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AID

AT THE CROSSROADS!

WHAT IS THE FUTURE OF THE "SELF-HELP" PROGRAMS IN WHICH LOCAL LATIN AMERICAN DEVELOPMENT ORGANIZATIONS ARE NOW APPLYING SUCCESSFUL U. S. EXPERIENCE ?



CREATION OF LOCAL DEVELOPMENT ORGANIZATIONS IN LATIN AMERICA →

1964

AID/PEP



CONWAY RESEARCH, INC.

June, 1968

A MEMORANDUM FOR THOSE INTERESTED IN THE TOTAL AID EFFORT AND THE LATIN

AMERICAN PROGRAM IN PARTICULAR:

During coming weeks, AID faces many crucial decisions. One of these relates to the future of the so-called AID/PEP Program (Agency for International Development/Private Enterprise Promotion) which has been implemented by this company in cooperation with area and industrial development organizations throughout the United States.

Now is the time to determine whether the invaluable experience of AID/PEP will be used as a springboard for a dynamic new thrust in U.S. international development activities, or if it is to be lost in the shuffle of AID program cutbacks and restructuring.

We believe now, more than ever before, is the time to place our confidence in the methods and concepts of development which are the very essence of the American system. AID/PEP builds development organizations based on the cornerstones of private enterprise and local initiative. We must not reduce this effort! On the contrary, we must recognize it as of vital importance worthy of attention at the highest levels!

We invite and urge your attention to this important question.

Sincerely yours,

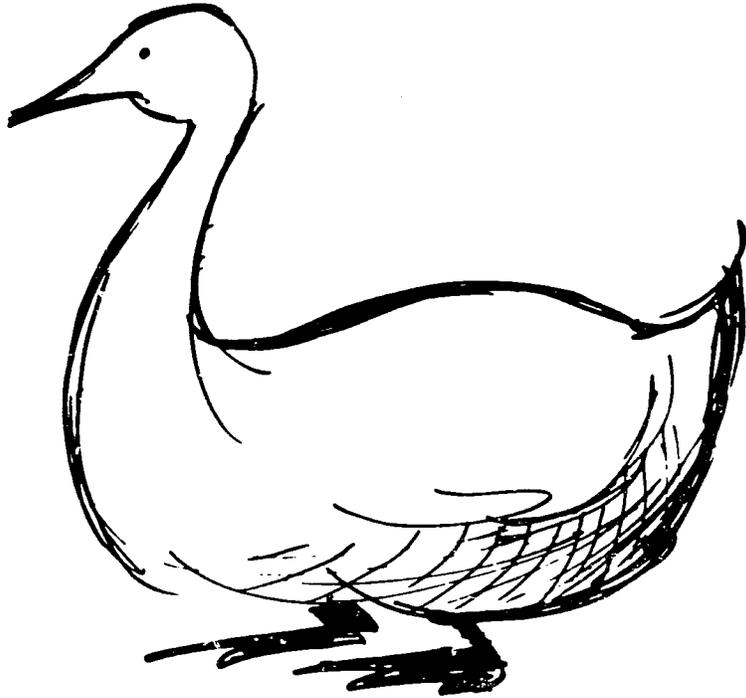
H. M. Conway, Jr.
President

BASIC PREMISE OF AID/PEP :

BUILD A BETTER
GOOSE FOR
EFFECTIVE
SELF-HELP!

THE ACCOMPANYING ILLUSTRATIONS, ADMITTEDLY OVER-SIMPLIFIED,
SHOW THE MANNER IN WHICH THE AID/PEP APPROACH DIFFERS FROM
THAT OF SOME INTERNATIONAL PROGRAMS:

NEVER FORGET THE GOOSE THAT LAYS THE GOLDEN EGGS:



THE GOOSE

An economy based upon productive private enterprise.



THE EGGS

Social Benefits: Education, Welfare, Health and all other public services.

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ONE CONCEPT OF FOREIGN AID IS THAT IT IS A PROGRAM FOR
DISTRIBUTING EGGS FROM THE U.S. GOOSE TO COUNTRIES WHICH
DO NOT HAVE A HEALTHY GOOSE. THERE IS NO END TO THIS
PROCESS. U.S. TAXPAYERS WILL FOREVER FOOT THE BILL.

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BY CONTRAST, THE PRIVATE ENTERPRISE CONCEPT OF FOREIGN
AID IS THAT IT IS A PROGRAM FOR HELPING OTHER COUNTRIES
GROW A HEALTHY GOOSE. HENCE, THESE COUNTRIES CAN EVENTUALLY
PRODUCE THEIR OWN EGGS AND THE U.S. TAXPAYER WILL NO
LONGER HAVE TO PAY THE BILL.

MOST OFFICIALS GIVE LIP SERVICE TO THE PRIVATE
ENTERPRISE APPROACH, BUT ALL TOO OFTEN PRIVATE
ENTERPRISE PROGRAMS OF THE TYPE WHICH MADE THE
U.S. GOOSE SO STRONG AND HEALTHY ARE LOST AMONG

- * EMERGENCY
- * MILITARY
- * POLITICAL
- * SOCIAL

AND OTHER ACTIVITIES ONLY INDIRECTLY INVOLVED IN
GOOSE BUILDING.

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WHY HELP OTHER COUNTRIES BUILD A GOOSE ?

(WHY PROMOTE THE PRIVATE ENTERPRISE SYSTEM OUTSIDE
THE USA ?)

1. TO BUILD STRONG ALLIES WHO ARE WITH US NOT
BECAUSE WE GIVE THEM A HANDOUT BUT BECAUSE
THEY BELIEVE IN THE SAME CONCEPT OF DEVELOP-
MENT.
2. TO FACILITATE THE ENTRY OF U.S. INVESTORS
INTO NEW MARKETS AND VENTURES VITAL TO OUR
OWN DEVELOPMENT.

9

PROMOTING PRIVATE ENTERPRISE IS PARTICULARLY IMPORTANT
IN OUR OWN HEMISPHERE. THE SUCCESS OF THE ALLIANCE
FOR PROGRESS DEPENDS ON THE MOBILIZATION OF THE
PRIVATE SECTOR IN LATIN AMERICA WITH WIDESPREAD U.S.
PARTICIPATION.

JUST WHAT IS
AID/PEP?
HOW DOES IT WORK?

HERE IS A SUMMARY
PREPARED DURING
THE PAST YEAR:

PUTTING PEP IN AID

P RIVATE

E NTERPRISE

P ROMOTION

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"Governmental actions are important, but without private sector support, the job cannot be done. That is why the AID program works both with and through American private enterprise and other private organizations in helping to build strong private sectors in the development countries."

DEAN RUSK

Secretary of State

(Source: "The Foreign Assistance Program for 1968" made before the House Committee on Foreign Affairs on May 4, 1967).

"...Those developing countries which have enjoyed the most rapid growth and the most broadly based progress have been countries where the creative force of national and international private enterprise has been welcomed and encouraged by public policy."

"...We need a break from past traditions, a quantum leap forward in our approach to encouraging private enterprise to participate in the process of development."

Eugene V. Rostow

Under Secretary for Political Affairs

(Source: "The Importance of Agricultural Development in Our Strategy for Peace", on address made before the International Argi-business Conference of the Chicago Board of Trade at Chicago on May 10, 1967).

"Foreign aid, unless it is amplified by private initiative, is doomed to be a costly palliative that will go on indefinitely..."

"...Through organizational changes and subsidy, AID can tap the vast reservoir of private technical and institutional skills in the United States."

Arthur K. Watson

**Chairman, Advisory Committee on
Private Enterprise in Foreign Aid.**

(Source: Chairman's Summary, July 1965).

GETTING DOWN TO BRASS TACKS :

THE REAL CHALLENGE FACING US IN
LATIN AMERICA CAN BE EXPRESSED
IN SPECIFIC TERMS :

J O B S !

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J O B S

LATIN AMERICA MUST CREATE NEW JOBS TO MINIMIZE UNEMPLOYMENT, PAY FOR SOCIAL BENEFITS AND POLITICAL STABILITY.

POPULATION: APPROXIMATELY 240 MILLION

ECONOMICALLY ACTIVE: ABOUT ONE THIRD

GROWTH RATE: ABOUT 3% PER YEAR

NEW JOBS REQUIRED: 2,400,000 PER YEAR

INDUSTRIAL JOBS REQUIRED: 600,000 PER YEAR

J U S T T O M A I N T A I N S T A T U S Q U O !

1/2

N E W P L A N T S

ASSUME 75 PERCENT OF GROWTH WILL COME FROM EXPANSION OF
EXISTING INDUSTRIES, 25 PERCENT FROM NEW VENTURES.

NEW PLANTS: MUST BE BUILT FOR 150,000 WORKERS

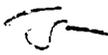
TYPICAL PLANT: MAY EMPLOY 50 WORKERS

NEW UNITS EQUIPED: 3000 PER YEAR

ALLOCATED BY POPULATION:

BRAZIL _____	MORE THAN	1000	PLANTS/YEAR
ARGENTINA _____	NEARLY	300	" "
COLOMBIA _____	MORE THAN	200	" "
CENTRAL AMERICA _____	ABOUT	180	" "
CHILE OR VENEZUELA _____		120	" "

12 NEW PLANTS EVERY WORK DAY !



S I T E S A N D S E R V I C E S

ESTABLISHMENT OF NEW PLANTS CAN BE GREATLY ACCELERATED
BY ADVANCE PREPARATION OF SITES AND BUILDINGS.

