." Plans were made for a regional conference and workshop seminar on cooperative housing for Central America and Panama.

(5) CINVA Labor Housing Seminar, Bogotá: Under the joint sponsorship of CINVA, the OAS and AIFLD a labor housing seminar was held at the CINVA center in March. At the request of OAS, FCH provided the services of a lecture and discussion leader of the subjects dealing with cooperative housing. Forty Latin Americans attended.

(6) Inter-American Center, Loyola University, New Orleans: The Latin American Coordinator participated in the seminars on housing

held under the auspices of the Inter-American Seminar of Loyola University in March. Forty students from Latin America attended.

(7) The Foundation for Cooperative Housing cosponsored First Regional Conference on Cooperative Housing for Central America and Panama: The Foundation for Cooperative Housing together with the Central American Bank for Economic Integration (CABEI) and the Guatemalan National Housing Institution (CIV) sponsored a conference on cooperative housing in Central America in Guatemala April 5 through 10. Representatives from each Central American country and Panama participated in the conference.

Working sessions were started the first afternoon with more than 65 participants. Representatives from AID, IDB, CUNA, CABEI, and FCH described existing and future programs that will provide ways to finance cooperative housing communities in the region. Later sessions included presentations by FCH on cooperative housing organization, administration, and management as well as films and colored slide presentations on the planning and construction aspects of cooperative housing.

INTERNATIONAL COOPERATIVE DEVELOPMENT ASSOCIATION

Contracted projects operative during fiscal year 1965

Type of project	Total dollars obligated for contracts in effect, fiscal year 1965	Actual expenditures, fiscal year 1965	Duration of contracts		Contract No.	T.O. No.
			Beginning date	Termination date		
Development of U.S. cooperative resources for assistance abroad.....	Open	-----	Open		csd-683	-----
Development of U.S. cooperative resources for assistance abroad.....	\$112, 183	\$28, 243	June 30, 1964....	Jan. 15, 1966.....	csd-683	1
Total.....	112, 183	28, 243				

INTERNATIONAL COOPERATIVE DEVELOPMENT ASSOCIATION

The International Cooperative Development Association (ICDA) was incorporated by a group of U.S. cooperatives in June 1963, signed a contract with AID in June 1964, and commenced operations on January 15, 1965. Its first assignment was to examine ways for developing a "bank" of manpower and material resources for AID and its missions to use in the organization and development of cooperatives. ICDA seeks to mobilize the resources of U.S. cooperatives for providing technical assistance, equipment, personnel, and financial aid for developing cooperatives abroad, and to develop ways for encouraging partnership arrangements between U.S. cooperatives and those in developing countries on a private enterprise basis.

INTERNATIONAL COOPERATIVE TRAINING CENTER (ICTC)

Contracted projects operative during fiscal year 1965

Type of project	Total dollars obligated for contracts in effect, fiscal year 1965	Actual expenditures, fiscal year 1965	Duration of contracts		Contract No.	T.O. No.
			Beginning date	Termination date		
Worldwide Training Center for AID participants sent to United States from abroad.	\$370, 694	\$134, 529	June 1964-----	December 1965..	csd-7	-----
Worldwide research and development program for cooperatives.	Open	-----	-----do-----	Open-----	csd-469	-----
Worldwide research and development program for cooperatives.	55, 000	28, 775	-----do-----	June 1966-----	csd-469	1
Total -----	425, 650	163, 304				

INTERNATIONAL COOPERATIVE TRAINING CENTER

International Cooperative Training Center at the University of Wisconsin was created under cooperative sponsorship in 1962. It is a part of the university, assisted with AID funds, although counsel is still provided by a 25-member cooperative advisory committee. The Center provides specialized and advanced cooperative training for participants sent to the United States from foreign countries. During fiscal year 1965, 300 foreign students from 35 countries attended classes as part of their training in the United States. AID personnel, Peace Corps volunteers and U.S. people preparing for work abroad also received training. It also arranges inservice training with U.S. cooperatives for foreign students.

Among other duties under the agreement, the Center's staff has prepared a bibliography of cooperative material and periodicals, published and distributed the International Cooperative Training Journal as a quarterly periodical, prepared and distributed a newsletter to former students, furnished material to former students and cooperative leaders and educators in the developing countries, and has established a cooperative library which already numbers several thousand volumes. Under its research and development program, the Center has conducted research on cooperative training in Tunisia and on agricultural cooperatives in Argentina. It is prepared to evaluate cooperative training in developing countries and to assist developing countries in establishing new training centers and to strengthen existing centers.

NATIONAL LEAGUE OF INSURED SAVINGS ASSOCIATIONS (NLISA)

Contracted projects operative during fiscal year 1965

Type of project	Total dollars obligated for contracts in effect, fiscal year 1965	Actual expenditures, fiscal year 1965	Duration of contracts		Contract No.	T.O. No.
			Beginning date	Termination date		
Worldwide agreement.....	Open		June 1963.....	Open.....	csd-292	
Project director.....	\$86,700	\$25,838	.....do.....	October 1965.....	csd-292	1
Peru savings and loan organization.	69,950	37,025	January 1964.....	January 1966.....	csd-292	6
Brazil savings and loan survey.	3,175	2,562	June 1964.....	August 1964.....	csd-292	13
Nicaragua survey.....	1,980	938	September 1964..	October 1965.....	csd-292	15
Total.....	161,805	66,363				

NATIONAL LEAGUE OF INSURED SAVINGS ASSOCIATIONS

The National League of Insured Savings Associations, representing U.S. savings and loan associations, has prepared legislation which has been adopted in seven Latin American countries: Chile, Dominican Republic, Ecuador, El Salvador, Guatemala, Peru, and Venezuela, and two African countries, Ethiopia and eastern Nigeria.

During fiscal year 1965 the number of associations in the 9 countries increased from 73 to 88, and membership from 156,835 to 282,713, for a gain of 80 percent. Savings increased from \$33.5 million to \$81.5 million, a gain of 143 percent. More than 14,000 houses were financed and \$83 million in new mortgages recorded. The cumulative total for loans is over \$150 million and the number of homes financed is 32,888.

AID has provided financial help in the form of seed capital loans totaling approximately \$50 million: \$13 million to Chile; \$2 million to Dominican Republic; \$5 million to Ecuador; \$7.5 million to Peru; \$10 million to Venezuela; and \$10 million to the Caribbean countries. There also has been assistance from the Inter-American Development Bank.

The first Inter-American Savings and Loan Conference in Lima, Peru, in 1963 brought together representatives of 19 countries and did much to stimulate further growth of the associations. A second conference was held in Santiago, Chile, in January 1964 and the third was held in Quito, Ecuador, in March 1965.

The importance of the program, in addition to mobilization of local capital, is that it has established a new pattern of savings and also has been a strong influence in lowering mortgage interest rates, re-

ducing the size of downpayments and extending the length of mortgage terms. These improvements have made homeownership more accessible to the growing member of lower- and middle-income families.

AID has also been assisted by NLISA in the establishment of a savings and loan association in Ethiopia, which now is making its first loans on new homes. There is strong government and private interest in establishing savings and loan associations in a number of other developing countries, particularly Nigeria, Pakistan, and Iran where efforts are being made to link them closely with self-help and cooperative developments.

NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION (NRECA)

Contracted projects operative during fiscal year 1965

Type of project	Total dollars obligated for contracts in effect—fiscal year 1965	Actual expenditures, fiscal year 1965	Duration of contracts		Contract No.	T.O. No.
			Beginning date	Terminal date		
Worldwide agreement.....	Open		November 1962	Open	csd-225	
Project Director and staff.....	\$168, 865	\$58, 133	do	November 1965	csd-225	1
Bolivia, phases I, II, III.....	18, 000	4, 296	May 1963	December 1964	csd-225	8
Latin American administration and staff.....	137, 700	45, 356	do	May 1966	csd-225	9
Nicaragua, phase IV.....	53, 700	24, 226	June 1963	July 1965	csd-225	13
Ecuador, phase IV.....	53, 000	30, 555	March 1964	July 1966	csd-225	21
Venezuela, phase I.....	6, 000	663	April 1964	July 1964	csd-225	22
Research, State and local contributions.....	3, 500	346	do	August 1964	csd-225	23
Latin American management training programs.....	9, 255	5, 115	May 1964	July 1964	csd-225	25
Research study of Latin American socioeconomic impact in Colombia, Nicaragua, and Ecuador.....	36, 000	15, 283	April 1964	April 1966	csd-225	26
Preparation of motion picture film.....	3, 562	2, 996	June 1964	March 1965	csd-225	27
Brazil supervision of Organization of Electric Cooperatives.....	63, 750	22, 996	July 1964	December 1965	csd-225	28
Costa Rica, phases II, III.....	18, 550	14, 494	June 1964	March 1965	csd-225	29
El Salvador, phase I.....	5, 240	4, 133	September 1964	October 1964	csd-225	30
Korea power survey.....	18, 060	14, 035	do	February 1965	csd-225	31
Peru, phase II.....	10, 520	7, 333	do	January 1965	csd-225	32
Paraguay, phase I.....	5, 350	4, 513	do	November 1964	csd-225	33
Philippines power survey.....	20, 127	17, 156	November 1964	May 1965	csd-225	34
African survey trip.....	6, 432	4, 304	do	April 1965	csd-225	35
Venezuela, phases II and III.....	36, 500	27, 723	March 1965	September 1965	csd-225	36
FE-NESA survey trip.....	3, 600	4, 545	do	May 1965	csd-225	37
Management training program.....	9, 915	2, 494	do	June 1965	csd-225	38
Sierra Leone, phase I.....	6, 500	6, 727	April 1965	July 1965	csd-225	39
Vietnam, phases I, II, and III.....	76, 300	39, 554	do	do	csd-225	40
Total.....	770, 426	356, 822				

NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION

The developing countries of the world are predominantly agricultural economies and have a real need for electricity in the rural areas. The National Rural Electric Cooperative Association is enabled under its agreement with AID to organize and develop cooperative electrification, thus helping to initiate or sustain rural industries and community facilities in all of the developing countries of the free world.

Missions which have availed themselves of some phase of the program offered by AID under this open-end worldwide contract are Bolivia, Brazil, Chile, Costa Rica, Dominican Republic, El Salvador, Ecuador, Guatemala, Korea, Mexico, Nicaragua, Paraguay, Panama, Peru, Sierra Leone, Uruguay, Venezuela, and Vietnam.

NRECA is a private service organization which represents nearly 1,000 U.S. rural electric cooperatives, public power districts, and public utility districts. Its service department offers management training programs. A staff of professional management consultants is prepared to work with individual electric systems on their internal operating problems.

During the year NRECA has continued to provide a global coordinator and a Latin American administrator to coordinate the cooperative rural electrification assistance requested by AID in Washington and in host countries.

Under various task orders it began or completed phase I country surveys of the possibilities of rural electric cooperatives in eight countries: Philippines, El Salvador, Korea, Paraguay, Sierra Leone, Uruguay, Venezuela, and Vietnam. Survey trips were made to other countries in Africa, Asia, and the Far East. Phase II and III activities, the organization of electric cooperatives and feasibility studies for loan applications, were completed or underway in five countries: Bolivia, Costa Rica, Peru, Venezuela, and Vietnam. AID in fiscal year 1965 approved a \$3.3 million loan for Chile, a \$3.2 million loan for Costa Rica, and loans for \$600,000 and \$650,000 for Ecuador. A \$1.3 million loan for Colombia and a \$400,000 loan for Nicaragua were made in 1964. Total AID commitments for all rural electric cooperative developments is \$14 million.

A full-time specialist for development and construction of electric systems began work in Brazil (men were already in Nicaragua and Ecuador), and arrangements are being made for full-time specialists in Colombia. A management institute was held in the United States for participants from Latin America, Africa, and India, as part of a 3-month training course in rural electric cooperatives.

The research study on the impact of rural electric cooperatives in the developing countries of Latin America was begun and has already developed many points of interest.

Construction of rural electric systems was commenced in Nicaragua and Ecuador. A cooperative organization completed the first year of operation of a small system in Ecuador and the results exceeded expectations.

A crash program for Vietnam was started with three survey teams arriving in the spring of fiscal year 1965 to select areas for several pilot rural electrification installations as part of the counterinsurgency program. Other power surveys were made in the Mekong Valley, to serve Vietnam, Thailand, Laos, and Cambodia. The Vietnam rural electric pilot projects would cost between \$4 and \$5 million if carried out.

AID MISSION DOLLAR EXPENDITURES FOR COOPERATIVE DEVELOPMENT, FISCAL YEAR 1965

Mission funded assistance for cooperative purposes, by countries

[Sums do not include global or regional funding, or AID-controlled local currency, or food for peace, Public Law 480, generated funds]

Latin America:

Argentina.....	\$9, 000
Bolivia.....	¹ 60, 000
Brazil.....	196, 750
British Guinea.....	
Chile.....	580, 000
Colombia.....	112, 750
Costa Rica.....	21, 000
Dominican Republic.....	
Ecuador.....	494, 000
El Salvador.....	45, 000
Guatemala.....	6, 000
Haiti.....	
Honduras.....	21, 000
Jamaica.....	
Mexico.....	
Nicaragua.....	60, 000
Panama.....	5, 000
Paraguay.....	3, 000
Peru.....	15, 000
Tobago, Trinidad, and West Indies.....	
Uruguay.....	20, 000
Venezuela.....	63, 750
ROCAP—Republics of Central America and Panama.....	82, 250
<hr/>	
Total Latin America mission funds.....	1, 829, 250
Total regional and global funds.....	3, 347, 508

Africa:

Algeria.....	
Cameroon.....	5, 000
Chad.....	
Congo:	
Brazzaville.....	
Léopoldville.....	
Dahomey.....	15, 000
Ethiopia.....	20, 000
Gabon.....	
Ghana.....	20, 000
Guinea.....	149, 000
Ivory Coast.....	
Kenya.....	¹ 150, 000
Liberia.....	61, 000
Malagasy Republic.....	
Mali, Republic of.....	
Malawi.....	18, 000
Morocco.....	53, 500
Niger.....	
Nigeria.....	345, 500
Senegal.....	
Sierra Leone.....	10, 000
Somali Republic.....	

¹ Estimated.

Mission funded assistance for cooperative purposes, by countries—Continued

Africa—Continued	
Sudan.....	\$10,000
Tanzania.....	88,000
Togo.....	-----
Tunisia.....	46,000
Uganda.....	145,000
Upper Volta.....	-----
Zambia.....	15,000
Total African mission funds.....	1,151,000
Total African regional and global funds.....	402,573
Near East-South Asia:	
Afghanistan.....	-----
Cyprus.....	-----
Ceylon.....	-----
India.....	-----
Iran.....	20,000
Jordan.....	177,800
Israel.....	-----
Nepal.....	58,000
Pakistan.....	20,000
Turkey.....	10,000
United Arab Republic, Egypt.....	20,000
Yemen.....	-----
Total Near East-South Asia mission funds.....	299,300
Total Near East-South Asia regional and global funds.....	193,896
Far East (7 countries)	
Burma.....	-----
China, Republic of (Taiwan) ²	-----
Indonesia.....	-----
Korea.....	50,000
Laos.....	-----
Philippines.....	10,000
Thailand.....	-----
Vietnam.....	100,000
Total Far East mission funds.....	160,000
Total Far East regional and global funds.....	167,763
Total mission funds.....	3,439,550
Total regional and global funds.....	4,111,740
Food for peace, Public Law 480, generated funds:	
Latin America.....	1,263,000
Africa.....	190,000
Far East.....	350,000
Near East-South Asia.....	170,000
Total, Public Law 480 generated funds.....	1,973,000
AID-controlled local currency dollar equivalents:	
Latin America.....	3,260,000
Africa.....	460,000
Far East.....	1,461,000
Near East-South Asia.....	-----
Total AID local currency funds.....	5,181,000
Grand total for cooperative development.....	14,704,290

¹ Estimated.² AID discontinued fiscal year 1965.

LATIN AMERICA

Summary of disbursements for fiscal year 1965

Regional (including worldwide contracts).....	\$3, 347, 508
Missions.....	1, 829, 250
Total.....	5, 176, 758

(For summary of cooperative loans by Inter-American Development Bank see p. 123.)

ARGENTINA

(AID expenditures, fiscal year 1965, \$9,000, plus regional funded projects)

The cooperative movement is well developed throughout the country. There are 1,400 urban cooperatives with 2 million members and 1,372 agricultural cooperatives with 472,000 members. Agricultural cooperatives have the best opportunity for growth, although lack of credit is a serious obstacle to continued expansion in both rural and urban fields.

AID is helping to make an overall evaluation of agricultural cooperatives in five specific projects involving agricultural credit, rural development services, labor development, housing, and general training.

The most significant developments during the year were the establishment of the Banco Cooperative Agrario and the Institute for the Distribution of Cooperative Funds. The Agricultural Bank was founded in 1964 under sponsorship of the Argentine National Federation of Farmer Cooperatives, with a subscribed capital of \$4 million. It began operations in June 1965. The Institute was organized to serve as a clearinghouse for more than 500 credit cooperatives.

In Argentina, the agricultural cooperatives play a vital role in rural development by making farm supplies available to producers, marketing agricultural products and expanding the availability credit facilities. The housing cooperatives and savings and loan associations stimulate individual savings to build needed capital for housing purchase credits. Cooperatives have been producing more units per investment available. Both are compatible with the country's total development effort in attacking the present critical housing deficit.

Most of the local cooperative organizations are affiliated with one or more national associations. Cooperativa Rosarina de Vivenda and Cooperativas de Vivenda (seminars), and the National Association, composed of 10 federations, are the best known.

Inter-American Development Bank loans for cooperative projects included \$30 million for union cooperative housing.

Training in savings and loan operations, and in labor union participation in cooperatives, was provided in the United States for eight participants. Two other participants received training at the credit union center in Peru. Savings and loan seminars were conducted for nearly 200 local and regional officers and members of savings and loan societies.

The only cooperative assistance by other governments is a British training grant to an agricultural cooperative official to study cooperative finance in the United Kingdom.

U.S. non-Government organizations, under AID contract, which provided cooperative service in Argentina during 1965 included AIFLD, CLUSA, FCH, and FICD.

BOLIVIA

(AID expenditures, fiscal year 1965, \$60,000, estimated, plus regional funded projects)

AID mission assistance to cooperate-type programs has been supplemented by region-funded projects, which include developing an export market for Latin American handicraft products and training young farmers on U.S. farms to become community leaders. The mission's efforts are involved in assisting the Ministry of Agriculture to develop supervised credit, cooperatives, extension and demonstration centers, marketing mechanisms, and similar institutions which are essential in order to increase agricultural production and reduce food imports. Cost of this project was estimated at \$900,000 for fiscal year 1965. In order to get the program moving, AID has made a \$3.7 million agricultural credit loan. The Inter-American Development Bank has \$10 million in active colonization and agricultural credit loans.

The mission supported a foundation for cooperative housing contract project, at a cost of \$19,000, to prepare proposed housing legislation and to organize small housing groups into an effective organization. There were 66 such groups, and most of them have been incorporated into 15 groups, with a membership of 1,573 families. Necessary new legislation has been drafted. A loan request has been submitted to the Inter-American Development Bank. A total of \$3,420,000 is needed, of which \$420,000 already has been raised by the people. A \$1.2 million loan has been made by the Consejo Nacional de Vivienda (CONAVI), and \$1.8 million more is required from external sources. When approved, this cooperative housing program will be in conformity with the plans of the Secretaria Nacional de Planeamiento y Coordinacion, the Government planning agency.

AID has been helping a number of Indian communities to organize local cooperative-type centers, Artesanias Bolivians, to handle handicraft products made by local artisans. Bolivia is one of four countries in which this project is being carried out by the Cooperative League of the U.S.A., under AID contract. Local groups are being federated into a national cooperative, which will eventually be owned by the artisans. More than \$1 million in handicraft products have been exported, and income of many of the participants increased.

The National Farmers Union, under AID contract, is in its third year of training young Bolivian farmers on U.S. farms. On their return to homes, these young people have engaged in a wide range of community and cooperative activities, ranging from developing community centers, building schools, wells, irrigation ditches and roads, to establishing cooperatives, training centers and schools, and heading a resettlement project. This program is part of a Latin American project which also embraces Chile, Peru, Colombia, and Venezuela.

Food-for-peace, Public Law 480, resources are being used to support 12 community development projects, which involved the building of schools, farm-to-market roads, bridges, community centers, irrigation, and rural electrification facilities. The equivalent of \$20,000 in AID-controlled local currency helped to establish the Artesanias Bolivians. Additional Public Law 480 resources could be used to expand the cooperative movement, consistent with the mission's existing priorities.

Cooperatives with the best opportunity to grow are credit and marketing in agriculture, and housing in the cities. Although agricultural cooperatives are still relatively scarce, the few that have survived offer hope that a sound cooperative movement can be established. AID assisted with 16 farm organizations with 1,700 families, and helped organize a new local group. AID also helped to organize 2 industrial producers' cooperatives with 400 members.

Four Bolivian participants are receiving special training in savings and loan administration through AID assistance.

Other nations assisting cooperatives are Great Britain and West Germany. The British are helping in coffee processing and with marketing cooperatives, and are interested in the development of cacao and pyrethum. The Germans are providing scholarships. A good working relationship exists between all groups. The British adviser works closely with AID on what is practically an integrated program.

U.S. non-Government organizations, under AID contract, which provided cooperative assistance in Bolivia during fiscal year 1965 included CLUSA, AIFLD, FICD, CUNA, NFU, FCH, and NRECA.

BRAZIL

(AID expenditures, fiscal year 1965, \$191,500, plus regional funded projects)

AID assistance is involved, in one way or another, in practically every major cooperative activity. The cooperatives are looked on with growing favor as important instruments in helping to start a healthier grassroots economy among the people in the frontier and resettlement regions, as well as in the poverty pockets of the critical northeast area.

American labor is prepared to step up its help to Brazilians in that region who are organizing agricultural labor and farmworkers and strengthening existing unions. They also are utilizing social projects to strengthen the country's democratic structure. Five hundred Brazilian labor leaders were trained in organizing housing, consumer credit and savings cooperatives as well as unions. Approximately \$23 million is available in guarantee investments of AFL-CIO funds for cooperative housing.

In addition to these efforts, AID has provided help in practically every state, from the poorest to the richest. In addition to foreign aid funds, the dollar equivalent of nearly \$8 million in food-for-peace, Public Law 480, commodities have been used to feed people and build cooperatives, and AID-controlled local currency loans have stimulated homebuilding.

AID-assisted cooperatives have contributed to the economic and social development of their communities in many ways. Some of the

cooperatives' objectives include: expanding production and improving handling and marketing of foods; establishing farm service centers; developing resettlement projects and new frontier colonies; creating new sources of rural credit; stimulating low-cost housing for low-income groups and self-help slum improvements; expanding crop diversification in several areas where monoculture predominates; reducing rural unemployment and underemployment; establishing new savings institutions; expanding cooperative and community development through labor unions; manufacturing of poultry equipment; employing an increasing number of rural technicians in extension-type programs; and improving local rural electrification services in the State of São Paulo. The incipient Vila Kennedy project will provide for an adult vocational training course.

Among the most significant cooperative developments during the year were: creation of a national housing bank, which authorizes and encourages establishment of housing cooperatives; installation of a national cooperative training center at Campinas, in the State of São Paulo; organization of 30 housing cooperatives in the State of Minas Gerais, with 16,000 potential house buyers. The government of Minas Gerais will apply 20 percent of its tax revenues to this program. AID's loan of 5 billion cruzeiros (\$2.8 million), and new legislation for the National Bank for Cooperative Credit, will provide for a more direct participation of borrowing cooperatives in ownership and administration of the Bank. AID technical assistance was a major factor in this development.

Inter-American Development Bank loans for cooperative projects included: \$2.7 million for low-income farmers and their cooperatives, \$20.5 million for low- and medium-income farmers and their cooperatives (processed), \$6.4 million for Caixa Economica do Estado de Minas Gerais to assist 156,000 low-income rural people and their cooperatives, and \$2 million for Banco de Credito Agricola do Espirito Santo to assist 30,000 low-income rural people and their cooperatives.

During the year help was provided to 67 farm cooperatives with 50,000 members that were engaged in enterprises ranging from production and marketing to insurance, sales and credit. Assistance also was provided for 132 urban cooperatives, including 110 credit unions, with 65,000 members. Fifty of these cooperatives were organized during the year. Help was also given to industrial producers' cooperatives engaged in manufacturing and procurement, and in fishing and lumbering. The AID mission also assisted in the organization or development of the following regional and national cooperative associations: National Union of Cooperative Associations, Brazilian Cooperative Alliance, Union of Cooperatives of the State of São Paulo, Association of Cooperatives of Rio Grande do Sul, Central Cooperative of Coffee Producers of Mogiana, the three Central Producers' Cooperatives of São Paulo, Rio de Janeiro and Belo Horizonte, the Cooperatives of America (Brazil region), Central Housing Cooperative of Minas Gerais, and the Eastern-Meridional Federation of Savings and Mutual Credit Cooperatives.

Extensive use has been made of Public Law 480 food for peace to help cooperatives and related projects. The assistance to date has been of two kinds. The first involves the development of consumers' cooperatives at frontier settlements, through the use of Public Law 480 title II commodities in "grubstaking" projects. The food is

sold on a credit basis to members; the subsequent repayments become a cooperative "Special Fund," whose expenditures are approved by USAID. Thus far, two colony cooperatives have been activated and registered. They are:

Location	Name of cooperative	Members	Food tons	Program value
Gleba Arinos, Mato Grosso	Cooperativa Agricola de Consumo de Gleba Arinos.	180	203	\$72,072
Rio Ferro	Cooperativa Agricola	80	90	31,928

A council has been formed at Caceres Colony, Mato Grosso, and should be soon registered as a cooperative. The Public Law 480 program for this colony consists of 1,215 tons of foods valued at \$374,750. Over 1,000 settler families participate.

The second type of assistance consists of feed grain shipments to the active cooperatives listed in the chart below. The immediate objective of these projects is to improve milk, livestock, and poultry production through demonstrations, using these grains, or more effective production and marketing practices. Funds from the sale of these feed grains are budgeted for the following purposes, as approved by USAID:

1. Salaries of the technicians working with extension-type programs.
2. Financing of inventories of supplies for sale to cooperative members.
3. Capitalizing equipment for the use of cooperative members.
4. Production loans to individual cooperative members.

Cooperatives receiving Public Law 480 feed grain assistance

Location	Number of cooperatives	Number of members	Food program in tons	Current funds generated (cruzeiros) ¹	Current funds expended (cruzeiros) ¹
Pelotas—RGS	Conselho de 6 Cooperativas	5,890	5,890	17,416,805	10,689,502
Cidade de Deus—RGS	Secretariado de Ação Social da Arquidiocese de Porto Alegre.	180	1,850	21,751,352	17,914,877
Maranguape Ceafa	Cooperativa de Laticínios	1,520	5,400	25,135,958	10,396,219
Fortaleza—Ceafa	Cooperativa Avícola	508	6,700	15,459,634	1,263,313
Jacarepagua—Guanabara	Cooperativa de Agricultores e Criadores de Jacarepaguá.	1,200	5,400	11,911,620	2,743,198
Ijuí—RGS	Cooperativa Triticola de Ijuí	10,600	4,000	-----	-----
Santa Rosa—RGS	Cooperativa de Trigo de Santo Angelo, Filial de Santa Rosa.	14,100	4,000	-----	-----
S. Luis—Maranhão	Cooperativa dos Avicultores e Suino-Cultores de S. Luis Ltda.	380	2,150	-----	-----
Terresina—Piauí	Cooperativa Mista para o Desenvolvimento Agropecuário do Piauí.	1,200	2,500	-----	-----
Recife, Pernambuco	Conselho de 5 Cooperativas	7,606	12,000	-----	-----

¹ Approximate exchange rate \$1=1,850 cruzeiros.

Food for peace/USAID Brazil has still a third category of cooperative and urban community development projects now in the final stages of programing. These are:

Location	Members	Food program	
		Tons	Value
Vila Kennedy & Aliança, Guanabara.....	5,000	1,320	\$298,100
Curitiba, Paraná.....	1,300	914	207,985
Vila da Barca, Belém, Pará.....	1,500	413	119,270

The Vila Kennedy project will install a community bakery, using FFP commodities, products to be sold to 5,000 families living in 2 adjoining new housing developments. Earnings will be applied in individual and group loans to cooperative members and for adult vocational training courses.

The Curitiba project provides for the formation of a municipal housing foundation which will administer the distribution of Public Law 480 title II commodities to 1,300 low-income employees of the municipality. Payments deducted from the salaries of these workers will finance 100 new low-cost housing units, and loans to homeowners participating in the project. It is contemplated that with the development of local administrative leadership, the foundation will eventually become a building and loan association.

The Vila da Barca project will operate through an already existing cooperative organized by Redemptorist Fathers among the extremely poor population of a slum area in Belém. The project will provide "food for work" to cooperative members engaged in "self-help" community development projects planned by the cooperative.

The following Public Law 480 local currency loans have been approved for cooperative-type projects:

1. In December 1964 USAID loaned a state savings bank ("Caixa Econômica") in Belo Horizonte, State of Minas Gerais, 5 billion cruzeiros, one-half of which is earmarked for subloans to start housing cooperatives and the balance to be employed as seed capital for a statewide savings and loan program. The National Housing Bank of Brazil is providing a further loan of 5 billion cruzeiros. Most of this money has already been used to purchase building materials. The State of Minas Gerais contributes 20 percent of its tax revenues to this program.

