DM/64/4

The Climate for Latin American Investment 1/

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I appreciate this invitation to participate in a conference of distinguished lawyers and, as a Latin American, I am particularly gratified that at this Meeting the focus is on Latin American Trade and Investment. Although I am not a lawyer myself, I have a great respect for the profession because in my country, Chile, the field of economics blossomed under the protective umbrella of the School of Law of our University for over a century, and it was only in the mid-30's that economics became a separate field of endeavor. As a matter of fact, I was the first professional economist graduated from the School of Economics of the University of Chile and it is in that capacity--if you wish, that of an economist emancipated from the tutelage of the lawyers--that I address myself to you. There have been many excellent statements that have dealt with the climate and the outlook for investment, so that I have revised my notes, in an attempt to cover new ground. I will concentrate on two aspects: (1) the underlying current of thought that motivates economic policy formulation in Latin America, since this affects the climate; and (2) the role of the Fund in improving the climate for both national and foreign investment.

On motivation, and as a further introduction to my informal talk, I should elaborate somewhat on the current thinking of Latin Americans in the field of social sciences, since such thinking has an impact on government, business, and politics in our countries and explains the climate. The difficult economic conditions that many countries confronted during the depression of the 30's have influenced and continue to influence the views of many Latin American economists, particularly those that, in the postwar years, have not been exposed to training abroad. The serious setback that these countries confronted in their export trade during the 30's and, as a consequence of this, the reduced level of economic activity and the prevailing unemployment during the depression, together with the almost complete paralyzation of foreign investment and official loans flowing to these countries, led to a strong belief, on the part of Latin Americans, in an economic nationalism which manifested itself in advocating economic self-sufficiency as well as strong intervention by the state in the economic life of these countries. Latin American social scientists were not alone, however, for such philosophies were much in vogue in many leading industrial countries during the 30's.

1/ Statement at the Briefing Conference on Latin American Trade and Investment, sponsored by the Federal Bar Association, the Foundation of the Federal Bar Association, and the Inter-American Bar Association in cooperation with the Bureau of National Affairs, Inc., held at Miami Beach, Florida, January 22-24, 1964.

In the international cooperative efforts, in the field of finance, that began in the early 40's, the Latin American governments participated, but I would say rather passively, and there was some skepticism about the outcome of these efforts. Fortunately, in the postwar years the leading industrial powers embarked upon policies of economic and financial reconstruction and expansion, within the framework of closer international cooperation, and the momentum that this cooperation is gaining over the years, has led to the revival of confidence, by many Latin American countries, in the benefits accruing to all concerned from a closer and mutually constructive relationship between the industrial countries and the developing countries. The role of the Fund, the World Bank, and the relatively newly-created Inter-American Development Bank, for example, have contributed to this new faith in international cooperation. More significantly, the liberal trade and aid policies of the U.S. Government, particularly in support of the cooperative effort labeled "The Alliance for Progress," have been a major factor in the moderation and constructive channeling of what could have been a new outburst of narrow-minded nationalism in Latin America.

To Latin Americans, the response of European countries to a vigorous financial support of economic development in Latin America has been rather slow, but, with the spectacular recovery of Europe and its present strong financial position, one can be confident that such support, given the proper attitude by the recipient countries, will increase in the years ahead. In this connection, it is interesting that a recent meeting of American, European, and some Latin American businessmen in Paris, an interim organizing committee, known as Atlantic Community Development Group for Latin America Investment Company (ADELA), was created. ADELA will be a multinational capital investment company, subscribed to by about 100 large firms from Europe, North America, and Japan, and will join with Latin American investors in financing new private projects. It is expected that ADELA will be capitalized with $40 million, through an offer of shares of up to $500,000; no single investor is to hold more than 1 per cent of the total capital stock. It is expected that a similar amount will be raised through joint ventures in Latin America, and loans from the Inter-American Development Bank and other sources for ADELA-backed projects are expected to provide some $120 million.

The postwar history of Latin American attitudes toward economic development can be characterized as that of gradual, but constructive evolution, in which renewed faith is being placed in international economic and financial cooperation. The emphasis now is more in the direction of encouraging the flow of external financial resources through international institutions rather than private channels. Although assistance channeled in this form can only provide a limited role, the experience accumulated has been positive and augurs, in the long run, a better outlook for Latin America.

Although the long-run outlook in Latin America is favorable, I do not want to be naive, however, in presenting you with an idealized picture of Latin America as a sort of dream world for the investor in the short-run.