SITE INVENTORY: MORE THAN 10,000 NEEDED

ONE PREPARED SITE: EVERY TOWN OVER 25,000

LIMITED INDUSTRIAL PARK: EVERY METRO OVER 250,000

SITE COMPLEX: EVERY METRO OVER 1 MILLION

CALCULATED RISK BUILDINGS: ABOUT 500

\$ I N V E S T M E N T R E Q U I R E D

IN THE U.S. AN INVESTMENT OF SOME \$15,000 PER INDUSTRIAL JOB
IS REQUIRED. ASSUMING ONLY \$6,000 PER JOB IS REQUIRED IN LATIN
AMERICA, CREATING 3,000 JOBS PER YEAR WILL REQUIRE AN INVESTMENT
OF \$18 BILLION/YEAR - - FAR MORE THAN COULD BE FURNISHED BY
ALL THE GOVERNMENTS OF THE HEMISPHERE. THE ONLY SOLUTION IS TO
PROMOTE PRIVATE INVESTMENT ON AN ENORMOUS SCALE.

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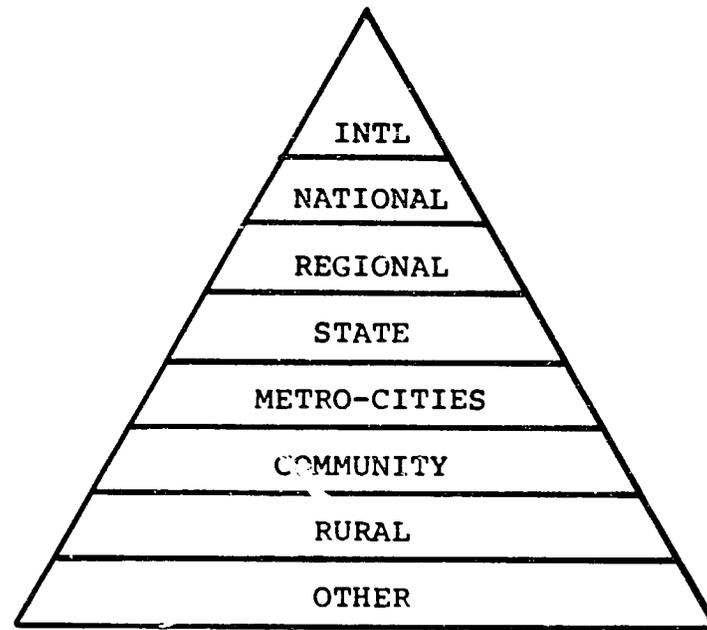
THERE'S NO SECRET TO PLANNING INDUSTRIAL SITES, FINANCING BUILDINGS,
PROMOTING INVESTMENT, AND CREATING JOBS.

I T T A K E S O R G A N I Z E D E F F O R T !

THE ALLIANCE FOR PROGRESS CAN MEET ITS INDUSTRIAL GOALS ONLY BY THE
EFFORTS OF EFFECTIVE UNITS WORKING AT EVERY LEVEL OF THE DEVELOPMENT
ORGANIZATION "PYRAMID".

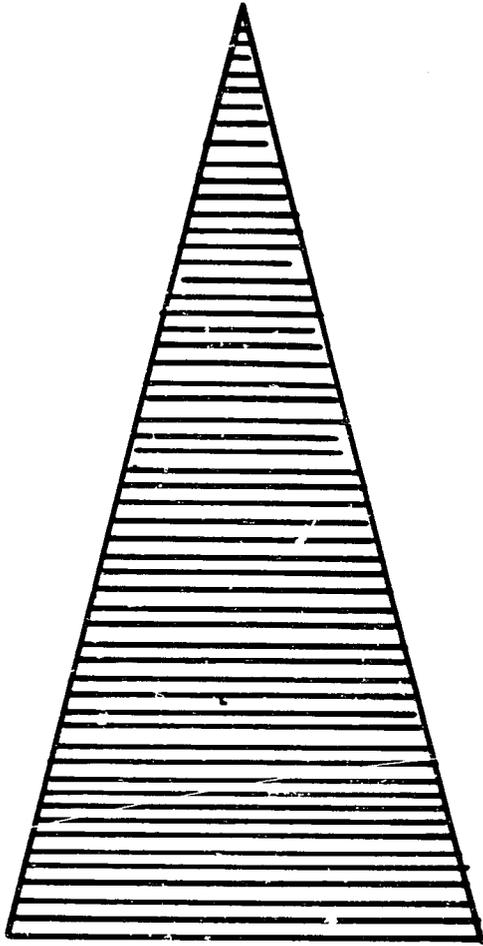
18

THE "PYRAMID" CONCEPT -- SECRET OF U.S. PROGRESS -- MUST BE
APPLIED IN LATIN AMERICA



IN THE U.S. MORE THAN 15,000 DEVELOPMENT ORGANIZATIONS WITH GREATEST
STRENGTH IN THOUSANDS OF SMALL-TOWN UNITS

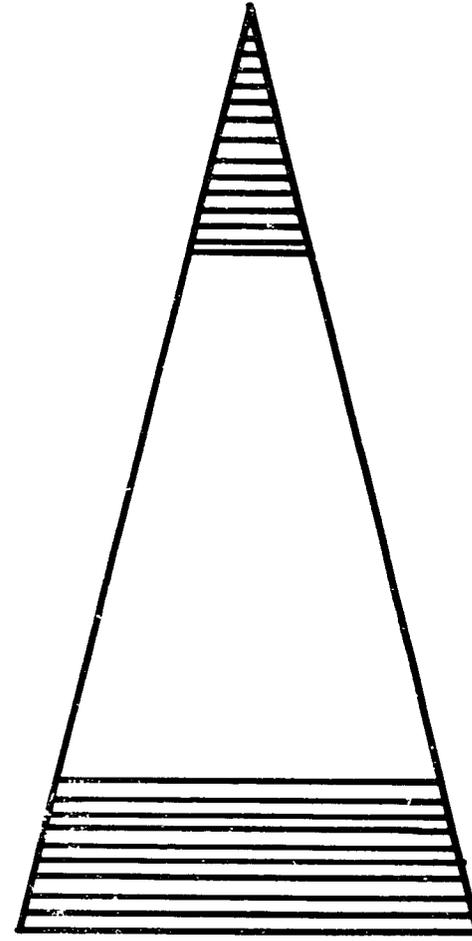
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U.S. PYRAMID

More than 15,000 organizations

THE GREAT GAP IS
AT THE MIDDLE LEVEL



LATIN AMERICA PYRAMID

Some 500 organizations as of 1967

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THE GREAT RESERVOIR OF EXPERIENCE AND TALENT IN LOCAL, STATE, AND OTHER PROGRAMS IN THE U.S. IS OUR BIGGEST ASSET IN BUILDING PRACTICAL AND EFFECTIVE PROGRAMS IN LATIN AMERICA.

AID / PEP

IS A MECHANISM FOR FACILITATING THE FLOW OF TECHNICAL ASSISTANCE FROM THE STRONG U.S. PYRAMID TO THE SKELETAL PYRAMIDS IN LATIN COUNTRIES



2/1

C O N T R A C T AID/1a-235

"ARTICLE I - STATEMENT OF WORK

A. Purpose

The purpose of this contract is to encourage and promote the development of the private enterprise system in Latin America by providing training and indoctrination for selected individuals (hereinafter referred to as "Participants") from the public and private sectors of the less developed countries of Latin America in the self-help activities required to realize the industrial potential of their respective areas. It is anticipated that such training and indoctrination will hasten the industrial development process within these countries by encouraging the creating of multi-level general and specific purpose development institutions."

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AS SET FORTH IN THE CONTRACT, THE PRIME OBJECTIVE OF AID/PEP TO
DATE HAS BEEN

I N S T I T U T I O N A L D E V E L O P M E N T

ESSENTIAL TO STIMULATION OF PRIVATE ENTERPRISE AND LOCAL INITIATIVE --
THROUGH WHICH LATIN AMERICA CAN MEET EMPLOYMENT GOALS AND GENERATE
NEEDED SOCIAL BENEFITS.

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THE STRATEGY OF AID/PEP IS TO ACHIEVE MAXIMUM FLOW OF TECHNICAL ASSISTANCE WITH MINIMUM EXPENDITURE OF AID FUNDS.

THIS IS MADE POSSIBLE BY THE CONTRIBUTION OF
FREE STAFF TIME AND OTHER ASSISTANCE BY
HUNDREDS OF U.S. CHAMBERS OF COMMERCE AND OTHER GROUPS.

