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FACTS

ON

LATIN AMERICA'S DEVELOPMENT

UNDER THE

ALLIANCE FOR PROGRESS

APRIL 1967

Prepared by The Office of Public Affairs, Bureau of Inter-American Affairs
U. S. Department of State

THE CHARTER OF PUNTA DEL ESTE

The Charter of Punta del Este

Establishing an Alliance for Progress Within the Framework of Operation Pan America

PREAMBLE

We, the American Republics, hereby proclaim our decision to unite in a common effort to bring our people accelerated economic progress and broader social justice within the framework of personal dignity and political liberty.

Almost two hundred years ago we began in this Hemisphere the long struggle for freedom which now inspires people in all parts of the world. Today, in ancient lands, men moved to hope by the revolutions of our young nations search for liberty. Now we must give a new meaning to that revolutionary heritage. For America stands at a turning point in history. The men and women of our Hemisphere are reaching for the better life which today's skills have placed within their grasp. They are determined for themselves and their children to have decent and ever more abundant lives, to gain access to knowledge and equal opportunity for all, to end those conditions which benefit the few at the expense of the needs and dignity of the many. It is our inescapable task to fulfill these just desires—to demonstrate to the poor and forsaken of our countries, and of all lands, that the creative powers of free men hold the key to their progress and to the progress of future generations. And our certainty of ultimate success rests not alone on our faith in ourselves and in our nations but on the indomitable spirit of free man which has been the heritage of American civilization.

Inspired by these principles, and by the principles of Operation Pan America and the Act of Bogotá, the American Republics hereby resolve to adopt the following program of action to establish and carry forward an Alliance for Progress....

The Preamble to the Charter adopted by the American Republics on August 17, 1961.

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CHARTS AND GRAPHS

THE SUMMIT MEETING

"...This meeting represents another link in the bond of partnership which joins us with more than 230 million neighbors to the south.

"The gathering is far more than a symbol of flourishing friendship. Its purpose is a review of the progress we have made together in a great adventure which unites the destinies of all of us. Beyond that it will include a common commitment to the historic and humane next steps we plan to take together.

"I look to this meeting with enthusiasm. The peaceful and progressive revolution which is transforming Latin America is one of the great inspirational movements of our time. Our participation in that revolution is a worthy enterprise blending our deepest national traditions with our most responsible concepts of hemispheric solidarity...".

-- From President Lyndon B. Johnson's Message of March 13, 1967, to the U.S. Congress, regarding "Summit" meeting of American Chief Executives, Punta del Este, Uruguay, April 12-14, 1967.

Nearly six years ago in Punta del Este, Uruguay, representatives of the people of 20 American Republics signed the Charter of Punta del Este, thereby creating the Alliance for Progress -- designed to bring about social and economic reforms and to strengthen democracy in the hemisphere.

Since that time, the Latin American nations have given ample proof of their dedication to the goals of the Alliance. During the Alliance years 1961-66, they invested largely from their own sources, an estimated $91 billion towards their own accelerated development.

Funds and technical know-how from the United States have provided an important catalytic force: U.S. financial support for Alliance countries during 1961-66 amounted to more than $6.5 billion. During the calendar year 1961-66 additional assistance totaling some $1.1 billion came from members of the Development Assistance Committee Countries, other than the U.S.* Commitments by the international lending agencies were about $2.3 billion. This totals $9.9 billion which has been committed for projects and programs to the Alliance countries.

What have been the results of this joint undertaking?

If the hemisphere's leaders agree that the great problems of the area are still unsolved, they also agree that a significant start has been made. Results of Alliance efforts are still inadequate -- but they are encouraging, and in many ways impressive.

New schools, hospitals, roads, power facilities, housing and airports have begun to change the face of Latin America. In 1964 and 1965 the hemisphere's overall economic growth rate exceeded the goal of 2.5% set when the Alliance was created in 1961; but now it is recognized that this goal, too, must be elevated to meet the requirements of today.

Reduced rates of inflation, stronger fiscal and budgetary performance, and more sound monetary and foreign exchange rate systems are among the signs of improvement. In tax collecting -- an outstanding example of Latin America's self-help -- added numbers of citizens are provided needed revenue towards development of their own countries.

"Perhaps most important of all," President Johnson has said, "statistics cannot adequately reflect the emergence of

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* For further information, see chart on "Loans and Grants to Latin America by Member Countries of the Organization for Economic Cooperation and Development (OECD);" also chart on "Economic Assistance to Latin America by International Agencies."

of a vigorous, competent and confident new generation of Latin American leaders."

Hemisphere leaders, noting that progress has been made but recognizing the urgent need for an accelerated pace of development, have been considering the possibility of a meeting of American Presidents since the idea was suggested by then-President Illia of Argentina in 1965. Consultations and careful preparations grew in intensity during 1966 and early 1967, and in February of this year the hemisphere's foreign ministers, meeting in Buenos Aires, declared:

"...It is essential that our countries enter upon a new stage of transformation and social change, which, owing to its overriding importance, must be defined at the highest political level, with a clear vision of future requirements."

At the same time, they fixed the date and place for the meeting -- April 12-14, at Punta del Este, Uruguay -- and drew up a working agenda. They specified that special presidential representatives would meet at Montevideo starting March 13 further to carry forward preparations for discussions on agenda items. These representatives were to report by March 27 to their respective foreign ministers, who in turn were to meet before the hemisphere's Chief Executives gathered in Punta del Este.

The six agenda items, in brief:

1. Latin American economic integration and industrial development.

2. Multinational action for infrastructure projects.

3. Measures to improve international trade conditions for Latin America.

4. Modernization of rural life and increased agricultural productivity.

5. Educational, technological and scientific development and intensification of health programs.

6. Elimination of unnecessary military expenditures.

ECONOMIC INTEGRATION

Economists are convinced that the surest route to faster growth in Latin America is through integration. The pooling of markets through an integrated system and the elimination of protectionist tariffs will, it is expected, lead to the modernization of old industries and the development of major new industries, whose products can compete successfully in world markets. Doubtlessly, thriving industry would create more jobs, more opportunities and higher wages.

A Latin American Common Market also would allow for freer movement of basic materials among the countries.

As envisioned, the Latin American Common Market would grow out of two existing organizations -- the Central American Common Market (CACM) and the Latin American Free Trade Association (LAFTA).

While progress in LAFTA (which includes Mexico and ten South American countries) has not been so fast as in the CACM, intrazonal LAFTA trade increased from $775 million in 1962 to $1.4 billion in 1965. Over 9,000 tariff concessions have been negotiated since LAFTA was created.

By mid-1966 an estimated 95 percent of intra-Central American trade had been liberated from border duties, quotas and other restrictions. By the end of 1965, intra-Central American market trade had increased to a level equal to 15.5 percent of the region's total trade, against 7.5 percent in 1961.

POPULATION, AREA, AND GNP

COUNTRY	POPULATION (1966)			AREA			GNP AND POWER		
	Total	Rate of Growth	Density	Total	Agricultural Land		Gross National Product[a] (1965)		Power Per Capita
							Total	Per Capita	
	Mill.	Percent	Per Sq. Mi.	1,000 Sq. Mi.	Percent of Total Area	Acres per Capita	$ Mill.	Dollars	KWH Per Year
19 REPUBLICS TOTAL	236.9	2.9	31	7,710	25	5	88,286	384	400
Argentina	22.7	1.6	26	1,084	50	17	16,050	718	690
Bolivia	4.2	2.4	10	424	13	8	599	145	130
Brazil	84.0	3.0	26	3,280	15	4	21,970	270	410
Chile	9.0	2.4	30	286	17	3	4,257	485	690
Colombia	18.5	3.0	40	440	17	3	5,103	284	320
Costa Rica	1.6	3.8	80	20	30	2	593	395	430
Dominican Republic	3.7	3.6	200	19	26	1	960	265	140
Ecuador	5.2	3.4	50	112	19	3	1,128	222	110
El Salvador	3.0	3.2	360	8	51	1	795	273	140
Guatemala	4.8	3.3	110	42	19	1	1,410	305	90
Haiti	4.8	2.3	450	11	31	0.4	327	70	19
Honduras	2.3	3.1	50	43	38	4	504	223	80
Mexico	44.2	3.5	60	760	52	6	19,415	455	400
Nicaragua	1.7	3.5	30	57	13	3	588	355	190
Panama	1.3	3.2	40	29	18	3	617	495	400
Paraguay	2.1	2.6	13	157	27	14	443	221	60
Peru	12.0	3.1	23	514	16	4	4,281	367	330
Uruguay	2.8	1.4	40	72	86	14	1,555	573	640
Venezuela	9.0	3.4	26	352	21	5	7,691	882	920
OTHER									
British Honduras	0.1	3.1	12	9	2	1	39	370	170
Guyana	0.7	2.8	8	83	13	10	193	298	230
Jamaica	1.8	2.6	420	4	45	0.7	873	489	450
Surinam	0.4	2.9	7	55	0.3	0.4	139	392	690
Trinidad and Tobago	1.0	3.0	500.	2	35	0.4	630	646	930

n.a. Not available.
a – GNP data unadjusted for inequalities in purchasing power among countries.

CAUTIONARY NOTE

Data on less developed countries are subject to numerous qualifications and in many cases represent only rough estimates or approximate orders of magnitude rather than precise statistics. Also, data may reflect source changes in definition or census methodology as well as entirely new series. The figures should therefore be used with caution in forming economic judgments about a particular country, in studying trends, or in making comparisons among countries.

EXPORTS, TRANSPORT, EDUCATION AND HEALTH*

COUNTRY	EXPORT TRADE		TRANSPORT		EDUCATION				HEALTH	
	Leading Export		Miles Improved Roads	Motor Vehicles	Literacy	Primary School Pupils	Secondary School Pupils	Primary School Teachers	Life Expectancy	People Per Physician
	Item	Percent 1962-64 Exports	Per 1,000 Sq. Mi.	Thousands	Percent	Thousands	Thousands	Thousands	Years	Number
19 REPUBLICS										
TOTAL	-	-	76	-	66	-	-	-	57	1,800
Argentina	Grains/Meat	46	74	1,265	91	2,933	495	124	65	670
Bolivia	Tin	72	30	25	32	527	88	18	50	3,830
Brazil	Coffee	53	95[a]	1,511	61	8,524	1,508	264	55	2,500
Chile	Copper	65	127[a]	147	84	1,403	282	32	59	1,770
Colombia	Coffee	71	57	225	62	1,949	270	53	55	2,280
Costa Rica	Coffee	47	460	34	84	249	34	10	63	2,200
Dominican Republic	Sugar	55	236	25	64	479	66	9	58	1,620
Ecuador	Bananas	59	58	36	68	752	91	20	53	2,990
El Salvador	Coffee	52	330	33	48	359	26	11	60	4,520
Guatemala	Coffee	51	165	45	38	405	38	11	49	4,190
Haiti	Coffee	45	184[a]	12	10	274	22	6	40	14,980
Honduras	Bananas	39	27	17	45	267	20	9	46	6,640
Mexico	Cotton/Cof	27	49	1,091	71	6,530	720	142	60	2,020
Nicaragua	Cotton/Cof	59	34	22	50	194	9	5	54	2,370
Panama	Bananas/Oil	78	61	37	78	197	46	6	62	1,920
Paraguay	Meat/Lumber	42	11	12	68	335	30	13	55	1,660
Peru	Fishmeal/ Copper	36	31	193	61	1,923	349	54	55	2,150
Uruguay	Wool/Meat	75	76	195	91	350	96	12	69	880
Venezuela	Petroleum	93	53	457	80	1,483	265	37	66	1,280
OTHER										
British Honduras	Wood/Citrus	43	80	2	89	26	2	1	60	3,700
Guyana	Sugar	37	11[a]	15	80	136	10	3	51	2,110
Jamaica	Bauxite/Alu	43	1,400	55	85	311	26	5	70	2,040
Surinam	Bauxite	79	14	9	80	63	10	2	n.a.	2,240
Trinidad and Tobago	Petroleum	79	1,897	58	80	191	12	6	62	2,550

n.a. Not available.

a – All roads.