We still have serious financial problems in some countries and the rate of economic growth of many countries is inadequate to meet population pressures. Furthermore, Latin American nationalists are not alone in believing that policies designed to develop more responsible financial policies in Latin America and to promote export trade and investment are old-fashioned conservatism. There are some scholars from other countries who sincerely believe that the approach has to be different and the so-called "structural reforms" have to be undertaken at all costs, even at the risk of destroying financial stability. As a relatively young Latin American, I am not opposed to structural reforms--they are urgently needed in Latin America--but I am strongly of the opinion that in order to honestly succeed in this endeavor we need to create, where it does not exist, or to maintain, in other cases, the proper climate for financial stability, to promote exports, to develop conditions that will step up the process of domestic capital formation, as well as to encourage a greater inflow of foreign capital, of both public and private origin. In cataloguing priorities, we want our governments to give the highest priority to sound financial policies and improvements in the administrative machinery of governments. We cannot see how the government and private individuals can plan development in a rational sense, with a meaningful cost accounting system, if a country is going through an accelerated process of inflation. In this connection, one cannot ignore the fact that inflation originates, in many countries, in the government sector, particularly in the inability of government enterprises to operate on a self-supporting basis. We are not opposed to programing for both the public and private sector, in the sense of mapping the area, and the priorities that have to be given in encouraging economic development. However, it is urgent to get government enterprises out of the red; this requires sound management and political courage.

To my way of thinking, economic development is primarily a problem of capital formation and technology as well as attitudes of the community toward development and, particularly, good administration. Of course, I am not ignoring the political, social, and cultural factors affecting economic development, but it seems to me that the transformation of our societies fundamentally require capital, and this has to be developed both from local resources, through conditions that will encourage such process, as well as by the transfer of foreign savings, of both public and private origin, to the developing countries. It is a historical fact that the transfer of capital and technology from the more developed countries to the developing countries has contributed to the transformation of our societies. This certainly has been the case of the United States, Canada, Australia, etc. If one looks at Latin America, there is no question, for example, that the more advanced countries like Venezuela, Mexico, Brazil, Argentina, Peru, Colombia, and my own country, Chile--to mention only some--have had a better rate of growth and enjoy a higher income level, not only because they have benefited from a rapid growth, in the past, of their exports and from a large use of foreign loans, but also because they are countries where domestic savings have been supplemented by a large inflow of private foreign capital. For example--and to mention U.S. capital, since I am talking to Americans--total private American capital invested in Latin America increased from less than $3 billion at the end of 1945 to $8.3 billion in 1960;

and the leading countries in the utilization of American capital have been Venezuela ($2.8 billion), Mexico (with nearly $1 billion), Argentina (around $800 million), Brazil ($1 billion), Chile (close to $800 million), and Colombia and Peru (with $450 million each). The rate of growth for these countries accelerated in the latter part of the last century, as well as in the period before the depression of the 30's, when exports were expanding, and a steady flow of foreign capital in public services (transportation, power, and other public utilities), created the infrastructure for basic development.

Private foreign capital has widened its interest, in recent years, from investing in export industries and public utilities and moving more and more into the field of domestic manufacturing. For example, Ambassador Lincoln Gordon, in an interesting recent book on "U.S. Manufacturing Investment in Brazil," indicates that U.S. investment in manufacturing in that country has increased from $46 million in 1929 to $515 million in 1960. This expansion of American private investment in manufacturing industries in Brazil has been a key dynamic factor in the rapid growth, until two years ago, of the Brazilian economy and has been a leading factor of industrialization in general in Brazil. A similar expansion and modernization of domestic industry, financed partly by private foreign capital has occurred in recent years in Argentina; from a level of $356 million in 1950, total U.S. private investment went up to $472 million in 1960 and to $797 million in 1962.

In the postwar period the countries, within this group of Latin American countries that I have mentioned as an illustration, that have grown faster are those that have vigorously promoted exports and encouraged foreign investment. On the other hand, in countries where inflation has discouraged exports and has aggravated the payments situation, the rate of growth has declined, particularly after international reserves are exhausted and the availability of foreign credits is reduced. Quite often, in such a situation, financial difficulties lead to a revival of negative, destructive "nationalism," and, thus, countries enter into a vicious circle of increasing financial difficulties and accelerated bitterness toward foreign capital and international cooperation.