At present 30 cooperatives are in operation, numbering 16,000 members. Some 900 houses have been completed and 4,100 are under construction. Plans envisage building 30,000 homes over the next 5 years.

More than 8,000 new savings accounts have been opened, with deposits totaling over \$250,000 (cruzeiros equivalent).

2. AID is supporting the National Housing Bank with a loan of 10 billion cruzeiros from counterpart funds for a program of home construction. The Bank itself will provide three times this amount. It is estimated that about half of these funds will be applied in projects for construction of cooperative housing in seven metropolitan areas of Brazil. New Federal legislation in support of such low-cost housing cooperatives provides for "monetary correction" to offset depreciation of these savings for housing, and will facilitate discount mortgages.

3. A loan of 5 billion cruzeiros should be negotiated soon between AID and the American Institute for Free Labor Development, in cooperation with the National Housing Bank, to finance construction of 600 homes in São Paulo's industrial suburb of São Bernardo dos Campos, for members of labor union housing cooperatives. AIFLD is developing plans to undertake similar projects elsewhere in Brazil.

4. In February of 1965, AID committed 100 million cruzeiros in loan funds to support the activities of the Credit Union National Association (under AID/W contract) in Brazil.

Other cooperative projects for which AID-controlled local currency was obligated include: The dollar equivalent of \$41,666 for training programs and \$5,733 for international transportation of a participant training group.

The AID mission has indicated that more use could be made of Public Law 480 resources in assisting cooperative development by increased use of title II feed grains for livestock development; increased use of food for peace in "work fronts" as partial wages to provide employment and undertake new rural development, slum improvement, and public works programs, and establishment of a loan fund with the National Bank for Cooperative Credit which would furnish capital financing to cooperatives.

Cooperatives have received strong support from the Brazilian Government. Administration spokesmen have often verified this attitude in public statements. A National Institute for Agrarian Development (INDA) was established recently to help promote cooperatives. It has absorbed the former Cooperative Agency of the Ministry of Agriculture, and maintains a good working relationship with AID.

In fiscal year 1965 nine participants received U.S. training in cooperative operations, and studied the different types of cooperatives. Seventeen took part in the Inter-American Savings & Loan Conference in Quito, Ecuador. Ninety persons received local cooperative training, and 23 persons attended classes to become cooperative instructors.

Cooperative assistance has acquired an international climate in Brazil. Germany, Switzerland, Netherlands, and the Government of the Republic of China in Taiwan have assisted in agricultural production and processing cooperatives, in consumer organizations, marketing, and general community development. The Netherlands Government is assisting nine cooperative settlements of Dutch immigrants. There is exchange of information among USAID, Swiss, German, and Dutch technicians assisting the Pindorama cooperative in Alagoas, and occasional contact between USAID technicians and several Dutch colonies.

The American Institute for Free Labor Development applies its own funds and a portion of an annual regional AID grant of \$300,000 for worldwide educational activities to maintain the Instituto Cultural do Trabalho in São Paulo, where training is offered for members of consumer and housing cooperatives. In 1965 the AIFLD loaned the equivalent of \$10,000 to trade union consumer cooperatives in Santos, Juiz de Fora, Rio de Janeiro, and Recife, for office equipment and operating capital.

U.S. non-Government organizations, under AID contract, which provided cooperative assistance in Brazil during fiscal year 1965 include FICD, AIFLD, CLUSA, CUNA, FCH, NLISA, and NRECA.

BRITISH GUIANA

(AID cooperative expenditures, fiscal year 1965, not available)

AID provided no direct assistance to cooperatives in this country during 1965. The Government of British Guiana, however, is interested in developing cooperatives. It has held discussions with representatives of U.S. cooperatives, and AID-contract personnel engaged in cooperative work in other countries. Areas of interest include development of a cooperative insurance program, a proposed housing guarantee program, a survey to determine the feasibility for establishing a bank for cooperatives, and participation in the Organization of the Cooperatives of America.

U.S. non-Government organizations, under AID contract, which offered cooperative assistance in British Guiana during fiscal year 1965 include AIFLD, CLUSA and FICD.

CHILE

(AID expenditures, fiscal year 1965, \$580,000, plus regional funded projects)

A private cooperative development bank (IFICOOP) to provide financial, technical, and managerial services to Chile's cooperatives has been established under the Alliance for Progress with a \$3,650,000 AID loan. The loan is supplemented by the equivalent of \$384,000 from Chilean sources.

Other major cooperative projects assisted by AID during the year included: \$3.3 million loan to rural electric cooperatives, \$5.5 million loan to savings and loan bank; \$240,000 for rural cooperative development and assistance; \$72,000 for technical training program of Cooperative Education Institute; \$189,000 for the Institute for Promotion of TECHO; and \$25,000 for rural improvements.

Inter-American Development Bank loans for cooperative projects included: \$5 million for savings and loan system, second \$5 million loan in 1965 for savings and loan system, \$2 million for housing, \$6.5 million for supervised agricultural credit, \$6,343,950 for colonization and cooperative development, and \$600,000 for cooperative marketing.

The AID mission in Chile believes that cooperatives can be the focal points for organization of large numbers of small businessmen, workers, farmers, and consumers, to defend and promote their interests, influence official policy, compete with monopolistic influences in the economy, and gain common social and economic benefits. Their development can help promote private sector growth and stimulate institutional changes in the structure of the economy in line with Alliance objectives.

The greatest need for accelerated capital formation and investment is in the rural areas. There the imbalance of income distribution and institutional weaknesses are pronounced, and capital formation is low. Expanded production and a better standard of living will require not only agrarian reform and land tenure changes but also the development of commercial and cooperative production, marketing, credit, and consumer facilities.

There is a large reservoir of underemployed and unemployed manpower living at a subsistence level in the cities. Similar commercial and cooperative production and marketing institutions are required

in low-income urban areas to improve distribution of needed commodities and to provide them at a lower price.

The Frei administration envisages a social, political, and economic transformation in the situation of the lower income population. However, the low-income sector, particularly in the rural areas has, to date had little opportunity to participate in local government and community affairs. There is a weakness or absence of rural community organization. There are no satisfactory channels through which the rural population can express its demands, through which reform can be adapted to local needs and desires, and through which the local population can join forces with national agencies to make required services more effective. While organized employees and industrial workers have considerable bargaining power, the low-income rural and urban interests have been left out of governing conferences.

Whatever ultimate success cooperatives have in influencing official policy and obtaining increased social and economic benefits will depend, in the opinion of the mission, on their management and financing effectiveness in meeting the needs of members, and in the general strengthening of the cooperatives' position in the political and economic framework of the country. Lack of training and experience is the first problem to overcome, followed by establishing adequate capital and sound legislation.

The Cooperative Development Bank is expected to be able to exploit new opportunities. Creation of the bank has been a priority mission goal for almost 4 years. It will continue to provide technical assistance, including services for 2 years of a U.S. cooperative bank expert. The bank should go far toward meeting the most pressing of the cooperative movement's needs for greater capital financing. The bank also will assist cooperatives in trying to provide improved marketing facilities and managerial skills. In normal operations, it will lend money to finance new facilities, agricultural production, and management assistance. Cooperatives in rural electrification, cattle raising, lumbering, farming, mining, fishing, and the marketing of essential commodities are included in the program. Currently, emphasis is directed at improving food distribution in the major metropolitan areas, and expanding urban marketing facilities.

In addition to technical and fiscal assistance, the bank is authorized to conduct financial negotiations, administer trust funds, or represent national or foreign enterprises for the purpose of channeling property or services to cooperatives. The underlying rationale for the bank, however, is its role as a mechanism to provide low-cost development credits to small and medium-sized private sector enterprises, thereby increasing private sector activity and entrepreneurial involvement in Chilean development.

The need for such assistance and direction was dramatized in the near-failure of a small cooperative which AID helped put back on its feet. This cooperative of Mapuche Indians in a small community about 600 kilometers south of Santiago almost failed when its manager embezzled all of the funds. Although the cooperative is small in net worth and total membership, its collapse could have had repercussions throughout southern Chile, and especially among the Mapuche Indians. Its collapse would have threatened the future of a number of small rural cooperatives. It is in a low-income area, where

the population has had little confidence in cooperatives due to a long history of failures. This situation highlighted the need for better management, better accounting and auditing techniques, and better financial supervision by both the Government and private organizations. It placed a new value on the Cooperative Education Institute.

About 3.8 million in escudos generated under fiscal year 1964 program loans are programed for support of fishing and land reform cooperatives. The mission is exploring the possibility of using Public Law 480 resources more extensively in cooperative projects involving land reform, resettlement, and establishing cooperatives. If 104(g) funds should become available next year under the new Public Law 480 agreement, it is possible that part of such funds could be used for credit programs for cooperatives through existing Government agencies.

There are six Government departments which are involved with cooperatives. They function as best they can on limited budgets. AID enjoys excellent relations with all of them.

Sixteen Chilean farmers, selected from the lower and middle income producers as promising leadership material, were in the group of 83 Latin American agricultural workers who received cooperative and community development training in the United States under an arrangement with the National Farmers Union.

Five other countries and the United Nations are also engaged in foreign assistance programs in Chile. There is an exchange of information through informal contacts, meetings, and through the United Nations surveys and publications detailing extensive bilateral and multilateral assistance to Chile. There has been no joint venture in assistance to cooperatives on the part of donor nations.

The nature of the assistance being provided by other countries during fiscal year 1965 follows:

Cooperative assistance provided by other countries

Country or organization	Type of cooperative aided	Contribution	Comment
Germany	(1) Agrarian reform	1 adviser	GOC request approved in fiscal year 1965—on board.
	(2) Small industries and handicrafts	Not yet known	GOC request not yet approved.
Israel	(1) Agricultural multipurpose	6 scholarships to date, with more next 2 years.	Special Spanish-language 4-month seminars, for Latin American countries.
	(2) Consumer cooperatives	2 advisers	GOC request approved—not yet on board.
Italy	(1) All types	Scholarships	Advanced training in Italy by the "Cassa per il Mezzogiorno" in rural studies and cooperative techniques.
Sweden	(1) All types	1 adviser	Adviser to the GOC in cooperative promotion and organization.
France	(1) Small industries and handicrafts	2 advisers	Now in Chile. (1)
United Nations	(2) Land reforms	1 adviser	Do.
	(3) Fishing	See comments	"Sociedad Auxiliar de Cooperativas Pesqueras" founded in 1962 by Ministry of Agriculture, CORFO, FAO Technical assistance for FAO.
	(4) All types	\$1,490,000 of foodstuffs under world food program.	Punitaqui Community Development project.
	(5) All types	\$398,000 of foodstuffs under world food program.	Proposed program with "Instituto de Viviendas Populares."

¹ Will offer advisers and scholarships for training in cooperatives and other fields, but the details of the assistance program have not been formulated.

U.S. non-Government organizations, under AID contract, which provided cooperative assistance in Chile during fiscal year 1965, include AIFLD, CLUSA, NFU, FICD, NLISA and NRECA.

COLOMBIA

(AID expenditures, fiscal year 1965, \$112,750, plus regional funded projects)

In Colombia the development of agricultural product marketing cooperatives, particularly in connection with the Agrarian Reform Agency (INCORA), is of particular significance because they are reaching out to the lower income groups that need them most. They are now almost entirely without any adequate marketing services. The development is a new start at bringing self-help services to the rural areas.

There is strong public support for cooperatives, but not much financial assistance to the Superintendente Nacional de Cooperativas has been forthcoming. There are four Government agencies in cooperative promotion—the Superintendente, INA, INCORA, and the Ministry of Agriculture. Some of the States of Colombia and some of the cities also have cooperative promotion programs.

AID has assisted most of the Government programs, but particularly the National Associations of Cooperatives, ASCOOP, and UNCNAL. It has done so in the belief that it is necessary to build centralized organizations to service individual cooperatives, so that a national cooperative structure will continue when AID assistance is phased out.

Cooperatives for which AID has provided assistance include agricultural production, marketing, purchasing, processing, breeding and services, multipurpose sales, electric, production credit and credit union, and general community assistance cooperatives. In the urban field its services included assistance to consumer retail and wholesale goods, insurance, housing, multipurpose retail, credit unions and savings and loan, specialized training, cottage industry, small manufacturing or procurement, and fishing and lumbering cooperatives.

There are 24 farm cooperatives, with 3,200 members, of which 8 were organized this year; 70 urban cooperatives with 70,000 members, of which 1 was organized in this year, and 2 industrial producers' cooperatives with 40 members. Most of them are organized or associated with Asociacion Colombiana de Cooperativas (ASCOOP) and Union Cooperativa Nacional de Credito (UNCONAL).

AID's assistance seeks to fit cooperative projects into the country's total development efforts. The agricultural marketing cooperatives have helped the program of agrarian reform by improving the marketing of products for local farmers. Credit cooperatives have helped small farmers in raising more and better crops. Consumer cooperatives are pioneering in merchandising techniques that help hold down the cost of living for city people. Credit societies are also making limited credit available to members at low cost.

Inter-American Development Bank loans for cooperative purposes in Colombia included: \$7.5 million for housing, \$2.5 million for housing, and \$7 million for cooperatives as part of the agrarian reform project.

The failure of retail consumer cooperatives belonging to employees of INA has seriously impaired the cooperative prestige. Reasons for the failure were overextension of credit, insufficient markup on merchandise, and poor management.

While no use is made of Public Law 480, food-for-peace, commodities or AID-controlled local currency to assist cooperatives, it is possible

that as agricultural marketing and farm supply cooperatives are developed, more Public Law 480 resources can be used.

One participant was trained in the United States to manage a credit union federation. General training in cooperatives was provided for 2,270 community officers and members at 40 general credit union information meetings. Special courses were also held for 900 persons in cooperative housing, accounting, and management.

Other countries and international organizations assisting cooperatives include West Germany, Sweden, Israel, Denmark, United Nations, and the Organization of American States. Most of the assistance is for scholarships abroad and training programs in Colombia. Representatives of the different countries maintain good relations among themselves and Colombian cooperative leaders. Frequent conferences are held.

U.S. non-Government organizations, under AID contract, which provided cooperative assistance in Colombia during fiscal year 1965 include AIFLD, CLUSA, CUNA, FCH, FICD, NFU, and NRECA.

COSTA RICA

(AID expenditures, fiscal year 1965, \$21,000, plus regional funded projects)

Cooperatives and related self-help projects have taken a new lease on life in this model Central American Republic. AID is actively assisting the Government of Costa Rica to meet the increased demand for electricity, better markets, and improved agricultural credit.

Costa Rica has a fine record of political and social development but its economic growth in recent years has lagged behind its annual population growth of 4.1 percent. The eruptions of Mount Itazu and the heavy floods have seriously reduced coffee production and even made it necessary to import feed for dairy cattle.

The Alliance for Progress through AID launched two major projects with \$4 million in loans. One project is for a municipal wholesale produce market in San José. The other is a rural electric cooperative project, adding 502 miles of primary lines plus two auxiliary substations and sufficient auxiliary equipment to serve 7 percent of the population.

Loans are being negotiated with the Inter-American Development and World Banks to finance low-cost housing, rural resettlement, modernization of communications, and further expansion of electric power. The Bank of Costa Rica's 42 rural credit boards, with seed capital provided by AID, now make 5,000 supervised credit loans annually. AID loans totaling \$10 million will have been disbursed by the end of fiscal year 1966. Up to 20 percent of the amount is available for subloans to cooperatives and to provide credit for newly settled farmers.

Inter-American Development Bank loans for cooperative purposes include \$1 million for financing institutions involved in the production, processing, or marketing of products of agriculture and fish, and \$1.3 million for recolonization.

The rural electric projects financed with a \$3.3 million AID loan will cover 860 square miles, and serve as models for other areas faced with power shortages. Total cost of the project is \$4,074,000. Adequate power at reasonable rates in the rural areas is linked to AID's

programs for farm-to-market roads, potable water supply, supervised agricultural credit, and rural health. The electric systems will belong to three privately owned cooperatives and the Costa Rican Institute of Electricity.

A municipal, wholesale produce market, complete with modern refrigeration and packing rooms, is to be built in San José with a \$650,000 AID loan. The market may ultimately be operated on a cooperative basis by the farmers. There is no wholesale market in the city at present. It is believed possible to improve health standards, increase returns for farmers and merchants, even while lowering prices, by reducing food spoilage, that now costs as much as \$360,000 annually.

The mission has helped train directors and employees of cooperatives, develop member education programs, and prepare educational and training material. It assisted 22 agricultural cooperatives, with 6,500 members, and 1 new local; 57 urban cooperatives, with 12,000 members, and 6 new local groups; 2 industrial producers' cooperatives with 200 members, and 14 commercial cooperatives, with 4,000 members, and 3 new local groups. Savings and loan and credit union cooperatives have the greatest opportunity for rapid growth. There are 33 savings and loan cooperatives with 2,400 members in the process of organization. The principal difficulty in developing cooperatives is lack of training and experience, followed by inadequate legislation, public indifference, and lack of credit.

No use has been made of food for peace, Public Law 480, to help cooperatives, although a proposal has been made by the mission to "grubstake" several resettlement projects.

The outlook for the future continues to be more encouraging. After reduced activity for a period of years the Government is again actively stimulating cooperative organization. The Ministry of Labor, Land Reform Institute, and the National Bank of Costa Rica are interested in expanding cooperatives. The National Bank has worked closely with AID. Both the Bank and the Ministry of Labor cooperate closely with CUNA. Five participants have received cooperative training in the United States. The only other country providing cooperative assistance is Israel, which is advising the Ministry of Labor on the creation of a cooperative bank, in which workers will eventually provide the capital. Israel also has furnished scholarships for Costa Ricans.

U.S. non-Government organizations, under AID contract, which provide cooperative assistance in Costa Rica during fiscal year 1965 include AIFLD, CLUSA, CUNA, FCH, and NRECA.

DOMINICAN REPUBLIC

(AID cooperative expenditures, fiscal year 1965, not available)

The "post-revolutionary" course of action for AID is unchanged from its original plans, although a sense of urgency has stepped up the timetable for projects. All of the special planning and new effort by AID sustain its original intent: "to support the efforts of the Dominican Government to lay the foundations for a healthy democratic system that can produce a stable and orderly political evolution."

The major focus in the overall planning is directed at developing and supporting efforts to stimulate agricultural development, and in the process to develop human resources. If there is any shift in emphasis on cooperative development, it is likely to be in the direction of making greater use of their resources. U.S. assistance is forthcoming from labor organizations, cooperatives, and farm associations, although it is too early to determine how extensive this help will be under the AID program. The present needs are for low-cost housing, agricultural and urban credit, savings and loan associations, rural electrification, and cooperative marketing and supply organizations.

The Inter-American Development Bank has made a \$1.7 million loan for cooperative housing.

An interesting sidelight on a cooperative development which has received local attention is the successful cooperative enterprise organized by a group of skilled shoemakers, after being refused a wage increase by their employer. The cooperative, assisted by the Instituto de Desarrollo y Credito Cooperativo, is reported to have flourished through the revolution, now has 61 members and assets of RD \$52,292. It is looked on as a pace setter for organizing artisans and small groups of craftsmen into production units.

U.S. non-Government organizations, under AID contract, which provided cooperative assistance in fiscal year 1965 include AIFLD, CLUSA and FICD.

ECUADOR

(AID expenditures, fiscal year 1965, \$494,000, plus regional funded projects)

The cooperative development program in Ecuador is a basic part of USAID/Ecuador's assistance program toward the overall social and economic effort of the country. Many Ecuadorean Government agencies are actively participating in the cooperative development movement, which is considered a basic part of the national 10-year development plan.

AID is providing technical assistance through its own staff and by contract arrangements with U.S. cooperative organizations such as the Credit Union National Association, the National Rural Electric Cooperative Association, and the Cooperative League of the United States. Emphasis for the future is directed toward the development of agricultural cooperatives, expansion of rural electric cooperatives, and improved management of credit unions and savings and loan associations.

The unique and successful mutual assistance Town Plans also utilize cooperative resources. All of these activities stress self-help community development and private sector participation.

The most significant cooperative development in 1965 was the establishment of the Banco de Cooperativas del Ecuador in Quito as a tool to provide reasonable credit facilities for cooperative enterprises, mostly for agricultural and artisan production. This bank is the first institution of its kind established in Latin America under the auspices of AID and within the scope of its inter-American cooperative bank development program. This program is undertaken in cooperation with the Fund for International Cooperative Development. The bank was capitalized with 99 members, the majority of

which are credit unions and agricultural cooperatives. Marketing, consumer, and transportation cooperatives are also represented. The cooperatives raised \$30,000 capital, have received a contribution from the Government of Ecuador and a \$1.2 million AID loan. The bank should be in full operation by mid-July 1965.

The Santo Domingo Rural Electric Cooperative, Ecuador's first, was established in fiscal year 1964. It has been given a \$650,000 loan by AID to expand its capacity and service area, and a grant of \$128,000 to finance the reconditioning of three 450-kilowatt generators donated from U.S. excess property stocks. The Kentucky Rural Electric Association donated materials valued at \$91,000 to the cooperative.

Subsequently, the Ecuador Institute of Electrification (INECEL) received a \$1.6 million loan from AID and \$8 million from the Export Import Bank, to carry out a \$12 million project to plan and coordinate the country's power development program. The INECEL is an autonomous agency of the Ecuadorean Government and is promoting the establishment of electric power companies and rural electric cooperatives in communities that need power for agricultural and industrial development. The nine projects in the proposed expansion take in the cities of Esmeraldas, Duran, Rioamba, Quevedo, Balzar, Loja, the communities of the Santa Elena Peninsula, and the Provinces of Manabai and El Oro.

AID was able to demonstrate during the year what town planning can create, at a relatively low cost, when whole communities are involved in projects that have a direct impact on the lives of the people. During fiscal year 1965 2 community projects and 5 special projects were completed, and 5 more town plans and 12 special projects were developed. Careful planning by AID, the Government of Ecuador and local authorities made it possible to make the most use of local resources to carry out a wide variety of projects, with assistance from AID, Peace Corps, and Voluntary Relief Services. The AID assistance consisted mostly of technical assistance, donations of excess property and Food for Peace, Public Law 480, title II commodities.

In the towns of Esmeraldas and Guaranda, the people built a carpentry cooperative, a cooperative refrigeration plant, mostly for fisheries, a cooperative municipal market, a medical center out-patient room, a Boystown training center, feeder roads to tap smaller farming communities, started leadership training, improved the streets, and purchased modern street cleaning and fire protection equipment. There also were reforestation and soil conservation projects.

In the towns of Cayambe and Pelileo, the people are digging an irrigation canal, expanding feeder roads, establishing carpentry and cannery cooperatives, developing a hemp industry, an industrial sewing center and a municipal market, putting in a potable water supply and expanding soil conservation. Similar projects are planned for other towns.

One project of special interest is the Centro de Reconversion, which plans to furnish machinery and equipment to farmers on a cooperative basis.

Extensive use has been made of Public Law 480 to help cooperatives. As already noted Public Law 480 funds have been used to assist farmers, artisans, fishermen and others through cooperatives which were developed as part of the Town Plan Projects.

A loan for \$110,000 dollar-equivalent from Public Law 480 generated funds was made to the Cooperative Bank in Ecuador for financing cooperative enterprises in short, medium, and long term loans. Use could be made of Public Law 480 resources to assist the National Credit Union Federation to strengthen its production credit projects in rural areas where farmers are being encouraged to organize such associations.

The main government agency in charge of cooperative programs is the Direccion Nacional de Cooperativas. It works closely with AID in all cooperative efforts. Measures have been taken to improve its effectiveness. In addition to this agency, the government is financially supporting the Cooperative Bank with the dollar equivalent of \$78,000, for the first 3 years, at a rate of \$26,000 per year. Government spokesmen also support cooperative development.

Implementing the success of the community and mutual self-help projects is the training program which is being encouraged in a systematic rather than dramatic manner. More than 600 persons received training in the organization and management of cooperatives, and 7,500 attended short courses on the organization and management of credit unions. Four participants were selected to go to the United States for training in rural electric cooperative organization and management, and in the organization and management of farmers' cooperatives.

The mission's assistance in cooperative development has utilized both direct-hire staff people and contracted specialists. The work included training directors and employees of cooperatives, assisting in preparing education programs, and educational and training material. During fiscal year 1965 the mission assisted 24 farmer cooperatives, with 1,500 members, including organizing 10 new groups, 200 urban cooperatives with 20,000 members, including organizing 25 new groups, and 16 industrial producers' cooperatives, with 180 members, including organizing 4 new groups.

The local cooperative organizations are being federated into the Credit Union National Federation, the National Housing Federation, or the Regional Transport Federation, for greater organizational strength and better planning of national programs.

The Inter-American Development Bank has loaned \$10.6 million for a cooperative housing project.

Other assistance for cooperative-type projects was furnished by Israel, West Germany, OEA, United Nations, the Andean mission, and religious organizations assisting with agrarian reform programs. The assistance given by Israel and OEA has been for training students at the Agrarian Reform Institute. Total assistance is the equivalent of \$90,000. There is some exchange of information among the different assisting groups, but no joint ventures.

The U.S. non-Government organizations, under AID contract, which provided cooperative assistance in Ecuador during fiscal year 1965 include AIFLD, FICD, CLUSA, CUNA, FCH, and NRECA.

EL SALVADOR

(AID expenditures, fiscal year 1965, \$45,000, plus regional funded projects)

Cooperatives have proved to be an effective method for helping to establish services which are basic to the country's rural development. They have served, also, as stepping stones for other community developments. Credit unions, and multipurpose cooperatives which will eventually become farmer marketing centers, have the best opportunity for growth.

A significant cooperative development took place in 1965. The Government's efforts at developing collective production were redirected so that cooperatives were able to furnish land leasing service and provide such production elements as seed, fertilizer, insecticides, fungicides, and spraying services for its farmer-members. The change has doubled the income of many farmers.

Cooperatives borrowed \$500,000 from the Government as the result of an AID loan made for that purpose. More use could be made of Public Law 480 food-for-peace resources as a source of loans for cooperative development, and to expand poultry and swine production. Cooperatives would furnish Public Law 480 commodities to members at cost, and use savings to accumulate capital in order to improve production and marketing services.

The Inter-American Development Bank has made a \$2 million loan for agricultural credit.

Cooperative development is the responsibility of the Ministry of Labor and the Ministry of Agriculture. The latter works through ABC, which operates on a loan from AID and is placing emphasis on building cooperatives through its loan and supervising assistance program.

There are presently 57 agricultural cooperatives with 11,200 members, of which 6 were organized in 1965; 49 urban cooperatives with 8,500 members, of which 35 were organized in 1965. AID has helped to train directors and employees, develop member education programs, and prepare educational and training material.

The credit union program, conducted by CUNA under contract with AID, has been sharing in an excellent training program. On a budget of approximately \$50,000 it has organized and conducted a school in cooperative management for 300 persons.

The West German Government is helping to organize multipurpose agricultural cooperatives and savings and loan societies, through the Secretariado Social Inter-Diocesano, Seccion de Cooperativas. The assistance is equivalent to \$90,000. The society has organized 40 informal cooperatives with 5,000 peasant members. The groups are unchartered because the society feels that the present commercial code tends to establish a corporation rather than a true cooperative society.

The U.S. non-Government organizations, under contract with AID, which provided cooperative assistance during fiscal year 1965 include AIFLD, CLUSA, CUNA, FCH, and NRECA.

GUATEMALA

(AID expenditures, fiscal year 1965, \$6,000, plus regional funded projects)

Credit and technical assistance are among the greatest needs of the 300,000 operators of small farms. The Government of Guatemala cannot afford to provide the services they need on an individual basis. Cooperatives provide a means by which these services can be provided at a cost that may soon be within the means available to the Government. Credit unions, which are beginning to be established, can if properly developed and expanded, be of much assistance in helping farmers, as well as low-income urban families, get credit at a reasonable rate of interest. Interest rates of as high as 10 percent per month for credit are not unheard of for small loans.

AID has helped cooperatives to train directors and employees, develop member education programs, and training material. It helped 41 farm cooperatives, with 4,800 members, including organizing 10 new groups during the year; 6 urban cooperatives with 2,615 members, and 1 industrial cooperative with 200 members.

Inter-American Development Bank has made a \$2.5 million loan for rural development.

Presently, credit, marketing, and production, and handicraft cooperatives have the greatest opportunity for development. Under AID/W contract with CUNA, four trained organizers have been working on formation and operation of credit unions. About 40 groups were organized in fiscal year 1965, with a family membership of 1,516. It is anticipated 150 credit unions with a membership of 37,500 will be organized by the end of 1968. Most local groups belong to the National Credit Union Federation of Guatemala.

There have been no serious reverses in recent years, although there are many inactive organizations, due mostly to lack of experienced leaders and informed membership.

The Government strongly supports the formation of cooperatives, as is indicated by a new law, approved in 1965. This law provides for a National Federation of Cooperatives, and places the responsibility for them in the Ministry of Economy. There also is a cooperative section in the Ministry of Agriculture. Credit for agricultural cooperative operations is available from the Government-supervised Agricultural Credit Agency.

No Public Law 480 food-for-peace resources have been used to help cooperatives or related projects such as agrarian reform, land resettlement or community development.