* Data based on most recent information available, generally for 1965 and 1966.

In June, 1966, a special meeting of the Inter-American Economic and Social Council reached agreement on proposals to add to the OAS Charter an amendment supporting establishment of a Latin American Common Market. At the Third Special Inter-American Conference at Buenos Aires in February of this year, the foreign ministers of the hemisphere signed a protocol of amendments to the Charter which includes an article calling on member states to accelerate the establishment of such a market. This article reads: "The member states recognize that integration of the developing countries of the Hemisphere is one of the objectives of the Inter-American system and, therefore, shall orient their efforts and take the necessary measures to accelerate the integration process, with a view to establishing a Latin American Common Market in the shortest possible time."

It will now go to legislatures for ratification.

In August, the Presidents of Colombia, Chile and Venezuela, along with representatives of the Presidents of Ecuador and Peru, met and issued the "Declaration of Bogota." This set forth suggestions for a Presidential summit conference and emphasized the need for accelerating hemispheric economic unification.

During the same month, August, the Inter-American Development Bank created a $16.5 million Pre-Investment Fund for Latin American Integration. These resources will be used to finance feasibility studies of multinational or regional development projects.

TRADE AND INTEGRATION

Latin America's development efforts are limited by its export performance.

Organization of American States statistics demonstrate a continued decline in Latin America's share of total world export receipts. This is despite the fact that its export earnings rose from $8.2 billion in 1961 to an estimated $10.8 billion in 1966 -- an average annual rise of about 6 percent. In 1950 Latin America received 10.6 percent of world export earnings. This fell to 7 percent in 1961 and now is slightly below 6 percent.

This year OAS experts believe the value of Latin American exports may increase by only $300 million, or about 3 percent, over 1966. This represents only half the rate of growth of the previous Alliance years.

Other revealing figures include these from an analysis by the Inter-American Development Bank: Latin America's share of U.S. imports dropped from 31 percent in 1956 to 17 percent in 1965. Its part of Western European imports fell from 6.4 percent in 1956 to 4.7 percent in 1965.

Various factors enter into this worsening picture.

Among them are market structures, financial conditions, and actions that limit the access of Latin American exports to world markets. In addition administrative measures and financial and exchange policies in Latin American countries and weak export promotional efforts frequently discourage exports. The result is the impediment of Latin American economic growth.

A new thrust to overcome such problems is expected from the search by chiefs of state of American countries of techniques to accelerate Latin American economic integration and industrial development, coordinate multinational action for infrastructure projects, identify measures to improve international trade conditions in Latin America, and in general to intensify inter-American cooperation in order to accelerate the economic and social development of Latin America.

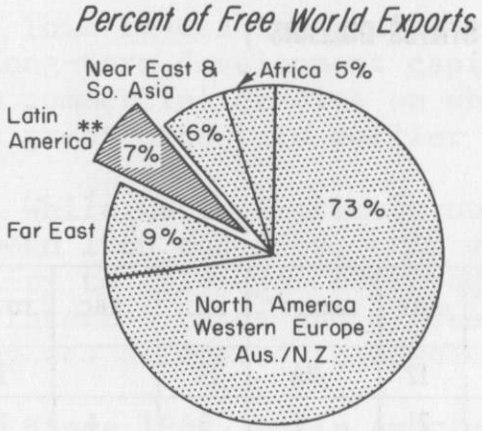
FOREIGN DEBT POSITION

Latin America's deteriorating debt position has been

LATIN AMERICA IN THE FREE WORLD

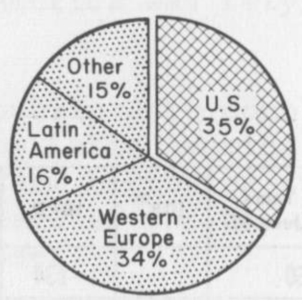
FOREIGN TRADE *

Latin America Exports as Percent of Free World Exports



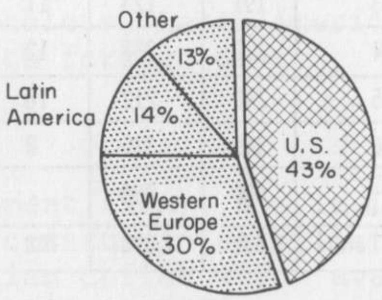
Destination of L.A. Exports

(19 Republics)



Source of L.A. Imports

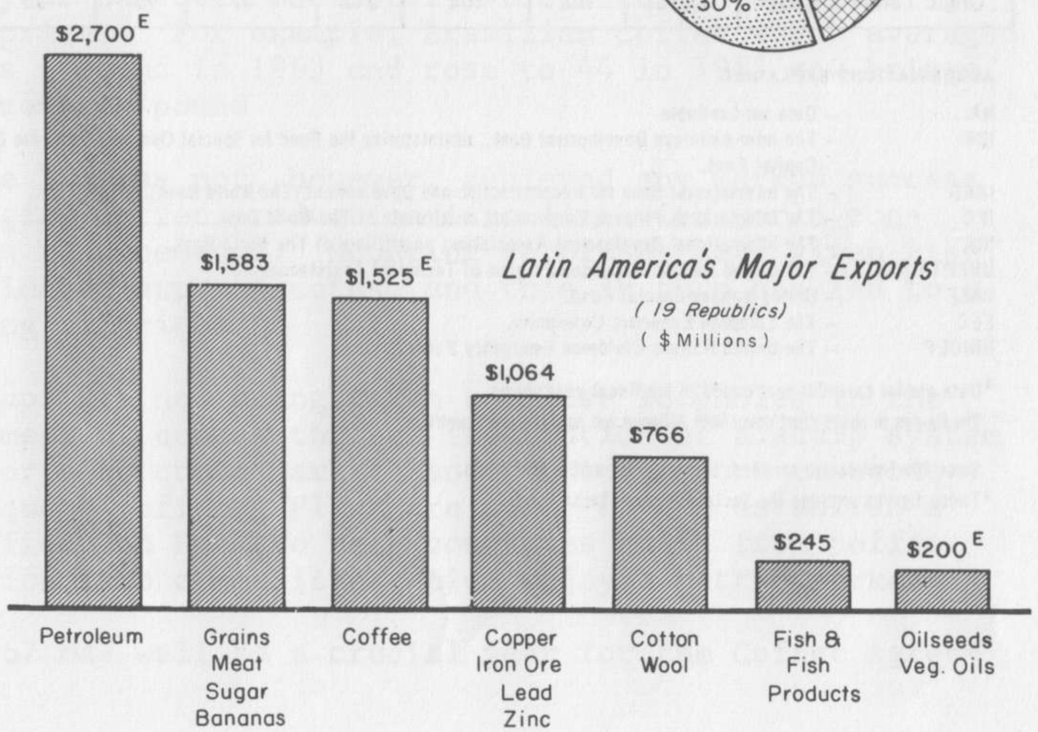
(19 Republics)



Latin America's Major Exports

(19 Republics)

($ Millions)



* 1965 Data.

** 19 Republics and other Latin American areas.

E-Estimate.

ECONOMIC ASSISTANCE TO LATIN AMERICA BY INTERNATIONAL AGENCIES

(IN MILLIONS OF UNITED STATES DOLLARS)

Fiscal Years ending June 30	IDB*	IBRD	IDA	UNEPTA (UNTA) [a]	UNSF	UNICEF [a]	IFC	EEC	TOTAL
1960	-	134	-	9	12	NA	13	-	168
1961	66	131	28	10	21	8	3	4	271
1962	141	410	31	10	21	8	8	5	634
1963	191	123	11	12	19	10	10	6	382
1964	131	258	12	20	16	9	7	10	463
1965	240	212	18	15	32	7	10	8	542
1966	369	375	8	14	46	5	24	11	852
1967 Estimate	400	250	-	14	45	NA	20	11	740
Grand Total	1,538	1,893	108	104	212	47	95	55	4,052

ABBREVIATIONS EXPLAINED

- NA – Data not available
- IDB – The Inter-American Development Bank, administering the Fund for Special Operations and the Ordinary Capital Fund.
- IBRD – The International Bank for Reconstruction and Development (The World Bank).
- IFC – The International Finance Corporation, an affiliate of The World Bank.
- IDA – The International Development Association, an affiliate of The World Bank.
- UNEPTA (UNTA) – The United Nations Expanded Program of Technical Assistance.
- UNSF – United Nations Special Fund.
- EEC – The European Economic Community.
- UNICEF – The United Nations Childrens Emergency Fund.

[a] Data are for calendar year ended in the fiscal year shown.

The figures in above chart cover both Alliance and non-Alliance countries.

Since the figures are rounded, they may not add to the totals.

*These figures exclude the Social Progress Trust Fund.

brought into better balance under the impetus of the Alliance.

This favorable development reflects the large inflows of long-term development capital, replacing the shorter-term commercial credits on which Latin America was relying to a great extent in earlier years.

While Latin America's outstanding public debt doubled between 1960 and 1966, this was offset by Latin America's ability to rely upon advantageous long-term borrowing at low interest rates and a greater percentage of the new money was allocated to development purposes.

Since 1960, Latin America's annual debt service (amortization and interest) has increased by 25 percent, about the same as GNP. Export earnings have increased more than debt service payments. Nevertheless, Latin America continues to be heavily burdened with foreign debt.

Coffee

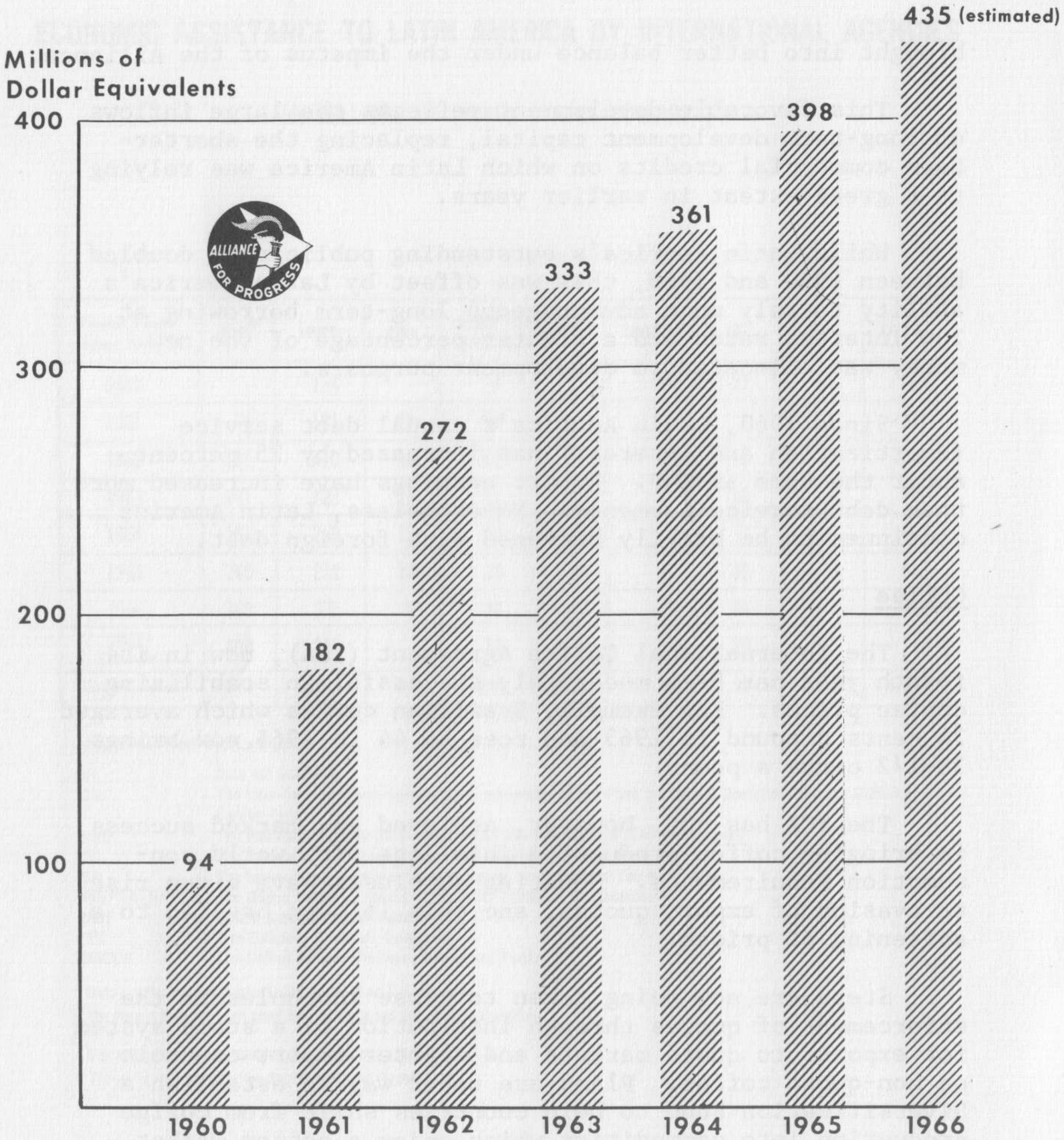
The International Coffee Agreement (ICA), now in its fourth year has been moderately successful in stabilizing coffee prices. For example, Brazilian coffee which averaged 34 cents a pound in 1963 and rose to 44 in 1965 now brings 38-1/2 cents a pound.

