

lution does not mean a commitment on the part of the Congress of the United States, and without a bill of particulars to go with it.

The Alliance for Progress was set up and with it went a goal of \$300 million a year in new private U.S. investments in Latin America. How has that been going?

Secretary Rusk. That has varied from year to year. We would like the level of net new private foreign investment to return to the level of the 1950's, at least \$300 million annually. At the present time it is back to \$171 million from the disastrous results of 1962 when there was a net loss of \$32 million.

Mr. Gross. Those are American private investors who, as evidenced by their investments in 1962 and 1963, invested on an average annual basis of \$23 million a year or less. They have little confidence in Latin America as of now?

Secretary Rusk. I think there was a sharp drop, Mr. Gross, in connection with the Castro problem, and some of the disturbances which the Castro problem had created in the Hemisphere. I do think that is moving upward, and perhaps rather sharply so.

I have met with a good many businessmen on this matter, and I have no doubt that there is a very substantial backlog of interest on the part of American private investors in Latin America, and that the idea of the economic integration is a highly stimulating development behind this readiness for investment.

Mr. Gross. Mr. Secretary, the President, in his message yesterday, said that the alliance—quoting from page 2—

Is 6 years old. What can we say of it?

Then he says:

For tens of thousands of families, the most fundamental conditions of life are improving; 350,000 housing units have been, or are now being, built.

That is at the rate of less than 60,000 per year.

Then turn to page 4 of his statement where he says:

Over a million new homes should be built each year.

Are we committing ourselves to finance the building of over a million new homes in Latin America in the future?

Secretary Rusk. The figures on page 2—

Mr. Gross. Just a minute, and then you can comment.

He also says that 28,000 classrooms have been built. That is at a rate of less than 5,000 per year, but on page 4 he says that hundreds of thousands of new classrooms should be constructed.

Are we being committed to construct hundreds of thousands of new classrooms?

He says that farm production should be increased by 6 percent a year, and that would double the present rate which is only 3 percent. Are we going to expend the money on Latin America to increase their agricultural production to the rate of 6 percent?

Secretary Rusk. Mr. Gross, I think the figures on page 2 refer to those activities in which some U.S. financing has participated. The needs expressed on the other page have to do with the total economies of these countries and their longer range requirements.

To put this in some perspective, U.S. assistance to Latin America represents something on the order of between 1 and 2 percent of the gross national product of the Latin American countries. In other