



**REPORT TO THE
INTER-AMERICAN ECONOMIC
AND SOCIAL COUNCIL**

**PRESENTED BY
THE GOVERNMENT OF THE UNITED STATES OF AMERICA**



REPORT PREPARED BY THE
GOVERNMENT OF THE UNITED STATES OF AMERICA
for the
INTER-AMERICAN COMMITTEE ON THE ALLIANCE FOR
PROGRESS
and the
THIRD ANNUAL MEETINGS OF THE
INTER-AMERICAN ECONOMIC AND SOCIAL COUNCIL

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INTRODUCTION

In accordance with Resolution D of the Charter of Punta del Este and Resolution 1-M/63 of the Inter-American Economic and Social Council which assigned to the Inter-American Committee on the Alliance for Progress (CIAP) responsibility for coordinating and promoting implementation of the Alliance for Progress, the Government of the United States of America hereby submits a report covering its participation in the Alliance for Progress for consideration by CIAP and the Third Annual Meetings of the Inter-American Economic and Social Council.

The report describes the principal activities of the United States during the past year in support of the development efforts of Latin America under the Alliance for Progress.

These activities are by no means limited to financial assistance -- loans and grants -- extended, in large part, on flexible terms of repayment. U. S. support of the Alliance for Progress is also seen in a variety of other ways. These include such activities as the Peace Corps, technical assistance, special arrangements for assistance to the private sector, contributions to international agencies, U. S. private investments in the region, the flow of imports and exports and numerous measures taken to increase trade between the United States and Latin America.

In Fiscal Year 1964 (July 1, 1963 to June 30, 1964), U. S. economic assistance to Latin America, measured by commitments, reached a new record amount of \$1,190.2 million, compared with \$948.2 million in FY 1963. On a calendar year basis, commitments were \$856.4 million in 1963, compared to \$1,038.0 million in 1962; the principal reason for this drop in calendar year 1963 was the declining lending activity of the Social Progress Trust Fund as its resources were rapidly depleting.

However, during the first half of 1964, a total of \$876.5 million was committed. This was more than in all of 1963. And it is important to note that this high pace was achieved in spite of a continuing low level of activity from the Social Progress Trust Fund. Commitments from the Agency for International Development (AID) were \$528.7 million in the first half of 1964 compared to \$464.6 million in all of 1963. An indication of the growing importance of Latin America in the totality of U. S. foreign assistance is the fact that the share

of total AID funds going to the region has increased steadily from 5.3% in 1960 to 27.3% in 1964.

The data reveal that commitments in calendar 1963, as in 1961 and 1962, were maintained at a level higher than that of disbursements. Disbursements in 1963, however, reached a new high: \$811.9 million as compared with \$746.1 million in 1962. The United States anticipates that by the end of calendar 1964, total disbursements will at least equal the 1963 level, even though the first half of the present year reflected some decline. In coming years, the rate of disbursements should continue to rise, and will eventually surpass the rate of commitments of public funds attained in the first three years of the Alliance--that is, an average of over one billion dollars annually.

It should be noted that the data on disbursements presented in the report do not include debt rescheduling. This has become a significant factor in U. S. operations under the Alliance. During 1963 and the first half of 1964, arrangements were made to reschedule debt held by U. S. agencies in the order of one hundred million dollars.

In order to facilitate the flow of funds already committed, the United States, and especially the Agency for International Development, has adopted a number of improvements in loan and grant procedures. These are described in the report.

Chapter I is an account of the major developments in, and the state of, the U. S. economy during the past year. Conditions of the U. S. economy are intimately related to the opportunities for healthy commercial and financial relations between Latin America and the United States. The results in the five quarters since mid-1963 show that gross national output in constant prices rose 6.1 percent, compared to 4.0 percent in the preceding five quarters. The U. S. economy will enter 1965 with a record of nearly 4 years of sustained expansion.

Chapter II of the report is devoted to the trade and payments situation between the United States and Latin America in 1963 and the first half of 1964, including an account of actions recently taken by the U. S. Government affecting certain major commodities, U. S. private investment flows, price trends and a brief summary of the preparations for the upcoming tariff negotiations. U. S. imports from Latin America in 1963

and in the first half of 1964 continued to increase. In 1963 the trend in the terms of trade was increasingly favorable to Latin America.

The past year saw new evidence of rising popular interest in the Alliance in the United States. In last year's report to the Inter-American Economic and Social Council, mention was made of the partnership arrangement between Chile and the State of California. During the intervening year the "Partners of the Alliance" program has gained wide acceptance in all regions of the United States and Latin America, with Partners programs now in operation or in the advance planning stage which involve nearly half the States of the Union, and most of the countries of Latin America. Chapter VII of this report describes these programs.

The growing involvement of U. S. universities in Alliance programs is highlighted in Chapter VIII. Expanded efforts to encourage private investment, both local and foreign, were particularly effective in the support extended to relending institutions, and in the housing guaranty program described more fully in Chapter VI.

Special recognition has been given to the work of the Peace Corps, whose activities were greatly expanded during the past year.

Since the Second Annual Meetings of the Inter-American Economic and Social Council held in São Paulo in November of 1963, the new Inter-American Committee on the Alliance for Progress (CIAP) has come into operation. The determination that the United States would support and participate actively in CIAP was set forth by President Kennedy in his last foreign policy address in Miami in mid-November 1963. President Johnson has made clear his support of CIAP as an important multi-lateral instrument to streamline and strengthen the Alliance for Progress in all the member countries.

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CHAPTER I

THE UNITED STATES ECONOMIC SITUATION AT MID-1964

MAJOR DEVELOPMENTS

As was indicated in last year's report to the Inter-American Economic and Social Council, an acceleration of the expansion of economic activity depended heavily on enactment of the Administration's tax program. That program was enacted, effective in March 1964, and the expansion -- which had accelerated in the last half of 1963 -- has continued at a brisk pace in 1964. This is shown by the results for the 5 quarters following the period covered by last year's submission. Gross national output, measured in constant prices, rose 6.1 percent from the second quarter of 1963 to the third quarter of 1964. In the preceding 5 quarters the rise had amounted to 4.0 percent.

The expansion during the first 3 quarters of 1964 continued the vigorous movement that began in the last half of 1963; but the key components of expansion changed markedly. The average quarterly rise in nonconsumption expenditures during the last 2 quarters of 1963 was \$6.2 billion (annual rate), measured in current prices. A marked rise in the rate of inventory accumulation, and continued increases in net exports and residential construction produced this result in combination with advances in business fixed investment and government purchases of goods and services. In contrast, inventory investment fell sharply -- by \$4.7 billion -- during the first 3 quarters of 1964, and residential construction declined slightly. As a result, the average quarterly change in total nonconsumption expenditures during the first 3 quarters of 1964 was only \$1.7 billion, in current prices.

On the other hand, the average quarterly change in consumption expenditures was much larger in the first 3 quarters of 1964 than in the last half of 1963, \$7.7 billion as against \$4.6 billion. An exact estimate cannot be presented but it is reasonably clear that much of this larger increase in consumption outlays may be ascribed to the direct and indirect effects of the personal tax reduction.

Nor is it possible to separate or measure the effects of fiscal policy actions (the new depreciation guidelines, the investment tax credit, and the corporate and personal tax reductions) on business investment in plant and equipment. Such outlays have been rising steadily, and the latest capital-appropriation and intentions-to-invest surveys indicate a further rise in the last quarter of 1964. The increase in 1964 over 1963 should be about 13 percent, compared with a 5 percent rise in 1963.

Thus far, the expansion in activity has been orderly and well balanced. Demand increases, generally or by sectors, have not been excessive. Production and shipments in manufacturing have run only moderately behind incoming orders, avoiding any undue build-up of unfilled orders. Capacity increases in manufacturing have moved closely with production, and capacity utilization has therefore increased only moderately, still remaining clearly below preferred operating rates in almost every sector. Employment has increased somewhat more than the civilian labor force, with a decline in the unemployment rate. But there are no indications of labor tightness by industries or occupations. Last year's report estimated that gross national output in the second quarter of 1963 was some 5 to 6 percent short of potential output. In the third quarter of 1964 the shortfall was around 4 percent. The absence of pressures on capacity is reflected, in turn, in the stability of both consumer and wholesale prices.

Employment and Wages

Wage increases during the last year have been moderate. Average hourly earnings in manufacturing (excluding overtime payments) rose by 3 percent from the third quarter of 1963 to the third quarter of 1964. Much of this rise took place during the last 2 quarters of 1963. Industry increases which were in excess of the Administration guideposts (such as Lumber and Wood Products, Ordnance, and Transportation Equipment) were balanced by other manufacturing industries with wage increases well below the guideposts.

The unemployment rate fell from 5.7 percent in the fourth quarter of 1963 to 5.1 percent in the third quarter of 1964, with the decrease being particularly pronounced in late spring. At the same time there was an especially rapid rise in employment of 1.3 million. The failure of the unemployment rate to fall more under these conditions is explained by the entrance of new workers and the "hidden" unemployed. The overall labor supply, therefore, is plentiful, and examination of the various industry unemployment rates indicates little likelihood of bottlenecks.

Collective bargaining settlements in the automobile industry in September and early October 1964 produced increases in employee compensation in excess of the Administration guideposts. The settlement, which emphasizes improvements in pensions and other fringe benefits, will undoubtedly have an upward impact on collective bargaining in the farm equipment and auto parts industries where labor is represented by the United Automobile Workers. But recent settlements in the copper and meat packing industries were well within the guideposts, indicating no general pressure for large wage-fringe increases; and many industries are currently locked into long-term contracts, including flat glass and rubber. The impact on the steel, aluminum, and can industries, all of

which will be negotiating with the Steelworkers Union early next year, is uncertain. The steel industry will almost certainly set the pattern for the group. Very moderate increases in the past two contracts will undoubtedly mean pressure for a substantial wage increase in the more prosperous conditions of 1964-65. However, the steel industry has had lower profits and higher unemployment than the auto industry. Whether this will produce a smaller collective bargaining settlement cannot be predicted at this time.

Prices

The latest available data do not indicate any departure from the over-all price stability of recent years. The wholesale price index for all commodities in September 1964 was 0.4 percent above its level in September 1963, but 0.3 percent below the January 1964 level, and at the same level as the average for 1960. The wholesale price index for all industrial commodities (which excludes farm products and processed foods) also was 0.4 percent higher in September 1964 than a year earlier, but 0.2 percent lower than January 1964 and 0.2 percent below the average levels of 1959 and 1960.

During the past year wholesale price increases have been centered in durable goods, while generally offsetting price decreases have been concentrated in nondurables.

The rapid price increases which have occurred in primary non-ferrous metals are perhaps the most striking and the most serious rises in wholesale prices. During the past year tin prices have risen 75 percent, lead prices 25 percent, zinc prices 16 percent, and U.S. copper prices are up 10 percent. These metals price increases reflect world shortages, in part the result of expanding world consumption, but generally compounded by political troubles and labor strikes in some major producing areas.

Aluminum ingot prices have also been raised by 7 percent during the past year, but excess fabricating capacity has prevented the increases from spreading to finished aluminum products. The nonferrous price increases are primarily responsible for a rise of 2.7 percent in the price index of all metals and metal products from September 1963 to September 1964.

Among the more significant decreases from September 1963 to September 1964 have been fuel prices, down 3.5 percent, and prices of rubber and rubber products, down 1.6 percent.

The consumer price index rose 1.0 percent from August 1963 to August 1964, which represents an annual rate of increase near the minimum of what has been achieved in "noninflationary periods." Following the pattern of past years, retail prices of commodities increased only 0.6 percent from August 1963 to August 1964, while service prices rose 1.9 percent over this period.

The outlook for continued price stability shows little prospect of inflationary pressure from excess demand. As noted earlier, in spite of a continued strong rate of output expansion, productive capacity remains ample in almost every sector. Industry utilization rates may be high in some firms and some industry subgroups but these do not add up to much pressure. On the other hand cost pressures present more of a question mark to price stability. The results of upcoming wage negotiations in such important areas as steel (discussed above) will largely determine the extent of the cost pressures.

Money and Credit

Monetary policy in the United States shifted moderately to less ease in mid-July, 1963, when the Federal Reserve raised its discount rate from 3 to 3-1/2 percent. This move and President Kennedy's mid-July package of new or expanded programs were companion measures to counter adverse balance of payments developments. Since then, monetary policy has continued to be directed toward the dual objectives of keeping short-term interest rates high enough to discourage capital outflows while maintaining a ready availability of credit to domestic borrowers.

The operation of this policy is perhaps most readily summarized in the pattern of interest rate developments during the period. Treasury bill rates have risen from about 3 percent to about 3-1/2 percent since July 1963, and a parallel movement has occurred in the rate on high quality commercial paper. Meanwhile, yields on long-term (over 10 year) Treasury bonds have risen by about 15 basis points to about 4.15 percent. Yields on high grade seasoned and newly issued corporate bonds have risen about 15 basis points to about 4.40 and 4.50 percent, respectively. On the other hand, yields on new conventional home mortgages, at about 5.50 percent have been virtually unchanged during the period -- following a downtrend during the earlier part of the business expansion -- and yields on tax-exempt issues of State and local governments have fluctuated around a level about 15 basis points above the late 1962-early 1963 average, which had been the low for the expansion period. These latter developments reflect the rapid growth in personal savings and the channeling of a large volume of these funds through financial intermediaries into residential mortgages. Institutional savings which lagged in the first quarter of 1964 are now running ahead of 1963.

To permit the moderate rise in short-term interest rates since July 1963, the Federal Reserve has held a somewhat tighter rein on bank reserves in 1964. "Free" reserves (the difference between bank reserves in excess of the Federal Reserve's requirement and bank borrowings from the Federal Reserve) fell from around \$300 million late in the spring of 1963 to around \$100 million in mid-1964 and have generally been running slightly below \$100 million in recent weeks. From time to time, the Treasury has raised new funds in bill auctions in order to help maintain the bill rate at appropriate levels.

In part reflecting greater public need for demand rather than time deposits as business activity strengthened, the average rate of increase in the money supply has accelerated since mid-1963. The total of money supply plus commercial bank time deposits has expanded less rapidly since mid-1963 than in the preceding year. Similarly, although bank credit has grown at a pace slightly exceeding the expansion in GNP through the 5 quarters since mid-1963, it has grown at a somewhat lower rate than in the preceding year. Furthermore, the composition of bank credit began to shift noticeably during the year. Loans to business have accelerated somewhat -- associated in recent months, with a somewhat more rapid growth in fixed investment than in corporate cash flow. Investment in securities other than Treasury securities (in large part, State and local bonds) has tended to show down, while holdings of U.S. Government securities have declined.

In the future, monetary policy will continue to be focused, to a significant degree, on accommodating the financial needs of a non-inflationary business expansion. However, the shift in the composition of bank credit implies a reduction in bank liquidity that places the monetary authorities in a strengthened position to exert close control over future credit expansion. Monetary policy will remain alert to any need for corrective action that might be indicated by either internal or external developments.

Fiscal Policy

The Revenue Act of 1964 became law in February, providing the largest fiscal stimulus ever administered to the U.S. economy in peacetime. Personal income tax collections were immediately reduced by more than \$9 billion (annual rate) through a decline in the withholding rate from 18 to 14 percent. Most of the reduction in tax liabilities applies to the current calendar year, but a final instalment takes effect on January 1, 1965. Beginning then, the range of personal tax rates will be 14 percent to 70 percent, reduced from the range of 20 percent to 91 percent which applied from 1954 to 1963. Some significant revisions of the tax base were also enacted. In all, the personal tax liabilities of low-income taxpayers decline by about 35 percent; those at the very top of the income scale receive a 13 percent reduction in tax liabilities.

The corporate income tax rate for large firms, which was 52 percent, will become 48 percent; and small corporations get additional tax savings. The over-all reduction in corporate taxation is about \$2-1/2 billion a year.

The tax cut was accompanied by slower growth of Federal expenditures. In proposing a slight decline in Administrative Budget expenditures, the Budget for fiscal year 1965 nevertheless forecast a rise of \$2-1/2 billion for Federal outlays as shown in the national accounts, less than half the increase of the preceding few years.

The slower growth of expenditures, however, combined with the tax cut, will mean a stronger expansionary over-all budgetary impact. On the national accounts basis, the Federal budget was in balance during the second half of 1963; for the second and third quarters of 1964 combined, there is about a \$7 billion (annual rate) deficit. The "full employment surplus" -- the estimated surplus under hypothetical conditions of full employment -- was about \$9 billion in 1963; it averages approximately zero for the last three quarters of 1964. Since, however, Federal revenues rise about \$6 billion a year in line with the "normal" growth of the economy, the full employment surplus will reappear and grow over time if tax rates are constant and expenditures move according to current expectations.

The President has promised a reduction in excise taxes next year but the amount he will propose is not yet determined. In addition, there has been a considerable discussion of Federal measures to enlarge financial aid to State and local governments, but no decision has been announced to date.

Prospects for Domestic Activity

Housing is widely regarded as the one major area of possible weakness in the months ahead. Housing starts have been generally declining since January. On the other hand, as noted in last year's submission, housing starts also declined during the summer months of 1963; subsequently, they turned up strongly in the fall and residential construction activity rose in the fourth quarter of 1963 and the first quarter of 1964. Last year's events raise the question of whether the current decline in starts will continue or will be reversed as in 1963. The uncertainty may not be resolved until permit and starts data are available for October.

As mentioned earlier in this report, the rate of inventory accumulation, particularly in manufacturing, has been remarkably low. An appreciable strengthening is expected in the near future. And if steel is accumulated by users, as a hedge against the steel-industry wage negotiations, the fourth quarter rate of accumulation might show a very large rise from the low third-quarter rate.

Federal purchases of goods and services are not expected to change significantly during the remainder of the year. State and local purchases, aided by Federal grants-in-aid, appear to be rising at a stronger pace than in the past few years. Therefore, combined government purchases should continue to be an important expansionary force. The anticipations survey points to a large increase in capital outlays for the fourth quarter, while net exports are not expected to change significantly.

In all, total nonconsumption expenditures should be accelerating at year-end. And, with the personal tax cut not yet fully reflected in consumption expenditures, such outlays should continue to rise at about the same rate as earlier in the year.

GNP for the year should be up nearly \$40 billion, compared with the \$28 billion rise in 1963. The unemployment rate will be lowest since 1957. And the U.S. economy will enter 1965 with a record of nearly 4 years of sustained expansion -- a duration unprecedented in peacetime except for the 50-month partial recovery from the Great Depression in 1933-37.

Table 1.--Selected Measures of Economic Activity and Developments

(Percentage change at annual rate, except as noted)

Selected Measures	1963 II to 1963 IV	1963 IV to 1964 III
Gross national product (constant 1963 prices)	5.6	4.3
Gross national product implicit deflator	1.8	2.0
Gross national product (current prices)	7.5	6.4
Industrial production: Total	3.5	7.6
Manufacturing: Total	3.7	7.6
Durable	2.4	9.5
Nondurable	5.5	5.3
Employment in private nonagricultural establishments ^{1/}	1.8	3.2
Civilian labor force	1.1	1.7
Total civilian employment	1.2	2.5
Nonagricultural employment ^{1/}	1.5	2.9
Unemployment percent: In periods 1963 II and 1964 III	5.7	5.1
Personal income	6.2	5.7
Wage and salary disbursements	5.6	6.5
Private	4.8	6.2
Disposable personal income	6.1	8.3
Corporate profits and inventory valuation adjustment	11.6	^{2/} 18.1
Consumer price index	2.1	1.0
Wholesale price index	1.0	.0
Currency outside banks plus demand deposits	4.4	3.8
Currency outside banks plus demand and time deposits	8.4	7.1

^{1/} Includes all full and part-time wage and salary workers in nonagricultural establishments who worked during, or received pay for, any part of the pay period ending nearest the 15th of the month. Excludes proprietors, self-employed persons, domestic servants, and unpaid family workers. Not comparable with nonagricultural employment component of total civilian employment (also shown in this table), which includes proprietors, self-employed persons, domestic servants and unpaid family workers; which counts persons as employed when they are not at work because of industrial disputes, bad weather, etc.; and which is based on a sample survey of households, whereas the estimates on an establishment basis are based on reports from employing establishments.

^{2/} 1963 IV to 1964 II.

Sources: Department of Commerce, Board of Governors of the Federal Reserve System, Department of Labor, and Council of Economic Advisers.

BALANCE OF PAYMENTS

Background

Since about 1949 the U.S. balance of payments has been in virtually continuous deficit, though by varying amounts. Throughout this period, also, the general structure of these deficits has been a constant one -- of substantial, though varying, surpluses on traditional current account, more than offset by relatively large payments arising from military expenditures abroad, governmental grants and credits to foreigners, and private capital exports, taken together.

Until sometime in the mid-1950's, however, these U.S. deficits reflected fundamentally different causes and had a quite different significance than the deficits of more recent years. As long as the rest of the world continued to be faced by what was referred to as the dollar shortage, U.S. payments deficits not only tended to be small but were not, in any case, a matter of concern requiring corrective policies. Under those circumstances, it was not potential world demand for U.S. goods and services, but rather the inadequate dollar resources of other countries, which was the basic factor limiting the size of the U.S. current-account surplus. And, to that extent, the magnitude of any over-all U.S. payments deficit was essentially determined by, and hence could be counted on to coincide with, aggregate foreign demand for further accumulation of U.S. dollar reserves and working balances.

Gradually, as other major industrial countries completed their post-war recoveries and effectively re-entered world markets as competitive exporters of goods and services, the U.S. payments balance again became subject to the free play of more normal economic determinants. The U.S. surplus on traditional current account -- having become again a variable largely determined by the world-wide interplay of competitive market forces -- could no longer be expected to grow, more or less automatically, in approximate step with any increases in U.S. military and development-assistance payments and private capital exports. Similarly, the waning of the so-called dollar shortage also removed any automatic assurance that over-all U.S. payments deficits arising from future gaps between these two groups of variables would necessarily be matched by equivalent demands from foreign countries for further accumulation of U.S. dollar holdings.

Another important aspect of this same process of recovery and return to normalcy by other major industrial countries was that the growing strength of their financial positions and currencies (which culminated in their move to convertibility at the end of 1958) was also creating a new climate of general financial freedom and confidence, within which U.S. private long- and short-term capital would be able to move to and from foreign countries with substantially greater ease and assurance -- and thus, potentially, in much greater volume -- than at any time since well before World War II.

1958-1960 Deficits

It was in 1958 that the U.S. payments deficit first became a matter of serious concern. The over-all deficit in 1958 -- which, for that year, was equivalent to the current calculation in terms of regular transactions -- rose to a level of \$3.5 billion, about three times its 1951-56 average, and this deficit was accompanied by a gold outflow of \$2.3 billion.

The general pattern of the 1958 deficit was the same as had prevailed since 1949 -- it did not reflect any deficit on traditional current account. The surplus on all non-military goods and services transactions, though off sharply from the unusually high 1956-57 level resulting from the Suez crisis, was slightly larger in 1958 than the 1951-56 average.

The obvious big change in the U.S. payments accounts had been a substantial increase in the total of U.S. governmental and capital payments to foreigners. Net military expenditures abroad had grown steadily -- to a new peak about \$1 billion higher than the average level in 1951-53 (Korean War). The outflow of Government grants and capital -- now being directed toward assistance to foreign development programs rather than to the easing of a general dollar shortage -- had risen again to its highest level since the end of the Marshall Plan period. Long-term private capital outflows had also risen, beginning in 1956, to a rate of \$2.6 billion, more than twice their 1951-56 average.

Thus the large 1958 deficit could, in a sense, be attributed to the increases in these governmental and capital expenditures. However, the failure of the non-military goods and services surplus to show any significant growth over its 1951-56 average, despite the fact that total world trade had increased about 20 percent and 1958 was a recession in the U.S. could also be taken as indicating that the increased over-all deficit was at least in part due to an inadequate surplus on traditional current account.

In 1959 and 1960 the U.S. deficit rose further, amounting in both years to about \$4 billion (when converted to the currently used regular-~~transactions~~ basis, by excluding receipts from debt prepayments). The gold outflow was lower than in 1958 but still substantial, averaging \$1.4 billion per year.

Taking the 1958-60 period as a whole, the U.S. surplus on commercial goods and services -- i.e., excluding those exports of goods and services which were financed by Government grants and capital -- averaged \$2.0 billion. Over the same period, dollar payments to foreigners on account of Government grants and capital (excluding on this side of the accounts, also, development assistance and other

credits extended in the form of U.S. goods and services exports) averaged \$1.0 billion; and net military expenditures remained very high, averaging \$2.9 billion. Private direct investment, though down from the peak levels of 1956 and 1957, was at an annual average of \$1.4 billion, and net U.S. purchases of foreign securities also averaged \$1 billion. The outflow of short-term capital averaged \$600 million.

Underlying these averages for the 1958-60 period, there were very substantial year-to-year changes in certain elements of the deficit -- which, though partly either temporary in character or somewhat accidental in timing, may nevertheless shed some further light on the causes behind the increased U.S. deficits. From a \$3.3 billion level in 1958, the balance on total merchandise trade (counting in aid-financed exports) fell in 1959 to less than \$1 billion -- reflecting an apparent complete stagnation of exports plus a sharp increase in imports. In 1960, however, there was a strong rise in exports, and domestic recession in the second half brought a sharp fall in imports -- with the result that the trade balance rose to a new post-1949 high of \$4.7 billion.

In the first two years of that period, the data were not compiled on the present "commercial" basis which excludes aid-financed sales. However, comparison of rough estimates subsequently made for the three years as a whole with the 1960 data which were compiled on this basis suggests that:

- (a) the commercial surplus on commodity trade above must have been virtually negligible for the years 1958-59, taken together, but then rose to \$2.8 billion in 1960; and
- (b) the 1958-59 commercial surpluses on goods and services combined apparently averaged only a little over \$1 billion, compared with the 1960 surplus of \$3.7 billion.

While the balance on traditional current account (excluding aid-financed sales) did at least show a strong recovery in 1960, the extent of the real gain would appear to have been considerably exaggerated -- first by the large temporary swings in imports normally associated with changes in domestic business activity and second, by the apparent bunching-up in that particular year of virtually the entire trend growth in exports for a period of several years.

One other major change within the 1958-60 period was in the capital account -- where net recorded short-term outflows, after being negligible in 1959, rose to an unprecedented level of \$1.4 billion in 1960.

The 1961 Program

At the beginning of 1961 the new Administration outlined its program to end the balance-of-payments deficit -- consisting of a broad

variety of interrelated policies and measures, both general and specific, some of which were calculated to operate only indirectly and gradually, while others were designed to have more direct and immediate effects.

For the longer term, maximum emphasis was placed on expansion of exports as an essential major element in any satisfactory resolution of the U.S. payments problem. The basic underpinning for this export drive was a pattern of domestic policies designed to assure cost and price stability together with increased productivity, and thus to improve gradually but persistently the basic competitiveness of U.S. goods and services on world markets. This was accompanied by a variety of export-promotion measures of a more specific character, such as increasing the number and efforts of commercial attaches abroad and broadening existing governmental facilities for export guarantees and financing.

In the services area, actions were taken both to avoid further stimulus to the already very large outflow on tourist expenditures, by reducing the \$500 duty-free allowances for returning travelers back to its traditional level of \$100, and also to promote increased foreign travel to the United States.

These measures to improve the current-account position of the private sector were accompanied by a series of programs directed toward early achievement of necessary and substantial reductions in the net foreign payments of the Government itself. The policy of tied aid procurement inaugurated by the previous Administration was to be maintained and tightened, and efforts to reduce net military expenditures greatly intensified. A new procedure for screening and reducing foreign expenditures of other governmental agencies was also instituted.

The Administration program also emphasized the importance of cooperative efforts -- through the OECD and otherwise, as appropriate -- both to increase and improve the terms of development assistance extended to less developed areas and improve the sharing of the defense burden by major Free World countries, and also to reduce trade barriers as well as various restrictions on the part of other countries which were limiting private capital flows to the United States. With respect to movements of U.S. private capital, legislation was introduced to eliminate abuse of foreign tax havens and to remove the stimulus for direct investment in other countries resulting from the privilege of avoiding U.S. taxes on earnings until remitted to the U.S.

A further major element of this program involved a variety of unilateral actions plus new or improved arrangements developed in close cooperation with the monetary authorities of other major countries, which were designed both to ease the immediate problem of financing U.S. payments deficits during the period required for the other program to become fully operative and -- more generally and basically -- to improve the functioning of, and buttress confidence in, the international financial system. Significant features of this part of the program included:

- (a) the President's reiteration that the full strength of the total U.S. gold stock and other international reserves stood behind the value of the dollar for use if needed, including his indication that the U.S. would not hesitate to utilize its IMF drawing rights if necessary and appropriate;
- (b) U.S. legislative action to allow payment of special interest rates by banks on dollar holdings of foreign official financial institutions;
- (c) new and improved cooperation with foreign monetary authorities both in transactions on foreign-exchange markets and with respect to the London gold market;
- (d) negotiation with other major countries of arrangements to supplement the resources available to the IMF through the General Arrangements to Borrow;
- (e) development with major foreign central banks of a wide network of reciprocal arrangements for short-term swap credits; and
- (f) development and issuance of special medium-term U.S. Treasury securities to foreign governments and central banks.

Developments from 1960 to mid-1963

Traditional Current Account.* Between 1960 and the middle of 1963 U.S. commercial exports showed only moderate gains -- a total increase in 2-1/2 years of about \$550 million, or barely 3 percent, from the 1960 level. Imports, of course, continued to vary with the level of domestic business activity -- declining in 1961 below the already low 1960 rate but increasing again in 1962 by more than \$1.6 billion and growing further in the first half of 1963 -- to an annual rate about 7 percent above the 1959 peak. Thus, at the end of this period, the commercial trade surplus was at an annual rate of only \$1.6 billion compared with an average of \$1.1 billion in 1958-1960.

The first-half 1963 balance on commercial goods and services (including remittances and pensions) was about \$3.2 billion. This rate, though \$500 million less than the surplus for 1960 alone, was more than \$1 billion larger than the estimated 1958-60 average. However, this gain

* Non-military goods and services excluding goods and services financed by Government grants and capital plus private remittances and pensions.

was almost exactly accounted for by a \$1.2 billion increase in net investment income over the period. Excluding such income -- which, after all, primarily reflects past levels of capital outflow rather than U.S. competitive performance in world markets for goods and services -- the first-half 1963 balance on traditional current account showed no change from the 1958-60 average, i.e., a deficit of about \$200 million.