Because of these historical facts, and my own conviction that foreign capital, of public and private origin, is a dynamic force in the growth process, I look with concern upon the trend of the last three years when the flow of private American capital to Latin America has stabilized at the rate of $8.4 billion. In the meantime, the flow of U.S. private capital to other foreign countries continues to increase. In Canada, for example, it increased from $3.6 billion in 1950 to $11.2 billion in 1960 and $12.1 billion in 1962. In Europe, it increased from $1.7 billion in 1950 to $6.7 billion in 1960, and $8.8 billion in 1962. Furthermore, according to studies of the Fund on the flow of capital resources from the developing countries to the developed countries, prepared for the secretariat of the UN concerned with the World Conference on Trade and Development, there has, unfortunately, been a problem of capital flight in many of our countries.

Needless to say, there are political factors--that are obvious to all of us here--that have contributed to this situation, but I feel that both Latin Americans and Americans must look at this objectively and see what efforts can be made, by both the industrial countries, as well as the receiving countries, to restore the flow of larger inflow private investments in the area. Accordingly, I welcome this Conference and the timely interest of American lawyers to select such an important topic for discussion.

After this general introduction, I would like to explain the role of the Fund in trying to improve the climate for stimulating a larger inflow of foreign public and private financial resources in Latin America. The Fund is concerned with the climate for investment, not because it is, in any sense, --as we are accused--trying to play the hand of foreign governments or foreign private investors; we are concerned with this climate because we consider it essential that developing countries make efforts toward the establishment of an atmosphere of stability which will permit a higher rate of growth in these countries. It is a universal recognition that the climate of financial order is fundamental for the creation of confidence that will permit an optimum economic growth based on the most advantageous utilization of the internal and external financial resources that make development possible. I often indicate to Latin American economists, who are on the other side of the fence, so to speak, that sound financial policies are adhered to not only by countries with liberal economies, but also, and quite strictly, by some countries with socialistic economies. These latter countries, however, choose not to supplement their domestic savings with foreign savings and would rather squeeze a higher volume of local savings by forcing upon the community a lower standard of living than such communities would enjoy otherwise under a free society.

As you probably know, the Fund Agreement was established at the Monetary and Financial Conference held at Bretton Woods, New Hampshire, in July 1944. The historical background for the creation of the Fund was the great depression of the 30's. Between 1929 and 1939 many countries tried to remedy the fall in their levels of income and employment by resorting to devaluations, which were not justified, strict exchange controls, export subsidies and other undesirable trade practices. In this way, each country tried, so to speak, to export its unemployment problem. As a number of countries embarked on this stuuggle, the result was a general reduction of the volume of world trade and, partly because of this, of the real income of these countries. As a result of this, in the war years and immediately thereafter, the notion that the commercial and exchange policy of the main industrial powers was not exclusively an individual problem of each country came to be accepted. The conclusion was reached that the unilateral action of these countries in the field of exchange and trade should be harmonized and coordinated with the interests of other countries to avoid the situation of economic crisis of the 30's.

This code of behavior is reflected in Article I of the Articles of Agreement of the Fund, which states:

The purposes of the International Monetary Fund are:

(i) To promote international monetary cooperation through a permanent institution which provides the machinery for consultation and collaboration on international monetary problems.

(ii) To facilitate the expansion and balanced growth of international trade, and to contribute thereby to the promotion and maintenance of high levels of employment and real income and to the development of the productive resources of all members as primary objectives of economic policy.

(iii) To promote exchange stability, to maintain orderly exchange arrangements among members, and to avoid competitive exchange depreciation.

(iv) To assist in the establishment of a multilateral system of payments in respect of current transactions between members and in the elimination of foreign exchange restrictions which hamper the growth of world trade.

(v) To give confidence to members by making the Fund's resources available to them under adequate safeguards, thus providing them with opportunity to correct maladjustments in their balance of payments without resorting to measures destructive of national or international prosperity.

(vi) In accordance with the above, to shorten the duration and lessen the degree of disequilibrium in the international balances of payments of members.

For achieving its purposes, the Fund has around $15 billion in gold and currencies of its various members, which form an international reserve pool of payments on which members may draw, with the Fund's consent, to meet foreign payments in periods of deficit in their international balance of payments. In addition, the Fund has, through the so-called "Paris Club," a borrowing arrangement for another $6 billion with ten leading industrial countries, so that its total available resources could reach $21 billion. Furthermore, the Fund is at present going through an intense period of study to see if there is a need for greater international liquidity, and, if so, in what ways such additional international liquidity can be made available to its members in support of the Fund's principles.