AMONG U.S. ORGANIZATIONS WHICH HAVE PARTICIPATED IN AID/PEP AS OF
JULY 31, 1967 ARE:

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ALABAMA

Alabama State Planning and Industrial
Development Board
Eufala Chamber of Commerce
Eufala Tribune
Gulf, Mobile and Ohio Railroad Co.
Mobile Chamber of Commerce
Montgomery Chamber of Commerce

ARIZONA

Arizona Public Service Company
Bureau of Indian Affairs
Gila River Indian Reservation
H. Winston Diamond Processing Plant
Phoenix Chamber of Commerce

ARKANSAS

Arkansas Electric Cooperative Corp.
Arkansas Electric Cooperatives, Inc.
Arkansas Industrial Development
Commission
Conway Chamber of Commerce
D.H. Baldwin Company
International Paper Company
Little Rock Chamber of Commerce
Little Rock Industrial Development Co.
Morton Frozen Foods
National Bank of Commerce
Pine Bluff Chamber of Commerce
Russellville Chamber of Commerce
Searcy Chamber of Commerce
U.S. Army Engineer District
Winrock Farm

CALIFORNIA

City of Lodi
Fairfield-Suisun City Chamber of
Commerce
Guild Wine Company
Harris Pine Mills
Holz Rubber Company
Lodi District Chamber of Commerce
Lodi District Vintners Assn.
Lodi Fab Industries
Lodi Lions Club
Lodi Rotary Club
Pacific Gas & Electric Company
Salano County Industrial Development
Agency
San Joaquin County Economic Development
Association

COLORADO

Boulder Chamber of Commerce
Colorado Division of Commerce and
Development
Colorado Springs Chamber of Commerce
Denver Chamber of Commerce
Denver Technological Center
Loveland Chamber of Commerce
Montbello Industrial Park
State of Colorado Division of
Advertising and Publicity
University of Colorado
U.S. Air Force Academy

CONNECTICUT

Brainard Industrial Park
Connecticut Development Commission
Farmington Industrial Park

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FLORIDA

Associated Industries of Florida
Calhoun County Chamber of Commerce
Charles Morgan Yachts
Corral Wodiska y Cia.
Dade County Development Department
Diversa-Pak, Inc.
Electronic Communications, Inc.
Fairchild Company
First National Bank
Florida Department of Agriculture
Florida Ports & Foreign Trade Council
Florida Power Corporation
Florida State Chamber of Commerce
Florida State Development Commission
Florida State University
Germfree, Inc.
Gulf Federal Savings & Loan
Industrial Development Corporation
Industries Unlimited, Inc.
Jackson County Chamber of Commerce
Originals, Inc.
Orlando Industrial Board
Panama City-Bay County Chamber
of Commerce
Pinellas County Industrial Council
Schmidt Aluminum
Taco Bell, Inc.
Tallahassee Chamber of Commerce
Tampa Committee of 100
The Anheuser Busch Brewery
The Atlantic Coast Line Railroad Co.
The Daniel Construction Company of
Florida
The Elmer J. Krauss Company, Inc.
Thermo Tech
Universal Machine
Wallace Hatchery, Inc.

GEORGIA

Adley Associates
Albany Chamber of Commerce
Atlanta Chamber of Commerce
Atlanta Merchandise Mart
Atlanta Region Metropolitan Commission
Burke Dowling Adams, Inc.
Citizens & Southern National Bank
City of Marietta
Conway Research, Inc.
Decatur Federal Savings and
Loan Association
DeKalb Chamber of Commerce
Dowling Textile Mfg. Company
Frito-Lay
Georgia Institute of Technology
Georgia Power Company
Georgia State Chamber of Commerce
Georgia State Department of Industry
and Trade
Henson, Inc.
Industrial Development Research Council
Lockheed - Georgia
Marietta Chamber of Commerce
Mrs. Kinser, Inc.
Pattillo Construction Company
Rockmart Chamber of Commerce
Sharp-Boylston Company
"Six Flags Over Georgia"
Southern Railways System
Spalding County Chamber of Commerce
Stein Printing Company
Stone Mountain Memorial Association
Tucker Federal Savings and Loan
Association
University of Georgia
Waycross Chamber of Commerce

ILLINOIS

Allis-Chalmers Manufacturing Company
American Zinc
Beardstown Chamber of Commerce
Bohn Aluminum and Brass Company
Central Illinois Board of Economic
Development
Greater East St. Louis Chamber of
Commerce
Panhandle Eastern Pipe Line Company
Southwest Regional Port District
St. Louis National Stockyard Co.
Trinity Steel Company

INDIANA

Crawfordsville Chamber of Commerce
Indiana State Department of
Commerce and Public Relations
Indianapolis Power and Light Company
Shelbyville Chamber of Commerce

IOWA

Centerville Chamber of Commerce
Clinton Chamber of Commerce
Creston Chamber of Commerce
Iowa State Development Commission
Northern Gas Products Company
Perry Chamber of Commerce
Sioux City Industrial Development
Council

KANSAS

Anderson Feed Lot
Armour Packing Co.
Burlington Chamber of Commerce
Didde-Glaser, Inc.

Kansas, Cont.

Dolly Madison Cakes
Emporia Chamber of Commerce
Flint Hill Area Vocational Technical
School
Inland Cold Storage Company, Inc.
Interstate Bakery
Kansas City Chamber of Commerce
Kansas Department of Economic
Development
The Teichgraeber Milling Company

KENTUCKY

American National Bank
Bowling Green Bank & Trust Company
Bowling Green Manufacturing Company
Bowling Green-Warren County Chamber
of Commerce
Caldwell Lace Leather Company
Campbell County Business Development
Corporation
Central Screw, Inc.
Citizens National Park
Community Development Associates
First Federal Savings & Loan
Association
Frankfort Chamber of Commerce
Frankfort-Old Taylor Distillery
Gamble Brothers
Kentucky State Department of Commerce
Kroehler Manufacturing Co.
Mammoth Cave National Park
Northern Kentucky Industrial Foundation
Schenley Distillery
Shelbyville Rural Electric Cooperative
Corporation
Spindletop Research
Union Underwear
University of Kentucky

LOUISIANA

Baton Rouge Chamber of Commerce
Council for a Better Louisiana
International House
Louisiana Power and Light Company
Louisiana State Department of
Commerce & Industry
Louisiana State University

MASSACHUSETTS

Braintree Development Commission
Massachusetts Department of
Commerce & Development
New England Development Council

MICHIGAN

Bad Axe Industrial Development
Corporation
Coldwater Chamber of Commerce
Consumers Power Company
Gaylord Industrial Development
Corporation
Greater Lansing Chamber of
Commerce
Jackson Area Development Corpo-
ration
Manistee County Board of Commerce
Michigan Department of Commerce
Michigan State University
Oldsmobile Division of General
Motors

MINNESOTA

American Brake Shoe
Control Data, Inc.
Duluth Seaway Port Authority

Minnesota, Cont.

Fingerhut Manufacturing Company
Great Northern Railroad
HECO Products, Inc.
Industrial Opportunities, Inc.
Jobs Inc., Industrial Park
Larson Boat Works
Little Falls Development Corporation
Minneapolis Chamber of Commerce
Minneapolis Gas Company
Minnesota Department of Business
Division
Northeastern Minnesota Development
Association
Northern Natural Gas Company
Northern States Power Company
Onamia Garments Inc.
Princeton Development Corporation
Rauenhorst Construction Company
St. Cloud Chamber of Commerce
St. Paul Area Chamber of Commerce
St. Paul Port Authority
Universal Fiberglass Company

MISSISSIPPI

Bay Springs Chamber of Commerce
Central Mississippi Development District
Delta Council
Godwin Advertising Agency
Greater Port of Pascagoula
Greenville Chamber of Commerce
Hens, Inc.
Industrial Foundation
Jones and Yandell
Mississippi Chemical Corporation
Mississippi Educational TV Authority
Mississippi Marketing Council

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Mississippi, Cont.

Mississippi Power Company
Mississippi Research and Development
Corporation
Mississippi River Commission
Mississippi State Agricultural and
Industrial Board
Moss Point Chamber of Commerce
Northern Electric Company
North Mississippi Industrial Develop-
ment Association
Pascagoula Chamber of Commerce
Smith Company Bank
Solar Hardware Corporation
Southern Pine Electric Power
Association
Staple Cotton Cooperative Associa-
tion
The Jasper County News
U.S. Rubber Reclaiming Company, Inc.
U.S. Waterways Experiment Station
Vicksburg Committee of 100
Warren County Port Commission

MISSOURI

Clayton Industrial Development
Research Council
Jefferson City Rotory Club
Missouri Division of Commerce
Union Electric Company

NEVADA

Bigelow-Sanford Carpet Distribution
Center
Churchill County Economic Development
Commission

Nevada, Cont.

Nevada State Department of Economic
Development
Reno Chamber of Commerce
Sierra Pacific Power Company

NEW MEXICO

Albuquerque Industrial Development
Service, Inc.
Department of Development of New Mexico
New Mexico Bankers Association
Santa Fe Chamber of Commerce

NEW YORK

Jamaica Industrial Development Corporation
New York State Department of Commerce
Puerto Rico Economic Development
Administration
Westinghouse Electric International

NORTH CAROLINA

Aeronautical Electronics, Inc.
Asheville Chamber of Commerce
Asheville Industrial Council
Business Development Corporation of
North Carolina
Carolina Power and Light Company
Curlee Machinery Company
Dunn Chamber of Commerce
Handicraft Guild
North Carolina State Department of
Conservation and Development
North Carolina State University
Raleigh Chamber of Commerce
Rolesville Garment Company

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North Carolina, Cont.

Stuart Nye Silver Shop
Troxler Electronics
Wachovia Bank and Trust Company

OHIO

Armco Steel Corporation
Cincinnati Gas & Electric Company
Columbia Gas of Ohio, Inc.
Columbus & Southern Ohio Electric
Company
Dues Building Systems of Cincinnati,
Inc.
Greater Cincinnati Chamber of
Commerce
National Cash Register Co.
Ohio Development Department
Ranco, Inc.
Stockton-West-Burkhardt Advertising
Washington Court House Area Chamber
of Commerce

OKLAHOMA

Oklahoma State Department of Commerce
and Industry

PENNSYLVANIA

Endless Mountains Association
Greater Hasleton Chamber of Commerce
Lancaster County Chamber of Commerce
Lancaster County Industrial Develop-
ment Company
Pennsylvania Power and Light Company
Pennsylvania State Department of
Commerce

Pennsylvania, Cont.