The lack of any apparent net progress in this area of the U.S. payments balance through mid-1963, as compared with the 1958-60 average, reflected primarily the limited improvement just noted in the commercial trade surplus (which was partially due to some cyclical variations in both exports and imports) plus a steady and substantial further rise in U.S. travel expenditures abroad. These rising expenditures -- which are closely associated with growth in U.S. disposable income -- increased the net travel deficit from an average of about \$1 billion in 1958-60 to an annual rate of \$1.5 billion in the first half of 1963.

Government Expenditures. The intensified emphasis on U.S. goods and services in the administration of Government grant and credit programs became increasingly effective during this period in restraining dollar outflows under these programs. However, these savings due to increased tying of aid were offset by increases in the over-all program -- and the total dollar outflow on account of Government grants and capital remained stable at about \$1 billion.

The situation with respect to U.S. military expenditures abroad was in some respects similar. While various new and intensified measures to reduce gross military expenditures were taking effect, these savings were being offset by increased costs of operating abroad, due to price rises, particularly in Europe, and by increased military commitments which became necessary during the period, e.g., the Berlin crisis of 1961.

However, agreements were reached with certain U.S. allies for the latter to increase their purchases of U.S. military equipment -- and receipts from these sales rose markedly during the period. By the first half of 1963 this increase in military receipts had reduced net U.S. military expenditures abroad by \$700 million from the 1958-1960 level, to an annual rate of \$2.2 billion.

Private Capital Movements. The various items within the private-capital account showed diverse trends during this period. U.S. direct investment -- which has been the largest but also the least volatile of the capital flows -- moved gradually from a 1958-1960 average of about \$1.4 billion to a \$1.7 billion rate in 1962. In the first half of 1963 the annual rate was \$2.2 billion, but this temporary high was subsequently reduced to a level more comparable with the previous three years.

The outflow of recorded short-term capital declined from the high 1960-61 range of \$1.4 - \$1.5 billion to \$800 million in 1962 and annual rate of \$1.0 billion in the first half of 1963. The outflow on account of errors and omissions in the first half of 1963 was also down substantially from the 1960-61 levels.

The major deterioration in the capital accounts during this period was in foreign securities transactions, particularly new foreign issues. These foreign security issues, which were at a level of about \$500 million in 1961, rose progressively to a \$1.1 billion total in 1962 and an annual rate of \$1.9 billion in the first half of 1963 -- as European, Japanese and Canadian borrowers increasingly turned to the U.S. capital market for funds to meet internal-financing needs. By the first half of 1963 the net outflow on all transactions in new and outstanding foreign securities had risen to an annual rate of \$2.1 billion, more than double the average for the 1958-1960 period.

Deficit on Regular Transactions. The net result of all these developments from 1961 through mid-1963 was a substantially enlarged rate of deficit, at the end of the period, in the U.S. balance-of-payments. Considerable progress had been made in reducing net military expenditures abroad and the balance-of-payments impact of an increasing aid program had been contained. However, inadequate growth during this period, in commercial goods and services exports other than investment income, relative to the normal but substantial continuing rise in both merchandise imports and travel expenditures, combined with the increase in private capital outflows, particularly into foreign securities, had raised the deficit on regular transactions to an annual rate of \$5.0 billion in the first half of 1963.

July 1963 Program

Against the background of the early-1963 deterioration in capital outflows and the net payments balance, and on the basis of a thorough and comprehensive review of the entire payments situation and outlook, a special Presidential message on the balance of payments was transmitted to the Congress on July 18, 1963. That message set forth a variety of further measures, some of which were calculated to reinforce the general long-term program to strengthen the payments position while a number of others were designed to produce a more immediate impact.

The message noted and reiterated, as major elements of the long-term program, several fundamental measures designed generally to enhance the efficiency of the American economy, maintain price stability and make the U.S. more attractive for the investment of U.S. and foreign capital, thereby basically improving the international competitive position of the U.S. Most important among these were the encouragement of responsible wage bargaining and pricing policy through such means as the price-wage guideposts, the tax credit for new business investment and liberalized depreciation allowances which had already been put into effect, and the tax-reduction bill which was enacted into law early in 1964.

In the area of the Government's own foreign payments, the President's July 18 message called for additional savings of approximately

\$1 billion, from 1962 levels. It set specific goals for further reducing the impact on the balance of payments of expenditures abroad for economic assistance. It also announced new measures, scheduled to become fully effective by the end of calendar year 1964, which were calculated to assure substantial further reductions in military expenditures abroad, including payments for the acquisition of strategic materials. At the same time, programs to increase the foreign earnings of the private sector of the U.S. economy, particularly through expansion of exports, were further intensified.

In addition to the various measures of a more general or long-term character designed to make both long- and short-term investments in the U.S. more attractive relative to investment opportunities abroad, the President requested in that message that the Congress enact a temporary excise tax, to be effective as of the following day, July 19, 1963 on acquisitions by Americans from foreigners of foreign debt and equity securities, both new and outstanding, maturing in three years or more. Legislation imposing this Interest Equalization Tax, in substantially the form proposed by the President, was passed by the Congress and became law on September 2, 1964.

The July 1963 message noted that dollar holdings of the IMF had nearly reached the level permitted under its rules and that a \$500 million stand-by arrangement had been agreed upon with the Fund, which would enable it to continue to finance a portion of the U.S. deficit.

Developments Since July 1963

Results for the period since the July 1963 program was announced indicate that the Administration's efforts have met with substantial success. In the U.S. fiscal year ending June 30, 1964, the deficit on regular transactions was reduced to \$1.7 billion, by far the most favorable showing since 1957.

Trade. The most encouraging of these developments in the U.S. balance of payments over the past year has been the large increase in the trade surplus. In U.S. FY 1964 the trade surplus increased \$1.4 billion over the level of the previous fiscal year. The increase in commercial exports for the year was \$2.9 billion, a rise of 16 per cent. Imports -- as a natural result of, and generally in line with, the continuing improvement in domestic activity -- increased by \$1.5 billion or about 9 per cent. The basic factors contributing to this countercyclical growth in the trade surplus appear to be the continuing price stability in the U.S. plus expanding business activity and import demand in the rest of the world.

Government Payments. Government grants and capital in the form of dollar payments abroad, which had been on a fairly constant level of about \$1 billion per year since the 1958-60 period, were reduced to about

\$700 million in FY 1964 as the Government's measures to increase the proportion of U.S. aid in the form of U.S. goods and services became increasingly effective. Net military expenditures continued at the \$2.2 billion level of the previous 12 months. However, this level was some \$700 million below the 1958-60 level and measures only recently instituted but not yet fully effective are expected to reduce these outflows further.

Foreign Securities. One of the largest elements in the improvements of the foreign payments balance during FY 1964 was the sharply curtailed outflow of U.S. private capital into foreign securities, as the announcement and expected enactment of the Interest Equalization Tax brought immediate and substantial declines both in flotations of new foreign issues in the United States and in American purchases of outstanding foreign issues. Net purchases of all foreign securities by Americans were reduced from \$1.7 billion in FY 1963 to about \$400 million in FY 1964, a saving of \$1.3 billion. Purchases of new foreign issues fell to \$664 million, compared with \$1,593 million in FY 1963; and the FY 1963 net capital outflow of \$123 million into outstanding foreign securities was reversed in FY 1964, to a net inflow of \$252 million.

Short-term Capital and Bank Lending. Short-term capital movements -- and, to a lesser extent, long-term banking flows (over 1 year maturity) -- have always been a sharply variable factor in the U.S. payments balance.

During FY 1964, the recorded net outflow of U.S. and foreign short-term capital was nearly \$1.5 billion, a substantial increase from the 1962 and first-half 1963 rates and about the same as in 1960 and 1961. At the same time, the outflow in the form of long-term bank credits rose to more than \$800 million in FY 1964, compared to a range of \$200-\$300 million from 1960 through first-half 1963.

Close examination of available data shows that the outflows of short-term capital and long-term bank credit vary quite markedly both from year to year and from quarter to quarter (even after seasonal adjustment) -- not only in total volume but also in their composition and their direction. In FY 1964, the total of these two categories together remained high for three successive quarters averaging about \$700 million per quarter from October through March. However, preliminary data indicate that these outflows have declined sharply in the July-September quarter of 1964.

The total flows of U.S. short-term capital and bank lending can be divided roughly into two broad categories. By far the largest of these consists of bank and commercial lending for various business-financing purposes including trade financing. The factors, other than changes in trade volume, primarily influencing the recent flows of such financing would appear to be a cumulative process of development bank-customer relationships between U.S. banks and foreign

borrowers plus variations in the overall availability of credit in particular foreign areas. In FY 1964 this general type of financing accounted for outflows of almost \$2 billion. The other category consists of types of flows which can be roughly identified as liquid funds -- and would appear to be more susceptible to influences like changing interest-rate differentials plus such temporary or volatile factors as tax dates, exchange-rate expectations, etc. Net outflows of this type amounted to about \$190 million in FY 1964.

With the sharp rise which took place in U.S. exports during FY 1964 some substantial increase in long-term bank credit and short-term capital outflows was to be expected. Available detailed data suggest that a very substantial part of the large total outflow between October, 1963, and March, 1964, was for trade financing, but that considerably less of the April-June flow might be attributable to trade.

It is also to be noted that during this period, as in several earlier years, a very substantial portion of U.S. short-term and banking outflows (amounting in FY 1964 to well over 40 percent of the total) was accounted for by Japan. These movements with Japan reflect a rather special situation -- where changes in the flows appear to reflect primarily a combination of shifts in over-all Japanese willingness to incur foreign debt, on the one hand, and the rough exposure limits acceptable to U.S. lenders, on the other. Moreover, in the case of Japan, it would appear that a substantial part of short or long-term bank credit probably serves indirectly to finance U.S. exports.

The \$190 million net outflow of liquid funds during FY 1964 as a whole was, in fact, concentrated primarily in the final quarter. There was a large inflow of such funds during the July-December period. This was followed by a large outflow in the January-June period which rose, in the April-June quarter, to an estimated total of about \$340 million. In July, 1964, however, there has been a reversal again to a net inflow.

In interpreting these net movements of identifiable liquid flows, moreover, it should be kept in mind that the over-all data reflect several quite different types of transactions which both behave differently and may differ importantly in significance. The non-bank portion of these liquid flows, to take one major example, has gone almost entirely into claims on banks in Canada.

Financing of FY 1964 Deficit. The financing of the U.S. payments deficit during FY 1964 continued the trends which had developed since 1961 toward both more financing in the form of special Government transactions and less financing through gold sales.

More than \$900 million of the \$1.7 billion deficit on regular transactions in FY 1964 was covered by the receipts from special government transactions. These consisted of about \$350 million of debt payments to the U.S. Government in advance of maturity, \$390 million received as advance payments on U.S. military exports, and over \$160

million in receipts from net sales to foreign official institutions of special nonmarketable medium-term U.S. Treasury securities.

In addition, the remaining \$831 million -- representing the overall deficit -- was to a very large extent financed by growth in the dollar holdings of foreign banks and other private foreigners, which increased by \$638 million. A further amount of \$250 million was covered through U.S. drawings from the International Monetary Fund, and an additional \$73 million of financing was in effect provided by the IMF through its net absorption of dollars in transactions with other member countries.

As offsets to this financing, there was a net decline of \$43 million during the year in total holdings of U.S. dollars by foreign official institutions (with official holdings in Western Europe alone declining by over \$100 million), plus a decrease of \$238 million in dollar holdings by international institutions other than the IMF. Official U.S. reserve holdings of convertible foreign currencies increased by \$56 million. The total FY 1964 decline in the U.S. gold stock, including \$57 million of domestic sales to industrial users of gold, was \$207 million.

The large increase in private dollar holdings during FY 1964 continued a trend which was already evident in the first half of calendar 1963 -- and has also continued in the July-September quarter of 1964. In the eighteen-month period through June 1964, out of a total dollar outflow of \$1.6 billion, \$1.3 billion went into increased holdings by foreign commercial banks and other private holders. During that same period, total dollar holdings by official institutions of foreign countries increased by about \$650 million, while international and regional organizations (excluding the IMF) decreased their holdings by \$350 million.

Policy Position with Respect to Balance of Payments

To achieve lasting over-all equilibrium in its balance of payments over the longer run, the U.S. is placing basic reliance on a more vigorous and efficient domestic economy, capable of sustaining productive expansion while maintaining stable prices. Attainment of these goals will further improve the U.S. trade position and reduce the incentive for private investors to export capital. This year's \$11.5 billion reduction in individual and corporate tax rates and the investment tax credit and liberalization of depreciation allowances of 1962 have been major steps in strengthening the U.S. economy and competitive position relative to those of the other industrialized countries.

It is anticipated that a major result of this strengthening, supported by specific measures geared to increasing exports, will be a further increase in the U.S. trade surplus. Continued maintenance of wage-price stability remains a major goal of U.S. economic policy, and should contribute to a further improvement in the U.S. competitive position. The wage-price guidelines first outlined in the Economic

Report of the President in January 1962 remain a vital part of this policy.

A number of measures designed to increase U.S. exports have been introduced or implemented. Mobile trade fairs on U.S. ships that will travel around the world have been added to an already expanded program of trade fairs, trade missions, and establishment of permanent U.S. trade centers in several important foreign markets. The White House Conference on Export Expansion, held last September, has spawned over 30 regional export expansion councils to increase American industry's interest in serving foreign markets. The export credit facilities of the Export-Import Bank and the provision of export insurance facilities through the Federal Credit Insurance Association have been further improved.

The U.S. Government has placed major emphasis on reducing its own expenditures abroad, and it appears that the goal of reducing these expenditures by \$1 billion from the 1962 level by 1965 will be attained. All government expenditures, including those for military purposes, continue to be screened closely. Untied expenditures for foreign assistance continue to be reduced.

The U.S. is seeking a better adjustment of long-term capital flows and a reduction in the undue concentration on its own capital market through the development of more effective markets in other industrialized countries, particularly those which have been running balance of payments surpluses over the past several years. The Interest Equalization Tax has been helpful in stimulating the development of more efficient capital markets in Europe.

Steps have also been taken to assure orderly financing of the U.S. balance-of-payments deficit. Under its standby agreement with the IMF, concluded for essentially technical reasons, the U.S. has now drawn the equivalent of \$300 million in foreign currencies. These currencies are sold (for dollars) to countries wishing to make repayments to the Fund, but unable to use dollars to do so under Fund regulations.

International cooperative arrangements to help defend the dollar and strengthen the international monetary system have been expanded and further refined. A number of countries have prepaid debts owed the U.S., purchased U.S. military equipment to help offset the cost to the U.S. of stationing and maintaining troops abroad, and purchased non-marketable Treasury securities denominated in dollars or in their own currencies. Bilateral swap arrangements between the U.S. and 11 countries and the Bank for International Settlements now total over \$2 billion. Cooperation in the foreign exchange and gold markets, along with the devices already outlined, helped the U.S. cut its gold outflow in half in 1963 and record an increase in its gold holdings in the first half of this year. The U.S. has participated fully in the discussions conducted

by the Group of Ten on the functioning of the international monetary system, and looks forward to increased cooperation and further studies by the members of the Group and by the International Monetary Fund.

Table 2.--United States Balance of Payments, 1958 - 1964 1/

(Millions of Dollars)

	Annual Average 1958-1960	1961	1962	Seas. Adj. First Half 1963 Annual Rate	July 1963- June 1964
Commercial merchandise exports <u>2/</u>	15.5	17.7	18.2	18.1	21.1
Commercial merchandise imports	-14.3	-14.5	-16.1	-16.5	-17.8
Commercial Trade Balance	1.1	3.2	2.1	1.6	3.3
Investment income (net)	2.2	3.0	3.3	3.1	3.6
Travel (net)	-.7	-.9	-1.0	-.8	-1.1
Other services, remittances and pensions <u>2/</u>	-.6	-.5	-.6	-.7	-.6
Commercial Balance	2.0	4.8	3.8	3.2	5.2
Military expenditures (net) <u>3/</u>	-2.9	-2.6	-2.4	-2.2	-2.2
Govt. grants and capital payments abroad	-1.0	-1.1	-1.1	-1.0	-.7
Govt. debt payments excluding fundings and prepayments	.6	.5	.5	.4	.5
Private long-term capital (net)	-2.1	-2.2	-2.6	-4.1	-2.6
U.S. direct investment	-1.4	-1.6	-1.7	-2.2	-1.8
New issues of foreign securities	-.7	-.5	-1.1	-1.9	-.7
Transactions in outstanding securities and redemptions	-.1	-.3	.1	-.1	.5
Other long-term U.S. capital	-.2	-.2	-.3	-.3	-.8
Foreign long-term capital (net)	.4	.4	.3	.4	.2
Short-term capital (net) <u>4/</u>	-.6	-1.5	-.8	-1.0	-1.5
Errors and omissions	.1	-1.0	-1.1	-.3	-.4
Balance on Regular Transactions	-3.9	3.1	-3.6	-5.0	-1.7
Special Government Transactions	.2	.7	1.4	1.3	.9
Overall Balance	-3.7	-2.4	-2.2	-3.7	-.8

Note: Detail may not add to totals because of rounding.

1/ - Excluding military transfers under grants.

2/ - Excluding exports and services financed by Government grants and capital.

3/ - Excluding advances on military exports.

4/ - Beginning with 1960, reflects private flows before repayment by U.S. Government loans.

Source: 1961-1964 data from June and September 1964 issues of Survey of Current Business; 1958-1960 data from Balance of Payments Statistical Supplement and includes some rough Treasury estimates of U.S. Government financed exports.

CHAPTER II

UNITED STATES-LATIN AMERICAN TRADE AND PAYMENTS, AND RELATED MATTERS

The year 1963 was on the whole a year of steady gains in Latin American commercial relations with the United States. It was the fifth consecutive year of increasing U.S. imports from the 19 Latin American Republics and the year in which the Latin American trade surplus with the United States reached a record level. For the first time in a decade, the index of prices of Latin American exports advanced. Latin America in 1963 attracted more new U.S. private direct investment, showed an impressive increase in its gold and liquid dollar holdings and had a modest net gain from all its balance of payments transactions with the United States. During 1964, Latin America is continuing to make further gains.

The United States agrees that special efforts must be made to ensure greater access of the products of the developing countries to world markets to strengthen the financial basis and the competitive stimulus to the growth and expansion of their economic structure. This has been taken into account in the formulation of United States policy with regard to the trade negotiations under the Kennedy Round. The access of their products to world markets is likely to be improved, and opportunities for exports of non-traditional products will be enhanced by the lowering of existing trade barriers.

The United States expects to continue in the United Nations and other forums to help in the search for practical steps which can be taken to improve the export earnings and development generally of the developing countries.

TRADE BETWEEN LATIN AMERICA AND THE UNITED STATES

U.S. imports in 1963 from the Latin American Republics increased by \$71 million over the 1962 level, reflecting an increase of about 2% (Table 4). This was not only a record for total imports from the area (\$3,451 million), but was the fifth consecutive year for such imports to show appreciable gains over the previous year. U.S. imports from more than half of the Latin American countries showed increases in 1963. These gains ranged from 56% in the case of Argentina to 3% in the case of imports from Mexico.

For several countries, changes in 1963 from the 1962 levels were not appreciable. Included in this group were Chile, Uruguay, Costa Rica, Honduras, and Haiti. U.S. imports declined in the case of four countries: Colombia and El Salvador (each declining 10%), Dominican

Republic (9%), and Venezuela (4%). It should be noted, however, that the declines in 1963 for the Dominican Republic and for Venezuela took place against extraordinarily high import levels for 1962.

Increases in U.S. imports in 1963 were noted in a large number of food products including sugar; cocoa; fruit, nuts and vegetables; meat and preparations; and fish and shell fish. The principal commodities for which substantial declines in U.S. imports occurred in 1963 were coffee, iron ore, and copper.

U.S. imports in the first half of 1964 from the 19 Latin American Republics reached \$1,774 million, compared with \$1,696 in the first half of the previous year, an increase of 5%. In particular, coffee, copper, and fruits and vegetables showed substantial improvement so far in 1964.

U.S. exports in 1963 to the Latin American Republics of \$3,118 million were 3-1/2% lower than in 1962 (Table 5). This was the third consecutive year of decline, and was mainly due to the halving of U.S. exports to Argentina. Smaller but appreciable declines in U.S. exports to Brazil, Chile, and Uruguay also contributed. U.S. exports to the Central American Common Market were \$26 million higher.

The declines in U.S. exports to the 19 Latin American Republics in 1963 were substantial in the machinery category (from \$1,005 million in 1962 to \$898 million in 1963). U.S. exports of transport equipment (rail and motor vehicle items) dropped from \$503 million in 1962 to \$450 million in 1963. Such U.S. exports showed especially pronounced declines in Argentina and Brazil, doubtless related to the low levels of economic activity in 1963 in those countries. In a number of countries, on the other hand, modest increases occurred in U.S. exports of machinery and motor vehicles and parts. Such increases were not sufficient, however, to offset the large declines noted above. U.S. exports of grains and grain preparations to the 19 Republics increased from \$194 million in 1962 to \$214 million in 1963. Brazil, Mexico, and Venezuela were the largest factors in the U.S. grain trade.

U.S. exports in the first half of 1964 to Latin America showed appreciable recovery. They reached the level of \$1,749 million, compared to \$1,534 million in the first half of 1963. This improvement was the result of increased U.S. exports of machinery, chemicals, trucks and buses, and other vehicles.

The Balance of U.S. Trade with Latin America: The U.S. trade gap with the 19 Latin American Republics continued to widen in 1963 when the U.S. showed a deficit of \$333 million in its trade with the 19 Latin American Republics, compared to the deficit of \$149 million in 1962. The U.S. trade deficit, however, was only \$25 million during the first half of 1964.

In 1963, the U.S. had merchandise trade deficits with Brazil (-\$185 million), Chile (-\$27 million), Colombia (-\$9 million), Ecuador (-\$19 million), Peru (-\$21 million), Dominican Republic (-\$49 million), Haiti (-\$5 million), and Venezuela (-\$430 million). It had surpluses with all the Central American Common Market countries (\$47 million), Argentina (\$24 million), Mexico (\$233 million), Paraguay (\$2 million), Uruguay (\$6 million), Bolivia (\$22 million), and Panama (\$77 million).

As far as the U.S. Balance of Payments is concerned, the U.S. trade deficit with Venezuela is to a large extent offset by U.S. invisible earnings. The U.S. trade surpluses with Mexico and Panama are neutralized more or less by Mexico's tourist trade and Panama's earnings from canal activities.

If Mexico and Panama, as well as Venezuela, are eliminated from the U.S. trade data, the U.S. trade deficit with the remaining 16 Latin American countries was - \$213 million in 1963, compared with a surplus of \$47 million in 1962. With these 16 Republics, U.S. trade showed a deficit of only \$1 million during the first half of 1964.

Prices and Terms of Trade: Improved prices, as well as volume changes, played a decisive role in the increased foreign exchange earnings of Latin America from exports in 1963 and in the first half of 1964.

Prices of U.S. imports from the Latin American Republics advanced in 1963 for the first time in a decade. In 1963, the weighted price index of U.S. imports was 92 compared with 90 of 1962 (1957 = 100). Sugar prices led the advance and averaged 22% higher than in 1962; cocoa prices averaged 10% higher, coffee 2% less, and other food items increased on the average 9% in price. Copper prices were one per cent higher, and other non-food items averaged 99% of their 1962 prices.

The index of prices of U.S. exports to Latin America in 1963 was unchanged from the 1962 level of 106 (1957 = 100). Consequently, with the advance in import prices and with no change in average export prices, the Latin American terms of trade with the U.S. improved by 2 percentage points. That is, in 1963, compared with 1962, Latin American countries could have bought two per cent more manufactures from the United States with the proceeds of the same volume of exports.

Table 3.--Latin American Terms of Trade with the United States

	Price Indexes		L.A. Terms of Trade with U.S.
	U.S. Exports to L.A.	U.S. Imports from L.A.	(2) ÷ (1)
	(1)	(2)	(3)
1957 - 59	100	100	100
1960	103	91	88
1961	105	91	87
1962	106	90	85
1963	106	92	87

Source: Unpublished data of the

U.S. Department of Commerce, 10/12/64.

In 1964, the prices of sugar and cocoa have fallen as compared with the levels of the previous year, but remain at levels higher than those of 1962. Wool, lead, and zinc, however, have experienced further price increases. In 1964 also, sharp price increases have been registered by coffee, beef, copper and tin.

These trends indicate that the Latin American export price index has doubtless continued to advance in 1964, and that the Latin American terms of trade with the United States continued to improve.

Table 4.--United States Imports from the 19 Latin American Republics,
1962, 1963 & Jan.-June 1963 & 1964

(Millions of Dollars)

	U. S. General Imports, f.o.b.			
	Calendar Years		Jan.-June	
	1962	1963	1963	1964
19 L.A. Republics - Total	3,380	3,451	1,696	1,774
LAFTA Countries - Total	1,985	2,083	976	1,047
Argentina	106	165	68	64
Brazil	541	562	236	252
Chile	191	189	98	99
Colombia	275	249	101	123
Ecuador	72	76	29	34
Mexico	578	594	330	368
Paraguay	7	9	5	5
Peru	191	215	92	97
Uruguay	24	24	18	6
Central American Common Market Countries - Total	207	219	128	133
Costa Rica	40	42	23	30
El Salvador	44	40	22	27
Guatemala	63	70	40	37
Honduras	32	32	19	22
Nicaragua	28	35	25	17
Other L.A. Republics				
Bolivia	12	15	6	13
Dominican Republic	153	140	69	64
Haiti	24	26	15	13
Panama	23	32	17	18
Venezuela	976	937	487	485

Totals may not add because of rounding.

Source: U.S. Official Trade Statistics - U.S. Department of Commerce.

10/29/64

Table 5.--United States Exports to the 19 Latin American Republics,
1962, 1963 & Jan.-June 1963 & 1964

(Millions of Dollars)

	U. S. Exports ^{1/} Including Re-exports, f.o.b.			
	Calendar Years		Jan.-June	
	<u>1962</u>	<u>1963</u>	<u>1963</u>	<u>1964</u>
19 L.A. Republics - Total	3,231	3,118	1,534	1,749
LAFFTA Countries - Total	2,288	2,086	1,042	1,163
Argentina	380	189	97	107
Brazil	425	377	218	177
Chile	171	162	78	82
Colombia	227	240	109	123
Ecuador	45	57	26	39
Mexico	805	827	402	503
Paraguay	8	11	6	7
Peru	184	194	89	109
Uruguay	44	30	16	16
Central American Common Market Countries - Total	240	266	126	153
Costa Rica	50	53	27	30
El Salvador	41	50	24	31
Guatemala	61	74	33	40
Honduras	43	44	21	25
Nicaragua	46	45	21	26
Other L.A. Republics				
Bolivia	32	37	16	18
Dominican Republic	71	91	44	59
Haiti	24	21	10	12
Panama	105	109	54	51
Venezuela	471	507	242	293

^{1/} Excludes special category exports which are not available by country.
Totals may not add because of rounding.
Source: U.S. Official Trade Statistics - U.S. Department of Commerce.

10/29/64

SELECTED COMMODITIES: RECENT U.S. LEGISLATION

Meat

Prices of choice steers at Chicago dropped from an average of \$27.67 per cwt. in 1962 to less than \$24 in 1963 and fell below \$21 in the spring of 1964. Imports of beef and veal rose from about 400 million pounds (carcass weight equivalent) in 1957 to 1.4 billion pounds in 1962 and 1.7 billion pounds in 1963. The sharp upward trend in imports from two per cent of U.S. production in the mid-1950's to 10 per cent in 1963, coming at a time when the beef production cycle in the United States was at its peak, contributed to the pressure on domestic cattle prices.

Confronted with increased meat production, serious price declines, increasing import restrictions on the part of other major meat importers and the need to avoid more serious market disruption, the United States early this year negotiated agreements with each of the four principal suppliers of fresh, chilled, and frozen beef and mutton -- Australia, New Zealand, Ireland and Mexico. These countries agreed (1) to limit their exports of mutton, beef and veal to the United States in 1964 to about the 1962-63 average level, and (2) to increase shipments in later years only in proportion to the increase in the total U.S. market for these meats.

Legislation was recently enacted which, under specified conditions, provided for import restrictions on fresh, chilled and frozen beef, veal and mutton. Live cattle and canned meat are not affected. Cattle exports are of particular importance to Mexico; canned meat, to Argentina, Brazil, Paraguay, and Uruguay; Central American exports could be affected should quota restrictions be imposed on fresh, chilled and frozen meats.

In accordance with the above legislative requirement, quotas may be imposed January 1, 1965, or thereafter, if it is estimated that total imports will exceed by 10 per cent the average imports of these meats during the period 1959-63, adjusted by a growth factor, i.e., the percentage change in domestic commercial production of these meats related to commercial production during the 1959-63 base period. If and when restrictions are imposed, the Secretary of Agriculture will assign quotas to supplying countries on the basis of their respective shares of the U.S. market during a previous representative period. The legislation also provides that the President may increase or suspend quotas (1) if he determines that such action is required by overriding economic or national security interests, (2) if meat supplies prove inadequate to meet consumer demand at reasonable prices, or (3) if the objectives of the legislation are met through an international agreement entered into subsequent to passage of the legislation.

Coffee

The legislation introduced into Congress in 1963 to enable the United States to carry out certain obligations under the International Coffee Agreement was caught in the adjournment rush and failed to obtain final approval at this session. This bill would authorize the United States to require certificates of origin for all coffee imports from members and to impose import controls on non-members if necessary. The certificates of origin identify the source of the coffee and enable the Coffee Organization to maintain a statistical check on the flow of coffee and to detect quota violations.

The Administration has made it clear that implementing legislation for the Coffee Agreement will be requested promptly when the new Congress convenes in January.

In the interim until the Congress acts, the United States is prepared to comply with its obligations under the Agreement within the limits of existing authority. It expects to (1) continue full participation in meetings of the Coffee Organization, (2) make regular budget contributions to the Organization, (3) issue, upon request of the shipper, re-export certificates, thus making possible our exporters' compliance with the re-export provisions of the Agreement, and (4) supply the Coffee Organization with copies of all certificates of export and re-export which accompany incoming shipments of coffee, and with information regarding coffee imported without accompanying certificates of origin.

Sugar

Latin American countries received basic import quotas totaling 1,074,396 tons in 1964. In addition they have been assigned 138,000 tons in deficits and 593,000 tons of the "global quota" (Cuban quota withheld for reassignment), bringing their total entitlement to about 1,650,000 tons. Latin American entitlements for 1964 total approximately 750,000 tons less than in 1963 when the total was 2.4 million tons.

