

means of constant effort toward fiscal reform and a sense of priorities and discipline in development policy. In view of the above, CIAP recommends that:

1. Those countries particularly affected at the present time by a deterioration of their public finances, should urgently undertake fiscal reforms designed to simultaneously achieve greater receipts for the government and an improved distribution of the fiscal burden. Without these reforms the situation may become critical in various cases and require even more drastic and far-reaching measures.

2. In general, more attention should be given to the preparation of budgets and to the control of their implementation. Experience indicates that a violent expansion in current public expenditures, which arises largely because of the immediate need to increase social outlays, is partly the result of errors in planning of programs and weakness in the selection of priorities. It is therefore imperative today to emphasize a sound budget policy.

IV. *The expansion in educational services in 1967 is another noteworthy achievement of the Alliance for Progress, constituting the seed of the just and dynamic society which should rise from development efforts at this stage. The broadening of education is very demanding in terms of fiscal resources, requiring intelligent reform measures in order to adapt it to a changing society, and also creates rising expectations. All these factors require ever-increasing effectiveness in the mobilization of resources and in development planning.*

Expansion of educational coverage, on its three basic levels, is one of the more general features of the effort of the state within the Alliance for Progress. Almost without exception, 1967 saw a growth in the share of fiscal resources devoted to education, while the increase in enrollment reached a pace, in some countries, which, if generalized at these levels, could achieve nearly total coverage in elementary education and the consolidation of modern educational systems in the overwhelming majority of the countries of the region. This accelerated expansion has in some cases been carried out at the expense of necessary reforms in the quality of education, and has produced a rising pressure on budgetary resources which is not expected to diminish in the next few years. The effects of this increase in primary school enrollment will show up in coming years in even greater demands on secondary and higher education levels, where structural reforms are therefore, even more urgent.

In view of this, CIAP emphasizes the importance of:

1. Devoting priority attention to consolidating the progress made, through implementation of required reforms designed to raise the quality of education. In many cases it is urgent to undertake needed structural changes in secondary and higher education in order to anticipate future demand.

2. Maximum attention should be given to adequately foreseeing the expansion of state expenditures derived from the broadening of educational services, as well as to the proper and judicious usage of fiscal resources. This is another reason to insist upon tax reform, budgetary control, and, from the viewpoint of external cooperation, on the imperative need to provide more flexible financing on less burdensome terms.

V. *Despite a substantial increase in agricultural production in 1967, agricultural development is not yet being carried out on the scale required in order to assure a sustained increase in the supply of foodstuffs and higher farmer income; with a few exceptions, progress in agrarian reform was slower in countries where this problem exists.*

The year 1967 was a good one for agricultural production, though it hardly reached the level of 1965. In several countries carrying out stabilization programs, the tightness of agricultural supply has created growing obstacles to the success of these efforts, while in others having high population growth rates, income redistribution policies may be cancelled out by high food prices. Despite its importance, the region, except in a few cases, has not yet succeeded in carrying out the necessary structural reforms, nor in putting together the agricultural policy required in order to satisfy these demands. There is, in regard to this policy, a lack of administration and planning, both of which are evidently of high priority in development action.

In view of the above, CIAP makes the following recommendations:

1. To concentrate efforts on granting priority to improvement in agricultural planning in those countries where land tenure constitutes an economic and social problem, and on making the necessary administrative changes in agricultural policy formulation.

2. To expand agricultural credit, as a fundamental element in the accelerated development of the agricultural and livestock sector in the next few years.

3. To prepare a larger number of agricultural projects and programs, and to