



USAID/BRAZIL

Questions and Answers Regarding the Program

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USAID / BRAZIL QUESTIONS AND ANSWERS ABOUT THE PROGRAM

1) Why does the United States have an economic assistance program in Brazil ?

— The U.S. economic assistance program in Brazil is our contribution to the Alliance for Progress formed by the American Republics in 1961 under the Charter of Punta del Este, reaffirmed and broadened by the 1967 Conference of Presidents of the Americas, also at Punta del Este. The purposes of the Alliance are to enlist the energies of the people and governments of the American Republics in a cooperative effort to accelerate economic and social development, including a Latin American Common Market by 1985, thereby solidifying the base for sound, self-reliant, democratic growth.

2) How large is Brazil in size and population ?

Larger in territory than the continental United States, Brazil is the fifth largest country in the world in size, making up approximately half of South America. It is the eighth largest in population with 90 million, almost as large as all other South American countries combined.

3) What is the per capita income ?

— The southern part of Brazil has developed rapidly since World War II and has an estimated per capita income of \$292. However, the economic problems of the North and Northeast

of the country are reflected in the lower per capita income of these areas, about one half of the industrialized south.

4) What is the magnitude of the U.S. direct contribution to the Alliance for Progress in Brazil?

— U.S. direct development assistance to Brazil since the beginning of the Alliance for Progress through 1969 including the operation of the United States Agency for International Development (USAID), the U.S. share of the Interamerican Development Bank (IDB) program in Brazil, the Export-Import Bank and the Food for Peace Program has totaled over \$2 billion. (Total U.S. assistance to Brazil since 1945 is over \$3 billion.)

5) What percentage of total Alliance for Progress funds expended by the United States are devoted to assisting Brazilian development?

— About one-third.

6) What are the specific aims of the Alliance for Progress in Brazil?

— In the early years of the Alliance for Progress, Brazilian economic development and the formulation of country-wide Alliance goals were frustrated by the economic policies being followed at that time. Since the Revolution of March 1964, the Brazilian Government has pursued coherent programs of development, reform and stabilization. The Alliance for Progress, as developed since 1964, has been aimed at supporting Brazilian efforts in achieving these goals.

7) How are these Brazilian goals supported by USAID?

— The main economic "tools" employed by USAID to assist Brazil have

been Program (or commodity import) Loans, Capital Project loans and technical cooperation. Food for Development commodities have also been used as a major tool to improve consumption levels, assist Brazil's balance of payments, and to promote development.

8) What is a "Program Loan" and how large have they been ?

— Program Loans are balance of payments loans made to insure the availability of investment goods to support Brazil's development. The size of a Program Loan in any year is determined on the basis of the Brazilian economy's projected need for general imports and the expected availability of financing for these imports from export earnings and foreign borrowing.

Program Loan Dollars are made available for imports from the United States through normal commercial channels. As Brazil levies prohibitive tariffs on luxury items, Program Loan dollars finance capital goods, raw materials and intermediate goods, contributing to Brazilian development.

The local currency generated through the sale to importers of the Program Loan dollars has been deposited in a special cruzeiro account in the Bank of Brazil. These cruzeiros have been used as agreed upon by Brazil and the U.S. for high-priority public and private development purposes.

9) What are capital project loans ?

— Capital project loans are used to create or expand physical facilities that contribute to basic economic development. This assistance is normally made available for specific projects and therefore differs from Program Loans which provide resources to finance the importation of a wide range of essen-

tial commodities as determined by the overall demands of the economy.

10) What is the Food for Development Program in Brazil?

— The Food for Development program (formerly known as Food for Peace) in Brazil is extremely broad and is composed of two distinct programs:

- (1) A program under Title I of Public Law 480 which involves the sale of agricultural commodities such as wheat to Brazil for local currency or dollars.
- (2) Grants of US agricultural commodities under Title II of PL 480 for use in socio-economic development programs such as the National School Lunch Campaign (CNAE), Food for Work, Feed Grains, etc. These Title II programs are now known as Food for Development programs.

As a financial resource for the Alliance for Progress, the Food for Development programs have consisted mainly of favorable credit sales of American wheat to Brazil. Earlier years' payments were in cruzeiros, but since 1966 they have been in dollars spread over 20 years. Cruzeiros received by the Brazilian government from its sale of this wheat to commercial processors has played an important role in financially supporting Brazilian priority development programs throughout the country. These sales agreements have amounted to over \$600 million since 1959, and at present are between \$70-80 million a year.

Along with the sale of food, other food commodities are granted, free of cost, to stimulate social and economic improvement through the Food for Development program. (See Question 41).

11) What are the major sectors in which USAID has made capital loans to Brazil, and what are the terms of these loans?

In both dollars and local currency, by September 1969, USAID provided Brazil capital assistance as follows:

| Sector | Millions of Dollars | Cr\$ millions PL480 |
|---------------------------------|---------------------|------------------------|
| 1. Electric Power | 214 | 16 |
| 2. Transportation | 86 | 49 |
| 3. Agriculture | 63 | 9 |
| 4. Industry | 19 | 59 |
| 5. Health (Malaria Eradication) | 17 | 3 |
| 6. Water Supply & Sewage | 20 | 8 |
| 7. Education | 32 | 18 |
| 8. Housing | — | 10 |
| 9. Feasibility Studies | 11 | — |
| 10. Natural Resources | 8 | — |
| 11. Statistical Development | 6 | — |
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Terms are related to the particular projects and the borrowers' ability to repay. Revenue-producing projects currently pay international rates as set by the Export-Import Bank (normally 6%) with terms tied to the life of the project. Loans to the Government of Brazil presently carry an interest rate of 2% during the 10-year grace period and 3% during the following 30 years, a total of 40 years.

12) Is there concern that servicing these foreign debts may prove a problem for Brazil?

Total debt service payments in relation to export earnings over the past years reached a peak of 29% in 1966. Currently it is about 22%. With increases in exports and a more manageable debt structure, the ratio is foreseen to decline to 15-16% in the 1970's. This is considered a tolerable level.