During the first half of the year, suppliers could sell at higher prices in the world market than in the United States. World prices have fallen since June to about 2 cents below the U.S. price, and there is again great interest in obtaining larger basic quotas for the United States market.

The price of sugar in the United States fell from 9.29 cents a pound in January, 1964 to 6.65 cents (the domestic price objective under the Sugar Act) in May and is currently about 6.3 cents a pound. The price on world markets has shown wider fluctuations, from 10.64 in January to 3.65 in October.

The United States reinstated the import equalization fee on August 13 at a level which absorbs part of the difference between the price on the U.S. market (less freight and duty) and the price on the world market. That part of the basic quotas which had not been delivered by August 13 became subject to an import fee of 0.3 cents a pound; that part undelivered on September 16 became subject to a fee of 0.525 cents a pound.

Of the total Latin American entitlement of 1,650,000 tons, all but 172,000 tons had been delivered before the fee was reimposed. Total dollar receipts for 1964 are estimated to be approximately \$247 million (less duty and freight). This compares with a total of about \$335 million for 1963. Latin America's increased receipts from sales of sugar on the world market probably compensate for much of the decline in receipts from sales in the United States.

The provisions of the present Sugar Act relating to foreign quotas and to the imposition of an equalization fee on imported sugar will expire on December 31, 1964. Inasmuch as no action was taken on sugar during the recent session of Congress, the Secretary of Agriculture, under his general authority as Administrator of the Sugar Act, has announced regulations to govern the importation of sugar during 1965, pending the enactment of new legislation. Quotas for foreign countries will be prorated on the basis of a formula which gives single weighting to 1963 deliveries of sugar to the United States and double weighting to deliveries in 1964. Basing the proration on recent imports recognizes the performance of countries which committed supplies to the United States market when sugar was scarce throughout the world. The Secretary noted, in announcing the quotas, that since more than half of the 1965 quotas for foreign countries other than the Philippines comes from the portion of the market reserved for Cuba when friendly relations are resumed, the prorations to individual countries should not be regarded as establishing a precedent for quotas in later years.

No provision is made in the interim regulations for collection of an import equalization fee. However, when new legislation is enacted, it is probable that a fee will be reimposed.

Cotton

The Agriculture Act of 1964 made a number of changes in the U.S. cotton program. These included a reduction in the support price for middling 1 inch cotton from 32.47 cents a pound to 30 cents; the maintenance of the basic U.S. national cotton allotment at 16 million acres; a premium to producers of 3.5 cents a pound if their cotton acreage is curtailed to 67 percent of their allotments (the percentage of production estimated to be required for domestic use); permission for U.S. growers to plant in excess of their acreage allotments up to the

equivalent of 5 percent of the 16 million acre total (provided that all cotton produced on this excess acreage is exported without benefit of either export subsidy or domestic support), and provisions for supplying domestic textile mills with domestically-produced cotton at the same price that it is sold for export.

The new program was announced so late in the year however that it had a minimum effect on farmers' plantings. Stocks on hand in the United States are at the highest level since 1956, amounting to about 12 million bales. Domestic mill consumption is expected to rise during 1964-1965 as a result of the reduction in the support price and the provision for supplying cotton to domestic mills at the world price.

U.S. production of extra-long-staple cotton in 1963 amounted to 161,211 bales, of which approximately two-thirds went into Commodity Credit Corporation (CCC) inventory under the price support program. Because of the unusually high carry-over, acreage allotments for 1964 were reduced about 25 percent, from 143,800 to 109,800 acres. Acreage allotments for the 1965 crop have just been established at 77,758 acres, almost 50 percent reduction from the 1963 acreage.

The U.S. Department of Agriculture announced on July 9 that it would offer domestically-produced extra-long-staple cotton from the CCC stockpile for sale periodically on a competitive bid basis, limiting exports to 5,000 bales per month during the last five months of 1964. Congress amended the bill extending Public Law 480 to direct the CCC to offer all of its surplus of this type of cotton for sale at prices not to exceed those at which cotton of comparable quality is being offered by other exporting countries. "Surplus" is defined as the quantity by which total supply in the United States exceeds 150 percent of estimated consumption plus normal commercial exports. ("Normal exports" do not include cotton that may be exported under this program.) The existing surplus results from a previous substantial over-estimate of domestic requirements of extra-long-staple cotton which will be corrected as domestic acreage allotments are reduced. World prices of extra-long-staple cotton are at relatively high levels.

After the surplus on present heavy stocks of U.S. grown extra-long-staple cotton is disposed as required by the new legislation, the U.S. anticipates that surplus disposal action either will no longer be necessary or will involve much smaller quantities.

THE KENNEDY ROUND

The United States believes that special efforts must be made to ensure greater access of the products of the less-developed countries to world markets to strengthen the financial basis and the competitive stimulus for the growth and expansion of their economic structures. The trade problems of the less-developed countries have therefore received careful attention in the formulation of United States policy with regard to the trade negotiations under the Kennedy Round. In the United States Trade Expansion Act of 1962, for example, a special authority provides for the reduction to zero of U.S. tariffs on tropical agricultural and forestry products provided the European Economic Community takes comparable action. In its preparation of the list of exceptions from linear tariff reductions, the United States has carefully examined tariffs on commodities in which the less-developed countries have expressed a special export interest through the established committee of the GATT.

In addition to the authority in the Trade Expansion Act of 1962 to reduce or eliminate tariffs of primary tropical products, under certain conditions, it is of special interest that the Act authorizes the President to enter into trade agreements reducing duties by 50 per cent ad valorem, and to eliminate tariffs which are 5 per cent or less ad valorem. The Act also makes possible negotiations on an across-the-board basis instead of the previously customary negotiations by individual products.

The broad outlines of principles which are to govern the Kennedy Round of trade negotiations were established by Ministers of the Contracting Parties of the GATT in 1963. They agreed that negotiations would include both industrial and agricultural products, and that they should be based on linear (across-the-board) tariff reductions, with a minimum of exceptions. The exceptions are to be subject to confrontation and justification by the proposing country vis-a-vis the other countries participating in the trade negotiations. A 50 per cent tariff reduction was accepted as a working hypothesis but countries are free to offer larger reductions. Furthermore, non-tariff barriers as well as tariffs will be subject to negotiations and agreement. The Ministers also agreed that the negotiations should provide for acceptable conditions of access to world markets for agricultural products, in furtherance of a significant development and expansion of world trade in such products.

Furthermore, the Ministers agreed that in the negotiations every effort should be made to reduce barriers to the exports of the developing countries, and that the developed countries cannot expect to receive reciprocity from the developing countries in the negotiations. No developing country is expected to make concessions which would be detrimental to its trade and development needs.

The Ministers also established a Trade Negotiations Committee (TNC) which is instructed to elaborate a negotiating plan and to supervise the conduct of the negotiations. All countries planning to participate in the Kennedy Round are eligible for membership on the Committee. A number of the issues before the TNC still await resolution and final approval by the Council of the Contracting Parties. A special committee to consider the trade problems and interests of the developing countries was established in the TNC.

In the current negotiations, the Latin American countries can expect to gain considerable benefits from concessions accruing to them directly or indirectly. The access of their products to world markets will be improved, and opportunities for exports of non-traditional products will be enhanced by the expected lowering of trade barriers. It will doubtless be in the interest of the Latin American countries to participate actively in the trade negotiations and to make maximum offers compatible with their development needs.

THE UNITED STATES BALANCE OF PAYMENTS WITH LATIN AMERICAN REPUBLICS

In 1963, a very impressive gain of \$586 million in gold and liquid dollars was made by the Latin American Republics and regional organizations from their transactions with the United States and other areas and international organizations. As shown in Table 6 this contrasted sharply with the loss of \$115 million in 1962.

From its bilateral transactions with the United States, Latin America recorded a modest gain in 1963 (\$96 million compared to \$45 million in 1962 and \$268 million in 1961).

The striking feature of Latin America's performance in 1963, as recorded in the U.S. balance of payments data, was the reversal in transactions with third areas (including U.S. errors and omissions). From Latin American net payments of \$160 million in 1962, this figure swung to Latin American net receipts of \$490 million, an improvement of \$650 million. About \$180 million of the improvement reflected net drawings of \$113 million from the IMF in 1963 in contrast with net repayments of \$68 million in 1962. About \$110 million of the improvement reflected the increase in net loan disbursements by the IBRD in 1963 over 1962. It appears that the Latin American Republics improved their net gold and dollar position as a result of transactions with countries other than the United States (also, possibly, through some return flow of "flight" capital), by about \$350 million.

The entire 1963 area increase in gold and liquid dollar holdings could be attributed to gains of over \$180 million each by Argentina, Mexico and Venezuela and by a rise of over \$60 million for Peru. The biggest improvement was in Argentina which had lost more than \$150 million

in 1962. Brazil continued to lose heavily, (\$84 million in 1962 and \$100 million in 1963). The IDB (and other regional organizations) sustained a loss of \$77 million in 1963 as outpayments began to outrun subscriptions and other receipts.

With respect to the \$50 million overall improvement in 1963 in Latin America's bilateral balance of payments with the United States, (Item III of Table 6), the following highlights may be summarized:

1. The U.S. trade deficit with Latin America rose from \$139 million in 1962 to \$289 million in 1963, an increase of \$150 million. 1/ (These deficits compared with a U.S. trade surplus of \$180 million in 1961.) In addition, it is estimated that in each of these three years, the U.S. trade position with the Latin American Republics was actually from \$250-\$300 million less favorable on account of imports of Venezuelan oil through the Netherlands Antilles and Trinidad which are treated in U.S. trade statistics as imports from the latter countries.

2. There were, however, net reductions in Latin American net receipts from the U.S. other than from trade totaling about \$100 million in 1963 compared with 1962.

(a) Led by a continued rise in private investment income, net service receipts by the United States from Latin America rose by about \$75 million.

(b) U.S. private capital outflow fell by \$70 million (net), totaling only \$150 million in 1963. The decline occurred in spite of a \$95 million pickup in direct investment outflow (from an inflow of \$32 million in 1962 and an outflow of \$63 million in 1963.)

(c) Latin American debt repayments to the U.S. Government rose by \$70 million.

(d) Despite the fact that no subscriptions were due to the IDB in 1963 in contrast to a \$60 million transfer in 1962, and despite a drop of about \$85 million in Export-Import Bank disbursements from the 1962 level, there was a rise of about \$20 million in U.S. Government capital and grant flows to Latin America in 1963 as compared to 1962. The increase resulted from a rise of \$75 million in economic grants, an acceleration of AID loan disbursements of more than \$30 million, a rise in Social Progress Trust Fund disbursements of almost \$45 million and a net increase of \$10 million in all other capital disbursements.

1/ Note that U.S. trade data used here show adjustments for balance of payments purposes and differ slightly from U.S. trade data used elsewhere in this report.

(e) U.S. Government liabilities to Latin America (exclusive of interest-bearing securities), which had risen by over \$100 million in 1962, largely due to the issuance of non-interest bearing notes in connection with U.S. subscriptions to the IDB, rose by only \$25 million in 1963, reflecting an increase in AID liabilities to Latin America.

(f) U.S. private and government net remittances and pensions rose by about \$20 million.

Table 6.--Changes in Latin American Gold and Liquid Dollar Holdings in Relation to U.S. Balance of Payments, 1961-1963

(In Millions of Dollars)

	<u>1961</u>	<u>1962</u>	<u>1963</u>
I. Increase in Gold Reserves and Liquid Dollar Holdings of L.A. Republics and Regional Organizations.	<u>+160</u>	<u>-115</u>	<u>+586</u>
II. Through Transactions with Third Areas and U.S. Errors and Omissions.	<u>-108</u>	<u>-160</u>	<u>+490</u>
III. Through Recorded Net Receipts From U.S. (Net U.S. Outpayments to L.A. (f).*)	<u>+268</u>	<u>+45</u>	<u>+96</u>
U.S. Merchandise Exports to L.A. <u>1/</u>	+3,488	+3,318	+3,225
U.S. Merchandise Imports from L.A.	-3,299	-3,457	-3,514
U.S. Trade Balance with L.A.	+189	-139	-289
U.S. Income on Investments, Net	+889	+969	+1,013
Transportation and Travel, Net	-94	-69	-45
Other Services, Net <u>2/</u>	<u>+64</u>	<u>+80</u>	<u>+88</u>
A. Balance of Goods and Services. <u>1/</u>	<u>+1,048</u>	<u>+841</u>	<u>+767</u>
B. Private and Government Remittances and Pensions.	<u>-84</u>	<u>-98</u>	<u>-121</u>
C. Net U.S. Private Capital Flow to L.A. (of which Direct Investment)	<u>-453</u> <u>(-173)</u>	<u>-220</u> <u>(+32)</u>	<u>-150</u> <u>(-63)</u>
D. Net L.A. Private Capital Flow to U.S. (Excluding "Liquid" Dollar Flows and Unrecorded Capital).	<u>+46</u>	<u>+5</u>	<u>+7</u>

Table 6. Cont.

	<u>1961</u>	<u>1962</u>	<u>1963</u>
E. U.S. Govt. Capital Flow and Grants <u>1/</u> to L.A.	<u>-1,018</u>	<u>-856</u>	<u>-874</u>
Export-Import Bank <u>3/</u>	-487	-309	-225
Economic Grants	-151	-176	-251
AID Loans	-108	-188	-221
SPTF Loans	- 1	- 22	- 66
PL-480: Long-Term Credits	- 80	- 35	- 36
IDB Subscription Payments	-110	- 60	--
Stabilization & Other Short-Term	- 69	- 59	- 71
Military Credits	- 12	- 7	- 4
F. L.A. Debt Repayments to U.S. Govt. <u>3/</u>	<u>/164</u>	<u>/179</u>	<u>/249</u>
G. Change in U.S. Govt. Liabilities to L.A. (Excluding Interest-Bearing Security Issues, Increase (f).)	<u>/ 29</u>	<u>/104</u>	<u>/ 26</u>

FOOTNOTES AND SOURCES

* Balances transactions below where U.S. balance-of-payments signs are used.

1/ Excluding roughly \$80 million average annual transfer of military goods and services under grants. Export data include merchandise financed by U.S. Govt. agencies.

2/ Including military trade and other non-grant transactions.

3/ Includes "roll-over" loans.

Sources: U.S. Balance of Payments Data: Department of Commerce, Office of Business Economics, including data published in Survey of Current Business, June 1964

Gold Reserves and Liquid Dollar Holdings Data: Treasury Department and Board of Governors of the Federal Reserve System.

UNITED STATES DIRECT PRIVATE INVESTMENT IN LATIN AMERICA

The total value of U.S. direct investment in the 19 Latin American Republics was estimated at \$8,657 million in 1963, compared with \$8,424 million in 1962. (Table 7).

U.S.net new direct private investment in the 19 Latin American Republics was \$64 million in 1963, compared with a negative \$ - 32 million in 1962. The flow of U.S. new direct investment continued to improve during the first half of 1964, when the flow of such funds was \$58 million, very nearly as much as in the whole year 1963.

The amount added to U.S. direct investments in the 19 Latin American Republics in 1963 totaled \$237 million, and was about the same as in 1962. In 1963, it consisted of capital flows of \$64 million and reinvested earnings of \$173 million. In 1962 the total new investment was \$236 million, consisting of reinvested earnings of \$268 million less net new direct private investment (capital outflow from U.S.) of - \$32 million. New investments in manufacturing industries, funded by new capital flow together with reinvested earnings, declined to \$188 million from \$212 million in 1962. A sharp drop in such U.S. investment in Argentina and in Brazil offset moderate gains elsewhere in the area.

Capital flows from petroleum companies continued, on balance, to move towards the United States, although at a considerably slower rate than in 1962. This was a major reason for the improvement in the net new direct private investment capital flow from the U.S. in 1963.

Income remitted to the U.S. from direct investments in the 19 Latin American Republics in 1963 totaled \$801 million compared to \$761 million in 1962. Such income from investments declined in Brazil to \$13 million in 1963 from \$24 million in 1962; was about the same in Chile (\$66 from \$64 million), and Venezuela (\$488 from \$477 million), and increased in Mexico (\$49 from \$44 million), Argentina (to \$57 from \$44 million), Colombia (to \$25 from \$12 million) and Peru (to \$65 from \$51 million).

Total plant and equipment expenditures in manufacturing industries of direct U.S. foreign investments (including reinvested earnings) in the Latin American Republics declined to \$268 million in 1963 from \$274 million in 1962. However, estimates by the U.S. Department of Commerce on the basis of company projections point to a total expenditure of approximately \$350 million in 1964.

Table 7.--Total Value of United States Direct Private Investment in
19 Latin American Republics

(Millions of Dollars)		
	<u>1962</u> ^{1/}	<u>1963</u> ^{1/}
Total - 19 Latin American Republics	8,424	8,657
Argentina	799	828
Brazil	1,084	1,126
Chile	755	768
Colombia	455	465
Guatemala	126	122
Honduras	99	105
Mexico	867	907
Panama	537	620
Peru	453	448
Uruguay	52	51
Venezuela	2,816	2,807

^{1/} Total Value of U.S. direct private investment, including
reinvested earnings, as of December 31.

Source: U.S. Department of Commerce
10/16/64

STATUTORY AUTHORIZATION FOR UNITED STATES PARTICIPATION IN
THE ALLIANCE FOR PROGRESSTHE FOREIGN ASSISTANCE ACT OF 1961

The legislative authority for the United States participation in the Alliance for Progress is contained, in large measure, in the Foreign Assistance Act of 1961, as amended.

This legislation, enacted in response to President Kennedy's call for "launching a Decade of Development," marked the beginning of a new phase of United States participation in the economic development of less developed countries. Partially presaged by the "Point IV" program, and the creation of the Development Loan Fund in 1957, the basic purpose of the Act is to provide long-term support for economic development programs created by the developing countries themselves. The Act stresses that the effectiveness of such programs is vitally linked to the responsiveness of the host country to "the vital economic, political, and social concerns of its people" and the extent to which it demonstrates "a clear determination to take effective self-help measures". It authorizes a broad range of United States programs of development grants and loans, technical cooperation, investment guarantees, surveys of investment opportunities, and development research.

On August 1, 1962, the Congress formally stated its view "that the Alliance for Progress offers great hope for the advancement of the welfare of the peoples of the Americas and the strengthening of the relationships among them". It enacted a new title of the Foreign Assistance Act, relating solely to the Alliance, and authorized the appropriation of funds for use solely to promote the economic and social development of Latin America. The new title thus creates a U.S. legislative counterpart to the Charter of Punta del Este, and allots for Latin American development funds that may not be used in other less developed countries.

The new provisions are based on the principles contained in the Charter of Punta del Este and the Act of Bogota. Specifically, the statute expresses the sense of Congress that

"vigorous measures by the countries and areas of Latin America to mobilize their own resources for economic development and adopt reform measures to spread the benefit of economic progress among the people are essential to the Alliance for Progress and to continued significant United States assistance thereunder."

In furnishing assistance under the Act, the U.S. is required to take into account:

"(1) the principles of the Act of Bogota and the Charter of Punta del Este, and in particular the extent to which the recipient country or area is showing a responsiveness to the vital economic, political, and social concerns of its people and demonstrating a clear determination to take effective self-help measures; (2) the economic and technical soundness of the activity to be financed; (3) the consistency of the activity with, and its relationship to, other development activities being undertaken or planned, and its contribution to realizable long-term objectives;.....(4) the possible effects upon the United States economy, with special reference to areas of substantial labor surplus; (5) whether financing could be obtained in whole or in part from other free world sources on reasonable terms and (6) the efforts made by recipient nations to repatriate capital invested in other countries by their own citizens."

The Congress has recognized that the relative priorities of development projects will vary with differing needs and conditions in host countries. In 1962 it stated, however, that "highest practical emphasis" should be given to:

"programs providing for loans or loan guarantees for use by institutions and organizations in making repayable low-interest rate loans to individuals for the purchase of small farms, the purchase of homes, the establishment, equipment and strengthening of small independent business concerns, purchase of tools or equipment needed by individuals to obtain practical education in vocational and occupational skills, and to those programs of technical assistance and development which will assist in carrying out and in preparing a favorable environment for such programs."

The Act also specifically authorizes the rendering of assistance in the area of agrarian reform.

The Act states that "in the administration of assistance..every possible precaution should be taken to assure that such assistance is not diverted to short-term emergency purposes (such as budgetary purposes, balance of payments purposes, or military purposes) or any other purpose not essential to the long-range economic development of recipient countries".

Long range development is stressed throughout the Alliance title. In addition to the provisions above quoted, the Act provides that the executive may enter into long-range commitments, subject to the annual appropriation of funds by the Congress. Moreover, the Act contains a novel provision tentatively authorizing funds for the Alliance for each

of the fiscal years 1963 through 1966. Although annual congressional appropriations are still required, this provision satisfies one step in the appropriation process that would otherwise have to be executed annually.

The statute also reflects the concern of Congress with the vital role of private free enterprise in the Alliance programs. Thus, the Act expresses policy of the United States,

"to encourage the efforts of other countries to increase the flow of international trade, to foster private initiative and competition, to encourage the development and use of cooperatives, credit unions, and savings and loan associations, to discourage monopolistic practices, to improve the technical efficiency of their industry, agriculture, and to encourage the contribution of United States enterprise toward economic strength of less developed friendly countries, through private trade and investment abroad, private participation in programs carried out under this Act (including the use of private trade channels to the maximum extent practicable in carrying out such programs), and exchange of ideas and technical information..."

Further specific emphasis is given to cooperatives in the following provision:

"...assist in promoting the organization, implementation, and growth of the cooperative movement in Latin America as a fundamental measure toward the strengthening of democratic institutions and practices and economic and social development under the Alliance for Progress.

Also, the executive is directed that insofar as practicable, projects shall be carried out through private channels, and with local participation:

"not less than 50 per centum of the loan funds appropriated... for the fiscal years ending June 30, 1965, and June 30, 1966... shall be available for loans made to encourage economic development through private enterprise."

A number of significant limitations on the authority granted by the foregoing provisions have been added or modified during the past two fiscal years. Thus, no assistance may be provided:

"to the government of any country which is indebted to any United States citizen or person for goods or services furnished or ordered where (i) such citizen or person has exhausted available legal remedies, which shall include

arbitration, or (ii) the debt is not denied or contested by such government, or (iii) such indebtedness arises under an unconditional guaranty of payment given by such government, or any predecessor government, directly or indirectly, through any controlled entity: Provided, that the President does not find such action contrary to the national security."

The President is also required to suspend assistance to the government of any country which has nationalized, expropriated, or seized property owned by United States citizens or corporations, taken steps to repudiate or nullify existing contracts or otherwise has discriminated against or restricted the operations of U.S. citizens or corporations, if such country does not, within six months, take appropriate steps under international law to provide equitable and speedy compensation for such property in convertible foreign exchange.

In 1963, the Congress added its feeling that "the institution of full investment guaranty programs...with all recipient countries would be regarded as a significant measure of self-help by such countries improving the climate for private investment both domestic and foreign". Also added is the provision that no assistance is to be provided after December 31, 1965, to a country which has failed to enter an investment guaranty program agreement with the U.S.

The Act also contains a number of continuing statutory requirements affecting all United States foreign assistance. The most important of these includes the following: first, A.I.D. is required to assist United States small business to participate in furnishing goods and services financed by A.I.D. Secondly, only reasonable prices can be paid for all such goods and services. In addition, no agreements obligating United States funds may be signed until the necessary financial and technical planning for the project is completed and a reasonably firm estimate of its cost to the United States is known. The statute also places limitations on the source and origin of such goods and services; current A.I.D. procedures require that most goods and services financed have their origin in the United States or the host country. The statute also requires that in most cases fifty percent of all goods financed by A.I.D. must be shipped on private United States flag vessels. Finally, restrictions have been placed on the granting of assistance to countries furnishing aid or permitting certain types of shipping to the present government of Cuba.

Administration of United States participation in the Alliance is, by Executive Order, centered in the Agency for International Development. The Foreign Assistance Act provides that in giving technical assistance, A.I.D. may utilize the facilities and resources of other appropriate agencies. Technical assistance for Alliance projects is often contracted for through inter-agency service agreements with the Depart-

ments of Commerce, Treasury, Labor, Interior, Agriculture and Health, Education and Welfare, the Bureau of the Budget, the Federal Housing Authority, the Bureau of Census, the Corps of Engineers, the Internal Revenue Service, and others. These agencies make available to A.I.D. technically competent personnel on an ad hoc loan basis.

The Latin American Development and Chilean Reconstruction Assistance Act of 1960 appropriated \$600,000,000 for the general purposes stated in the title. Of this, \$100,000,000 was allocated for disaster relief for Chile. Of the remaining \$500,000,000, \$100,000,000 was allocated to A.I.D. for economic development projects, \$6,000,000 to the Organization of American States to finance special projects, and the balance to establish the Social Progress Trust Fund, administered by the Inter-American Development Bank under a trust agreement with the United States. (The Fund was replenished under a \$135,000,000 appropriation in 1963.) The capital of the Fund has been used by the Bank to extend financial and technical assistance in the fields of land settlement and improved land use, low cost housing, community water supply and sanitation facilities, and advanced education and training related to economic and social development.

Programs authorized by the Agricultural Trade Development and Assistance Act of 1954 (PL-480), relating to the sale of agricultural commodities, are discussed elsewhere in this report. So also is the Investment Guaranty Program.

CHAPTER IV

ORGANIZATIONAL AND PROCEDURAL CHANGES

ORGANIZATIONAL IMPROVEMENTS

During the past year, the United States has completed a major reorganization in the agencies through which it carries out its Alliance efforts.

Soon after assuming office, President Johnson assigned to a single official -- Thomas C. Mann, until then U.S. Ambassador in Mexico -- the duties of Assistant Secretary of State for Inter-American Affairs and those of U.S. Coordinator of the Alliance for Progress, and, as well, designated him as a Presidential Advisor on Latin American Affairs and U.S. Representative to the Inter-American Economic and Social Council. This move made for a far greater degree of coordination between the Bureau of Inter-American Affairs of the Department of State and the Latin American Bureau of the Agency for International Development. With a single line of command, decisions can be made more rapidly.

Shortly thereafter, the Department and the Agency executed a carefully engineered plan to integrate A.I.D. and State Department Latin American personnel who were thus brought into positions of responsibility for all aspects of United States relations with Latin America. Outmoded and artificial distinctions between political and development policies were discarded. There was to be wider staff understanding of all programs and all policies -- especially of U.S. efforts to speed economic development and social progress throughout the Hemisphere. This permitted improved staff specialization, and a strengthening of geographical offices. The number of the geographic offices was increased from five in 1963 to nine in 1964, with fewer countries per office. The new alignment is as follows:

1. Office of Argentine-Paraguayan-Uruguayan Affairs
2. Office of Bolivian-Chilean Affairs
3. Office of Brazil Affairs
4. Office of Caribbean Affairs (Dominican Republic, Haiti, Jamaica, and Trinidad-Tobago)
5. Office of Central American Affairs (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and ROCAP Affairs)
6. Office of Colombian-Venezuelan Affairs
7. Office of Ecuadorean-Peruvian Affairs
8. Office of Mexican Affairs
9. Office of Panamanian Affairs

PROCEDURAL IMPROVEMENTS

During the same period, the United States has instituted major improvements in operating procedures in four important areas: (1) authority of Field Missions to act, (2) documentation requirements where dollars are used for local costs, (3) standards for local procurement, and (4) participation of local firms in contract and consultant work.

(1) A.I.D. has delegated to Field Missions a greater measure of authority to take actions. This has been made possible and effective through more adequate staffing of the Missions, particularly by loan officers, engineers and lawyers.

(2) In cases where dollars are used to cover local costs of a project, A.I.D. continues to require the use of the dollar funds for procurement in the U.S.; however, for most cases A.I.D. no longer requires a supplier certificate in addition to normal commercial documents and has delegated to U.S. banks responsibility for the operation, supervision, and certification under the new system.

(3) For local procurement of "shelf" items and other items having imported components, A.I.D. has adopted more liberal and rational standards. The A.I.D. Mission Director has greater discretion in equating such procurement with the orderly advance of the project.

(4) A.I.D. now gives equal opportunity to qualified local contracting or consulting firms, joint U.S.-local and U.S. firms to participate in local contracting and consultant work. U.S. firms, which have a longer and varied experience in many fields, are increasingly associating with local consultants and engineers either through joint operations or through sub-contract arrangements in such work.

STRENGTHENED MULTILATERAL PARTICIPATION

With the creation of CIAP, a new era of more intensive multilateral cooperation began. The United States established, by legislative action, a new position of U.S. Member of CIAP with the rank of Ambassador. Teodoro Moscoso, former U.S. Coordinator for the Alliance for Progress, was the first to fill the new post; upon his resignation he was succeeded by Walt Whitman Rostow, who, at the same time, is Chairman of the Policy Planning Council of the Department of State.

The CIAP has now completed the first round of country reviews. The principal lending institutions--IDB, IBRD, IMF and AID, the Panel of Nine and the PAU Secretariat, in addition to CIAP, have participated actively and intensively in these reviews. The U.S., which has participated fully in the CIAP Country reviews as well as all other CIAP activities, believes that a most promising start has been made in directing the energies and the talent of the multilateral community more effectively into Alliance activities.

OTHER MAJOR PROGRAMS OF U.S. PARTICIPATION IN THE ALLIANCE

PEACE CORPS

Peace Corps participation in the Alliance for Progress program, at the request of 17 different Latin American countries, has quadrupled since 1962, the first year of full Peace Corps activity in the region. By December of 1964, there will be nearly 3200 Peace Corps Volunteers working primarily in community development, health, agriculture and education projects. The Peace Corps effort in Latin America actually began in early 1961 when 151 of the first Volunteers were working in three countries. In 1962, this total rose to 822 in ten countries, and by 1963 the Peace Corps was participating in Alliance programs in 17 countries with a force of 2662 Volunteers.

The emphasis of Peace Corps activity has continued to be in urban and rural community development, the principal objective of which is one of the basic ingredients of the Alliance: Self-Help. In this dynamic door-to-door approach in urban slums and isolated rural villages, the Peace Corps Volunteer is helping to build not merely a school, a road, an aqueduct, but the very foundation of social organization and democratic action. To a Peace Corpsman, if the immediate goal is a new road, his basic aim is to help organize community forces to achieve it.

