III. HOUSING

In Panama I visited several housing projects, funded through U.S. assistance. One apartment house I saw, financed by a Social Progress Trust Fund loan, administered by the Inter-American Development Bank, was literally tattered and torn, although only about 5 years old. The tenants are supposed to pay $3.50 a week rent and have paid nothing for 2 years. The building and grounds looked totally uncared for.

Another apartment, less than a mile away, which was rehabilitated by Panama's housing agency and converted to a cooperative, was strikingly different in appearance. This project, benefiting from a U.S. bank loan and AID's technical assistance, looked new and exuded pride and loving care. The inhabitants purchase their apartments through small monthly payments and none are in arrears. In addition, a credit union has been established where deposits from members are in turn loaned back for improvements to the individuals' apartments.

The difference in these two buildings reflects the dramatic difference that American foreign aid has recently undergone.

In El Salvador, I went through the Miramont middle-class housing project. A major loan from a New York bank backed by our guaranty has made possible a housing project for the middle class. Miramont houses sell from $8,000 to $11,000, with 10 percent downpayment. Interest rates are at approximately 9 percent overall.

A waiting list of hundreds and hundreds testifies to the success of this new venture. Interestingly, the Alliance for Progress was given top billing on the Miramont billboards and American private investment companies were given equal billing.

The Foreign Affairs Committee has made improved housing in the Americas a priority objective and much needs to be done. I have emphasized, as have my colleagues, that the officials in AID do not seem to be pushing the housing guaranty program in Latin America, in spite of the spectacular success of projects that are underway or have been completed. Dispensing with the direct use of U.S. Government dollars, Government guaranties are used to attract private money. This works in Latin America as it does in our own country.

The officials of AID, by cutting some bureaucratic redtape and reducing the enormous amount of checking and duplication of forms, could and should stimulate these projects. They have not pushed as hard as they might or should.

Greater reliance on U.S. private investment, more private ownership of housing through cooperatives and credit unions—that which we take for granted—means so much more than just giving out our dollars. The fact that it did not happen a decade ago—and there has been much waste—does not preclude our reaching constructive agreements with our Latin American neighbors in excitingly new and vital directions.