Other countries which are assisting cooperatives are Belgium, Israel, and Germany. They are joined by AID in helping 100 farmers, who have donated more than 10,000 man-days labor, to build an irrigation system in the Jocotan area. AID provided a tractor from excess materials for building roads and digging irrigation canals. The effort is a community project, but the farmers have not yet been organized into a formal cooperative.

U.S. non-Government organizations, under AID contract, which provided cooperative assistance in Guatemala during fiscal year 1965 include AIFLD, CLUSA, CUNA and NRECA.

HONDURAS

(AID expenditures, fiscal year 1965, \$21,000, plus regional funded projects)

Credit unions are currently the most effective AID-assisted cooperative-type project underway in this country. Most of the 25 local organizations are located in rural areas. They have been making more credit available at reasonable rates of interest. A 5-year projection of growth anticipates a 3.2-percent increase in real income to the people due to the credit union program. The 1-week training program conducted by CUNA, under contract with AID, was attended by 2,500 persons. There also has been extensive on-the-job training in credit unions. Three persons are in the United States taking courses in cooperative development and leadership.

AID is also assisting multipurpose agricultural, consumer housing, credit, cottage industry, and consumer cooperatives. It has helped 68 associations with 3,500 members, including organization of 35 new associations during the year.

Lack of training and experience and a shortage of credit have hampered development of cooperatives. A fishing cooperative is in serious difficulty, primarily because of lack of education work and neglect of the self-help aspect of cooperative development. Considerable outside assistance was provided. No financial support was required from the people it was created to assist. The resulting lack of involvement and interest among the people was a warning that trouble was ahead.

AID has assisted in training directors and employees of cooperatives, in developing education programs, and preparing educational and training material.

Thus far, no use has been made of Public Law 480 food for peace in cooperative-related projects, but a pilot project is scheduled for fiscal year 1966. Plan is to use food for work projects which would help cooperatives engage in community development activities.

The Inter-American Development Bank has made a \$2.5 million loan for rural development.

The Honduras Government's principal center of cooperative activity is the Direccion de Fomento V. Cooperative. It is attempting to unite all cooperative efforts in the country. The agency works closely with AID.

West Germany and Great Britain are also assisting cooperatives. Their efforts, thus far have been limited to extending scholarships.

U.S. non-Government organizations, under AID contract, which provided cooperative assistance in Honduras during fiscal year 1965 include AIFLD, CLUSA, CUNA and FCH.

NICARAGUA

(AID expenditures, fiscal year 1965, \$60,000, plus regional funded projects)

The AID mission reports that starting a cooperative enterprise frequently marked the first time the people in Nicaraguan communities had ever engaged in organized effort to use self-help to help everyone. Once the people understood what they were doing, and as they saw that they would share in the benefits through cooperative effort,

they were quickly encouraged to develop new self-help community projects.

A general cooperative law has been drafted and is expected to be acted on by the Nicaraguan Congress in 1965. AID works directly with the Cooperatives Division, National Planning Office, which actively supports cooperatives, and carries on education, organization and development in their behalf. The Cooperatives Section in the Ministry of Labor is primarily concerned with registration.

The Inter-American Development Bank has loaned \$2.5 million for assistance to low-income farmers and their cooperatives.

Public Law 480, food for peace, commodities have been used in connection with a self-help project in an agricultural colony where AID provided equipment and supplies, to build an adequate water system. Food was provided on a food-for-work basis during construction. On another self-help cooperative project, where an east coast community is hand-digging a small canal to complete an inland water route, food is being used in the same way. AID-controlled local currency was used for a small contract with the Foundation for Cooperative Housing to investigate self-help rural housing in the Siuna area. A demonstration house was built on the basis of the survey, which is to be incorporated in the findings of a national cooperation housing study for overall implementation and financing. It may be possible to develop Public Law 480, title II feed grain projects in connection with the development of agricultural cooperatives.

AID has assisted, through direct-hire personnel, in the training of directors and employees of cooperatives, in member education programs, in preparation of educational and training material, and in technical help. Assistance was provided for 54 agricultural production, marketing, purchasing, electric, and multipurpose cooperatives, as well as consumer retail, housing, credit union, transportation, and industrial fishing cooperatives. Direct assistance was provided 3 farmer cooperatives with 808 members, with two new locals; 8 urban cooperatives with 727 members, and 2 new locals, and one new industrial cooperative with 25 members.

The most significant cooperative development during the year was the Yali Agriculture Cooperative in the Department of Jinotega, a northern and rather isolated part of the country. After organizing a supply and marketing cooperative, the first additional concern of the members was for the improvement of health and sanitation. They met the requirements for having their community included in the rural mobile health program. The people are now raising funds for a small community health clinic building and a full-time doctor. The cooperative is also the moving force in building penetration and farm-to-market roads connecting several communities.

The cooperative helped the community raise \$3,000, pledge another \$3,000, and encouraged another community to raise a similar amount, toward the first increment of roadbuilding. AID is investigating the possibility of furnishing U.S. excess road construction equipment through the special development activities project.

The cooperative also sponsors a youth club, dedicated to the social and cultural improvement of youth through democratic principles.

Seven participants are taking cooperative management training in the United States, and three are taking credit union training in a third country. In Nicaragua, 30 persons attended classes in consumer and transportation cooperatives, 142 in credit union and savings.

No other countries are assisting cooperatives. The Organization of American States has provided scholarships and offered courses in cooperative training.

The U.S. non-Government organizations, under AID contract, which provided cooperative assistance in Nicaragua during fiscal year 1965 include AIFLD, CLUSA, CUNA, FCH, NLISA, and NRECA.

MEXICO

(AID cooperative expenditures, fiscal year 1965, not available)

There is little opportunity for AID to work directly with Mexican cooperatives, although AID loans to central banking organizations or regional societies frequently benefit cooperative members.

AID is indirectly associated with a project whereby 10,000 Mexican families who are members of the cooperative Cacao Producers Association, secured a \$500,000 loan to equip a chocolate factory in Italy to handle their commodities. The Government of Italy also is assisting in this project.

The total cooperative movement, however, is limited and not too effective in Mexico. The best opportunity for development is in farm production and marketing. One of the most significant developments in 1965 was the consolidation of the producers' unions for cattle, cacao, and bananas in the State of Tabasco.

AID made an additional \$20 million available for supervised agricultural credit to supplement a \$20 million loan made in 1962 to the Nacional Financiera, official development bank. The new line of credit is administered by the Banco de Mexico through the Livestock and Agricultural Development Fund (Fondo), a trust within the bank. Fondo in turn extends loans to 1,000 private banks serving farming communities.

The Inter-American Development Bank has loaned \$2.5 million for low-income farmers and their cooperatives, and \$10 million for housing.

U.S. non-Government organizations, under AID contract, which offered cooperative assistance in Mexico during fiscal year 1965 include AIFLD, CLUSA and FCH.

PANAMA

(AID expenditures, fiscal year 1965, \$5,000, plus regional funded projects)

Cooperative development in this country is being sparked by a new display of interest by both the Government and the people, especially in the agricultural regions. Six agricultural producer cooperatives are now active. They are making a contribution to rural development, having been instrumental in increasing the quantity and quality of production, and in improving marketing facilities.

Cooperative activities are centered in the Ministry of Agriculture, Commerce, and Industries, with which AID is closely associated. It has assisted in training directors and employees of cooperatives, developing member education programs, preparing educational and training material, and in furnishing technical help.

In the process, AID has assisted in organization or development of 5 farmer cooperatives with 50 members. In Panama it is difficult to distinguish between a cooperative and credit unions, as they are all designated as cooperatives. There is a PASA regional agreement with Credit Union National Association for providing training and organizing assistance. The training is offered to all cooperative organizations.

In the agricultural field there are two livestock producers' cooperatives, one rice production cooperative, one fruit and vegetable cooperative, one coffee cooperative, and one fish marketing and processing cooperative.

The cooperatives that presently have greatest opportunity for growth are production and marketing organizations. The most significant development during the year is the new cooperative abattoir in *Chiriqui Province*. A French company negotiated a \$1 million loan with the Cattlemen's Cooperative of *Chiriqui Province* to build and equip the abattoir. The French company is also interested in negotiating a loan for a fruit and vegetable production and marketing cooperative. There is talk of second cooperative abattoir, but financing has not been made available, as of fiscal year 1965.

There is a minimal amount of correspondence between USAID and the French, although USAID is interested in the abattoir and its effect upon rural development.

No Public Law 480 food-for-peace resources have been used to help cooperatives or related projects. Implementation of the agrarian reform law, however, is underway, and resettlement and community development is now under consideration. Public Law 480 commodities may help to develop these programs. The most effective means probably would be to "grub stake" settlers.

The Inter-American Development Bank has loaned \$2.5 million for agrarian development.

Four participants received AID assistance in training abroad to amiliarize themselves with credit union structure, management and organizing techniques.

U.S. non-Government organizations, under AID contract, which provided cooperative assistance during 1965 include AIFLD, CLUSA, FICD, CUNA and FCH.

PARAGUAY

(AID expenditures, fiscal year 1965, \$3,000, plus regional funded projects)

The AID mission has had no direct relationship with cooperative development, which has been almost negligible in this country. There are indications, however, that more assistance is coming from the Government of Paraguay, as well as from other countries and private organizations.

A sign of a more favorable climate for cooperatives is the organization of 16 small production, marketing, and general-purpose cooperatives with a membership of 566 families in 1965. The National Development Bank is now disposed to loan money for the organization of cooperatives.

Cooperative communities established by emigrants from Germany, Japan, Netherlands, and North America are being assisted by their countrymen. Assistance also comes from church organizations with

which some of the colonies are affiliated. One of the most successful communities is a thriving Mennonite colony.

The growing importance of cooperatives in rural development and opening up new lands led the mission to add a cooperative adviser to its staff in July 1965. Use was made of Public Law 480, food for peace title III foodstuffs to "grub stake" 9,800 first-year settlers in the Paraguayan Government land settlement program. Many of the colonies began forming their own local cooperatives. They are being given technical assistance by AID.

Inter-American Development Bank loans for cooperative purposes include \$3.4 million for new housing, and \$2.9 million to assist low income farmers and their cooperatives.

The Government's Cooperative Section, in the Ministry of Agriculture, is limited by an inadequate budget and a two-man staff.

U.S. non-Government organizations, under AID contract, which offered assistance in Paraguay during fiscal year 1965 include AIFLD, CLUSA, and NRECA.

PERU

(AID expenditures, fiscal year 1965, \$15,000, plus regional funded projects)

Cooperatives provide a means for organizing people at the lower socioeconomic levels in Peru, so they can benefit from, as well as contribute to the national development. So far as they are able to do this, cooperatives are making a real contribution to the well-being of this country. They are being encouraged to bring the benefits of social progress to the poor, because in Peru the social and economic disparities between a small minority and a large majority are extreme.

The mission assists in training directors and employees of cooperatives, in member education programs, and in preparing educational and training material, and providing technical help, mostly on a contract basis with U.S. cooperatives or universities. Assistance was provided for two new cooperatives, an agricultural association with 2,500 members and a cottage industry group with 30 members. AID also was identified with 600 urban cooperatives, of which 102 are new groups, with 283,826 members.

In the towns AID has helped to organize 8 central and 35 satellite cooperacion popular centers. Among the young campesinos in the country AID is helping to organize nonprofit, cooperative-type asociaciones campesino popular, so members can buy better seed, fertilizer, farm chemicals, farm equipment, and even machinery, at cost, to increase their production and improve their incomes.

AID also works closely with cooperative federations, the three major ones being FECOVIPE, FEDECONSUMO CO-OPS, and MUNICIPALES FENACO-OPCRED.

All types of cooperatives would have an opportunity to develop rapidly if they could overcome the present lack of trained and experienced leaders. Among the more significant developments during 1965 was the organization of the Cooperativa Electrica Comunal del Centro del Peru, which now has 2,500 members. This cooperative

was developed under a National Rural Electric Cooperative Association-AID contract.

The housing cooperatives were in a rather disorganized state until the creation of ASINCO-OP, the savings and loan association for housing cooperatives, made a change for the better. Assistance to stimulate housing included an AID loan of \$6 million, plus matching funds of the Government of Peru for \$4 million for 1966 and 1967. This made it possible to expand the operation of ASINCO-OP. Other resources available are \$14 million from the Banco de la Vivienda, and a \$3 million proffered loan of AFL-CIO funds through the American Institute for Free Labor Development. The 19 savings and loan associations have 21,000 members and have financed 2,710 new homes. Savings are now \$18 million.

Inter-American Development Bank loans for cooperative purposes included \$1 million for savings and loan, another \$1 million for a similar purpose, and \$1 million for credit unions.

Peru has an extensive credit union organization, well structured and with a central federation, which also assists in housing. Its significant contribution to date, however, has been to reach people at the lower economic levels, and to encourage them to save. These efforts, which combine assistance from AID, the missionary zeal of dedicated individuals and voluntary agencies, with help from the Government, have brought literally many thousands of people into the money economy and national life of the country. The training center for credit union programs in Lima attracts hundreds of students from all over Latin America. AID has assisted in sending delegates. These international conferences add an extra dimension to cooperative importance, the mission feels, because they demonstrate how cooperatives stimulate new work among people of like interest in other countries, thereby strengthening the common bonds of freedom-loving people.

Little use is made of Public Law 480, food for peace commodities for cooperatives or related projects. A feed grain cooperative project has been submitted to Washington for approval, but will not be acted on until fiscal year 1966. A \$1 million Public Law 480 local currency loan was approved to finance the Villa Los Angeles Cooperative Housing project. More use could be made of Public Law 480 resources by having funds available for loans to assist cooperative projects, perhaps made through existing cooperative credit institutions, or other institutions that provide financial assistance to cooperatives.

The present administration strongly supports cooperatives. Everyone, from the President on down, has made public statements about the importance of cooperatives to the national economy. The National Institute of Cooperatives (INCOOP) was organized by the Government to stimulate cooperative development. The cooperative law passed in 1965 is favorable to cooperative organizations.

AID is aware of the importance of cooperative training. It assisted 80 persons to receive training from the Foundation for Cooperative Housing under AID contract, 528 persons to receive training in credit union leadership, and 453 to receive cooperative training abroad.

Cooperative assistance is also being furnished by Israel, Sweden, and West Germany. Their principal effort is in consumer cooperatives. Israel and a private German institution are also providing technical assistance for transportation cooperatives. Forbundet of Sweden is providing technical assistance through OCA to consumer cooperatives. The recent Savings and Loan Conference in Quito, Ecuador, was an opportunity for Peruvian delegates to share information with people from various Latin American countries.

U.S. non-Government organizations, under AID contract, which provided cooperative assistance in Peru during fiscal year 1965 include AIFLD, CLUSA, CUNA, FCH, NFU, NLISA, and NRECA.

URUGUAY

(AID expenditures, fiscal year 1965, \$20,000, plus regional funded projects)

There is a genuine need for a vigorous cooperative movement, especially in the marketing of agricultural products, but so far a limited understanding of cooperative principles by members and a lack of qualified people at the management level have not permitted the movement to prosper.

The Government of Uruguay is sympathetic to the development of cooperatives. Existing laws have provided many consumer and agricultural cooperatives with a tax incentive. If the agricultural cooperatives can manage the marketing, and especially the exporting, of wool, meat and grain, the tax benefits could provide the necessary incentive to boost production of these commodities. So far, however, too many cooperatives have been organized with little understanding by members of cooperative principles. This, when coupled with a dearth of qualified managers, has impaired healthy growth.

Currently cooperatives with the best opportunity for development are those engaged in handling milk, peanuts and wool, and the export of wool.

The most disastrous setback was the collapse of the Federacion Nacional de Cooperativas Agropecuarias, Ltda. (FENACOA), a national federation of 100 agricultural cooperatives. The probable reason for the failure was the lack of adherence to basic cooperative principles.

Public Law 480 food for peace resources have not been used for cooperative development, and probably will not in the future.

The Ministry mostly responsible for cooperatives is the Division de Cooperativas, Ministerio de Ganaderia y Agricultura, which serves as a control office, but provides no development assistance. It scrutinizes the annual balance sheets of cooperatives.

Cooperative assistance is also provided by Accion Internacional de Desarrollo Cooperativo (ACINDECO), of Belgium, which conducts international training courses for Latin American cooperative leaders, through the Centro Cooperativo del Uruguay. Thirty participants attend this year's two-month course.

The U.S. non-Government organizations, under AID contract, which provided cooperative assistance in Uruguay during fiscal year 1965 include AIFLD, CLUSA, and FICD.

VENEZUELA

(AID expenditures, fiscal year 1965, \$63,750, plus regional funded projects)

AID is seeking to provide adequate assistance to expand consumers' cooperatives, help agricultural producers, and encourage rural electrification in the country. The most significant cooperative development has been the establishment of two pilot REA-type cooperatives, and the formation of an Inter-American Savings and Loan Association with members drawn from almost every Latin American country. Cooperatives with the greatest opportunity for development are rural electric and farmers' marketing and supply organizations.

These activities fit neatly into the total development effort in Venezuela. Rural electrification cooperatives can help overcome the lack of power which has been a limiting factor on development of interior towns and cities and has slowed industrial growth, especially of plants related to agricultural processing. Electric cooperatives can also stimulate marketing of farm produce by providing means for better grading and distribution of commodities, and reducing spoilage. The establishment of 2 REA-type cooperatives is providing 10,200 families with electricity on a 24-hour basis.

In less than 3 years the savings and loan societies have accumulated Bs80 million and made 3,100 mortgage loans totaling Bs1,360 million. This rapid development of savings and loan societies is contributing to an increase in the new housing inventory and private construction field.

AID during the year assisted 18 farm cooperatives with 900 members, including 5 new local organizations; a savings and loan system with 28,000 members and 21 subsidiary systems; four industrial producers cooperatives with 520 members, including 2 new groups; and 10 commercial cooperatives with 3,500 members. The organization of the Consumers Cooperative Federation and the National Cooperative Bank have helped to strengthen the entire cooperative structure in the country.

The Inter-American Development Bank has loaned \$12.7 million for land settlement in Venezuela.

AID helped to train directors and employees of cooperatives, develop education programs of the consumers' cooperative federation, and prepare educational and training material.

Wider use of Public Law 480, title III, food-for-peace commodities in cooperative projects, is being tested in several pilot projects. If they are successful, title III may be used to augment seed capital loans to savings and loan organizations.

The Government supports cooperatives. Cooperative legislation is being revised and improved. Cooperative activities are in the Ministry of Labor and the Ministry of Agriculture. AID has excellent working relations with both Ministries. The Ministry of Labor provides reasonable assistance when requested. Agricultural cooperatives, which are under the supervision of the Ministry of Agriculture, suffer from lack of organization and poor planning. The operative heads of the Central Office of Savings and Loan and individual associations are capable and energetic.

During 1965, 21 persons received on-farm training in the United States under a National Farmers Union contract. Fifty more received cooperative training in Venezuela.

Other nations and organizations assisting cooperative projects include Organizacion Cooperativa Americana (OCA), Israel and United Nations (FAO). Assistance is provided for rural electric, consumer, marketing, and fisheries cooperatives, in the equivalent of \$75,000. USAID and Peace Corps volunteers cooperate with OCA, FAO, and Israel. There are no joint ventures. Two FAO cooperative experts are attached to the National Planning Commission (CORDIPLAN).

U.S. non-Government organizations, under AID contract, which provided cooperative assistance in Venezuela during fiscal year 1965 include FICD, AIFLD, CLUSA, NFU, and NRECA.

REPUBLICS OF CENTRAL AMERICA AND PANAMA (ROCAP)

(AID expenditures, fiscal year 1965, \$82,250, plus mission and regional funded projects)

ROCAP's cooperative energies are devoted to funding the organizational work of Credit Union National Association (CUNA) and the Foundation for Cooperative Housing (FCH) in the Central American Republics. The objective is to eventually organize regional credit and housing federations in this block of republics, extending from Guatemala south to Panama.

ROCAP pays the cost for a CUNA regional director and a country director for each of the Central American countries, and some regional conference costs, with USAID missions funding local in-country costs. A similar arrangement is made with FCH, under an ROCAP contract.

From a viewpoint of most countries in Central America, credit unions and housing cooperatives have first priority in development. Marketing cooperatives are also being encouraged, but ROCAP is not now involved in this activity.

CUNA organized 166 credit unions, in addition to giving assistance to those already established, in its first 9 months of operations in fiscal year 1965. This was accomplished with limited facilities, vehicles, and supplies. The FCH project has not accelerated at the rate of credit union activity, because greater leadtime is needed, but its development is favorable.

ROCAP does not have access to Public Law 480, food-for-peace resources, but believes that they might be used to advantage in cooperative housing projects. Local generated funds or commodities might be used for technical development teams to study and submit project applications, or as incentive resources to encourage private investors to develop low-cost cooperative housing. The resources might be used as seed capital to start credit unions and credit union banks. These funds also could be used for training and administrative support until the cooperatives and credit societies became self-supporting, thus accelerating their growth.

The Council of Labor and Social Welfare (ODECA), composed of all the Labor Ministries in the Central American region, has given cooperatives a high priority in its development and integration plans.

The National Bank and Agrarian Reform Institute have expressed interest in the development of an expanded supervised credit program.

The Institute is preparing a loan application to establish such a regional program.

The second general cooperative seminar was concluded in June 1965, with the presentation of diplomas to 40 persons interested in cooperatives.

The Rural Electric Cooperative Association has purchased a site near Guatemala City, for regional headquarters and service facilities.

The credit unions have conducted basic courses for 10 groups interested in organizing credit unions.

ROCAP has no knowledge of regionwide assistance given to the Central American countries by any country but the United States.

For additional information see reports on Panama, Costa Rica, El Salvador, Nicaragua, Honduras, Guatemala.

AFRICA

Summary of disbursements for fiscal year 1965

Regional (including worldwide contracts)-----	\$402, 573
Missions-----	1, 151, 000
Total -----	1, 553, 573

CAMEROON

(AID expenditures, fiscal year 1965, \$5,000, plus regional funded projects)

AID provided no direct help for cooperatives during fiscal year 1965, but it plans to furnish assistance for a handicraft cooperative with 800 members, recently established by a Peace Corps volunteer. Assistance will include equipment valued at \$4,000. AID provided funds for several employees of the West Cameroon State Ministry of Cooperatives and Community Development to study in the United States.

Lack of experienced personnel has been the most serious weakness of cooperatives in both east and west Cameroon, followed closely by lack of credit. Financial integrity of employees has also been a problem among some cooperatives.

There are coffee, banana, and cacao marketing cooperatives, but their success and scope of operations are extremely limited. Temporary cooperative-type organizations were established in cacao pilot zones to use spraying equipment and disease control measures. No permanent organization, however, has been established.

USAID believes that a multipurpose cooperative to assist in the producing, transporting, and selling of agricultural produce in urban centers could be a useful adjunct to AID's agricultural extension project.

West Germany, France, and United Nations (ILO) have provided technical assistance and made recommendations for a cooperative program for the next 5-year plan (1966-70).

DAHOMY

(AID expenditures, fiscal year 1965, \$15,000, plus regional funded projects)

Dahomey is a small coastal country with few exploitable resources and a per capita GNP of only \$60-70 per year. The Government considers increasing agricultural output to be the basic starting point for economic development. AID's small technical assistance

program is concentrated in agriculture, with additional activities in transportation, communications, and vocational educational. A cooperative training program, designed to reach people at the village level, as well as to instruct organizers and leaders at the agricultural school, was carried on by National Farmers Union under contract with AID. It was phased out this year. AID provided assistance to the Fisheries Service for the construction of facilities for bait storage and temporary storage of fish in two recently established fishing cooperatives. This is being used as an expanded extension program in fisheries. AID is preparing to assist in the establishment of two pilot cooperative villages next year. The pilot villages are planned to facilitate the use of modern equipment and methods which will increase production and which could not be utilized by Dahomean farmers on an individual basis. Israel agricultural advisers are assisting in establishing rural development centers, around which the cooperative villages will be located.

The only U.S. non-Government organization, under AID contract, which provided cooperative assistance during fiscal year 1965 was NFU.

ETHIOPIA

(AID expenditures, fiscal year 1965, \$20,000, plus funded regional projects)

The cooperative movement is in its infancy in this country. There are only four registered agricultural cooperatives and one savings and loan society. The opportunity for growth, however, is wide open, and the time favorable for increased AID assistance.

The Cooperative Department of the Ministry of National Community Development has attempted to stimulate more interest in cooperative development by publishing articles in local newspapers. The current 5-year plan, which makes special mention of cooperatives, has the support of the Emperor.

The expansion of activities in the Ministry of National Community Development, and the personal interest of the Minister, are significant current developments. The Ministry has arranged to train some of its personnel in India and Ethiopia. It has stationed cooperative officials in an advisory position in newly developing rural cooperatives.

The Government considers cooperatives an important means of assisting rural agricultural development. Since the country is primarily rural and its present marketing system is primitive, agricultural marketing cooperatives have the best opportunity to develop.

During the past year AID provided assistance to 4 agricultural cooperatives with 250 members, and a savings and loan society with 1,000 members. While technical assistance for the savings and loan project ended in fiscal year 1964, AID continued to serve in an advisory capacity. It provided funds for a participant in the United States and another at a third-country conference.

Support of cooperatives was a secondary, but valuable, function of the Oklahoma State University contract team, engaged in agricultural education and research. A survey team from National Farmers Union investigated the possibilities of expanding and improving cooperative services. It found conditions favorable for several new coffee and grain marketing cooperatives.

Public Law 480 food-for-peace resources have been used primarily for reforestation, and the construction of community roads and dams. There is opportunity to use these resources, especially Public Law 480 local currency loans, to support the mechanism for extending small-scale credit to cooperative societies.

Other nations which have provided cooperative assistance include India, Israel, and Yugoslavia. India furnished guidance and training on cooperative techniques. Israel is assisting agricultural and credit cooperatives. Yugoslavia has developed huge cooperative farms, which are better defined as state farms with workers drawing salaries from the Government. There is some question as to how successful these farmers have been. The services furnished by these countries amounted to approximately \$50,000.

U.S. non-Government organizations, under AID contract, which were in Ethiopia during fiscal year 1965 include CUNA, NLISA, NFU, and FCH.

GHANA

(AID expenditures, fiscal year 1965, \$20,000, plus regional funded projects)

The Government of Ghana relies upon cooperatives as a vehicle for developing its agriculture. Thus, the greatest opportunity for growth is in agricultural production, marketing, and credit. As of November 1964, there were 1,277 farmer cooperatives. They were mostly in the cacao producing areas. They are registered under the laws of Ghana.

By U.S. definition, however, these organizations do not qualify as cooperatives. Moreover, this movement has not inspired widespread support from producers. This is because it is centrally controlled and fails to make adequate preparations for membership participation in planning, training, and control. Control is vested in the United Ghana Farmers Council Cooperative. The members have no vote in the operation of their cooperative, no financial responsibility, and do not share in earnings derived from the sale of their commodities.

The newly created Minister of Cooperatives Development is endeavoring to promote legislation to establish a cooperative movement based upon voluntary, democratic principles. It is hoped this will enable cooperatives to take a more active part in agricultural development. Other encouraging moves by the Government are decisions to concentrate on fewer crops, to consolidate and cutback on over-expansion, and to establish training courses for cooperative staff people and members.

AID assistance in cooperative development has not been requested in recent years. At present it largely consists of advising on general education, the preparation of publications, and in taking part in training seminars. AID has maintained a marketing and cooperative adviser.

No use is made of Public Law 480 food-for-peace resources. If farmer-controlled cooperatives are promoted, however, Public Law 480 local funds might be loaned as capital to help the new cooperatives to develop.

Other countries providing cooperative assistance include the Eastern bloc countries of U.S.S.R., Yugoslavia, Czechoslovakia, and Poland. They have been involved in agricultural production and marketing.

AID has assisted three participants to study cooperative management and operation abroad.

GUINEA

(AID expenditures, fiscal year 1965, \$149,000, plus regional funded projects)

A palm oil extraction project, initiated by AID at the request of the Government of Guinea, has turned from a commercial into a cooperative private enterprise. This was done in order to get small farmers to deliver a steady supply of palm fruit to the oil production centers. While cooperative development was not the primary purpose of this project, the Guinea Minister of Rural Economy refers hopefully to cooperatives as a means of building up an extensive palm oil extraction industry.

The contractor in charge of the project, which began in 1963, was charged with finding a way to produce palm fruit oil in sufficient quantity and at an economical, break-even point, in order to reduce imports of edible oil. In the beginning, workers did not collect enough palm fruit from the groves and plantations to keep the oil production centers operating steadily.

In 1964, 13 cooperatives were organized in 2 palm producing areas, in an effort to assure the widest possible distribution of earnings among those who collected the fruit and worked at the pressing centers. Between June and September of 1964 the delivery of palm fruit increased considerably. The 370 families in the cooperatives were also offered needed consumer goods. Because of general scarcity of these goods they are more acceptable as an incentive than the cash price otherwise paid for the fruit. The cash income of the members has also increased.

At present Public Law 480 food-for-peace commodities are not being used in any cooperative undertaking. Studies are underway to determine whether they could be exchanged for palm fruit to stimulate production. Counterpart Guinean francs have been extensively used to meet the costs of personal services, supplies, equipment, rent, and utilities. Use of Public Law 480 title II section 202 feed grains for the improvement of secondary roads to the palm groves is being contemplated. Secondary roads are essential if other cooperatives are to be organized in areas where fruit collection is to be expanded.