Regional Industrial Development
Corporation of South West Pennsylvania
York County Industrial Development
Corporation

RHODE ISLAND

Providence Redevelopment Agency
Rhode Island Development Council

SOUTH CAROLINA

Aynor Industrial Development Board
Carolina Power and Light Company
Greater Columbia Chamber of Commerce
Horry County Development Board
Oxford Manufacturing Company
Richland Technical Education Center
South Carolina State Development Board

TENNESSEE

Covington-Tipton County Chamber of
Commerce
Gallatin Chamber of Commerce
International Group of Memphis
Memphis Area Chamber of Commerce
Memphis & Shelby County Port Commission
Memphis Works, International Harvester
Nashville Area Chamber of Commerce
Norman Meat Packing
Tennessee Division for Industrial
Development
Tennessee State Department of Conservation
and Commerce
Turner Dairies
Plough, Inc.
Warwick Electronics, Inc.

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TEXAS

Amarillo Chamber of Commerce
Central Power and Light Company
Corpus Christi Chamber of Commerce
Corpus Christi Industrial Commission
Cotton Belt Railroad
Dallas Chamber of Commerce
Great Southwest Corporation
Great Southwest Warehouses, Inc.
Gulf Coast Industrial Park
Gulf Distributing Company
Harlingen Chamber of Commerce
Hopkins County Chamber of Commerce
Industrial Development, Inc.
Kelly-Springfield Tire Company
King Ranch
Kingsville Chamber of Commerce
Lone Star Gas Company
Lower Rio Grande Valley Chamber
of Commerce
McAllen Chamber of Commerce
Port of Corpus Christi
Raymondville Chamber of Commerce
San Benito Chamber of Commerce
Southern Union Gas Company
St. Louis-Southwestern Railroad Co.
Sweetwater Chamber of Commerce
Taylor Chamber of Commerce
Texas A&M College
Texas Committee of the Partners for
the Alliance, Dallas Chapter
Texas Electric Service Company
Texas Industrial Commission
Texas Power & Light Company
Texas State Industrial Commission
Texsun Corporation
Times and Record News
Tyler Chamber of Commerce

Texas, Cont.

Tyler Independent School District
Tyler Industrial Foundation
Victoria Chamber of Commerce
Weslaco Chamber of Commerce
West Texas Chamber of Commerce
Wichita Falls Chamber of Commerce

UTAH

California-Pacific Utilities Co.
Cedar City Chamber of Commerce
Coleman Company
College of Southern Utah
Ivan County Chamber of Commerce
Moroni Feed Company
Utah State Committee of Industry and
Employment Planning
Utah Trade Technical Institute
Western Wood Excelsior

VIRGINIA

Appalachian Power Company
Corning Glass Works
Roanoke Chamber of Commerce
Virginia Industrialization Group
Virginia Polytechnic Institute
Virginia State Division of Industrial
Development and Planning

WASHINGTON STATE

American Fabricators Company
Bellingham Kiwanis Club
Chehalis Chamber of Commerce
Georgia-Pacific
Goodyear Tire & Rubber Company

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Washington Sate, Cont.

Leavenworth Chamber of Commerce
Washington State Department of
Commerce and Industrial Development
Whatcom County Industrial Development
Council, Inc.

WEST VIRGINIA

Beckley Chamber of Commerce
Grafton Area Development Council
West Virginia State Department of
Commerce

WISCONSIN

Alto Cooperative Creamery
Baraboo Industrial Expansion Co.,
Inc.
City of Brown Deer
City of Madison
City of New Berlin
E.P. Hoyer Company
First Wisconsin National Bank
Middleton Industrial Development
Corporation
Oak Creek Industrial Development
Corporation
Oshkosh Area Chamber of Commerce
Oshkosh Truck Corporation
Standard-Kollsman Industries, Inc.
Sun Prairie Industrial Development
Corporation
The Milwaukee Road
University of Wisconsin
Wisconsin Dells Regional Chamber
of Commerce
Wisconsin Division of State Economic
Development

Wisconsin, Cont.

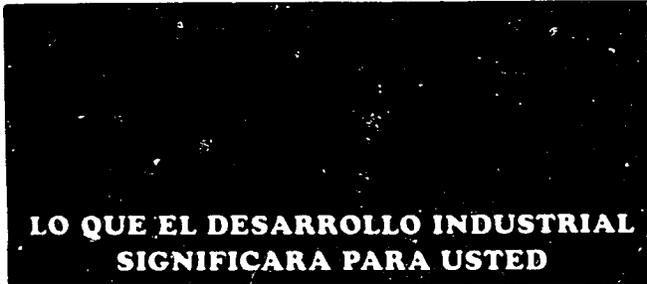
Wisconsin Power and Light Company

PUERTO RICO

Candied Fruit Corp.
CORCO Petro-Chemicals
Puerto Rico Coffee Growers Cooperative
Puerto Rico Department of Agriculture
Puerto Rico Economic Development
Administration
State Department of Puerto Rico

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ELEMENT: Working Materials



"The production, distribution, and utilization of suitable materials, such as area audit forms, industry investment checklists, and community development kits, all in the English, Spanish, and Portuguese languages as required for use by Latin American development groups."

The following training booklets have been produced and distributed:

1. "Community Audit and Area Data"	12,161
2. "Organizing for Development - The Pyramid Concept"	5,849
3. "Lo Que el Desarrollo Industrial Significará para Usted"	9,305 *
4. "Developing Latin American Private Enterprise Leaders"	1,000
5. "Sites & Buildings"	795
6. "Local Industrial Development Corporations"	722
7. "El Desarrollo Regional E Industrial" (Proceedings of Caracas Seminar)	975
8. "Conferencia Continental" (Proceedings of Panama conference)	<u>310</u>
	31,117

* This booklet proved so popular that two USAID Missions -Costa Rica and Panama- reprinted thousands of additional copies for local use.

ELEMENT: Training Films

"Produce full color and sound training films for use in building grass roots support for private enterprise promotion activities in Latin America, dramatizing concepts of local initiative and presenting the steps needed to promote industrial development."

1. "Fomento! - Organizing for Progress" (1965). Filmed in color in five Latin American countries. Covers basic concepts of organization and principles of economic organization. Distributed to all USAID Missions in appropriate language. Available in Spanish, English and Portuguese.
2. "An Industry for San Miguel" (1966). Filmed in color in Costa Rica. Tells the story of the mythical town of San Miguel and its efforts to marshall its resources for industrial development. The actors are the members of the Industrial Development Committee of Heredia, Costa Rica, who made an AID/PEP study tour in 1965. The film was premiered in Heredia in October, 1966. Distributed to all USAID Missions. Available in English, Spanish, and Portuguese.

Both films have been widely used for local seminars, meetings, orientation, etc. Both have received wide acclaim as a useful tool in leader training and institutional development.

Bernard M. Conboy	Dir., Michigan Dept. of Eco. Expansion	Costa Rica	area development
Andrew H. Baur	Pres., Industrial Prop. Inc. St. Louis, Mo.	Peru	industrial parks
Robert Williams	Dpty. Dire., Ohio Dept. of Development	Costa Rica	community development
Thomas L. McKeown	Dir., Ind. Dev., Corpus Christi Ind. Commission	Costa Rica	area data compilation
Bruce Kennedy	Dir., Northern Ky. Dev. Foundation	Costa Rica	industrial parks
Carl J. Clamp	Vic. Pres., Allis-Chalmers Milwaukee	Venezuela	Caracas Seminar Speaker
Harry W. Clark	Exec. Dire., Texas Ind. Commission	Venezuela	Caracas Seminar Speaker
Penn Worden	Ind. Mgr., Ga. State Chamber of Commerce	Venezuela	Caracas Seminar Speaker
Katherine Peden	Commissioner, Ky. Dept. of Commerce	Peru	Arequipa Seminar Spekaer
John Rutledge	Dir., Real Estate Mgr., U.S. Plywod Champion Papers, Inc.	Peru	Arequipa Seminar Speaker

T H E A I D / P E P W A R A G A I N S T T I M E

A MAJOR OBJECTIVE OF AID/PEP IS TO SHOW LATI: INSTITUTIONS HOW TO
ACHIEVE INDUSTRIAL DEVELOPMENT MORE QUICKLY THROUGH BETTER UNDERSTANDING
OF THE SEQUENCE OF EVENTS IN ESTABLISHING NEW INDUSTRIES. A GOOD
EXAMPLE IS PREPARING IN ADVANCE FOR SMALL PLANTS WHICH CAN USE
STANDAFD SITES AND BUILDINGS.