13) What are the uses of counterpart funds derived from Program Loans and PL 408 Sales Agreements in Brazil?

| Sector | PL480 (Cr\$million) | Counterpart Funds Derived from Program Loans Cr\$millions) | Total |
|--|------------------------|--|--------------|
| 1. Transportation | 84 | 105 | 169 |
| 2. Agriculture | 109 | 65 | 174 |
| 3. Industry | | 447 | 447 |
| 4. Health & Sanitation | | 30 | 30 |
| 5. Education | | 105 | 105 |
| 6. Housing | | 12 | 12 |
| 7. Natural Resources | | 2 | 2 |
| 8. Public Administration | | 7 | 7 |
| 9. Budgetary Investment & Miscellaneous | | 263 | 263 |
| total ... | <u>173</u> | <u>1,036</u> | <u>1,209</u> |

14) What has been the growth rate of Brazil in recent years?

Figures on the increase in Gross National Product (GNP) and per capita GNP, using an estimated population increase rate of 3.1% annually, are as follows:

| | Changes in total GNP - % | Changes in Per Capita GNP - % |
|-------------|-----------------------------|----------------------------------|
| 1962 | 5.3 | 2.2 |
| 1963 | 1.5 | -1.6 |
| 1964 | 2.9 | -0.2 |
| 1965 | 2.7 | -0.4 |
| 1966 | 5.1 | 2.0 |
| 1967 | 4.8 | 1.7 |
| 1968 | 8.4 | 5.3 |
| 1969 (est.) | 9.0 | 5.9 |

15) Has this rate of growth met Brazil's social and economic needs?

— The Charter of Punta del Este called for at least a 2.5% increase in per capita GNP per year. In Brazil, with a population growth rate of over 3%, this would require a GNP growth of almost 6% per year.

16) What are the main obstacles to more rapid economic growth in Brazil?

— According to Brazilian experts, the main obstacles have been inflation, a low level of savings and investment, lagging agricultural production, an educational system that does not yet meet the needs of an industrializing nation, shortage of trained personnel in public administration, an inadequate transportation network, high-cost industry, low purchasing power of many Brazilians who live at or near the subsistence level, the high rate of population growth and the high prevalence of debilitating diseases.

17) What is the Brazilian Government doing in an effort to remove these obstacles?

— Since the Revolution of 1964, the Brazilian Government has concentrated on measures to bring about development, stabilization, and reform. A Ministry of Planning and General Coordination was created with responsi-

bility for improving coordination of the existing governmental agencies involved in developmental programs and to draw up long-range development plans based on analysis of the country's economic problems and prospects. As bottlenecks to development were identified, the Brazilian Government has undertaken to break them with new programs and with reforms of existing agencies and policies.

18) Has USAID any programs in family planning in Brazil?

In the absence of any initiative in this field by the Brazilian Government, USAID has not undertaken any programs dealing with this subject. There are, however, numerous family planning clinics functioning throughout Brazil under private Brazilian sponsorship.

19) In addition to Program and Capital Assistance Loans, has the U.S. made other resources available to Brazil in the latter's efforts to remove obstacles to development?

— Yes. The U.S. has maintained an active technical cooperation program in Brazil since the early days of the World War II.

20) What is technical cooperation?

— Technical cooperation or technical assistance is the process of transferring modern technological skills and experience to stimulate or accelerate economic and social progress. It is "technical" in that it deals with subjects requiring specialized training and calls for professional knowledge regarding the process by which the technical competence can best be transferred.

21) What are the components of technical cooperation?

— A typical cooperation project involves the training of Brazilians in the United States and the presence in Brazil of one or more technically and/or professionally qualified U.S. employees who may be supplied directly by AID, from another agency of the U.S. Go-

vernment, or under a contract with U.S. universities or private consulting firms. Drawing on their professional background, they place their knowledge and experience at the disposal of the Brazilian agencies involved.

22) How are technical cooperation projects decided upon?

— Projects result from continuing discussions between U.S. and Brazilian officials as to areas in which U.S. technical cooperation can make a meaningful contribution to Brazil's development needs and is desired by Brazilian authorities.

Coordination of activities is a joint responsibility of USAID and the Brazilian Government. On the Brazilian side the "Point IV" Coordinator and the Council for Technical Cooperation of the Alliance for Progress (CONTAP), figure prominently in program coordination. In addition, projects in the Northeast of Brazil are coordinated by the Superintendency for the Development of the Northeast (SUDENE), a Brazilian regional development organization:

23) What is the contribution of the Brazilian Government to a technical cooperation project?

— Brazilian contributions to the technical cooperation program take several forms and may vary substantially depending upon the nature of the project. To assist U.S. technical and/or professional personnel, a particular ministry, for example, would make a direct contribution of office space and facilities. Also portions of the budget of the Brazilian agency concerned may be directed to implementing the project. The Brazilian Government makes a special contribution to program costs through CONTAP, which sometimes supplies cruzeiros to support Alliance projects. It is anticipated that in future years the cost of technical cooperation projects will be included in the budgets of the individual Brazilian agencies operating the projects.

24) What are the various categories of U.S. personnel under USAID auspices in Brazil, such as direct hire, contract, other U.S. agencies, etc. ?

— USAID employs Americans directly on its payroll to administer the total program and provide technical guidelines, planning and supervision for loans, for technical assistance, for Food for Peace, and for regional activities and related programs. In addition, various U. S. Government departments and agencies (more than 10) provide U. S. personnel under special agreements with the parent organization, the Agency for International Development, in Washington. Also, USAID/Brazil has arranged to bring U.S. personnel to Brazil under contracts with universities, non-profit organizations, and management and engineering firms.

25) Does USAID use Brazilians in its programs ?

— USAID employs approximately 400 Brazilians who assist in the administration of Alliance for Progress programs and projects. These include many professional as well as clerical and custodial personnel in virtually every field of activity (e.g. engineers, lawyers, architects, educators, accountants, stenographers).

26) What U. S. Government Agencies are participating in Brazilian development programs under USAID auspices ?

— At the request of Brazilian authorities, U. S. Agencies have provided a number of technical experts to work with counterpart Brazilian Agencies. The Brazilian Agencies and their U.S. partners are as follows:

Ministry of Agriculture,
State Secretaries of Agriculture,
National Cooperatives Credit Bank,
Bank of Brazil, Central Bank.
U.S. Department of Agriculture

Ministry of Agriculture
Brazilian Institute of Agrarian

Reform, National Institute of
Agrarian Development.
U.S. Department of Interior,
Bureau of Land Management

Brazilian Institute of Geography and
Statistics,
Ministry of Mines and Energy,
National Department of Mineral
Productions, SUDENE.
U. S. Geological Survey

São Francisco Valley Commission,
Department for Drought Relief
Projects, SUDENE.
U. S. Bureau of Reclamation

National Department for Drought
Relief Projects
U. S. Bureau of Commercial Fisheries

Meteorological Service of the
Ministry of Agriculture.
U. S. Department of Commerce
Weather Bureau

National Highway Department,
SUDENE.
U. S. Bureau of Public Roads

Brazilian Institute for Agricultural
Reform.
Inter-American Geodetic Survey

Brazilian Institute of Geography &
Statistics
U. S. Census Bureau

Directorate of Air Routes
U. S. Federal Aviation Agency

Ministry of Labor, IPEA, SENAI
U. S. Department of Labor

Public Health Service
U. S. Department of Health, Education
and Welfare

27) What U. S. Universities are work-
ing under USAID auspices in Brazil ?

