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Report on Pan
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REPORT ON THE
PAN AMERICAN HIGHWAY

(With maps showing secondary roads, railroads and ports and principal products of Mexico, Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica and Panama).

by

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ORIGIN OF
THE PAN AMERICAN HIGHWAY*
BETWEEN LAREDO, TEXAS, UNITED STATES AND THE CANAL ZONE
PANAMA

The first step toward connecting the American countries of the Western Hemisphere was taken in 1880 when a bill was introduced in Congress by Hon. David Davis, authorizing study of the possibility of building a railroad through Central and South America.

No action was taken until 1888, when Congress passed a bill calling for a Pan American Conference which met in Washington in 1889, under the leadership of Hon. James G. Blaine, then Secretary of State and prime mover in the Conference.

As this was before the days of automobiles, the project continued through the various ensuing conferences as a railroad, and it was not until the 5th Pan American Conference at Santiago, Chili, in 1923 that the plan of the Pan American Automobile Highway was launched.

By this time, the automobile had taken its place as an important means of transportation.

At first the plan was to build automobile roads in the different countries connecting the gaps in the railroad project, but this idea was abandoned and the project of a continuous motor highway through the continent distinct from the railroad became a reality after the First Road Congress met in Buenos Aires in 1925.

*The terms "Pan-American Highway" and "Inter-American Highway" are used interchangeably.

Much interest was aroused in the United States, and the countries of Central and South America were cooperative.

The Road Congress became a permanent institution, meeting at regular intervals, and working for the construction of the Pan American Highway.

The attitude of the countries, Mexico and the Central American countries, Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica and Panama, is now favorable, and every country is heartily behind the project. The feeling of suspicion of the United States entertained in the beginning has been dispelled and the "Good Neighbor Policy" has assured them that our efforts are for the benefit of all the countries through which the road passes, as well as for the United States. (Exhibit B)

The benefits accruing from the construction of the Pan American Highway proper, apart from the strategical value, are fully exemplified in the investigations and experiments now being made by the various agencies of the United States. These show that the development in the countries, when through communication is completed with feeder roads opening up districts now waste and unproductive, will bring enormous value in the exploitation of natural resources, expansion of trade, and increase of income to the countries with resultant benefit to the United States (Exhibit C).

(The designation of the Highway as Pan American Highway and Inter-American Highway are used interchangeably.)

CHAPTER I

PRELIMINARY SURVEYS. (1930-1934)

The "Cole Resolution" of March 4, 1929 (Public Res. 104) authorizing the expenditure of \$50,000 for surveys of an Inter-American Highway was the first cooperative effort toward the survey of the route (Ex. E).

By an act of congress, approved on March 26, 1930, the sum of \$50,000 was appropriated for making a reconnaissance survey of a route for the Inter-American Highway to connect North and South America. To this was added a further sum of \$75,000 for surveys in 1934 (Ex. E).

The Bureau of Public Roads of the Department of Agriculture of the United States, pursuant to agreements reached by the Department of State with the governments of Panama, Guatemala, Nicaragua, Honduras and Costa Rica for cooperation in making surveys, opened an office in Panama City in June 1930. From then until May 1933, American engineers, with the assistance of the Air Forces of the United States War Department in the Canal Zone, conducted field studies in each of the above countries. Upon the basis of these studies, a report was made to congress entitled "Proposed Inter-American Highway" on June 14, 1934 (Senate Document No. 224, 73rd Congress, 2nd Session). This report has an appendix (B) containing a calendar of survey activities. On the basis of these surveys, an oil-surfaced road

from the Mexican-Guatemalan border to Panama City was estimated to cost \$37,645,822.05. For the construction of a similar type of road to complete the unfinished portion of the Mexican section of the Highway, the cost was estimated at \$25,400,000, making a total of over \$63,000,000.

The United States government has continued to make appropriations for further surveys from time to time up to the present, but these appropriations have in most instances also included construction (Ex. F).

CHAPTER II

CONSTRUCTION OF THE INTER-AMERICAN HIGHWAY

By act of June 19, 1934 (No. 412) Congress made its first appropriation for construction, to the amount of \$1,000,000. Construction of bridges was undertaken under cooperating agreements made the same year with Panama, Guatemala, Costa Rica, Nicaragua and Honduras (Ex. F).

Beginning in 1938, further annual appropriations were made by Congress for surveys and construction which have continued down to the present time. These appropriations have been of two kinds. First, those made to cover the cost of surveys made by American engineers and construction in the several countries under cooperative arrangements; and, secondly, those made for construction under terms of the Act (No. 375) of December 26, 1941, which involves an obligation on the part of the country benefitted to expend at least one-third of the total cost, (Ex. F).

In 1936, the United States entered into its first treaty commitment to "collaborate with all diligence and by all adequate means in the speedy completion of the Pan American Highway." This was by signing the Convention on the Pan American Highway at Buenos Aires on December 23, 1936, which was ratified in July 1937 and proclaimed by the President on September 16, 1937. This convention has since been ratified by Mexico, the Central American countries and Panama and by some of the South American countries (Ex. D).