The unique approach of the Peace Corps to this centuries-old theory of local development, has inspired some countries to set up their own community development programs and encouraged others to expand their efforts in this field. In Colombia, for example, the government agency, Acción Comunal, plans to add more than 100 promotores to its field staff in the coming year. In Peru, President Belaunde's Cooperación Popular program, already making an impact throughout rural districts and in urban slum areas, has used the grass-roots approach of Volunteers as a model. The Dominican Republic, following the example of the Peace Corps, has initiated its own Community Development Division to place workers on-the-spot in needy villages and towns. Each of these countries has requested additional Volunteers to assist in the execution of its own Alliance program.

In filling requests for skilled middle-level manpower, the Peace Corps has sent to Latin America Volunteers of all backgrounds and professions, including: nurses, medical technicians, midwives, public health workers, plumbers, electricians, furniture designers, co-operative organizers, nutritionists, sheet metal workers, vocational rehabilitation workers, penologists, plasterers, bricklayers, pig farmers, agricultural extension agents, foresters, lawyers, teller in savings and loan institutions, architects, engineers, stonemasons, home economists,

nursery school teachers, playground supervisors, physical education organizers, journalists, medical records technologists and mechanics, in addition to secondary school and primary school teachers, anthropologists, and university instructors.

At present, the general breakdown of the work of the Peace Corps in specific fields is as follows:

Community Development	1415
Health	657
University Education	304
Agriculture	242
Physical Education	149
Secondary, Elementary and Vocational Education	143
Cooperatives	130
Educational Television	91

EXPORT - IMPORT BANK

The Export-Import Bank is the oldest of the United States governmental institutions concerned with assistance to Latin America. Formed in 1934 and reconstituted in 1943, the Export-Import Bank's principal function is to promote sales of U.S. industrial and farm equipment through loans.

In calendar year 1963, Export-Import Bank new long-term loan commitments in Latin America were \$114.8 million. However, this total was exceeded in the first six months of 1964, when new loan commitments reached \$123.8 million.*

SOCIAL PROGRESS TRUST FUND

A major element in the participation of the U.S. in the Alliance for Progress is the Social Progress Trust Fund. In May of 1961, the U.S. Congress voted \$394 million to establish this fund, which is administered by the Inter-American Development Bank.

The purpose of the fund is to make loans (at a low rate of interest) for projects or programs designed to achieve social and institutional improvements in the fields of: land settlement and improved land use; housing; water supply and sanitation; higher education and advanced training. Provision is made for repayment to be made in the local currency of the borrower and the relending of repaid funds.

* For a statistical breakdown of Export-Import Bank loans, see the Statistical Annex.

On February 17, 1964 the United States made available an additional \$131 million for the Social Progress Trust Fund, thus bringing the total to \$525 million since the Fund was established. 1/

FOOD FOR PEACE

The Agricultural Trade Development and Assistance Act of 1954, otherwise known as Public Law 480, was passed by the Congress of the U.S. in 1954. It provides for expansion of trade "among the U.S. and and free nations"...and the "use of foreign currencies which accrue to the U.S."...from such sales to encourage economic development. In the calendar year 1963, total sales agreements (less U.S. uses under Title I) amounted to \$212.8 million. In the first half of 1964, the total was \$192.1 million. 2/

This program, known as Food for Peace, is administered externally by the AID. AID supervises the distribution of foodstuffs in cooperation with voluntary relief organizations and agencies of the host countries and other U.S. agencies both public and private. Care is taken to avoid interference with local market operations so as not unduly to influence normal production or pricing.

Since the inception of the Food for Peace program in 1954 the types of food and other agricultural commodities made available through the program include: wheat and flour, feed grains, rice, cotton, tobacco, dairy products, fats and oils, poultry, beans and peas, fruits and vegetables.

Different Titles Under Public Law 480

Title I. Sales for foreign currencies. By far, the largest program under the PL 480 is Title I.

Title I sales agreements include terms of payments for the receipt of agricultural commodities in the local currencies of the recipient countries. These currencies remain within the purchasing country and by agreement with the U.S. are used for loans or grants for economic development.

Up to 25 per cent of funds generated by Title I sales may be used for loans to private enterprise. These are known as "Cooley loans", after Representative Harold D. Cooley who introduced the legislation to Congress in 1957.

1/ For a statistical breakdown of Trust Fund Loans and grants see the Statistical Annex.

2/ For a statistical breakdown of Food for Peace Activities see the Statistical Annex.

Some of the proceeds from the sales of foodstuffs under Title I are reserved for U.S. Government use by U.S. Embassies in meeting the local currency costs of book translation and informational programs, exhibits, libraries, information centers, marketing research, and military family housing.

Title II of Public Law 480 authorizes the use of U.S. agricultural commodities for child feeding and selfhelp economic development projects as well as emergency situations. These programs may be undertaken through voluntary agencies or intergovernmental organizations. Precautions are taken to avoid interference with local market activities.

Under this Title, as well, "food for work" programs have been emphasized. Wages for work performed by needy people on public projects are paid for from proceeds obtained through the sale of these commodities or with the food itself as partial payment. In this way, such projects as school and other community buildings, drainage facilities, flood control, land reclamation and reforestation and numerous other public projects benefiting the entire community, have been carried out.

Title III authorizes the distribution of foodstuffs through accredited non-profit voluntary relief agencies and intergovernmental organizations, and provides for the barter of these commodities for strategic and other material goods and equipment.

Some of these accredited organizations are CARE, Red Cross, Church World Service, Catholic Relief Services, Lutheran World Relief, and United Nations agencies such as UNICEF and UNRWA which carry out the function of food distribution, setting up operations in strategic localities for that purpose.

Supplementary feeding programs using foodstuffs obtained through Title II and Title III are undertaken through the close cooperation and coordination of host country governments, local welfare organizations, the non-profit voluntary relief organizations, and the U.S. Government. This program is called "Operation Niños. Food commodities are shipped to these agencies in Latin America for use in the feeding of school-age boys and girls. The program has expanded rapidly since it started in 1962, at the suggestion of President Kennedy.

Title IV. Credit Sales for Dollars. This Title provides for credit sales for dollars and was added to the PL 480 program in 1959. Under these arrangements the U.S. finances the sale and export for ultimate dollar repayments of agricultural commodities. The interest rate on these transactions is limited to $\frac{3}{4}$ of 1 per cent and repayments are to be made over the course of 20 years for commodities to be consumed within the purchasing country. In general, the local currencies generated by the sale of these commodities are to be used for economic and social development projects mutually agreeable to the U.S. and host country governments. Projects include: housing, schools, rural development, marketing cooperatives, community projects, small and medium sized industrial developments.

UNITED STATES PARTICIPATION IN OTHER INTERNATIONAL ORGANIZATION

In addition to its direct participation in the Alliance for Progress, the United States Government provides considerable resources to various inter-American and international agencies and institutions which contribute to the economic and social development of Latin America. These include the Inter-American Development Bank; the Organization of American States; the International Bank for Reconstruction and Development and its affiliates, the International Development Association and the International Finance Corporation; the International Monetary Fund; and various agencies of the United Nations, such as the U.N. Special Fund and the Expanded Program of Technical Assistance, the U.N. Children's Fund, and the Food and Agriculture Organization.

During the past year additional resources were made available to the Inter-American Development Bank and to the International Development Association.

As part of a \$1 billion increase in the authorized callable capital stock of the Inter-American Development Bank, the U.S. Government, in January 1964, committed itself to subscribe \$411,760,000 in addition to its earlier \$200 million contribution to callable capital. Legislation is now pending for appropriation of the additional amount, which is scheduled to be made available in two equal annual installments at the end of 1964 and 1965. In accordance with a 50% increase authorized by the IDB in the Bank's Fund for Special Operations, the United States on April 28, 1964 paid in an additional \$50 million, thereby raising its total contribution to the FSO to \$150 million.

The United States Government formally notified the International Development Association on May 28, 1964 that it would contribute \$312 million as the U.S. share of the \$750 million replenishment of resources authorized by the IDA Board of Governors in September 1963. (The original U.S. contribution to the IDA was \$320.29 million.) Payment of the new funds to the IDA is to be made in three equal annual installments, the first due in November 1965.

In the fiscal year 1963 the United States contributed, on an assessed basis, \$46.3 million to the United Nations and Specialized Agencies. Contributions under this category supported such agencies as the Food and Agriculture Organization (\$4.7 million), UNESCO (\$4.7 million), the World Health Organization (\$7.6 million), and the International Labor Organization (\$2.8 million).

A number of Inter-American organizations received assessed contributions from the United States amounting to more than \$13 million in FY 1963. These included the Organization of American States (\$8.7 million), the Pan American Health Organization (\$3.4 million),

the Inter-American Children's Institute, and the Inter-American Institute of Agricultural Sciences.

In addition to its assessed payments, the United States made significant contributions to various Special Voluntary Programs which are to benefit to the Latin American countries. Among these were the OAS Technical Cooperation Program (\$2.5 million), the Pan American Health Organization's Programs of Community Water Supply and of Malaria Eradication (\$2.3 million), the UN-FAO World Food Program (\$1.6 million, cash pledge only), the United Nations Children's Fund (\$12 million, excluding donations of surplus commodities under Public Law 480), and the United Nations Expanded Program of Technical Assistance and Special Fund (\$50 million).

At the annual meeting of IA-ECOSOC at São Paulo, Resolution 22-M/63 called for the establishment of a new Special Development Assistance Fund to carry out on a multilateral and coordinated basis various programs of technical assistance and training, public information, planning assistance, etc. which hitherto have been carried out by the OAS as separately financed and administered programs. Pursuant to that resolution, the U. S. Congress in 1964 appropriated the amount of \$4.5 million as a voluntary contribution to the new Special Development Assistance Fund on the understanding that other member countries would be willing to support the Fund with their own voluntary contributions. The IA-ECOSOC must still decide, at its 1964 annual meetings, to set up the Fund. The unexpended balance of the funds which the U. S. had granted to the Organization of American States in prior years to finance Alliance for Progress activities similar to those to be carried out under the Fund will continue to be available in 1965.

CHAPTER VI

MEASURES AFFECTING THE PARTICIPATION OF PRIVATE INVESTMENTS

Support of Relending Institutions

The development and expansion of intermediate credit institutions in Latin America has been given special attention by A.I.D. during the past year. Financing provided for these organizations under the Alliance for Progress increases the availability of medium and long term credit at moderate rates of interest for the great catalog of productive enterprises which are vital to the economic and social development of the hemisphere. The vigorous growth expands income and employment, both industrial and agricultural, and provides housing for low and middle income wage earners. Emphasis was placed on the mobilization of domestic savings and other local financial resources for internal investment through these institutions. Growing opportunities for fruitful investment in productive activities also resulted from the increasing availability of electric power, the development of road networks and the expansion of other economic infrastructure.

In the housing field, the lack of long term mortgage credit prevents many low and middle income families from obtaining decent housing. The growing population pressures in urban areas plague most Latin American cities with problems of congestion and low standard housing. A.I.D. therefore emphasized the establishment and support of central housing institutions and loan associations which would mobilize local savings for investment in long term mortgages.

Techniques employed for establishing and assisting intermediate credit institutions took into account the particular circumstances of the country and the type of enterprise. These techniques include the creation of (1) private investment funds operated through the commercial banks, (2) individual national and regional development banks, (3) housing institutions, as well as carrying on supervised agricultural credit programs. They provide the investment capital required by the private sector to maximize its contribution to social and economic improvements. Institutional arrangements such as these should continue to multiply and grow as the needs of productive enterprise expand.

A.I.D. also utilized a number of techniques to provide industrial credit to private enterprises seeking to undertake new ventures or expand existing ones involving at times loans to development banks for relending to manufacturing firms. In other situations, Central Banks received loans for relending to business firms through a private investment fund established for this purpose. In these cases, the private investment fund is channelled through special departments of the commercial banks of the country.

Sub-loans to industrial borrowers were made for both complete project purposes and for commodity financing.

Development lending for agricultural credit has distinct characteristics. Since relending is limited to owner/operators of small or medium size farms who frequently are not fully acquainted with modern agricultural techniques, the loan generally provides for technical assistance in addition to the credit. Loans were also made to agricultural development banks through national institutes of agrarian reform and colonization, through separate departments of development banks and through special departments of commercial banks located in agricultural areas. Central banks of some countries received loans for relending through their sub-operations. These sub-loans were generally made for such purposes as the construction of wells, the irrigation ditches and fences or the acquisition of equipment and livestock. Ministries of Agriculture were usually directly associated with such activities.

A major part of A.I.D. loans to intermediate credit institutions were reloaned to the housing sector, and contributes to the development of new institutions in the field of housing finance capable of providing services and continuing to generate domestic savings long after the A.I.D. loan is disbursed. Such loans utilized a number of techniques varying with local requirements and institutional factors. Given great emphasis were loans supplementing contributions by governments to National Housing Banks for relending to savings and loan associations in rapidly growing urban areas. Deriving their resources primarily from local savings deposits, savings and loan applications provide long term mortgages for low and middle income families.

Other A.I.D. loans in the housing sector assisted national and municipal government programs for slum clearance and self-help housing construction. Where savings and loan associations have not been able to reach certain very low income groups, loans were made to National Housing Institutes for relending for this purpose.

Increasing support of intermediate credit institutions is evident from the record of development lending by A.I.D. During 1963, A.I.D. extended; (1) 8 loans aggregating \$42.5 million to intermediate credit institutions for purposes of relending in support of housing programs for low and middle income groups; (2) five loans involving \$21 million to development banks; (3) four loans involving \$27.5 million for agricultural credits.

Housing Guaranty Program

The program for extending guarantees for private U.S. investment in pilot, demonstration housing projects in Latin America is showing remarkable growth. In 1962, the first year of the program, only one guaranty was issued for \$1.25 million. In 1963, four guarantees totalling \$29 million were issued. The program has greatly accelerated during the current year. As of June 30, 1964, 10 guarantees totalling \$62 million were issued.

The recently passed Foreign Assistance Act of 1964 increases the ceiling on Latin American housing guarantees from \$150 million to \$250 million. Applications substantially in excess of the new ceilings are already on hand.

Under this program up to 100% of the investment is guaranteed at a maximum fee of 2%. Repayments run over a period of 15-20 years.

The Congress was advised that during the current year A.I.D. will evaluate the program to determine whether such guarantees should become a permanent financial tool of the Alliance for Progress. In this evaluation a major consideration will be the balance of payments impact of such debt obligations on the country of the borrower and on the U.S.

The price range of the housing units constructed under the housing guaranty program is somewhat higher than that of units constructed through A.I.D. financing. This results in part from the fact that the investments are made by private sources and must be repaid in full without subsidy. The beneficiaries are largely middle income families.

In a number of cases impressive results are already apparent. In Lima, Peru, the first homes were delivered to home-owners. In Peru, Colombia, El Salvador, Mexico and Venezuela there are now under construction projects involving more than 8000 units. Other projects are expected to get underway quite soon.

The American Institute for Free Labor Development is an especially important participant in this program. The AIFLD is developing projects in at least 12 countries involving about \$47 million from AFL-CIO trust funds. All these projects will provide better housing for members of democratic labor unions of Latin America.

Other Private Sector Activities

In addition to its lending activities, A.I.D. continued to support a variety of technical assistance projects of direct benefit to the private sector. These include the preparation of inventories of mineral resources, sectoral economic studies, studies of capital requirements, feasibility studies of likely investment opportunities particularly in the industrial field, etc.

Human resource development is also essential to vigorous private sector growth. Programs are continuing in the fields of industrial and vocational training. Schools of business administration are supported in Medellin, Colombia Lima, Peru and Sao Paulo, Brazil. The Harvard Graduate School of Business is conducting an intensive course in executive development for business leaders in the Central American countries. In-service training programs are actively under way in Brazil, Peru, Colombia, etc.

A.I.D. is also making available technical and financial assistance to a number of private sector institutions. For example, management associations are assisted in 10 countries and support is given to strengthen the work of industrial development institutions with particular emphasis on export trade of private industry.

During the past year special attention was devoted to Industrial Promotion or Investment Centers. With A.I.D. support such centers have now been established by nine countries. The activities of these centers emphasize heavily the establishment of new industries by local private enterprise.

They identify investment opportunities, conduct feasibility studies, spread information and provide technical assistance in designing and financing new industries. Thus, increased efforts were made (1) to identify and describe investment prospects in individual countries; (2) to develop a large pool of factual information; and (3) to bring this knowledge to potential investors.

A catalog of investment opportunities covering 372 reports on economic conditions and investment opportunities in Latin America was prepared. This is proving to be a valuable source of information for the investment community.

CHAPTER VII

VOLUNTARY PARTICIPATION OF THE PRIVATE SECTOR IN THE ALLIANCE FOR PROGRESS

Hundreds of private organizations and groups in the United States provide assistance or promote activities related to the goals of the Alliance for Progress, in the spirit of the Charter of Punta del Este. Assistance in education, community development, social welfare projects and other economic and social development activities comes from cooperatives, labor unions, private foundations and universities.

Much of the activity of the foundations is concentrated in the general area of developing human resources, especially at the university level. Also in the field of education and the development of institutions, many universities in the United States are presently cooperating with Latin American institutions through contractual arrangements with the Agency for International Development (see Chapter VIII).

The AFL-CIO is one of the major contributors toward the Worker Education Department of the American Institute for Free Labor Development (AIFLD). The purpose of the Worker Education Department is to provide training in union organization and management for Latin American labor leaders. The AIFLD Social Projects Department is also partially financed by the AFL-CIO. The purpose of this Department is to see that the economic and social benefits of the Alliance for Progress reach the worker. To accomplish this, the Department provides technical assistance in fields such as housing, consumers' and producers' cooperatives and credit unions to free trade unions. The Department sponsors short-term seminars and 90-day Worker Seminars in several of the Latin American capitals. In addition, some of the labor unions in the United States have been providing financing out of union trust funds for lending to Latin American labor unions, the loans to be used in housing for the workers.

The Cooperative League of U.S.A. with its Worldwide Partners program has provided technicians for the training of co-op leaders in Latin America. In addition their dues to the Organization of the Cooperatives of America (OCA) helped strengthen and unite cooperatives throughout Latin America. The Credit Union National Association, acting through its World Extension Department, has provided technicians and leadership for credit unions in Latin America.

The Rural Electric Cooperatives of Kentucky through their Statewide Organization and the National Rural Electric Cooperative Association gave 42,000 pounds of materials to the new Santo Domingo Electric Cooperative in Ecuador, making possible the extension of service to 200 new members before the first dollar of their AID loan became available.

The Overseas Education Fund (OEF) of the League of Women Voters is a service organization. It encourages civic responsibility among the women of Latin America by financing seminars, workshops, and a Leadership Institute at Wellesley College in Massachusetts. Latin American members of the Institute return to their home communities and work as interns in various voluntary agencies under the guidance and leadership of OEF consultants in the field. The organization also gives short courses and holds leadership conferences in Central and South America.

An idea which is very basic to the Alliance for Progress is that it is an alliance not only of governments but also--and perhaps more importantly--of people. Originated last year, the Partners of the Alliance program is a manifestation of the principle. It is a vehicle through which the civic clubs, labor unions, business and professional groups, schools, and even private individuals in the United States may work directly with the people of a village, rural community, barrio improvement association, or other groups in Latin America.

The Partners of the Alliance presents both an opportunity and a challenge to the people of our Hemisphere, to take part individually and collectively in a program which will help meet immediate problems subject to solution by direct action.

Under the Partnership program, some twenty-five U.S. states have already organized, or are in the process of organizing statewide Partners of the Alliance committees. The committees are organized to assist with specific projects from the villages and civic organizations of Latin America; a strong element of self-help is a prerequisite to any of these projects. Projects may range from \$150 to provide roofing materials for a school that some villagers have built themselves to \$1,200 for a jackhammer unit to help the villagers build roads and irrigation ditches. Also inherent to the program are exchanges of ideas, technical assistance, and personnel in the trade union, educational, and public administration fields.

Chile/California, Bolivia/Utah, Costa Rica/Oregon, Ecuador/Idaho, Peru/Texas, Valle del Cauca, Colombia/Oakland County, Michigan, Guatemala/Alabama, and El Salvador/Southern Arizona are among the partnerships that are already functioning under the Partners of the Alliance program. Ten U.S. states have expressed a desire to form relationships with ten states of Brazil. Several other states have indicated a wish to work with Panama, Argentina, Honduras, Nicaragua, and other Latin American countries.

In addition to the Partners of the Alliance program, the "sister-cities" relationship continues to expand, with 81 US-Latin American cities in 19 countries now working together, compared to 58 cities in 17 countries last year (see list). A number of the US cities are assisting and advising their Latin American counterparts on planning and administration.

SISTER CITIES

LATIN AMERICA

UNITED STATES

ARGENTINA

Cordoba
General Roca
Jujuy
Santa Fe

Tampa, Fla.
Chula Vista, Cal.
Clinton, Okla.
Santa Fe Springs, Cal.

BRAZIL

Aguas de Lindoia
Barbacena
Goiania
Jequie
Jundiai
Jundiai
Lajes
Petropolis
Ribeirao Preto
Salvador, Bahia

Paso Robles, Cal.
Burlington, Iowa
Orlando, Fla.
Takoma Park, Md.
Benton Harbor, Mich.
Trenton, N. J.
Monroe, La.
Asheville, N. C.
San Leandro, Cal.
Los Angeles, Cal.

CHILE

Antofagasta
Concepcion
Pucon
La Serena
Puerto Montt
Santiago
Talca
Valparaiso
Vina del Mar

Corvallis, Ore.
West Hartford, Conn.
Lake Oswego, Ore.
Millbrae, Cal.
Coronado, Cal.
Minneapolis, Minn.
Newington, Conn.
Long Beach, Cal.
Sausalito, Cal.

COLOMBIA

Barranquilla
Bogota
Bucaramanga
Cartagena
Manizales
Medellin
Popoyan
Santa Marta
Tulua

Modesto, Cal.
Miami, Fla.
Winston-Salem, N. C.
Coral Gables, Fla.
Wyoming, Mich.
Fort Lauderdale, Fla.
Santa Fe, New Mex.
Melbourne, Fla.
Chillicothe, Ohio

LATIN AMERICA

UNITED STATES

COSTA RICA

San Jose

San Jose, Cal.

DOMINICAN REPUBLIC

Santo Domingo

Moca

Sarasota, Fla.

Turtle Creek, Penn.

ECUADOR

Ambato

Guaranda

Quito

Winchester, Va.

Johnson City, Tenn.

Louisville, Ky.

EL SALVADOR

San Miguel

San Salvador

Santa Ana

New Milford, Conn.

Hollywood, Fla.

Santa Ana, Cal.

GUATEMALA

Guatemala City

Savannah, Ga.

HONDURAS

Juticalpa

San Pedro

Postville, Iowa

Fremont, Cal.

MEXICO

Ajijic

Aguascalientes

Ciudad Obregon

Culiacan

Durango

Ensenada

Guadalajara

Guanaajuato

Guaymas

Hermosillo

La Paz

Los Mochis

Mazatlan

Monterrey

Navajoa

Oaxaco

Puebla

Puerto Vallarta

Queretaro, Mex.

San Felipe

Taxco

Tepic

Toluca

Urupan

Studio City, Cal.

Commerce, Cal.

Santo Paulo, Cal.

Manhattan Beach, Cal.

Roseburg, Ore.

Redondo Beach, Cal.

Downey, Cal.

Claremont, Cal.

El Segundo, Cal.

Norwalk, Cal.

Redondo Beach, Cal.

Bellflower, Cal.

Santa Monica, Cal.

San Antonio, Tex.

Santa Fe Springs, Cal.

Palo Alto, Cal.

Van Nuys, Cal.

Encino, Cal.

Monterey Park, Cal.

Hayward, Cal.

Conoga Park, Cal.

Paramount, Cal.

West Covina, Cal.

Culver City, Cal.

LATIN AMERICA

UNITED STATES

NICARAGUA

Somoto

Gonzales, Cal.

PANAMA

David

Homestead, Fla.

PARAGUAY

Asuncion

York, Penn.

PERU

Arequipa

Charlotte, N. C.

Arequipa

Vancouver, Wash.

Chimbote

Pensacola, Fla.

Cusco

Santa Barbara, Cal.

Miraflores

Pensacola, Fla.

Trujillo

Flint, Mich.

URUGUAY

Mercedes

Merced, Cal.

Montevideo

Montevideo, Minn.

VENEZUELA

Puerto Cabello

Springfield, Ore.

CHAPTER VIII

U.S. TECHNICAL ASSISTANCE

In the past three years, U.S. government programs of direct grant technical assistance to the Latin American countries, have reached a level of about \$100 million annually (on a disbursement basis).

The technical assistance has been directed to the building of institutions in agriculture, industry, housing, water resources, education, and public administration, which are essential for social and economic development. Emphasis once placed on the maintenance of servicios, or an isolated demonstration project, has now been given to the creation of new institutions, or the strengthening of existing ones, to meet the requirements of the public and private sectors to modernize the institutional structure, if growth is to become self-sustaining.

An important element in the reorientation of U.S. technical assistance has been the large and growing program of university contracts. Most of the contractual arrangements establish a direct relationship between a university in the United States and one in a country of Latin America, whereby the talent and experience of the U.S. university are utilized to train faculty members, improve curricula in key developmental disciplines, and provide faculty members to conduct teaching and research programs for the Latin American university.

The following universities presently have contracts with the Agency for International Development (AID) which are regional in scope (i.e., of interest to two or more Latin American countries):

- Cornell University
- Johns Hopkins University
- Loyola University
- Massachusetts Institute of Technology
- Northeastern University
- Pennsylvania State University
- State University of New York
- Syracuse University
- University of Wisconsin

In addition to these regional contracts, there are universities in the United States which had technical service contracts in effect involving every Latin American member country of the Alliance for Progress, as of September 30, 1964.

<u>COUNTRY</u>	<u>PARTICIPATING U.S. UNIVERSITY</u>	<u>FIELD OF ACTIVITY</u>
Argentina	Bucknell University	Engineering Education
Argentina	University of Chicago	Economics
Argentina	Texas A and M University System	Agriculture
Bolivia	Michigan Technological University	Mining and Minerals
Brazil	University of Arizona	Agriculture
Brazil	University of California	Community Development
Brazil	Colorado State University	Industrial Design
Brazil	University of Houston	Education - Engineering
Brazil	Los Angeles State College Foundation	Industrial Design
Brazil	Michigan State University	Public Administration
Brazil	University of Michigan	Education
Brazil	Mississippi State University	Agriculture
Brazil	Ohio State University	Agriculture
Brazil	Purdue University	Agriculture
Brazil	University of Southern California	Public Administration
Brazil	University of Wisconsin	Agriculture
Chile	University of Chicago	Public Administration
Chile	Cornell University	Labor Affairs
Chile	University of Pittsburgh	Labor, Engineering
Colombia	University of Minnesota	Economics
Colombia	Syracuse University	Business Administration
Costa Rica	Louisiana State University and Agricultural and Mechanical College	Public Health
Dominican Republic	University of Michigan	Social and Economic Development
Ecuador	University of Houston	Education
Ecuador	University of Pittsburgh	Education
Ecuador	St. Louis University	Education
Guatemala	University of South Florida	Literacy Program Evaluation

<u>COUNTRY</u>	<u>PARTICIPATING U.S. UNIVERSITY</u>	<u>FIELD OF ACTIVITY</u>
Mexico	University of California	Education
Panama	University of Tennessee	Public Administration
Paraguay	New Mexico State University	Agriculture and Veterinary Science
Paraguay	State University of New York, Research Foundation	Education - Nursing
Peru	Columbia University, Teachers College	Education
Peru	Iowa State University of Science and Technology and State University of Iowa	Agricultural Production
Peru	North Carolina State College	Agriculture
Peru	Leland Stanford Junior University	Business Administration
Uruguay	Indiana University Foundation	Vocational - Industrial Education
Uruguay	Iowa State University of Science and Technology	Agriculture
Venezuela	University of Southern California	Training
Venezuela	University of Wisconsin	Training
Central America and Panama	Harvard	Business Management Development

CHAPTER IX

LONG-TERM LOAN AND GRANT ASSISTANCE
TO LATIN AMERICA BY U.S. AGENCIES

The attached tables summarize economic development assistance extended by U.S. agencies operating under the Alliance for Progress to the 19 Latin American participating countries during the calendar years 1960 through 1963 and the first six months of 1964 (both commitments and disbursements). Data are also provided on a commitments basis for fiscal Years 1960-1964.

The tables cover all assistance made available by the Agency for International Development (both Development Loans and Technical Cooperation grants), the Social Progress Trust Fund, the Peace Corps, all assistance made possible through the sale of U.S. surplus agricultural commodities under Public Law 480 (less local currencies reserved for U.S. uses), and loans from the Export-Import Bank. It should be noted that the data on commitments and disbursements do not include rescheduling of existing Latin American debt.

During calendar 1963 total U.S. assistance to Latin America, in terms of commitments, was \$856.4 million, or nearly \$200 million less than in 1962. The principal reason for the drop was the declining activity from the Social Progress Trust Fund (SPTF), as its resources were rapidly depleting.

However, in the first half of 1964, a total of \$876.5 million was committed, or slightly more than in all of 1963. Although the SPTF level was reduced to less than \$20 million, AID committed \$528.7 million (compared to \$464.6 million in all of 1963). Both PL 480 and the Export-Import Bank reached in six months the level of the full previous year.

On a fiscal year basis, FY 1964 commitments were the highest on record. A total of \$1190.2 million was committed, compared with \$948.2 million in FY 1963. Again, there was a sharp drop in SPTF, roughly compensated by AID. The Export-Import Bank reversed the declining trend of the past three years, and reached a level double that of FY 1963. PL 480 also was much higher than in 1963, reaching a record \$335.3 million in FY 1964.

On a calendar year basis, gross disbursements were moderately higher in 1963 than in 1962 (\$811.9 million and \$746.1 million, respectively), but still below the level of 1961 (\$861.7 million). In 1961, the Export-Import Bank accounted for \$487.3 million of total

disbursements, and in 1963, for \$225.6 million. That is, its share dropped from 56.5% to 27.8%. At the same time, AID increased its participation from \$200.5 million in 1961 to \$324.2 million in 1963, a relative increase from 23.3% to 39.9%.

The accompanying tables illustrate a number of significant trends in U.S. economic assistance programs since commencement of the Alliance for Progress. It is noteworthy, in particular, that "soft" loan and grant assistance, such as that provided by AID and the Social Progress Trust Fund, has increased, not only in absolute terms, but also as a proportion of total U.S. assistance under the Alliance for Progress. "Soft" loans and grants represented only one-third of the economic assistance program of 1960. In 1961, although the total program had increased by at least 50%, "soft" loans and grants represented approximately two-thirds of the total--a ratio which was maintained during 1962 and which rose to five-sixths during 1963 and 1964.

