

# POINT 4 IN COLOMBIA

*by*

Charles P. Fossum, Director  
U.S. Operations Mission in Colombia  
International Cooperation Administration



THE DEPARTMENT OF STATE

**This address was delivered by Mr. Fossum  
before the American Society of Bogotá, at  
Bogotá, Colombia, on July 26, 1960.**

**DEPARTMENT OF STATE PUBLICATION 7071**

**Inter-American Series 61**

**Released October 1960**

**OFFICE OF PUBLIC SERVICES  
BUREAU OF PUBLIC AFFAIRS**

## POINT 4 IN COLOMBIA

*by Charles P. Fossum, Director*

*U.S. Operations Mission in Colombia*

Your chairman has invited me to talk about the point 4 program in Colombia, which is principally concerned with technical cooperation. Point 4 is a highly important program in Colombia, for vast untapped resources can be transferred into capital for development, or goods for consumption, only by human beings with technical skills. Thus the basic purpose of technical cooperation in Colombia—as in about 60 other countries with whom the U.S. Government is cooperating—is to improve technology in quantity and quality.

Much of the work is not glamorous. In these breathtaking weeks when man is striving to install satellites in the moon regions, the installation of privies in the *llanos* [plains] is not an event to fill us with awe and wonderment. But one need not be an economist to know that the development of the basic service sectors—education, agriculture, public health, and public administration—is necessary before an economy can begin devoting resources to such luxuries as rocketry.

Colombia and this continent were the cradle of point 4 in the early 1940's, and the U.S. Institute of Inter-American Affairs was then responsible for mutual assistance here. This Institute later became an integral part of the International Cooperation Administration in Washington, D.C., which carries out the U.S.

share of technical cooperation programs in each participating country through an organization known as the U.S. Operations Mission, more commonly referred to as USOM. The USOM is a part of the U.S. country team in each country in which it exists, and its Director is under the general supervision and direction of the U.S. Ambassador.

#### SCISP—INSTITUTIONAL EVOLUTION

The first emphasis of the point 4 program in Colombia was in the field of public health, especially in the coastal regions. The United States and Colombia produced an offspring or *servicio* which we named SCISP [Servicio Cooperativo Interamericano de Salud Pública].

SCISP started life in 1942, much more North American than Colombian both as to staffing and financing. Today it is a mature public health agency with a large number of projects throughout the nation, and it is principally financed and staffed by Colombia. This is an example of the kind of institutional evolution we see through point 4.

We send technicians when we are asked, and when we can, but we are stubborn on one basic point, and that is we never stay longer than we are needed or wanted. Our technicians come here to work with Colombians as professional colleagues in seeking solutions to local problems. But our technicians are guests in Colombia. I want to stress this point, because it is fundamental. Point 4 and all its projects are here because the Government of Colombia requested them and the U.S. Government agreed that the projects were in our mutual interest.

#### POINT 4 IN PERSPECTIVE

Now let us place point 4 in the perspective of total U.S.-Colombian relations. I know that many of you are aware of the other institutions

through which the United States and Colombia cooperate in general economic affairs. These include multilateral organizations such as the United Nations, the International Monetary Fund, the International Bank, the Organization of American States, and the International Finance Cooperation. Bilaterally U.S. economic assistance comes through the Export-Import Bank, which has loaned more than \$175 million to Colombia. The Development Loan Fund, formerly headed by our distinguished Ambassador, Mr. [Dempster] McIntosh, and the newly created Inter-American Bank will also be a source of possible dollars for development assistance.

#### MAJOR PROBLEMS

Before discussing the scope of the joint technical programs in Colombia, it is desirable to refer to some of the country's major economic problems. Only some of these can be solved directly through technical cooperation. The nature of the other problems is such that technical programs can make only a limited or rather indirect impact on them. Starting with the latter we may mention the following.

#### VIOLENCE

As we all know, a wave of extreme violence has affected Colombia for over 10 years. Starting as a purely political problem, it gradually shifted to the economic sphere when violence and politics became a stage of vengeance as people frequently killed to avenge the violent deaths of close relatives. This problem has cost Colombia more in casualties than total Allied losses in the Korean war. It also accounts for a severe decrease in agricultural production in certain areas of the country.