The ICA has not, however, achieved any marked success in bringing coffee production into line with world consumption requirements. Mounting surpluses have given rise to evasion of export quotas, and this in turn has led to a softening of prices.

Steps are now being taken to close loopholes in the enforcement of quotas through institution of a stamp system for exports to quota markets and tighter import controls on non-quota coffee. Plans are under way to establish a Diversification Fund to help countries shift from coffee production into commodities which enjoy a better market.

1967 may well be a crucial year for the Coffee Agree-

LOANS AND GRANTS TO LATIN AMERICA BY MEMBER COUNTRIES OF THE ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT (OECD)



Most of the OECD countries are members of the Development Assistance Committee (DAC). DAC countries are Australia, Austria, Belgium, Canada, Denmark, France, the Federal Republic of Germany, Switzerland, Italy, Japan, the Netherlands, Norway, Portugal, Sweden, Great Britain and the United States.

Above data are gross disbursements from all DAC countries except the United States.

ment. The downward price trend can only be reversed by a united effort to limit exports and cut production. The problem is aggravated by surplus stocks of some 65 million bags.

Cocoa

Cocoa prices are about 26 cents a pound after a drop to 13.5 cents in 1965. Under UN auspices the United States in 1966 participated in negotiations for developing a cocoa agreement. Points of difference remain between producing and consuming countries but the U.S. believes a basis can be found for a realistic and workable settlement.

Sugar

World sugar prices dropped in 1966 to the lowest level since depression days -- 1.35 cents a pound. The market has strengthened in recent weeks to 1.60 cents but is still below production costs.

However, the U.S. market for Latin American sugar continues to expand. The current U.S. price of 7.2 cents per pound (less duty and freight of 1 cent a pound) is almost four times the present world price.

U.S. ASSISTANCE WITHIN THE ALLIANCE

The U.S.'s financial contribution to its partners within the Alliance for the period 1961-66 totaled more than $6.5 billion.

President Johnson in his message to the U.S. Congress on the Latin American summit meeting on March 13 recommended that Congress approve a commitment to provide additional U.S. aid by up to $1.5 billion or about $300 million per year, over the next five years.

This would be in addition to the $1.1 billion annually this country has invested in the Alliance since its birth. President Johnson termed it investment in the future of Latin American democracy.

That additional amount would be channeled to new efforts in agriculture, education and health; a Latin American Common Market and multinational projects, including communications, roads and river systems.

A fair assessment of progress already achieved and analysis of future possibilities indicate that U.S. support is the soundest investment possible in the well-being of the hemisphere.

Total U.S. assistance includes AID loans and grants; Export-Import Bank loans; Food-for-Peace sales and contributions; Social Progress Trust Fund loans and other U.S. assistance administered by the Inter-American Development Bank.

Last year was marked by increased emphasis on food and agriculture, health, education, housing and community development. This trend is expected to continue.

AID

A new level of loan authorizations in support of the Alliance highlighted AID's assistance activities in 1966.

Authorized development and program loans in Fiscal Year 1966 totaled more than $500 million, against $389 million in 1965.

Part of AID's $85 million assistance to the agricultural sector was a $14.8 million development loan toward financing a $70 million chemical fertilizer plant in Santos, Brazil, considered a major break-through in the struggle to boost that country's food and fiber production.

In addition, an estimated $65 million in AID program loan assistance financed the importation of machinery and equipment to expand and improve the productivity of Latin America's agricultural sector.

Last year also was marked by an increased tempo of disbursements in implementing currently-active loans. An

TOTAL U.S. ECONOMIC ASSISTANCE TO LATIN AMERICA

COMMITMENTS IN MILLIONS OF UNITED STATES DOLLARS

(Including Alliance and non-Alliance countries)

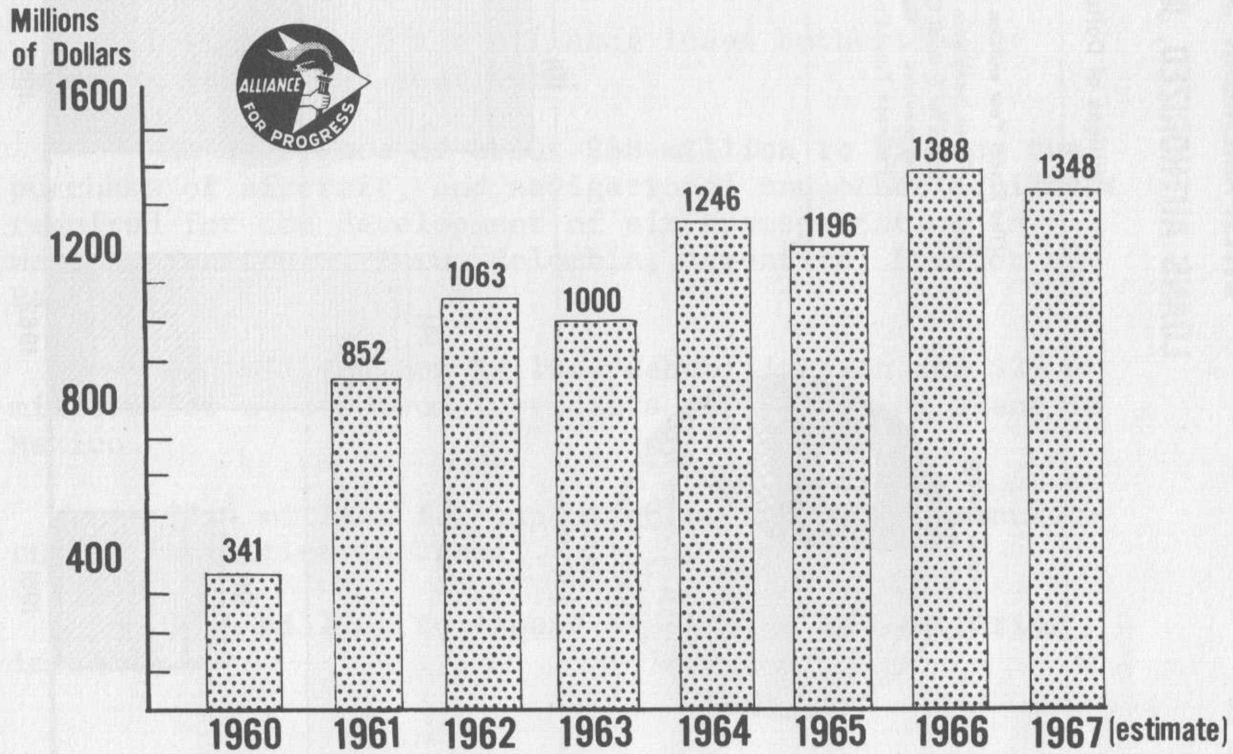
Fiscal Years ending June 30	AID	Ex-Im Bank	Food for Peace	SPTF*	Other Sources**	*** TOTAL
1960	105	105	45	-	86	341
1961	254	450	146	-	2	852
1962	478	109	130	226	120	1,063
1963	552	67	174	127	79	1,000
1964	613	170	339	42	83	1,246
1965	532	166	113	101	284	1,196
1966	647	226	202	24	288	1,388
1967 Estimate	581	400	87	-	280	1,348

AID is the Agency for International Development

*SPTF is the Social Progress Trust Fund, administered for the United States by the Inter-American Development Bank (IDB).

***"OTHER SOURCES" include the Peace Corps; grants for the construction of the Inter-American Highway, and allocations of $250 million per year, for 1965, 1966, and 1967, to the Fund for Special Operations, administered by IDB.

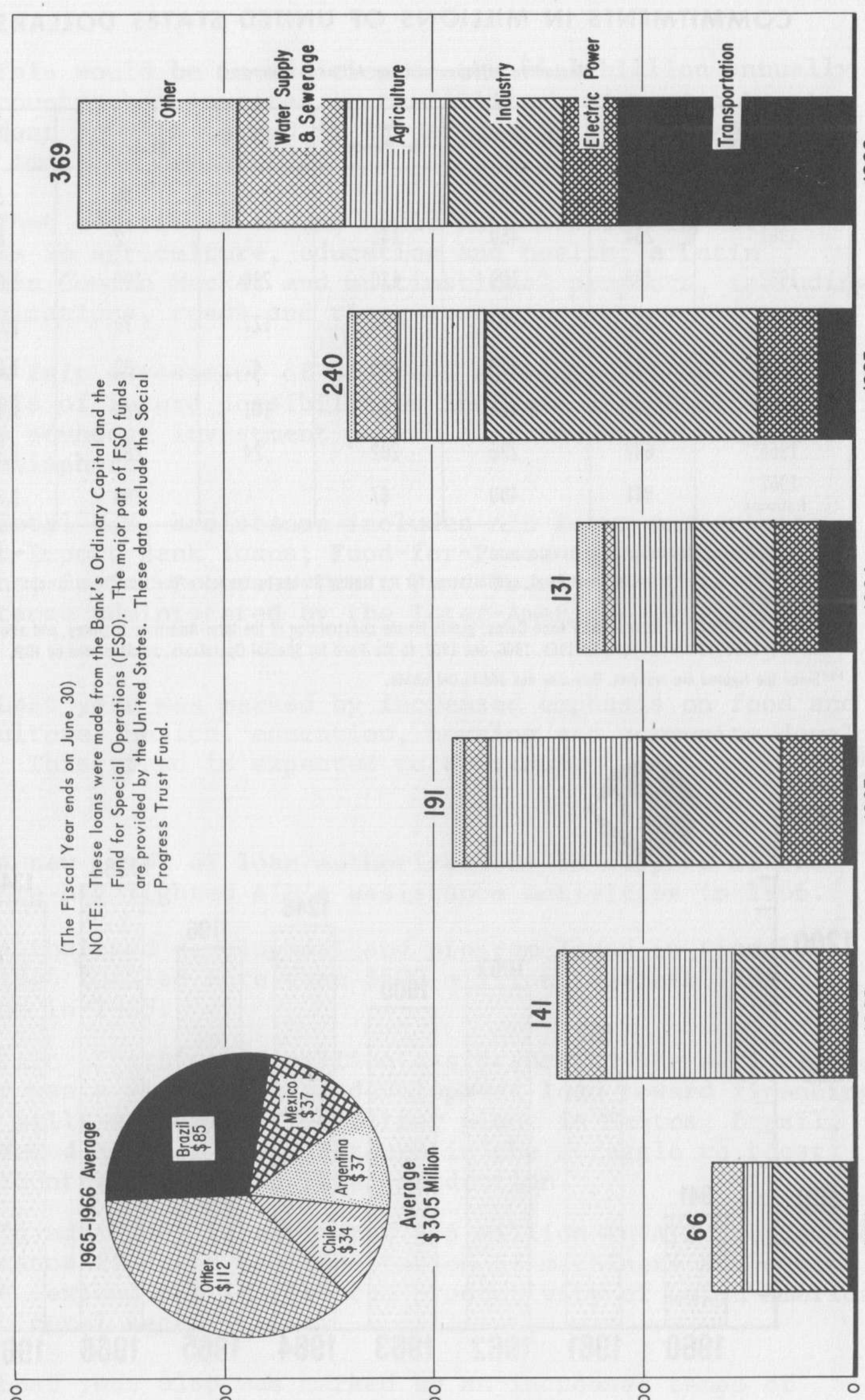
***Since the figures are rounded, they may not add to the totals.