The table entitled "Project Assistance by Field of Activity" includes project authorizations and those portions of development programs which are allocated to specific sectors. During 1961 and 1962, the emphasis of the Alliance lay in developing the financial and technical institutions which individual countries would need to carry out various social development projects in the future. Thus, project assistance was concentrated in areas such as Health and Sanitation, Education, Housing, Community Development, and Social Welfare. By 1963, however, the emphasis began to shift toward projects in such sectors as Transportation, Power, and Industry. During the first half of CY 64, for example, U.S. agencies authorized \$110.3 million for heavy and light industry, and related feasibility studies; \$78.9 million for hydroelectric dams, thermal power plants, rural electrification, and communication facilities; and \$190.1 million for highways, penetration roads, airports, and ports. This trend toward infrastructure and capital productive sectors is expected to continue throughout calendar year 1964 and into 1965.

The tables do not include U.S. financial assistance not classified as direct foreign economic assistance. Items of indirect assistance not included in the tables are:

(1) Compensatory financing by the U.S. Treasury.

(2) Short-term (i.e., less than 5 years) credits of the Export-Import Bank. Such credits are excluded from figures on loan commitments but because of accounting difficulties, disbursements under Export-Import Bank short-term credits (which seldom exceed 10% of Export-Import lending in any period) are included in disbursement figures.

(3) Local currencies generated by sales of agricultural commodities, and reserved by agreement for various U.S. government uses.

(4) All Military Assistance, although, under Civic Action programs, the U.S. makes funds available to Latin American military forces for economic development projects.

The commitments of U.S. Agencies operating under the Alliance for Progress have averaged over \$1 billion during the three and one-half years 1961 through June 30, 1964. The fact that disbursements have not also reached the level of \$1 billion during these years is primarily due to the nature of the projects or programs for which these commitments have been made. The most important causes of this lag or "pipeline" are the following:

(1) A large share of the commitments was made for capital projects with a construction period of from one to four years. Indeed, some loans have been made for construction programs scheduled to require as much as eight years to complete. Disbursements in such cases obviously cannot be expected to exceed the rate at which physical construction proceeds.

(2) In the case of certain projects disbursement lags were due to delays on the part of borrowers in meeting conditions precedent to the disbursement of loan funds. Such conditions often involved the establishment by borrowing countries of new authorities or agencies to maintain the projects after completion.

(3) Delays were also caused in some cases by failure on the part of individual countries to carry out as rapidly as anticipated certain self-help measures agreed upon at Punta del Este and included in specific agreements.

ANNEX

STATISTICAL TABLES

TOTAL U.S. ASSISTANCE TO LATIN AMERICA - COMMITMENTS & OBLIGATIONS
 CALENDAR YEARS 1960, 1961, 1962, 1963, - JAN-JUNE 1964
 -BY AGENCY - a/
 (\$ Millions)

Country & Year	AID b/	Export-Import Bank (Long Term)	Food for Peace g/		Social Progress ^{h/} Trust Fund	Peace ^{i/} Corps	Total
			(Total Sales Agreements)**	Total Sales Agreements (Less U.S. Uses Title I)			
ARGENTINA							
1960	.9	57.0	-	-	-	-	57.9
1961	7.5	-	-	-	-	-	7.5
1962	41.8	56.1	-	-	-	-	132.9
1963	80.9	20.0 ^{c/}	-	-	35.0	-	100.9
1964*	(8.1)	(1.4)	-	-	-	-	(9.5)
BOLIVIA							
1960	16.4	-	.3	.3	-	-	16.7
1961	29.9	-	.6	.6	-	-	30.5
1962	32.9	-	20.9	19.3	6.5	1.4	56.9
1963	45.7	-	9.2	9.2	4.4	1.1	60.4
1964*	(49.1)	-	(13.4)	(12.1)	(.4)	(1.3)	(62.9)
BRAZIL							
1960	8.0	52.8	36.8	31.6	-	-	92.4
1961	71.8	179.0 ^{d/}	75.2	64.3	4.1	-	319.2
1962	29.1	-	137.9	117.5	46.8	.9	194.3
1963	86.8	- ^{e/}	130.0	111.1	4.5	1.5	203.9
1964*	(168.9)	- ^{f/}	(118.1)	(100.4)	-	(1.7)	(271.0)
CHILE							
1960	38.4	77.0	41.3	34.9	-	-	150.3
1961	111.9	12.0	8.6	8.6	13.7	-	146.2
1962	42.4	46.4	24.3	24.3	9.3	1.1	123.5
1963	50.9	17.0	8.1	8.1	2.6	.7	79.3
1964*	(68.8)	(15.0)	(26.3)	(26.3)	(2.5)	(.7)	(113.3)

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* January - June 1964 half - year figures are placed in parentheses.
 ** Represents the total value of agricultural goods scheduled for delivery to recipient countries, and is not added into the total column.

Country & Year	AID b/	Export-Import Bank (Long Term)	Food for Peace g/		Social Progress h/ Trust Fund	Peace i/ Corps	Total
			(Total Sales Agreements)**	Total Sales Agreements (Less U.S. Uses Title I)			
COLOMBIA							
1960	26.9	3.7	3.2	3.2	-	-	33.8
1961	6.5	53.1	6.7	6.7	22.8	-	89.1
1962	9.6	3.4	10.9	10.9	8.5	2.6	120.0
1963	33.6	2.5	20.3	20.3	-	3.4	59.8
1964*	(78.7)	(21.0)	(5.8)	(5.8)	(8.1)	(2.7)	(116.3)
COSTA RICA							
1960	1.4	3.0	-	-	-	-	4.4
1961	9.8	4.5	-	-	3.5	-	17.8
1962	2.0	-	-	-	-	.3	2.3
1963	19.6	- 1/	2.4	2.4	.1	.3	22.4
1964*	(2.9)	-	(.8)	(.8)	(4.1)	(.2)	(8.0)
DOM. REP.							
1960	.2	-	-	-	-	-	.2
1961	***	-	.1	.1	-	-	.1
1962	30.3	9.6	7.6	7.6	6.5	1.0	55.0
1963	25.8	-	13.9	13.9	-	.9	40.6
1964*	(.4)	-	(5.1)	(5.1)	-	(.7)	(6.2)
ECUADOR							
1960	2.2	-	1.5	1.3	-	-	3.5
1961	13.2	.4	3.2	2.6	-	-	16.2
1962	25.9	.5	2.0	2.0	13.6	1.3	43.3
1963	8.2	.8	5.6	5.6	10.9	1.6	27.1
1964*	(19.8)	-	(3.8)	(3.8)	-	(1.3)	(24.9)
EL SALVADOR							
1960	1.1	-	.1	.1	-	-	1.2
1961	3.0	9.6	.1	.1	5.5	-	18.2
1962	3.8	-	3.5	3.5	6.1	.2	13.6
1963	19.2	-	2.3	2.3	-	.4	21.9
1964*	(10.1)	-	(2.4)	(2.4)	-	(.2)	(12.7)

* January-June 1964. 1964 half-year figures are placed in parentheses.

** Represents the total value of agricultural goods scheduled for delivery to recipient countries, and is not added into the total column.

*** Less than \$50,000

Country & Year	AID b/	Export-Import Bank (Long-Term)	Food for Peace ^{E/}		Social Progress ^{h/} Trust Fund	Peace ^{i/} Corps	Total
			(Total Sales Agreements)**	Total Sales Agreements (Less US Uses Title I)			
GUATEMALA							
1960	26.4	10.5	.3	.3	-	-	37.2
1961	3.1	-	.6	.6	-	-	3.7
1962	4.2	-	1.0	1.0	8.8	.4	14.4
1963	3.6	-	2.1	2.1	2.5	1.0	9.2
1964*	(4.9)	(4.6)	(1.2)	(1.2)	-	(.3)	(11.0)
HAITI							
1960	14.0	-	1.1	1.1	-	-	15.1
1961	3.3	-	.9	.9	-	-	4.2
1962	9.7	-	.8	.8	-	-	10.5
1963	1.6	-	1.1	1.1	-	-	2.7
1964*	(1.4)	-	(1.4)	(1.4)	-	-	(2.8)
HONDURAS							
1960	4.2	-	.2	.2	-	-	4.4
1961	4.2	-	.3	.3	-	-	4.5
1962	4.0	-	.2	.2	3.5	.2	7.9
1963	6.0	-	.5	.5	3.7	.2	10.4
1964*	(8.4)	-	(.4)	(.4)	-	(.4)	(9.2)
MEXICO							
1960	.6	39.1	1.1	1.1	-	-	40.8
1961	1.2	109.6	3.5	3.5	-	-	114.3
1962	20.6	13.4	9.0	9.0	13.6	-	56.6
1963	20.2	32.6	14.5	14.5	17.1	-	84.4
1964*	(2.3)	(44.2)	(13.9)	(13.9)	-	-	(60.4)

* January- June 1964. 1964 half-year figures are placed in parentheses.

** Represents the total value of agricultural goods scheduled for delivery to recipient countries, and is not added into the total column.

Country & Year	AID b/	Export-Import Bank (Long-Term)	Food for Peace g/		Social Progress ^{h/} Trust Fund	Peace ^{i/} Corps	Total
			(Total Sales Agreements)**	Total Sales Agreements (Less US Uses Title I)			
NICARAGUA							
1960	3.5	-	-	-	-	-	3.5
1961	8.5	2.0	.3	.3	-	-	10.8
1962	3.8	-	1.1	1.1	7.7	-	12.6
1963	3.2	1.2	1.9	1.9	.2	-	6.5
1964*	(2.9)	-	(.7)	(.7)	-	-	(3.0)
PANAMA							
1960	12.9	-	.3	.3	-	-	13.2
1961	5.0	-	.4	.4	7.6	-	13.0
1962	18.0	2.0	.5	.5	2.8	***	23.3
1963	8.1	7.4	.8	.8	-	.5	16.8
1964*	(3.4)	-	(.5)	(.5)	-	(.5)	(4.4)
PARAGUAY							
1960	2.1	-	.4	.4	-	-	2.5
1961	9.1	-	8.1	7.1	-	-	16.2
1962	2.1	-	3.7	2.9	2.9	-	7.9
1963	2.8	-	4.7	3.0	-	-	5.8
1964*	(4.8)	-	(.6)	(.6)	-	-	(5.4)
PERU							
1960	32.4	22.7	14.2	12.4	-	-	67.5
1961	4.2	8.5	3.2	3.2	23.8	-	39.7
1962	21.2	15.1	6.3	6.3	2.5	1.3	46.4
1963	7.4	14.2	8.3	8.3	-	2.7	32.6
1964*	(32.5)	(24.7)	(14.8)	(11.8)	(3.6)	(1.4)	(74.0)

* January-June 1964. 1964 half-year figures are placed in parentheses.

** Represents the total value of agricultural goods scheduled for delivery to recipient countries, and is not added into the total column.

*** Less than \$50,000.

Country & Year	AID b/	Export-Import Bank (Long-Term)	Food for Peace g/		Social Progress ^{h/} Trust Fund	Peace ^{i/} Corps	Total
			(Total Sales Agreements)**	Total Sales Agreements (Less US Uses Title I)			
URUGUAY							
1960	.1	-	13.1	8.3	-	-	8.4
1961	.1	1.9	.3	.2	2.5	-	4.7
1962	1.3	5.2	4.4	1.9	8.0	***	16.4
1963	7.1	-	.8	.8	-	.6	8.5
1964*	(6.0)	-	(.5)	(.5)	-	(.1)	(6.6)
VENEZUELA							
1960	5.1	75.0	-	-	-	-	80.1
1961	10.2	27.9	-	-	-	-	70.1
1962	12.8	-	12.5	12.5	32.0	-	76.3
1963	2.0	19.1	6.6	6.6	20.0	1.0	29.4
1964*	(1.1)	(12.9)	(4.3)	(4.3)	1.0	.7	(19.3)
REGIONAL							
1960	1.1	-	-	-	-	2.3	3.4
1961	1.0	-	-	-	-	1.6	3.7
1962	17.3	-	-	-	1.1	1.7	20.0
1963	13.7	-	.3	.3	1.0	-	15.6
1964*	(40.9)	-	(.1)	(.1)	1.5 ^{m/}	-	(41.7)
ROCAP ^{l/}							
1960	-	-	-	-	-	-	-
1961	7.0 ^{k/}	-	-	-	-	-	7.0
1962	1.0	-	-	-	2.9	-	3.9
1963	18.2	-	-	-	-	-	18.2
1964*	(13.3)	-	-	-	-	-	(13.3)

* January-June 1964. 1964 half-year figures are placed in parentheses.

** Represents the total value of agricultural goods scheduled for delivery to recipient countries, and is not added into the total column.

*** Less than \$50,000.

<u>Country & Year</u>	<u>AID b/</u>	<u>Export-Import Bank (Long-Term)</u>	<u>Food for Peace E/</u>		<u>Social Progress^{h/} Trust Fund</u>	<u>Peace^{i/} Corps</u>	<u>Total</u>
			<u>(Total Sales Agreements)**</u>	<u>Total Sales Agreements (Less US Uses Title I)</u>			
TOTAL							
CY 1960	197.9	340.8	113.9	95.5	-	2.3	636.5
1961	310.5	408.5 ^{d/}	112.1	99.5	116.6	1.6	936.7
1962	448.8	151.7	246.6	218.1	206.9	13.4	1038.0
1963	464.6	114.8 ^{c/ e/ j/}	233.4	212.8	48.6	15.6	856.4
1964*	(528.7) ⁿ	(123.8) ^{f/}	(214.1)	(192.1)	(19.4)	(12.5)	(876.5)
TOTAL BY FISCAL YEAR							
FY 1960	99.8	111.9	84.3	66.9	-	6.5	285.1
1961	248.0 ⁿ	570.7	149.0	129.3	-	1.9	949.9
1962	472.4	244.9	175.8	154.9	224.4	10.3	1106.8
1963	548.7	86.2	186.0	173.9	124.9	14.5	948.2
1964	621.9	168.3	377.2	335.3	39.6	25.0	1190.2

NOTE: Detail may not add to totals due to rounding. CY 64 figures are preliminary.

* January-June 1964. 1964 half-year figures are placed in parentheses.

** Represents the total value of agricultural goods scheduled for delivery to recipient countries, and is not added into the total column.

554
1430
74

Footnotes:

- a/ Excludes:
- (1) Military assistance.
 - (2) U.S. Treasury compensatory financing.
 - (3) Export-Import Bank debt rescheduling or consolidation credits and deferrals of transfer. (CY 61 \$305 mil., CY 62, \$3 mil., CY 63, \$91 mil., $\frac{1}{2}$ CY 64, \$66 mil.)
 - (4) Title I PL-480 sales agreements for agricultural products intended for generation of local currency for U.S. uses.
 - (5) IDB capital subscription (CY 60 \$80 mil., CY 61 \$110 mil., CY 62 \$60 mil., CY 64 \$50 mil.)
- b/ Computed on a current basis, excluding effect of deobligations and reobligations.
- c/ Excluded Ex-Im refunding of maturities of \$72 million, Credit # E-3.
- d/ CY 61 commitments do not include Ex-Im credit \$1571 totaling \$92.1 mil., which defers the transfer of repayments to Ex-Im (received instead by the Banco do Brasil), and do not include \$212.6 mil. outstanding of \$454.2 mil. in credits (4 credits consolidated) repayments of which was postponed and rescheduled, Credit \$1572.
- e/ Excludes Ex-Im deferral of transfer of \$19.4 mil., Credit # E-6.
- f/ Excludes Ex-Im deferral of transfer of \$66.5 mil., Credit # E-7.
- g/ Included in total sales agreements column (Titles I-IV) are all sales agreements signed under Title I. All Title I commodities are intended for delivery to the recipient countries, but the USG considers as economic assistance only that portion of goods committed which will result in generation of local currency for Country Uses. As indicated, the second column, economic assistance, represents all sales agreements less that portion of Title I which will result in generation of local currency for U.S. Uses. (For a more complete discussion of the above see note c/ "Grants and Loans").
Ocean freight is included for all Titles except Title III. CY 60 Titles I and III are partially estimated.
- h/ Social Progress Trust Fund country technical assistance activities are totaled under "Regional".
- i/ CY 61 Peace Corps and CY 60-64 Inter-American Highway commitments are totaled under Peace Corps in "Regional". Not included is \$2.1 mil. for Rama Road during CY 63. CY 62-64 Peace Corps commitments are broken out by country.
- j/ Excludes Ex-Im deferral of transfer of \$2.6 mil., Credit # E-4.
- k/ \$5.0 mil. loan and \$2.0 mil. grant to Central American Bank for Economic Integration.
- l/ Regional Office for Central America and Panama, established in July, 1962.
- m/ Include \$640,000 for FLASCO and the Getulia Vargas Foundation to be spread over the next five years.

TOTAL U.S. ECONOMIC ASSISTANCE TO LATIN AMERICA a/
 - GRANT AND LOAN DISBURSEMENTS -
 CALENDAR YEARS 1961, 1962, 1963, JAN.-JUNE 1964

YEAR	AGENCY	GRANT	LOAN	TOTAL
TOTALS				
CY 61	AID	92.8	107.7	200.5
	Ex-Im		487.3 <u>1/</u>	487.3
	Food for Peace	162.4		162.4
	Title I Total Value	(157.9)		
	Title I Country Uses	128.5 <u>b/</u>		
	Title II Authorizations	0.1 <u>c/</u>		
	Title III Donations	33.8 <u>d/</u>		
	SPTF <u>e/</u>	0.1	0.9	1.0
	Other <u>f/</u>	10.5		10.5
	TOTAL	265.8	595.9	861.7
	CY 62	AID	86.9	130.6
Ex-Im			309.7 <u>2/</u>	309.7
Food for Peace (I-III)		117.6		117.6
Title I Total Value		(76.2)		
Title I Country Uses		62.0 <u>b/</u>		
Title II Authorizations		9.2 <u>c/</u>		
Title III Donations		45.4 <u>d/</u>		
Title IV Credit Sales			10.8	10.8
SPTF <u>e/</u>		0.6	21.9	22.5
Other <u>f/</u>		8.0		8.0
TOTAL		213.1	533.0	746.1
CY 63	AID	97.3	226.9	324.2
	Ex-Im		225.6 <u>3/</u>	225.6
	Food for Peace	158.1		158.1
	Title I Total Value	(66.3)		
	Title I Country Uses	53.3 <u>b/</u>		
	Title II Authorizations	11.0 <u>c/</u>		
	Title III Donations	93.9 <u>d/</u>		
	Title IV Credit Sales		25.8	25.8
	SPTF <u>e/</u>	.8	65.8	66.6
	Other <u>f/</u>	11.6		11.6
	TOTAL	267.8	544.1	811.9

YEAR	AGENCY	GRANT	LOAN	TOTAL
TOTALS				
CY 64 **	AID	47.2	89.6	135.8
	Ex-Im			40.4
	Food for Peace	103.6	40.4 <u>4/</u>	103.6
	Title I Total Value (41.1)			
	Title I Country Uses 32.4 <u>b/</u>			
	Title II Authorizations 6.1 <u>c/</u>			
	Title III Donations 65.1 <u>d/</u>			
	Title IV Credit Sales			
	SPTF <u>e/</u>		4.7	4.7
	Other <u>f/</u>	.7	29.1	29.1
	TOTAL	7.4		7.4
		158.9	162.8	321.7

1/ See Brazil. 2/ See Brazil. 3/ See Argentina and Brazil. 4/ See Argentina.
 Note: Detail may not add to totals due to rounding.

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- a/ Excludes: (1) Military assistance.
 (2) Export-Import Bank debt re-scheduling and consolidation credits.
 (3) U.S. Treasury compensatory financing.
 (4) Value of goods delivered under Title I, PL 480 estimated to result in generation of local currency for U.S. uses.
 (5) U.S. subscription to IDB (CY 61 \$110 mil.; CY 62 \$60 mil.; CY 64 \$50 mil.)

Includes: Export-Import Bank short-term credits (short-term transactions seldom exceed 10% of Ex-Im lending in any period).

(CY 62 AID Loan, Ex-Im and PL 480 Title IV totals differ slightly from corresponding totals in Table IV of Part II due to small differences in rounding and methodology.)

b/ Title I - The value of commodities received by the country is taken as the basic measure of the transaction. The second stage operations, or uses to which the local currency generated is put, is considered secondary to the main purpose of the Title I program--to make food available for consumption. Title I is therefore listed as a grant. By convention, however, when computing economic assistance, total commodities under Title I are reduced by excluding that portion of total commodities which will result in generation of local currency for U.S. uses. Total value, including ocean freight, of Title I goods delivered is shown in parentheses.

Title I is partially estimated by applying factors to delete U.S. uses and to include ocean freight.

- c/ Title II - transfer authorizations for emergency relief and for child feeding and economic development programs.
 - d/ Title III - donations of surplus foods to voluntary relief agencies. Does not include ocean freight.
 - e/ SPTF technical assistance has not been computed by country but is included as a total under "Regional".
 - f/ 1960-1964 Inter-American Highway. 1962-1964 Peace Corps.
-
- Inter-American Highway has not been computed by country, but is included as a total under "Regional". (Not included is Rama Road CY 61 -- 1/2 64 \$4.0 million.) 1962-1964 Peace Corps is broken out by country. 1961 Peace Corps disbursement of \$166,500 for Colombia and AID grant figure. For CY 62 Peace Corps disbursement is estimated on the basis of average cost of \$750 volunteer per month.

YEAR	AGENCY	GRANT	LOAN	TOTAL
ARGENTINA				
CY 61	AID	0.8	7.5	3.3
	Ex-Im		47.7	47.7
	Food for Peace	-		
	Title I Total Value	-		
	Title II Authorizations	-		
	Title III Donations	-		
	TOTAL	0.8	52.2	56.0
CY 62	AID	1.3	20.1	21.4
	Ex-Im		62.8	62.8
	Food for Peace	-		
	Title I Total Value	-		
	Title II Authorizations	-		
	Title III Donations	-		
	TOTAL	1.3	82.9	84.2
CY 63	AID	1.7	.6	2.3
	Ex-Im		55.7 <u>1/</u>	55.7
	Food for Peace	-		
	Title I Total Value	-		
	Title II Authorizations	-		
	Title III Donations	-		
	TOTAL	1.7	59.4	60.1
CY 64 **	AID	1.4	4.5	5.9
	Ex-Im		14.3 <u>1/</u>	14.3
	Food for Peace	-		
	Title I Total Value	-		
	Title II Authorizations	-		
	Title III Donations	-		
	TOTAL	1.4	19.5	20.9

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1/ Includes deferred repayment of disbursements, Credit # E-3: CY 63, \$39.4 mil.; 1/2 CY 64, \$13.5: Total \$52.9 mil.

YEAR	AGENCY	GRANT	LOAN	TOTAL
BOLIVIA				
CY 61	AID	18.2	0.3	18.5
	Ex-Im		-	-
	Food for Peace	3.5		3.5
	Title I Total Value	(3.5)		
	Title I Country Uses	2.9		
	Title II Authorizations			
	Title III Donations	0.6		
	SPTF			
	TOTAL	21.7	0.3	22.0
	CY 62	AID	23.4	3.2
Ex-Im			-	-
Food for Peace		7.2		7.2
Title I Total Value		(6.8)		
Title I Country Uses		5.6		
Title II Authorizations		0.1		
Title III Donations		1.5		
Peace Corps		0.2		0.2
TOTAL		30.8	3.2	34.0
CY 63		AID	18.2	11.1
	Ex-Im			
	Food for Peace (1-III)	12.6		12.6
	Title I Total Value	(8.4)		
	Title I Country Uses	7.1		
	Title II Authorizations	.3		
	Title III Donations	5.2		
	Title IV Credit Sales		2.6	2.6
	SPTF		.1	.1
	Peace Corps	.6		.6
Total	31.4	13.8	45.2	
CY 64**	AID	8.0	3.8	11.8
	Ex-Im		.1	.1
	Food for Peace (1-III)	3.7		3.7
	Title I Total Value	(1.4)		
	Title I Country Uses	1.2		
	Title II Authorizations	*		
	Title III Donations	2.5		
	SPTF		.5	.5
	Peace Corps	.5		.5
	TOTAL	12.2	4.4	16.6

*Less than \$50,000.00

** January-June 1964

YEAR	AGENCY	GRANT	LOAN	TOTAL	
BRAZIL					
CY 61	AID	6.5	50.0	56.5	
	Ex-Im		161.4 <u>1/</u>	161.4	
	Food for Peace	94.3		94.3	
	Title I Total Value	(107.3)			
	Title I Country Uses	89.1			
	Title III Donations	5.2			
	SPTF				
	TOTAL	100.8	211.4	312.2	
	CY 62	AID	10.3	24.8	35.1
		Ex-Im		100.8 <u>1/</u>	100.8
Food for Peace		64.9		64.9	
Title I Total Value		(58.0)			
Title I Country Uses		48.1			
Title II Authorization		8.4			
Title III Donations		8.4			
SPTF			2.4	2.4	
Peace Corps		0.2		0.2	
TOTAL		75.4	128.0	203.4	
CY 63	AID	12.2	27.4	39.6	
	Ex-Im		81.7 <u>1/</u>	81.7	
	Food for Peace (1-111)	72.5		72.5	
	Title I Total Value	(54.5)			
	Title I Country Uses	43.6			
	Title II Authorizations	6.9			
	Title III Donations	21.9			
	SPTF		7.2	7.2	
	Peace Corps	1.2		1.2	
	TOTAL	85.9	116.3	202.2	
CY 64**	AID	6.1	1.8	7.9	
	Ex-Im		.7	7	
	Food for Peace (1-111)	45.6		45.6	
	Title I Total Value	(33.0)			
	Title I Country Uses	26.4			
	Title II Authorizations	4.1			
	Title III Donations	15.1			
	SPTF		4.3	4.3	
	Peace Corps	.6		.6	
	TOTAL	52.3	6.8	59.1	

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1/ Ex-Im Bank - includes deferred repayment of recorded disbursements, Credit #1571: CY 61 \$14.8 mil.; CY 62 \$38.6 mil.; CY 63 \$26.1 mil.; Total \$79.6 mil. Includes deferred repayment of recorded disbursements; Credit # E-6: CY 63 \$19.4 mil.

YEAR	AGENCY	GRANT	LOAN	TOTAL
<u>CHILE</u>				
CY 61	AID	19.0	30.3	49.3
	Ex-Im		59.7	59.7
	Food for Peace	27.2		27.2
	Title I Total Value	(23.3)		
	Title I Country Uses	18.6		
	Title III Donations	8.6		
	SPTF			
	<u>TOTAL</u>	46.2	90.0	136.2
CY 62	AID	10.5	56.7	67.2
	Ex-Im		21.4	21.4
	Food for Peace (1-111)	4.8		4.8
	Title I Total Value	(1.9)		
	Title I Country Uses	1.5		
	Title III Donations	3.3		
	Title IV Credit Sales		7.5	7.5
SPTF		1.9	1.9	
Peace Corps	0.1		0.1	
	<u>TOTAL</u>	15.4	87.5	102.9
CY 63	AID	2.7	72.7	75.4
	Ex-Im		34.6	34.6
	Food for Peace (1-111)	8.1		8.1
	Title I Total Value	-		
	Title II Authorizations	-		
	Title III Donations	8.1		
	Title IV Credit Sales		11.1	11.1
SPTF		3.9	3.9	
Peace Corps	.4		.4	
	<u>TOTAL</u>	11.2	122.3	133.5
CY 64**	AID	1.9	41.7	43.6
	Ex-Im		6.8	6.8
	Food for Peace (1-111)	5.4		5.4
	Title I Total Value	-		
	Title II Authorizations	-		
	Title III Donations	5.4		
	Title IV Credit Sales		.4	.4
SPTF		2.3	2.3	
Peace Corps	.3		.3	
	<u>TOTAL</u>	7.6	51.2	58.8

YEAR	AGENCY	GRANT	LOAN	TOTAL
COLOMBIA				
CY 61	AID	3.0 1/	1.5	4.5
	Ex-Im		55.1	55.1
	Food for Peace	15.4		15.4
	Title I Total Value	(11.8)		
	Title I Country Uses	8.7		
	Title III Donations	6.7		
	SPTF			
	TOTAL	18.4	56.6	75.0
CY 62	AID	4.1	37.8	41.9
	Ex-Im		3.2	3.2
	Food for Peace	14.3		14.3
	Title I Total Value	(4.8)		
	Title I Country Uses	3.4		
	Title III Donations	10.9		
	SPTF			
	TOTAL	19.1	44.8	63.9
CY 63	AID	5.4	59.8	65.2
	Ex-Im		5.1	5.1
	Food for Peace (I-III)	13.4		13.4
	Title I Total Value	-		
	Title II Authorizations	-		
	Title III Donations	13.4		
	Title IV Credit Sales		5.5	5.5
SPTF		9.5	9.5	
	TOTAL	1.9	79.9	100.6
CY 64**	AID	3.9	12.9	16.8
	Ex-Im		.4	.4
	Food for Peace (I-III)	5.1		5.1
	Title I Total Value	-		
	Title II Authorizations			
	Title III Donations	5.1		
	Title IV Credit Sales		.2	.2
SPTF		2.9	2.9	
	TOTAL	1.4	16.4	26.8

*Less than \$50,000

**January-June 1964

1/ AID Grant and Peace Corps: AID \$2.8 mil.; Peace Corps \$0.2 mil.