The use of the Fund's resources is linked, as you know, to the efforts of its members to follow sound financial policies, to reduce exchange restrictions and discrimination, and establish currency convertibility. The Fund's financial assistance takes the form of a foreign exchange transaction. The member pays to the Fund an amount of its own currency equivalent, at the par value agreed with the Fund to the amount of foreign currency it wishes to draw. The member is expected to "repurchase" its own currency from the Fund within three, or, at the outside, five years, with a payment of gold or dollars or some other convertible currency acceptable to the Fund. These arrangements are subject to small service charges which rise in proportion to the amount of foreign exchange involved, and the length of time the transaction remains outstanding.

Each member of the Fund is assigned a quota which approximately determines its voting power and the amount of foreign exchange that it may draw from the Fund. The subscription of each member is equal to its quota, and is payable partly in gold (25 per cent) and partly in the member's own currency (75 per cent). There are 102 member countries in the Fund at the present time.

Latin America in the Fund, from the point of view of our responsibilities in the Western Hemisphere Department, is represented by the 20 countries which form Latin America, properly speaking, plus Jamaica and Trinidad and Tobago, which recently joined the Fund. The quotas of the Latin American founding members of the Fund were $484.5 million in 1946, but with the admission of Argentina to membership in 1956, Jamaica's membership at a more recent date, and the quota increases carried out at different times, these quotas have risen to the figure of $1,364.2 million. The total of the quotas indicates that out of the Fund's capital of approximately $15 billion,approximately 10 per cent is accounted for by Latin America. It is interesting to point out that out of this total amount only one quarter, or approximately $341 million, represents the real financial sacrifice Latin America has made in joining the Fund, since 75 per cent of the member's quota is credited to the Fund in the form of a government deposit or obligation in national currency, in an account opened by each central bank for the Fund. The use of this account in local currency by the Fund is very problematical, since the Latin American currencies are not, for the moment, widely used internationally. Against this cash contribution of only $341 million, the Latin American countries have carried out operations with the Fund, from its establishment until December 31, 1963, for a total of $1,544.8 million. Of these total drawings, Latin America has made repayments to the Fund for a total of $806.3 million, the outstanding drawings amounting to $738.5 million. In addition, as of December 31, 1963, we had undrawn balances under stand-by arrangements for a total of $70.8 million. In other words, in relation to their quotas, the Latin American countries as a whole have made the most active use of the International Monetary Fund. Thus, a large number of countries have used, on a gross basis, 100 per cent, or even more of their quotas, something that has occurred with very few other countries of the Fund's total membership.

Let us see how the Fund has achieved this record of such intense operational activity in Latin America. When the Fund began operations, in 1946, the Latin American countries had emerged from World War II with an improved international reserve position, so that in the first five years the Fund's financial activity in Latin America was limited. In this period some isolated drawings were carried out to meet the balance of payments difficulties of some countries. In general, the Latin American countries which began to experience balance of payments difficulties in 1949 and 1950 saw their external economic situation suddenly improve, particularly since their raw materials exports expanded with the Korean War. However, in the mid-50's the decline in prices of raw materials following the end of the Korean conflict, particularly the change in the trend of coffee prices, that affects the economy of so many countries and, in addition, the new approach of these countries toward a more thorough attack on the problem of economic development, led the Fund to begin intense operational activities in the Latin American countries in 1957.

In order to appreciate better the present period of intense Fund financial activity in Latin America and to enable you to understand our transactions with Latin America, one can distinguish two types of disequilibria to which, in my opinion, the Latin American countries are constantly being exposed. There are basically: (a) the instability "exported" to these countries through cyclical fluctuations in the demand and prices of their export products originating in industrial centers; and (b) instability of "internal origin" resulting from the application of inadequate policies for dealing with monetary and fiscal problems.

During its first years of operations, as I indicated a few moments ago, the Fund carried out a number of transactions of the type which I have described here to combat the instability of the first type, i.e., instability "imported" by these countries as a result of cyclical fluctuations in their export income.

In the process of entering upon closer contacts with our Latin American members, the Fund realized that the type of instability associated with cyclical or seasonal fluctuations in the export income of our members, that characterized our first ten years of operation, is not the only kind of instability which these countries have experienced. Rather frequently, export fluctuations are superimposed on an internal situation characterized by persistent domestic inflationary pressures. This is the second type of instability, that which is generated internally. I turn now to the Fund's role in assisting countries to combat this type of instability.