KENYA

(AID expenditures, fiscal year 1965, \$105,000 estimated, plus regional funded projects)

Since independence in December 1963, the Government of Kenya has been organizing the future development of cooperatives along lines that emphasize administrative and management efficiency, in addition to intensifying and widening the scope of the movement. These are generalized as follows:

1. A rationalization of the structure of the movement at both the district and national levels.
2. Granting additional powers under the act to the Commissioner for the purpose of exercising closer supervision on the affairs of individual societies and unions.

3. An expanded program of education for cooperative societies members and staff.

4. Reorganization of Cooperative Department staff along with an expansion of staff training program.

AID assistance not only complements this governmental approach but has had a part in influencing it. Public utterances of high Government officials indicate strong approval for instituting a bold approach to cooperative development in Kenya. This means education and training, and a comprehensive information program, to tell the people the reasons for the changes.

One of the postindependence problems facing Kenya is that the agricultural exports are still very largely in the hands of Europeans and Asians. There are very few Africans with capital or managerial experience for these tasks. Cooperative farming could, however, give experience to the untrained and unemployed. At the same time cooperative farms could be used to develop some of the vast areas of Kenya which are to be settled by Africans.

In the past 2 years 30 Government leaders, many from the Ministry of Cooperation, have received training in the United States. In fiscal year 1965, 19 Kenyans attended the International Cooperative Training Center at the University of Wisconsin.

AID has contracted with the National Farmers Union to provide specialists in cooperative accounting and business administration, leadership training, and information and educational work among members of cooperatives. A credit union program, embracing the three east African countries, may get underway in fiscal year 1966.

AID has worked with the Deputy Commissioner of the Department of Cooperative Development, who spent several months in the United States and Puerto Rico, observing cooperative methods, and visiting with Government and cooperative officials.

Most of the 1,200 active cooperatives are marketing organizations. They handle mainly coffee, the country's main export product, and corn, tea, dairy products, and pyrethrum, an ingredient used in insecticides. Presently each cooperative usually handles only one commodity. It is not unusual for a village to have separate cooperatives for marketing coffee, tea, dairy products, and pyrethrum. The Kenyans recognize that costs can be reduced and service improved by consolidating the cooperatives in each village into single, multipurpose organizations, and are directing their efforts toward that end.

The urban areas, which comprise about 10 percent of the population may serve as a proving ground for experimenting and ironing out difficulties that are bound to arise with new cooperative services, such as consumer goods, housing, credit unions, and electrification. The tests will simplify adding these services to rural cooperatives later.

U.S. non-Government organizations, under AID contract, which offered cooperative assistance in Kenya during fiscal year 1965 include NFU and NRECA.

LIBERIA

(AID expenditures, fiscal year 1965, \$61,000, plus regional funded projects)

Only two cooperatives of any consequence are functioning at present. Their combined membership is 85 families. Opportunities for new cooperatives, however, are excellent. Higher level Government officials recognize they offer a means for helping move agriculture into a money economy. How effective the assistance will be is still to be determined. There is no discounting, however, the enthusiasm stimulated by President Tubman, after his 1963 visit to Tunisia, where he observed what cooperatives have been able to accomplish.

The two existing cooperatives are in poultry and land development. AID has been providing technical help, grants for equipment and use of Public Law 480, food-for-peace commodities. After a discouraging start, the Dokodan Farmers Cooperative at the Gbedin land development project improved its operations, repaying debts, establishing member bank accounts, purchasing fertilizers, poultry supplies, and establishing seasonable credit with suppliers. Since its start in 1963, it has received \$150,000 in direct assistance and \$165,000 in Public Law 480 dollar equivalent. The Liberian Government has contributed the equivalent of \$150,000 toward the project.

The Poultry Producers Cooperative has received \$75,000 in direct assistance and the dollar equivalent of \$40,000 in Public Law 480 commodities. Public Law 480, title IV loans are being used for credit through the Liberian Government's Agricultural Credit Corp. Title IV funds could be used as credit capital for supervised agricultural credit, land development, and building cooperative storage and marketing facilities.

These two cooperatives are pilot demonstrations, to show how cooperatives can extend supervised credit to farmers, finance land development projects, establish marketing organizations in areas where traders still barter for farm products, start processing plants in rural areas, and provide goods, services, materials, and equipment to farmers to improve living standards and increase production.

Plans are being reviewed for a cooperative management pattern for some Liberian rubber farms. Development of land and irrigation for rice and other field crops, the improvement of rubber and coffee culture, as well as the development of a livestock industry to provide needed meat supplies, are some of the longtime objectives of cooperative development.

The cooperatives' problems arise from inadequate training and experience, practically no credit or capital, and the lack of economic and social development. AID has endeavored to show the Government how to meet these problems by preparation of cooperative educational and training material, and experimenting in publication of small, locally edited mimeograph newspapers.

The Federal Republic of Germany is assisting in the land development program for irrigation farming and using cooperatives for credit, marketing, supplies, management, and related services. Assistance is the equivalent of \$10,000. Technical assistance in rice production on the Gbedin land development project is also being provided by the

Republic of China on Taiwan. AID is providing funds for one cooperative participant in the United States.

U.S. non-Government organizations, under AID contract, which offered cooperative assistance in Liberia during fiscal year 1965 include NFU, and NRECA.

MALAGASY

(AID cooperative expenditures, fiscal year 1965, not available)

USAID has no direct cooperative projects in this country. Under consideration is a project planned as a demonstration and pilot project to test the feasibility of portable rice-hulling equipment and storage for agricultural cooperatives. The proposed project was based on a technician's determination that the cooperatives would be able to support the cost of operating, maintaining, and amortizing the equipment by charging fees which would still be low enough to attract users. Also proposed was an evaluation of the use of prefabricated storage by cooperatives rather than existing facilities.

Malagasy's new industrialization policy is designed to be a coexistence between socialism and private investment and the progressive "Malagazation" of industry. The industrial field is divided into three sectors: the sector limited to Government enterprises, the sector with priority for producers' cooperatives and similar organizations, and, the sector in which both Malagasy and foreign private entrepreneurs are encouraged to invest.

MALAWI

(AID expenditures, fiscal year 1965, \$18,000, plus regional funded projects)

Direct cooperative assistance by AID was limited during the year to funding part of the training cost for three cooperative participants studying in the United States. U.S. cooperatives have provided assistance in educational work and in organizing credit societies and cooperatives in past years. Some indirect assistance is being extended presently through a credit adviser, employed by the University of Massachusetts under a contract with AID. There is no current plan to increase the scope of the mission's cooperative program. No use has been made of Public Law 480, food-for-peace resources to assist cooperatives. The mission is prepared to consider any requests for assistance by the Malawi Government in the cooperative and rural development field which are soundly developed.

MOROCCO

(AID expenditures, fiscal year 1965, \$53,500, plus regional funded projects)

A new agricultural policy was announced by the Government in March 1965, calling for establishment of multipurpose agricultural cooperatives in a 3-year plan. All Government assistance to farmers is to be channeled through these farmer-managed cooperatives.

The Government already has resettled 2,000 farmers, in the Tadra irrigation project, into multipurpose cooperatives under this program.

It has announced it intends to organize farmers in other regions into similar cooperatives.

The Government, however, lacks trained leadership in this field. It is also without a serious central body for the development of cooperatives. AID technicians who are presently engaged in assisting on credit and rural development, are prepared to help the Government agencies responsible for developing the multipurpose cooperatives.

Up to this time, AID assistance in the cooperative field has been limited to artisan industry, leather working, and shoe manufacture in particular. A small cooperative of 100 artisans has been organized. A training center was established for the operation of a cooperative tannery. Assistance also has been provided by the United Nations (ILO) and Belgian technicians.

AID has been working closely with the Director of the Agricultural Credit Bank, who is responsible for developing credit cooperatives, and the Director General of the National Office of Rural Development, who is responsible for carrying out the Government's policy of establishing multipurpose agricultural cooperatives. AID has been asked to provide technical assistance in the execution of the new policy. The Moroccan Federation of the Chambers of Agriculture has given its support to the new policy.

The Government believes that cooperatives can contribute to the improvement of the national economy by stimulating agricultural production, and by centralizing the gathering and distribution of the products of many thousands of individual artisans. Immediate needs are for trained and experienced leaders, additional credit and capital, and specific basic legislation.

A legislative team is to study cooperative laws in the United States. Twenty-three participants were trained in the United States in cooperative credit, long-term finance and appraisal, agricultural extension, and cooperative organization.

Use has been made of Public Law 480, title II, food-for-peace commodities in support of rural improvement activities, which benefit whole communities, but are not directly related to cooperatives. Greater use might be made of Public Law 480, 104(g) loans to provide agricultural credit. Plans are now being made along those lines. Plans also call for putting funds generated from the sale of Public Law 480, title II, section 202 feed grains under a poultry improvement project into a revolving fund to support other poultry cooperatives.

NIGERIA

(AID expenditures, fiscal year 1965, \$345,000, plus regional funded projects)

The potential for cooperatives in this country, in terms of training people and Government support, is very encouraging. The AID program is directed mostly to helping Nigeria overcome its shortage of trained personnel in all fields, including cooperatives.

There are 2,400 agricultural cooperatives with 250,000 family units, 2,200 urban cooperatives with 95,000 members, and 30 industrial-type cooperatives with 1,500 members. Cooperatives with the best opportunity for growth and receiving AID assistance are in agricultural marketing and credit, followed by agricultural processing,

credit unions and savings and loan associations. An extensive survey in Northern Nigeria in fiscal year 1965 updated and extended a study made in fiscal year 1964 on the role of cooperation in Eastern and Western Nigeria.

The most significant cooperative development, which may set the pace for other regions, was passage by the Government of Western Nigeria of an act establishing the Western Nigerian Agricultural Credit Corp. This will help furnish much needed capital and credit to farmers and farmer-owned cooperatives.

There have been two other significant cooperative developments. One development was the expansion of the poultry industry within the private enterprise framework. This has led to creation of a cooperative production and marketing structure for producers. Farmers have benefited from improved marketing conditions. At the same time a more orderly gathering and distribution system and improved grades and quality have also benefited consumers. The other development was the growth of the Western Nigerian Cooperative Fisheries Association. AID technicians assisted in modernizing the fishing fleet, improving processing, storage and distribution, and retail marketing. A cooperative marketing specialist was added in fiscal year 1965. AID also supervised and financed the construction of a fish dock, cold storage facilities, and ice making equipment. During the first 6 months of operation, in 1964, the cooperative placed 12,000 pounds of fresh fish per week on the Lagos market. This helped to increase a cheap source of protein for the diet of the people.

The Nigerian Government moved into housing and home financing with AID providing technical assistance for the organization of a savings and loan system, and the planning and development of low- and medium-cost housing. The savings and loans system will ultimately be owned by its investors.

USAID's principal technical assistance to cooperatives can be summarized thus:

1. General cooperative consultant.
2. Fisheries adviser, working with fisheries cooperative.
3. Master boatbuilder, working with fisheries cooperative.
4. Agricultural marketing and processing adviser, working with poultry and egg producers.
5. Industrial development advisers, working with cottage industry cooperatives.
6. Agricultural credit adviser, working with the newly organized Western Nigeria Agricultural Credit Corp.

AID has found Nigeria's regional cooperative departments receptive to advice and assistance, and anxious to use technical advisers. Government officials favor cooperatives, and the public policy is to promote cooperatives especially for agricultural marketing and agricultural credit. AID is adding five agricultural credit specialists under a participating service agreement with the USDA.

Free world sources other than the United States provided about two-thirds of the economic assistance obligations. In the cooperative area Canada and Denmark helped to establish the curriculum of the Cooperative College at Ibadan, Western Nigeria, and to provide management assistance to the poultry and egg cooperative in Western Nigeria.

Government agencies involved in the cooperative program include: Registrar of Cooperative Societies, Federal Ministry of Labor, Lagos; Registrar of Cooperative Societies, Ministry of Trade and Industry, Ibadan, Western Nigeria; Registrar of Cooperative Societies, Ministry of Commerce, Enugu, Eastern Nigeria; and the Registrar of Cooperative Societies, Ministry of Social Welfare and Cooperatives, Kaduna, Northern Nigeria.

U.S. non-Government organizations, under AID contract, which offered cooperative assistance in Nigeria during fiscal year 1965 include CUNA, NLISA, and NRECA.

SIERRA LEONE

(AID expenditures, fiscal year 1965, \$10,000, plus regional funded projects)

The Government of Sierra Leone is placing more reliance on cooperatives as a major force in rural development, and is looking to the United States for assistance. Projects currently under review by AID include a rural electric cooperative feasibility study, development of credit unions, a management training program for agricultural cooperatives, and assistance for self-help construction of rice warehouses.

The Prime Minister has publicly discussed the Government's support of cooperatives as one of the best means for developing rural areas. He has urged farmers to organize cooperatives, and pledges them his personal support. The Government's enthusiasm is contagious. The danger, however, is that too many cooperatives may be organized too soon for a rural society to absorb, and because of lack of trained personnel there could be failures.

Most of the cooperative-type rural institutions have an elementary mutual credit system attached, originally encouraged by British thrift societies. These local credit societies function reasonably well. They are an important source of credit to help carry farmers from planting to harvest.

The Government's first interest is to establish agricultural marketing cooperatives. It proposes to parallel these with consumer or supply cooperatives to provide farmers with basic agricultural needs at cost.

The Minister of Trade and Industry, who is in charge of cooperatives, is American trained. His department is staffed by several capable, imaginative aids. They maintain a constant contact with AID officials. West Germany and Great Britain are providing overseas scholarships for cooperative training.

No use has been made of Public Law 480, food-for-peace resources in cooperative development. Exploratory talks look to using Title III program of surplus foods to assist the self-help building of rice warehouses. The use of Public Law 480, Title IV products to develop swine and poultry cooperatives has also been considered. Local Title IV funds could be used to extend capital credit for cooperatives.

U.S. non-Government organizations, under AID contract, which offered cooperative assistance in Sierra Leone during fiscal year 1965 include CUNA and NRECA.

SOMALI REPUBLIC

(AID cooperative expenditures, fiscal year 1965, not available)

AID is not presently giving any direct assistance to cooperatives in this country. The Government of the Somali Republic, however, is interested in an agricultural production scheme that may utilize the cooperative concept.

SUDAN

(AID expenditures, fiscal year 1965, \$10,000, plus regional funded projects)

Sudan's considerable agricultural economic resources and record of economic performance have warranted support by the United States and other Free World donors to the Sudanese Government's 10-year development plan. The political scene became unstable, however, with the overthrow of the military regime in 1964, and a forced reorganization of the government early in 1965. The future course of U.S. assistance is based on the assumption that a stable, moderate government will emerge from the elections scheduled for an early date. In the AID constructed and supervised research center, with poultry, dairy production, livestock improvement, and forage production facilities, the dairy operations functioned as a cooperative-type institution. Extension programs for assisting the eventual resettlement of 8,200 farm families in Kassala Province, and the development of two poultry distribution centers, lend themselves to cooperative development under proper guidance.

TANZANIA

(AID expenditures, fiscal year 1965, \$88,000, plus regional funded projects)

The cooperative movement in Tanzania is ranked as the largest in Africa. The country's 5-year plan calls for further expansion of production, marketing, processing and credit cooperatives. Some cooperative financing is provided by the plan.

Cooperatives are now the sole marketing agent for many of the country's agricultural products, such as maize, cotton, coffee, rice, oil seeds, cashew nuts and copra. A rapid expansion is taking place in agricultural processing. Three notable examples are an oil seeds extractor plant now under construction at Dodoma, a proposed instant-coffee plant at Bukoba, and a cashew-nut processing plant at Mtwara. These are evidence of the increasing emphasis the Government is placing on cooperatives to accelerate rural development programs.

AID is providing assistance in many ways. It is training cooperative directors and employees, developing education programs, and preparing educational and training material.

Participation with farm cooperatives was primarily in the field of marketing. They constitute most of the 1,488 registered cooperatives, representing 500,000 families. Urban assistance was confined to credit unions. There are 51 registered credit unions with 2,000 members, including 21 new local organizations. There are few urban centers in Tanzania, so most of the credit unions are rural organizations.

An agreement has been reached with the Government which will make AID technical assistance available for credit union development. This project will also provide a technician at the cooperative college at Moshi. Assistance will also be provided for Uganda and Kenya when requested.

Regional and national cooperative associations organized during fiscal year 1965 include the Credit Union League of Tanzania, Coastal Region Cooperative Union, Kigoma Cooperative Union at Kigoma, Nguvumali Cooperative Union at Tabora, Tanga Cooperative Union at Tanga, and National Transport Cooperative Union at Dar es Salaam.

An AID advisor has been assigned to the Ministry of Commerce and Cooperatives and to the National Cooperative and Development Bank, which finances many cooperatives. The advisor also meets with cooperative management committees and officers to discuss credit procedures. AID has assisted 12 participants to study agricultural cooperatives, credit unions and agricultural credit in the United States.

Public Law 480, food-for-peace, titles II and III food, have been used in resettlement projects. Eleven are assisted through the World Food Program, which the United States supports. There are 2,440 farm units with 12,000 persons in these projects. The Lutheran World Relief uses Public Law 480 food in the resettlement of 1,300 Ruanda refugees. Cooperatives have a part in these resettlement programs.

Assistance for cooperative-type projects is also furnished by the Nordic Council, made up of Finland, Sweden, Norway and Denmark, by Israel and by the United Nations (FAO). The Nordic Council is spending the equivalent of \$75,000 for cooperative education, Israel the equivalent of \$30,000 for consumer cooperatives, and the FAO the equivalent of \$25,000 for transport cooperatives, and education and training.

The Nordic Council team of 5 persons has established an education center at the cooperative college at Moshi. The correspondence courses for cooperative officials have had excellent acceptance. The team also conducts country seminars and has assisted in the employee training program for the Cooperative Supply Association, a large consumers' cooperative. Israel provided a management team for the Cooperative Supply Association. The two-man FAO team has been assisting the transportation cooperative and holding training classes.

TUNISIA

(AID expenditures, fiscal year 1965, \$46,000, plus regional funded projects)

The Government of Tunisia gives cooperatives equally high priority in both the public sector and in private industry, in its overall planning for country development. The President and a host of other public officials have made statements in support of cooperatives. They have participated in cooperative seminars and regional assemblies for cooperative leaders.

Public utterances have been backed up by deeds. One-third of all productive land, including state-owned farms formerly held by Europeans, and tribal lands, is proposed for farm-producer cooperatives. New land, such as will be opened up in 1968 when the Oued

Nebana Dam is completed, will be incorporated into the cooperative structure. This irrigation development in central Tunisia, financed by an AID loan, is expected to produce \$4 million annually in fruits and vegetables from a section that is now arid and supports few people. The responsibilities of servicing, credit, marketing, supply, transport, small industry, and crafts is being turned over to service and labor union cooperatives.

Cooperatives are being widely used for two purposes: to develop rational units of production, and for the social and educational value of members. Basic legislation has been provided, with a local, regional, and national structure. A national school for cooperative training and member education has been established.

Much of the technical assistance AID provided to the Government of Tunisia in fiscal year 1965 was through a contract with the National Farmers Union. The specialist's services were available to the entire cooperative sector, through the principal Government administrative office. Specific services included: Organizing an accounting system for local farm and consumer cooperatives and for the 13 regional cooperative unions; developing a system of essential data compilation and reporting; developing a handbook on cooperative organization and management.

In addition, a pilot program of member education was organized in fiscal year 1965 by the Texas A. & M. University contract group at the AID-assisted Chott Maria Agricultural College with the Sousse Regional Cooperative Union. Six farm cooperatives (agricultural "production units") are participating in this program with a series of meetings for selected leaders at the College, and general meetings at the production units.

AID has assisted in training the directors and employees of many cooperatives, and in preparation of educational and training material distributed to local groups. This assistance is directed at 350 farm cooperatives serving 60,000 families, of which 80 groups were organized in fiscal year 1965, and 273 commercial cooperatives with 52,000 members. AID also assisted eight new credit unions.

Significantly, there has been a slowdown in organizing new groups. The Government is moving cautiously in forming "units of production" where landownings are to be pooled, and in accepting alternative "service" cooperative systems in some areas, especially in the coastal region of Sahel. The main reason for the slowdown is a shortage of qualified cooperative directors, rather than a lack of capital. For example, out of 200 farm-producer (production unit) cooperatives in the northern regions, 70 did not have trained managers.

In view of this problem, the most significant cooperative accomplishments during the year were: development of 13 regional cooperative unions to help local cooperatives with administrative, accounting, and service functions; establishing a general statute for nonagricultural cooperatives; tightening of credit and organizational policies among farm producer cooperatives, and acceptance of service-type cooperatives where strong farmer ownership traditions prevailed.

Use has been made of Public Law 480, food-for-peace resources to develop cooperatives. A work relief title II assistance work crew of 200,000 unemployed built 800 rural dwellings, largely for new cooperatives, installed rural water supply and disposal systems, and extended and improved rural roads. An obligation of \$5,398,881

under title I, section 104(g) was provided for the Government's soil and water conservation program, including conservation of lands owned by farm-producer cooperative production units. An obligation of \$3,954,714, under title I, section 104(g) was placed in a revolving fund of the Agricultural Bank (BNA) to make subloans for farmer-cooperatives and private farmers.

AID-controlled counterpart funds equivalent to \$14,000 have been obligated to provide logistic support for one cooperative finance adviser and transportation for eight participants who studied in the United States.

In the event of AID dollar financing of new facilities for the National School for Cooperatives, currently under review, Public Law 480, section 104(g) funds could be used to help meet local costs. Valuable use might be made of Public Law 480 resources by reviewing national work-relief projects under title II, to relate them to cooperative needs for housing, water resources development, conservation and land development, construction, and transportation requirements. Training programs for cooperative personnel might be developed under titles I, II, and III.

Assistance for cooperative-type projects in Tunisia is also being provided by Czechoslovakia, France, Poland, West Germany, and the United Nations (ILO). Total assistance for 1965 was the equivalent of \$80,000.

The donors provide training for participants of 6 months' average, and student scholarships for up to 3 years each. No capital financing has been provided to date. Poland, however, has proposed to finance a "Cooperative Cite," or administrative and training center.

U.S. non-Government organizations, under AID contract, which offered cooperative assistance in Tunisia during fiscal year 1965 include CUNA and NFU.

UGANDA

(AID expenditures, fiscal year 1965, \$145,000, plus regional funded projects)

Agriculture is the basic industry in Uganda. The Government has an ambitious program for the cooperative movement of its country. It looks to the cooperative movement to assist it in expanding and improving the agricultural economy.

The immediate objectives are to provide a stable market for farmers and to improve their incomes. The improved agricultural economy would, in turn, broaden the national revenue base, and help provide more schools, hospitals, and other social institutions that are needed in a developing country.

Cooperative activities are centered in the Department of Cooperative Development, with which AID works closely. Strong support is given to cooperatives by all Government officials. The Prime Minister, the Minister of Agriculture and Cooperatives, and the Commissioner for Cooperatives, have made this known in speeches and statements in the local press. Twenty members of Parliament and several Ministers are cooperative members. Many Government employees have come from positions of responsibility in the cooperative movement.

AID is helping to train directors and employes of cooperatives, expand member education programs, and prepare educational and training material. It is being assisted, in turn, by many Ugandans who have been trained in the United States. In fiscal year 1965, 21 participants assisted by AID studied in the United States. AID also contributes to support of local agricultural training centers built with U.S. funds.

These activities have enabled AID staff people and contract-technicians to cover the countryside, as well as work with Government and cooperative offices in the capital city of Kampala. This has helped improve the operations of many of the 1,800 primary agricultural societies with 450,000 members. There are also 5 urban cooperatives with 1,000 members and 1 industrial cooperative with 200 members.

While 2 district unions, out of the 30 districts in the country, suffered losses in fiscal year 1965 due to poor management, this is being corrected by closer supervision and management changes. These were unfortunate but not serious mistakes. There has been a healthy overall increase in operations. Producers are now cooperatively ginning 60 percent of their cotton crop. The cooperatives expect to gin 80 percent of the country's cotton production by 1967.

The Government's 5-year plan to assist small-scale producers envisions greater freedom and autonomy in an expanded cooperative economy. The cooperatives will have facilities to store minor crops, process, freeze, store, and market livestock products, expand fresh water fisheries through processing, storage, and distribution, and to store and package vegetables for export.

Some of the specific objectives are:

1. Subsidized, cooperative spraying of cotton to boost production from 370,000 to 500,000 bales annually on 2 million acres.
2. Establishment of credit system which will enable farmers to obtain farm-production equipment and material on credit, and to expand a cooperative tractor-hire service.
3. Subsidies to enable producer cooperatives, and others, to purchase equipment which will help improve quality of coffee, especially Arabica variety.
4. Establish brush clearing operations that will put land into production in connection with settlement schemes, especially those related to tsetse fly control.
5. Develop feasible pilot irrigation projects.
6. Expand feeder operations for livestock in desirable areas.
7. Increase use of capital in agriculture by: providing credit for individuals through cooperative credit societies; organizing group farm schemes based on cooperative use of farming equipment; subsidizing purchase of oxen-drawn equipment for small farms; and price subsidy, credit and supervision for new land, and resettlement projects.
8. Establish 15 district farm institutes, improve caliber of 2 agriculture colleges, and develop a national visual aids production and distribution center.
9. Establish a central cooperative training institute for cooperative personnel.

The goal is to have each farm institute train 700 persons per year, or a total of 10,000 persons. This is less than 1 percent of the farm

population, but these people would be the innovators and expected to make a significant contribution as demonstration cooperators. A staff would be trained to service 1,000 cooperative societies capable to handle \$4,500,000 in production credit by 1968 for 300,000 borrowers, and 1,700 primary societies representing 1 million producers, who would market 80 percent of the country's agricultural production cooperatively. An enlarged staff is also needed for the central district unions. This will require a training program by 1968 which could develop 450 diploma level cooperative leaders, and short courses for 14,000 primary society committee members, 2,500 primary society employees, and 400 union junior employees.

AID is assisting the Government of Uganda to add facilities at existing training centers for cooperative personnel. It has already helped to train diploma-level personnel at Bukalasa College.

Uganda in its first 2 years of independence has shown relative political stability and popular will to adhere to the basic concepts of democratic procedure. Prior to its independence, the United Kingdom played the principal role in the country's political, economic, and social development. It will probably continue as a major donor, if for no other reason than to protect its substantial commercial interests. Supplemental assistance from other countries is not related to cooperatives, except in the case of Israel and the United States.

The only U.S. non-Government organization, under AID contract, which provided cooperative assistance during fiscal year 1965 was the NFU.

ZAMBIA

(AID expenditures, fiscal year 1965, \$15,000, plus regional funded projects)

Marketing cooperatives are an essential part of the developing economy of this country. The Government relies on them to handle most of the primary marketing of crops, from field to rural pickup point, and to a lesser degree from field to secondary and urban markets. Agricultural cooperatives are also being developed as the principal suppliers of the farmers' needs in fertilizers, chemicals, tools, and related farm materials.

The Government of Zambia, from the President down, is anxious to assist in building cooperatives. In the first round of enthusiasm, there was a sudden proliferation of cooperatives. This was followed by a number of reverses because the Government could not provide enough trained people to staff all of them.

AID, through its agricultural credit consultant, had cautioned against a too-rapid expansion of agricultural credit cooperatives by the Government, without first involving people in local communities. Now many of the imposed local credit cooperatives are being disbanded in favor of a centralized Government rural credit agency. This will combine more direct control, opportunity to carry on a better information program, and careful credit supervision, under a single agency.

The Government is supporting many kinds of cooperatives, including handicraft and cottage industries. It is helping to bring artisans and craftsmen into cooperatives so they can manufacture many of the items necessary within the Government's building con-

tracts for projects such as roads, schools, public offices, and public housing. The response to these appeals has been overwhelming. Again there has been a serious delay, because the Government cannot properly handle the applications and recommendations with the limited cooperative personnel, inside and outside of Government. The Department of Cooperatives is understaffed and its budget is inadequate for the increased demands being made upon it.

No use is made of Public Law 480, food-for-peace resources. There is an opportunity to encourage cooperative development, especially among artisans and craftsmen, by using the Public Law 480 dried cheese and milk as partial payment for work done by the cooperatives for the Government. This would lower costs to the Government, and help correct malnutrition through use of protein-rich foods. Four participants studied in the United States for management positions in cooperatives.

Other countries assisting cooperative-type projects are the United Kingdom, Israel, Tanzania, and West Germany. Their assistance is equivalent to \$50,000, and is chiefly in the field of production and marketing. There has been a good working relationship between all of the countries, with exchange of information taking place at the USAID level.

NEAR EAST-SOUTH ASIA

Summary of disbursements for fiscal year 1965

Regional (including worldwide agreements)-----	\$193, 896
Missions-----	299, 300
Total-----	493, 186

INDIA

(AID cooperative expenditures, fiscal year 1965, not available)

AID has had no project to assist the Indian cooperative movement since the cooperative membership education project phased out in fiscal year 1961. Although AID has no project now with the Indian cooperative movement, the United States is represented by the Cooperative League of the U.S.A.