— The following Brazilian institu-
tions have personnel assigned to work
in cooperation with them from the
specified U.S. universities:

Ministry of Planning
Universities of California at Berkeley
Ministry of Agriculture, SUDENE
Private Seed Companies
Mississippi State University

Rural University of Minas Gerais,
Viçosa, M.G.
Purdue University

Superior School of Agriculture
Luis de Quelrós, University of São
Paulo, Piracicaba
Ohio State University

University of Rio Grande do Sul
University of Wisconsin

State University of Ceará
University of Arizona

SUDENE
Michigan State University

Ministry of Agriculture
North Carolina State University

University of Paraíba
California State College at Los Angeles

University of Rio Grande do Norte
Utah State University

SUDENE
State University of New York

Ministry of Education
San Diego State College Foundation

Federal University of Rio de Janeiro,
Catholic University, Council of Uni-
versity Rectors
University of Houston

Getulio Vargas Foundation,
University of São Paulo
Vanderbilt University

28) What are the main sectors in
which USAID is furnishing capital and
/or technical assistance ?

— The main sectors are:

Electric Power
Telecommunications
Roads and Transportation
Housing and Urban Development
Agriculture
Water Supply and Sewage
Industry
Labor
Health
Natural Resources Surveys
Education
Public Administration
Feasibility Studies
Public Safety

29) What is the program in Electric Power ?

— Electric power is crucial to Brazilian development. In the past a shortage of power on a country-wide basis acted as a bottleneck to industrial and commercial growth. Assistance to the Brazilian program for power generation and distribution has been one of USAID's priority areas for capital loans.

Projects embrace hydro and thermal plants, transmission systems, substations and technical assistance. Voltages are the highest in South America. USAID participation totals US\$ 214.1 million and Cr\$ 26.8 million in projects whose total cost is US\$ 735 million in an overall Brazilian program of approximately US\$ 4 billion.

Some of USAID's principal loans are:

| | Millions of Dollars |
|---|---------------------------|
| South Central Brazil | |
| Furnas Project (Santa Cruz Power Generation and Transmission) | 73.4 |
| Southern Brazil | |
| CEEE | 27.4 |
| Paraná Electric | 11.4 |
| Rio and São Paulo Light | 40.0 |
| Peixoto Hydroelectric Complex | 20.4 |
| Mascarenhas Hydroelectric Complex | 13.3 |
| Minas Gerais Central Electric | 7.4 |
| Western Brazil | |
| Mato Grosso Central Electric | 6.3 |
| Northeast Brazil | |
| Boa Esperança Power Transmission | 10.7 |
| São Francisco Hydro Electric | 7.0 |
| Fortaleza Electric | 2.3 |

30) What is the program in transportation ?

— Road-building is one of the bottlenecks to Brazilian development and is a top priority of the Brazilian Government. USAID has supported the expansion of Brazil's highway network with major dollar and cruzeiro loans

for construction, maintenance and technical assistance. Expressed in dollar terms, these have amounted to approximately \$140 million since the beginning of the Alliance for Progress.*

Major road construction projects involving USAID, the length in kilometers, amount of USAID contribution and percentage of total cost of these projects have been:

Rio-São Paulo Highway (BR-2)
(274 Kms, Cr\$ 77 million, 44%)

Presidente Kennedy Highway (RS-13)
(275 Kms, Cr\$ 45 million, 63%)

Northeast Brazil
(8 projects, 436 Kms, US \$18.5 million
75%)

Paraná Coffee Road (BR-104)
(166 Kms, Cr\$ 10 million 79%)

Construction loans in the range of \$1-2 million have been made for roads totaling 232 Kms. in the following areas:

Goiás (GO-3, GO-5)
Rio Grande do Sul (Farm-to-market
roads, 1,407 Kms.)
Ceará (CE-55)
Bahia (BR-330)
Northeast States (BR-11)
Brazil-Peru Highway (BR-29, 14 bridges)

USAID has also helped finance highway planning. Highway maintenance has been supported through loans financing heavy equipment and training of Brazilian technicians. Fourteen maintenance programs have been involved, including:

| | US\$ Millions |
|-------------------|---------------|
| São Paulo | 20.0 |
| SUDENE | 15.6 |
| Minas Gerais | 12.9 |
| Rio Grande do Sul | 5.5 |
| Santa Catarina | 5.3 |

* Whenever possible, cruzeiro loans and grants have been converted to dollar equivalents in this booklet, using the average rate of exchange for the year in which the funds were obligated.

In air transportation, USAID is supplying technical advisors and modern air navigation systems in all major Brazilian airports serving international routes.

31) What is the program in agriculture ?

— Brazil cannot progress industrially without an efficient agriculture sector providing food for urban workers and a market for their products. Agriculture has therefore received a high priority in USAID/Brazil's program. There are already numerous institutions in Brazil where modern agricultural technology is being taught, and farms on which it is being put into practice. USAID's resources are being used to complement Brazilian efforts to broaden this base by such programs as:

— AGRICULTURAL RESEARCH

Brazil is placing a high priority on strengthening its program of agricultural research. USAID is assisting in this effort through loans to the Ministry of Agriculture and the National Research Council for expanding research projects, training of research personnel and the general improvement in federal and state research institutions.

— AGRICULTURAL CREDIT

Credit is another priority area in the agricultural sector being assisted with Brazilian programs supported by USAID. The total volume of credit has been expanding yearly at a very high rate. Loans outstanding at the end of 1967 totalled about Cr\$ 3.2 billion. In 1968 this had risen to Cr\$ 5.2 billion and preliminary estimates for 1969 indicate a volume of Cr\$ 7.4 billion. The dollar equivalents of these amounts are \$1.2 billion, \$1.5 billion and \$1.8 billion respectively. The bulk of the funds made available by USAID have been used to initiate several special rural credit projects, including medium and long term loans which have been practically non-existent in the past.