It is frequently said in these countries that inflation is the price that must be paid for economic development, and internal instability is accepted with a certain degree of fatalism. Nothing could be more deceptive. In nearly 18 years of close work with our member countries we have reached the conclusion that stability is an essential condition for sound growth. Internal and external stability is not only essential for stimulating national savings and an inflow of foreign official and private capital, but also for creating a suitable climate for a rational use of the domestic financial resources which the country can mobilize. Indeed, the statistical evidence shows that domestic capital formation is seriously handicapped by inflation. With domestic stability, not only the total volume of local savings will increase, but also these resources will be channeled to the type of investment which will contribute to a balanced growth of the economy. In addition, social and political pressures are reduced to a minimum under stable financial conditions.

There has been a growing awareness among Latin American countries that something has to be done about inflation, and an increasing number of these countries have adopted measures toward the elimination of inflation. This has been particularly true among a number of South American countries, where a rather drastic reversal of policies was necessary, which was more difficult because of their long history of inflation associated with complex exchange systems, exchange controls, and other restrictions. The Fund has been able to help many of these countries, both technically and financially in adopting such a change in policy.

I do not want to take your time in describing the technical nature of our stabilization operations in Latin America. They vary according to the circumstances in each country, but in general the plan is to help the countries formulate a well-integrated financial program. The ingredients of such a program ordinarily include the abatement of inflation by eliminating deficit financing by the Government, strengthening the financial position of the so-called autonomous government agencies, restriction of excessive expansion of bank credit through stricter central banking policies and better monetary management, adoption of a realistic exchange rate frequently linked to unification of the exchange system, either at a fixed par value or at a fluctuating rate, and relaxation of bureaucratic controls on the economy in both international and internal transactions. On the basis of such a financial program well-articulated and prepared by the authorities of the country concerned, with the Fund's technical advice, the Fund grants financial aid to its members through so-called "stand-by" credits. A stand-by credit is in fact a line of credit under which the member country is assured of access to the Fund's resources for a specified amount, generally for a period of one year, without a further examination by the Fund's Executive Board, so long as the program agreed between the member and the Fund at the time of conclusion of the stand-by is carried out. The stand-by arrangements stipulate a fixed repayment date, generally three years after each drawing.

It will be of interest to you, as lawyers, to know that stand-bys are a novel form of international understanding. They were not expressly provided in the Fund's Articles of Agreement, but in 1952 the Executive Board agreed to this new technique of making its resources available to members. They have proven to be an effective, powerful, and flexible instrument of international financial assistance. The stand-by normally takes the form of two documents. The first, the stand-by arrangement, is a sort of loan agreement. The second is a letter of intent, signed by the Minister of Finance and the President of the Central Bank of the country concerned, which sets forth in some detail the policies and intentions of the member's government and financial authorities. The resources of the Fund are made available, by phasing the amount of the total stand-by during the period, so long as the specific policy targets, measured quantitatively, are being met. If targets are not met, the country temporarily refrains from drawing under the stand-by until the temporary noncompliance of commitments is corrected. Throughout the life of the stand-by there are close and continuing consultations with the member. Quite often the Fund, at the request of the country concerned, stations a Fund official as technical advisor to the Central Bank of the country with which we have a stand-by arrangement.

The availability of these resources is frequently supplemented by resources obtained by so-called "parallel arrangements" between the countries and official organizations of the United States and private U.S. and sometimes European banks. Moreover, the international and foreign national institutions financing long-term development are likely to act more expeditiously when they see the successful negotiation of a stand-by between the country and the Fund.

In my opinion, the financial recovery, or in many cases the avoidance of a deterioration in the financial position of some Latin American countries can be attributed more to the implementation of better internal financial policies by the countries concerned than to the improvement in the demand and world prices of the products they export, although world prices of raw materials have been improving recently. Judging by the increases in domestic prices in some of the southern countries, however, inflation still remains a problem, and the task facing the financial authorities of some countries is a difficult one, in view of the local social and political pressures which confront them. In general, I believe it must be recognized, however, that in many of these difficult cases the authorities responsible for financial policies in these countries are showing a greater concern, a better understanding, and a firmer decision in regard to the need for eliminating inflation and arriving at a stable economy with a freely convertible currency. I only hope that we do not despair in our role of supporting those countries that are making serious efforts in this direction. Even though, often a change of government or a change of cabinet sets us back in our efforts, we must play our role in attempting to maintain a continuity in the efforts to implement sound financial policies. The answer to an outburst of negative, and often aggressive, nationalism in many of our countries has to be, on our side--I am speaking as an international civil servant of a financial organization--one of firmness to negotiate financial assistance, but at the same time one of sympathetic understanding for what is feasible--the best is the enemy of the better, we say in Spanish--as well as willingness, at all times, to strengthen the hands of those constructive forces in Latin America that want these countries to break the inflationary spiral and thus contribute to the creation of a solid foundation for better economic growth, and the development of wider social bases for political democracy.