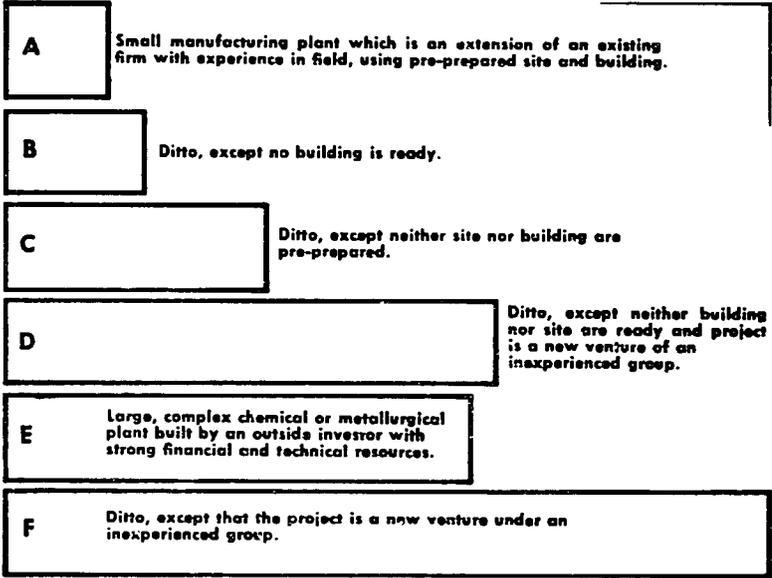
2/10

**COMPARATIVE TIME CYCLES
For Bringing New Industrial Development
Projects Into Operation**

YEARS

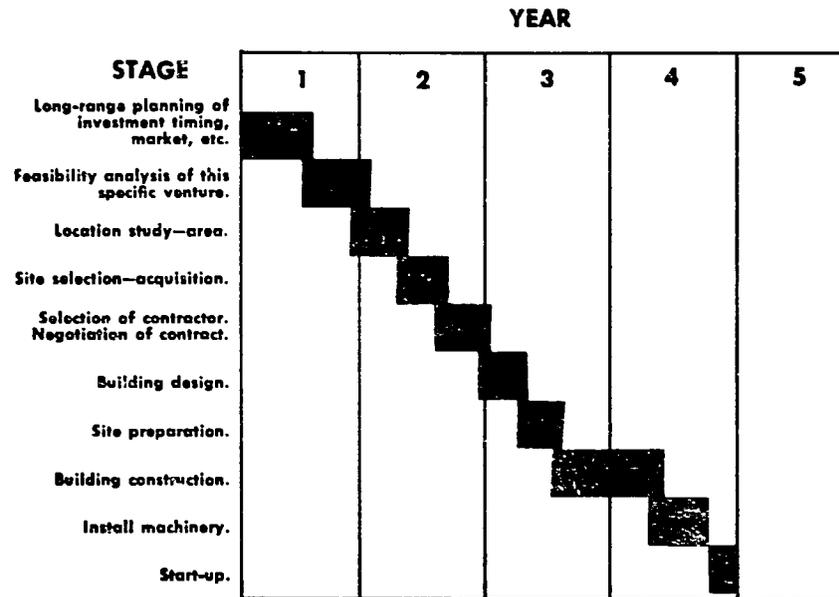
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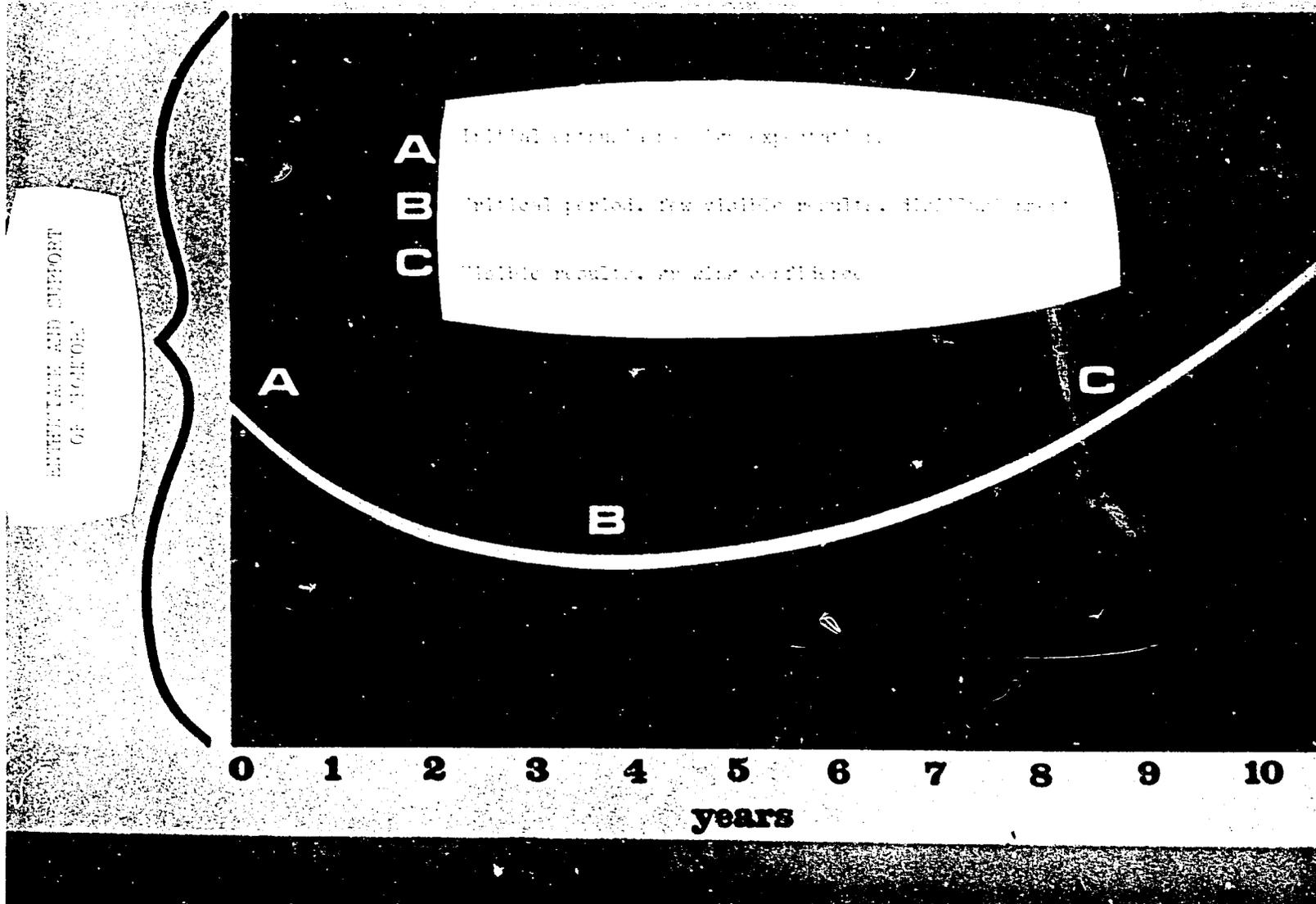
DEVELOPMENT CYCLE
For a Small Regional-Market Manufacturing Plant Housed
in a Multi-Purpose Industrial Building in Latin America.



Total cycle: approximately 48 months.
 Potential saving through site and building preparation: approximately 24 months.

23

TYPICAL CYCLE OF A NEW DEVELOPMENT PROGRAM



2A

AID/PEP IS NOT PREACHING UNTRIED THEORIES BUT PROVEN METHODS. FOR
EXAMPLE THE U.S. METHOD OF PREPARING STANDARD INDUSTRIAL BUILDINGS IN
ADVANCE OF NEED HAS ALREADY BEEN DEMONSTRATED IN PUERTO RICO.

THE PUERTO RICO INDUSTRIAL BUILDING COMPANY HAS ERECTED MORE THAN
525 UNITS - SOME TWO THIRDS OF THEM ON SPECULATION. THIS HAS BEEN
A PRIME FACTOR IN THE SUCCESS OF THE COMMONWEALTH'S INDUSTRIAL
DEVELOPMENT PROGRAM.

40

A I D / P E P R E S U L T S I N I N S T I T U T I O N A L
D E V E L O P M E N T

THE FIRST GENERAL OBJECTIVE OF AID/PEP WAS TO MOTIVATE LATINOS TO TAKE AN INTEREST IN NEW DEVELOPMENT EFFORTS BASED ON PRIVATE ENTERPRISE AND LOCAL INITIATIVE.

THE SECOND GENERAL OBJECTIVE WAS TO ASSIST THESE NEWLY-IDENTIFIED LEADERS TO ORGANIZE NEW DEVELOPMENT ORGANIZATIONS AT THE LOCAL LEVEL.

51

S T A G E S I N A R E A D E V E L O P M E N T

A NEW PROGRAM TYPICALLY MOVES THROUGH THREE BASIC STAGES:

I. M O T I V A T I O N

II. O R G A N I Z A T I O N

III. P R O G R A M A C T I O N

AID/PEP HAS TO DATE BEEN DIRECTED TOWARD THE INSTITUTIONAL DEVELOPMENT STAGES I
AND II. SIGNIFICANT RESULTS HAVE BEEN ACHIEVED IN THESE INITIAL
STAGES.

AP

EARLY-STAGE RESULTS

AID/PEP ASSISTS NEW AND EXISTING LATIN DEVELOPMENT ORGANIZATIONS IN ACHIEVING SPECIAL SKILLS, SUCH AS PROMOTING OUTSIDE INVESTMENT. PROMOTION PROJECTS HAVE BEEN CARRIED OUT IN COOPERATION WITH LOCAL UNITS IN 17 COUNTRIES TO IMPROVE THEIR CAPABILITIES IN

- * GATHERING DATA NEEDED BY POTENTIAL INVESTORS
- * PRESENTING INFORMATION IN ATTRACTIVE FORMAT
- * DISTRIBUTION TO SELECTED AUDIENCES
- * PROCESSING OF INQUIRIES
- * EVALUATING RESPONSE, REPORTING RESULTS

ELEMENT: U.S. Specialists -- "...use of highly experienced and professionally competent leaders from various industrial development fields in the U.S. for short-term service as consultants in Latin America to advise and counsel local development groups on programs involving the complete range of development activities."