YEAR	AGENCY	GRANT	LOAN	TOTAL		
COSTA RICA	CY 61	AID	1.3	0.7	2.0	
		Ex-Im		2.0	2.0	
		Food for Peace				
		Title I Total Value	-			
		Title II Authorization	-			
		Title III Donations	-			
		SPTF		0.4	0.4	
		TOTAL	1.3	3.1	4.4	
	CY 62	AID	1.8	4.4	6.2	
		Ex-Im		1.9	1.9	
			Food for Peace	-		
			Title I Total Value	-		
			Title II Authorizations	-		
		Title III Donations	-			
	SPTF		0.4	0.4		
	TOTAL	1.3	3.1	4.4		
CY 63	AID	1.5	1.4	2.9		
	EX-Im		1.2	1.2		
		Food for Peace	1.1		1.1	
		Title I Total Value	-			
		Title II Authorizations	.9			
		Title III Donations	.2			
		SPTF		1.6	1.6	
		Peace Corps	.2		.2	
	TOTAL	2.8	4.2	7.0		
CY 64**	AID	1.3	1.7	3.0		
	Ex-Im		.5	.5		
		Food for Peace	.8		.8	
		Title I Total Value	-			
		Title II Authorizations	.5			
		Title III Donations	.3			
		SPTF		-	-	
		Peace Corps	0.2		0.2	
	TOTAL	2.3	2.2	4.5		

*Less than \$50,000

** January-June 1964.

YEAR	AGENCY	GRANT	LOAN	TOTAL
DOMINICAN REPUBLIC				
CY 61	AID	*	-	-
	Ex-Im			
	Food for Peace	0.1		0.1
	Title I Total Value	-		
	Title II Authorizations	-		
	Title III Donations	0.1		
	SPTF			
	TOTAL	0.1		0.1
CY 62	AID	0.4	16.8	17.2
	Ex-Im		*	*
	Food for Peace (I-III)	2.6		2.6
	Title I Total Value	-		
	Title II Authorizations			
	Title III Donations	2.6		
	Title IV Credit Sales		0.9	0.9
	SPTF		0.5	0.5
	Peace Corps	0.1		0.1
		TOTAL	3.1	18.2
CY 63	AID	17.5	12.1	29.6
	Ex-Im	2.6	2.6	2.6
	Food for Peace (I-III)	8.3		8.3
	Title I Total Value	-		
	Title II Authorizations	.8		
	Title III Donations	7.5		
	Title IV Credit Sales		4.3	4.4
	SPTF		1.7	1.7
	Peace Corps	1.1		1.1
		TOTAL	26.9	20.7
CY 64	AID	5.3	*	5.3
	Ex-Im		.3	.3
	Food for Peace (I-III)	5.1		5.1
	Title I Total Value	-		
	Title II Authorizations	.1		
	Title III Donations	5.0		
	Title IV Credit Sales		3.8	3.8
	SPTF		.7	.7
	Peace Corps	.6		.6
		TOTAL	11.0	4.8

* Less than \$50,000. ** January-June 1964.

YEAR	AGENCY	GRANT	LOAN	TOTAL		
ECUADOR	CY 61	AID	2.8	6.8	9.6	
		Ex-Im		0.5	0.5	
		Food for Peace	3.9		3.9	
		Title I Total Value	(2.6)			
		Title I Country Uses	2.0			
		Title III Donations	1.9			
		SPTF				
		TOTAL	6.7	7.3	14.0	
		CY 62	AID	2.8	9.2	12.0
			Ex-Im		0.4	0.4
			Food for Peace	2.4		2.4
			Title I Total Value	(8)		
			Title I Country Uses	0.6		
Title II Authorizations	0.1					
Title III Donations	1.7					
SPTF						
Peace Corps	0.1			0.1		
TOTAL	5.3		9.6	14.9		
CY 63	AID		1.8	8.9	10.7	
	Ex-Im			.3	.3	
	Food for Peace(I-III)		1.8		1.8	
	Title I Total Value	*				
	Title I Country Uses	*				
	Title II Authorizations	.1				
	Title III Donations	1.7				
	Title IV Credit Sales		2.3	2.3		
	SPTF		1.2	1.2		
	Peace Corps	.9		.9		
	TOTAL	4.5	12.7	17.2		
	CY 64 **	AID	1.0	3.3	4.3	
		Ex-Im		-	-	
Food for Peace (I-III)		3.7		3.7		
Title I Total Value		-				
Title II Authorizations		.1				
Title III Donations		3.6				
Title IV Credit Sales			.3	.3		
SPTF			1.5	1.5		
Peace Corps		.7		.7		
TOTAL		5.4	5.1	10.5		

* Less than \$50,000

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YEAR	AGENCY	GRANT	LOAN	TOTAL		
EL SALVADOR	CY 61	AID	1.1	-	1.1	
		Ex-Im		6.9	6.9	
		Food for Peace	0.1		0.1	
		Title I Total Value	-			
		Title II Authorizations	-			
		Title III Donations	0.1			
		SPTF				
		TOTAL	1.2	6.9	8.1	
		CY 62	AID	1.8	*	1.8
			Ex-Im		0.5	0.5
			Food for Peace (I-III)	1.5		1.5
			Title I Total Value	-		
			Title II Authorizations	-		
Title III Donations	1.5					
Title IV Credit Sales			0.5	0.5		
SPTF			1.7	1.7		
TOTAL	3.3	2.7	6.0			
CY 63	AID	2.2	1.3	3.5		
	Ex-Im		.8	.8		
	Food for Peace (I-III)	2.3		2.3		
	Title I Total Value	-				
	Title II Authorizations	-				
	Title III Donations	2.3				
	SPTF		5.0	5.0		
	Peace Corps	.2		.2		
TOTAL	4.7	7.1	11.8			
CY 64**	AID	1.3	2.9	4.2		
	Ex-Im		.4	.4		
	Food for Peace (I-III)	2.4		2.4		
	Title I Total Value	-				
	Title II Authorizations	-				
	Title III Donations	2.4				
	SPTF		1.1	1.1		
	Peace Corps	.2		.2		
TOTAL	3.9	4.4	8.3			

*Less than \$50,000.

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YEAR	AGENCY	GRANT	LOAN	TOTAL
<u>GUATEMALA</u>				
CY 61	AID	10.8		10.8
	Ex-Im		0.6	0.6
	Food for Peace	0.6		0.6
	Title I Total Value	--		
	Title II Authorizations	-		
	Title III Donations	0.6		
	SPTF			
	TOTAL	11.4	0.6	12.0
CY 62	AID	4.0	1.5	5.5
	Ex-Im		1.0	1.0
	Food for Peace	1.0		1.0
	Title I Total Value	-		
	Title II Authorizations	-		
	Title III	1.0		
	SPTF			
	Peace Corps			
	TOTAL	5.0	2.5	7.5
CY 63	AID	2.7	2.4	5.1
	Ex-Im		3.1	3.1
	Food for Peace	2.1		2.1
	Title I Total Value	-		
	Title II	-		
	Title III	2.1		
	SPTF			
	Peace Corps	.3	.1	.1
	TOTAL	5.1	5.6	10.7
CY 64**	AID	1.4	1.8	3.2
	Ex-Im		1.1	1.1
	Food for Peace	1.2		1.2
	Title I Total Value			
	Title II Authorizations	-		
	Title III	1.2		
	SPTF			
	Peace Corps		1.1	1.1
	TOTAL	.3	.3	.3
	TOTAL	2.9	4.0	6.9

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YEAR	AGENCY	GRANT	LOAN	TOTAL
HAITI				
CY 61	AID	12.2	2.9	15.1
	Ex-Im		-	-
	Food for Peace	0.9		0.9
	Title I Total Value	-		
	Title II Authorizations	-		
	Title III Donations	0.9		
	SPTF			
	<u>TOTAL</u>	<u>13.1</u>	<u>2.9</u>	<u>16.0</u>
CY 62	AID	3.1	1.0	4.1
	Ex-Im		-	-
	Food for Peace	0.8		0.8
	Title I Total Value	-		
	Title II Authorizations	-		
	Title III Donations	0.8		
	SPTF			
	<u>TOTAL</u>	<u>3.9</u>	<u>1.0</u>	<u>4.9</u>
CY 63	AID	2.1	.2	2.3
	Ex-Im		-	-
	Food for Peace	1.1		1.1
	Title I Total Value	-		
	Title II Authorizations	-		
	Title III Donations	1.1		
	SPTF			
	<u>TOTAL</u>	<u>3.2</u>	<u>.2</u>	<u>3.4</u>
CY 64**	AID	1.0	.1	1.1
	Ex-Im		-	-
	Food for Peace	1.5		1.5
	Title I Total Value	-		
	Title II Authorizations	-		
	Title III Donations	1.5		
	SPTF			
	<u>TOTAL</u>	<u>2.5</u>	<u>.1</u>	<u>2.6</u>

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YEAR	AGENCY	GRANT	LOAN	TOTAL
<u>HONDURAS</u>				
CY 61	AID	2.8	2.7	5.5
	Ex-Im		0.3	0.3
	Food for Peace	0.3		0.3
	Title I Total Value	-		
	Title II Authorizations	-		
	Title III Donations	0.3		
	SPTF			
	Peace Corps			
	TOTAL	3.1	3.0	6.1
CY 62	AID	3.1	2.1	5.2
	Ex-Im		0.1	0.1
	Food for Peace	0.2		0.2
	Title I Total Value	-		
	Title II Authorizations	-		
	Title III Donations	0.2		
	SPTF			
	Peace Corps			
	TOTAL	3.3	2.2	5.5
CY 63	AID	2.3	1.7	4.0
	Ex-Im			
	Food for Peace	.5		.5
	Title I Total Value	-		
	Title II Authorizations	-		
	Title III Donations	.4		
	SPTF		.7	.7
	Peace Corps	.2		.2
	TOTAL	3.0	2.4	5.4
CY 64**	AID	.6	1.2	1.8
	Ex-Im			
	Food for Peace	.4		.4
	Title I Total Value	-		
	Title II Authorizations	-		
	Title III Donations	.4		
	SPTF		.2	.2
	Peace Corps	.1		.1
	TOTAL	1.1	1.4	2.5

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YEAR	AGENCY	GRANT	LOAN	TOTAL
MEXICO				
CY 61	AID	0.6	-	0.6
	Ex-Im		109.1	109.1
	Food for Peace	3.5		3.5
	Title I Total Value	-		
	Title II Authorizations	-		
	Title III Donations	3.5		
	SPTF			
	Peace Corps			
	TOTAL	4.1	109.1	113.2
CY 62	AID	0.8	-	0.8
	Ex-Im		44.6	44.6
	Food for Peace	9.0		9.0
	Title I Total Value	-		
	Title II Authorizations	-		
	Title III Donations	9.0		
	SPTF			
	Peace Corps			
	TOTAL	9.8	44.6	54.4
CY 63	AID	.6	2.0	2.6
	Ex-Im		16.9	16.9
	Food for Peace	13.8		13.8
	Title I Total Value	-		
	Title II Authorizations	.4		
	Title III Donations	13.4		
	SPTF			
	Peace Corps		.7	.7
	TOTAL	14.4	19.6	34.0
CY 64**	AID	.1		.1
	Ex-Im		6.6	6.6
	Food for Peace	14.2		14.2
	Title I Total Value	-		
	Title II Authorizations	.3		
	Title III Donations	13.9		
	SPTF			
	Peace Corps		.5	.5
	TOTAL	14.3	7.1	21.4

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YEAR	AGENCY	GRANT	LOAN	TOTAL
NICARAGUA				
CY 61	AID	1.4	0.4	1.8
	Ex-Im		4.6	4.6
	Food for Peace	0.3		0.3
	Title I Total Value	-		
	Title II Authorizations	-		
	Title III Donations	0.3		
	SPTF			
	TOTAL	1.7	5.0	6.7
CY 62	AID	1.5	1.8	3.3
	Ex-Im		2.7	2.7
	Food for Peace	1.1		1.1
	Title I Total Value	-		
	Title II Authorizations	-		
	Title III Donations	1.1		
	SPTF			
	Peace Corps			
TOTAL	2.6	4.8	7.4	
CY 63	AID	1.3	2.2	3.5
	Ex-Im		.1	.1
	Food for Peace	1.9		1.9
	Title I Total Value	-		
	Title II Authorizations	-		
	Title III Donations	1.9		
	SPTF		3.0	3.0
	Peace Corps			
TOTAL	3.2	5.3	7.5	
CY 64**	AID	1.5	1.7	3.2
	Ex-Im		*	*
	Food for Peace	.8		.8
	Title I Total Value	-		
	Title II Authorizations	-		
	Title III Donations	.8		
	SPTF		1.4	1.4
	Peace Corps			
TOTAL	2.3	3.1	5.4	

*Less than \$50,000

**January-June 1964

YEAR	AGENCY	GRANT	LOAN	TOTAL	
PANAMA CY 61	AID	2.7	0.5	3.2	
	Ex-Im		2.1	2.1	
	Food for Peace	0.4		0.4	
	Title I Total Value	-			
	Title I Country Uses	-			
	Title II Authorizations	-			
	Title III Donations	0.4			
	SPTF		0.5	0.5	
	TOTAL	3.1	3.1	6.2	
	CY 62	AID	3.9	2.4	6.3
		Ex-Im		1.5	1.5
Food for Peace		0.5		0.5	
Title I Total Value		-			
Title I Country Uses		-			
Title II Authorizations		-			
Title III Donations		0.5			
SPTF			2.1	2.1	
Peace Corps					
TOTAL		4.4	6.0	10.4	
CY 63		AID	5.0	2.1	7.1
	Ex-Im		5.4	5.4	
	Food for Peace	.8		.8	
	Title I Total Value	-			
	Title II Authorizations	-			
	Title III Donations	.8			
	SPTF		4.3	4.3	
	Peace Corps	.3		.3	
	TOTAL	6.1	11.8	17.9	
	CY 64**	AID	2.1	1.2	3.3
		Ex-Im		.8	.8
Food for Peace		.5		.5	
Title I Total Value		-			
Title II Authorizations		-			
Title III Donations		.5			
SPTF			1.7	1.7	
Peace Corps		.2		.2	
TOTAL		2.8	3.7	6.5	

**January-June 1964

YEAR	AGENCY	GRANT	LOAN	TOTAL
<u>PARAGUAY</u>				
CY 61	AID	2.0	0.8	2.8
	Ex-Im		0.1	0.1
	Food for Peace	6.0		6.0
	Title I Total Value	(6.0)		
	Title I Country Uses	4.8		
	Title II Authorizations	-		
	Title III Donations	1.2		
	SPTF		-	
	TOTAL	8.0	0.9	8.9
	CY 62	AID	2.1	2.2
Ex-Im			*	
Food for Peace		0.4		0.4
Title I Total Value		-		
Title I Country Uses		-		
Title II Authorizations		-		
Title III Donations		0.4		
SPTF			-	
Peace Corps				
TOTAL		2.5	2.2	4.7
CY 63	AID	2.1	2.1	4.2
	Ex-Im		.2	.2
	Food for Peace	4.3		4.3
	Title I Total Value	(3.3)		
	Title I Country Uses	2.5		
	Title II Authorizations	-		
	Title III Donations	1.8		
	SPTF		.1	.1
	Peace Corps			
	TOTAL	6.4	2.4	8.8
CY 64 **	AID	1.3	1.2	2.5
	Ex-Im		*	*
	Food for Peace	1.8		1.8
	Title I Total Value	(1.6)		
	Title I Country Uses	1.2		
	Title II Authorizations	-		
	Title III Donations	.6		
	SPTF		.2	.2
	Peace Corps			
	TOTAL	3.1	1.4	4.5

*Less than \$50,000

** January-June 1964

YEAR	AGENCY	GRANT	LOAN	TOTAL
PERU				
CY 61	AID	2.1	0.1	2.2
	Ex-Im		7.9	7.9
	Food for Peace	5.6		5.6
	Title I Total Value	(3.4)		
	Title I Country Uses	2.4		
	Title II Authorizations	0.1		
	Title III Donations	3.1		
	SPTF			
	TOTAL	7.7	8.0	15.7
CY 62	AID	2.3	2.1	4.4
	Ex-Im		12.9	12.9
	Food for Peace (I-III)	4.5		4.5
	Title I Total Value	(2.7)		
	Title I Country Uses	1.9		
	Title II Authorizations	0.6		
	Title III Donations	2.0		
	Title IV Credit Sales		1.9	1.9
	SPTF		4.6	4.6
	Peace Corps	0.7		0.7
	TOTAL	7.5	21.5	29.0
CY 63	AID	2.8	3.8	6.6
	Ex-Im		9.3	9.3
	Food for Peace	5.9		5.9
	Title I Total Value	-		
	Title II Authorizations	1.6		
	Title III Donations	4.3		
	SPTF			
	Peace Corps	1.8	5.7	5.7
	TOTAL	10.5	18.8	29.3
CY 64 **	AID	2.6	3.5	6.1 ✓
	Ex-Im		5.8	5.8
	Food for Peace	6.6		6.6
	Title I Total Value	(5.1)		
	Title I Country Uses	3.6		
	Title II Authorizations	.9		
	Title III Donations	2.1		
	SPTF			
	Peace Corps	1.0	3.3	3.3
	TOTAL	10.2	12.6	22.8 ✓

** January-June 1964

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YEAR	AGENCY	GRANT	LOAN	TOTAL
URUGUAY				
CY 61	AID	0.1	3.2	3.2
	Ex-Im		0.7	0.7
	Food for Peace	0.3		0.3
	Title I Total Value	-		
	Title II Authorizations	-		
	Title III Donations	0.3		
	SPTF		-	-
	Peace Corps		-	-
	TOTAL	0.4	3.9	4.3
	CY 62	AID	0.1	2.4
Ex-Im			1.3	1.3
Food for Peace		1.3		1.3
Title I Total Value		(1.2)		
Title I Country Uses		0.9		
Title II Authorizations		-		
Title III Donations		0.4		
SPTF			-	-
Peace Corps			-	-
TOTAL		1.4	3.7	5.1
CY 63	AID	.3	6.8	7.1
	Ex-Im		1.5	1.5
	Food for Peace	.9		.9
	Title I Total Value	(.1)		
	Title I Country Uses	.1		
	Title II Authorizations	-		
	Title III Donations	.8		
	SPTF		-	-
	Peace Corps	*	-	*
	TOTAL	1.2	8.3	9.5
CY 64**	AID	.2	.1	.3
	Ex-Im		.2	.2
	Food for Peace	.5		.5
	Title I Total Value	-		
	Title II Authorizations	-		
	Title III Donations	.5		
	SPTF		-	-
	Peace Corps	.1		.1
	TOTAL	.8	.3	1.1

*Less than \$50,000

** January-June 1964

YEAR	AGENCY	GRANT	LOAN	TOTAL	
VENEZUELA CY 61	AID	0.2	0.1	0.3	
	Ex-Im		28.6	28.6	
	Food for Peace				
	Title I Total Value	-			
	Title II Authorizations	-			
	Title III Donations	-			
	SPTF				
	TOTAL	0.2	-	0.2	
	CY 62	AID	1.1	2.1	3.2
		Ex-Im		54.6	54.6
Food for Peace		1.1		1.1	
Title I Total Value		-			
Title II Authorizations		-			
Title III Donations		1.1			
SPTF					
Peace Corps		0.2	3.0	3.0	
TOTAL		2.4	0.2	2.6	
CY 63		AID	2.4	59.7	62.1
	Ex-Im		8.3	10.7	
	Food for Peace	6.6	7.1	7.1	
	Title I Total Value	-		6.6	
	Title II Authorizations	-			
	Title III Donations	6.6			
	SPTF				
	Peace Corps		17.9	17.9	
	TOTAL	.5	.5	1.0	
	CY 64 **	AID	9.5	33.3	42.8
Ex-Im		1.0	4.4	5.4	
Food for Peace		4.3	2.4	2.4	
Title I Total Value		-		4.3	
Title II Authorizations		.1			
Title III Donations		4.2			
SPTF					
Peace Corps			6.7	6.7	
TOTAL		.4	.4	.8	
		5.7	13.5	19.2	

* Less than \$50,000 ** January-June 1964

YEAR	AGENCY	GRANT	LOAN	TOTAL
REGIONAL				
CY 61	AID	3.2	-	3.2
	Ex-Im		-	-
	Food for Peace		-	-
	Title I Total Value	-	-	-
	Title II Authorizations	-	-	-
	Title III Donations	-	-	-
	SPTF	0.1 ^{2/}	-	0.1
	Inter-American Highway	10.5 ^{1/}	-	10.5
	TOTAL	13.8	-	13.8
CY 62	AID	7.6	-	7.6
	Ex-Im		-	-
	Food for Peace		-	-
	Title I Total Value	-	-	-
	Title II Authorizations	-	-	-
	Title III Donations	-	-	-
	SPTF	0.6 ^{2/}	-	0.6
	Inter-American Highway	5.5 ^{1/}	-	5.5
	TOTAL	13.7	-	13.7
CY 63	AID	11.2	-	11.2
	Ex-Im		-	-
	Food for Peace		-	-
	Title I Total Value	-	-	-
	Title II Authorizations	-	-	-
	Title III Donations	-	-	-
	SPTF	.8 ^{2/}	*	.8
	Inter-American Highway	2.1 ^{1/}	-	2.1
	TOTAL	14.1	*	14.1
CY 64 **	AID	3.0	.8	3.8
	Ex-Im		-	-
	Food for Peace		-	-
	Title I Total Value	-	-	-
	Title II Authorizations	-	-	-
	Title III Donations	-	-	-
	SPTF	.7 ^{2/}	*	.7
	Inter-American Highway	.8 ^{1/}	-	.8
	TOTAL	4.5	.8	5.3

* Less than \$50,000

** January-June 1964

^{1/} Total for Region

^{2/} SPTF Country Technical Assistance Carried as Total

YEAR	AGENCY	GRANT	LOAN	TOTAL
ROCAP ***				
CY 61	AID	2.0 ^{1/}	-	2.0
	Ex-Im	-	-	-
	Food for Peace	-	-	-
	Title I Total Value	-	-	-
	Title II Authorizations	-	-	-
	Title III Donations	-	-	-
	SPTF	-	-	-
	TOTAL	2.0 ^{1/}	-	2.0
CY 62	AID	0.8	-	0.8
	Ex-Im	-	-	-
	Food for Peace	-	-	-
	Title I Total Value	-	-	-
	Title II Authorizations	-	-	-
	Title III Donations	-	-	-
	SPTF	-	-	-
	Peace Corps	-	-	-
	TOTAL	0.8	-	0.8
CY 63	AID	1.3	-	1.3
	Ex-Im	-	-	-
	Food for Peace	-	-	-
	Title I Total Value	-	-	-
	Title II Authorizations	-	-	-
	Title III Donations	-	-	-
	SPTF	-	-	-
	Peace Corps	-	-	-
	TOTAL	1.3	-	1.3
CY 64 **	AID	2.2	-	2.2
	Ex-Im	-	-	-
	Food for Peace	-	-	-
	Title I Total Value	-	-	-
	Title II Authorizations	-	-	-
	Title III Donations	-	-	-
	SPTF	-	-	-
	Peace Corps	-	-	-
	TOTAL	2.2	-	2.2

** January-June 1964 *** Regional Office of Central America and Panama, est. July 1962.

^{1/} Central American Bank for Economic Integration

TOTAL U.S. ECONOMIC ASSISTANCE TO LATIN AMERICA - DISBURSEMENTS a/
 CALENDAR YEARS 1961, 1962, 1963, JAN.-JUNE 1964

YEAR	AGENCY	GRANT	LOAN		TOTAL Grant & Net	
			Gross	Repayment of Principal		Net Disbursement
TOTALS						
CY 61	AID	92.8	107.7	0.7	107.0	199.8
	Ex-Im		487.3 <u>1/</u>	139.9	347.4	347.4
	Food for Peace	162.4				162.4
	Title I Total Value (157.9)					
	Title I Country Uses 128.5 <u>b/</u>					
	Title II Authorizations 0.1 <u>c/</u>					
	Title III Donations 33.8 <u>d/</u>					
	SPTF <u>e/</u>	0.1	0.9	-	0.9	1.0
	Other <u>f/</u>	10.5				10.5
	TOTAL	265.8	595.9	140.6	455.3	721.1
CY 62	AID	86.9	190.6	4.4	186.2	273.1
	Ex-Im		309.7 <u>2/</u>	157.2	152.5	152.5
	Food for Peace (I-III)	117.6				117.6
	Title I Total Value (76.2)					
	Title I Country Uses 62.0 <u>b/</u>					
	Title II Authorizations 9.2 <u>c/</u>					
	Title III Donations 46.4 <u>d/</u>					
	Title IV Credit Sales		10.8		10.8	10.8
	SPTF <u>e/</u>	0.6	21.9	0.4	21.5	22.1
	Other <u>f/</u>	8.0				8.0
TOTAL	213.1	533.0	162.0	371.0	584.1	
CY 63	AID	97.3	226.9	7.8	219.1	316.4
	Ex-Im		225.6 <u>3/</u>	158.1	67.5	67.5
	Food for Peace	158.1				158.1
	Title I Total Value (66.3)					
	Title I Country Uses 53.3 <u>b/</u>					
	Title II Authorizations 11.0 <u>c/</u>					
	Title III Donations 93.9 <u>d/</u>					
	Title IV Credit Sales		25.8	-	25.8	25.8
	SPTF <u>e/</u>	.8	65.8	1.2	64.6	65.4
	Other <u>f/</u>	11.6				11.6
TOTAL	267.8	544.1	167.1	377.0	644.8	

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YEAR	AGENCY	GRANT	LOAN			TOTAL Grant & Net
			Gross	Repayment of Principal	Net Disbursement	
TOTALS						
CY 64**	AID	47.2	88.6	3.8	84.8	132.0
	Ex-Im		40.4 <u>4/</u>	154.6	-114.2	-114.2
	Food for Peace	103.6				103.6
	Title I Total Value (41.1)					
	Title I Country Uses 32.4 <u>b/</u>					
	Title II Authorizations 6.1 <u>c/</u>					
	Title III Donations 65.1 <u>d/</u>					
	Title IV Credit Sales		4.7	-	4.7	4.7
	SPTF <u>e/</u>	.7	29.1	1.3	27.5	28.2
	Other <u>f/</u>	7.4				7.4
	TOTAL	158.9	162.8	159.7	2.8	161.7

1/ See Brazil. 2/ See Brazil. 3/ See Argentina and Brazil. 4/ See Argentina.
 Note: Detail may not add to totals due to rounding.

** January-June 1964

- a/ Excludes:
- (1) Military assistance.
 - (2) Export-Import Bank debt re-scheduling and consolidation credits.
 - (3) U.S. Treasury compensatory financing.
 - (4) Value of goods delivered under Title I, PL 480 estimated to result in generation of local currency for U.S. uses.
 - (5) U.S. subscription to IDB (CY 61 \$110 mil.; CY 62 \$60 mil.; CY 64 \$50 mil.)

Includes: Export-Import Bank short-term credits (short-term transactions seldom exceed 10% of Ex-Im lending in any period).

(CY 62 AID Loan, Ex-Im and PL 480 Title IV totals differ slightly from corresponding totals in Table IV of Part II due to small differences in rounding and methodology.)

- b/ Title I - The value of commodities received by the country is taken as the basic measure of the transaction. The second stage operations, or uses to which the local currency generated is put, is considered secondary to the main purpose of the Title I program-- to make food available for consumption. Title I is therefore listed as a grant. By convention, however, when computing economic assistance, total commodities under Title I are reduced by excluding that portion of total commodities which will result in generation of local currency for U.S. uses. Total value, including ocean freight, of Title I goods delivered is shown in parentheses.

Title I is partially estimated by applying factors to delete U.S. uses and to include ocean freight.

- c/ Title II - transfer authorizations for emergency relief and for child feeding and economic development programs.
- d/ Title III - donations of surplus foods to voluntary relief agencies. Does not include ocean freight.
- e/ SPTF technical assistance has not been computed by country but is included as a total under "Regional".
- f/ 1960-1964 Inter-American Highway. 1962-1964 Peace Corps.
 - Inter-American Highway has not been computed by country, but is included as a total under "Regional". (Not included is Rama Road CY 61 - 1/2 64 \$4.0 million.) 1962-1964 Peace Corps is broken out by country. 1961 Peace Corps disbursement of \$166,500 for Colombia and AID grant figure. For CY 62 Peace Corps disbursement is estimated on the basis of average cost of \$750 volunteer per month.

YEAR	AGENCY	GRANT	LOAN			TOTAL Grant & Net
			Gross	Repayment of Principal	Net Disbursement	
ARGENTINA CY 61	AID	0.8	7.5	0.2	7.3	8.1
	Ex-Im		47.7	14.6	33.1	33.1
	Food for Peace					
	Title I Total Value	-				
	Title II Authorizations	-				
	Title III Donations	-				
	SPTF					
	TOTAL	0.8	55.2	14.8	40.4	41.2
CY 62	AID	1.3	20.1	0.2	19.9	21.2
	Ex-Im		62.8	17.0	45.8	45.8
	Food for Peace					
	Title I Total Value	-				
	Title II Authorizations	-				
	Title III Donations	-				
	SPTF					
	TOTAL	1.3	82.9	17.2	65.7	67.0
CY 63	AID	1.7	.6	2.2	1.6	.1
	Ex-Im		55.7 1/	9.3	46.4	46.4
	Food for Peace (I-III)					
	Title I Total Value	-				
	Title II Authorizations	-				
	Title III Donations	-				
	SPTF					
	TOTAL	1.7	3.1	*	3.1	3.1
CY 64 **	AID	1.4	59.4	11.5	47.9	49.6
	Ex-Im		4.5	2.2	2.3	3.7
	Food for Peace (I-III)		14.3 1/	4.1	10.2	10.2
	Title I	-				
	Title II	-				
	Title III	-				
	SPTF					
	TOTAL	1.4	19.5	6.4	13.1	14.5

* Less than \$50,000 ** January-June 1964

1/ Includes deferred repayment of disbursements, Credit # E-3: CY 63, \$39.4 mil.; 1/2 CY 64, \$13.5: Total \$52.9 mil.