INTER-AMERICAN DEVELOPMENT BANK (IDB)

LOANS AUTHORIZED, JULY 1, 1960 - JUNE 30, 1966

(Millions of Dollars or Dollar Equivalents)



estimated $450 million was disbursed for project execution in 1966, against approximately $300 million in 1965.

Export-Import Bank

During 1966 the Export-Import Bank continued its credit operations in support of the Alliance, enabling buyers in Latin America to purchase U.S. goods and services on deferred payment terms.

New Eximbank authorizations of long and medium-term loans, medium-term guarantees and insurance, and insurance issued on short-term shipments to Latin America totaled $658 million -- more than double the figure of just three years earlier.

By far the greatest portion of this credit assistance will help in the purchase of capital goods and services needed to expand and improve existing enterprises or to establish new productive facilities in both the private and public sectors and thus further the goals of the Alliance.

Illustrative of the Alliance loans authorized by Eximbank during the year were:

-- An aggregate of about $88 million to finance the purchase of aircraft, and navigational and other equipment required for the development of air transportation in Mexico, Venezuela, Peru, Colombia, Argentina, Ecuador and Paraguay.

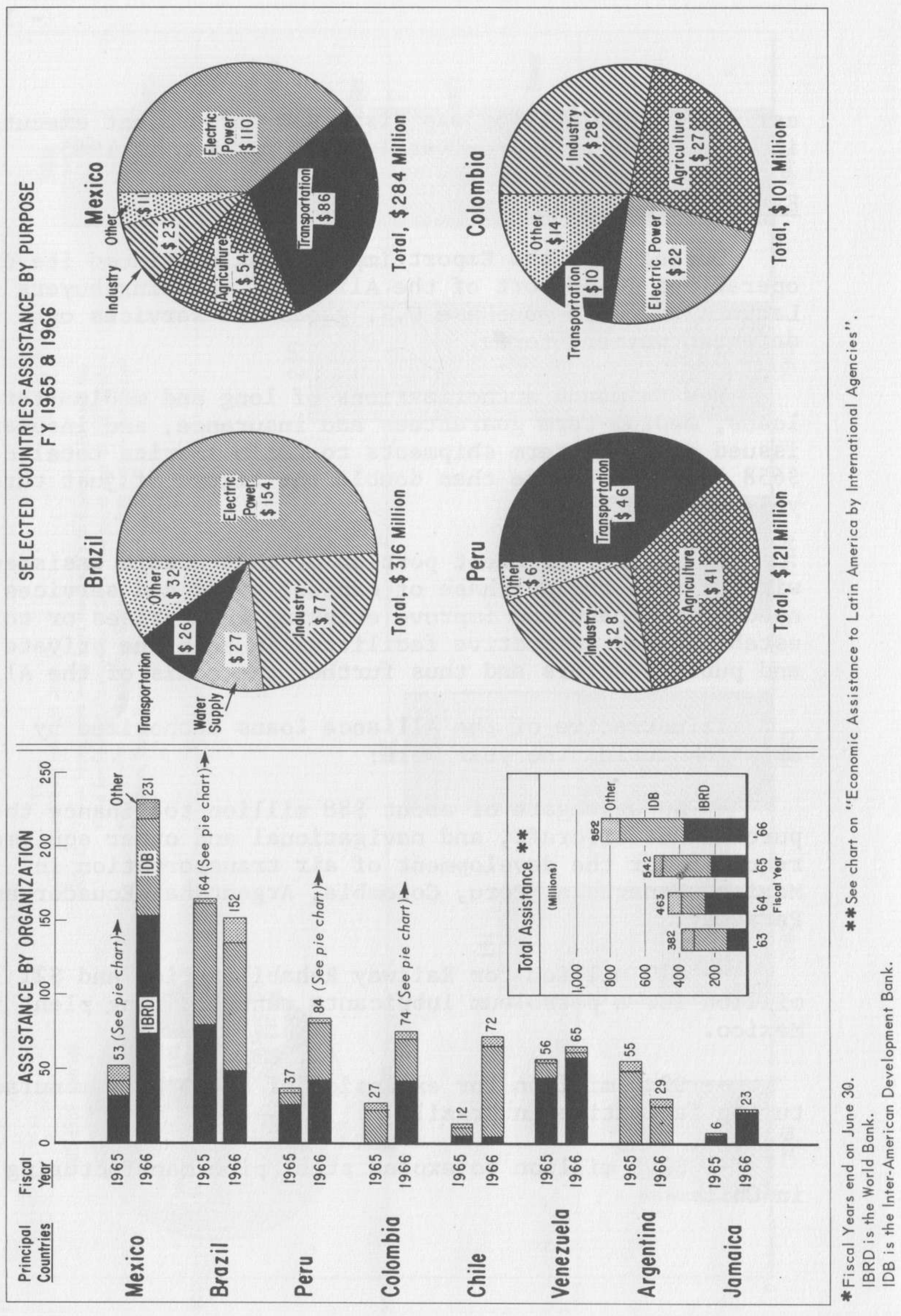
-- $10 million for Railway Rehabilitation and $21 million for a petroleum lubricants manufacturing plant in Mexico.

-- $2.4 million for expansion of automobile manufacturing facilities in Brazil.

-- $2.5 million to expand steel pipe manufacturing in Chile.

AMERICAN COUNTRIES ASSISTED BY INTERNATIONAL ORGANIZATIONS IN FY* 1965 & 1966

(Millions of Dollars or Dollar Equivalents)



**See chart on "Economic Assistance to Latin America by International Agencies".

*Fiscal Years end on June 30.
IBRD is the World Bank.
IDB is the Inter-American Development Bank.

-- $3.4 million for agricultural and irrigation equipment in Colombia.

-- $3.2 million for a tire and tube plant in Costa Rica.

-- $8.9 million for electric power generating facilities in the Dominican Republic.

-- $4.6 million for vehicles and communication equipment in Peru.

Food for Peace

About 17,300,000 Latin American children and adults are currently benefitting from the Food for Peace program.

They in turn are spurred to "help themselves" -- to build more livestock herds, to cultivate more land, to build farm-to-market roads, to practice better nutrition, to rise above illiteracy, and to give underpriveleged children an incentive to attend school.

The program's essence is reflected in the new Food for Peace Act which underlines the U.S. concern for these areas of activity. The Act places special emphasis on self-help activities by the recipients.

In fiscal 1966 $94 million worth of U.S. food commodities were approved by AID for donation to Latin America. By far the largest amount was allocated to school lunches and to maternal and child health programs.

The total U.S. food aid to Latin America in fiscal 1966 amounted to about $202 million, of which $108 million worth was sold for local currencies or dollars on credit, compared with $24 million worth in 1965. Most of the local currency proceeds helped to pay for local social and economic development projects.

Brazil again in fiscal 1966 was the principal recipient of food aid, accounting for $118 million of the total.

202
108
94

About 2.7 million Brazilian children receive milk and hot lunches at school; the Brazilian Government's goal is to bring 6.5 million children into the milk-lunch program.

Brazil is progressively increasing its own commitments to the program, to insure its continuation when aid is phased out.

Other countries receiving substantial Food for Peace supplies include Colombia, Chile, Peru, the Dominican Republic, and Venezuela.

'Partners of the Alliance'

An alliance of private citizens within the Alliance for Progress allows North Americans to participate directly in an action program of mutual assistance.

Approximately three years old, this program has been extended to 31 U.S. states, the District of Colombia, and 15 Latin American republics.

Participants include educators and students, business leaders and trade unionists, doctors and nurses and representatives of many other professions and community organizations.

A flow of three to four million dollars worth of technical and material assistance has been provided within the "Partners of the Alliance" program since its founding. Included are high school and university scholarships, agricultural and electrical equipment and tools.

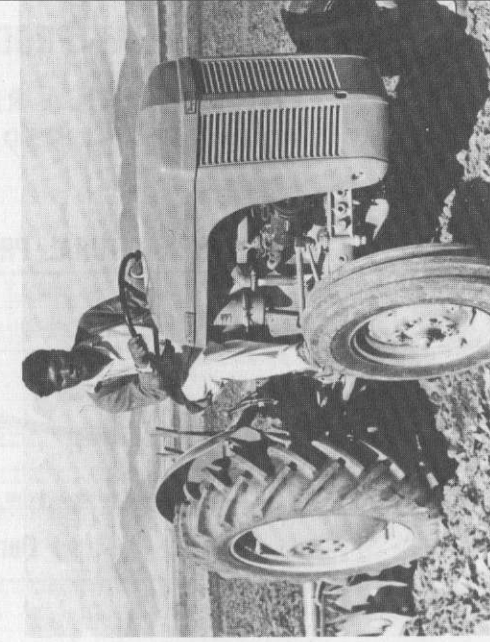
Hospital equipment has been shipped to Latin America's rural areas and impact-type projects in community development have been implemented.