## LOWER COFFEE PRICES

Coffee constitutes Colombia's life blood. The country's total investment in coffee is estimated at some US\$500 million. Ten percent of the population derive their livelihood from coffee production. Sales of coffee abroad account for about 80 percent of Colombia's foreign exchange income. The importance of coffee to the Colombian economy is immediately clear if we realize that a drop of one penny in the world price of a pound of coffee amounts to a loss of some US\$6 million in the country's annual foreign exchange income and that the world price of coffee has dropped from 79 cents per pound a few years ago to about 44 cents a pound today. The future outlook is not good, since 1961 world production as projected is likely to exceed consumption by roughly one-third.

## THE SOCIAL PROBLEM

Because of its difficult geography, regionalism, and prolonged isolation from the rest of the world, Colombia's social and political development has been relatively slow. Fifty-five percent of the people today live in great poverty. Colombia's present coffee exports of some \$350 million a year are almost entirely produced by subsistence farmers earning less than \$300 a year. A rapid industrialization has further aggravated this problem in that it is creating a restless urban proletariat. With the rise of the industrial areas the old rural feudal structure is breaking down and a large portion of the poorer population now seems to be looking for new solutions.

Land reform first became an issue some 25 years ago. About 10 years later the problem of the poorer masses was brought to the cities when Gaitán started to appeal to the urban peoples. Right now the question might well be asked as to how long a large percentage of the population will remain patient solely with the hope

that some day their great aspirations may be fulfilled. Social consciousness as evidenced in certain efforts to bring about land reform and industrial peace will constitute a positive factor, but in the end the question remains as to whether Colombia's social problem will be solved in time.

This does not mean that nothing is being done about the problem. As a matter of fact a lot has been done and still is being done. Colombia's tax policy is quite progressive by Latin American standards; its rehabilitation program constitutes a remarkable new approach to an old problem. Colombia's handling of its external debt has been an outstanding accomplishment and well recognized abroad. The educational problem is being attacked in quite an aggressive manner within the means available. The construction of the Atlantico Railroad and the establishment of the Cauca Valley Corporation all reflect progressive action on the part of the Government.

#### TECHNICAL PROGRAMS IN COLOMBIA

The U.S. Operations Mission in Colombia coordinates the work of U.S. technicians in three *servicios*, which are part of the respective ministries. In these *servicios* U.S. technicians work side by side with their Colombian counterparts on specific problems in agriculture, health, and education. During the past few years the U.S. Operations Mission has employed some 50 to 60 U.S. technicians in these various fields. In addition to this there are programs in civil aviation, industry, and participant training.

Other programs include agricultural commodity assistance—we call it Public Law 480—that has supplied wheat, tobacco, fats and oils, powdered milk, and other commodities to Colombia. We accept payment for this food in pesos and then we loan part of the pesos back to the Government of Colombia for projects

such as cacao production, construction of farm-to-market roads, cattle improvement, reforestation, water well drilling, irrigation and drainage, fertilizer plants, and coal and lumber development. These loans are made through the Caja Agraria [Agrarian Credit Bank]. Colombia determines the priorities in these investments with U.S. approval and gets double use from this program. Colombians eat the food it furnishes, and the Government of Colombia has had over 218 million pesos available for the development of basic economic sectors. Under the so-called Cooley Amendment 25 percent of the available funds must be used for making loans to affiliates or subsidiaries of U.S. firms operating in Colombia. The total of these loans to date amounts to some 14 million pesos with many other applications pending. This program is handled directly by the Export-Import Bank in Washington, with advisory support from the U.S. Embassy and the U.S. Operations Mission in Bogotá.

In another section of this same Public Law 480 we are providing wheat, powdered milk, and rice to voluntary relief agencies such as CARE and the National Catholic Welfare Conference for distribution to school children and other needy persons in Colombia. During the past year this has reached over 1½ million people daily, with the value of the commodities estimated at approximately \$3 million annually.

I should also mention here the malaria eradication program, a worldwide effort. We are contributing over a half a million dollars annually in insecticides and equipment to assist Colombia in its malaria eradication campaign, and more aid will follow as the program develops.

Reverting now to Colombia's major problems in the solution of which U.S. technical assistance can help, we should first mention the problem in agriculture.