Since 1965 AID/PEP has recruited 20 specialists to serve as volunteers in 9 Latin American countries. These professionals are:

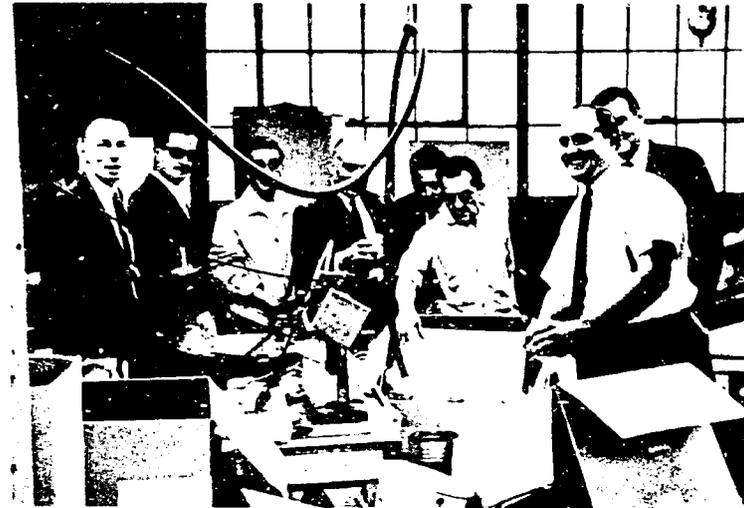


Specialist Kennedy discussing industrial park project with Costa Rican President Trejos.

<u>Name</u>	<u>Title & Organization</u>	<u>Country</u>	<u>Specialty</u>
Everett Tucker, Jr.	Exec. Dire., Little Rock Industrial Development Co.	Peru	industrial parks
Clifford Jones	Deputy Sec., Penna. Dept. of Commerce	Bolivia & Uruguay	industrial parks
Robert Stapleton	Mgr. Cordova (Ills.) Ind. Park	Costa Rica	industrial parks
F. William Broome	Exec. V. Pres., Charleston (S.C.) Trident Chamber of C.	Ecuador	industrial parks
Joseph S. Horan	Dir., Research & Ind. Dev. La. Dept. of Commerce	Colombia	community development
M. Dale Henson	Dtor. of Research Atlanta Chamber of Commerce	N.E. Brazil	area development seminars
Elmer J. Krauss	Ind. Realtor-Developer St. Petersburg, Fla.	N.E. Brazil	area development seminars
W. Dan Calgy, Jr.	V. Pres., Ind. Dev. Commerce Union Bank, Nashville, Tenn.	Peru	industrial development
Bill T. Hardman	Dir., Tourist Div. Ga. Dept. of Industry & Trade	Central America (ROCAP)	tourism
Robert W. Evans	Exec. Direc., Arkansas Publicity & Parks Com.	Bolivia	tourism

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ELEMENT: Leader Training -- "...selective and controlled exposure of participants to specifically applicable development organizations in the U.S., and/or Puerto Rico, and/or third countries, for short term orientation tours and training of participants for long term internships in specific assignments in appropriate U.S. development organizations..."



This AID/PEP training activity has involved 153 participants from the following countries:

- Brazil -- 1 tour group with 14 participants from Northeast and 6 interns from Northeast.
- Bolivia -- 1 tour group with 7 participants.
- Colombia -- 3 tour groups with 20 participants.
- Costa Rica -- 4 tour groups with 25 participants.
- Central America -- 1 tour group with 4 participants.
- Ecuador -- 1 joint tour group with 2 participants.
- El Salvador -- 1 tour group with 4 participants.
- Honduras -- 1 tour group with 4 participants, and 1 intern
- Nicaragua -- 3 tour groups with 14 participants.
- Paraguay -- 2 tour groups with 21 participants.
- Peru - 3 tour groups with 30 participants.

During the course of this leader training program some 421 U.S. development organizations were visited in more than 350 towns and cities in 35 states and Puerto Rico since 1963.

5

ELEMENT: Professional Seminars



"Bring together key men in area and industrial development activities in the Western Hemisphere for an annual conference on organization concepts, programs, and techniques."

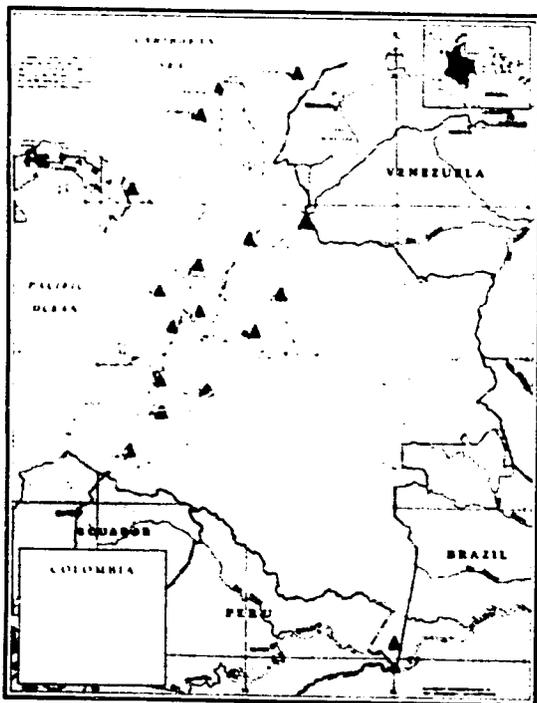
1. Caracas, Venezuela, June 1965 - The first seminar was held at the Macuto-Sheraton Hotel near Caracas. Approximately 150 participants representing 17 countries.
2. Panama, August 1966 - AID/PEP assisted in the organization of the Continental Conference sponsored by National Council for Private Enterprise (CoNEP) of Panama. 225 participants from 22 countries.
3. Arequipa, Peru, July 1967 - The third seminar was held in Southern Peru with three local agencies as hosts. 193 participants from 13 countries.

Format

The seminar programs provide for presentations on key themes by outstanding experts from throughout the Hemisphere. Workshops and round table discussions provide opportunity for contributions by all participants. Simultaneous translation is available in English, Spanish, and Portuguese.

4/6

AID/PEP has contributed directly to the formation of many development organizations throughout Latin America. Existing organizations have also received assistance and support.



New Organizations in Colombia:

1. "Comité Privado de Desarrollo - CPD"
(Private Committee for Development)-Bogotá
2. CPD - Leticia, Amazonas
3. CPD - Bucaramanga, Santander
4. CPD - La Guajira
5. CPD - Manizales, Caldas
6. CPD - Quibdó, Chocó
7. CPD - Barranquilla, Atlántico
8. CPD - Cúcuta, Santander Norte
9. CPD - Pasto, Nariño
10. CPD - Boyacá, Tunja
11. CPD - Cali, Valle
12. CPD - Medellín, Antioquia
13. CPD - Popayán, Cauca
14. CPD - Ibagué, Tolima
15. CPD - Cartagena, Bolívar
16. CPD - Neiva, Huila
17. CPD - Barrancabermeja, Santander
18. CPD - Pereira, Caldas
19. CPD - Acandí, Chocó

Existing Organizations in Colombia

1. "Comité Latinoamericano de Decanos de Escuelas de Administración" - Cali (Latin American Committee of Management School Deans).
2. Universidad del Valle - Cali (University of El Valle)
3. "Asociación para el Desarrollo del Tolima" - Ibagué (Association for the Development of Tolima).
4. "Asociación Colombiana Popular de Industriales" - Bogotá (Colombian Association of Industrialists).
5. "Corporación Financiera Colombiana - Bogotá (Colombian Finance Corporation).

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New Organizations in Costa Rica

1. Heredia - "Comité de Desarrollo de Heredia" (Development Committee of Heredia).
2. San Isidro de El General - "Comité Provisional de Desarrollo Comunal e Industrial" (Provisional Committee for Community and Industrial Development).
3. Grecia - "Comité de Desarrollo (Development Committee).
4. Limón - "Comité Progresista del Atlántico - COPRA" (Progressive Committee of the Atlantic).
5. Nicoya - "Asociación para el Desarrollo de la Península de Nicoya" (Association for the Development of the Nicoya Peninsula).



Existing Organizations

1. Sarchí - "Junta de Acción Comunal (Community Development Board).
2. San Ramón - "Alianza de Desarrollo Comunal Ramonense" (Alliance for Community Development of San Ramón).
3. Alajuela - "Comisión para Promoción Industrial" (Industrial Promotion Commission).
4. Cartago - Rotary Club and "Cadena Comercial Cartaginesa" (Commercial Federation of Cartago).
5. Liberia - Rotary Club and "Asociación de Ganaderos" (Cattlemen's Association).
6. Limón - "Junta de Administración Portuaria y Desarrollo Económico de la Vertiente Atlántica" (Board of Port Administration and Economic Development of the Atlantic Coast).
7. San José - Ministry of Industry and Commerce

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PROMOTION REPORTS DISTRIBUTED

601,793 copies of 12 area promotion reports and 5 regional editorial surveys on Latin America have been distributed since 1963. The promotion reports have appeared as special sections in Industrial Development magazine and were later distributed in reprint form to ID's 16,000 subscribers. Additional reprints have been distributed by USAIDs and by AID/PEP. The reports include:

El Salvador	June 1963	46,225	distributed
Costa Rica	Sept. 1963	41,696	"
Colombia	Nov. 1963	45,236	"
Nicaragua	Feb. 1964	51,690	"
Guatemala	April 1964	41,925	"
Central American			
Common Market	July 1964	44,963	"
Honduras	Nov. 1964	44,852	"
Peru	Feb. 1965	41,723	"
Panama	March 1965	41,254	"
N.E. Brazil	Aug. 1965	41,433	"
Ecuador	Sept. 1965	41,532	"
Peru South	May/June 1967	32,567	"

The 5 regional editorial surveys published have only appeared in ID, although reprints have been available to fill the numerous requests. These surveys include:

L.A.'s Development Organizations	March 1966	18,712	distributed
L.A.'s Prepared Industrial Sites	June 1966	17,825	"
L.A.'s New Industrial Facilities	July 1966	16,526	"
L.A.'s Development Data Checklist	Sept. 1966	16,696	"
L.A.'s Industrial Incentives	Jan. 1967	16,947	"

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SPECIFIC INQUIRIES PROCESSED

9 5 3 I N D I V I D U A L I N Q U I R I E S

FOR INFORMATION ON LATIN AMERICA'S INVESTMENT OPPORTUNITIES WERE
PROCESSED BY AID/PEP DURING THE PAST YEAR (JULY '66 - JULY '67).