— SEED INDUSTRY DEVELOPMENT

Brazil is developing a private seed industry that will ensure farmers a supply of quality seeds at reasonable prices. Mississippi State University, under a USAID contract, is assisting in this effort.

A Federal Seed Law is now being implemented, 1500 Brazilians have received specialized training in seed technology, and over 40 new seed processing, testing or storage facilities are in operation. The Brazilian Government is placing unprecedented emphasis on rapid development of the private sector to meet the farmers' needs in making high quality seeds available.

— AGRICULTURAL EDUCATION:

Four U.S. Universities (Arizona, Ohio State, Wisconsin and Purdue) are working with four Brazilian Universities in the development of agricultural institutions with a greater capacity to provide a wide range of community services to farmers.

— AGRICULTURAL MARKETING:

USAID has assisted Brazil to establish a market news system to provide daily market prices in the principal markets of Brazil; improve its minimum price program, agricultural cooperatives and marketing facilities.

— FERTILIZER:

Through projects in soil testing and direct loans to fertilizer producers, USAID is backing Brazilian plans to increase the acceptance and use of fertilizer. USAID has also made loans to finance fertilizer imports, helping to lower the cost and to develop the market for domestic production which will come from a major fertilizer plant now under construction in southern Brazil. USAID supported this plant by loans and investment guarantees of over \$30 million. It is estimated that Brazilian agriculture in the area to be reached by this industry could increase its production by 50% when the plant is in operation.

32) What is the program in industry ?

— Dollars and cruzeiro loans, backed by technical assistance, are the tools employed by USAID to help finance the capital needs of Brazilian industry and to promote its efforts to increase productivity and expand its scope.

In the case of cruzeiro loans, generated under Program and PL 480 loans, administration of the actual lending activities has been carried out by a variety of Brazilian intermediate credit institutions. These institutions accomplish complementary purposes such as financing of mixed government and private projects; establishment, modernization and expansion of small ownership and equity patterns in industry; providing credit to suppliers and purchasers of domestic and imported machinery; preparing feasibility studies and loan applications, and assisting private enterprise to increase productivity. In all, some Cr\$ 340 million (equivalent to US\$ 450 million) has been supplied to these institutions. By the beginning of 1968, it was estimated that 20,000 firms had benefited.

33) What additional programs are in support of private investment ?

— To encourage private investment in Brazil, USAID furnishes potential investors with industry profiles and feasibility studies, publicizes Brazilian investment incentives, underwrites investment surveys, and offers specific and extended risk guaranties. Since the beginning of the guaranty program two years ago, 39 projects representing over \$205 million in new U.S. investments have been covered.

The lack of trained and experienced personnel is one of the major impediments to the Brazilian Government in establishing active well organized and properly regulated stock and security markets. It is recognized that such markets are an effective means of utilizing the savings of the public to further the process of economic growth and development. To complement the efforts of the Brazilian Government, USAID, BNDE and the Getúlio Vargas Foundation with the help of New York

University initiated a program in 1968 to train a nucleus of key personnel in the skills required for a sound expansion of the Capital Markets School and to establish a permanent institution that could provide a Capital Markets School able to adequately train personnel from the public and private sector firms and institutions in Brazil. At the end of a four year period completing in April 1970 a total of 300 high level Brazilian executives will have been trained. The Getúlio Vargas Foundation will have developed and refined a nine months Capital Markets Course, content and curriculum, which when its six professors have completed training can be given entirely in Brazil. Capital Market development has recently been made into a top priority area in the U.S. assistance program; several new projects in this field are under active review.

34) What is the program in education ?

In the fields of elementary and secondary education, at the request of the Brazilian Government, American educational experts have been providing technical and administrative assistance to Brazilian efforts to increase the quality and the efficiency of their educational system. Emphasis is placed on programs to improve the utilization of Brazil's own resources in attaining the educational objectives outlined in the Trienal Plan (1968-1970).

Capital assistance loans amounting to the cruzeiro equivalent of about \$92 million have gone into the construction or remodeling of approximately 3900 classrooms in Brazil. Besides this USAID financed the construction of 5 vocational schools, 21 teacher training centers, 22 supervisory centers and 710 school lunch kitchens.

Technical assistance in education planning has led to the development of national and state secondary education planning teams and the signing of the first Brazilian sector loan (for \$32 million) to assist the Brazilian Government develop a system of "multi-purpose" lower secondary schools.

Brazilian institutions of higher education have received or are receiving assistance in initiating or strengthening

courses in a variety of fields including agronomy, post-graduate economics and engineering, chemistry, geology, public and business administration, naval architecture and engineering, and textile industry.

USAID has also supported a Brazilian textbook publishing project with the objective of providing free textbooks at both elementary and secondary education levels and low cost textbooks for higher education, and of improving the classroom use of textbooks.

USAID has cooperated with the Ministries of Labor, Education and Planning, through the Special Labor Scholarship Program (PEBE), in providing secondary education scholarships for children of workers belonging to labor unions. (see also Question 43).

35) What is the program in Public Health ?

— At the request of the Brazilian Government, USAID is providing technical assistance in public health planning and training. Emphasis is placed on the prevention of disease and on institution building at federal, state and local levels. New programs not included in the regular governmental program are being developed, and health services are being spread to areas of the country previously unprotected.

— Through an agreement signed in 1966, the PAPPE unit (Planning, Evaluation, Research and Special Projects) was created within the Ministry of Health using counterpart funds for its operation. This unit assists special projects such as research on schistosomiasis, training of technicians for an expanded health program, creation of departments of preventive medicine in medical schools, improvement in medical statistics and in health planning, and coordination and expansion of efforts to provide maternal and child health services and to combat malnutrition.

— The latter includes collaboration with the food industry in production of protein foods, technical assistance in research on new foods, especially those from indigenous sources, training of primary school teachers, principally

in rural areas, to provide nutrition education to students together with food distribution.

— The second USAID Malaria Loan, approved in May 1968, provides funds for the National Malaria Eradication Campaign during the three-year period 1968-70. Considerable progress has been made and the entire malarious population of 37 million was under protection by the end of 1968. The target date for eradication of malaria from Brazil is 1975.

— USAID's program in water supply and sanitation, together with loans from the Inter-American Development Bank, is assisting Brazilian cities and towns to expand their systems of water supply and sewage disposal. A special loan was made to the city of Rio de Janeiro for water and sewage equipment, training and consulting services. In 1965, the National Water Fund was created from contributions of Brazilian and U.S. capital and technical assistance.