YEAR	AGENCY	GRANT	LOAN			TOTAL Grant & Net
			Gross	Repayment of Principal	Net Disbursement	
BOLIVIA						
CY 1961	AID	18.2	0.3	*	0.3	18.5
	Ex-Im		-	-	-	-
	Food for Peace	3.5	-	-	-	3.5
	Title I Total Value	(3.5)				
	Title I Country Uses	2.9				
	Title III Donations	0.6				
	SPTF		-	-	-	-
	TOTAL	21.7	0.3	-	0.3	22.0
CY 1962	AID	23.4	3.2	-	3.2	26.6
	Ex-Im		-	-	-	-
	Food for Peace	7.2				
	Title I Total Value	(6.8)				
	Title I Country Uses	5.6				
	Title II Authorizations	0.1				
	Title III Donations	1.5				
	SPTF		-	-	-	-
	Peace Corps	0.2	-	-	-	0.2
	TOTAL	30.8	3.2	-	3.2	34.0
CY 1963	AID	18.2	11.1	.1	11.0	29.2
	Ex-Im		*	10.7	-10.7	-10.7
	Food for Peace (I-III)	12.6	-	-	-	12.6
	Title I Total Value	(8.4)				
	Title I Country Uses	7.1				
	Title II Authorizations	.3				
	Title III Donations	5.2				
	Title IV Credit Sales		2.6	-	2.6	2.6
	SPTF		.1	-	.1	.1
	Peace Corps	.6	-	-	-	.6
	TOTAL	31.4	13.8	10.8	3.0	34.4
CY 1964 **	AID	8.0	3.8	-	3.8	11.8
	Ex-Im		.1	*	.1	.1
	Food for Peace (I-III)	3.7				3.7
	Title I Total Value	(1.4)				
	Title I Country Uses	1.2				
	Title II Authorizations	*				
	Title III Donations	2.5				
	SPTF		.5	*	.5	.5
	Peace Corps	.5	-	-	-	.5
	TOTAL	12.2	4.4	*	4.4	16.6

* Less than \$50,000

** January-June 1964

YEAR	AGENCY	GRANT	LOAN			TOTAL
			Gross	Repayment of Principal.	Net Disbursement	
BRAZIL CY 1961	AID	6.5	50.0	*	50.0	56.5
	Ex-Im		161.4 <u>1/</u>	28.1	133.3	133.3
	Food for Peace	94.3				94.3
	Title I Total Value	(107.3)				
	Title I Country Uses	89.1				
	Title II Authorizations	-				
	Title III Donations	5.2				
SPTF						
	TOTAL	100.8	211.4	28.1	183.3	284.1
CY 1962	AID	10.3	24.8	-	24.8	35.1
	Ex-Im		100.8 <u>1/</u>	39.0	61.8	61.8
	Food for Peace	64.9				64.9
	Title I Total Value	(58.0)				
	Title I Country Uses	48.1				
	Title II Authorizations	8.4				
	Title III Donations	8.4				
SPTF						
	Peace Corps	0.2	2.4	=	2.4	2.4
	TOTAL	75.4	128.0	39.0	89.0	164.4
CY 1963	AID	12.2	27.4	*	27.4	39.6
	Ex-Im		81.7 <u>1/</u>	12.5	69.2	69.2
	Food for Peace (I-III)	72.5				72.5
	Title I Total Value	(54.5)				
	Title I Country Uses	43.6				
	Title II Authorizations	6.9				
	Title III Donations	21.9				
	Title IV Credit Sales	-				
	SPTF		7.2	.1	7.1	7.1
	Peace Corps	1.2				1.2
	TOTAL	85.9	116.3	12.6	3.7	189.6
CY 1964 **	AID	6.1	1.8	*	1.8	7.9
	Ex-Im		.7	4.7	-4.0	4.0
	Food for Peace (I-III)	45.6				45.6
	Title I Total Value	(33.0)				
	Title I Country Uses	26.4				
	Title II Authorizations	4.1				
	Title III Donations	15.1				
	SPTF		4.3	.1	4.2	4.2
	Peace Corps	.6				.6
		TOTAL	52.3	6.8	4.8	2.0

* Less than \$50,000. ** January-June 1964.

1/ Ex-Im Bank - includes deferred repayment of recorded disbursements, Credit #1571: CY 61 \$14.8 mil.; CY 62 \$38.6 mil.; CY 63 \$26.1 mil.; Total, \$79.6 mil. Includes deferred repayment of recorded disbursements; Credit # E-6: CY 63 \$19.4 mil.

YEAR	AGENCY	GRANT	LOAN			TOTAL Grant & Net
			Gross	Repayment of Principal	Net Disbursement	
CHILE CY 61	AID	19.0	30.3	*	30.3	49.3
	Ex-Im		59.7	13.5	46.2	46.2
	Food for Peace	27.2				27.2
	Title I Total Value	(23.3)				
	Title I Country Uses	18.6				
	Title III Donations	8.6				
	SPTF					
CY 62	TOTAL	46.2	90.0	13.5	76.5	122.7
	AID	10.5	56.7	0.1	56.6	67.1
	Ex-Im		21.4	17.0	4.4	4.4
	Food for Peace (I-III)	4.8				4.8
	Title I Total Value	(1.9)				
	Title I Country Uses	1.5				
	Title III Donations	3.3				
	Title IV Credit Sales					
	SPTF		7.5	-	7.5	7.5
	Peace Corps	0.1	1.9	-	1.9	1.9
CY 63	TOTAL	15.4	87.5	17.1	70.4	112.9
	AID	2.7	72.7	.1	72.6	75.3
	Ex-Im		34.6	20.4	14.2	14.2
	Food for Peace (I-III)	8.1				8.1
	Title I Total Value	-				
	Title II Authorizations	-				
	Title III Donations	8.1				
	Title IV Credit Sales					
	SPTF		11.1	-	11.1	11.1
	Peace Corps	.4	3.9	.1	3.8	3.8
CY 64	TOTAL	11.2	122.3	20.6	101.7	112.9
	AID	1.9	41.7	.1	41.6	43.5
	Ex-Im		6.8	12.0	5.2	5.2
	Food for Peace (I-III)	5.4				5.4
	Title I Total Value	-				
	Title II Authorizations	-				
	Title III Donations	5.4				
	Title IV Credit Sales					
	SPTF		.4	-	.4	.4
	Peace Corps	.3	2.3	.2	2.1	2.1
TOTAL	7.6	51.2	12.3	38.9	46.5	

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<u>YEAR</u>	<u>AGENCY</u>	<u>GRANT</u>	<u>LOAN</u>			<u>TOTAL Grant & Net</u>
			<u>Gross</u>	<u>Repayment of Principal</u>	<u>Net Disbursement</u>	
COLOMBIA CY 61	AID	3.0 1/	1.5	-	1.5	4.5
	Ex-Im		55.1	20.3	34.8	34.8
	Food for Peace	15.4				15.4
	Title I Total Value	(11.8)				
	Title I Country Uses	8.7				
	Title III Donations	6.7				
	SPTF					
CY 62	<u>TOTAL</u>	<u>18.4</u>	<u>56.6</u>	<u>20.3</u>	<u>36.3</u>	<u>54.7</u>
	AID	4.1	37.8	*	37.7	41.8
	Ex-Im		3.2	18.9	-15.7	-15.7
	Food for Peace	14.3				14.3
	Title I Total Value	(4.8)				
	Title I Country Uses	3.4				
	Title III Donations	10.9				
CY 63	SPTF		3.8	-	3.8	3.8
	Peace Corps	0.7				0.7
	<u>TOTAL</u>	<u>19.1</u>	<u>44.8</u>	<u>18.9</u>	<u>25.8</u>	<u>44.9</u>
	AID	5.4	59.8	.1	59.7	65.1
	Ex-Im		5.1	25.5	-20.4	-20.4
	Food for Peace (I-III)	13.4				13.4
	Title I Total Value	-				
Title II Authorizations	..					
Title III Donations	13.4					
Title IV Credit Sales			5.5	-	5.5	5.5
SPTF			9.5	.2	9.3	9.3
Peace Corps	1.9					1.9
<u>TOTAL</u>	<u>20.7</u>	<u>79.9</u>	<u>25.8</u>	<u>54.1</u>	<u>74.8</u>	
CY 64 **	AID	3.9	12.9	*	12.9	16.8
	Ex-Im		.4	16.8	-16.4	-16.4
	Food for Peace (I-III)	5.1				5.1
	Title I Total Value	-				
	Title II Authorizations *					
	Title III Donations	5.1				
	Title IV Credit Sales			.2	-	.2
SPTF	1.4					
<u>TOTAL</u>	<u>10.4</u>	<u>16.4</u>	<u>16.9</u>	<u>-.5</u>	<u>9.9</u>	

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1/ AID Grant and Peace Corps: AID \$2.8 Mil; Peace Corps \$0.2 Mil.

YEAR	AGENCY	GRANT	LOAN			TOTAL Grant & Net
			Gross	Repayment of Principal	Net Disbursement	
COSTA RICA CY 61	AID	1.3	0.7	*	0.7	2.0
	Ex-Im		2.0	1.2	0.8	0.8
	Food for Peace					
	Title I Total Value	-				
	Title II Authorizations	-				
	Title III Donations					
	SPTF		0.4	-	0.4	0.4
	TOTAL	1.3	3.1	1.2	1.9	3.2
CY 62	AID	1.8	4.4	-	4.4	6.2
	Ex-Im		1.9	1.9	-	
	Food for Peace	-				
	Title I Total Value	-				
	Title II Authorizations	-				
	Title III Donations	-				
	SPTF		1.6	*	1.5	1.5
	Peace Corps	-				
	TOTAL	1.8	7.9	1.9	5.9	7.7
CY 63	AID	1.5	1.4	.1	1.3	2.8
	Ex-Im		1.2	1.1	.1	.1
	Food for Peace (I-III)	1.1				1.1
	Title I Total Value	-				
	Title II Authorizations	.9				
	Title III Donations	.2				
	SPTF		1.6	*	1.6	1.6
	Peace Corps	.2				.2
	TOTAL	2.8	4.2	1.2	3.0	5.8
CY 64**	AID	1.3	1.7	*	1.7	3.0
	Ex-Im		.5	.3	.2	.2
	Food for Peace (I-III)	.8				.8
	Title I Total Value	-				
	Title II Authorizations	.5				
	Title III Donations	.3				
	SPTF		-	-	-	-
	Peace Corps	.2				.2
	TOTAL	2.3	2.2	.3	1.9	4.2

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YEAR	AGENCY	GRANT	LOAN			TOTAL Grant & Net
			Gross	Repayment of Principal	Net Disbursement	
DOMINICAN REPUBLIC						
CY 61	AID	*	-	-	-	
	Ex-Im		-	-	-	
	Food for Peace	0.1				
	Title I Total Value	-				0.1
	Title II Authorizations	-				
	Title III Donations	0.1				
	TOTAL	0.1				0.1
CY 62	AID	0.4	16.8	-	16.8	17.2
	Ex-Im		*	-	*	*
	Food for Peace (I-III)	2.6				2.6
	Title I Total Value	-				
	Title II Authorizations	-				
	Title III Donations	2.6				
	Title IV Credit Sales		0.9	-	0.9	0.9
	SPIF		0.5	-	0.5	0.5
Peace Corps	0.1				0.1	
	TOTAL	3.1	18.2		18.2	21.3
CY 63	AID	17.5	12.1	-	12.1	29.6
	Ex-Im		2.6	-	2.6	2.6
	Food for Peace (I-III)	8.3				8.3
	Title I Total Value	-				
	Title II Authorizations	.8				
	Title III Donations	7.5				
	Title IV Credit Sales		4.3	-	4.3	4.3
	SPIF		1.7	-	1.7	1.7
Peace Corps	1.1				1.1	
	TOTAL	26.9	20.7		20.7	47.6
CY 64 **	AID	6.3	*	-	*	5.3
	Ex-Im		.3	.1	.2	.2
	Food for Peace (I-III)	5.1				5.1
	Title I Total Value	-				
	Title II Authorizations	.1				
	Title III Donations	5.0				
	Title IV Credit Sales		3.8	-	3.8	3.8
	SPIF		.7	*	.6	.6
Peace Corps	.6				.6	
	TOTAL	11.0	4.8	.1	4.6	15.6

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YEAR	AGENCY	GRANT	LOAN			TOTAL Grant & New
			Gross	Repayment of Principal	Net Disbursement	
ECUADOR CY 61	AID	2.8	6.8	0.2	6.6	9.4
	Ex-Im		0.5	2.5	-2.0	-2.0
	Food for Peace	3.9				3.9
	Title I Total Value	(2.6)				
	Title I Country Uses	2.0				
	Title III Donations	1.9				
	SPTF					
	TOTAL	6.7	7.3	2.7	4.6	11.3
CY 62	AID	2.8	9.2	0.4	8.8	11.6
	Ex-Im		0.4	2.3	-1.0	-1.3
	Food for Peace	2.4				2.4
	Title I Total Value	(.8)				
	Title I Country Uses	0.6				
	Title II Authorizations	0.1				
	Title III Donations	1.7				
	SPTF					
	Peace Corps	0.1				0.1
	TOTAL	5.3	9.6	2.7	6.9	12.2
CY 63	AID	1.8	8.9	.7	-8.2	-10.0
	Ex-Im		.3	2.5	-2.2	-2.2
	Food for Peace (I-III)	1.8				1.8
	Title I Total Value	(*)				
	Title I Country Uses	(*)				
	Title II Authorizations	.1				
	Title III Donations	1.7				
	Title IV Credit Loans		2.3	-	2.3	2.3
	SPTF		1.2	.1	1.1	1.1
	Peace Corps	.9				.9
	TOTAL	4.5	12.7	3.3	9.4	13.9
CY 64 **	AID	1.0	3.3	.2	-3.1	4.1
	Ex-Im		-	1.2	-1.2	-1.2
	Food for Peace (I-III)	3.7				3.7
	Title I Total Value	-				
	Title II Authorizations	.1				
	Title III Donations	3.6				
	Title IV Credit Loans			.3	-	.3
	SPTF		1.5	*	1.4	1.4
	Peace Corps	.7				.7
	TOTAL	5.4	5.1	1.4	3.6	9.0

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<u>YEAR</u>	<u>AGENCY</u>	<u>GRANT</u>	<u>LOAN</u>			<u>TOTAL Grant & Net</u>	
			<u>Gross</u>	<u>Repayment of Principal</u>	<u>Net Disbursement</u>		
EL SALVADOR CY 61	AID	1.1	-	-	-	1.1	
	Ex-Im		6.9	*	6.9	6.9	
	Food for Peace	0.1				0.1	
	Title I Total Value	-					
	Title II Authorization	-					
	Title III	0.1					
	SPTF						
	TOTAL	1.2	6.9		6.9	8.1	
	CY 62	AID	1.8	*	-	*	1.8
		Ex-Im		0.5	0.2	0.3	0.3
Food for Peace (I-III)		1.5				1.5	
Title I Total Value		-					
Title II Authorizations		-					
Title III Donations		1.5					
Title IV Credit Sales			0.5	-	0.5	0.5	
SPTF			1.7	*	1.7	1.7	
Peace Corps		-					
TOTAL		3.3	2.7	0.2	2.5	5.8	
CY 63	AID	2.2	1.3	.3	1.0	3.2	
	Ex-Im		.8	.3	.5	.5	
	Food for Peace	2.3				2.3	
	Title I Total Value	-					
	Title II Authorizations	-					
	Title III Donations	2.3					
	SPTF		5.0	.1	4.9	4.9	
	Peace Corps	0.2				.2	
	TOTAL	4.7	7.1	.7	6.4	11.1	
	CY 64 **	AID	1.3	2.9	*	2.9	4.2
Ex-Im			.4	2.5	2.1	2.1	
Food for Peace		2.4				2.4	
Title I Total Value		-					
Title II Authorizations		-					
Title III Donations		2.4					
SPTF			1.1	.1	1.0	1.0	
Peace Corps		.2				.2	
TOTAL		3.9	4.4	2.6	.8	5.7	

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<u>YEAR</u>	<u>AGENCY</u>	<u>GRANT</u>	<u>EOAN</u>			<u>TOTAL Grant & Net</u>
			<u>Gross</u>	<u>Repayment of Principal</u>	<u>Net Disbursement</u>	
GUATEMALA CY 61	AID	10.8	-	*	-	10.8
	Ex-Im		0.6	0.2	0.4	0.4
	Food for Peace	0.6				0.6
	Title I Total Value	-				
	Title II Authorizations	-				
	Title III Donations	0.6				
	SPIF					
	<u>TOTAL</u>	<u>11.4</u>	<u>0.6</u>	<u>0.2</u>	<u>0.4</u>	<u>11.8</u>
CY 62	AID	4.0	1.5	*	1.4	5.4
	Ex-Im		1.0	0.4	0.6	1.6
	Food for Peace	-	1.0			1.0
	Title I Total Value	-				
	Title II Authorizations	-				
	Title III Donations	1.0				
	SPIF					
	<u>TOTAL</u>	<u>5.0</u>	<u>2.5</u>	<u>0.4</u>	<u>2.0</u>	<u>7.0</u>
CY 63	AID	2.7	2.4	.2	2.2	4.9
	Ex-Im		3.1	.3	2.8	2.8
	Food for Peace	2.1				2.1
	Title I Total Value	-				
	Title II Authorizations	-				
	Title III Donations	2.1				
	SPIF			.1	*	.1
Peace Corps		.3				.3
	<u>TOTAL</u>	<u>5.1</u>	<u>5.6</u>	<u>.5</u>	<u>5.1</u>	<u>10.2</u>
CY 1964**	AID	1.4	1.8	.1	1.7	3.1
	Ex-Im		1.1	.5	.6	.6
	Food for Peace	1.2				1.2
	Title I Total Value	-				
	Title II Authorizations	-				
	Title III Donations	1.2				
	SPIF			1.1	-	1.1
Peace Corps		.3				.3
	<u>TOTAL</u>	<u>2.8</u>	<u>4.0</u>	<u>.6</u>	<u>3.4</u>	<u>6.2</u>

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<u>YEAR</u>	<u>AGENCY</u>	<u>GRANT</u>	<u>LOAN</u>			<u>TOTAL Grant & Net</u>
			<u>Gross</u>	<u>Repayment of Principal</u>	<u>Net Disbursement</u>	
HAITI CY 61	AID	12.2	2.9	*		
	Ex-Im		-	-	2.9	15.1
	Food for Peace	0.9			-	
	Title I Total Value	-				0.9
	Title II Authorizations	-				
	Title III Donations	0.9				
	SPTF					
	<u>TOTAL</u>	<u>13.1</u>	<u>2.9</u>	<u>-</u>	<u>-</u>	<u>16.0</u>
CY 62	AID	3.1	1.0	*	1.0	4.1
	Ex-Im		-	-	-	
	Food for Peace	0.8				
	Title I Total Value	-				0.8
	Title II Authorization	-				
	Title III Donations	0.8				
	SPTF					
	<u>TOTAL</u>	<u>3.9</u>	<u>1.0</u>	<u>-</u>	<u>-</u>	<u>4.9</u>
CY 63	AID	2.1	.2	.1	.1	2.2
	Ex-Im		-	.1	-.1	-.1
	Food for Peace	1.1				1.1
	Title I Total Value	-				
	Title II Authorization	-				
	Title III Donations	1.1				
	SPTF					
	<u>TOTAL</u>	<u>3.2</u>	<u>.2</u>	<u>.2</u>	<u>-</u>	<u>3.2</u>
CY 64**	AID	1.0	.1	-	-.1	1.1
	Ex-Im		-	-	-	
	Food for Peace	1.5				
	Title I Total Value	-				1.5
	Title II Authorization	-				
	Title III	1.5				
	SPTF					
	<u>TOTAL</u>	<u>2.5</u>	<u>.1</u>	<u>-</u>	<u>.1</u>	<u>2.5</u>

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<u>YEAR</u>	<u>AGENCY</u>	<u>GRANT</u>	<u>LOAN</u>			<u>TOTAL Grant & Net</u>
			<u>Gross</u>	<u>Repayment of Principal</u>	<u>Net Disbursement</u>	
HONDURAS CY 61	AID	2.8	2.7	0.1	2.6	5.4
	Ex-Im		0.3	0.5	=0.2	-0.2
	Food for Peace	0.3				0.3
	Title I Total Value	-				
	Title II Authorizations	-				
	Title III Donations	0.3				
	SPIF					
	<u>TOTAL</u>	<u>3.1</u>	<u>3.0</u>	<u>0.6</u>	<u>2.4</u>	<u>5.5</u>
CY 62	AID	3.1	2.1	0.5	1.6	4.7
	Ex-Im		0.1	0.5	-0.4	-0.4
	Food for Peace	0.2				0.2
	Title I Total Value	-				
	Title II Authorizations	-				
	Title III Donations	0.2				
	SPIF					
	<u>TOTAL</u>	<u>3.3</u>	<u>2.2</u>	<u>1.0</u>	<u>1.2</u>	<u>4.5</u>
CY 63	AID	2.3	1.7	*	1.7	4.0
	Ex-Im		-	.4	-.4	-.4
	Food for Peace	.5				.5
	Title I Total Value	-				
	Title II Authorizations	-				
	Title III Donations	.5				
	SPIF			.7	*	.7
Peace Corps	.2					.2
	<u>TOTAL</u>	<u>3.0</u>	<u>2.4</u>	<u>.4</u>	<u>2.0</u>	<u>5.0</u>
CY 64 **	AID	.6	1.2	.8	.4	1.0
	Ex-Im		-	.1	-.1	-.1
	Food for Peace	.4				.4
	Title I Total Value	-				
	Title III Authorizations	-				
	Title III Donations	.4				
	SPIF			.2	*	.2
Peace Corps	.1					.1
	<u>TOTAL</u>	<u>1.1</u>	<u>1.4</u>	<u>.9</u>	<u>.5</u>	<u>1.6</u>

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<u>YEAR</u>	<u>AGENCY</u>	<u>GRANT</u>	<u>LOAN</u>			<u>TOTAL Grant & Net</u>
			<u>Gross</u>	<u>Repayment of Principal</u>	<u>Net Disbursement</u>	
MEXICO						
CY 1961	AID	0.6	-	-	-	0.6
	Ex-Im		109.1	27.0	82.1	82.1
	Food for Peace	3.5				3.5
	Title I Total Value	-				
	Title II Authorizations	-				
	Title III Donations	3.5				
	SPIF					
	TOTAL	4.1	109.1	27.0	82.1	86.2
CY 1962	AID	0.8				0.8
	Ex-Im		44.6	31.1	13.5	13.5
	Food for Peace	9.0				9.0
	Title I Total Value	-				
	Title II Authorizations	-				
	Title III Donations	9.0				
	SPIF					
	Peace Corps					
	TOTAL	9.8	44.6	31.1	13.5	23.3
CY 1963	AID	.6	2.0	-	2.0	2.6
	Ex-Im		16.9	47.3	-30.4	-30.4
	Food for Peace	13.8				13.8
	Title I Total Value	-				
	Title II Authorizations	.4				
	Title III Donations	13.4				
	SPIF		.7	*	.7	.7
	Peace Corps					
	TOTAL	14.4	19.6	47.3	-27.7	-12.7
CY 1964**	AID	.1				.1
	Ex-Im		6.6	85.1	-78.5	-78.5
	Food for Peace	14.2				14.2
	Title I Total Value	-				
	Title II Authorizations	.3				
	Title III Donations	13.9				
	SPIF		.5	.1	.4	.4
	Peace Corps					
	TOTAL	14.3	7.1	85.2	-78.2	-63.8

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YEAR	AGENCY	GRANT	LOAN			TOTAL Grant & Net	
			Gross	Repayment of Principal	Net Disbursement		
NICARAGUA CY 61	AID	1.4	0.4	-	0.4	1.8	
	Ex-Im		4.6	0.3	4.3	4.3	
	Food for Peace	0.3				0.3	
	Title I Total Value	-					
	Title II Authorizations	-					
	Title III Donations	0.3					
	SPTF						
	TOTAL	1.7	5.0	0.3	4.7	6.4	
	CY 62	AID	1.5	1.8	*	1.8	3.3
		Ex-Im		2.7	1.4	1.3	1.3
Food for Peace		1.1				1.1	
Title I Total Value		-					
Title II Authorizations		-					
Title III Donations		1.1					
SPTF			0.3		0.3	0.3	
Peace Corps		-					
TOTAL		2.6	4.8	1.4	3.4	6.0	
CY 63		AID	1.3	2.2	.1	2.1	3.3
	Ex-Im		.1	2.2	-2.1	-2.1	
	Food for Peace	1.9				1.9	
	Title I Total Value	-					
	Title II Authorizations	-					
	Title III Donations	-	1.9				
	Title IV Credit Sales						
	SPTF		3.0	*	3.0	3.0	
	Peace Corps	-					
	TOTAL	3.2	5.3	2.3	3.0	6.1	
CY 64**	AID	1.5	1.7	*	1.7	3.2	
	Ex-Im		*	1.3	-1.3	-1.3	
	Food for Peace	.8				.8	
	Title I Total Value	-					
	Title II Authorizations	-					
	Title III	.8					
	SPTF		1.4	-	1.4	1.4	
	Peace Corps	-					
	TOTAL	2.3	3.1	1.3	1.8	4.1	

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<u>YEAR</u>	<u>AGENCY</u>	<u>GRANT</u>	<u>LOAN</u>			<u>TOTAL Grant & Net</u>
			<u>Gross</u>	<u>Repayment of Principal</u>	<u>Net Disbursement</u>	
PANAMA CY 61	AID	2.7	0.5	-	0.5	3.2
	Ex-Im		2.1	0.2	1.9	1.9
	Food for Peace	0.4				0.4
	Title I Total Value	-				
	Title II Authorizations	-				
	Title III Donations	-0.4				
	SPIF					
	<u>TOTAL</u>	<u>3.1</u>	<u>0.5</u>	<u>-</u>	<u>0.5</u>	<u>0.5</u>
CY 62	AID	3.9	2.4	*	2.3	6.2
	Ex-Im		1.5	0.6	0.9	0.9
	Food for Peace	0.5				0.5
	Title I Total Value	-				
	Title II Authorizations	-				
	Title III Donations	0.5				
	SPIF					
	<u>TOTAL</u>	<u>4.4</u>	<u>6.0</u>	<u>0.6</u>	<u>5.2</u>	<u>9.6</u>
CY 63	AID	5.0	2.1	.1	2.0	7.0
	Ex-Im		5.4	.7	4.7	4.7
	Food for Peace	.8				.8
	Title I Total Value	-				
	Title II Authorizations	-				
	Title III Donations	.8				
	SPIF					
	<u>TOTAL</u>	<u>6.1</u>	<u>11.8</u>	<u>.9</u>	<u>10.9</u>	<u>17.1</u>
CY 64**	AID	2.1	1.2	.1	1.1	3.2
	Ex-Im		.8	.6	.2	.2
	Food for Peace	.5				.5
	Title I Total Value	-				
	Title II Authorizations	-				
	Title III Donations	.5				
	SPIF					
	<u>TOTAL</u>	<u>2.8</u>	<u>3.7</u>	<u>.7</u>	<u>3.0</u>	<u>5.8</u>

* Less than \$50,000 ** January-June 1964

YEAR	AGENCY	GRANT	LOAN			TOTAL Grant & Net
			Gross	Repayment of Principal	Net Disbursement	
PARAGUAY CY 61	AID	2.0	0.8	0.1	0.7	2.7
	Ex-Im		0.1	0.6	-0.5	-0.5
	Food for Peace	6.0				6.0
	Title I Total Value(6.0)					
	Title I Country Uses 4.8					
	Title II Authorizations -					
	Title III Donations 1.2					
SPTF						
TOTAL		8.0	0.9	0.7	0.2	8.2
CY 62	AID	2.1	2.2	0.1	2.1	4.2
	Ex-Im		*	0.6	-0.6	-0.6
	Food for Peace	0.4				0.4
	Title I Total Value -					
	Title II Authorizations -					
	Title III Donations 0.4					
	SPTF					
Peace Corps						
TOTAL		2.5	2.2	0.7	1.5	4.0
CY 63	AID	2.1	2.1	.2	1.9	4.0
	Ex-Im		.2	.4	-.2	-.2
	Food for Peace	4.3				4.3
	Title I Total Value (3.3)					
	Title I Country Uses 2.5					
	Title II Authorizations -					
	Title III Donations 1.8					
SPTF			.1	-	.1	.1
Peace Corps						
TOTAL		6.4	2.4	.6	1.8	8.2
CY 64**	AID	1.3	1.2	.2	1.0	2.3
	Ex-Im		*	.3	-.2	-.2
	Food for Peace	1.8				
	Title I Total Value (1.6)					
	Title I Country Uses 1.2					
	Title II Authorizations -					
	Title III Donations .6					
SPTF			.2	*	.2	.2
Peace Corps						
TOTAL		3.1	1.4	.5	1.0	4.1

* Less than \$50,000 ** January-June 1964

YEAR	AGENCY	GRANT	LOAN			TOTAL Grant & Net
			Gross	Repayment of Principal	Net Disbursement	
PERU CY 61	AID	2.1	0.1	-	0.1	2.2
	Ex-Im		7.9	28.6	-20.7	-20.7
	Food for Peace	5.6				5.6
	Title I Total Value	(3.4)				
	Title I Country Uses	2.4				
	Title II Authorizations	0.1				
	Title III Donations	3.1				
	SPTF					
	TOTAL	7.7	8.0	28.6	-20.6	-12.9
	CY 62	AID	2.3	2.1	2.9	-0.8
Ex-Im			12.9	23.6	-10.7	-10.7
Food for Peace		4.5				4.5
Title I Total Value		(2.7)				
Title I Country Uses		1.9				
Title II Authorizations		0.6				
Title III Donations		2.0				
Title IV Credit Sales						
SPTF			1.9	-	1.9	1.9
Peace Corps		0.7	4.6	0.1	4.5	4.5
TOTAL	7.5	21.5	26.6	-5.1	0.7	
CY 63	AID	2.8	3.8	3.5	.3	3.1
	Ex-Im		9.3	21.5	-12.2	-12.2
	Food for Peace	5.9				5.9
	Title I Total Value	-				
	Title II Authorizations	1.6				
	Title III	4.3				
	SPTF					
	Peace Corps	1.8	5.7	1.1	5.6	5.6
	TOTAL	10.5	18.8	25.1	-6.3	1.8
	CY 64**	AID	2.6	3.5	.1	3.4
Ex-Im			5.8	8.4	-2.6	-2.6
Food for Peace		6.6				6.6
Title I Total Value		(5.1)				
Title I Country Uses		3.6				
Title II Authorizations		.9				
Title III Donations		2.1				
SPTF						
Peace Corps		1.0	3.3	*	3.2	3.2
TOTAL		10.2	12.6	8.5	4.0	1.0
* Less than \$50,000						14.2
** January-June 1964						

YEAR	AGENCY	GRANT	LOAN			TOTAL Grant & Net
			Gross	Repayment of Principal	Net Disbursement	
URUGUAY						
CY 61	AID	0.1	3.2	*	3.2	3.3
	Ex-Im		0.7	0.9	-0.2	-0.2
	Food for Peace	0.3				0.3
	Title I Total Value	-				
	Title II Authorizations	-				
	Title III Donations	0.3				
	SPTF		-	-	-	-
	Peace Corps	-				
	TOTAL	0.4	3.9	0.9	3.0	3.4
CY 62	AID	0.1	2.4	*	2.3	2.4
	Ex-Im		1.3	1.0	0.3	0.3
	Food for Peace	1.3				1.3
	Title I Total Value	(1.2)				
	Title I Country Uses	0.9				
	Title II Authorizations	-				
	Title III Donations	0.4				
	SPTF		-	-	-	-
	Peace Corps	-				
	TOTAL	1.4	3.7	1.0	2.6	4.0
CY 63	AID	.3	6.8	*	6.8	7.1
	Ex-Im		1.5	1.2	.3	.3
	Food for Peace	.9				.9
	Title I Total Value	(.1)				
	Title I Country Uses	.1				
	Title II Authorizations	-				
	Title III Donations	.8				
	SPTF		-	-	-	-
	Peace Corps	*				*
	TOTAL	1.2	8.3	1.2	7.1	8.3
CY 64**	AID	.2	.1	*	.1	.3
	Ex-Im		.2	.6	-.4	-.4
	Food for Peace	.5				.5
	Title I Total Value	-				
	Title II Authorizations	-				
	Title III	.5				
	SPTF		-	-	-	-
	Peace Corps	.1				.1
	TOTAL	.8	.3	.6	-.3	.5

*Less than \$50,000 ** January-June 1964

<u>YEAR</u>	<u>AGENCY</u>	<u>GRANT</u>	<u>LOAN</u>			<u>TOTAL Grant & Net</u>
			<u>Gross</u>	<u>Repayment of Principal</u>	<u>Net Disbursement</u>	
VENEZUELA CY 61	AID	0.2	0.1	-	0.1	0.3
	Ex-Im		28.6	1.4	27.2	27.2
	Food for Peace	-				
	Title I Total Value	-				
	Title II Authorizations	-				
	Title III Donations	-				
	SPTF					
	<u>TOTAL</u>	<u>0.2</u>	<u>28.7</u>	<u>1.4</u>	<u>27.3</u>	<u>27.5</u>
CY 62	AID	1.1	2.1	*	2.1	3.2
	Ex-Im		54.6	1.7	52.9	52.9
	Food for Peace	1.1				1.1
	Title I Total Value	-				
	Title II Authorizations	-				
	Title III Donations	1.1				
	SPTF					
	<u>TOTAL</u>	<u>2.4</u>	<u>59.7</u>	<u>1.9</u>	<u>57.8</u>	<u>60.2</u>
CY 63	AID	2.4	8.3	*	8.3	10.7
	Ex-Im		7.1	7.1	5.4	5.4
	Food for Peace	6.6				6.6
	Title I Total Value	-				
	Title II Authorizations	-				
	Title III Donations	6.6				
	SPTF					
	<u>TOTAL</u>	<u>9.5</u>	<u>33.3</u>	<u>2.1</u>	<u>31.2</u>	<u>40.7</u>
CY 64**	AID	1.0	4.4	*	4.4	5.4
	Ex-Im		2.4	16.0	-13.6	-13.6
	Food for Peace	4.3				4.3
	Title I Total Value	-				
	Title II Authorizations	.1				
	Title III Donations	4.2				
	SPTF					
	<u>TOTAL</u>	<u>5.7</u>	<u>13.5</u>	<u>16.6</u>	<u>-3.1</u>	<u>2.6</u>

* Less than \$50,000

** January - June 1964

YEAR	AGENCY	GRANT	LOAN			TOTAL
			Gross	Repayment of Principal	Net Disbursement	Grant & Net
REGIONAL						
CY 61	AID	3.2	-	-	-	3.2
	Ex-Im		-	-	-	
	Food for Peace	-				
	Title I Total Value -					
	Title II Authorizations					
	Title III Donations -					
	SPTF	0.1 ^{2/}				0.1
	Inter-American Highway	10.5 ^{1/}				10.5
	TOTAL	13.8				13.8
CY 62	AID	7.6	-	-	-	7.6
	Ex-Im		-	-	-	
	Food for Peace					
	Title I Total Value -					
	Title II Authorizations					
	Title III Donations -					
	SPTF	0.6 ^{2/}				0.6
	Inter-American Highway	5.5 ^{1/}				5.5
	TOTAL	13.7				13.7
CY 63	AID	11.2	-	-	-	11.2
	Ex-Im		-	-	-	
	Food for Peace					
	Title I Total Value -					
	Title II Authorizations					
	Title II Donations -					
	SPTI	.8 ^{2/}	*		*	.8
	Inter-American Highway	2.1 ^{1/}				2.1
	TOTAL	14.1	*		*	14.1
CY 64**	AID	3.0	.8	-	.8	3.8
	Ex-Im		-	-	-	
	Food for Peace					
	Title I Total Value -					
	Title II Authorizations					
	Title III Donations -					
	SPTF	.7 ^{2/}	*		*	.7
	Inter-American Highway	.8 ^{1/}				.8
	TOTAL	4.5	.8		.8	4.5

* Less than \$50,000

** January-June 1964

^{1/} Total for Region

^{2/} SPTF Country Technical Assistance carried as Total.

