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Washington: The Alliance for Progress?

By JAMES RESTON

WASHINGTON, March 17— The paradox of America in the world today is that it can fairly claim to be making progress almost everywhere, yet finds that its problems are outstripping its gains.

We have come to the end of the first half of the ten-year Alliance for Progress in this hemisphere, for example, with some encouraging results to report, but with little real hope of achieving the objective of self-sustaining growth by the end of the 1960's.

The reason for this is not that the republics of the hemisphere have not made gains, but their gains have been very uneven from country to country, and they find that their economic growth must increase faster and faster just to keep pace with their population growth.

The Gains

Psychologically, the atmosphere is much better. The cruel gap between the very rich and the very poor remains, but there is visible evidence of change and improvement in many places. There is more help from the advanced countries of Latin America—Brazil, Mexico, Argentina and Chile—to the poorer countries of Latin America than ever before, and

the new generation of pragmatic technicians is appearing with little interest in the old economic myths and political feuds of the past.

Nevertheless, the statistics now being published to mark the progress of the Alliance's halfway mark are somewhat misleading. The goal of the Alliance was an economic growth rate of 2.5 per cent per capita a year, and after a slow start this was achieved in 1964 and 1965, but only about half of the Latin-American republics achieved this growth rate, and most of the countries actually had a lower growth rate in 1965 than in 1964.

It is the trend of the economic growth rate in relation to the trend of the population growth rate that is most disturbing. The population is now increasing in Latin America as a whole at a rate of 2.8 per cent; in Costa Rica, where the economic growth rate was 0.9 per cent last year, the population growth was 4 per cent; and in Central America as a whole, the population is now growing faster than in any other part of the world.

Dr. Sanz de Santamaria, chairman of the Inter-American Committee on the Alliance for Progress, estimates that the present Latin-American population of 220 million will more

than double to between 500 million and 600 million by the end of the century, and there is nothing in the present economic trends to compare with this perplexing prospect.

There are some hopeful signs in some countries. Brazil, Argentina and Chile, whose gross national product amounts to almost 56 per cent of the total gross product of all Latin America, have finally managed to make some progress against their inflation. Mexico, Venezuela, Peru and Colombia have had an average economic growth rate of well above 4 per cent for the last few years, though the per capita growth rate declined last year in all of these four countries except Peru.

According to the Inter-American Development Bank, the social progress in the region as a whole has been discouraging.

Housing and Schools

Because of the increase of the population and the vast migration of the peoples in the hemisphere from the land to the cities, there is a housing deficit in Latin America, according to the Inter-American Bank, of between 15 million and 19 million units. To eliminate this and provide for the rising population the bank estimates that 11 to 12 units per thousand per thousand

inhabitants must be built each year, but no more than two units per thousand inhabitants are in fact being built, so that the housing deficit is expected to increase this year once more.

Land reform and social reforms are proceeding slowly, the experts at the bank concede. But agricultural production has actually slowed down over the last five years and the educational reforms are not keeping pace with the mounting school population.

Of every 100 children enrolled annually in the first year of school in Latin America, only eight complete their secondary education, and in 1964 the university population of the entire region was only 4 per cent of the university age group.

This is the kind of situation that causes rebellions and wars. It is true that in any 10-year program of reconstruction, the progress always tends to be slow in the first half, but there is very little in this picture to justify the current official optimism here about achieving the 2.5 per cent per capita growth rate. It is the over-all trend that counts, and the trend is not running toward President Kennedy's objective of self-sufficiency by 1970, but is actually running against it.