The following is a comparison from USAID/New Delhi of what AID has done in the past with what other agencies are doing to help the Indian cooperative movement:

AID: AID assistance was initiated in fiscal year 1958 under the cooperative membership education project. It was designed to assist the National Cooperative Union, formerly known as the All India Cooperative Union, to educate its membership. Instructors and assistants were to be trained and assigned to all districts in India. Basic and refresher training courses and a series of seminars for state cooperative officials were conducted. At the time of phasing out this project in fiscal year 1961, a total of 334 persons had received training. The total AID financial contributions to this project was approximately \$92,000 plus Rs65,000. One U.S. technician was assigned for 2 years and seven Indian participants received training in the United States. Photographic equipment and three fully equipped audiovisual vans were purchased.

Future AID assistance to Indian cooperatives has been proposed, primarily through the agricultural production incentives project.

The Cooperative League of the U.S.A.

The Cooperative League of the U.S.A. has been rendering technical assistance to Indian cooperatives since 1955. Specifically, the Cooperative League's contribution during fiscal year 1965 involved three full-time technicians, and one short-term consultant in audio-visual teaching materials.

Informal discussions are underway between USAID, the Cooperative League, and the Indian Government for an expanded assistance program by U.S. cooperatives to Indian cooperatives. The global contract between AID and the Cooperative League, under the provisions of the Humphrey amendment to the Foreign Assistance Act of 1961 is the proposed vehicle for such assistance.

USIA and USIS/India contracted with the Cooperative League to prepare a pamphlet on "Cooperatives in America and their Adoptability in India." This pamphlet is expected to be out shortly.

Ford Foundation

The Ford Foundation has provided one cooperative technician to advise on cooperative development in one of the 15 IADP Districts.

Swedish cooperative movement

The Swedish Cooperative Union and Wholesale Society, a private enterprise, has provided funds and technicians for the International Cooperative Alliance Regional Education Center in southeast Asia. The Swedish Government Technical Assistance Board has provided three technicians to the Central Institute of Management for Consumers Business in Bombay. The extent of financial assistance is not available.

Norway

Norway has been providing technicians to assist fishery cooperatives since 1952. The Indo-Norwegian Foundation has helped establish a cooperative sales organization for the marketing of fish. Total Norwegian contribution to Indian fisheries amounts to approximately \$5.5 million. A breakdown to indicate their assistance to cooperatives is not available.

West Germany

West Germany has provided some machinery to dairy cooperatives in Mysore State.

Soviet bloc

During fiscal year 1964-65, 29 Indians have been sent to various Soviet bloc countries for cooperative studies. The training period has varied from 2 months to 5 years each. These 29 persons from the Indian cooperative movement included the Minister of Cooperation in Mysore State and several Members of Parliament. A country-wide breakdown is as follows: U.S.S.R., five persons; East Germany, eight persons; Rumania, two persons; Czechoslovakia, seven persons; Hungary, two persons; and Poland, five persons. The financial contributions from these countries are not available.

U.S. non-Government organizations, under AID contract, which offered cooperative assistance during fiscal year 1965, include CUNA, NFU, NRECA, and CLUSS.

IRAN

(AID expenditures, fiscal year 1965, \$20,000, plus regional funded projects)

Important officials of Iran, from His Imperial Majesty the Shah on down, have expressed a need for cooperatives to help them carry out the land reform program. Land is distributed only to farmers who are members of village cooperative societies, which are being established in an attempt to fill the void created by the disappearance of landlords. There are now 4,236 registered farm cooperatives with 560,000 members. Approximately 1,000 were organized during fiscal year 1965.

The Agricultural Credit and Cooperatives project is a joint endeavor of USAID and the Government of Iran to integrate human resources with capital requirements under subprojects addressing the major economic and social objectives of the third 5-year plan. Emphasis was given to developing those aspects of the program which would:

1. Improve the commercial—i.e., supply and marketing—functions of the Central Organization of Cooperatives and the rural cooperative societies.

2. Improve the organizational relationships between the Central Organization of Rural Cooperatives and the Government of Iran agencies concerned with increasing productivity in agriculture and assisting farmers to improve their level of living.

3. Capitalize Public Law 480, title II, section 202 commodities into the financial structure of rural cooperative societies and their federations.

4. Develop a "supervised credit" program utilizing Public Law 480, title I, section 104(g) loan funds in selected pilot project areas.

It is now recognized, however, that new cooperatives have been organized too rapidly. Difficulties of absorbing them into the changing economy have been compounded by lack of capital and trained managerial personnel to make them function efficiently.

Two immediate problems are to secure the official registration of all credit cooperatives so they are legal entities capable of conducting business, and to secure additional credit for the Central Organization of Rural Cooperatives, principal government agency assisting cooperatives, so that the farmers' productive needs can be adequately financed.

The year's most significant cooperative development was preparation of policies and regulations for a pilot project in supervised agricultural credit. The program is financed by a \$2,850,000 Public Law 480, 104(g) loan to the Government of Iran, with the Central Organization for Rural Cooperatives disbursing credit. The sum of \$330,000 is to be used in a pilot program of supervised agricultural credit through village cooperatives.

Additional Public Law 480 resources could be used to provide more agricultural credit for the central organization, particularly to expand its supervised credit program. One AID technician is working with this agency at present.

AID assistance has also been provided for agricultural marketing, purchasing, and credit cooperatives, urban credit organizations, and cottage industry and fishing cooperatives. AID is working with

Southern Fisheries Co. in an effort to organize two fishing cooperatives. These two cooperatives are still in the planning stage awaiting the amendment of Government cooperative regulations to include fishing cooperatives.

AID assistance also involves training directors and employees of cooperatives, developing member education programs, preparing educational and training material, and providing technical assistance.

Other countries and organizations providing cooperative assistance are the United Kingdom, Israel, and United Nations (FAO). The United Kingdom is training Iranians in accounting and village-level bookkeeping. Israel provided 2 months cooperative training to 25 employees of the Central Organization of Rural Cooperatives. The FAO is assisting in cooperative marketing. Dollar equivalent of this assistance is \$50,000. Close coordination exists between the United Kingdom and AID technicians. Israel and FAO have no relationship with AID cooperative technicians.

U.S. non-Government organizations, under AID contract, which offered cooperative assistance in Iran during fiscal year 1965 include CUNA and NLISA.

JORDAN

(AID expenditures, fiscal year 1965, \$177,800 plus regional funded projects)

The cooperative movement, which increased the number of its local societies by 50 percent in 2 years, is having a strong impact on the country both socially and economically. It has expanded faster than it has grown in wise management, but effective steps are being taken to bring these in balance. The largest single cooperative group, and the one with the most opportunity for growth, is agricultural marketing. There are at present 340 farm cooperatives, out of a total of 638 cooperatives of all kinds. They have 13,600 family-members.

The AID mission works closely with all groups and with the Government of Jordan, particularly the Department of Cooperative Establishment in the Ministry of Social Affairs and Labor. Two significant developments during fiscal year 1965 were the organization of 39 new agricultural cooperatives, mostly for the marketing of vegetables, fruit, and olive oil, and the creation of a work wage program for land development.

In the work wage program funds are granted to a cooperative, which pays for land development work that is done on the members' farms. The members agree to repay a like amount to their cooperative over a 9-year period. The repayments go into a revolving fund and are used for developing other cooperative members' farms on the same basis. In the incentive payment program a cooperative makes a grant of 50 percent of the cost or about \$300 equivalent, whichever is the lesser, for approved land development work under the supervision of the Extension Service on farms in the East Ghor area.

The most serious setback during the year was the failure of the machinery cooperatives. Reasons for the failure included lack of proper administration and followup, insufficient mechanical experience and know-how in operating machinery, and inability of the cooperatives to operate their machinery on a year-round basis. Lack of capable leadership is one of the principal difficulties in developing

sound, efficient cooperatives. To help meet the critical shortage of qualified personnel, AID has assisted in training directors and employees, developing member education programs, and preparing educational and training material.

Public Law 480 local currency has been granted to work wage societies on the basis of a relief work wage program. Additional use could be made of Public Law 480 resources for land development, tree and vine planting, and development of marketing and multipurpose cooperatives, and support of participants and trainees. Estimated dollar-equivalent cost of non-AID foreign assistance is \$364,000 for agricultural projects and \$112,000 for artisan enterprises. Public Law 480 dollar equivalents for fiscal year 1965 was \$170,000.

Assistance was provided for seven participants to study cooperative administration and accounting and to observe cooperative activities in the United States and other countries.

Distribution of cooperative societies in Jordan, according to types, 1961-64

Type of society	1961-62	1962-63	1963-64
Rural credit and thrift.....	202	228	238
School saving.....	124	236	247
Agricultural and multipurpose.....	31	40	53
Urban saving and credit.....	22	25	25
Supply.....	17	4	8
Industrial.....	9	10	10
Housing.....	9	11	17
Transportation.....	7	10	10
Handicraft.....	3	4	4
Higher education and mutual benefit.....	3	5	7
Health insurance.....	1	1	1
Electricity.....		1	2
Consumer.....		14	14
Cooperative union.....	1	1	1
Audit union.....			1
Total.....	429	590	638

NEPAL

(AID expenditures, fiscal year 1965, \$58,000, plus regional funded projects)

The cooperative movement is an integral part of the Government of Nepal's land reform efforts. It is expected that within 5 years there will be 3,500 rural societies, 1 in each village development district.

Agricultural producers' societies at the village level hold the best promise for development at the present time. In this connection, one of the most significant developments was organization of a national cooperative bank through which credit will be channeled to village cooperatives. AID-controlled local currency has been obligated for loan capital to the cooperative bank. The money will be loaned on a revolving fund basis to primary societies. Assistance in the development of agricultural credit cooperatives has amounted to \$723,000. AID-controlled local currencies furnished \$622,000 of the amount.

AID assistance has helped 1,123 farm cooperatives with 29,798 members, including 17 new cooperatives, and 3 urban cooperatives with an undetermined membership. Assistance included training directors and employees, and preparing educational and training material. AID efforts have been appreciated by the Government and people, and its recommendations generally accepted.

Public Law 480 resources could also be used to buy books, supplies and equipment for training purposes, and for equipping the proposed cooperative bank sub-offices.

Other cooperative assistance has been provided through the Colombo Plan (India), United Nations (FAO), and the Government of Sweden. Dollar equivalent of assistance has been \$18,000. AID provides the only cooperative advisers to the Government of Nepal.

Four participants have taken courses in cooperative credit and cooperative banking in the United States. AID also provided funds for a 2-month training course for 135 government sub-inspectors for cooperative organizations.

PAKISTAN

(AID expenditures, fiscal year 1965, \$20,000, plus regional funded projects)

AID continues to provide some indirect assistance to farm cooperatives. It assisted 13 organizations in fiscal year 1965, 6 in West Pakistan and 7 in East Pakistan. The West Pakistan cooperatives are still in the planning stage; those in East Pakistan have 115,000 members.

Marketing and supply cooperatives have the greatest opportunity for development in West Pakistan, those that are developed by local initiative at the grassroots in East Pakistan. The program building done in East Pakistan by AID extension advisors has awakened interest among the farmers and provided impetus for informal cooperatives which provide special services and equipment, such as vehicles, adding machines, photo copying machines, cash registers, price marking machines, duplicators, and irrigation pumps.

Cooperative projects which are being developed by Pakistanians include a banking and credit institution, and training in cooperative marketing, cooperative agricultural supply services and cooperative consumers' supply management. In East Pakistan the Comillas experimental cooperative and community effort lays heavy stress on the development and improvement of rural communities.

The first extension type agreement with the United States was signed on December 30, 1963, for 1 year. It was then extended by another agreement to December 1966. In East Pakistan, under the Extension Development Program, 2,042 active committees were organized to provide small irrigation units, in groups of 15 to 100 people. A total of 1,362 pumps were installed to serve 24,116 farmers. A total of 108 irrigation training schools were held to promote this program. Seven cooperative-type weaving projects were also started during fiscal year 1965. The work was carried out independently of the Government's Cooperative Department. Twenty-four participants have received cooperative training in the United States since 1952.

The principal difficulty to developing cooperatives is insufficient training of personnel, as well as public indifference and lack of trust. In East Pakistan illiteracy, lack of storage, transport, roads, and communication add to the other difficulties.

The Department of Cooperatives is the center of cooperative activity in the West Pakistan Government. The Directorate of Cooperatives, a post of the Department of Agriculture, is the center in East Pakistan. Neither department works closely with AID.

Other nations assisting in cooperative-type projects include Denmark and West Germany. Denmark is providing help for the Cooperative Institute for Management (CIM), a business consultant service to assist cooperatives in improving management practices. CIM is setting up small demonstration units in marketing, agricultural supplies, consumer cooperatives, banking and credit. West Germany is assisting the Pakistan-German Cooperative Training & Research Institute, a combination model farm for demonstrating cooperative farming and a school to train tractor operations.

There is a need for farmer cooperatives under capable leadership to take steps to improve the distribution of farm supplies and the marketing of agricultural products. So far they have not done so.

In West Pakistan more use might be made of Public Law 480 local currency in establishing demonstration projects. In East Pakistan the resources might be used as loans to union councils, the lowest political subdivision, to build godowns and establish independent credit programs. This would utilize local initiative and know-how which is essential if credit and savings cooperatives are to be developed.

Public Law 480 food-for-peace resources could also be used to employ specialists and technicians experienced in agriculture supply, marketing and processing cooperatives, and to have the rural works program set aside a portion of its funds for cooperative purposes.

U.S. non-Government organizations, under AID contract which offered cooperative assistance in Pakistan during fiscal year 1965 include CUNA, NFU, and NLISA.

TURKEY

(AID expenditures, fiscal year 1965, \$10,000, plus regional funded projects)

During fiscal year 1965 the USAID has assisted in the development of cooperatives, credit unions, and savings and loan associations to a very limited extent and then only indirectly. The limited work falls into two general areas:

1. Private enterprise, whereby the mission makes Public Law 480 loan resources available to the Halk Bank, which provides loans to small private product enterprises, largely through local cooperatives at the town or village level. These cooperatives are organized locally around various trades and occupations, and nationally under a loose association called the Federation of Tradesmen & Artisans. AID's contribution to the Halk Bank represents less than 5 percent of its total loan resources.

2. Three direct hire AID employees assist the Agriculture Bank in its efforts to improve the agricultural credit program. With 1,600 credit cooperatives functioning under the Agriculture

Bank, a portion of the U.S. advisers' time is spent assisting in their operations. Two new 6-month participant grants in the field of cooperatives were funded but no further funds for training aids were obligated in fiscal year 1965.

Though some effort has been made, the mission's food-for-peace officer has so far been unsuccessful in working with Turkish cooperatives. Part of the broad problem is that the Turkish cooperative law is too restrictive. Though cooperatives in the U.S. sense could undoubtedly be important in developing Turkey, the past and current legislation and the political climate are not hospitable to any major change in the nature of Turkish cooperatives.

U.S. non-Government organizations, under AID contract, which provided cooperative assistance in Turkey during fiscal year 1965 include CUNA and NRECA.

UNITED ARAB REPUBLIC (EGYPT)

(AID expenditures, fiscal year 1965, \$20,000, plus regional funded projects)

AID has had no agricultural projects directly identified with cooperatives in this country. Because the UAR is a socialistic government, however, almost all mission activities touch directly or indirectly on government-organized cooperative-type activities.

There are 4,200 registered agricultural cooperatives with 2 million family members. Nearly all of them were centrally initiated as a government policy. They lack the characteristics of voluntary association and democratic control by their members, and accordingly are not considered by the mission to be deserving of direct assistance. USAID is keeping the situation under review, however, in case changes make a more positive relationship appropriate. The major USAID/Cairo Agriculture Division project with the Ministry of Agriculture, is an educational program to develop extension workers and extension programs. Each of the 4,200 agricultural cooperatives has an educational or extension agent. The AID extension information and training specialist conducts regularly scheduled 1-month training programs, in collaboration with his Ministry of Agriculture counterpart, with the cooperative educational extension agents. The AID adviser averages 8 days per month assisting in these programs.

Persons trained by the AID adviser during fiscal year 1965 included the following, all of whom are pertinent to the Government's cooperative movement: 94 students at Universities of Alexandria and Cairo, 600 cooperative supervisors, 400 extension supervisors, 150 participants from the Ministry of Agriculture, and field agents in the Ministry of Agrarian Reform.

Prior to his departure from the mission, a poultry production adviser was working directly with government cooperative groups, assisting in the organization of cooperatives to produce poultry for meat and eggs. A production (crops) project is currently working to increase corn production. Much of this is done as part of an educational program through the cooperatives.

Assistance is also provided for cooperatives by United Nations (FAO) (UNESCO). These agencies have training projects, primarily in community development techniques, and in development of home industries.

FAR EAST

Summary of disbursements for fiscal year 1965

Regional (including worldwide agreements)	\$167, 763
Missions.....	160, 000
Total.....	327, 763

LAOS

(AID expenditures, fiscal year 1965, not available)

Cooperative-type services which have been organized in Laos do not follow the principles of a true cooperative. They might more properly be called commissaries as they concern themselves primarily with providing daily staples for inhabitants of villages. Members of these subsidized commissaries pool their labor and materials. Funds rarely are paid in for the operations of the endeavor.

These localized efforts have not yielded to the development of regional or national organizations. Cooperative efforts in certain areas have resulted in organized consumer stores. Quantities of staples are procured and forwarded to these outlets by AID mission transportation. All arrangements are made by mission personnel. At the village outlet, the staple items are broken down into smaller lots and put up for sale to local inhabitants.

The AID mission is studying means of initiating cooperative activities. Tentative plans are to start a participant training program for cooperative supervisory personnel in fiscal year 1966 and to implement this with some pilot cooperatives in fiscal year 1967.

KOREA

(AID expenditures, fiscal year 1965, \$50,000, plus regional funded projects)

Cooperatives exert a major influence upon successful agricultural growth in Korea. They also have an important part in the rapidly expanding fishing industry. AID has contributed substantially in technical and financial assistance from counterpart funds. Although no capital was allocated during fiscal year 1965, total cooperative assistance since 1962 represents the dollar equivalent of \$15.5 million.

The two national cooperative organizations are the National Agricultural Cooperative Federation (NACF) and the Central Federation of Fisheries Cooperatives (CFFC). NACF's 2.2 million patrons represent nearly all of the country's agricultural producers. The CFFC has 114 local associations and 103,000 fishermen. The International Cooperative Training Center, supported by the Maryknoll Sisters, has guided the organization of 80 credit unions with 13,000 members. It is now setting up a National Credit Union League. AID has not up to this time provided support for the credit union program.

NACF's major influence upon agricultural development is indicated by these figures: it provides 90 percent of the institutional agricultural credit (\$138 million in fiscal year 1964), distributes all of the fertilizer supplied (1,224,000 tons in fiscal year 1964), 90 percent of other agricultural chemicals utilized, manages more than 50 percent of the country's grain storage facilities, supervises the production credit program, publishes pamphlets, periodicals and a member paper,

and has a training program that systematically reaches from top-level personnel down to 350,000 officers and leaders at the primary level.

The CFFC is beginning to exert a similar influence in the fisheries industry. The east coast waters provide one of the world's finest fishing grounds, and income from marine exports increased by 80 percent in 1965 over 1964. Much of this increase was derived from improved processing, storage, and distribution.

All Government support of fishery credit programs is channeled through CFFC. Although no counterpart funds were allocated in fiscal year 1965, a transfer of \$400 million won (approximately \$1.5 million) in previously provided loan funds from NACF and the Korean Reconstruction Bank to CFFC, actually increased the capital to the fishery cooperative. There are eight centralized facilities to improve the handling of fish. The Government-built central fishery market at Pusan may eventually be operated by the cooperative.

The Fifth Far East Workshop on Agricultural Credit and Cooperatives in Seoul in May 1965, was a clear sign of the growing maturity of the cooperative movement, not only in Korea but throughout the Far East. The meeting was cosponsored by AID and the Republic of Korea. Much of the responsibility for the meeting rested with members of NACF. Countries represented were Thailand, the Philippines, Vietnam, the Republic of China on Taiwan, Japan, Korea, the Ryukyu Islands, and the United States. Proceedings of the workshop, including review of problems and recommendations for immediate and long-range action in the Far East, are contained in a 200-page document.

The Government's active support of cooperatives, and their importance to the private enterprise economy of the country, is suggested by article 115 of the constitution, as amended on December 26, 1962:

The state shall encourage the development of cooperatives founded on the self-help spirit of the farmers, fishermen, and the small and medium businessmen, and shall guarantee their political impartiality.

This launched an intensive organizing drive which reached into every village. By the end of 1963, 21,518 cooperatives had been organized at the primary level. In this number there were many small, uneconomic units. In 1964 consolidations and mergers began, which aim at bringing the number down to 8,000 by 1967. The minimum membership for a single unit is 200 families. There are presently 18,000 cooperatives, down 3,518 from the high of 21,518 in 1963.

AID technicians helped plan the consolidations, so that the overall operating structure remains unchanged. There was local participation in all consolidations. Members were urged to engage in discussions, in order to understand the reasons for the change and how they were designed to help improve the farmers' income and farming operations.

Among minor but significant developments which reflect a refinement in operations after the first intensive organizing thrust, were:

1. The establishment of a rural handicraft promotion center, to supplement income of farmers. Sales are now \$250,000 annually, but greater expansion is needed. NACF is seeking export markets for the products.

2. The establishment of five marketing centers in each of the country's largest cities to enable farmers to market their own produce, and to counter the monopolistic practices which have existed in wholesale food markets.

3. The expansion of services by many multipurpose cooperatives, which in addition to marketing commodities now rent water pumps, farm tools and machines, operate cement and roof tile plants, rice mills, barber shops and bathhouses, and distribute seed, fertilizer and agricultural chemicals.

The educational programs have been stepped up each year since 1963. With AID assistance the Government established uniform guidance principles, grouping cooperatives into three categories: cooperatives with good management, a fairly completed bookkeeping system, a minimum of needed facilities installed, and members generally informed and active; cooperatives with good potentiality by careful training and proper guidance of management and members; and cooperatives with membership lacking understanding and trained cooperative leadership, and having poor records.

AID and the Government of Korea recognize that the ultimate success of the agricultural cooperatives depends on how well they are able to market the farmers' products. Marketing operations continue to be the most underdeveloped area of the cooperatives' business operations and generally the marketing operations of the less-experienced cooperatives are not as efficient as those of private merchants.

The goal of Korea's cooperatives is to become self-supporting, free associations by 1973. To achieve this, a program for raising capital was initiated at the village level. The goal is \$100 million. The \$75 million from the producers is to be raised by special fees for short-term production loans and loans from pension funds, marketing and purchasing service charges, a levy on fertilizer, on rice lien loans, savings-in-kind, and the sale of additional cooperative shares to members. The remaining \$25 million is to be raised in 5 to 10 years through a savings campaign conducted by country cooperatives and cooperative insurance organizations.

AID is still helping to develop new land resources and improve production on existing farmland. Korea, which is the size of Indiana, with a population of 30 million people, is mountainous country with only 20 percent of the land suitable for agriculture and livestock. New farmland is being added by bench terracing and tidelands reclamation. Cooperatives have helped to recruit local manpower, gain the support of local communities, and keep members aware of the importance of the programs. They also are assisting in replotting owners' tracts into more profitable units.

Korea receives assistance from other sources than the United States. While this help has been of a token nature, it represents the international nature of cooperative development. Among other nations and organizations are Israel, International Cooperative Alliance, Germany, Denmark, the Colombo Plan, United Nations (FAO), Credit Union National Association (CUNA), American-Korean Foundation, and the Asian Foundation. Assistance covers training of personnel, marketing studies, and work on international trade agreements.

There has been considerable exchange of information between AID and the participating groups. The cooperative trade commissions of

Japan and Korea are developing trade in fishery and agricultural products. The Korean trade Commission is seeking to establish cooperative and commercial relations in Thailand, Taiwan, and the Philippines. The Fifth Far East Agricultural Credit and Cooperative Workshop reflected the needs for international cooperative training centers, an Asian Cooperative Bank, and expansion of cooperative trade between nations.

The cooperatives in Korea have reached a level of development where they are now able to assist other developing countries. In fiscal year 1965 eight participants from Kenya, Africa, received on-the-job training in Korean cooperatives.

U.S. non-Government organizations, under AID contract, which offered cooperative assistance in Korea during fiscal year 1965 include NFU, NRECA, ICTC.

PHILIPPINES

(AID expenditures, fiscal year 1965, \$10,000, plus regional funded projects)

The AID-Philippine Government pilot program to increase production of hogs and poultry by small farmers and to develop agricultural cooperatives is being helped by a grant of U.S. surplus feed grains. The 2,400 tons of mixed feed grains, valued at nearly a quarter million dollars, will be sold to cooperative members either for cash or credit, and the money will pay the costs of program operations and establish a revolving fund for loans to cooperative members. The cooperatives will also market their members' products.

A year's test run of the pilot operation is expected to provide enough experience so that the program can be extended on a countrywide basis for a period of up to 5 years. Technical agricultural advisors from both AID and the Philippine Government will help the farmers in production and cooperative development.

The importance of establishing a grassroots base and stimulating local autonomy was made evident at the International Credit Union Day celebration, when credit unions and cooperative societies were proposed as one way for meeting the problem of agricultural underproduction. The president of the Philippine National Cooperative Bank, owned jointly by the Government and private shareholders, emphasized the need for a more rapid development of credit unions. This bank is cited as an example of what can be achieved by making intelligent use of cooperative facilities.

The Government is encouraging farmers to convert their tobacco associations into cooperatives, in order to be able to trade with the Government-controlled PVTB Board, and receive benefits of price support and cooperative patronage earnings. Present effort is directed at organizing and strengthening local cooperatives, and putting more responsibility on trained management and an informed membership.

AID assisted in the organizing of 6 agricultural cooperatives with 500 members. Three credit and cooperative technicians are being obtained, under contract with the National Farmers Union, to expand organization and strengthen supervision of agricultural cooperatives.

The Government is aware that a lack of credit is the source not only of the cooperative slump but is basic to the agricultural problem. By combining supervision with credit and cooperative resources, the

Government hopes to make significant progress in an AID assisted livestock feed grain program.

An AID loan, to enable the Agricultural Credit Administration to provide funds to rural banks, is awaiting final approval.

AID counterpart funds have been obligated for assisting the cooperative livestock production and marketing project to establish a revolving fund for operational purposes. Successful expansion of this program, as well as development of beef and dairy production, could accelerate use of more Public Law 480 resources.

The Government and people have faced up with candor to the problems of agricultural credit. They are anxious to make the necessary reforms, and to intensify education and supervision.

The U.S. non-Government organizations, under AID contract, which offered cooperative assistance in the Philippines during fiscal year 1965 include NFU and NRECA.

THAILAND

(AID cooperative expenditures, fiscal year 1965, not available)

AID has provided no direct assistance to cooperative projects during fiscal year 1965. An additional \$1.9 million has been pledged, however, for an intensive program of rural development. The Thai Government has pledged the equivalent of \$1.6 million.

Cooperative-type activities will be included in this extension of the Thai-initiated "mobile development units" which for the past 21 months have brought health services, agricultural advice, roads and fresh water wells and other community improvements to nearly 2,000 villages. Most of these communities are in the northern reaches of the country along the Laotian border. A typical development unit consists of about 100 men, split into 2 or 3 teams. They move into 3 or 4 contiguous districts, each having about 100 villages, and assist with social welfare and community development projects. Serious social and economic problems exist in the border areas of the country. The Thai Government devised and put into operation this program to help these rural villages through the mobile development units, as well as through more conventional welfare and development projects.

VIETNAM

(AID expenditures, fiscal year 1965, \$100,000 estimated, plus regional funded projects)

AID is simultaneously supporting a political and economic development program and a war effort to help the people of South Vietnam preserve their national independence. The main burden of foreign support has been and will continue to be borne by the United States for a long time. But substantial contributions have been provided by other countries. Among the 25 other nations that now are providing or have agreed to provide, assistance are France, Japan, the Philippines, Great Britain, West Germany, Korea, the Republic of China, Australia, Canada, and New Zealand.

The widening military conflict has curtailed assistance in large parts of the rural area and cut back on the cooperative counterinsurgency projects. All cooperative-type projects are being reexamined.

Emphasis is placed on being ready to move with crash programs when the countryside is more peaceful and the people more receptive to long-range projects.

The corn-hog program, which has helped the small farmers to expand pork production through Public Law 480 food-for-peace commodities was cut back to 40,000 tons of corn in fiscal year 1965. The 383 local cooperatives which still claim more than 300,000 members will have to be "weeded out" and revitalized. Although 20 new organizations were established in fiscal year 1965, wartime dislocations in the countryside have impaired the effectiveness of more than 200. These cooperatives are organized into the National Federation of Agricultural Cooperative Associations. Even under present adverse conditions, AID mission finds that the cooperatives have helped to accelerate rural development wherever possible and to stimulate self-defense and self-help efforts. The cooperatives and farmers' centers have made it easier for AID to assist with the training of directors and employees of cooperatives, the preparation of cooperative educational and training material, and member-education programs.

Attendance at the Cooperative Research Training Center in Saigon was cut back because too many students faced military conscription during or after training. Even with these difficulties, 46 education sessions of 3-day duration were held among 2,361 local officers and cooperative leaders. In addition, 377 managers and bookkeepers were given preservice courses of 1 week to 6 months; 393 received in-service training of 3 days to 1 month, and 298 attended seminars of from 2 to 9 days.

The most promising opportunities for growth, once a greater measure of security is felt among the rural people, are for cooperatives involved in rice production, fisheries, and livestock production. The cooperatives can be a means of stimulating production and assuring producers and fishermen of a larger return for their products.