AGRICULTURAL DEVELOPMENTS UNDER THE ALLIANCE

Crop failures, a soaring population and increased food

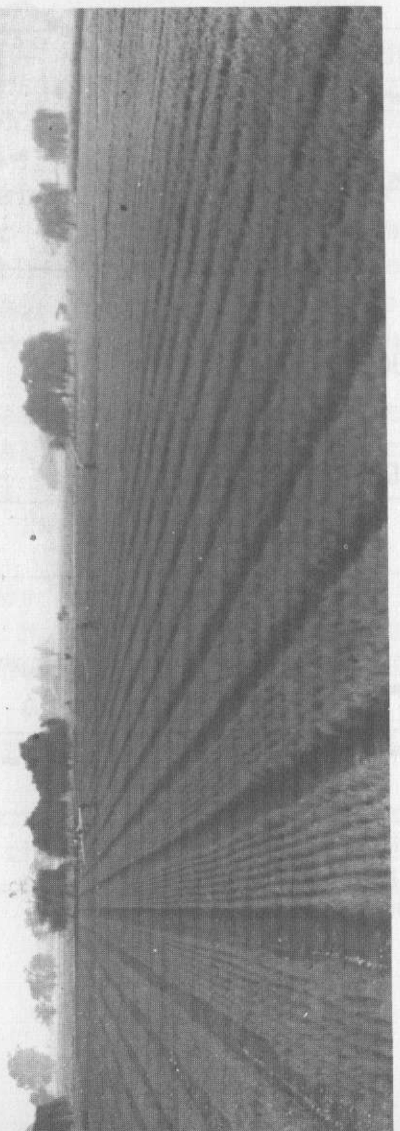
AGRICULTURAL ASSISTANCE CHART OF THE ALLIANCE FOR PROGRESS*

(As of January 1, 1967)



ACRES IRRIGATED

1,931,000

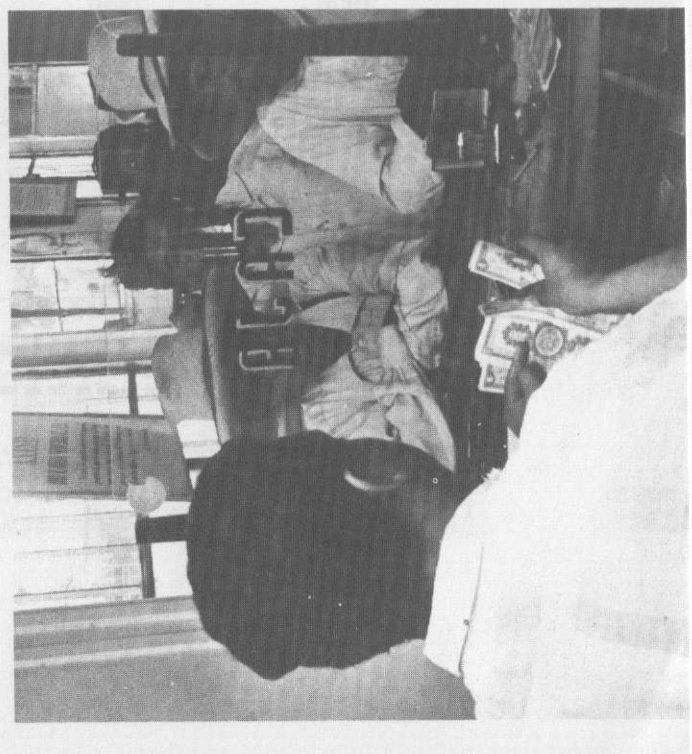


ACRES RECLAIMED

427,000

AGRICULTURAL CREDIT LOANS

$ 489 Million

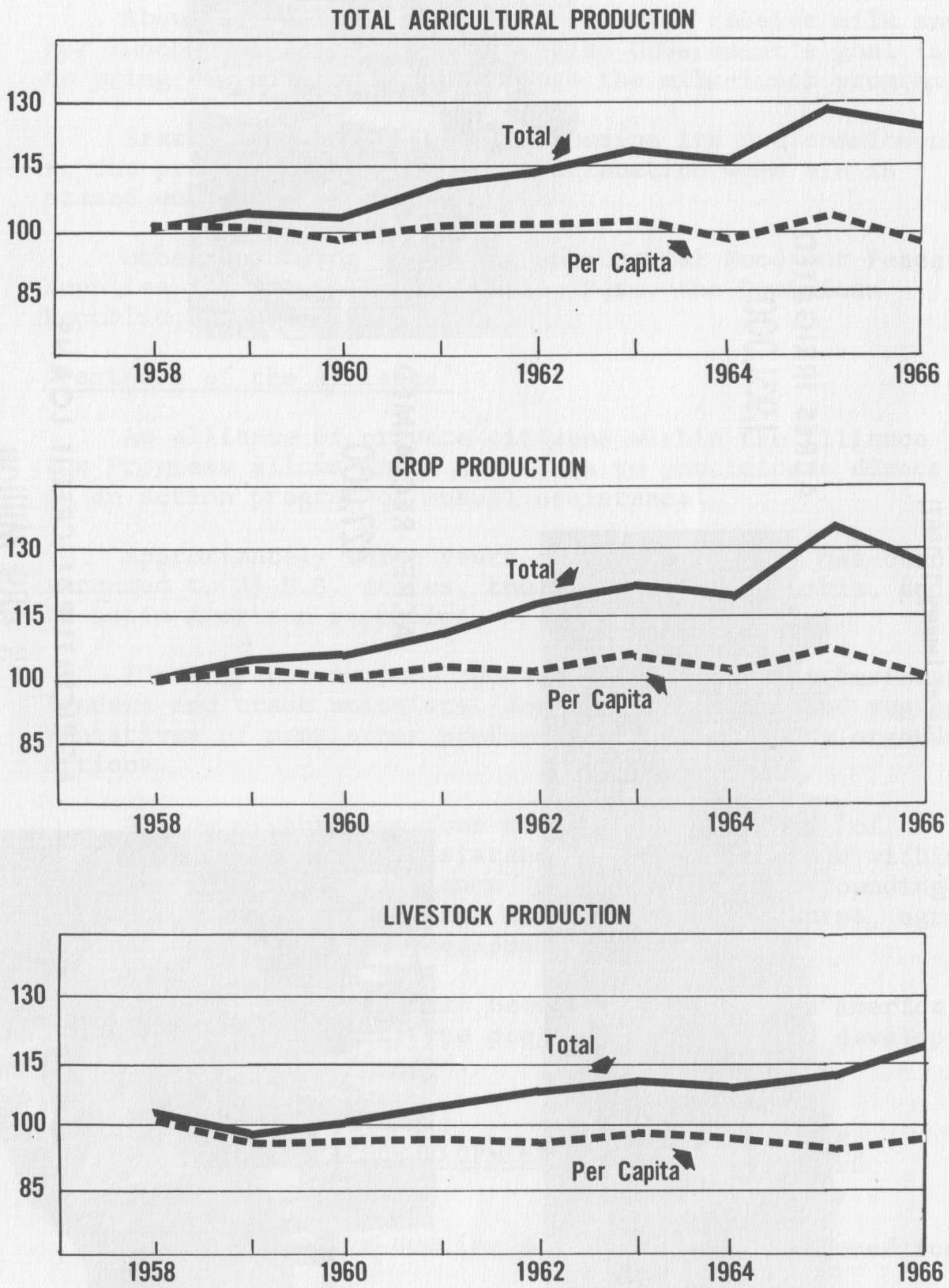


BENEFITTING 894,000 FARMERS

*With assistance from the Agency for International Development and the Social Progress Trust Fund.

AGRICULTURAL PRODUCTION

19 LATIN AMERICA REPUBLICS
Index: 1957 - 1959 = 100



imports have focused on Latin America's agricultural sector and with justification agricultural productivity was included on the summit agenda.

Alliance planners are giving deep thought to ways and means of reversing an unfavorable trend in food production. More soil and plant research, an expanded use of fertilizer, improved seed, protein-enriched foods and a common market offer possibilities. Agrarian reform, another positive factor, is important but is considered only a partial answer to the immediate situation.

Nearly all the Alliance republics have adopted land reform legislation. Mexico and Venezuela have scored the most notable advances; but the land reform movement still faces problems which will require considerable time to solve.

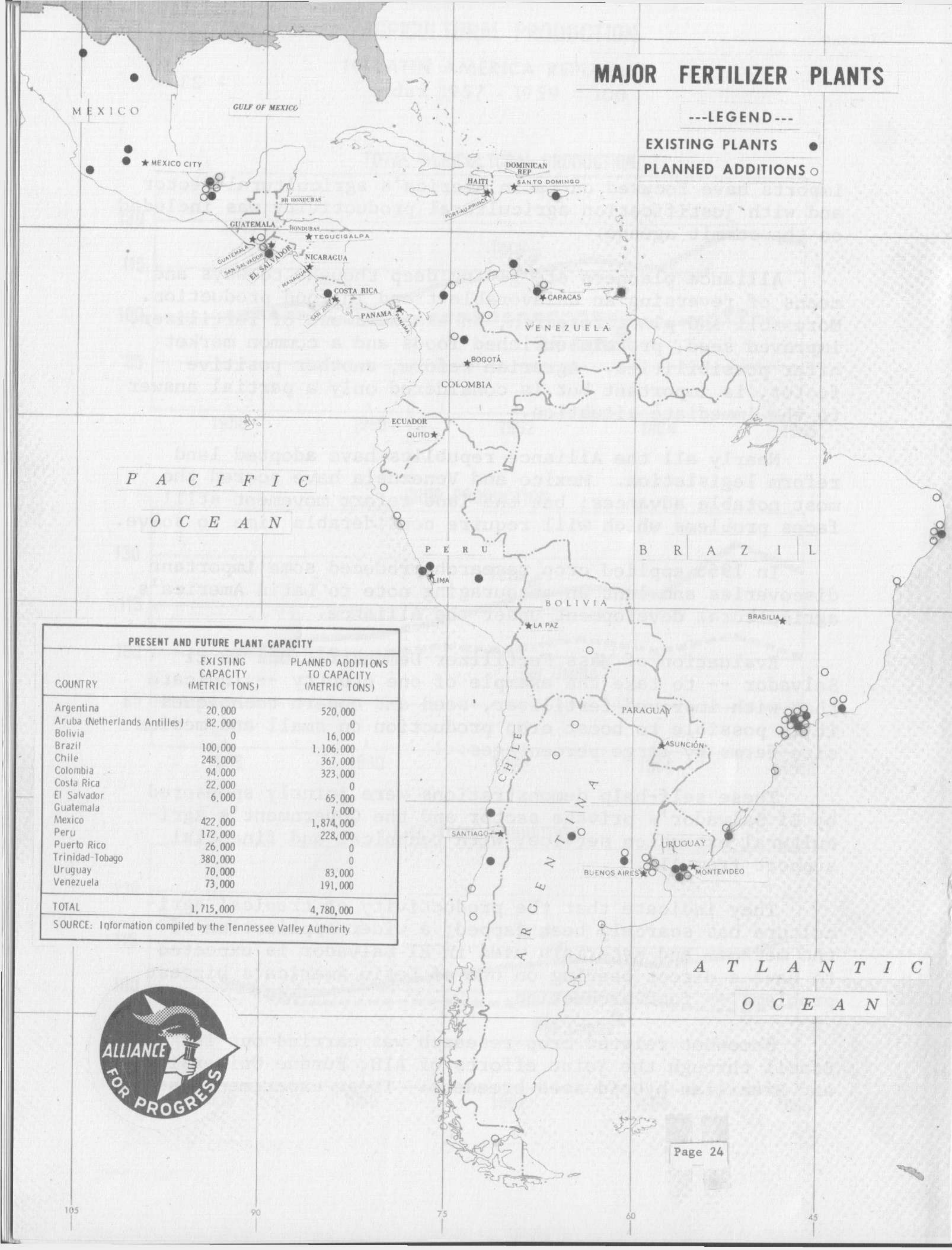
In 1966 applied crop research produced some important discoveries and lent an encouraging note to Latin America's agricultural development under the Alliance.

Evaluation of Mass Fertilizer Demonstrations in El Salvador -- to take the example of one country -- indicate that with improved fertilizer, seed and modern techniques it is possible to boost crop production on small and medium-size farms by large percentages.

These self-help demonstrations were jointly sponsored by El Salvador's private sector and the Government's agricultural extension service, with technical and financial support from AID.

They indicate that the productivity of tropical agriculture has scarcely been tapped; a wider application of the methods and materials used in El Salvador is expected to have a direct bearing on one of Latin America's biggest problems -- food production.

Somewhat related crop research was carried out in Brazil through the joint efforts of AID, Purdue University and Brazilian hybrid seed breeders. These experiments point



PRESENT AND FUTURE PLANT CAPACITY

COUNTRY	EXISTING CAPACITY (METRIC TONS)	PLANNED ADDITIONS TO CAPACITY (METRIC TONS)
Argentina	20,000	520,000
Aruba (Netherlands Antilles)	82,000	0
Bolivia	0	16,000
Brazil	100,000	1,106,000
Chile	248,000	367,000
Colombia	94,000	323,000
Costa Rica	22,000	0
El Salvador	6,000	65,000
Guatemala	0	7,000
Mexico	422,000	1,874,000
Peru	172,000	228,000
Puerto Rico	26,000	0
Trinidad-Tobago	380,000	0
Uruguay	70,000	83,000
Venezuela	73,000	191,000
TOTAL	1,715,000	4,780,000

SOURCE: Information compiled by the Tennessee Valley Authority

the way to a possible breakthrough in reducing protein deficiencies in human and animal diets. They showed that the protein quality of corn be stepped up through the genetic transfer of high lysene genes into a variety of corn that is well-adapted to Central Brazil.