Loans are being made from the Fund to cities and towns to supplement local, state and federal resources required to provide or modernize water and sewerage systems. A new unit within the National Housing Bank, FISANE (Sanitation Finance Fund) has been established to manage the loan funds. water systems accompany the loans, Institutional and fiscal reforms in local water systems accompany the loans, thus improving their management.

36) What is the program in public administration and development planning?

— In its efforts to spur the country's development, the Brazilian Government has, since 1964, set as one of its most important goals modernization of the Federal Government's machinery of administration.

Assisting in this effort, USAID has made available specialists in public and tax administration, budget and fiscal management, and statistical development to work with Brazilian agencies, and is providing assistance to strengthen municipal and state governments. In addition to this technical program, USAID has also cooperated with the Brazilian Government in sending sev-

eral hundred Brazilian officials to the U.S. to pursue studies in these fields.

— Under a contract between the Brazilian Government and the University of California at Berkeley, financed by USAID, development economists have been made available for technical assistance to the Institute of Applied Economic Research (IPEA) of the Ministry of Planning.

— USAID has also made a grant of US\$1 million to IBAM (Brazilian Municipal Administration Institute), for construction a new building, plus about US\$100,000 for strengthening its staff.

— In addition, a loan of US\$5.8 million has been authorized to assist IBGE (Brazilian Geography and Statistics Institute) in improving its population, agriculture, housing and industry censuses over a five year period through the purchase of modern data processing equipment and technical assistance. IBGE has also adopted modern sampling techniques in its quarterly sample survey of about 30,000 Brazilian households.

— In the Northeast, help is being given to SUDENE, universities, state and local governments and training institutes, to strengthen the administration of development programs. A scholarship program is also being set up to strengthen the teaching of public administration through the training of Brazilian professors at Brazilian institutions.

37) What is the program in Public Safety ?

The Public Safety Program of USAID is directed toward assisting the Federal Police Department to develop and increase the capacity to effectively accomplish its own inter-state law enforcement responsibilities, and to provide modern, nationally standardized professional training and technical support to the police departments of the states and territories. The broad objectives of the USAID Public Safety Program are two-fold:

1) To assist in increasing the capability of the police agencies in the maintenance of law and order and of public tranquility with a minimum use of force; and

2) To encourage the development of responsible and humane police procedures and techniques, aiming at increasing the effectiveness of the public safety agencies and making it possible for such agencies to attain a closer integration into the communities to which they belong.

Consisting principally of technical assistance, training of selected police officers and supply of limited amount of training and laboratory equipment, USAID's Public Safety Program has rendered support to the Brazilian projects designed to improve selection and training methods, improvement of communications resources and techniques, greater operational effectiveness and modernization of the methods of emergency assistance to the population.

Within this line of activity, the Brazilian Government has already installed and maintains in full operation in Brasilia with the support of USAID a National Police Academy, a National Telecommunications Center, a National Institute of Identification and a National Institute of Criminalistics.

38) What is the program in housing and urban development?

— Prior to the 1964 Revolution, Brazil had no coordinated housing program under the Alliance for Progress. USAID's housing effort consisted of technical advice, the release of cruzelros for the financing of housing construction in three states (Guanabara, Rio Grande do Sul, and Ceará), and a loan to the State of Minas Gerais to finance part of a tax-supported, low-cost housing program.

Since 1964, USAID financing in cruzeiros, equivalent to \$14.5 million, has been channeled through the new National Housing Bank (BNH), which has emerged as the Brazilian Government's cornerstone in its effort to meet the sizeable backlog of housing needs.

USAID has assisted BNH activities in the following areas:

— establishment of a nationwide savings system to finance housing loans.

— creation of a system of mortgage insurance to develop a secondary mortgage market.

— strengthening professional management in the real estate finance and construction industries through special training.

— development of worker's low-cost housing cooperatives.

— promotion of urban planning in the fast growing cities of Brazil.

USAID's Housing and Urban Development office was officially phased out in June 1969.

39) What have been the results of USAID's efforts?

— USAID financial and technical assistance was responsible for the construction of 41,656 of the new housing units produced from June 1962 to June 1967. These houses benefitted an estimated 284,780 people — most of whom have decent shelter of their own for the first time. Employment for 29,700 Brazilians resulted from this program.

40) What have been the results of Brazil's efforts?

— The National Housing Bank has developed professional leadership and sound programs since 1965. Production of housing units in Brazil has jumped from 35,000 units that year to 166,000 in 1969. With private capital now active in the housing industry, thanks to the efforts of the National Housing Bank, the prospects are for a fourfold increase in housing production in the next two years. There is now grounds for hope that Brazil's backlog of housing units can be reduced and eventually eliminated.

41) How are food grants used as a development resource?

Through grants of food commodities as a supplemental resource, the Food for Development program assists Brazilian national, regional and local development measures:

— to correct serious dietary deficiencies among the population with strong emphasis on the "food for effort" principle, whereby able-bodied recipients contribute their labor to rural and urban community improvements ("work-fronts"), which attack many of the conditions which cause poverty. In 1969, there were over 800 work-fronts em-

ploying, on a part-time basis, approximately 120,000 participants.

— to encourage national maternal and infant feeding programs to give children an adequate nutritional start in life;

— to provide, on a nation-wide basis, a hot lunch for Brazilian school children. In 1969, this program was operating in 100,000 schools giving almost 10 million children a hot lunch, a cup of milk of protein supplement. The U.S. contribution has a value of approximately \$10 million per year, and is due to be phased out in 1972. Its aim is to leave behind a Brazilian system equipped to take over when USAID support is terminated;

— to stimulate poultry, livestock and dairy producer cooperatives through grants of feed grains thereby improving Brazil's food resources and lowering consumer costs;

— to provide relief to those involved in floods, droughts and other disasters.

Approximately 12 million men, women and children are benefitting from all the Food for Peace programs in Brazil. Forty percent of these people are located in the Northeast.

41a) How does the Feed Grains program work ?

The Feed Grains program in Brazil stimulates and assists livestock producer cooperatives to improve food resources and lower consumer costs. Grants of 74,000 metric tons of US-produced corn and grain sorghum have been made to State Secretariats of Agriculture who, through producers' cooperatives, manufacture and sell balanced livestock rations for production of eggs, poultry meat, pork and milk.

The Federal Ministry and State Departments of Agriculture, and Federal agriculture agencies, have provided technical assistance to the cooperatives. A more than equal amount of Brazilian grain and concentrates has been added to make this a true self-help development program.