Much use has been made of Public Law 480 food-for-peace resources in the past to help farmers' cooperatives, and related projects. The most successful venture was a pig and poultry production project started 2 years ago. AID-controlled local currency generated from the sale of fertilizer was used in part to develop cooperatives. AID-controlled local currency also covered special fertilizer program operational costs for the Directorate General for Budget and Foreign Aid. More use could be made of Public Law 480 resources by providing working capital for cooperative marketing of farm products.

The dollar value of Public Law 480 commodities distributed under title II was \$11 million, and another \$6 million in foodstuffs was distributed by voluntary agencies under title III. One of the projects under the \$20 million counterinsurgency program was the new rural life undertaking, in which 6,000 self-help assignments were completed, and improved seed, fertilizer, and plant protection increased yields substantially in certain areas.

In the cities there are 25 urban cooperatives with 500 members, mostly of the small manufacturing or procurement type. There also are distributor cooperatives, dealing in textiles, radios, bicycle spare parts, and sundry bazaar articles. They were organized by a former Minister of Economy to minimize black market operations, but have not been successful.

The great industrial and power potential of the Mekong Valley was dramatized by the President of the United States, when he proposed a multinational assistance program to create a mammoth TVA-type project, as part of a \$1 billion U.S. peacetime assistance program for southeast Asia. The National Rural Electric Cooperative Association made several power surveys in the Mekong area affecting Vietnam, Thailand, Cambodia, and Laos, as well as surveys to determine the feasibility of starting rural electric cooperative pilot projects in Vietnam in fiscal year 1966.

United Nations (FAO), world food program is studying the impact of moving farmers from a subsistence agricultural economy to industrial and commercial agriculture. The United States has made available \$625,000 in Public Law 480 food-for-peace commodities to develop agricultural experimental farms with training classes, and to assist 1,810 farm families in the area. Assistance for cooperative development has also been furnished by France, West Germany, and Australia, and the Colombo plan. Training is provided for cooperative personnel. Research is conducted on rural electrification and in developing irrigation projects. The Church World Service for southeast Asia and the American Friends Service Committee continue to expand food-for-peace assistance among the refugees and the homeless. Distribution of American food is planned for seven preschool children day-care centers in Saigon.

U.S. non-Government organizations, under AID contract, which offered cooperative assistance during fiscal year 1965 include NFU, NRECA, and Joint Commission on Rural Reconstruction in China (Taiwan).

FISCAL YEAR 1965 AID PROJECTS WHICH INCLUDED COOPERATIVE, MUTUAL ASSISTANCE, AND COMMUNITY AND RURAL DEVELOPMENT ACTIVITIES

[Abstracted from program and project data for fiscal year 1965]

LATIN AMERICA

ARGENTINA

Agricultural credit, project No. 510-15-045. Fiscal year 1965 expenditures, \$24,000. Estimated total cost, fiscal years 1965-66, \$77,000.

To help service agricultural credit needs of Argentine farmers through advice to the Banco Cooperative Agrario, founded in 1964 under sponsorship of the Argentine National Federation of Farmer Cooperatives. Subscribed capital is \$4 million. Target date to commence operations is July 1, 1965.

Rural development services, project No. 510-15-190-065. Estimated total cost, fiscal year 1966-67, \$1,265,000.

To develop human resources and institutions which can service the needs of the rural population. Activities will include assistance in strengthening farmers' cooperatives, rural development planning, helping to improve marketing and community services, and advice on agrarian reforms, rural electrification, land evaluation, and taxation.

Labor development, project No. 510-13-480-054. Fiscal year 1965 expenditures, \$59,000. Estimated total cost, fiscal year 1963-69, \$1,107,000.

To influence the development of the Argentine trade union movement along democratic lines by demonstrating benefits to be gained through cooperation with the Alliance for Progress. AID activities include strengthening existing and establishing new kinds of cooperative activities, and advising on housing, loan cooperatives, credit unions, labor union housing, and community projects on an enlarged scale.

Housing, project No. 510-11-830-035. Fiscal year 1965 expenditures, \$85,000. Estimated total cost, fiscal years 1963-70, \$491,000.

To help organize a program to reduce the \$1.7 million housing deficit, establish a central housing bank and a nationwide system of mutual and cooperative home savings and loan associations; encourage the use of housing cooperatives, and the development of agencies to promote and finance the construction of houses by the aided self-help process. AID will loan \$12.5 million for the housing

bank. The Inter-American Development Bank has made a loan of \$30 million to the National Mortgage Bank to finance cooperatives, labor union and aided self-help housing.

General training, project No. 510-15-690-060. Fiscal year 1965 expenditures, \$65,000. Estimated total cost, fiscal years 1964-70, \$353,000.

To provide training not directly related to specific projects, but important to the United States-Argentine program to improve Argentina's institutional structure. Representatives of private institutions, including cooperatives, receive training in the United States for the modernization and administration of their organizations.

BOLIVIA

Rural development, project No. 511-190-364. Fiscal year 1965 expenditures, \$900,000. Estimated total cost, fiscal years 1953-68, \$7,336,000.

To assist the Ministry of Agriculture in developing such essential institutions as credit, cooperatives, extension, and demonstration centers, and the marketing mechanisms required to increase agricultural production and reduce food imports. Subprojects include technical agricultural services for the further improvement of marketing and cooperative institutions and a \$3.7 million agricultural credit loan. The Inter-American Development Bank has \$10 million in presently active colonization and agriculture credit loans.

Special development activities, project No. 511-11-810-412. Fiscal year 1965 expenditures, \$54,000. Estimated total cost, fiscal years 1964-67, \$200,000.

To assist self-help efforts of people relatively unaffected in a direct sense by AID's long-range economic program. Projects contributions are limited to \$5,000 each.

BRAZIL

Agrarian reform, project No. 512-11-120-249. Fiscal year 1965 expenditures, \$250,000. Estimated total cost, fiscal years 1963-70, \$2,133,000.

To assist in settling approximately 2 million landless families on family-size farms in the northeast in the next decade. Food-for-peace commodities are being made available for seven resettlement colonies, in most instances through cooperatives set up to distribute food on credit, make collections, and provide related services.

Agricultural marketing, project No. 512-15-150-248. Fiscal year 1965 expenditure, \$700,000. Estimated total expenditure, fiscal years 1963-70, \$7,202,000.

To help Brazil's farmers meet the growing need for improved marketing, storage, and credit facilities, for increased production and better distribution of hybrid seeds and fertilizers, and to provide incentive for them to produce more farm produce. The National Rural Credit (CNCR), which supplies credit to farmers and their cooperatives, through state and private banking systems is being

financed by the equivalent of \$16 million in counterpart funds. The National Bank for Cooperatives is being reorganized and expanded with AID assistance to provide the basis for developing farmers' cooperatives. Public Law 480 cruzeiros are being made for agricultural storage, processing, and marketing facilities, particularly those cooperatively owned. Assistance is available for establishing fertilizer manufacturing cooperatives and cooperative training centers.

Labor, project No. 512-11-410-028. Fiscal year 1965 expenditures, \$400,000. Estimated total cost, fiscal years 1956-70, \$5,064,000.

To strengthen democratic trade unions through direct cooperation between United States and Brazilian trade unions, and to involve the unions in Alliance-for-Progress programs. Under AID's social projects program 100 Brazilian leaders were trained in the United States and 400 more in Brazil in courses which included worker housing and cooperatives. AID has earmarked up to \$23 million to guarantee investments of AFL-CIO union funds which have been offered for workers' housing projects in Brazil. Other union social projects under consideration include financing union cooperatives, workers' banks and retail cooperatives. Public Law 480 funds is one source of financing for such projects. AFL-CIO union funds would also be available on a loan basis, provided adequate guarantees are arranged.

Urban development, project No. 512-11-810-125. Fiscal year 1965 expenditure, \$150,000. Total estimated cost, fiscal years 1963-70, \$1,765,000.

To strengthen Brazilian institutions, particularly in the housing field. Assistance has been provided for the new National Housing Bank, savings and loan type institutional credit systems, as well as for self-help, low-cost municipal housing programs. The National Housing Bank has begun limited operations with local institutions. The Caixa Economics in Minas Gerais has begun operations in the savings and loan field. Government and private enterprise groups in six other metropolitan areas have requested assistance for similar undertakings. A loan of counterpart funds equivalent to \$16 million has been authorized for the National Housing Bank. A loan of the equivalent of \$3.8 million in Public Law 480 funds has been authorized for the Caixa Economica. Counterpart funds equivalent to \$2 million were loaned to finance construction of 3,750 low-cost houses.

CHILE

Agricultural development, project No. 513-11-150-194. Fiscal year 1965 expenditures, \$375,000. Estimated total cost, fiscal years 1965-67, \$1,105,000.

To assist the Government of Chile to improve the use of land, capital, and labor by private farms, associations, and cooperatives. Advisers and consultants worked on policies which included agricultural production, credit systems, and production and marketing cooperatives.

COLOMBIA

Agricultural diversification, project No. 514-15-130-096. Fiscal year 1965 expenditures, \$286,000. Estimated total cost, fiscal years 1960-70, \$1,952,000.

To assist Colombia in increasing agricultural production sufficiently over the next decade to make the country self-sufficient both in livestock and crops, and to stimulate a diversified agricultural export. AID technicians have helped expand supervised credit and cooperative programs. A major target is to help the Colombian Agrarian Reform Institute (INCORA) establish and operate an efficient national agricultural supervised credit program to provide loans to 20,000 farm families over a 4-year period. A \$10 million AID loan signed by INCORA initiated the national supervised credit program. An additional AID loan for \$4 million was negotiated to strengthen the Livestock Bank. To date, 2,000 farmers have obtained supervised loans. Ten supply and marketing cooperatives have been organized. Two hundred INCORA technicians received training in supervised credit.

Labor, project No. 514-13-410-015. Fiscal year 1965 expenditures, \$206,000. Estimated total cost, fiscal years 1963-69, \$1,594,000.

To achieve a strengthened democratic free trade union movement in Colombia. The social projects aspect of the program includes workers' cooperative housing and labor union community centers. The American Institute for Free Labor Development under contract with AID has sponsored the newly established Alliance of Democratic Unionism for Housing (Allianza Sindical) for planning and administration of labor housing projects.

Housing, project No. 514-15-830-058. Fiscal year 1965. Expenditures, \$102,000. Estimated total cost, fiscal years 1962-68, \$1,509,000.

To provide technical assistance and specialized training to the housing industry. Specific goals include: improving coordination between the National Housing Institute and other Colombian and local government agencies, developing housing cooperatives including those formed by labor unions, and assisting in the development of private savings and loan institutions. External financial assistance of AID and Inter-American Development Bank has resulted in completion of 42,000 units, with more than 50,000 under construction. A \$10 million labor housing program resulted in the construction of 6,000 units.

Special development activities, project No. 514-15-990-092. Fiscal year 1965 expenditures, \$55,000. Total estimated cost, \$150,000.

To help finance small but locally important projects in support of community or other self-help efforts, having a constructive economic and social impact on specific communities or private organizations.

DOMINICAN REPUBLIC

Rural community development, project No. 517-11-810-052. Estimated fiscal year 1965 expenditures, \$20,000. Estimated total cost, fiscal year 1965-67, \$376,000.

To demonstrate the community development approach to rural economic development, with special emphasis on agricultural production and rural elementary education. One target set before the revolution was to organize 50 self-help farm groups in a pilot program which would put 7,500 acres of land into food production.

Agricultural production and distribution, project No. 517-15-190-059. Estimated fiscal year 1965 expenditures, \$142,000. Estimated total cost, fiscal years 1965-69, \$1,730,000.

To stimulate increased productivity in the agricultural sector by assisting in land settlement, agricultural extension, and agricultural credit and cooperatives. In addition to grant funds, local currency proceeds from Public Law 480 title IV sales in the amount of \$1,713,000, as well as AID development loans funds, were earmarked to finance activities contemplated under this project.

Special development fund, project No. 517-11-990-061. Fiscal year 1965 expenditures, \$20,000. Estimated total cost, fiscal years 1965-67, \$150,000.

To support small, self-help projects undertaken by private individuals, Government agencies, cooperatives, and small communities, mainly in the form of equipment, materials or services, to generate public awareness of the economic and social development objectives of the Alliance for Progress and the importance of self-help.

ECUADOR

Rural development, project No. 518-11-100-051. Fiscal year 1965 expenditures, \$540,000. Estimated total cost, fiscal years 1963-70, \$3,556,000.

To help Ecuador increase its productivity and strengthen its agricultural institutions by training participants in U.S. in cooperatives, agricultural credit, marketing and extension, as well as economics, land reform, water use, soil conservation and farm resettlement, to overcome current inadequacies.

Town plans, project No. 518-11-810-61. Fiscal year 1965 expenditures, \$226,000. Estimated total cost, fiscal years 1963-69, \$1,092,000.

To increase public awareness of and support for the Alliance for Progress by helping Ecuadorean cooperatives and other organizations in rural areas carry out small projects designed to improve local economic and social conditions. Two town plans at Esmeraldas and Guaranda have been fully implemented, two more are underway. Three additional town plans are in final stages of planning.

Cooperative development, project No. 518-15-990-058. Estimated fiscal year 1965 expenditures, \$443,000. Estimated total cost, fiscal years 1961-69, \$2,214,000.

To stimulate the pooling of local resources of the private sector and to direct them toward social and economic development through the expansion of credit unions, cooperatives, and savings and loan associations. Fifteen provinces now have credit unions, and a credit union federation has been established. A national cooperative bank was established with the help of an AID loan for \$1.2 million. A pilot rural electric cooperative established in 1963 now serves 5,000 persons. A housing bank established in 1961 with a \$5 million AID loan is providing long-term credits for housing loans, and has chartered 10 savings and loan associations.

MEXICO

Technical support, project No. 523-11-990-000. Fiscal year 1965 expenditures, \$190,000. Estimated total cost, fiscal years 1952-66, \$1,081,000.

To provide technical backstopping for a number of separate programs including a \$20 million supervised agricultural credit program, a \$30 million consortium for a low-cost housing mortgage fund, a housing guarantee, \$10 million guarantee for an AFL-CIO loan to a Mexican union.

PANAMA

Agricultural development, project No. 525-11-190-070. Fiscal year 1965 expenditures, \$304,000. Estimated total cost, fiscal years 1962-70, \$2,462,000.

To provide advisory services for Panama's rural development programs. AID has provided advisory services to the Agrarian Reform Commission and the Ministry of Agriculture. Public services have been expanded in marketing, credit, agrarian reform. AID has provided loans for agricultural development. Assistance has been provided for a rural electrification study. Effort is being made to establish rural credit unions.

Housing credit institution, project No. 525-11-830-046. Fiscal year 1965 expenditures, \$46,000. Estimated total cost, fiscal years 1963-68, \$240,000.

To assist in strengthening the credit insurance institute (IFHA) so that it can effectively supervise and regulate savings and loan associations, Federal Housing Administration-type services, and Federal National Mortgage Association-type secondary markets. AID technicians and participants trained in the United States and Puerto Rico were responsible for legislation that made establishment of first the savings and loan association possible in fiscal year 1965. Currently technical assistance continues and a feasibility study is to be made for a seed capital loan and subloans to savings and loan associations.

Special development activities, project No. 525-15-990-101. Fiscal year 1965 expenditures, \$35,000. Estimated total cost, fiscal years 1964-69, \$255,000.

To provide support for community sponsored, small-scale, self-help projects which do not cost more than \$5,000. Among projects approved was one for clearing for an agricultural cooperative.

PARAGUAY

Agricultural productivity and development, project No. 526-11-110-050. Fiscal year 1965 expenditures, \$580,000. Estimated total cost, fiscal years 1942-69, \$7,051,000.

To help the Government of Paraguay attain sustainable annual growth rates in agriculture and livestock. AID is helping strengthen existing credit and land tenure institutions, develop viable cooperatives and marketing agencies.

Special development activities, project No. 526-11-990-058. Fiscal year 1965 expenditures, \$32,000. Estimated total cost, fiscal years 1964-67, \$92,000.

To support high-impact self-help projects of rural community organizations to foster economic and social development on a small scale, and to build public support for the Alliance for Progress. Projects approved include such small but valuable help as furnishing 12 powered chain saws for an agricultural cooperative to cut and clear fallen trees in a colonization area.

PERU

Community development, project No. 527-11-990-061. Fiscal year 1965 expenditures, \$271,000. Estimated total cost, fiscal years 1963-70, \$1,964,000.

To help create local democratic institutions that demonstrate the meaning of the Alliance for Progress to rural communities. Among the activities are: strengthening of rural credit unions and electrification cooperatives, support of small useful projects that give an immediate social and economic impact, the establishment and equipping of rural development centers, and the training of personnel to mobilize community cooperatives. Eight central and 35 satellite cooperation popular centers were established. At the end of 1964 there were 600 cooperatives, reaching 10 percent of the population, and 19 savings and loan associations.

Labor development, project No. 527-11-410-063. Fiscal year 1965 expenditures, \$225,000. Estimated total cost, fiscal years 1962-68, \$1,551,000.

To strengthen the democratic leadership of free trade unions and to increase labor's responsibilities to the economic development effort in Peru. One contract is for the operation of a training center and the other is for social projects operations such as cooperatives.

URUGUAY

Agricultural institutional development, project No. 528-11-110-041. Fiscal year 1965 expenditures, none. Estimated total cost, fiscal years 1966-69, \$650,000.

To assist the Government of Uruguay to reorganize the Ministry of Agriculture, and implement the agricultural reform laws and the short-term agricultural development plan. The basic work of the

National Planning Commission will be almost completed by fiscal year 1966. The comprehensive package of agricultural reform laws which the Parliament will be asked to act on will include making modifications in land taxation, land tenure and distribution, and the role of cooperatives.

Agricultural cooperatives, project No. 528-13-150-006. Estimated fiscal year 1965 expenditures, \$120,000. Estimated total cost, fiscal years 1963-67, \$393,000.

To advise on the programs and management of the Bank for Agricultural Cooperatives (BPC) and the Uruguayan Federation of Agricultural Cooperatives (FENACOA). Both organizations are financed by agricultural cooperatives. FENACOA, organized in 1956, represents 90 percent of the agricultural cooperatives in Uruguay, with 17,000 members. BPC was founded in 1960 and is jointly owned by FENACOA, local cooperatives, and cooperative members. It has four branches and three agencies. AID sought to assist the BPC to improve its banking operations, and FENACOA to improve its management and marketing operations, but the program was suspended with the collapse of FENACOA.

Labor leader training and union cooperatives, project No. 528-13-410-010. Fiscal year 1965 expenditures, \$187,000. Estimated total cost, fiscal years 1963-69, \$846,000.

To accelerate the development and training of responsible democratic leadership for Uruguay's labor unions. In 1965 the labor leader training center was expanded to assist the democratic unions to undertake an active program for their members, by forming housing cooperatives, credit unions, and consumer cooperatives. The American Institute for Free Labor Development has concentrated its assistance on activating a cooperative housing program, using an expected \$3 million AFL-CIO loan guaranteed by AID.

Special development activities, project No. 528-15-990-046. Fiscal year 1965 expenditures, \$25,000. Estimated total cost, fiscal years 1965-69, \$250,000.

To support small-scale development activities which present opportunities for direct impact at low cost, such as loaning \$42,000 for a revolving credit fund, to be used initially by a labor union housing cooperative in Paysandú, to enable it to complete a cooperative housing project of 40 homes.

VENEZUELA

Agricultural credit advisory services, project No. (none). Fiscal year 1965 expenditures, \$100,000. Estimate total cost, fiscal years 1965-67, \$502,000.

To assist Venezuela in developing a sound system of agricultural credit as a means of more actively implementing its agrarian reform and developing the rural economy. Former rural improvement project activities have been phased out except for those directly related to agricultural credit, which is the nucleus of the new project. In 1962 the agricultural and livestock bank (BAP) began its supervised credit program financed by a \$10 million AID loan and its own

matching funds. It now operates in 14 states. USAID has helped to train 120 administrators and field supervisors. It is also cooperating with the Farmers Foundation in setting up four adult farmer education schools. Specialized advisory service is provided in agricultural credit, marketing and purchasing cooperatives, and rural electrification.

Housing and urban renewal, project No. 529-15-830-017. Fiscal year 1965 expenditures, \$66,000. Estimated total cost, fiscal years 1962-67, \$442,000.

To help develop local institutions and mobilize local capital for housing construction and urban renewal and to monitor the use of three AID loans totaling \$45 million for housing contracted in fiscal years 1961-63. The savings and loan system has grown into 20 chartered associations. The Foundation for Community Development and Municipal Improvement is helping establish local housing foundations which can qualify for subloans under the \$30 million AID loan made to it for housing.

BRITISH GUIANA

Development and diversification, project No. 504-15-190-024. Fiscal year 1965 expenditures, \$75,000. Estimated total cost, fiscal years 1965-67, \$500,000.

To assist in the improvement of institutions and skills needed to support the development and diversification of the agricultural economy of British Guiana. Attention has been given to cooperatives, agricultural credit, livestock development, along with natural resources conservation and development.

Community development, project No. 504-12-810-023. Fiscal year 1965 not available. Total obligations through fiscal year 1966, \$500,000.

Objective is to assist small community development projects in British Guiana, including cooperatives, that can be completed in a matter of months.

REPUBLICS OF CENTRAL AMERICA AND PANAMA (ROCAP)

COSTA RICA

Agricultural development and agrarian reform, project No. 515-11-140-038. Fiscal year 1955 expenditures, \$250,000. Estimated total cost, fiscal years 1962-68, \$2,270,000.

To assist the University of Costa Rica of Agriculture, the Ministry of Agriculture and the Institute of Lands Colonization, in their efforts to increase and diversify agricultural production and to accelerate land reform. Over 5,000 supervised credit loans are being made annually by the national bank's 42 rural credit boards, with seed capital provided by AID and DLF loans. Work has begun to activate four rural electric cooperatives.

Rural mobile health, project No. 515-11-530-049. Fiscal year 1965 expenditures, \$102,000. Estimated total cost, fiscal years 1963-67, \$725,000.

To provide improved medical health services for rural areas. Ten ambulance-type vehicles reach 200,000 persons in areas where previously no health services existed. In addition these mobile units are used for teaching, demonstration purposes, distribution of food and for special services in emergencies and catastrophies.

GUATEMALA

Development of agricultural programs and institutions, project No. 520-11-140-148. Fiscal year 1965 expenditures, \$305,000. Estimated total cost, fiscal years 1964-69, \$1,667,000.

To help expanded agricultural credit, accelerate cooperative formation, improve marketing facilities, and provide technical advice and training on land tenure problems in order to increase agricultural productivity. AID activities include reorganization of the Ministry of Agriculture, establishment of a directorate general for agricultural marketing, a grain institute, an office for quality standards, a Guatemala city wholesale market, and a joint Government-private committee for food processing. A credits and cooperative adviser and short-term cooperative specialists will be added to AID's staff.

Rural mobile health, project No. 520-11-590-163. Fiscal year 1965 expenditures, \$231,000. Estimated total cost, fiscal years 1963-67, \$501,000.

To establish a means of providing medical services to large segments of the Guatemalan population who would otherwise be without it, while at the same time stimulating programs in social and community development at the village level. Ten mobile units covered 73 rural communities, treating between 6,000 and 7,000 patients monthly, excluding inoculations.

HONDURAS

Agricultural productivity, project No. 522-11-190-036. Fiscal year 1965 expenditures, \$480,000. Estimated total cost, fiscal years 1965-69, \$1,982,000.

To increase agricultural production 6 percent a year over a 5-year period, and raise farm living standards. Goals included helping the National Development Bank implement a farm credit program, encourage the national 5-year rural development program, which includes farm credit and cooperative-credit union development, and marketing and storage improvement.

Industrial development and training, project No. 522-11-290-003. Fiscal year 1965 expenditures, \$220,000. Estimated total cost, fiscal years 1961-68, \$1,116,000.

To develop and strengthen institutions needed to carry out an industrial development and production program. AID worked primarily through the National Development Bank, the Technical Industrial Cooperative Center (CCTI) a nonprofit technical organization supported by the Government, AID, and Honduran private industry.

NICARAGUA

Community action and cooperative development, project No. 524-11-810-056. Fiscal year 1965 expenditure, None. Estimated total cost, fiscal years 1966-70, \$1,270,000.

To help Nicaragua apply community self-help and cooperative action to strengthening rural development. Previous AID assistance helped create an effective Nicaraguan Mobile Rural Health Agency as well as a new and properly oriented Agrarian Reform Institute. In this project, AID will utilize those agencies, as well as a cooperative office recently organized to promote joint undertakings designed to improve living standards in rural areas. Specifically AID is prepared to assist in the teaching the concepts of cooperative organization and group action, and organizing and assisting cooperatives and credit unions, providing rural health services, organizing community committees to work with health authorities on health and related projects.

LATIN AMERICAN REGIONAL

Cooperative services, projects Nos. 598-11-990-409, 598-15-990-426, 598-15-890-099, 598-15-990-098, 598-13-920-116, and 598-13-990-421. Estimated fiscal year 1965 expenditures, \$1,550,000. Total estimated costs to completion, \$6,155,000.

To assist Latin American cooperatives through contracts with selected U.S. organizations. These projects have enabled the Credit Union National Association (CUNA) to continue to develop a regional program for establishment of over 1,700 new credit unions; the National Rural Electric Cooperative Association (NRECA) to carry out educational activities related to the impact of rural electric cooperatives on Latin American economies; the Foundation for Cooperative Housing (FCH) to provide training to cooperative housing institutions on implementation of low-cost loans; the Fund for International Cooperative Development (FICD) to help organize national cooperative banks, and possibly an Inter-American Institute; and the Cooperative League of the USA (CLUSA) to assist Indian artisans of Colombia, Ecuador, Bolivia, and Peru in channeling their handicraft products through cooperatives.

Leadership development, projects Nos. 598-13-110 and 598-13-670-109. Fiscal year 1965 expenditures, \$179,000. Total estimated costs to completion, \$287,000.

The National Farmers Union of the United States conducts training program in the United States for young Latin America rural leaders. More than 75 participants are selected each year. They receive orientation and language training, and then live on farm homes to learn about cooperative and community life in rural America. To date more than 225 young farm leaders have been trained. Returning participants have organized credit cooperatives, headed resettlement groups, been officers in cooperatives, started community projects, established local schools, encouraged self-help projects, and enlisted Government support for farm improvement programs. This is part of an agreement which also includes a contract with the Over-

seas Education Fund of the League of Women Voters to provide training for Latin American women leaders at U.S. institutions.

Free labor development, project No. 598-15-410-101. Fiscal year 1965 expenditures, \$200,000. Total estimated costs fiscal year 1962 to completion, \$10,682,000.

One of AID's two major programs to strengthen Latin America's democratic labor organizations is to assist them in providing more housing, to organize cooperatives and allied social projects beneficial to the workers and their families. The Special Projects Department of the American Institute for Free Labor Development has engaged in such activities as: workers' cooperative housing institutes in Argentina, Brazil, Chile, Colombia, El Salvador, and Peru, workers banks and savings and loan associations in Argentina, Colombia, Peru, and Venezuela and trade union alliances to sponsor housing and other social projects in British Guiana, Colombia, El Salvador, Jamaica, and Peru.

National market Integration, project No. 598-15-660-440. Fiscal year 1965 expenditures, \$10,000. Total estimated cost from fiscal years 1962-68, \$418,000.

To assist selected Latin American countries to mobilize industrial and commercial resources in support of integrated marketing programs, which would seek to achieve: establishment of improved marketing methods for food and consumer goods adapted to mass marketing; initiate pilot projects, if necessary, to develop improved methods for distributing consumer goods to rural areas; development of low cost consumer goods suitable for mass marketing in rural areas with maximum utilization of local resources.

Other Government agency activities in support of the alliance. Fiscal year 1965 expenditures, \$1,117,000. Total estimated costs, fiscal years 1953-71, \$8,649,000.

To mobilize the technical resources of Federal domestic agencies to assist in the economic and social development programs of the Alliance for Progress. Participating agencies include Department of Agriculture, Inter-American Geodetic Service, Department of Labor, National Science Foundation, Federal Home Loan Bank Board, Internal Revenue Service, Federal Aviation Agency. Agencies with projects in which cooperatives are involved include the Department of Agriculture, which through its International Agricultural Development Service has provided services of more than 80 USDA technicians in rural development efforts; the Department of Labor, which has analyzed available manpower data in relation to AID's plans and programs to meet crucial human resource development problems; and the Federal Home Loan Bank Board which provides short-term advisory services in the savings and loan field.

AFRICA

ALGERIA

Participant training, project No. 638-11-900-011. Fiscal year 1965 expenditures, \$75,000. Estimated total cost, not announced.

To provide training for selected Algerian technicians in specialized fields required to support the country's development, and to assist the Algerian economy to overcome dislocations caused by the departure of large number of trained and experienced French technicians after independence. Training in the United States included such fields as agricultural credit, farm cooperatives, soil conservation, forestry, vocational agriculture, range management, dryland crop management, plus business and labor training. Forty-seven Algerians have participated in farm short courses since 1963. Participants who have returned home have been placed in important Government positions.

KENYA

Agriculture field services and research, project No. 615-11-110-101. Fiscal year 1965 expenditures, \$742,000. Estimated total cost, fiscal years 1956-68, \$3,626,000.