Table 1. U.S. Direct Investments, 1962

(In millions of dollars)

	Total
Total	37,145
Canada	12,131
Latin America, total	8,472
Mexico, Central America, and the Caribbean, total	1,935
Costa Rica	63
Dominican Republic	108
Guatemala	127
Honduras	99
Mexico	873
Panama	556
Others in area	109
South America, total	6,536
Argentina	797
Bolivia	32
Brazil	1,088
Chile	768
Colombia	456
Peru	451
Uruguay	53
Venezuela	2,826
Other	65
Other Western Hemisphere	1,056
Europe	8,843
Africa	1,246
Asia	2,495
Oceania	1,261
International	1,641

Source: U.S. Department of Commerce, Survey of Current Business, August 1963.

Table 2. Changes in Direction of U.S. Investments

(In billions of dollars)

	1950	1960	1962
Total	11.8	32.8	37.1
1. Canada	3.6	11.2	12.1
2. Latin America	4.4	8.4	8.5
a. North	1.5	2.6	1.9
b. South	2.9	5.8	6.5
3. Other Western Hemisphere	0.1	0.9	1.1
4. Europe	1.7	6.7	8.8
5. Africa	0.3	0.9	1.2
6. Asia	1.0	2.3	2.5
7. Oceania	0.3	1.0	1.3
8. International	0.4	1.4	1.6

Source: U.S. Department of Commerce, Survey of Current Business, August 1963.

Table 3. Quotas, Subscriptions, and Transactions, December 31, 1963

(In millions of dollars)

Country	Drawings	Repurchases	Drawings Outstanding	Credits Available Under Stand-Bys	Total	Quotas	Percentage of Quota
Argentina	377.5	145.5	232.0	--	232.0	280.0	82.9
Bolivia	22.4	12.6	9.8	7.5	17.3	22.5	76.9
Brazil	428.5	261.5	167.0	--	167.0	280.0	59.6
Chile	179.7	63.7	116.0	--	116.0	100.0	116.0
Colombia	161.0	40.0	121.0	4.0	125.0	100.0	125.0
Costa Rica	21.2	8.2	13.0	--	13.0	15.0	86.7
Cuba	72.5	47.5	25.0	--	25.0	50.0	50.0
Dominican Republic	9.0	9.0	--	--	--	15.0	--
Ecuador	23.0	14.4	8.6	6.0	14.6	15.0	97.3
El Salvador	29.2	29.2	--	5.0	5.0	20.0	25.0
Guatemala	5.0	1.1	3.9	--	3.9	15.0	26.0
Haiti	15.2	6.9	8.2	2.5	10.7	11.2	95.1
Honduras	25.0	17.5	7.5	5.0	12.5	15.0	83.3
Jamaica	--	--	--	10.0	10.0	20.0	50.0
Mexico	112.5	112.5	--	--	--	180.0	--
Nicaragua	25.5	15.0	10.5	0.8	11.3	11.2	100.0
Panama	--	--	--	--	--	0.5	--
Paraguay	8.1	7.1	1.0	--	1.0	11.2	8.9
Peru	14.5	14.5	--	30.0	30.0	37.5	80.0
Uruguay	15.0	--	15.0	--	15.0	30.0	50.0
Venezuela	--	--	--	--	--	150.0	--
Total	1,554.8	806.3	738.5	70.8	809.3	1,379.2	58.7

Table 4. Annual Transactions of the IMF with Latin America, 1947-63

(In millions of dollars)

Year	Drawings	Repurchases
1947	31.30	--
1948	1.75	--
1949	37.50	-1.75
1950	--	--
1951	28.00	-25.93
1952	38.38	-69.18
1953	80.50	-39.19
1954	47.50	-0.38
1955	--	-22.42
1956	21.38	-28.17
1957	204.58	-47.20
1958	117.53	-59.75
1959	114.76	-77.33
1960	146.95	-64.91
1961	347.50	-88.14 1/
1962	95.75	-164.09
1963	231.50	-118.00
Total	1,544.88	-806.44

1/ Includes a purchase of Argentine pesos by Chile in an amount of $16 million.