Recently developed protein food supplements that can be derived from cottonseed, peanuts and other protein-rich crops which can be grown in Central America are being market tested in El Salvador through a contract with a major U.S. milling company.

In the general drive to boost Brazil's agricultural production, AID in 1966 gave loan and investment guaranty assistance to the private owners of a new fertilizer complex, Ultrafertil, S.A. to be built at Santos.

At the outset, Ultrafertil will have to depend largely upon imported raw materials, but a recent AID-sponsored study by the U.S. Geological Survey declared that South America's deposits of phosphate, potash and sulphur are ample to support an expanded fertilizer industry.

Deliberations on agricultural problems at the summit meeting were expected to continue the forward thurst of agricultural development throughout Latin America.

In general, Latin America's food and agricultural picture was clouded by the demands of a growing population. Despite production increases in Argentina, Uruguay, Colombia, Ecuador and Venezuela, the total 1966 output dropped 3 to 5 percent below 1965, largely as the result of hurricanes, floods and droughts.

EDUCATIONAL ACTIVITIES UNDER THE ALLIANCE

Public and private education in Latin America are moving ahead in a concerted effort to meet the goals of the Alliance -- but grave challenges remain.

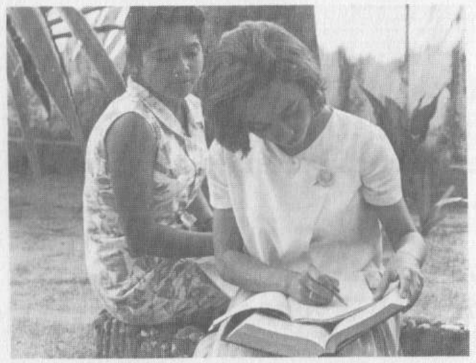
PUBLIC EDUCATION CHART OF THE ALLIANCE FOR PROGRESS*

(Up to January 1, 1967)

SCHOOLROOMS BUILT

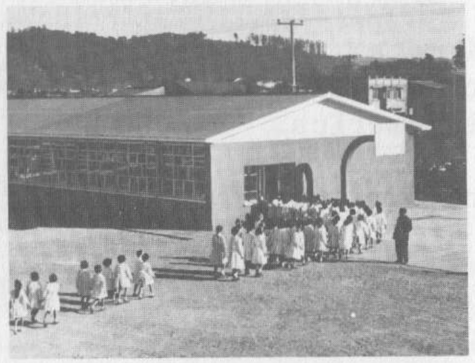
28,000

ACCOMMODATING **1,120,000** CHILDREN



TEXTBOOKS DISTRIBUTED

16,000,000



STUDENTS ENROLLED IN ASSISTED SCHOOLS

2,950,000

NEW TEACHERS TRAINED

33,000

AN ADDITIONAL

127,000

TEACHERS RECEIVED IN-SERVICE TRAINING

*With assistance from the Agency for International Development and the Social Progress Trust Fund.

Studies reveal that, since the Alliance began, the total enrollment in Latin America's primary schools had risen by 23 percent; in secondary schools, by 50 percent, and in universities by 39 percent.

However, the UN Educational, Scientific & Cultural Organization (UNESCO) has reported that illiterate adults in Latin America exceed 50 million. Moreover, there are uncounted millions of illiterate school-age children.

Educational priority is a cornerstone of the Alliance for Progress.

If the present growth rate continues, Latin America's population will soar to 650 million by the year 2000; and the school-age segment of that population will number about 250 million, or three times the present level. Such facts underscore the importance of teachers and the need for more education at all age levels.

In the areas of human resource development, leading Latin American educators in 1966 laid stress on --

* Planning and evaluating national education programs.

* Improving the organization and administration of school systems.

* Providing more opportunities for advanced teacher-training.

* Utilizing new teaching techniques.

* Improving the production and distribution of books and other materials.

Last year this program was implemented as follows:

New institutions were built and new methods adopted as the principal vehicles for developing untapped human resources.

Many public and private educational institutions and foundations in the U.S. and AID gave support.

Examples include:

In Colombia, University of California researchers and Colombian educators collaborated on planning improvements in the country's higher education system.

In Peru a team from Columbia Teachers College assisted educators in developing improvements in the administrative procedures of the Ministry of Education.

In Bolivia, Ohio State is analyzing the educational system, the manpower situation and related subjects bearing on a long-term human resources plan.

In Ecuador and Brazil the University of Houston has provided technical assistance in a reorganization of faculties, teaching methods and administration within the University of Guayaquil and the University of Rio de Janeiro.

In Venezuela the University of Wisconsin exchanged educational leaders for advanced teacher-training with the Ministry of Education.

About 70 Peace Corps Volunteers working chiefly as "teachers of teachers", helped the Colombian authorities to utilize national TV network facilities to reach daily classes of 400,000 children in grades one through five. The TV system of education was recently extended to reach adult classes in health, nutrition and physical improvement.

STATE OF LATIN AMERICA'S HEALTH

Public health services in Latin America have attained a new level of effectiveness and health authorities cautiously forecast that the goals set at Punta del Este are within the realm of realization -- but not soon.

HEALTH CHART OF THE ALLIANCE FOR PROGRESS

(Up to January 1, 1967)

94 MOBILE HEALTH UNITS

SERVING 3,200,000 People

1142 HEALTH CENTERS

52 million people who formerly lived in malarious areas are now protected

1734 new potable water systems. 10.5 million MORE people are benefitting

VACCINATIONS

SMALLPOX --- 3,339,000 PEOPLE

MEASLES --- 267,000 PEOPLE

CHOLERA --- 220,000 PEOPLE

Community Water Supply

Through 1966 the Alliance republics and international lending agencies had appropriated more than $800 million toward water and sewerage programs since Punta del Este. Included was about $400 million in assistance from AID and the Inter-American Development Bank.

Seventy percent of Latin America's urban population now has the benefit of piped water supplies -- an all-time high but the goal of such service for 50 percent of the rural population lags behind. Only two countries have achieved it.

Communicable Diseases

Eradication programs for small-pox, malaria, yaws and the mosquito carrier of yellow fever are well-advanced. Small-pox cases reported have been cut to a fraction of the number of former years.

By 1966 the mosquito carrier of urban yellow fever, "Aedes aegypti", was declared "eradicated" in 15 countries.

More than one-half of the 104 million Latin Americans who had lived in malarious areas five years ago are now free from malaria risk. Slight reductions in mortality rates for whooping cough and tuberculosis have been reported.

The major part of the malaria funds of the Pan American Health Organization and about $21 million for malaria eradication on a bi-lateral basis have been financed by AID.

Mobile Health Units

AID supports, through technical assistance, mobile health services in rural and low-income urban areas. At the beginning of 1967 ninety-four mobile health units, staffed by nationals of the countries, operate in Chile and in six Central American countries. They provide professional health care and counsel to about one million people.

INDUSTRIAL DEVELOPMENT

In a close partnership with public agencies, Latin America's governmental and private sectors laid the groundwork in 1966 for a large expansion of its industries and the auxiliary technical and financial support necessary to modern industrial development.

U.S. assistance played a helpful role.

During the year the Agency for International Development authorized the establishment of an Inter-American Investment Promotion Center in the U.S. as a clearing house for investment opportunities in Latin America.

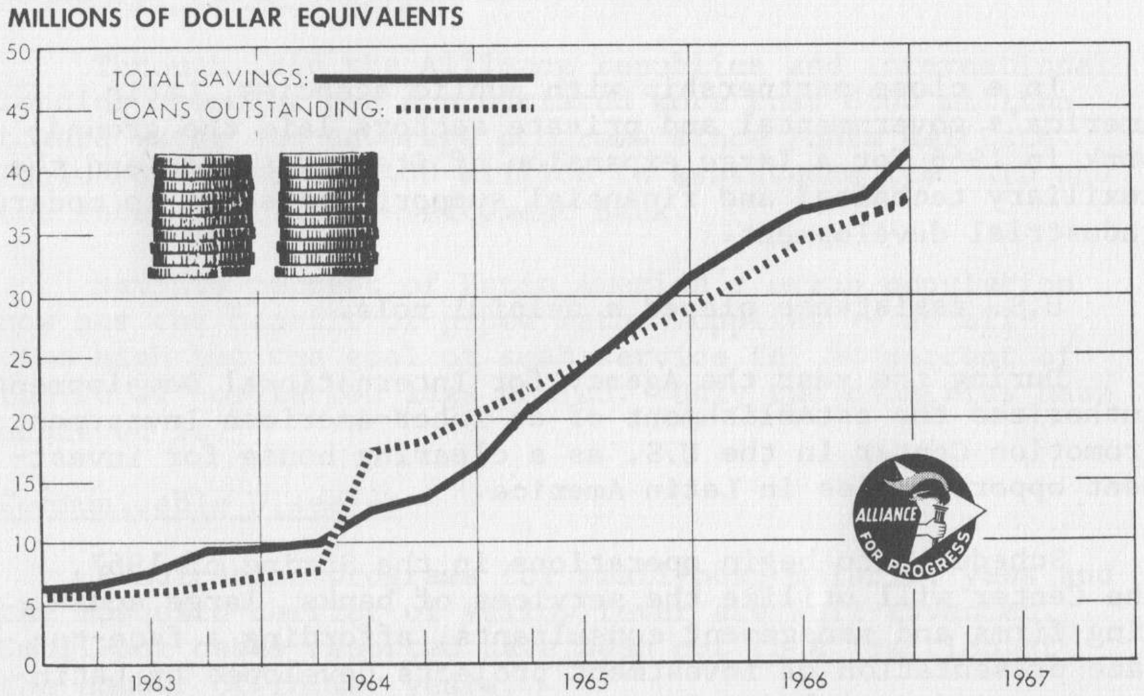
Scheduled to begin operations in the Spring of 1967, the Center will utilize the services of banks, large auditing firms and management consultants, affording a face-to-face presentation of investment projects developed by Latin American industrial development organizations.

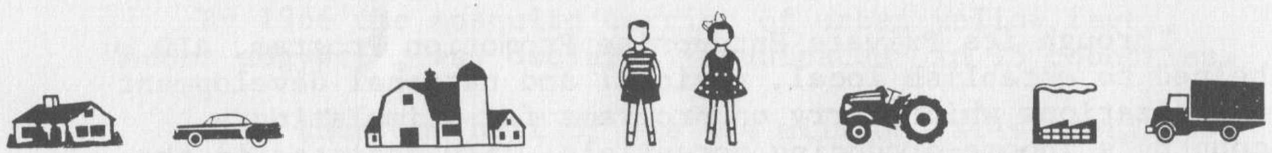
Through its Private Enterprise Promotion Program, AID helped to establish local, regional and national development organizations which carry on programs for stimulating a country's income-producing potentials. AID assisted in the creation of about 50 such organizations in Colombia, Brazil, Bolivia, El Salvador, Nicaragua and Costa Rica. Many others are in the planning stage.

As an example of results achieved through self-help promotional efforts, the Ecuadorean Industrial Development Bank and the National Industrial Development Center assisted 31 firms in 22 industries in the four-year period ending June 30, 1966. This involved new investments totaling $70 million and 9971 new job openings. Altogether it represented a 40 percent increase in private investments in Ecuadorean industry.