To help the Ministry of Agriculture develop an agricultural service to carry on research and extension activities designed to increase crop and livestock productivity on Kenya's 700,000 farm units. AID is conducting a train-the-trainer program involving the senior field staff of the Ministry of Agriculture. Fourteen farmer training centers have been built or expanded, using counterpart financing. The number of trainees at the centers is expected to increase from 12,500 per year to 20,000 by 1968.

Agricultural cooperatives and credit, project No. 615-11-140-103. Fiscal year 1965 expenditures, \$200,000. Estimated total cost, fiscal years 1962-67, \$939,000.

To strengthen the Kenyan cooperative movement by expanding and improving cooperative education and training for Government and cooperative officials. More than 550 active cooperative societies with 250,000 members, own more than \$2.3 million in financial reserves, market \$84 million in produce annually. Cooperative membership is expected to reach 300,000 by 1967. AID is assisting in increasing and upgrading the government cooperative staff and training cooperative employees. AID instructors are to be the nucleus of a staff to train local cooperative instructors, Department of Cooperatives staff, and private cooperative employees. U.S. participant training was provided to Agricultural Finance Corporation officers

and Department of Cooperative Development top staff people. Short-term observation tours were arranged for selected farm leaders.

Fisheries and development, project No. 615-11-180-130.
Fiscal year 1965 expenditures, \$27,000. Total estimated cost, fiscal years 1965-69, \$279,000.

To help Kenya develop its fishing industry. Lake and coastal waters offer excellent opportunities for development of a highly productive fishing industry. The value of the catches could be increased substantially by the introduction of improved fishing techniques and marketing procedures and facilities. About 4,000 Kenyans are employed in fishing activities. The Government is helping them establish cooperative-type associations to deal with production and marketing problems.

Rural community development, project No. 615-11-810-114.
Fiscal year 1965 expenditures, \$427,000. Total estimated cost, fiscal years 1960-67, \$1,198,000.

To help the Government establish an effective national rural community development program by training community development personnel, expanding and equipping district training centers, inaugurating local leadership courses, and assisting in field demonstrations.

TANZANIA

Agriculture improvement services, project No. 616-11-110-001.
Fiscal year 1965 expenditure, \$150,000. Estimated total cost, fiscal years 1961-70, \$3 million.

To help Tanzania achieve the aims of its new 5-year agricultural development plan by helping develop the training services and physical facilities of the agriculture extension service, agriculture credit institutions, and cooperative organizations. The objectives for agriculture take into account the importance of developing a sound agricultural extension program along with improved agricultural credit institutions and cooperative organizations. AID is providing training to strengthen the national extension service headquarters and field staffs as well as training cooperative and credit institution staffs. Three AID-constructed farm training centers are now in operation.

Community development, project No. 616-12-810-007. Fiscal year 1965 expenditure, \$430,000. Estimated total cost, fiscal years 1961-68, \$1,800,000.

To assist Tanzania develop community development organizations, which will help to bring rural peoples into the total development efforts of the country. Approximately 20,000 projects, mostly of a self-help nature, have been completed by local communities, with participation of over 7,500 organized village groups.

UGANDA

Agricultural extension, project No. 617-11-110-012. Fiscal year 1965 expenditures, \$322,000. Estimated total cost, fiscal years 1963-69, \$2,314,000.

To help the Ugandan Government create an effective agricultural extension service. AID is providing advisory-instructional services,

participant training in the United States, some construction and equipment for three District Farm Institutes and a National Information Center, and commodity support including surplus property trucks, teaching aids, books, and periodicals. Twenty-four participants are studying in the United States. About 40,000 farmers have attended 1-day to 2-week courses at the District Farm Institutes. A new farm management course for farm leaders has been developed.

Agricultural cooperatives, project No. 617-15-140-006. Fiscal year 1965 expenditure, \$413,000. Estimated total cost, fiscal years 1962-67, \$2,227,000.

To assist the Government of Uganda in improving and expanding its services to 1,702 cooperatives which now have 315,000 members. The membership goal for 1968 is 1 million. Most of the cooperatives are marketing organizations which also operate commodity processing facilities. The cooperative leadership is weakened by an exodus of personnel to Government ministries or to private industry. Facilities are needed to train 450 cooperative leaders, 2,900 cooperative employes and 14,000 cooperative members in the next 5 years.

AID has trained 660 cooperative employes and conducted 90 meetings attended by 7,200 cooperative members. Training is being provided for cooperative managers and middle level employes at Bukalasa Agricultural College, whose facilities AID helped expand. AID is furnishing advisory assistance on both central and district levels in cooperative operations, expansion of agricultural credit, establishment of sound business practices in all cooperative activities, and development of local savings schemes.

Agricultural education, project No. 617-11-110-023. Fiscal year 1965 expenditure, \$480,000. Estimated total cost, fiscal years 1963-70, \$1,784,000.

To assist the Uganda Government improve three agricultural education and training institutions developing trained agriculturists. AID is providing a college advisory-instructional staff to help qualify Africans to replace U.S. technicians. At present the three are below capacity in student enrollment. With U.S. assistance, combined enrollment is planned to be increased to over 500 compared with 120 students in 1963. Cooperative courses will be taught.

EAST AFRICA REGIONAL

Credit Union Development, project No. 618-11-140-619. Fiscal year 1965 expenditure, \$20,000. Estimated total cost, fiscal years 1965-69, \$522,000.

To assist in the mobilization of domestic savings through East Africa by providing advisory services and training in credit union organization and development. Small borrowers are now usually forced to pay exorbitant interest rates. Credit unions therefore, have a significant role to play in improving the private savings and credit situation in East Africa. This project will initially assist the East African Governments, cooperatives, and existing credit union leagues or federations in developing the legal and institutional framework necessary for successful credit union development. Key personnel will be trained and programs established under which 150

credit union organizers will be trained by fiscal year 1967. There are presently 65 credit unions in East Africa. The goal is 1,500 credit unions with 420,000 members by 1969.

ETHIOPIA

Agricultural education and research, project No. 663-11-110-002. Fiscal year 1965 expenditure, \$953,000. Estimated total cost, fiscal years 1954-67, \$13,676,000.

To establish a permanent institution to train Ethiopians in modern practices to help overcome the shortage of trained agricultural personnel. Oklahoma State University is directing teaching and research programs at the Imperial Ethiopian Agricultural College of Agriculture, at a secondary level Agricultural Technical School, and an Agricultural Experimental Station established by past U.S. aid. Cooperative research and organization is a very minor but significant sideline. Improved vegetable seeds have been introduced by organizing a marketing cooperative. A poultry cooperative and production-irrigation cooperatives have also been established.

Cooperative development, project No. 663-11-140-113. Estimated fiscal year 1965 expenditure, not announced. Estimated total cost, not announced. Fiscal year 1966 obligation, \$87,000.

AID proposes beginning with fiscal year 1966 to help accelerate the growth of Ethiopia's agricultural sector by assisting a cooperative program involving agricultural credit, procurement, crop quality control, and marketing practices. Oklahoma State University staff at the Imperial Ethiopian College of Agriculture has engaged in experiments which demonstrate the merit of cooperative methods in Ethiopia. The Ethiopian Government has requested the services of a cooperative expert for 2 years to work with Ethiopia's Government agencies in developing a plan for organizing rural cooperatives.

GHANA

Agricultural extension, project No. 641-11-110-007. Fiscal year 1965 expenditures, \$372,000. Estimated total cost, fiscal years 1958-67, \$2,840,000.

To assist the Ministry of Agriculture to establish an effective national extension service, reaching into all eight of Ghana's regions, and to improve domestic marketing, cooperatives, diversification of crops, and animal husbandry. Training given to 53 agricultural officers and 370 assistants enables four of eight regions to operate without further assistance. The remaining four will operate without U.S. assistance by 1967.

GUINEA

Palm oil extraction, project No. 675-11-230-014. Fiscal year 1965 expenditure, \$248,000. Estimated total cost, fiscal years 1963-73, \$886,000.

To assist Guinea in establishing a palm oil extraction industry with small processing centers at several locations in the country. The experiment, begun as a commercial venture, has ended by utilizing

cooperative techniques as the best means to secure the raw commodity. Although the palm fruit grows extensively in Guinea, the country annually imports \$2 million in palm oil, because it has lacked the simple facilities required for processing the fruit. An AID survey indicated the feasibility of a small-scale extraction industry. Under contract with an American firm, AID is helping Guinea construct several pilot palm fruit processing centers. AID also provided the equipment in 1962 for the first pilot plant, which consists largely of hand-operated hydraulic presses. Two new processing centers were built in 1965 in areas where dwarf palm trees had already been planted.

LIBERIA

Agricultural production advisory services, project No. 669-11-190-101. Fiscal year 1965 expenditures, None. Estimated total cost, fiscal years 1966-70, \$1,017,000.

To help the Liberian Government develop agricultural policies for stimulating private investment and encouraging the production and processing of agricultural crops. Although subsistence agriculture is the rule in Liberia, if Liberian farmers were awakened to their economic opportunities and the Liberian Government made a slight shift in its attitudes, conditions would be ripe for a program of cooperative management and cooperative credit. This project would follow-up on the recommendations of the study of Liberian cooperatives. If the results provide a favorable basis for the production programs involving credit, marketing and production cooperatives for a few selected crops and possibly livestock, additional assistance may be provided over the \$200,000 now allocated for fiscal year 1966.

MALAWI

Agricultural development, project No. 612-11-110-134. Fiscal year 1965 expenditures, \$315,000. Estimated total cost, fiscal years 1962-70, \$2,294,000.

To assist the Government of Malawi to increase agricultural production, credit and cooperatives, primarily through constructing and equipping agricultural schools, advisory services, and participant training. The Government recognizes this priority in its 5-year development plan which allocates 40 percent of all development funds to agricultural development. AID's surveys of extension, credit and cooperative needs have been completed, and a university team is now assisting the Malawi to implement survey conclusions. Twelve participants were sent to the United States to study agricultural credit, extension, cooperatives, and agricultural education.

MALI

Village development, project No. 688-11-840-012. Fiscal year 1965 expenditures, \$106,000. Estimated total cost, fiscal years 1962-66, \$416,000.

To help establish a pilot village to demonstrate the value of village planning and self-help techniques. With 90 percent of Mali's population in rural areas, the Government places emphasis on improving village life, while discouraging the exodus from villages to the already

overcrowded towns. AID is providing technical assistance in the planning of improved land use, better construction techniques, using local materials, planning of community facilities and more effective self-help measures. The first model village has been a notable success. Plans are underway to establish a nucleus model village in each of the five other regions of Mali.

MOROCCO

Agricultural cooperative credit and marketing, project No. 608-11-140-037. Fiscal year 1965 expenditures, \$78,000. Estimated total cost, fiscal years 1962-68, \$348,000.

To assist the Government of Morocco improve its agricultural credit activities, establish 60 projected community banks, and help agricultural cooperative associations. The inability of small farmers to obtain operating credit at reasonable rates of interest and the failure to develop modern marketing practices have been two of the major hindrances to the transition from a subsistence to an exchange economy.

The Government of Morocco established the National Agricultural Credit Bank (CNCA) to create a unified national agricultural credit policy, mobilize necessary financial resources and credit for cooperative associations and service societies.

During its first 9 months the national bank loaned the equivalent of over \$17 million, of which 87 percent has been repaid to date. During fiscal year 1965 the Director of the Bank, the Director of the Loan Department, and nine cooperative managers and accountants completed training programs in the U.S. Seven more are scheduled for training in cooperative and credit administration. Twenty employees of CNCA are to be selected for a community program.

AID technicians helped to conduct an educational campaign among farmers on agricultural credit and the CNCA, and to determine the most suitable locations for permanent community banks.

Artisanal industries, project No. 608-11-290-008. Fiscal year 1965 expenditures, \$127,000. Estimated total cost, fiscal years 1960-67, \$615,000.

To help Morocco modernize its primitive artisanal leather and lapidary industries, and increase exports. There are several hundred thousand artisans in Morocco, most of whom produce only for community needs. AID-financed and staffed mobile units have demonstrated modern leather tanning and finishing techniques, trained local personnel in shoe and leather working arts. Cooperatives have been formed. A pilot tanning training center has been completed for a large-scale training program in the organization, management, and technical operation of a modern, cooperative artisanal tannery.

NIGERIA

Agricultural production and distribution—western Nigeria, project No. 620-11-110-050. Fiscal year 1965 expenditures, \$1,365,000. Estimated total cost, fiscal years 1960-70, \$8,201,000.

To assist in increasing the western region—a 33,000 square-mile area with 10 million people—agricultural productivity by improving

agricultural distribution and marketing organizations, storage and handling practices, and introducing sounder farm management and marketing practices. The economics and marketing phase, \$77,000 for fiscal year 1965, seeks to assist in farm management and planning, and agricultural marketing. A Government egg marketing scheme was developed, and steps are now being taken to establish a poultry producers' cooperative to take over the Government's marketing functions.

Agricultural production and distribution—northern Nigeria, project No. 620-11-110-201. Fiscal year 1965 expenditures, \$1,710,000. Estimated total cost, fiscal years 1961-70, \$11,897,000.

To support northern Nigeria's efforts to increase agricultural production by providing technical and related assistance. Specific objectives included expansion of the rural youth programs, providing 1 extension worker for each 2,000 persons, assisting the construction and operation of a demonstration abattoir and 2 retail outlets for livestock, and establishing of slaughterhouse, cold storage plant, and a poultry station.

Agricultural credit, project No. 620-11-140-082. Fiscal year 1965 expenditures, \$94,000. Estimated total cost fiscal years 1960-69, \$1,046,000.

To assist the governments of eastern and western Nigeria in establishing and maintaining effective agricultural credit institutions. Prior to this project, both eastern and western Nigeria tried extending loans to farmers through institutions primarily concerned with industrial credit. They were poorly equipped to handle agricultural credit, and consequently stopped making agricultural loans. Present primary task is to train top level management and field personnel in operating a supervised agricultural credit program.

Agricultural cooperatives, project No. 620-11-140-750. Fiscal year 1965 expenditures, \$23,000. Estimated total cost fiscal years 1965-69, \$179,000.

To assist the Nigerian Government in strengthening and expanding agricultural cooperatives by advisory services and limited commodity support. To date the agricultural cooperatives in Nigeria have been largely relay stations for receiving export-type crops and passing them on to the marketing boards at fixed handling margins. In order to strengthen the participation of cooperatives in Nigeria's development, AID is assisting the regional governments to train Nigerians in cooperative management, and to improve cooperative training institutions. Both western and eastern Nigeria have established cooperative colleges and cooperative unions aimed at management training and membership education. Four Nigerians have received cooperative training in the United States.

Fisheries development, contract No. 620-11-180-704. Fiscal year 1965 expenditures, \$217,000. Estimated total cost, fiscal years 1962-67, \$800,000.

To assist Nigerian cooperatives to increase production and marketing of fish and thereby reduce imports. AID is training the Western Nigerian Cooperative Fisheries Association members to use

improved boats and gear for inshore fishing and to improve preservation, marketing, and distribution methods since at least one-fourth of all fish caught spoil due to lack of cold storage and poor curing and shipping. AID has helped establish five pickup points, consolidate storage points, and the use of refrigerated vans for distribution.

Agricultural planning and advisory services, project No. 620-11-190-212. Fiscal year 1965 expenditures, \$590,000. Estimated total cost through fiscal year 1966, \$2,138,000.

To provide advisers to plan and supervise the AID program of agricultural assistance to Nigeria and to advise the governments of Nigeria in carrying out the agricultural program of the development plan. This planning and supervisory organization, in addition to being necessary for support of the large AID program in agriculture, is of material value to the governments of Nigeria as an advisory resource, because there is no Federal Ministry of Agriculture and agricultural activities are dispersed among no less than seven different regional ministries.

Agricultural development studies and evaluation, project No. 620-11-190-755. Fiscal year 1965 expenditures, \$122,000. Estimated total cost, fiscal years 1965-68, \$1,154,000.

To undertake an intensive examination of the Government of Nigeria's agricultural development program as well as to provide some basic information and guidance to the Government of Nigeria for reevaluation of the country's 6-year plan and the development of future plans. Serious shortcomings result from lack of research on the economics of producing, processing, storage, and marketing of Nigeria's agricultural products. There is also lack of detailed information on how to transfer income and capital out of agriculture without destroying incentive for agricultural expansion and modernization.

Industrial housing and savings and loan, project No. 620-11-830-711. Fiscal year 1965 expenditures, \$125,000. Estimated total cost, fiscal years 1963-68, \$750,000.

To assist in the organization of housing and home finance industry in eastern Nigeria. Recognizing the need for an indigenous system of housing construction, and related credit facilities, the eastern Nigerian government organized the Eastern Nigerian Housing Corporation (ENHC). AID is providing technical assistance to advise the ENHC and the eastern Nigerian government in design and construction. It is also assisting in the administration of a unified housing and home finance operation, in planning and implementing low- and medium-cost housing projects, and in organizing a savings and loan system for the region, later to be taken over by private institutions.

SIERRA LEONE

Rural training institute, project No. 636-11-110-001. Fiscal year 1965 expenditures, \$347,000. Estimated total cost, fiscal years 1961-69, \$1,838,000.

To establish training institutions in provincial areas where rural young men and women with limited education can be taught practical skills to help improve village standards.

SOMALI REPUBLIC

Agricultural services, project No. 649-11-110-038. Fiscal year 1965 expenditures, \$994,000. Estimated total cost fiscal years 1962-70, \$5,468,000.

To assist the Somali Republic to increase and diversify its agricultural production, through instituting a research and extension service capable of developing new and improved crops and conveying new ideas to farmers.

SUDAN

Agricultural extension services, project No. 650-11-110-065. Fiscal year 1965 expenditures, \$232,000. Estimated total cost, fiscal years 1959-68, \$1,513,000.

To assist the Sudanese Government's efforts to increase and diversify agricultural production through the development of a nationwide extension service. In one province the extension program is assisting in the eventual resettlement of 8,200 farm families. Improved farm practices were demonstrated through educational fairs and personal contacts to more than 300,000 farmers and village leaders. Two poultry distribution centers were put in operation.

TUNISIA

Assistance to cooperatives, project No. 664-11-990-170. Fiscal year 1965 expenditures, \$43,000. Estimated total cost, fiscal years 1963-66, \$102,000.

To upgrade the Cooperative Section of the Ministry of Plan and Finance by providing advisory services and participant training. The Cooperative Section formulates Government policies and procedures for the establishment and operation of cooperatives. It operates the National School for Cooperatives, which provides administrative personnel for the agricultural production cooperatives. The reorganization of 1.5 million acres of ex-colon lands from large-scale extensive farming to more intensified and diversified production is to be achieved through the establishment of 4,000 cooperative units by 1971. This will require, in addition to a large amount of operating credit and equipment, the training of 2,000 to 3,000 farm managers and other key personnel. Since 1963, U.S. assistance has been limited to short-term advisers and participant training oriented to improving the capability of the Cooperative Section and National School for Cooperatives. Sixteen participants have been financed for training in the United States. Five have returned to middle management positions in the Cooperative Section.

ZAMBIA

Agricultural development, project No. 611-11-110-135. Fiscal year 1965 expenditures, \$476,000. Estimated total cost, fiscal years 1962-70, \$2,265,000.

To help Zambian agricultural production by developing agricultural extension and education facilities, and to a lesser extent by assisting agricultural credit institutions and cooperatives. AID has assisted in setting up courses, and has provided teaching equipment and

demonstration agricultural machinery, and provided training for participants. AID contributes \$450,000 annually for operating costs of National Resources and Development College, agricultural training centers and farm institutes, which cost \$2 million.

UAM STATES (FORMER FRENCH STATES)

Mauritania, Senegal, Ivory Coast, Upper Volta, Niger, Dahomey, Chad, Central African Republic, Congo (Brazzaville), Gabon, Malagasy Republic and former French Trusteeship of Togo—Administered from regional AID office in Washington.

CENTRAL AFRICAN REPUBLIC

Agricultural development, project No. 679-11-110-009. Fiscal year 1965 expenditure, \$340,000. Estimated total cost fiscal years 1963-66, \$726,000.

To further the growth of the Central African Republic's rural economy by teaching modern agricultural methods to young Central Africans and the establishment of cooperative farm villages and extension centers. The Government has established a pioneer youth organization to recruit and train young unemployed Central Africans in modern agricultural techniques, to establish cooperative farm villages, and to create agricultural extension centers within each cooperative village. AID has provided training aids, trucks, and agricultural equipment for new youth clubs and cooperative villages. In fiscal year 1965 a dozen youth clubs had 3,000 members. Three educational camps furnished advance agricultural community development training to 1,800 youths. Four new cooperative villages were being created, in addition to the four already in existence.

DAHOMY

Agricultural extension and education, project No. 608-11-110-007. Fiscal year 1965 expenditures, \$171,000. Estimated total cost, fiscal years 1962-67, \$719,000.

Assistance was provided to the Fisheries Service of the Dahomean Ministry of Agriculture to construct a bait storage and a temporary fish storage for two new fishing cooperatives. This will be used as a basis for an expanded extension program in fisheries. General assistance is also provided to help develop an agricultural extension service and improve crop and livestock production.

Establishment of pilot villages, project No. 680-11-190-020. Estimated fiscal year 1966 expenditures, \$150,000.

To aid in the establishment of two pilot cooperative villages, as a means of increasing agricultural production. These pilot villages are expected to facilitate the use of modern equipment and methods which could not be utilized by farmers on an individual basis. Two rural development centers have been established with several cooperative villages located near each one. Under the proposed program, young

Dahomean farmers will get 1-year training at the centers. They will then move to a nearby cooperative village where they can put their newly acquired skills to work. The pilot village operation includes a supervised credit program and plans for crop rotation, use of fertilizers and pest control. The U.S. contribution will consist of machinery and implements for land clearing and preparation, commodities for water and electric supply, hand tools, fertilizers and plant protection supplies, roofing materials and cement, and tractors, and farm implements. In addition, U.S.-owned foreign currencies will be used to acquire livestock for the two cooperative villages.

IVORY COAST

Low-cost housing, project No. 681-11-840-035. Fiscal year 1965 expenditures, \$25,000. Estimated total cost, fiscal years 1965-68, \$711,000.

To assist the Government of the Ivory Coast to implement a low-cost housing program to overcome a housing shortage which is expected to become critical within 5 to 10 years. The equivalent of \$2 million in CFA francs, being generated from the fiscal year 1965 Public Law 480 title IV program, will provide initial operating capital for the building and loan institutions that will finance low- and medium-cost housing. AID housing finance and construction advisers will help the planning ministries and loan institutions to administer and operate this project. Participant training was scheduled for key Ivorian personnel.

MALAGASY REPUBLIC

Improvement of agricultural extension services, project No. 687-11-110-013. Fiscal year 1965 expenditures, \$220,000. Estimated total cost, fiscal years 1962-67, \$983,000.

To assist in overcoming present lack of qualified personnel in agricultural extension service by improving the training and output of extension agents. AID provides training in the United States for select Government agricultural officials in rural credit, cooperatives and agricultural extension. Marketing distribution is to be improved through advice to agricultural cooperatives. Scheduled for fiscal year 1966 is training for 15 agricultural officials, and new rice-hulling equipment for selected cooperatives.

Rural improvement, project No. 687-11-190-024. Estimated cost beginning fiscal year 1966, \$90,000.

To assist the Malagasy Government to expand the agricultural sector of its economy by wider dissemination of information on improved agricultural practices. In order to teach the Malagasy farmer new methods of farming, of hygiene and nutrition, and of marketing, 15 AID-equipped visual units will tour rural areas. They will be directed by the Ministry of Information, coordinating work with other agencies, i.e., Ministry of Agriculture, the Rural Development Commission, and the Cooperative Commission.

NIGER

Agricultural credit and cooperatives, project No. 683-11-140-027. Estimated expenditures beginning fiscal year 1966, \$100,000. Estimated total cost, fiscal years 1966-68, \$225,000.

To assist the Government of Niger to improve its system of farm credit and cooperatives. The Government-established Nigerien Union for Credit and Cooperation has set up 12 regional centers and plans to establish 17 more. AID may assist by providing commodities to be used on farmer cooperatives and at demonstrations, such as ox carts, basic agricultural tools, and some pesticides.

TOGO

Rural development, project No. 693-11-810-004. Fiscal year 1965 expenditures, \$220,000. Estimated total cost, fiscal years 1962-69, \$1,620,000.

To assist the Government of Togo in establishment and operation of a Rural Development Service Center to train young men and women to be community agents in the fields of village self-help activities, sanitation and agriculture. Students trained in agriculture, health, community development and cottage industries will work in rural villages in activities designed to upgrade the level of living.

UPPER VOLTA

Agricultural cooperatives, project No. 686-11-140-013. Estimated expenditures for fiscal year 1966, \$50,000. Estimated total cost, not announced.

To assist the Upper Volta Government in expanding and improving agricultural cooperative and farming techniques. With French assistance the Government has established nearly 200 cooperatives. Farmers receive loans to purchase seeds, simple plows, donkeys, fertilizers, etc. AID is considering a proposal to provide 500 tons of high analysis fertilizer to the central cooperative so it can extend its services to 5,000 more farmers. The fertilizer will be sold to the farmers on credit, and a revolving fund will be established from repayment proceeds, which will be used to extend loans to additional farmers. This project will serve as a pilot effort for consideration of an expanded program, possibly on a loan basis.

AFRICAN REGIONAL

African American labor center, project No. 698-11-490-100. Fiscal year 1965 expenditures, \$120,000. Estimated total cost through fiscal year 1966, \$350,000.

To strengthen the democratic labor organizations in Africa by assisting them to develop effective trade union leadership and to

develop leadership in such development programs as consumer cooperative housing and social welfare.

Training in development and operation of credit unions, project No. 698-11-950-087. Fiscal year 1965 expenditure, \$60,000. Estimated total cost, fiscal years 1964-70, \$362,000.

To assist in the establishment and improvement of credit unions in selected African countries and to develop regional facilities to serve as an African training site. On the basis of the Credit Union National Association survey in 1964, it was determined that the potential for credit unions was good in Ethiopia, Nigeria, Senegal, Sierra Leone, Sudan and Tunisia. First step planned was for AID specialists to assist the Cooperative College in Nigeria in carrying out credit union training courses and to assist the registrars of cooperative and local credit union organizations in Western and Northern Nigeria, and to serve as an advisor organization in the development of credit unions in Midwestern and Eastern Nigeria. The Nigerian college may be developed into a regional training center for credit union officials from other African countries.

Regional conference on housing and home finance, project No. 698-11-890-101. Fiscal year 1966 obligations, and estimated total cost, \$50,000.

To encourage and assist African nations in the development of credit institutions which can provide long term, low interest home mortgage credit. Based upon its success in promoting the establishment of home finance institutions in Latin America and in two African countries, and because such institutions are essential to the development of continuing housing programs in Africa, AID proposed a regional conference in November 1965 in a yet undesignated African country. Participants would be representatives from housing authorities, responsible Government ministries and banking facilities from 10 African countries. In addition to the AID staff representatives, the following U.S. organizations would participate: National League of Insured Savings Associations and selected officials of savings and loan associations, Savings and Loan Foundation, Housing and Home Finance Agency, and Federal Home Loan Bank Board.

Labor training institute, project No. 698-11-410-099. Estimated fiscal year 1966 cost, \$300,000. Estimated total cost, fiscal years 1966-68, \$550,000.

To develop regional training institutes in Africa in order to strengthen free labor trade union organizations. One of the three centers would be devoted to training of personnel for trade union cooperative and credit union programs. Because of the experience of the Tunisian trade union cooperative movement, including a newly established cooperative bank, Tunisia is currently considered the best location for this training institute.

FAR EAST

KOREA

Improved administration of banking and credit, project No. 489-15-750-588. Fiscal year 1965 expenditures, \$532,000. Estimated total cost, fiscal years 1956-71, \$1,634,000.

To improve the key Korean financial institutions by recommending and helping them to carry out changes in banking and credit practices, and promote the effective mobilization and use of credit for economic development.

One of the organizations on which special emphasis was placed was the National Agricultural Cooperative Federation (NCAF). This institution has received a substantial amount of AID technical assistance, and has been capitalized with loans and grants from AID counterpart funds. Loans by the NCAF have greatly expanded livestock development and crop diversification, and encouraged potential export products. AID assistance has increased the effectiveness of NCAF as an agricultural credit institution, modernizing its credit operations and expanding legal agricultural financing activities, particularly crop production loans. Six participants are scheduled to come to the United States to study credit unions and savings and loan institutions.

PHILIPPINES

Agricultural productivity, project No. 492-11-110-029. Fiscal year 1965 expenditures, \$128,000. Total estimated cost, fiscal years 1951-67, \$1,708,000.

To assist the Philippine Government implement its agrarian reform program and establish a more equitable and socially acceptable land tenure system of farm ownership through provision of materials, credit, and legal and technical advisory services.

AID technicians have been working with the National Land Reform Council—the Philippine Government organization having overall responsibility for the program—and with integrated teams from Government agencies operating under the Land Reform Code. AID specialists in credit, cooperatives, and cooperative marketing and supply will work with cooperatives established in the new land reform districts.

Farm management, project No. 492-11-140-166. Fiscal year 1965 expenditures, \$70,000. Estimated total cost, fiscal years 1965-68, \$310,000.

To help in solving two major agricultural problems: the lack of farm management knowledge, and the lack of skill in the use of farm credit. Under this project, AID is helping the University of the Philippines College of Agriculture to establish a long-range multiphased program to train individuals who can bridge the gap between the farmer and the lending institutions, and short-term training courses to start to fill the immediate farm management need.