AID/PEP SUPPORTS OTHER PROGRAMS

A pyramid of effective development organizations is essential to the success of many AID efforts:

- * War on Hunger. An estimated two-thirds of local area development programs are closely related to agriculture -- for example, establishment of industrial plants which process farm products.
- * Export Promotion. Every area development program must concern itself with opportunities in all markets to which the area may gain access -- local, national, and international.
- * Inter-American Development Center. AID/PEP supports the Center through efforts to strengthen local development organizations, through emphasis on the need for area data, prepared sites, and effective promotion.
- * Development Briefings. In addition to study tours and intern programs, AID/PEP provides briefings and arranges informal conferences for many development experts. Such briefings are provided for U.S. specialists in route to assignments in Latin America, AID officials from Washington and field posts, visiting officials and experts in the U.S. on other programs.
- * Local Development Seminars. AID/PEP staff members participate in local and regional development seminars, in cooperation with USAIDs and local agencies. This participation includes presentations in Spanish as well as the use of training films and working materials. Two series of local seminars in Costa Rica covered 12 cities with the participation of 450 local leaders.

THE COMBINED EFFORTS OF NEW AND EXISTING LATIN DEVELOPMENT INSTITUTIONS,
ASSISTED BY AID/PEP AS INDICATED IN THE FOREGOING PAGES, LED TO THE
ESTABLISHMENT OF SOME 1000 NEW INDUSTRIAL PLANTS IN LATIN AMERICA LAST
YEAR. THIS IS A VERY SUBSTANTIAL ACHIEVEMENT BUT IT IS NOT ENOUGH !

STILL GREATER EFFORT MUST BE DEVOTED TO THE SPECIFIC PROCESS OF
ESTABLISHING NEW PRODUCTIVE UNITS THROUGH LOCAL ORGANIZATIONS ORIENTED
TOWARD PRIVATE ENTERPRISE.

A I D / P E P I N T R A N S I T I O N

HAVING DEMONSTRATED THAT LATINOS CAN BE MOTIVATED TO FORM NEW DEVELOPMENT
UNITS BASED ON PRIVATE ENTERPRISE AND LOCAL INITIATIVE, EMPHASIS MAY NOW
BE PLACED ON THE THIRD STAGE: PROGRAM ACTION OR PROJECT IMPLEMENTATION .
IT IS PROPOSED THAT THE AID/PEP ASSIGNMENT FOR 1968-1969 BE REDEFINED TO
RELATE MORE DIRECTLY TO ACHIEVING TANGIBLE RESULTS FROM THE INSTITUTIONS
ALREADY CREATED.

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THE TALENT AND EXPERIENCE EXIST. 421 U.S. DEVELOPMENT UNITS HAVE
ALREADY SERVED VIA AID/PEP.

THOUSANDS OF OTHER U.S. GROUPS

STAND READY TO SERVE !

WITH A NOMINAL CONTINUING BUDGET AND ENTHUSIASTIC EXPRESSIONS OF HIGH-LEVEL
INTEREST, AID/PEP CAN BECOME EVEN MORE USEFUL.

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APPENDIX

JUST A FEW
GLIMPSES OF
AID / PEP
AT WORK —

U. S. Development Experts Promote Self-Help in Latin Countries

It's axiomatic that in America people lend a hand to "get the barn built." And historically, that hand has stretched a little farther to aid the underdog.

Now a group of successful and respected U. S. businessmen have extended a neighborly hand to Latin America to build, not the barn, but the foundation for a strong economy based on private enterprise. They're sharing their knowledge to boost developing countries.

Working through the Dept. of State's Agency for International Development, the "specialists," professionals in the field of area development, are recruited to serve without remuneration as advisors to AID missions in Latin America and to development organizations in need of technical assistance.

Their fields of specialization cover all aspects of development: regional, community, industrial parks, tourism.

Their aim is to gain a "capsule" insight into thought processes and trouble spots and to bring their experience as successful industrial developers to bear on problems.

Developers in nine Latin American countries have capitalized on guidance offered by 20 AID specialists.

The point of importing U. S. specialists in development to Latin America is to show the Latins that private enterprise and local initiative are the key to successful industrial development. In other words, AID specialists bring a "grass-roots" example of their own success in this country to show that a program of "self-help" is the surest path to sound development.

And in every country and area visited by the specialists, audiences were receptive and enthusiastic, eager to latch onto the concept of "self-help."

The program is part of AID's

Private Enterprise Promotion program (AID/PEP) which is being implemented by Conway Research, Atlanta.

While the concept of promoting development through private enterprise brings rich rewards to struggling Latin American countries, it also yields benefits to this country. With the current administration's emphasis upon reducing capital outflow, businessmen are being asked to review plans for foreign investment, and the government will be taking closer looks at foreign aid requests.

By encouraging self-development in Latin America, dollar outflow will be minimized.

In the words of specialist Everett Tucker, who brought his experience as Executive Director of the Little Rock (Ark.) Industrial Development Co. to bear upon development issues in southern Peru, "If this program is carried forward, it will achieve its objective of minimizing the actual dollar flow to the less privileged nations of the world, particularly those in Central and South America. The program will permit and encourage these countries to take on much of the responsibility for the economic improvement of their peoples and their cities."

The task of sharing basic industrial development knowledge with the Latin Americans is not an easy one. There are the obvious barriers of a foreign language and customs. For U.S. experts appearing on a development scene of relative unsophistication, there was another hurdle of being able to explain in basic terms the importance of proper planning and promotion. But then there was the less obvious obstacle of contending with the "ugly American" image.

On his Bolivian tour, Bob Evans, Executive Director of the Arkansas Publicity and Parks Commission, was met with a polite but "obvious coolness" from his first contacts.

"However, through what I consider kindness and a general appearance of trying to help, they warmed up considerably," he recalls. "After a week they became very good

friends on a social basis. This I am sure is due to my part in trying not to be an 'ugly American'."

Although all specialists were briefed on development and economic problems before they journeyed to Latin America, most were still at least mildly shocked at the contrasts in the U.S. economic picture and that of the Latin American countries.

"To one who had never visited South America before," said Everett Tucker, "the contrasts and differences with our customs and with the economy in the U. S. were so marked as to be almost difficult to comprehend."

The industrial parks specialist found the terrain, the resources, the lack of transportation, the language barrier and the difficulties of communicating with the outside world a little unsettling.

"Things which we take for granted in the U. S., such as telephones, efficient water, power and sewer systems, good highways and mechanized quantity production in factories are quite conspicuous in their absence or by their malfunctioning in eastern Peru," he said.

Tucker found manufacturing processes in Peru primitive by U. S. standards.

"While the entrepreneurial motive is fairly well developed and the products as well as the manufacturing techniques reflect a great deal of ingenuity, mechanization is resorted to only where it is absolutely necessary. Wherever manpower can be substituted for machine, it is done," he said.

The specialists spurred action wherever they went. Andrew Baur, another industrial parks specialist and president of Industrial Properties, Inc., St. Louis, urged developers of industrial parks to "keep the ball rolling, as valuable time is wasted and the result is not accomplished if you don't keep the project moving as rapidly as possible."

He told the Peruvians he had found "if you can get the first few buildings under construction and you have set out a practical and economical layout for the remaining sites,



AID specialist E. B. Kennedy (left) discusses development programs with Costa Rican Pres. Jose Trejos Fernandez (center) and Jose G. Rothschild, Acting Head of Investment Promotion, Costa Rican Office of Ministry of Industry and Commerce.

other companies will be attracted when they see the park moving full speed ahead."