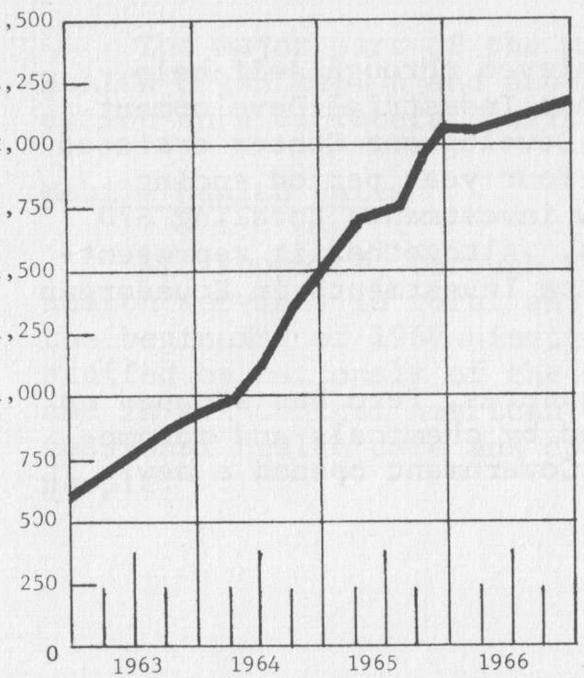
Largely through self-help measures, Peru has stepped up her industrial production, sparked by chemicals and automotive assembly. Late in 1966 the Government opened a new

LATIN AMERICAN CREDIT UNION GROWTH PATTERNS

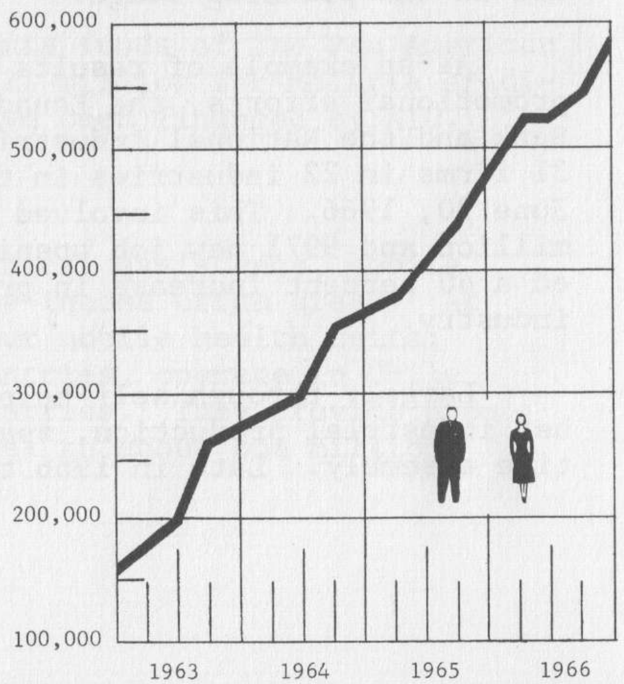




NUMBER OF CREDIT UNIONS



MEMBERS IN CREDIT UNIONS



industrial park near Arequipa with 37 factory sites sold, of which 22 represented new industrial starts.

Peru's private sector is also active in expanding exports and in new capital formation. Rapid growth of the fishing and mining industries led to a 54 percent increase in exports in the 1960-1965 period. Figures for 1966 are not yet available.

In August 1966 Panama's private sector sponsored a Continental Conference which was attended by 200 business leaders from 15 Latin American republics. Main theme of the conferees was the role of the private sector in national planning. The Panamanian business institution which sponsored this conference, CONEP, was organized with AID support less than two years ago.

To stimulate private enterprise, AID has assisted 12 Alliance countries in establishing industrial development and productivity centers. These centers identify and promote investment opportunities, give guidance in obtaining low-interest credits, and provide technical advisory services and training to supervisors and managers.

Undergraduate and graduate schools and management groups in 14 countries benefitted from AID training assistance in 1966. Schools of business administration in Brazil, Peru, Argentina, Colombia, Mexico and the Central American republics received various types of assistance. Special instruction was given to some 25,000 Colombian managers during the past five years. Up to the present, almost 1,000 selected Latin Americans have been the beneficiaries of industrial development training grants.

AID has provided technical and loan assistance to Latin American public and private industrial development institutions for relending to private-sector entrepreneurs. To date AID has made 22 loans of this type, totaling about $100 million.

The Agency has up to the present given technical assistance to eight Alliance countries in the field of export promotion and development.

PRIVATE U.S. CAPITAL INVESTMENTS

The flow of private U.S. capital to Latin America is encouraged by the U.S. Government and takes several forms.

These forms include pre-investment survey agreements carried out by AID with private firms, the specific risk guaranty program, and housing investment guarantees.

The flow of new private U.S. capital to Latin America last year continued an upward trend that started modestly several years ago.

During three Alliance for Progress years the annual capital outflow increased from $70 million in 1963 to $143 million in 1964; and in 1965 the direct outflow to Latin America reached $171 million.

U.S. Department of Commerce data now available for the first nine months of 1966 show a rise of $60 million in private U.S. investments over the corresponding period in 1965, indicating a substantial gain for all of 1966.

U.S. investments in Latin American manufacturing enterprises are particularly active. The capital flow to U.S. manufacturing affiliates in 1965 exceeded $200 million, offsetting small net inflows from mining and petroleum enterprises; this upward trend continued in 1966.

Company reports on planned expenditures in the Latin American republics for plants and equipment suggest a further rise in private U.S. investment activity in 1967.

In connection with the growing investor interest in Latin America, the Agency for International Development concluded Pre-Investment Survey Agreements with 29 U.S. firms in 1966.

Prospective investors will assume the full cost of their field surveys if they decide to make investments in the projects; if they decide against, AID will pay one-half the survey costs and made the survey data available to other prospective investors.

During 1966, eight surveys resulted in decisions to invest $11.2 million in five countries. The new business ventures range from animal feeds to truck bodies.

Specific Risk Guaranty Program

A broad spectrum of Latin America's agriculture and industry came under the protection of guaranties afforded to private U.S. investors by AID in 1966.

Nearly all the Alliance countries are now participating in AID's Investment Guaranty Program in varying ranges. Nicaragua, Honduras and Paraguay agreed to include the specific guaranty against possible loss from war, revolution, insurrection and the extended "all-risk" guaranty. Nicaragua and Paraguay have yet to ratify such. Early in 1966 British Honduras agreed to a full range of guaranties.

In calendar year 1966, private U.S. investors received guaranties against the specific risks mentioned above in 15 Latin American countries, involving a total of 101 projects. The combined value of these guaranties approximated $320 million and the total investment amounted to about $131 million. In Brazil, where only 4 guaranties had been issued prior to 1966, a total of 31 had been written by December 31.

The overall trend of applications for guaranties was slightly downward in 1966; however 331 new applications were received for projects in Latin America. On December 31, 1966, requests for guaranties on 854 projects for Latin America were pending in AID.

The value of guaranties issued also was lower this year, $320 million compared to $541 million in Calendar

1965. The dollar value of guaranties in 1965 was unusually large because of $178 million worth issued to IT&T in connection with the expansion of Chile's telephone system.

Thirty-two of these private U.S. investments last year were in the field of food and agriculture. On December 31, applications were on file for guaranties on 250 such projects in Latin America.

MULTINATIONAL PROJECTS

Alliance for Progress engineering projects and construction are changing the Latin American landscape to an unprecedented scale. Adding to the excitement are first moves toward multinational projects in such fields as road-building, telecommunications, river basin development and interconnection of power and transportation systems. All lead toward eventual integration.

Projects receiving attention from the American chief executives at the summit include acceleration of construction of the inter-American network of telecommunications, of agreements to complete the Pan American highway, of construction of the Carretera Marginal de la Selva and its connection with the Trans-Chaco Highway, also, the possibility of studies for the formulation of joint water basin projects such as those already begun in regard to the development of the River Plate Water Basin and of the Gulf of Fonseca.

A multinational project providing power to Argentina and Brazil, as well as Paraguay, may result from studies to be carried out under a $225,000 loan from the Inter-American Development Bank to the Administracion Nacional de Electricdad (ANDE), Paraguay's electric power authority.

The loan, announced in March, was the first approved by the IDB from its Preinvestment Fund for Latin American Integration created in 1966, contributes to the interconnection of Latin American electric power systems and the advancement of economic integration. It will help finance feasibility studies to expand the Acaray River hydroelectric plant, under construction 195 miles east of Asuncion.

The IDB also provided technical assistance for the planning stages of the project and is helping to finance its first 45,000-kilowatt phase with a $14.2 million loan.

Telecommunications

Completion of a study outlining basic requirements for improving and expanding telecommunications systems in South America also was announced in March by the Inter-American Development Bank.

The study, made by a consulting firm, recommends the execution of a 10-year, $2.6 billion effort to raise terrestial telecommunications systems to acceptable standards in 10 South American countries: Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru, Uruguay and Venezuela.

It also suggests an additional investment of $50 million to provide seven of these countries with ground stations which would eventually link their national systems to satellites for intraregional and overseas communications. These stations would be located in Argentina, Brazil, Chile, Colombia, Peru, Uruguay and Venezuela.

According to the consulting firm's report, investments in telecommunications have not kept pace with requirements. Improvement of the regional system would make a major contribution to balanced economic growth at the national level and to the regional economic integration process. It would also have a large impact on education and social and cultural development, it is maintained.

Progress Accelerates

As evidence of stepped-up activity, more than 30 large-scale Alliance engineering project contracts were concluded in 1966, and the volume of construction in progress exceeds anything heretofore known.

Bulldozers made in the USA "sail" upstream on barges from the Atlantic Ocean to the headwaters of the Amazon River. Their job is to push new highways across the backbone of the Peruvian Andes and open vast virgin areas for settlement and exploitation.

One of this century's most dramatic sights is the trans-migration of families from the arid, inhospitable or mountainous areas of Peru, Bolivia, Colombia and Ecuador to friendlier climates in colonization areas along the eastern slopes of the Andes.

Alliance Road-Building

Four republics--Peru, Ecuador, Colombia and Bolivia--are co-sponsors of an ambitious 3500-mile Alliance road project, the Carretera Marginal de la Selva, which is planned to run north-south along the eastern slopes of the Andes. The basic survey of the Carretera route was financed with U.S. funds disbursed through the Social Progress Trust Fund. Some segments of the Carretera are in use; other parts are in planning or construction.

Road-building, improvement, and maintenance, a basic goal of the Alliance, has absorbed an important share of U.S. assistance to Latin America.

Through 1966 AID and its predecessor agencies had made road construction and improvement loans amounting to some $294 million. About $240 million of this sum helped to finance 4,630 miles of road construction.

In 1966 alone, AID authorized $42.3 million for road work. During the same year about 610 miles of new Alliance roads principally financed by AID were completed.

AID highway maintenance equipment loans account for $62.4 million, of which $25 million were obligated in 1966. Under the various equipment loans about $35 million worth of machinery has been or will be purchased in the U.S., of which $15 million worth were purchased in 1966.

These figures do not include the substantial Alliance for Progress loan assistance provided for road work and equipment by the Inter-American Development Bank from the U.S.-financed Social Progress Trust Fund and the partly U.S.-financed Fund for Special Operations.

Electric Power

Power development and electrification provide the muscle which moves many Alliance programs forward, and are given high priority.

Brazil leads in new electrification works and is overcoming power shortages that have crippled the economy of the northeastern states and retarded industrialization in the Sao Paulo-Rio de Janeiro region.

AID has helped finance Brazilian hydroelectric projects such as the 108,000KW Boa Esperanca hydroelectric project and other comparable power projects like CHESF, CEMIG, CEMAT, FURNAS and COPEL; also the extension of power lines to major cities from power plants on the Rio Grande.

The cumulative total of U.S. financial and technical assistance for electric power development in Brazil -- through AID and the Inter-American Development Bank -- amounts to more than $200 million.