Community development, project No. 492-11-810-077. Fiscal year 1965 expenditures, \$133,000. Estimated fiscal years 1956-67, \$2,135,000.

To help develop the 28,000 elected barrio (village) councils into active institutions capable of effective local self-government. This will help broaden the country's democratic base and provide local channels through which agrarian and other rural reform activities can be initiated and implemented. AID has provided help in agricultural production, rural credit and community organization, and trained over 300 participants in local government administration, agriculture, and adult education. Some 2,700 barrio workers have received in-service training, and in turn have trained more than 340,000 barrio people in a variety of leadership and skill courses.

THAILAND

Agricultural extension, project No. 493-11-110-086. Fiscal year 1965 expenditures, \$442,000. Estimated total cost, fiscal years 1952-68, \$3,113,000.

To establish an effective agricultural extension service to concentrate attention on the problems of Thailand. This activity is an important element of Thai-United States efforts to improve economic and social conditions in the security sensitive areas. Since 1951 AID has helped the Government in establishing regional centers, training local extension officers, establishing farmers' and 4-H clubs, and distributing extension information material. Membership in the farmers' clubs is 16,000, and in the 4-H clubs is 18,000.

Community development, project No. 493-11-810-125. Fiscal year 1965 expenditures, \$410,000. Estimated total cost, fiscal years 1956-68, \$1,921,000.

To assist the Thai Government in establishing a national rural community development program which will strengthen Government ties with the villages of the northeast and extreme south of Thailand and accelerate their socioeconomic development. A total of 3,920 villages in the northeast and 615 villages in the extreme south are covered by the project. Workers in the villages organize and undertake self-help community projects, including the most primitive kind of cooperative-type effort. AID has provided audiovisual material and equipment, jeeps, and pickup trucks.

Accelerated rural development in border province, project No. 493-11-990-163. Fiscal year 1965 expenditures, \$3,482,000. Estimated total cost, fiscal years 1953-68, \$8,383,000.

To accelerate rural development activities in the sensitive border areas of North and Northeast Thailand. Stagnation in these remote villages and the Government's neglect have created deep-seated economic and social problems, which make the regions vulnerable to Communist subversion from across the border. The Government is now aware of the need to demonstrate a concern for village problems. This project enables the provincial governments of six northeast provinces to carry out village public works which will increase the economic potential of the areas concerned and reduce their isolation. AID has provided technical training, heavy construction equipment, and assorted handtools for provincial construction units.

VIETNAM

Counterinsurgency services, project No. 430-11-990-264. Fiscal year 1965 expenditures, \$13,488,000. Estimated obligations through fiscal year 1966, \$38,654,000.

A successful counterinsurgency program combines many fields of endeavor. This project attempts to channel diverse energies into an effective vehicle for promoting economic and social progress. In the new rural life program, over 6,000 self-help projects have been completed. The cooperatives were being revitalized by the corn-pig and fertilizer loan-in kind programs. Improved seed, fertilizer, and plant protection programs have dramatically increased yields in certain areas. Existing rural impact programs of proven effectiveness will be continued in fiscal year 1966 and, progress of the pacification campaign permitting, expanded.

NEAR EAST-SOUTH ASIA

INDIA

Agricultural extension, project No. 386-11-110-007. Fiscal year 1965 expenditures, \$290,000. Estimated total cost, fiscal years 1951-70, \$4,574,000.

To help India build state agricultural extension services, coordinated at the national level, as an effective force in increasing agricultural production. When the serious food crisis of 1964 caused the Government of India to seek new solutions to the problems of food production, the AID mission presented a plan to the Ministry for a reorganized extension service. The plan has been well received. When the Ministry firms its plans, the AID staff of extension advisers will be increased. These advisers will be able to use specialists on projects for assistance on specific technical problems. Forty Indian staff workers will study agricultural extension administration methods in the United States.

Agricultural production incentives, project No. 386-11-140-282. Fiscal year 1965 expenditures, \$30,000. Estimated total cost, fiscal years 1965-71, \$855,000.

To assist the Government of India develop and administer effective financial and production incentives to Indian farmers for increased output of agricultural commodities, particularly of food grains. In response to an Indian request in fiscal year 1965, AID agricultural experts surveyed all aspects of the situation to assist the Government in forming a program which would improve farm practices. As the program gets underway in fiscal year 1966, AID will help the Indian Government with its current efforts to improve and expand credit facilities for farmers so they can avail themselves of more modern farming methods. Since agriculture is largely a responsibility of the various Indian states, AID experts in the formation and operation of cooperatives and of rural credit institutes will work with state governments which are trying to improve the effectiveness of rural cooperatives under their control.

IRAN

Agriculture education and extension, project No. 265-11-110-039. Fiscal year 1965 expenditures, \$220,000. Estimated total cost, fiscal years 1953-68, \$2,731,000.

To assist Iran meet the needs of its farmers for increased Government services to support the land reform program now underway. The Extension Service developed with American help is the principal channel for providing the peasants with information on modern methods of farming. Among services provided by the 380 village agricultural agents and 255 home agents are agricultural credit, seed, fertilizer and equipment loans for farmers. AID advisers have helped the Ministry of Agriculture utilize more fully the existing technical competence and resources available within its different departments.

Agricultural credit and cooperatives, project No. 265-11-140-228. Fiscal year 1965 expenditures, \$60,000. Estimated total cost, fiscal years 1962-68, \$1,102,000.

To help the Agricultural Credit and Rural Development Bank (ACRUDBI), develop an effective supervised credit program. AID has been advising ACRUDBI on its loan and cooperative programs since 1958. In that time the number of cooperatives has increased from about 100 to 3,500 with a membership of 500,000. These village cooperatives are an essential element in making the land reform program work. For this reason AID has continued to help ACRUDBI and its operating arm, the Central Organization for Rural Cooperatives (CORC). CORC's managing director and five other top-level officials received training in the United States under the technical assistance program.

AID's agricultural credit advisers are working with CORC on pilot supervised credit programs and with ACRUDBI on helping the new farmers to increase their incomes by linking credit to improved agricultural practices.

JORDAN

East Ghor rural development, project No. 278-16-990-113. Fiscal year 1965 expenditures, \$400,000. Estimated total cost, fiscal years 1963-67, \$1,437,000.

To assist with the economic and social development of the East Ghor Canal irrigation area by financing credit, cooperatives, a health center, a community center, and farm-to-market roads. Jordan needs to obtain maximum returns at the earliest date from the land brought under irrigation by the East Ghor Canal project. To this end, AID is helping establish integrated cooperative services at three locations. It is providing the funds for construction and purchase of physical facilities and initial operating capital for key cooperative services. AID is also financing the services of an adviser and limited participant training. One multipurpose cooperative center, at Wadi Yabes, includes services for credit, farm machinery rental and repair, marketing, rental housing, and agricultural supplies. A cooperative livestock program is being expanded to cover 1,700 families. Approximately half of the dollar funds required for the project are being

granted to the Agricultural Credit Corporation and earmarked as loans of the ACC to the cooperatives to be repaid to the ACC over 20 years.

NEPAL

Agricultural cooperatives and credit, project No. 367-11-140-056. Fiscal year 1965 expenditures, \$111,000. Estimated total cost, fiscal years 1960-70, \$818,000.

To establish a cooperative bank as a source of agricultural credit and to develop a nationwide system of licensed cooperatives to make supervised loans to farmers and provide them with marketing and other services. Traditionally, Nepalese farmers have been in perpetual debt to their landlords. The result is that both the farmers' incentive and agricultural production were depressed. This project aims to provide farmers with a source of credit other than the landlord and the moneylender. The Government organized Cooperative Bank which began operations in 1964 is now providing capital to Nepal's 1,100 cooperatives. The cooperatives lend directly to the farmers. AID has contributed \$373,780 of U.S.-owned Indian rupees to the loan capital fund. Plans call for granting \$140,000 in U.S.-owned Indian rupees in fiscal year 1965 and \$203,000 in fiscal year 1966 for additional lending capital. Also being considered is an Indian rupee loan of \$750,000 in fiscal year 1966 and additional rupee loans as the bank's capital needs rise. Emphasis is on getting the Cooperative Bank into full operation.

TURKEY

Agricultural credit, project No. 277-15-140-342. Fiscal year 1965 expenditures, \$76,000. Total estimated cost fiscal years 1962-67, \$290,000.

To help the Agricultural Bank establish and expand supervised credit systems which will be more effective in helping farmers. While the concept of supervised credit is slowly gaining acceptance, a successful credit program must be an integral part of a total agricultural development program. AID's supervised agricultural credit project is focused on a coordinated effort in Denizli Province. Training was continued for 140 bank employees, as well as for 20 to 30 credit supervisors. A supervised credit division has been established in the bank and the bank has provided \$2.8 million equivalent from Public Law 480 loan funds.

APPENDIXES

APPENDIX A

THE ORGANIZATION AND FUNCTION OF COOPERATIVE SERVICES IN AID

The cooperative role

AID already has many achievements, but history's evaluation is likely to be on how successful it is in extending our own liberty and our own security by helping people in other countries to achieve and strengthen theirs. The cooperative idea, backed by active cooperative assistance, is becoming an important export of American democracy. Cooperative types of business have distinct qualities which make them a valuable part of the U.S. assistance program. AID now uses cooperative resources extensively as it expands the role of private enterprise in foreign assistance.

Cooperative services in AID

AID's interregional cooperative services are carried on mainly through the International Cooperative Development Service, established January 18, 1962, as a division in AID's Office of Material Resources.

Its creation was the result of requests by U.S. cooperatives, followed by a recommendation from the Cooperative Advisory Committee to the Administrator of AID. The Cooperative Department gave validity to the Humphrey amendment to the Foreign Assistance Act. It made cooperatives, credit unions and savings and loan associations a functioning part of our Nation's private enterprise effort in foreign assistance.

The cooperative service in the Office of Material Resources has made it easier to organize and correlate a purposeful cooperative program in the missions and regions, through a staff of specialists in the areas of cooperative education and training, credit and finance cooperatives, housing and industrial cooperatives, marketing and consumer goods cooperatives, rural electrification cooperatives and general cooperative services.

Review of needs

The cooperative service center is the outgrowth of a memorandum which Mr. Herbert J. Waters, then special assistant to the Director of the International Cooperation Administration (predecessor to AID) submitted to the Director on June 1, 1961. The memorandum recommended:

- (1) A review and survey of what cooperative activity the agency was conducting;
- (2) A survey to draft a directive or policy statement on cooperatives, and
- (3) A preliminary outline of plans for future expanded activity in this field, if that were to be the agency's policy.

On August 25, 1961, the Special Advisory Committee completed its report "Cooperatives—Democratic Institutions for Economic and Social Development." It set forth certain prerequisites and goals of successful cooperation as one of its recommendations. The report was submitted to the Honorable Fowler Hamilton, then the Administrator of AID.

The cooperative amendment

In the meantime, on September 4, 1961, the Congress passed the Foreign Assistance Act of 1961, which established the Agency for International Development. Included in the act was section 601 of the act, the so-called Humphrey amendment on cooperative development. Sixty days later the act became law.

On January 18, 1962, the Administrator established the International Cooperative Development Service, on the recommendation of the Advisory Committee, and set forth its purpose and functions.

The objectives of ICDS

The objective of ICD as the central office of cooperative development and assistance in AID is to provide coordinated resources, planning, and programing services for worldwide programs and for regional bureaus and country missions. To accomplish this objective, the ICDS staff—

"1. *Serves* as secretariat for the Cooperative Advisory Committee to (a) inform the CAC on AID programs involving cooperatives, credit unions, and savings and loan associations; (b) refer to appropriate AID offices the recommendations and resources of such U.S. organizations; (c) seek the maximum effective utilization of the programs of such organizations in foreign assistance programs.

"2. *Serves* regional bureaus of AID with technical advice and guidance in the areas of cooperative housing, agricultural production and marketing, credit, education and training, purchasing, rural electrification, and other services.

"3. *Serves* regional bureaus as a focal point of liaison and consultation concerning technical services and advice in the aforementioned areas.

"4. *Recommends* to regional bureaus opportunities for cooperative development programs; *assists*, upon request—and in liaison with program review and coordination staff—in development of future plans and programs.

"5. *Assists* regional bureaus in analysis and evaluation of cooperative program proposals submitted by country missions.

"6. *Advises* regional bureaus as to nongovernmental resources available for cooperative programs; *assists*, upon request, in contracting for such resources.

"7. *Assists* regional bureaus and USAID's by maintaining a directory of qualified specialists in cooperative, credit unions, savings and loan associations.

"8. *Assists and advises* in coordination of AID cooperative development programs with related activities of international agencies (OAS, ILO, FAO, IDB, etc.)

"9. *Maintains liaison* with programs and staff officers of AID (other than regional bureaus) necessary to facilitate programs of cooperative development.

"10. *Assists in preparation* of annual report to Congress on implementation of legislation relating to cooperatives, credit unions, and savings and loan associations in the foreign assistance program."

All of AID's missions were made aware of AID's policy on cooperatives and the importance placed on their use. Each year a review of cooperative development is made by the missions, and incorporated in the annual cooperative report.

The goals

Each cooperative project reflects the program planning for that country and is judged by how much it helps the less developed countries to—

1. *Improve* the social and economic position of the underprivileged;
2. *Assist* people on land reform and resettlement projects to place greater reliance on their own efforts;
3. *Develop* programs of cooperative education and democratic procedure;
4. *Increase* the capital of the country and the savings of individuals by encouraging thrift and releasing hidden savings;
5. *Establish* producer-owned facilities, especially in agriculture, to handle, store, market and process commodities; and
6. *Introduce and expand* needed community and social services.

APPENDIX B

INTER-AMERICAN DEVELOPMENT BANK LOANS OUTSTANDING AND REQUESTED, FISCAL YEAR 1965

Total outstanding loans for cooperative projects: Argentina, \$30 million approved; Bolivia, \$7.7 million approved; Brazil, \$20.5 million requested, \$11.1 million approved; Chile, \$27,443,950 approved, \$1.5 million requested; Colombia, \$17 million approved; Costa Rica, \$2.3 million approved; Dominican Republic, \$1,735,000 approved; Ecuador, \$10.6 million approved; El Salvador, \$2 million approved; Guatemala, \$2.5 million approved; Honduras, \$2.5 million approved; Mexico, \$19.8 million approved; Nicaragua, \$2.5 million approved; Panama, \$2.5 million approved; Paraguay, \$6.3 million approved; Peru, \$2 million approved; Venezuela, \$12.7 million approved. Total approved, \$159,678,950, requested, \$23 million.

HOUSING COOPERATIVES

Argentina

The Inter-American Development Bank (IDB) loan of \$30 million will be matched by an additional \$30 million from Argentina. Of the grand total of \$60 million, \$30 million will be available to finance housing built through authentic housing cooperatives made up of trade union members. Technical assistance will continue to be provided to assure that the cooperative program will achieve its full objective.

Bolivia

The IDB loan of \$4 million will be augmented with a contribution from Bolivian sources of \$1,429,000. Approximately 70 percent of the total proceeds will be utilized for housing cooperatives or the Bolivian variation of housing cooperatives. Technical assistance has been contributed and will be available for at least 1 year to carry out this facet of the program.

Chile

An IDB loan of \$5 million to the Chilean savings and loan system for use by authentic housing cooperatives. The Chilean system is sufficiently sophisticated so that no technical assistance is required.

Another loan for the same amount and purpose as above was signed on August 12, 1964.

Borrower: Sociedad Promotora de Viviendas Economicas Limitada (PROVIEN), guaranteed by the Corporation de Fomento de la Produccion (CORFO). Amount of loan: US\$2 million (26 percent). Local contribution: equivalent of US\$5,642,857 (74 percent). Total cost of project: equivalent of US\$7,642,857. Term, 21 years; interest: 1¼ percent; service charge; three-fourths of 1 percent; disbursement period: 2 years; approved July 26, 1962.

This loan will help build some 1,900 homes in the Province of Valparaiso for families of members of PROVIEN, which has a membership of 6,000 workers.

PROVIEN is a limited partnership, organized in July 1959 to help its worker members build low-cost homes. CORVI is an autonomous national agency established in 1953 to carry out low-cost housing construction programs throughout Chile.

A US\$2 million loan approved on March 11, 1965 to help finance a cooperative housing program for low-income families.

The borrower is the Instituto de Viviendas Populares Caritas (INVICA), Chile.

At the outset the borrower would build about 840 units representing the first stage of a 2,950-unit project.

INVICA would arrange for housing cooperatives, and through them, the beneficiary families, to obtain long-term financing through the Chilean system of savings and loan associations.

Colombia

A loan of US\$7.5 million to the Instituto de Credito Territorial (ICT) was approved on October 8, 1964. It will help finance a plan to build more than 7,000 houses at a total cost of US\$17.7 million. The trust fund will finance 42.5 percent; the Colombian Government 21.7 percent; priority enterprises, cooperatives and syndicates 10.1 percent and the beneficiaries the remaining 25.7 percent.

Approval of a US\$2.5 million loan was made on December 24, 1964.

The borrower is the Instituto de Credito Territorial de Colombia (ICT), the governmental agency in charge of housing programs throughout the nation.

The 1,120 houses and 280 apartments to be built with this loan will be allocated to members of the Alianza Democrática Sindical Colombiana para Viviendas, a private institution with a basic objective of social development programs especially those related to the organization and establishment of worker housing cooperatives.

Dominican Republic

On April 22, 1965 an IDB loan of US\$1,735,000 was approved to help finance the construction and/or improvement of 960 houses for low-income families.

The borrower is the Instituto Nacional de la Vivienda (INVI) which will in addition obtain a loan from the American Federation of Labor and the Congress of Industrial Organizations (AFL-CIO) in the amount of US\$865,000. Both credits will cover about 70 percent of the financing requirements of the program. The houses will be allocated among members of the housing cooperative, Cooperativa Provienda Ingenio Porvenir (COPVIP) of the city of San Pedro de Macoris. This cooperative was organized and has the technical AID of the American Institute for Free Labor Development (AIFLD). This program will be financed with local contributions as follows: 4.9 percent by INVI; 2.5 percent by the Sugar Corp.; 8.2 percent by the Dominican Government and 14.5 percent by the beneficiaries themselves, through cash payments and labor.

Ecuador

The IDB loan of \$10.6 million will be increased by \$6,404,000 as a local contribution, and will result in the construction of 8,600 homes. Of this total, approximately 2,000 new homes will be for authentic housing cooperatives, which will contribute no less than 20 percent of the total cost of each unit. Technical assistance in connection with the organization and administration of the housing cooperatives will be provided.

Mexico

Borrower: Nacional Financiera S. A., guaranteed by the Government of Mexico. Amount of loan: US\$10 million (16.7 percent). Local contribution: equivalent of US\$60 million. Term, 30 years; interest, 1¼ percent; service charge, three-fourths of 1 percent; disbursement period, 2 years; approved August 27, 1963.

This loan provides partial financing for the first stage of a program to build homes for sale to low-income families through the mortgage of fiduciary guarantee system. This stage, which involves 23,000 units and will cost at least US\$20 million, is also receiving financial assistance from AID in the form of a US\$20 million loan. The fund for operations and bank discounts for housing (FOVI) of the Federal Government of Mexico will contribute the equivalent of US\$16 million to financing this stage of the program; an additional US\$14 million, from private banking institutions, industrial firms, cooperatives, employers associations, labor unions, public funds, will complete this financing.

Paraguay

An IDB housing loan was signed on December 1, 1964 of US\$3.4 million to be increased by the equivalent of US\$1,354,000 as local contribution, and will result in the construction of 3,800 homes. Of this total about 320 new homes will be built both in rural and urban areas through housing cooperatives, whose members will contribute the necessary labor and the lots. Families with monthly incomes up to US\$75 are eligible to participate in his plan. Technical assistance in connection with the organization and administration of the housing cooperatives will be provided.

Peru

An IDB loan of \$1 million has been made to the Mutual El Pueblo, a cooperative nonprofit savings and loan association under the direction of an American priest, Father Daniel MacLellan. No technical assistance is being provided for this program.

Another loan for the same amount and purpose as above has been requested.

Borrower: Cooperativa de Creadto Central del Peru. Amount of loan: US\$1 million (37 percent). Local contribution: Equivalent of US\$1, 700,000 (63 percent). Terms, 21 years; interest, 1¼ percent; service charge, three-fourths of 1 percent; disbursement period, 1 year; approved October 19, 1961.

This loan would strengthen the lending operations of the 248 nongovernmental local credit cooperatives, affiliated with the National Federation of Cooperatives of Peru, which have grown out of the credit cooperative movement started in 1955 among the Peruvian Indians. In 6 years, these local cooperatives have mobilized through savings of members \$1.7 million capital and have extended small credits totaling US\$5.4 million on short terms to small borrowers with limited resources. The loan proceeds would increase the loanable assets of the Central Credit Union (from which the locals borrow) for making such small credits for agriculture, housing, water, and sewerage. The relending rate of the local credit cooperatives to the small borrower would not exceed 12 percent per annum on outstanding balances.

AGRICULTURAL COOPERATIVES

Brazil

Finance rural cooperatives.—The loan to SUDENE (Agency for Development of Northeast Brazil) for \$2.7 million will be used for agricultural credit to low-income farmers and their cooperatives. The purpose of this loan is to establish and finance rural cooperatives which will furnish various types of services needed by low-income rural families in northeast Brazil.

An application from the Banco Central do Brazil for US\$20.5 million to finance low-and medium-income farmers and their cooperatives is being processed. The loan program will be administered by regional and local banks, including the Banco Nacional de Credito Cooperativo that will contribute an additional US\$20 million of loanable funds.

The financing of cooperatives is one of the purposes of a US\$6.4 million loan to Caixa Economica do Estado de Minas Gerais, which will assist an estimated 156,000 low-income rural people.

A loan of US\$2 million to the Banco de Credito Agricola do Espirito Santo will finance an estimated 30,000 low-income rural people and their cooperatives.

Bolivia

A loan of \$1.1 million to finance low-income farmers and their cooperatives. A \$435,000 loan to finance the first phase of a rural development program.

A loan of US\$2.6 million to assist in financing a colonization project including credit for low-income farmers and their cooperatives.

The above loans are expected to assist more than 100,000 rural families.

Chile

Supervised agricultural credit.—The \$6.5 million loan for supervised credit in Chile will be used to finance low-income farm families and their cooperatives. Most of the cooperatives will be new organizations and arrangements have been made to furnish technical assistance for their organization and administration.

Colonization.—A provision in the \$6,343,950 loan for colonization in Chile requires that technical assistance be provided in the organization and administration of cooperative service organizations for settlers. An expert in agricultural cooperatives has been engaged for a minimum of 2 years to train the staff in organizing and developing such cooperatives.

Cooperative marketing.—The \$600,000 loan to the Central Consumer Cooperative in Santiago is designed to demonstrate the possibilities of increasing and improving the marketing facilities for low-income farmers by having cooperative retail consumer outlets purchase directly from farmers' cooperatives. The consumer markets are mostly in the low and medium-income urban areas. IDB has made a \$40,000 technical assistance grant to help finance to the Catholic Church in Chile. A loan application for \$1.5 million has been submitted for the purpose of developing these properties into a colonization project of family-sized units for low-income families. The program will be administered through cooperatives which will furnish various services the settlers will need.

Colombia

One of the purposes of a \$7 million loan is to develop cooperatives to serve the needs of the 8,864 low-income families to be benefited by a comprehensive agrarian reform project.

Costa Rica

Production, processing, and marketing cooperatives.—A loan of \$1 million has been approved to finance new and existing cooperatives which develop the production, processing, or marketing of products of agriculture and fishing. The borrower, Banco Nacional de Costa Rica, through its cooperative development department, is responsible for the organization, supervision and financing of cooperatives.

A loan for \$1.3 million has been approved to finance the settlement of 600 low-income farmers and their service in cooperatives a colonization project.

El Salvador

Agricultural credit.—The first agricultural loan made by IDB for Social Progress Trust Funds was approved in August 1961 to Federacion de Cajas de Credito Rural de El Salvador, a cooperative system that supervises the finances of 32 cooperative lending institutions. This \$2 million loan was to increase the loanable funds of this cooperative system which at that time had more than 24,000 farmer members. The Federacion is responsible for the organizations of rural cooperatives.

Guatemala

A \$2.5 million loan to benefit 13,800 rural persons through a rural development program.

Honduras

A \$2.5 million loan to benefit 15,000 persons through a rural development project.

Mexico

A loan of \$9.8 million to develop eight small irrigation projects for low-income farmers and their cooperatives.

Nicaragua

A \$2.5 million loan to finance an estimated 30,000 low-income farmers and their cooperatives.

Panama

A loan of \$2.5 million has been approved for the purpose of financing part of the cost of an agrarian development program to benefit 3,150 low-income farmers and their cooperative service organizations.

Paraguay

Agricultural cooperative.—The financing of agricultural cooperatives is authorized by the terms of a loan of \$2.9 million which is to finance the requirements of an estimated 21,500 low-income farmers.

Venezuela

A \$12.7 million loan to provide part of the financing of a land settlement project for an estimated 48,000 low-income farmers and their service cooperatives

APPENDIX C

FOOD FOR PEACE, PUBLIC LAW 480

AID makes use of Public Law 480 (the Agricultural Trade Development and Assistance Act of 1964, as amended) to assist people in developing countries in many ways, including the building of cooperatives, credit organizations, and mutual-aid programs. The four ways in which the law is used are: (1) title I to provide for the sale of U.S. agricultural commodities to friendly countries with payment in currency of the recipient country; (2) title II to authorize grants of USDA Commodity Credit Corporation stocks of farm products for famine relief and other assistance, including economic and community development; (3) title III to authorize CCC-owned commodities for domestic and foreign donation programs and for barter for an equal value of strategic or other materials; and (4) title IV to provide for sales of agricultural commodities on a long-term supply and dollar credit basis.

APPENDIX D

AID COOPERATIVE DIRECTORY

MEMBERS AND ALTERNATES OF THE ADVISORY COMMITTEE ON COOPERATIVES

- James E. Bent*, Hartford, Conn., president, Hartford Federal Savings; with *Kenneth G. Heisler*, managing director, National League of Insured Savings Associations, Washington, D.C., as alternate.
- John B. Clarke*, Washington, D.C., treasurer-chief business and financial officer, Howard University; with *John Gammon, Jr.*, Marion, Ark., as alternate.
- Clyde T. Ellis*, Washington, D.C., general manager, National Rural Electric Cooperative Association.
- Leon Keyserling*, Washington, D.C., economic consultant, former member of President Truman's Council of Economic Advisers.
- Murray D. Lincoln*, Columbus, Ohio, president, Cooperative League of the U.S.A.; with *Jerry Voorhis*, executive director of the Cooperative League, Chicago, Ill., as alternate.
- Kenneth J. Marin*, Grand Rapids, Mich., president, Credit Union National Association, Inc.; with *J. Orrin Shipe*, managing director, CUNA, Madison, Wis., as alternate.
- Kenneth D. Naden*, Washington, D.C., executive vice president, National Council of Farmer Cooperatives; with *Richard T. O'Connell*, secretary, NCFC, Washington, D.C., as alternate.
- Herschel D. Newsom*, Washington, D.C., master, National Grange; with *Harry B. Caldwell*, chairman of the executive committee of the National Grange, Greensboro, N.C., as alternate.
- James G. Patton*, Denver, Colo., president, National Farmers Union; with *Dr. John M. Eklund*, assistant to the president, NFU, Washington, D.C., as alternate.
- Raymond W. Miller*, president, Public Relations Research Associates, Inc., Washington, D.C.
- Walter Reuther*, Detroit, Mich., president, United Auto Workers; with *Victor G. Reuther*, administrative assistant to the president, UAW, Washington, D.C., as alternate.
- Charles B. Shuman*, Chicago, Ill., president, American Farm Bureau Federation; with *John C. Dall*, AFBF, Washington, D.C., as alternate.
- Bishop Edward E. Swanson*, New York, N.Y., honorary chairman of executive committee of the American Council of Voluntary Agencies for Foreign Service.

M. W. Thatcher, *St. Paul, Minn.*, president, National Federation of Grain Cooperatives; general manager, Farmers Union Grain Terminal Association; with *Dwayne O. Andreas*, president, Interoceanic Commodity Corp.; chairman of board, Interoceanic Industries; and executive vice president, Farmers Union Grain Terminal Association, *St. Paul, Minn.*, as alternate.

Herbert J. Waters (ex-officio Chairman) Assistant Administrator for Material Resources.

Frank M. Sahlman (Secretary) Director, International Cooperative Development Service, Office of Material Resources.

COOPERATIVE OFFICES

Worldwide:

Office of Material Resources:

International Cooperative Development Service.

Voluntary Foreign Aid Service.

Food for Peace Division.

Office of Development Finance and Private Enterprise.

Regional:

Bureau of Inter-American Affairs:

Bureau for Latin America:

Office of Institutional Development:

Social and Cooperative Development Division.

Rural Development Division.

Labor and Youth Division.

Republics of Central America and Panama (ROCAP).

Bureau for Africa:

Office of Institutional Development, Agriculture Division.

Office of Capital Development and Finance, Private Enterprise and Industry.

Bureau for Far East:

Technical Advisory Staff.

Institutional Development and Cooperatives.

Bureau for Near East and South Asia:

Office of Technical Support.

Public Health and Public Services Branch.