## AGRICULTURE

Agriculture constitutes a lagging section of the Colombian economy. Although agricultural production is increasing, it is falling behind the population increase which amounts to some 2.5 percent. This means that Colombia's population is likely to double in 30 years, which in turn means that agricultural production should at least double during the same period. At present 63 percent of the Colombian population is engaged in agriculture, and yet they produce only 40 percent of the country's gross national product.

To help in this problem the U.S. Operations Mission is now carrying on—through STACA, the agricultural *servicio*—programs in agricultural planning, the conservation and management of forest resources, agricultural engineering, farm mechanization, agricultural extension, livestock improvement, and the production of cacao and kenaf as potential new export crops. Kenaf, a strong fiber which can be a substitute for jute, looks particularly promising since it commands a good and stable price in world markets. Likewise, our joint program for the improvement in the quantity and quality of livestock will greatly help to diversify Colombia's agriculture from an economy so heavily dependent on coffee.

More recently at the request of the Colombian Government we have brought to Colombia three U.S. specialists in land settlement to collaborate with the Ministry of Agriculture and other Colombian Government agencies in surveying the possibilities of a program and assistance in the colonization of Government-owned lands and other aspects of land tenure. They will be here for 3 months, and it is anticipated that their report and recommendations will be the basis for an expanded program in this respect.

## HEALTH AND SANITATION

In the field of health and sanitation Colombia is faced with one of the biggest communicable disease problems in Latin America, with malnutrition and malaria being a close second.

The health *servicio* working within the Ministry of Public Health is attacking parts of this problem. At present there are programs to combat such diseases as carate and yaws, which latter disease is now almost eliminated. There are also programs in nutrition, in the control of internal parasites, in vaccine production, in health education, in medical education, and in hospital planning.

## EDUCATION

There exists a glaring lack of education in Colombia at almost all levels, primarily at the level of elementary education. Illiteracy is estimated at 45 percent and this figure appears to be increasing. There are in Colombia some 2.5 million school children of whom only 1.3 million can go to school at all. Only 10 percent of the schools provide 5 years of elementary education. There are 33,000 teachers in the country and their number is decreasing against an estimated need of 64,000; yet school population is increasing by some 300,000 pupils a year. The problem is both quantitative and qualitative.

The education *servicio* operates principally in Cali. Now only 2 years old, it is carrying out programs in vocational training, in industry and agriculture, and in elementary education.

## OTHER COOPERATIVE PROGRAMS

To help increase the overall effectiveness and productivity of industry, the U.S. Operations Mission is conducting programs in scientific management in cooperation with the Colombian Institute for Management as well as a program to stimulate capital investment.

We are also assisting in the establishment of a School of Business Administration and Finance in Medellín.

USOM's labor training program, which is handled in close cooperation with the U.S. Embassy labor attaché, is designed to attack the same problem from the labor point of view. The basic philosophy here is that to get results the problem should be attacked simultaneously at several levels.

The types of U.S. technical assistance first described also result in helping Colombia to strengthen its balance of payments—in other words, to eliminate imports which could be produced in the country and to increase exports. The agricultural *servicio's* efforts in cacao, kenaf, and livestock production all go in this direction. So do our programs in health and education which are designed to improve the level of performance.

In addition to this, the USOM is giving assistance to improve the country's basic transportation system. The program in civil aviation works to improve air traffic control and to bring about a safer communications system. The highway training program has so far trained some 37 highway engineers, mainly for the purpose of better road construction and maintenance. A recent agreement between USOM and the Ministry of Public Works will provide \$250,000 to assist in training heavy equipment operators for the Colombian part of the Pan American Highway.

USOM training in public administration is important from the point of view of assisting Colombia's efforts toward more efficient government, a problem which should be close to the hearts of U.S. businessmen who frequently encounter bureaucratic problems at certain levels of government.

The training program provides indirect support for all the activities previously mentioned.

Last year 190 Colombians were sent to the United States and Puerto Rico for training at a cost of some US\$410,000. The USOM considers training of Colombian nationals abroad of the utmost importance at this stage of the country's development.

I wish to express my sincere appreciation, as well as that of the point 4 staff, for this opportunity to meet with you today. Our door is always open for advice and constructive criticism from those of you present who have every right to expect the best use possible of the resources you, as American taxpayers, provide.