Direct U.S. assistance for Latin American power development in 1966 amounted to $28.5 million, distributed as follows:

A $13.3 million loan to assist in the construction of Brazil's Mascarenhas Hydroelectric Project in the State of Espirito Santo.

An $8.9 million loan to Companhia Hidroelectrica de Boa Esperanca (COHEBE).

A $1.6 million loan to help finance the Montaro Valley rural electric co-op in Peru and related services to the Peruvian Government.

A $4.75 million loan for a new 10,000 KW generating plant and related facilities in and near Santa Cruz, Bolivia.

Meanwhile construction continued during 1966 on other Alliance power projects authorized in previous years for Brazil, Nicaragua, Chile and Ecuador.

AID feasibility studies were completed in 1966 for 14 small hydroelectric projects in Peru and for a water-power site in Ecuador with a potential capacity of 750,000 KW.

Cooperative rural electrification was introduced into Latin America in 1963 through an AID loan and projects are now under construction in six countries and active interest is found in three more countries.

Airports

Chile's new international airport at Santiago, built with an AID loan of $10.5 million, was dedicated early this year. Construction is continuing at the new airport at Concepcion, Chile.

Improvements to Las Mercedes Airport in Managua, Nicaragua, giving it jet capability, were completed in December.

Installation of the remaining facilities at El Alto Airport, near La Paz, Bolivia, continued. This, the highest of all commercial jet airports, was built with AID technical and financial assistance.

An AID loan to finance improvements to Paraguay's International Airport at Asuncion, was authorized late in 1966. Construction is underway for the rehabilitation of the airport at Georgetown, Guyana, under another loan.

HOUSING AND URBAN DEVELOPMENT

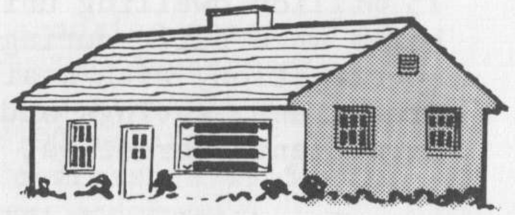
International assistance in productive areas is sought in part by Latin American governments because many of their own resources are used to meet heavy pressures for housing due to high birth rates.

HOUSING CONSTRUCTION

HOMES FINANCED WITH FUNDS PROVIDED BY THE AGENCY FOR INTERNATIONAL DEVELOPMENT (AID) AND THE SOCIAL PROGRESS TRUST FUND (SPTF) ---

ALLIANCE FOR PROGRESS

*

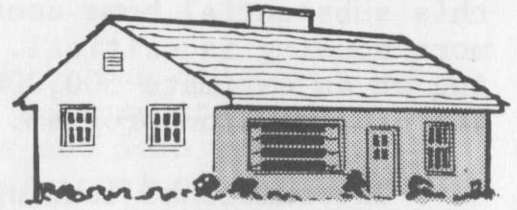


DWELLING UNITS BUILT UP TO JUNE 30, 1966

233,000

ACCOMMODATING 1,600,000 PEOPLE

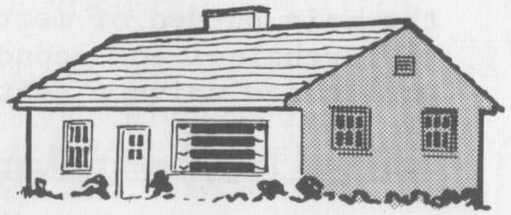
*



DWELLING UNITS TO BE COMPLETED IN THE YEAR ENDING JUNE 30, 1967 -- (AID-SPTF)

84,000

*

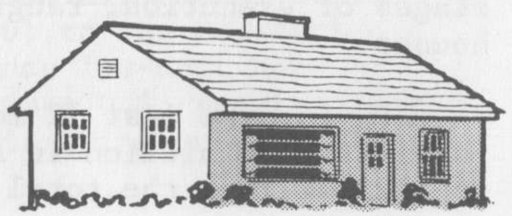


ADDITIONAL DWELLING UNITS FINANCED THROUGH SAVINGS AND LOAN INSTITUTIONS UP TO JANUARY 1, 1967

60,000

ACCOMMODATING 420,000 PEOPLE

*

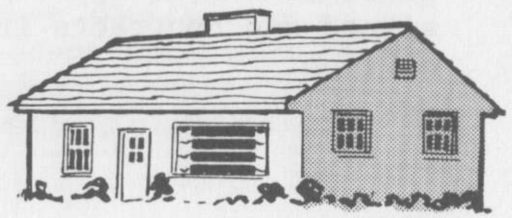


AID HOUSING INVESTMENT GUARANTIES HAVE SPURRED PRIVATE INVESTORS TO FINANCE THE CONSTRUCTION OF

36,000

DWELLING UNITS UP TO JANUARY 1, 1967

*



IN ADDITION TO ALL THE ABOVE, LOCAL PUBLIC AGENCIES AND PRIVATE INTERESTS ARE BUILDING AN ADDITIONAL

400,000

DWELLING UNITS PER YEAR

*

Latin America's population explosion creates an extraordinary demand for new housing. Despite record-breaking building activity, at the annual rate of about 500,000 units, the housing deficit has climbed to about 15 million living units.

Latin America's current housing deficit amounts to about 15 million dwelling units, notwithstanding that some 371,000 homes were built during the Alliance years, or are now under construction, with assistance from AID, the Social Progress Trust Fund, savings and loan institutions, and housing investment guaranties.

In addition, local agencies and private interest are building about 400,000 dwelling units per year. Despite this substantial home construction program, the need for more housing is critical. The dwelling deficit is increasing at an estimate 500,000 living units per year, outpacing the construction program.

International lending agencies and private investors in the United States are actively participating in the home-building program. But in the future, as in the past, the main burden of meeting the housing crisis will rest on the technical and economic resources of Latin America's public and private sectors.

Housing Investment Guarantees

A total of $340 million in such guarantees, out of the $450 million ceiling authorized by Congress, are in various stages of execution, ranging from project reviews to finished houses.

During the last 12 months, nine housing project contracts involving $50 million in AID guaranties were signed, bringing to $123 million the total of guaranty contracts concluded.

Another ten projects involving $59 million in housing guaranties were approved in 1966. The total of contracts signed and contracts in active negotiation amounts to $200 million.

Pending proposals for guaranties cover an additional 13 housing projects, involving some $40 million.

Applications for Latin American guaranties received in 1966 under the second phase of AID's Housing Investment Guaranty Program totaled $600 million. To stay within balance of payments limitations, just $100 million of the additional $150 million authorized by Congress in 1965 will be approved; the selection process is now underway.

Urban Development Activities

During 1966 AID extended loans totaling $10.1 million to Panama and the Dominican Republic in support of slum clearance and newly-organized savings and loan systems, bringing to $164 million the five-year total of AID dollar loan assistance for housing projects. An additional $3.7 million loan in support of cooperative housing and a savings and loan system was approved for Nicaragua.

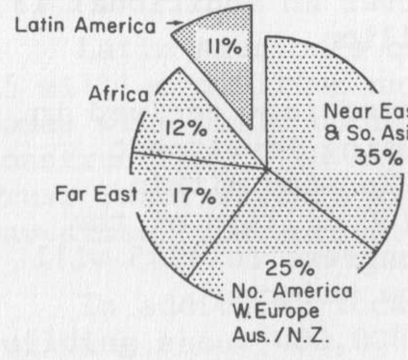
Also last year US-AID missions in Argentina, Brazil, El Salvador and Panama were authorized to develop recommendations for other housing projects totaling $42 million. These resources will help to fund savings and loan associations, housing cooperatives and slum clearance programs.

In 1966 AID approved a counterpart allocation of 15 million pesos (worth about $1,250,000) to the Federation of Housing Cooperatives to help finance low-cost housing. This local currency was generated from a U.S. program loan. Technical assistance to the project is being provided by AID grant funds.

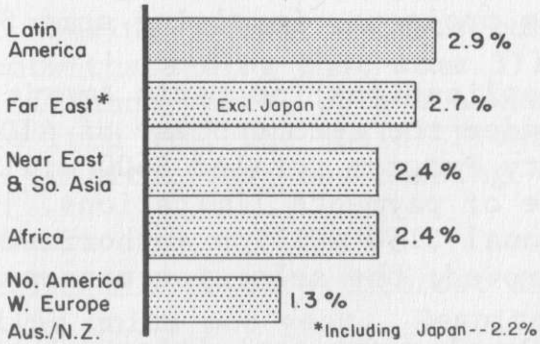
In addition to the above, the American Institute for Free Labor Development (AIFLD) has assisted in providing low-cost housing for Latin American worker families by organizing housing cooperatives and by preparing technical studies for presentation to various lending organizations. Largest of these projects is a 3,104 dwelling-unit complex in Mexico City.

POPULATION

Percent of Population

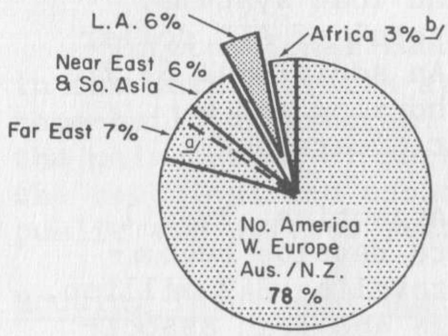


Population Growth Rate



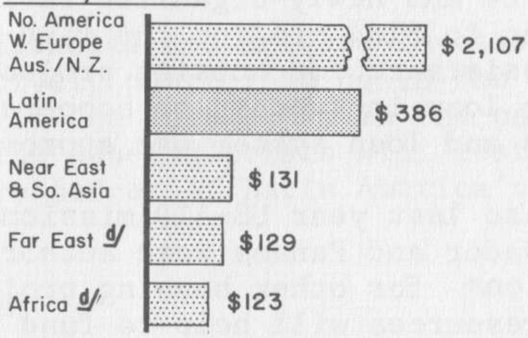
PRODUCTION

Gross National Product



a/ Japan 5.3%. b/ So. Africa 0.7%.

Per Capita GNP

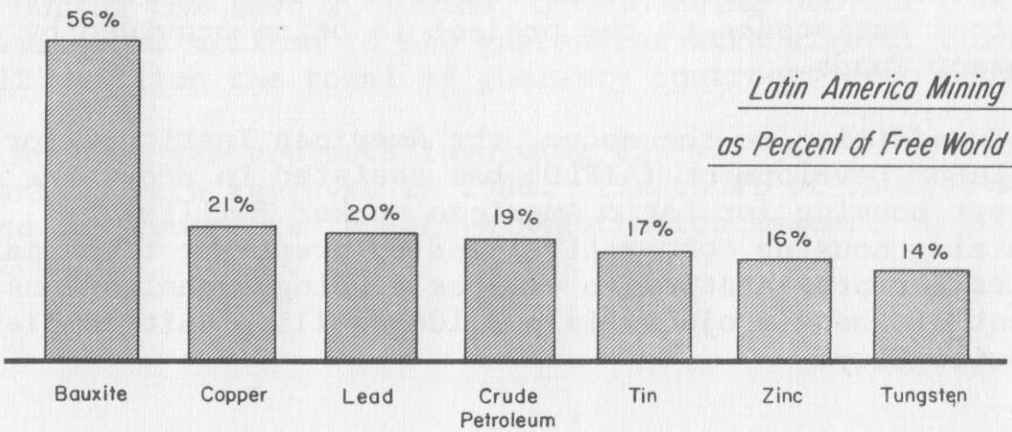


c/ Includes Japan and South Africa.
d/ Excludes Japan and South Africa.

MINING

Latin America Mining Output

as Percent of Free World Output



NOTE: Percentages are based generally on 1964 and 1965 data pertaining to non-communist countries. Data for Latin America include 19 Republics and other Latin American areas; data for Near East and South Asia include Greece, Turkey, and U.A.R.; data for Africa exclude U.A.R.

ALLIANCE FOR PROGRESS