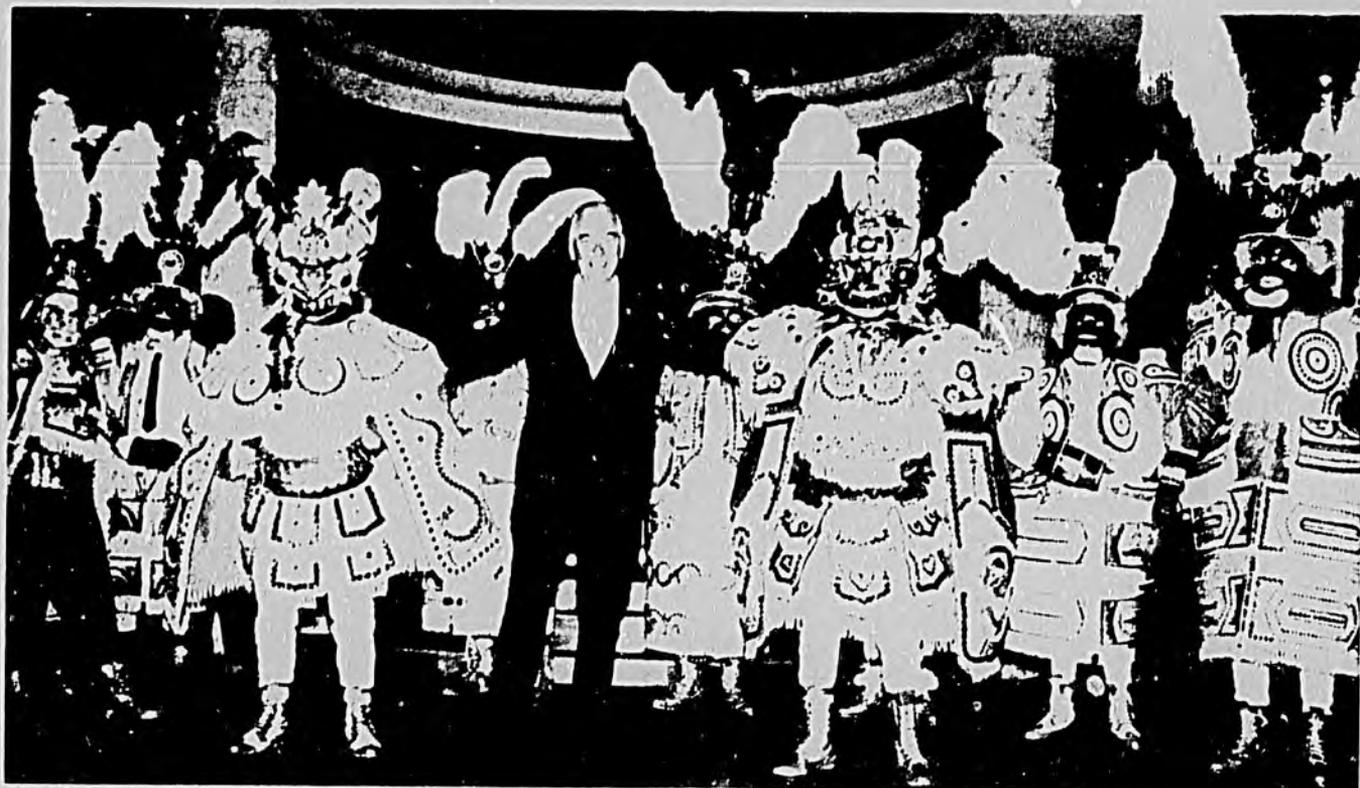
A point hammered home by AID specialists is the need for information resources for developers so they will see the need for planning their industrial ventures.

Everett Tucker found no local industrial development specialist anywhere in Peru, who could be counted on to persuade corporate management to locate a plant in a particular area.

"It is hard to visualize a really hard-hitting program without an old pro of this type somewhere in the picture," said Tucker. "Such a person could supply invaluable service in the field of promotion, both with the community and industrial prospect; in the preparation of budgets; in the development, promotion and sale of sites, in preparing brochures with accurate statistical information. In short, the same sort of thing we do in the U. S."

Kennedy and a Costa Rican developer look over plans for an industrial park.





Tourism promotion specialist Bob Evans joins Bolivia's Oruro Devil Dancers in a folk dancing session.

Also lacking in Brazil was a concept of U. S. industrial financing. Elmer J. Krauss, an industrial developer and realtor in St. Petersburg, Fla., was surprised to find little investment in building and leasing plants to private industry in northeast Brazil. When he explained to the Brazilians that the interest rate in the U. S. was between five and six percent on an amortized basis, "they were unbelieving."

"The reason for this is that there is very little long-term financing and their interest rates run as high as 30 percent plus per year," he explained.

"It is still difficult for me to understand how a country can grow under such difficult circumstances," Krauss said. "It would appear that everyone would be in the banking or money lending business. With our industries operating at such a small margin, it leaves me at a loss to understand how they can possibly make a profit and afford to pay this type of interest," he said.

But therein lies a real opportunity for American industry to invest and produce products for local consumption, Krauss feels.

"This should be especially attractive with the guaranty of the U. S. government for American investments in Brazil made possible by the Alliance for Progress agreements," he added.

Private enterprise is budding, but not yet in bloom, in most Latin American countries, report the AID specialists. The see new industrial parks, aggressive area development committees and sophisticated employee training centers.

Joseph S. Horan, who journeyed to Colombia on a community development mission, was particularly impressed with the desire of youthful civic and business leaders to develop their country within the framework of private enterprise and the seriousness of the students in the trade schools.

"They were most anxious to converse with me to inquire if their courses, equipment and instruction are up to par with the U. S.," said Horan, a partner in the consulting firm of Carter, Horan & Chapin, Baton Rouge, and a former Director of Research and Industrial Development for the Louisiana Dept. of Commerce.

"They seem to have an extreme admiration for U. S. technical know-how," he added.

Most specialists aimed their talents at bolstering industrial development. But they could not help but notice a prime target for development — tourism — is going untapped. All reported the tremendous natural tourist potential of Latin America.

Bob Evans found "tourism in Bolivia like a bright red apple waiting to be plucked by anyone with the enthusiasms to carry out the necessary programs to bring it to reality."

Specialists to other countries, too, felt that if facilities were made more lush to meet the American traveler's expectations, and if transportation to

the abundant attractions became more accessible, and if the attractions were promoted outside South America, that those nations would see a boom in tourist business.

It is the emphasis on the ancient, the unchanged and the timeless that are the prime tourist attractions in South America — from the old stone forts of Cartagena, Colombia to the voodoo markets of La Paz, Bolivia, to the lush forests of Brazil.

"I was astonished at the voodoo markets in La Paz where so many types of fetishes, taboo eradicators and general mumbo-jumbo is sold," Bob Evans told ID. "I think that the natives, although being more or less Catholic in nature, do not overlook the chance that the worship of other gods and the attention to various taboos might be very important; this obviously gives the native Indians the assurance that one way or another he is going to have a better life."

In the time-forgotten village of Tarabuto in the central Andes mountains, Evans saw natives wearing costumes of the ancient Incas. Some of the styles have not changed, he said, in perhaps the last thousand years.

Evans learned that in Bolivia silver was so cheap at one time that huge concrete blocks in the Girls' Seminary at Sucre are locked together with pure silver braids weighing about five pounds each. Today no metallic coins are found in the country; only paper money is used since the government found silver coins were worth more as bullion than as coins.

The benefit of the AID specialist program is not all one way. Area development committees and industrialists are learning the "self-help" way of promoting industrial development. But the AID specialists are gaining gratification at the enthusiastic acceptance of their ideas.

Evans summed up that gratification when he said, "I'll go back to the U. S. with fond memories of my visit to Bolivia and will endeavor to become one of its best friends for the promotion and future of this magnificent country." ■

The 20 Specialists

The recruitment of experienced and professionally competent U.S. industrial development leaders for service as consultants in Latin America is a vital facet of AID/PEP's program to secure private enterprise support for the "self-help" concept of development. Since 1965 AID/PEP has tapped the knowledge reservoir of 20 U.S. professionals who volunteered several weeks of their time to serve, without pay, in nine Latin American countries.

The development leaders and their specialties are:

BOLIVIA

Robert W. Evans, Executive Director, Arkansas Publicity and Parks Commission. (tourism).

BOLIVIA & URUGUAY

Clifford Jones, Deputy Secretary, Pennsylvania Dept. of Commerce. (industrial parks).

CENTRAL AMERICA

Bill T. Hardman, Director, Tourist Division, Georgia Dept. of Industry and Trade. (tourism).

COLOMBIA

Joseph S. Horan, partner in consulting firm of Carter, Horan & Chapin, Baton Rouge, La., and former Director Research and Industrial Development, Louisiana Dept. of Commerce. (community development).

COSTA RICA

Bernard M. Conboy, Director, Michigan Dept. of Economic Expansion. (area development).

Bruce Kennedy, Director, Northern Kentucky Development Foundation. (industrial parks).

Thomas L. McKeown, former Director, Industrial Development, Corpus Christi (Texas) Indus-

trial Commission. (area data compilation).

Robert Stapleton, Manager, Cordova (Ill.) Industrial Park. (industrial parks).

Robert Williams, Deputy Director, Ohio Dept. of Development. (community development).

ECUADOR

F. William Broome, Executive Vice President, Charleston (S.C.) Trident Chamber of Commerce. (industrial parks).

NORTHEAST BRAZIL

M. Dale Henson, General Manager, Atlanta Chamber of Commerce. (area development).

Elmer J. Krauss, Industrial realtor-developer, St. Petersburg, Fla. (area development).

PERU

Andrew H. Baur, President, Industrial Properties, Inc., St. Louis. (industrial parks).

W. Dan Calgy, Jr., Vice President, Industrial Development, Commerce Union Bank, Nashville, Tenn. (industrial development).

Katherine Pedon, former Commissioner, Kentucky Dept. of Commerce. (area development).

John Rutledge, Properties Manager, Consolidated Foods, Chicago. (area development).

Everett Tucker, Jr., Executive Director, Little Rock (Ark.) Industrial Development Co. (industrial parks).

VENEZUELA

Carl J. Clamp, Vice President, Allis-Chalmers, Milwaukee. (area development).

Harry W. Clark, Vice President, Economic Development, First National Bank of Midland, and former Executive Director, Texas Industrial Commission. (area development).

Penn Worden, Industrial Manager, Georgia State Chamber of Commerce. (area development).