Funds generated from the sale of these rations are used by cooperatives to finance specialized technicians, food milling equipment, corn and sorghum seeds, and to purchase processing and refrigeration equipment.

42) What is Brazil's goal in the labor field ?

— The objectives for labor under the Alliance for Progress were contained in the recommendations of the Interamerican Conferences of Ministers of Labor (Declaration of Cundinamarca), which recognized that there could be no effective economic and social development unless the legitimate rights of labor were recognized, and the aspirations of workers were dealt with in terms of concrete achievements involving wages, employment levels, working conditions, social security, health, housing and education.

43) What are USAID programs in the labor field ?

— The various USAID programs include:

— Assistance in the exchange of U.S. Department of Labor and Brazilian Ministry of Labor technicians for study visits;

— Collaboration with the Brazilian Government in developing a worker's scholarship program for children of trade union members. Scholarships awarded under this USAID-assisted program (PEBE) have risen from 23,000 in 1966 to 97,000 in 1969.

— Joining with the American Institute for Free Labor Development (AIFLD — or IADESIL in Portuguese) indirect financial assistance to Brazilian unions' social assistance programs, and collaboration with the Brazilian Cultural Institute of Labor (ICT) in its trade union education program.

— Extending a loan to the National Housing Bank (BNH) for reloan to São Paulo Trade Union Housing Cooperative for the construction of 420 housing units.

— A direct grant for the construction of five rural union community development centers in Sergipe, Alagoas and Pernambuco dedicated to assisting rural workers and their families improve their standards of living.

44) What is the Partners of the Alliance program and what is USAID's role in it ?

The Partners of the Alliance Program supports the intents and purposes of

the Alliance for Progress in the private sector. The Partners program is a mutually beneficial relationship between a U.S. Partner state and a Brazilian Partner state utilizing private cooperation to encourage friendship and understanding, as well as provide social, cultural, economic and political development which emphasizes "self-help". Each state concerned (U.S. and Brazilian) has a Partners Committee composed of leading citizens which represents cross-sectional interests in the state. Major cities or regions within a state have Partners Sub-Committees which are represented on the state Partners Committee. Partner State Committees (ex.: OHIO-PARANA) work directly together on mutually beneficial ideas and projects. The Partners State Committees in the U.S. are coordinated by National Association of the Partners of the Alliance with the advice and assistance of the Partners office in AID. The Brazilian Partners State Committees are coordinated by the Brazilian National Partners of the Alliance Association with council and assistance provided by the Partner's office in USAID/Brazil.

As of the end of 1969 there were 18 Brazilian states aligned in partnership with U.S. States. They are:—

Minas Gerais/Colorado
Rio de Janeiro/Maryland
Goiás/Wyoming
Paraná/Ohio
São Paulo/Illinois
Rio Grande do Norte/Maine
Rio Grande do Sul/Indiana
Pará/Missouri
Amazonas/Tennessee
Alagoas/New Jersey
Paraíba/Connecticut
Bahia/Pennsylvania
Brasilia D. F./Washington, D. C.
Pernambuco/Georgia
Espirito Santo/West Virginia
Santa Catarina/Virginia
Sergipe/Rhode Island
Ceará/New Hampshire

45) What do the Partners of Alliance do?

A Partnership involves a broad spectrum of interest and activities, all of

which contribute to progress in Friendship, Understanding and Development (Social, Economic, Cultural and Political). It is mutual assistance without government bureaucracy or the application of large amounts of money. More important are face-to-face contacts through personal visits, and the encouragement of private enterprise by means of exchange of ideas, technicians, student leaders, administrators, key professors, labor leaders, public health officials, agricultural leaders and technicians, 4H Club leaders, scientists, businessmen, investors, industrialists, service clubs and artists in all cultural fields as well as specialists in tourism, communications, transportation and social assistance. All persons involved in exchange activities are required to have a program of work that will forward the tenets and organization of the Partners Program as well as to organize an active and continuing program with their professional colleagues under the aegis of the Partners of the Alliance Program.

As of the end of 1969 approximately 1500 projects and programs have been developed covering all aspects of the Partners Program. Over 350 schools and universities are participating in the Partners School-to-School program.

The Partners of the Alliance philosophy and modus operandi is based on sound principles of development as conceived by the United States Congress as enunciated in Title IX of the Foreign Assistance Act which emphasizes the need for free, democratic, self-governing institutions to provide expanding opportunities for millions of private citizens to achieve self-expression and, through them, to advance the precepts of self-sustained economic, cultural, social and political development.

46) What is the nature and size of USAID's Participant training program ?

— A participant is a Brazilian citizen who is provided training outside Brazil by USAID. Nearly all the training involved is in the United States.

The program is not a separate entity in itself, but an integral part of the overall Alliance for Progress development effort. Participants are usually

selected by a Brazilian organization with which USAID has a technical or capital assistance project. They must demonstrate the academic, technical and linguistic competence necessary for them to profit from their proposed studies or observation trips.

Brazilian sponsoring organizations guarantee to provide the participants' salary during their time in the program and an equal or superior position upon their return. USAID covers tuition or training costs, a living allowance in the U.S. and, generally, travel expenses.

Participants, for the most part, fall into two groups: those working towards a graduate degree; those taking special short-term courses or observation tours of from six weeks to six months.

Since the inception of U.S. technical assistance in 1942, approximately 8,000 Brazilian participants have received U.S. — supported training. Of these, over 3,700 were sent under the Alliance for Progress to study in such diverse fields as:

Agriculture

Education

Public Health

Engineering and Natural Resources

Air and Surface Transportation

Public Administration

Industrial Development

Development Planning

Public Safety

Union Leadership

46-a) Does USAID cooperate in Brazilian programs to improve tax collections?

— Improved tax systems was one of the requisites for economic growth mentioned in the Charter of Punta del Este. Brazil instituted a program of tax modernization in 1964. As a result of basic reforms in the tax structure, by 1967 federal revenues from taxes had increased by about 30 percent, and the burden has been more equitably borne by those who can afford to pay. Tax modernization is continuing. USAID/Brazil has assisted through the technicians from the U.S. Internal Revenue Service.

THE NORTHEAST OF BRAZIL

47) How large is the Northeast; what is the population?

The Northeast consists of nine states and a small portion of a tenth. The region is approximately 620,000 square miles in area, roughly the size of the United States east of the Mississippi, and represents slightly less than one fifth of Brazil's total land area.