YEAR	AGENCY	GRANT	LOAN			TOTAL Grant & Net
			Gross	Repayment of Principal	Net Disbursement	
ROCAP ***						
CY 61	AID	2.0 ^{1/}	-	-	-	2.0
	Ex-Im	-	-	-	-	-
	Food for Peace	-	-	-	-	-
	Title I Total Value -	-	-	-	-	-
	Title I Country Uses -	-	-	-	-	-
	Title II Authorizations	-	-	-	-	-
	Title III Donations -	-	-	-	-	-
	SPTF	-	-	-	-	-
	TOTAL	2.0 ^{1/}	-	-	-	2.0
CY 62	AID	0.8	-	-	-	0.8
	Ex-Im	-	-	-	-	-
	Food for Peace	-	-	-	-	-
	Title I Total Value -	-	-	-	-	-
	Title I Country Uses -	-	-	-	-	-
	Title II Authorizations	-	-	-	-	-
	Title III Donations -	-	-	-	-	-
	SPTF	-	-	-	-	-
	Peace Corps	-	-	-	-	-
	TOTAL	0.8	-	-	-	0.8
CY 63	AID	1.3	-	-	-	1.3
	Ex-Im	-	-	-	-	-
	Food for Peace	-	-	-	-	-
	Title I Total Value -	-	-	-	-	-
	Title II Authorizations	-	-	-	-	-
	Title III Donations -	-	-	-	-	-
	SPTF	-	-	-	-	-
	Peace Corps	-	-	-	-	-
	TOTAL	1.3	-	-	-	1.3
CY 64 **	AID	2.2	-	-	-	2.2
	Ex-Im	-	-	-	-	-
	Food for Peace	-	-	-	-	-
	Title I Total Value -	-	-	-	-	-
	Title II Authorizations	-	-	-	-	-
	Title III Donations -	-	-	-	-	-
	SPTF	-	-	-	-	-
	Peace Corps	-	-	-	-	-
	TOTAL	2.2	-	-	-	2.2

** January-June 1964 *** Regional Office of Central America & Panama, est. July 1962.
^{1/} Central American Bank for Economic Integration

TOTAL U.S. ASSISTANCE TO LATIN AMERICA - COMMITMENTS & OBLIGATIONS
 CALENDAR YEARS 1960, 1961, 1962, 1963, JAN.-JUNE 1964
 -GRANTS AND LOANS a/
 (AID, EX-IM, FOOD FOR PEACE c/, SPTF h/, PEACE CORPS i/)
 (\$ Millions)

<u>Country & Year</u>	<u>Grants b/, c/</u>	<u>Grants as % of Total Economic Assistance</u>	<u>Loans b/</u>	<u>Loans as % of Total Economic Assistance</u>	<u>Total</u>
ARGENTINA					
1960	.9	2	57.0	98	57.9
1961	1.5	20	6.0	80	7.5
1962	2.6	2	130.3	98	132.9
1963	2.3	2	98.6 <u>d/</u>	98	100.9
1964*	(1.3)	14	(8.2)	86	(9.5)
BOLIVIA					
1960	16.7	100	-	-	16.7
1961	12.6	41	17.9	59	30.5
1962	42.8	75	14.1	25	56.9
1963	28.6	47	31.8	53	60.4
1964*	(25.7)	41	(37.2)	59	(62.9)
BRAZIL					
1960	39.6	43	52.8	57	92.4
1961	71.1	22	248.1 <u>e/</u>	78	319.2
1962	130.6	67	63.7	33	194.3
1963	136.2	67	67.7 <u>f/</u>	33	203.9
1964*	(113.3)	42	(157.7) <u>g/</u>	58	(271.0)
CHILE					
1960	62.8	42	87.5	58	150.3
1961	12.3	8	133.9	92	146.2
1962	6.8	6	116.7	94	123.5
1963	14.7	19	64.6	81	79.3
1964*	(9.1)	7	(104.2)	92	(113.3)

*January-June 1964

<u>Country & Year</u>	<u>Grants b/, c/</u>	<u>Grants as % of Total Economic Assistance</u>	<u>Loans</u>	<u>Loans as % of Total Economic Assistance</u>	<u>Total</u>
COLOMBIA					
1960	5.1	15	28.7	85	33.8
1961	13.2	15	75.9	85	89.1
1962	18.1	15	101.9	85	120.0
1963	23.2	39	36.6	61	59.8
1964*	(11.2)	10	(105.1)	90	(116.3)
COSTA RICA					
1960	1.4	32	3.0	68	4.4
1961	1.2	7	16.6	93	17.8
1962	2.3	100	-	-	2.3
1963	5.3	24	17.1 1/2	76	22.4
1964*	(2.3)	29	(5.7)	71	(8.0)
DOM. REPUBLIC					
1960	.2	100	-	-	.2
1961	.1	100	-	-	.1
1962	6.8	12	48.2	88	55.0
1963	35.6	88	5.0	12	40.6
1964*	(6.2)	100	-	-	(6.2)
ECUADOR					
1960	3.5	100	-	-	3.5
1961	5.1	31	11.1	69	16.2
1962	10.5	24	32.8	76	43.3
1963	8.1	30	19.1	70	27.1
1964*	(8.1)	33	(16.8)	67	(24.9)
EL SALVADOR					
1960	1.2	-	-	-	1.2
1961	1.5	8	16.7	92	18.2
1962	4.7	35	8.9	65	13.6
1963	6.1	27	15.8	73	21.9
1964*	(3.7)	29	(9.0)	71	(12.7)

* January-June 1964

<u>Country & Year</u>	<u>Grants b/, c/</u>	<u>Grants as % of Total Economic Assistance</u>	<u>Loans</u>	<u>Loans as % of Total Economic Assistance</u>	<u>Total</u>
GUATEMALA					
1960	15.7	42	21.5	58	37.2
1961	3.7	100	-	-	3.7
1962	5.6	39	8.8	61	14.4
1963	6.0	64	3.2	36	9.2
1964*	(3.7)	34	(7.3)	66	(11.0)
HAITI					
1960	14.8	98	.3	2	15.1
1961	3.9	93	.3	7	4.2
1962	7.7	73	2.8	27	10.5
1963	2.7	100	-	-	2.7
1964*	(2.8)	100	-	-	(2.8)
HONDURAS					
1960	1.6	36	2.8	64	4.4
1961	3.2	71	1.3	29	4.5
1962	3.8	48	4.1	52	7.9
1963	3.3	32	7.1	68	10.4
1964*	(2.2)	24	(7.0)	76	(9.2)
MEXICO					
1960	1.7	4	39.1	96	40.8
1961	4.7	4	109.6	96	114.3
1962	9.6	17	47.0	83	56.6
1963	14.8	18	69.7	82	84.4
1964*	(14.2)	24	(46.2)	76	(60.4)
NICARAGUA					
1960	1.0	29	2.5	71	3.5
1961	1.2	11	9.6	89	10.8
1962	4.0	32	8.6	68	12.6
1963	3.7	69	2.8	31	6.5
1964*	(3.0)	81	(.7)	19	(3.6)

* January-June 1964

<u>Country & Year</u>	<u>Grants b/, a/</u>	<u>Grants as % of Total Economic Assistance</u>	<u>Loans</u>	<u>Loans as % of Total Economic Assistance</u>	<u>Total</u>
PANAMA					
1960	2.9	22	10.3	78	13.2
1961	2.9	22	10.1	78	13.0
1962	12.5	54	10.8	46	23.3
1963	4.3	26	12.5	74	16.8
1964*	(2.0)	46	(2.4)	54	(4.4)
PARAGUAY					
1960	2.5	100	-	-	2.5
1961	9.1	56	7.1	44	16.2
1962	5.0	63	2.9	37	7.9
1963	5.8	100	-	-	5.8
1964*	(2.4)	44	(3.0)	56	(5.4)
PERU					
1960	15.3	23	52.2	77	67.5
1961	6.4	16	33.3	84	39.7
1962	14.0	30	32.4	70	46.4
1963	14.2	44	18.4	56	32.6
1964*	(17.0)	23	(57.1)	77	(74.0)
URUGUAY					
1960	8.4	100	-	-	8.4
1961	.3	6	4.4	94	4.7
1962	3.2	20	13.2	80	16.4
1963	2.5	29	6.0	71	8.5
1964*	(1.2)	18	(5.4)	82	(6.6)
VENEZUELA					
1960	**	-	80.1	100	80.1
1961	.2	***	69.9	100	70.1
1962	4.9	6	71.4	94	76.3
1963	9.3	32	20.1	68	29.4
1964*	(6.4)	33	(12.9)	67	(19.3)

* January-June 1964

** Less than \$50,000

*** Less than 1 %

<u>Country & Year</u>	<u>Grants b/, c/</u>	<u>Grants as % of Total Economic Assistance</u>	<u>Loans</u>	<u>Loans as % of Total Economic Assistance</u>	<u>Total</u>
REGIONAL					
1960	3.4	100	-	-	3.4
1961	3.7	100	-	-	3.7
1962	20.0	100	-	-	20.0
1963	15.6	100	-	-	15.6
1964*	(18.9)	45	(22.8)	35	(41.7)
ROCAP ^{h/}					
1960	-	-	-	-	-
1961	2.0 ^{i/}	29	5.0 ^{k/}	71	7.0
1962	1.0	26	2.9	74	3.9
1963	5.7	31	12.5	69	18.2
1964*	(3.3)	25	(10.0)	75	(13.3)
TOTAL					
1960	198.7	31	437.8 ^{e/}	69	636.5
1961	159.9	17	776.8	83	936.7
1962	316.5	30	721.5	70	1,038.0
1963	347.7	41	508.6 ^{d/ f/ j/}	59	856.4
1964*	(258.0)	30	(618.7 ^{g/ n/})	70	(876.5)

NOTE: Detail may not add to totals due to rounding

- * January-June 1964
- ** Less than \$50,000
- *** Less than 1%

Footnotes:

- a/ 1) Excludes:
- (1) Military assistance.
 - (2) U.S. Treasury compensatory financing.
 - (3) Export-Import Bank debt re-scheduling or consolidation credits and deferrals of transfer (CY 61 \$305 mil., CY 62 \$3 mil., CY 63, \$91 mil., $\frac{1}{2}$ CY 64, \$66 mil.)
 - (4) Title I PL 480 sales agreement for agricultural products intended for generation of local currency for U.S. uses.
 - (5) IDB capital subscription (CY 60 \$80 mil., CY 61 \$110 mil., CY 62 \$60 mil., CY 64 \$50 mil.)
- 2) Export-Import Bank loans are long-term -- 5 years and over.
- b/ Computed on a current basis, excluding effect of deobligations and reobligations.
- c/ PL 480 component of grants includes total sales agreements under Title I less U.S. uses.
The value of commodities received by the country is taken as the basic measure of the transaction. The second stage operations, or uses to which the local currency generated is put, is considered secondary to the main purpose of the Title I program -- to make food available for consumption. Title I is therefore listed as a grant. By convention, however, when computing economic assistance, total commodities under Title I are reduced by excluding that portion of total commodities which will result in generation of local currency for U.S. uses. (CY 60 I & III partially estimated).
- d/ Excludes Ex-Im refunding of maturities of \$72 million, Credit # E-3.
- e/ CY 61 commitments do not include Ex-Im credit #1571 totaling \$92.1 mil., which defers the transfer of repayments to Ex-Im (received instead by the Banco do Brasil), and do not include \$212.6 mil. outstanding of \$454.2 mil. in credits (4 credits consolidated) repayment of which was postponed and rescheduled, Credit #1572.
- f/ Excludes Ex-Im deferral of transfer of \$19.4 mil., Credit # E-6.
- g/ Excludes Ex-Im deferral of transfer of \$66.5 million, Credit # E-4.
- h/ SPTF country technical assistance activities are totaled under "Regional".
- i/ CY 61 Peace Corps and CY 60-64 Inter-American Highway commitments are totaled under Peace Corps in "Regional". Not included is \$2.1 mil. for Rama Road during CY 63. CY 62-64 Peace Corps commitments are broken out by country.
- j/ Excludes Ex-Im deferrals of transfer of \$2.6 mil., Credit # E-4.
- k/ AID loan to Central American Bank for Economic Integration.
- l/ AID grant to Central American Bank for Economic Integration.

Footnotes (cont'd)

m/ Regional Office of Central American and Panama established in July, 1962.

n/ The loan percentage of total U.S. economic assistance does not reflect the trend in AID assistance shows the following pattern: CY 60, 40%; CY 61, 81% (including \$100 mil. Chile rehabilitation loan); CY 62, 77%; CY 63, 72%; CY 64, 86%.

Food for Peace is now the major source of grant assistance.

TOTAL U.S. ASSISTANCE TO LATIN AMERICA - COMMITMENTS & OBLIGATIONS
 FISCAL YEARS 1960, 1961, 1962, 1963, 1964
 - BY AGENCY - a/
 (\$ Millions)

Country & Year	AID	Export-Import Bank (Long-Term)	Food for Peace f/		Social Progress Trust Fund g/	Other h/	Total
			Total Sales* Agreements/	Total Sales Agreements (Less US Uses Title I)			
ARGENTINA							
1960	1.0	-	-	-	-	-	1.0
1961	6.8	62.0	-	-	-	-	68.8
1962	21.9	51.9	-	-	5.0	-	78.8
1963	99.7	24.1 b/	-	-	30.0	-	153.8
1964	9.8	1.4	-	-	-	-	11.2
BOLIVIA							
1960	13.6	-	.2	.2	-	-	13.8
1961	26.7	-	3.7	2.9	-	-	29.6
1962	31.8	-	5.3	4.6	-	.9	37.3
1963	35.7	-	24.0	21.4	10.5	.7	68.3
1964	60.3	-	17.0	15.3	8	2.7	79.1
BRAZIL							
1960	11.9	6.8	1.8	1.8	-	**	20.5
1961	7.0	204.9 c/	107.7	92.0	-	-	303.9
1962	84.5	-	81.8	70.1	47.0	.9	202.5
1963	86.8	-	59.6	50.9	5.9	1.1	144.7
1964	180.9	- d/	234.3	197.7	2.5	3.4	384.5
CHILE							
1960	18.3	16.9	9.6	8.7	-	-	43.9
1961	31.1	24.0	14.8	13.2	-	.1	118.4
1962	142.4	46.4	28.1	23.8	18.7	1.0	232.3
1963	41.3	15.5	26.5	26.5	4.9	.8	89.0
1964	79.5	16.5	30.5	30.5	4.5	1.4	132.4
COLOMBIA							
1960	2.6	.5	27.8	21.5	-	-	24.6
1961	28.0	56.0	4.9	4.9	-	.2	89.7
1962	37.9	-	15.4	13.8	22.8	1.3	75.8
1963	93.5	3.4	18.4	18.4	8.5	2.8	126.6
1964	79.7	23.5	13.6	13.6	8.1	5.5	130.4

* Represents the total value of agricultural goods scheduled for delivery to recipient countries, and is not added into the total column, (see note f/).

** Less than \$50,000.

Country & Year	AID	Export-Import Bank (Long Term)	Food for Peace f/		Social Progress Trust Fund g/	Other h/	Total
			/Total Sales* Agreements/	(Less US Uses Title I)			
COSTA RICA							
1960	1.2	3.0	-	-	-	6.2 i/	10.4
1961	9.9	-	-	-	-	.1	10.0
1962	1.9	4.5	-	-	3.5	.4	10.3
1963	13.0	- e/	1.6	1.6	-	.2	14.8
1964	10.0	-	1.6	1.6	4.2	.4	16.2
DOMINICAN REPUBLIC							
1960	.2	-	-	-	-	-	.2
1961	.1	-	-	-	-	-	.1
1962	26.0	9.6	.8	.8	-	.2	36.6
1963	29.6	-	14.4	14.4	6.5	1.2	51.7
1964	.9	-	13.2	13.2	-	1.3	15.4
ECUADOR							
1960	8.4	-	.3	.3	-	-	8.7
1961	9.4	.4	4.1	3.3	-	-	13.1
1962	19.9	-	2.2	13.6	13.6	.8	36.5
1963	18.2	1.3	6.1	6.1	9.9	.9	36.4
1964	20.7	-	4.4	4.4	1.0	2.6	28.7
EL SALVADOR							
1960	.9	-	-	-	-	-	0.9
1961	2.8	3.7	.1	.1	-	-	6.6
1962	3.1	6.0	2.3	2.3	11.6	.2	23.2
1963	19.6	-	2.6	2.6	-	.3	22.5
1964	11.1	-	3.5	3.5	-	.4	15.0
GUATEMALA							
1960	6.3	5.0	.3	.3	-	.7	12.3
1961	20.9	10.5	.4	.4	-	-	31.8
1962	4.2	-	.7	.7	3.5	.9	9.3
1963	3.4	-	1.0	1.0	7.8	1.2	13.4
1964	5.9	4.6	3.0	3.0	-	.5	14.0
HAITI							
1960	10.9	-	1.1	1.1	-	-	12.0
1961	10.7	-	1.1	1.1	-	-	11.8
1962	6.8	-	.7	.7	-	-	7.5
1963	4.9	-	1.0	1.0	-	-	5.8
1964	1.5	-	2.2	2.2	-	-	3.7

* Represents the total value of agricultural goods scheduled for delivery to recipient countries not added into the total column (see note f/).

Country & Year	AID	Export-Import Bank (Long-Term)	Food for Peace <u>f/</u>				Other <u>h/</u>	Total
			<u>Total Sales*</u> Agreements	Total Sales Agreements (Less US Uses Title I)	Social Progress Trust Fund <u>g/</u>			
HONDURAS								
1960	4.2	-	.2	.2	-	.4	4.0	
1961	5.1	-	.3	.3	-	-	5.4	
1962	2.9	-	.2	.2	-	-	3.1	
1963	7.3	-	.3	.3	5.7	.1	13.4	
1964	8.8	-	.7	.7	1.6	.8	11.9	
MEXICO								
1960	.5	45.8	1.3	1.3	-	-	47.6	
1961	1.1	27.1	3.2	3.2	-	-	31.4	
1962	20.6	105.3	5.2	5.2	10.6	-	141.7	
1963	4	25.8	15.5	15.5	8.0	-	49.7	
1964	22.4	54.0	18.0	18.0	12.1	-	106.5	
NICARAGUA								
1960	3.5	8.0	-	-	-	-	11.5	
1961	8.2	2.0	.2	.2	-	1.4	11.8	
1962	3.5	-	.7	.7	7.7	1.8	13.7	
1963	3.5	-	1.4	1.4	.2	-	5.1	
1964	3.9	1.2	1.9	1.9	-	-	7.0	
PANAMA								
1960	1.6	.2	.1	.1	-	-	1.9	
1961	15.6	-	.4	.4	-	-	16.0	
1962	12.4	2.0	.4	.4	20.4	-	25.2	
1963	8.8	-	.7	.7	-	.3	9.8	
1964	9.2	7.4	.8	.8	-	1.0	18.4	
PARAGUAY								
1960	2.4	1.3	.5	.5	-	-	4.2	
1961	9.6	-	1.1	1.1	-	-	10.7	
1962	1.1	-	7.9	6.9	-	-	8.0	
1963	3.1	-	4.2	3.4	2.9	-	9.4	
1964	5.4	-	3.5	2.9	-	-	3.3	

* Represents the total value of agricultural goods scheduled for delivery to recipient countries, not added into the total column, (see note f/).

Country & Year	AID	Export-Import Bank (Long-Term)	Food for Peace <u>f/</u>		Social Progress Trust Fund <u>g/</u>	Other <u>h/</u>	Total
			<u>Total Sales</u> Agreements/	* (Less US Uses Title I)			
PERU							
1960	7.4	8.1	9.9	7.4	-	-	22.9
1961	29.0	26.5	3.4	3.4	-	-	58.9
1962	26.6	17.1	10.1	9.0	24.8	.7	78.2
1963	3.0	10.7	6.9	6.9	1.5	2.2	24.3
1964	37.5	28.2	14.7	14.7	3.6	2.8	86.8
URUGUAY							
1960	.1	-	31.0	23.3	-	-	23.4
1961	.1	-	3.5	2.7	-	-	2.8
1962	.3	2.1	2.3	1.8	2.5	-	6.7
1963	7.9	5.0	.6	.6	8.0	.6	22.1
1964	6.3	-	1.0	1.0	-	.2	7.5
VENEZUELA							
1960	.1	16.3	-	-	-	-	16.4
1961	15.2	103.0	-	-	-	-	118.2
1962	11.1	-	11.9	11.9	42.0	.6	65.6
1963	33.1	.4	1.2	1.2	11.0	.7	46.4
1964	1.8	31.5	10.3	10.3	-	2.1	45.7
REGIONAL							
1960	4.7	-	-	-	-	-	4.7
1961	3.8	-	-	-	-	-	3.8
1962	13.4	-	-	-	.6	.5	14.5
1963	27.5 <u>1/</u>	-	-	-	.7	1.4	29.6
1964	42.1	-	-	-	1.2	-	43.3
ROCAP							
1960	-	-	-	-	-	-	-
1961	7.0 <u>k/</u>	-	-	-	-	-	7.0
1962	-	-	-	-	-	-	-
1963	8.2	-	-	-	2.9	-	11.1
1964	24.3	-	.1	.1	-	-	24.4

* Represents the total value of agricultural goods scheduled for delivery to recipient countries, not added into the total column, (see note f/).

** Regional Office of Central America and Panama, established in July, 1962.

Country & Year	AID	Export-Import Bank (Long-Term)	Food for Peace <u>f/</u>		Social Progress Trust Fund <u>g/</u>	Other <u>h/</u>	Total
			<u>Total Sales*</u> Agreements	Total Sales Agreements (Less US Uses Title I)			
TOTAL							
1960	99.8	111.9	84.3	66.9	-	6.5	285.1
1961	248.0	570.7 <u>c/</u>	149.0	129.3	-	1.9	949.9
1962	472.4	244.9	175.8	154.9	224.4	10.3	1106.9
1963	548.7	86.2 <u>b/ e/</u>	186.0	173.9	124.9	14.5	948.2
1964	621.9	168.3 <u>d/</u>	377.2	335.3	39.6	25.0	1190.1

NOTE: Detail may not add to totals due to rounding. 1964 figures are preliminary.

* Represents the total value of agricultural goods scheduled for delivery to recipient countries, not added into the total column, (see note f/).

Footnotes:

- a/ Excludes:
- (1) Military assistance.
 - (2) U.S. Treasury compensatory financing.
 - (3) Export-Import Bank debt rescheduling or consolidation credits and deferrals of transfer.
(FY 61 \$305 mil., FY 63 \$75 mil., FY 64 \$86 mil.)
 - (4) Title I PL 480 sales agreements for agricultural products intended for generation of local currency for U.S. uses.
 - (5) IDB capital subscription. (FY 60 \$80 mil., FY 62 \$110 mil., FY 63 \$60 mil., FY 64 \$50 mil.)
- b/ Excludes Ex-Im refunding of maturities of \$72 million, Credit # E-3.
- c/ FY 61 commitments do not include Ex-Im credit #1571 totaling \$92.1 mil., which defers the transfer of repayments to Ex-Im (received instead by the Banco do Brasil), and do not include \$212.6 mil. outstanding of \$454.2 mil. in credits (4 credits consolidated) repayment of which was postponed and rescheduled, credit #1572.
- d/ Excludes Ex-Im deferrals of transfer of \$19.4 mil., Credit # E-6 and of \$66.5 mil, Credit # E-7.
- e/ Excludes Ex-Im deferral of transfer of \$2.6 million.
- f/ Included in total sales agreements column (Titles I-IV) are all sales agreements signed under Title I. All Title I commodities are intended for delivery to the recipient countries, but the USG considers as economic assistance, only that portion of goods committed which will result in generation of local currency for Country Uses. As indicated, the second column, economic assistance, represents all sales agreements less that portion of Title I which will result in generation of local currency for U.S. Uses. (For a more complete discussion of the above see note c/ "Grants and Loans" - Calendar year).
- g/ Social Progress Trust Fund country technical assistance activities are totaled under "Regional".
- h/ Inter-American Highway and Peace Corps. Note: Differing from calendar year presentation, Inter-American Highway, as well as Peace Corps, is broken out by country.
- i/ Inter-American Highway.
- j/ Includes \$9.5 million for non-regional activities related to the Alliance for Progress Program.
- k/ \$5.0 million loan and \$2.0 million grant to Central American Bank for Economic Integration.

PROJECT ASSISTANCE BY FIELD OF ACTIVITY a/, b/ COMMITMENTS
 -CALENDAR YEAR-
 AID, EXPORT-IMPORT BANK, SPTF

	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1st Half 1964*</u>	<u>Total</u>
Food and Agriculture	10.7	47.4	92.6	98.0	63.4	312.1
Industry and Mining <u>c/</u>	51.4	26.6	74.6	80.9	110.3	343.8
Power and Communications	70.4	0.0	10.7	26.5	78.9	186.5
Transportation	177.7	72.0	38.3	103.9	190.1	582.0
Labor	.5	.7	.5	3.0	2.2	6.9
Health and Sanitation <u>d/</u>	9.5	62.8	101.5	30.9	23.8	228.5
Education	5.6	11.7	40.6	28.3	42.4	128.6
Public Administration and Public Safety	4.7	4.8	12.2	29.1	14.0	64.8
Housing, Community Development and Social Welfare	6.8	106.0	144.6	82.8	57.8	398.0
General and Miscellaneous	5.8	2.1	18.9	14.1 <u>1/</u>	4.7	45.6
Technical Support	.9	2.7	5.6	1.0	4.3	14.5

*January-June 1964 1/ Includes \$11.0 mil. for general feasibility studies.

a/ Breakout of grant component by field of activity is estimated for 1960 through 1962.

b/ The table includes project authorizations and those portions of development program loans which are allocated to specific sectors.

c/ Includes fisheries.

d/ Primarily water and sewerage systems.

AID COMMITMENTS TO ALLIANCE COUNTRIES
 IN RELATION TO WORLDWIDE AID COMMITMENTS
 BY FISCAL YEARS (MILLIONS OF DOLLARS)