The Northeast's estimated 1969 population of 29 million, almost one-third of Brazil, is larger than any other Latin American country, except Mexico. About 62% of the Northeast's population live in rural areas, many outside the money economy, at a bare subsistence level.

48) Why does USAID/Brazil have a separate office in Recife?

— Brazil and the United States entered into an agreement in April, 1962 committing both Governments to cooperate under the Alliance for Progress "for the promotion of economic and social development in the Brazilian Northeast". Because of the size and complexity of the program contemplated, because of Brazil's vast distances and communications problems, and because the Brazilian agency, Superintendency for the Development of the Northeast (SUDENE), responsible for Brazil's development efforts in the Northeast was (and is) located in Recife, the agreement called for the establishment of "a special (USAID) office in the Northeast area with the necessary staff and facilities" to carry out the U.S. Government's responsibilities. Under this agreement and within the Alliance for Progress, the U.S. continues to maintain a Northeast area office.

49) What is the relationship between the AID Mission in Rio de Janeiro and the Northeast Office?

— The Northeast Office represents USAID/Brazil in the immediate conduct of USAID programs and relationships in the Northeast and is responsi-

ble for the execution of USAID projects in that region.

50) What are the main obstacles to growth in the Northeast?

— The Northeast suffers from limited natural resources and periodic droughts. Other problems are economic and social. In economic terms they could be summed up as arising from disparities in income distribution; a high level of unemployment and underemployment, low productivity and poor infrastructure. (The lack of electric power, all-weather roads and schools are some of the obvious major infrastructure impediments to growth). In social terms, the problems are poverty, illiteracy and disease, a high birthrate among the poorer members of the community, and a high death rate of infants and children in this same class.

51) What is USAID's development role in the Northeast?

USAID's development activities in the Northeast are carried out within USAID/Brazil's national program of assistance. In working with and complementing SUDENE, GERAN and other Brazilian and international organizations in the Northeast, USAID's history can be summarized as follows: (a) During the first two years of the Alliance, the USAID placed its emphasis on education, power, health, community water supplies, and road programs; (b) since mid-1964, these programs have been in the implementation stage; programming priority, while continuing to emphasize education, has also been given to technical assistance activities in agriculture, public administration and private sector industrial development. Development loans during the early 1970's are expected to include sewerage systems, rural roads, agriculture (especially production and marketing) and education.

52) What is USAID doing in support of Brazilian efforts to alleviate the effects of drought in the Northeast?

At the request of SUDENE, the U.S. Geological Survey provided technical

assistance on an extensive network of stream measurement stations on the river basins as well as on studies for the location of underground waters for wells.

Through SUDENE, the USAID supports the National Department for Works Against Drought (DNOCS) with financial and technical assistance. This agency undertakes dam and reservoir construction, flood control, and irrigation in drought affected areas. Similar cooperation with other governmental operated agencies has produced significant results in providing water wells and increased the available knowledge of underground water resources.

USAID in the Northeast answers to emergency disaster relief needs in full coordination with SUDENE and the USAID/Brazil disaster relief committee, which in turn coordinates all actions through the Ministry of the Interior. Food for Development commodities and some additional supplies have been used for floods in Pernambuco, Bahia, Rio Grande do Norte and Alagoas. Droughts have not required disaster relief measures to date because the Work Fronts Programs have been able to absorb unemployed, rural workers on a food-for-work basis.

53) What Brazilian efforts are underway to stimulate economic growth in the Northeast ?

Brazilian efforts are being made in all fields — infrastructure, industrial, agricultural, and social. SUDENE coordinates the regional program for the federal Government and has a key role in state-level development as well.

Federal government transfers to the Northeast greatly exceed regional federal revenues, testifying to national policy commitments to reduce inter-regional disparities and integrate the Northeast more fully into the national economy.

SUDENE's IV Master Plan (1969-1973), which is being systematically implemented, resulted in 1969 in an 8% increase in industrial production. The Master Plan provides for adminis-

tration of the fiscal incentive system, industrial research, planning and basic feasibility studies, technical assistance to small and medium industry, planning and promotion of industrial parks, special assistance to the steel industry and the rationalization of traditional industries (textiles, oils, hides).

SUDENE's public sector financial incentive program has dramatically changed the Northeast industrial panorama since 1962, attracting the equivalent of about \$600 million of new capital investment for industry to the Northeast. Over 500 new factories and industries, covering a wide range of capital and consumer goods have received SUDENE approval. Projects thus far approved will generate an estimate 125,000 direct employment opportunities.

54) What is USAID doing in support of Brazilian efforts to strengthen the infrastructure of the Northeast?

As infrastructure weaknesses are one of the bottlenecks inhibiting more rapid growth in the Northeast, USAID has devoted a considerable portion of both its cooperation and its capital assistance in support of Brazilian activity to improve the base for industrial development.

In transportation, for example, USAID has supported the Brazilian highway program with grant and loan financing, contributing the cruzeiro equivalent at over \$45 million since the inception of the Alliance, while about 20 percent of the Northeast technical cooperation program has been directed to this specific field. In addition to direct financing of highway construction, this joint Brazil-USAID effort has strengthened the capabilities of the various Northeast state highway departments in the field of highway planning, construction, supervision and maintenance.

Projects for the treatment of water and sewage as well as the generation, transmission and distribution of electrical power for Northeast cities have been financed both through the USAID Northeast Office and as part of National programs operated through USAID/Rio.

55) How is USAID assisting Brazilian efforts in stimulating industrial growth in the Northeast?

USAID was instrumental in creating the Foundation for the Development of the Northeast (FUNDINOR). FUNDINOR is a nonprofit organization whose principal objective is to attract investment to the Northeast. Its promotion effort includes publications on tax incentives, descriptions of existing infrastructure and other support facilities, identification of industrial opportunities and preparation of feasibility studies.

Technical assistance is provided SUDENE and State industrial development agencies in the promotion and establishment of small and medium industries and in the creation of industrial parks.

The USAID sponsored Rural Industrial Technical Assistance Program has resulted in the creation of many new industries and in the establishment of several permanent Brazilian institutions staffed to provide advice, guidance and technical assistance to Northeast entrepreneurs.

Finally, scores of Northeast leaders directly concerned with regional industrial development have received specializing training in the U.S., Puerto Rico, Mexico and other countries under USAID auspices.

56) What are USAID's agricultural programs in the Northeast?

The Northeast participates in U.S. assisted national rural development programs such as agricultural credit and cooperatives (USAID/Farm Home Administration PASA), soil testing (North Carolina State Contract) and seed processing (Mississippi State Contract).

The University of Arizona is helping the University of Ceará to develop advanced degree programs in the College of Agriculture, strengthen the departments by improving courses of study and establish a modern agricultural experiment station.

The U.S. provides technical assistance to the National Department of Works Against Droughts (DNOCS) to

improve and promote the development of fresh water fisheries. U.S. advisors are cooperating with their Brazilian counterparts to increase the catch from some 800 large reservoirs in the Northeast, to improve methods of handling, preservation and marketing of fish, and conduct research studies of commercial fish farming.

More recently, the U.S. is providing assistance to the Special Group for the Rationalization of the NE Sugar Agro-Industry (GERAN). The three-fold objectives of this program are as follows:

- (1) Modernize the agro-industrial sugar industry in the Northeast.
- (2) Relieve the over-dependency of the Northeast on sugar monoculture by crop diversification.
- (3) Begin to restructure the traditional social and economic system of the Northeast through agrarian reform.

Discussions were begun in early 1970 with SUDENE, the Northeast Regional Development Agency, on a long-term collaborative undertaking to greatly increase yields and qualities of selected crops. The goal of these efforts is to bring the "green revolution" to the Northeast.

The AID-financed Market Research and Development Study, carried out by Michigan State University in cooperation with SUDENE has been the basis of further USAID-SUDENE collaborative planning in the field of agricultural marketing. This is expected to lead to a development loan in the early 1970's to restructure and improve operations of major portions of the Northeast marketing system.

57) Is there scope for land reform in the Northeast?

Land reform in the Northeast has been of particular concern to the national government and regional development agencies since 1965. Few steps for implementation of agrarian reform have been taken, although there have been several colonization projects and the case of one bankrupt sugar plantation which was expropriated by the

National Agrarian Reform Institute (IBRA) in 1965.

A land reform and sugar modernization agency (GERAN) was established in the Northeast in 1966 to assist in the modernization of the sugar industry and improve social conditions in the Northeast sugar zone through land reform. GERAN was relatively inactive for over two years because of financial and bureaucratic problems. However, in 1969 the federal government strengthened much of the legal machinery for land reform and also restructured GERAN to enable it to perform its role more adequately.

The Northeast Sugar Zone lends itself favorably to land reform. Archaic agricultural practices have led sugar planters to use more land than is necessary with modern methods — and they realize this. Furthermore, only about one-third of their arable land is planted. It is believed that with modern agricultural inputs as much cane as presently produced can be grown on one-sixth the land presently owned by the sugar industry. There are also indications that many of the large land and mill owners are willing to sell some of their land in return for long term financing for modernization of their milling and cultivation facilities. This will allow the resettlement of excess labor on their own piece of property, increase income and agricultural production and improve social conditions.

Some of the lines of responsibility for agrarian reform in the Northeast are still to be worked out at the national level, as is the amount of financial resources to be made available for land reform. USAID is providing technical assistance and training to GERAN and is discussing with regional agencies other areas of possible assistance.

58) What is the status and prospects for the fishing industry in the Northeast?

Fish provide an important source of animal protein for the Northeast. Its fishing industry in 1967 produced an estimated 140,000 tons of fish and shellfish with a value of about \$30 million. More than 80% of this is produced by

125,000 subsistence fishermen using unmotorized fishing craft, principally the traditional sailing raft or "jangada". The only segment of the Northeast fisheries that could be described as industrialized is the fishery for lobster at Fortaleza and Recife. This is a fishery for export and approximately 1,000 tons of frozen lobster tails are sent to the U.S. annually. Although there has been a rapid increase in investment in Brazilian fisheries in the South and extreme North, this has not yet happened in the Northeast. The main deterrent to investment in the Northeast is a basic lack of knowledge about the size and extent of the fishery resources coupled with a market that has a limited capacity to absorb anything but low cost fish.

In the interior of the Northeast there exists a fairly large number of fresh water reservoirs. These have been created as the result of a dam building program carried out by the GOB during the last 60 years. Fish from these artificial lakes are an important part of the diet of the population in the interior where irregular rainfall creates a chronic problem in the production of livestock. In 1966 USAID initiated a program of technical assistance for the development of these reservoir fisheries. USAID sponsored research is also underway to develop and introduce techniques of intensive pondfish culture in the Northeast.

59) What is USAID doing in the education field in the Northeast?

USAID's education program is national in scope. The Northeast shares in the benefits of the country-wide program, but because of its limited educational "plant" in comparison to the south of the country, USAID has supported several special projects concentrated in the Northeast.

Initial focus of Northeast projects was on restructuring of State Secretariats of Education, introduction of Departments of Curricula and Supervision and decentralization of supervision and teacher training from capital cities to the interior. Projects have also involved adult literacy courses and industrial vocational training programs.

At the elementary school level, loans have gone into the construction of school buildings, USAID helping to build or remodel approximately 3,000 classrooms in the Northeast states. In a given year, almost 250,000 students are taught in these new facilities.

Technical assistance and training have been provided for hundreds of teachers and administrators in school and school system management, curricula development, teaching methodology and formulation and presentation of training programs (nearly 20,000 lay teachers had attended by January 1970). Specialized research into Northeast education problems has been carried out.

Slightly over one-third of all USAID money spent in the Northeast has been devoted to education.

60) What are the major Food for Development programs in the Northeast?

During the years 1962-69, Food for Development commodity input provided the cruzeiro equivalent of approximately \$93 million of 31% of USAID's financial support committed to the Northeast's economic and social development.

Food-for-Development-generated cruzeiros have been used to support U.S. programs across the board: infrastructure and human resources, work fronts, programs, the national school lunch campaign, farm cooperatives, colonization, disaster relief and programs in adult literacy and basic education. Several million people of the Northeast, many of whom could otherwise have suffered possible malnutrition have directly benefitted.

Food for Development is increasingly being directed at activities which will increase the Northeast's ability to feed itself, particularly through cooperative projects to expand the supply of meat and eggs. Work fronts programs have built or repaired 1,262 dams, over 230 schools, and an additional 622 other public buildings. Plans are being formulated for the extensive use of FFD commodities in support of the GERAN Sugar Modernization-Land Reform program in the Northeast Zona da Mata.

Food for Development thus is having much more than a shortrun ameliorative impact in the Northeast. It is contributing to the social and economic development of the region and strengthening its ability to organize itself against underdevelopment.