In pursuance of the foregoing convention, the Congress of the United States, by Act of December 26, 1941 (Public Law 375) authorized an expenditure of \$20,000,000 of which \$12,000,000 has already been appropriated under Acts of February 21, 1942, (Public Law 463) and June 26, 1943 (Public Law 90). (Ex. F) Under the terms of Law 375, Executive Agreements have been made by exchange of notes between the Department of State of the United States and the representative of Costa Rica, El Salvador, Nicaragua, Honduras, Guatemala and Panama. These agreements incorporate by reference the terms of Public Law 375 under which the country benefitted agrees to assume at least one-third of the total expenditures for construction of its section of the Highway, (Ex. D).

The above countries were aided by loans from the Export-Import Bank in carrying out the terms of these agreements. (Ex. G.)

Costa Rica's credit (total) was \$5,000,000, of which \$3,000,000 was allocated to the Highway, and \$2,395,000 actually expended to August 30, 1943.

El Salvador in her note of January 30, 1942 stated that her National Legislative Assembly, by decree No. 109 (Diario Oficial of December 24, 1941) had included in its budget an item of one million colones toward the cost of its share of completing the remaining section of the Highway.

The Nicaraguan Minister stated in his note of April 8, 1942, that on December 16, 1941, his government had secured a second credit of \$2,000,000 from the Export-Import Bank, of which \$1,250,000 had been allocated toward his government's share of the cost of survey and construction of the Highways and that road-building equipment and materials, belonging to Nicaragua, of an estimated value of \$250,000 would be made available for the work (Ex. Agreement 295).

The Minister of Honduras, in his note of September 9, 1942, stated that his government "in accordance with Decree No. 52 of February 11, 1942 of the National Congress of the same year, and in accordance with the powers and provisions of Legislative Decree No. 69 of March 10, 1942, published in the Gaceta No. 11652 of March 10, 1942," has negotiated, and will submit, as soon as possible, for approval by the National Congress, a contract with the Export-Import Bank of Washington for a credit of \$1,000,000 which, according to the terms of the said contract, shall not be invested without the consent of the bank, or for any

purpose other than the construction of the Inter-American Highway (Ex. Agreement 296). Of this credit, \$135,000 had actually been advanced up to December 9, 1943.

The Governments of Guatemala and Panama have also entered into agreements by exchanges of notes in 1943 for cooperative expenditures in any further surveys and construction under Act 375, (Executive Agreement 345 and 365).

CHAPTER III

CONSTRUCTION BY THE WAR DEPARTMENT

Following the outbreak of war between the United States and the Axis powers, a pioneer road was begun in July, 1942 by the United States Army engineers under appropriations to the War Department, and construction was undertaken in Panama, Costa Rica, Nicaragua, Honduras, El Salvador and Guatemala, which was terminated on October 31, 1943. This road, however, did not always follow the surveys and agreed route of the Inter-American Highway. Its total cost has been estimated at about \$40,000,000 to the above date. The proportion of this amount which may fairly be allocated to the Inter-American Highway has not yet been determined, nor is it known how much of the pioneer road will be further developed for permanent use by the Highway. (Ex. P).

CHAPTER IV

FINANCIAL CONTRIBUTIONS BY THE UNITED STATES

The total appropriations made by the Congress of the United States for surveys and construction of the Highway up to and including July 12, 1943, amount to \$31,284,703.88. Of

this amount, there had actually been expended to June 30, 1943 the sum of \$9,565,671.23 (Ex. H).

Of the amount authorized by Congress on December 26, 1941 by Public Law No. 375, there remains a balance of \$8,000,000 which has not been appropriated. By a separate act of Congress of July 13, 1943, (Public Law 140), a sum of \$12,000,000 had been appropriated for construction in Costa Rica, which is included in the above total of \$31,284,703.88 (Ex. F).

No sums have been advanced to Guatemala or Panama under Act No. 375, although both countries have entered into exchanges of notes on May 19 and 15, 1943 respectively. The United States has, however, made appropriations to Panama under other acts. By act of May 3, 1943 (Public Law 48) Congress appropriated \$2,700,000 to refund Panama expenditures made by the latter on the Chorrera-Rio Hato Road, which forms part of the Inter-American Highway, the amount having originally been advanced to Panama by the Export-Import Bank (Ex. F).

CHAPTER V

LOANS BY THE EXPORT-IMPORT BANK

The Export-Import Bank has made loans to the Central American countries, except Guatemala, for construction of the Highway, which were outstanding in a total amount of \$6,256,327.50 as of November 30, 1943. The Export-Import Bank also, under a credit of \$30,000,000 opened on November 19, 1941, has made advances to Mexico of \$10,000,000 for construction of the unfinished Mexican section and other roads which were outstanding in a total amount of \$8,216,478 on

November 30, 1943, (Ex. G).

The total financial assistance rendered by the Export-Import Bank in the way of loans was, therefore, \$16,495,000 to December 3, 1943, but as that bank had made total commitments of \$38,215,000 there remained available a balance of \$21,720,000 which might be utilized for Highway construction. This, however, includes the unused portion of \$20,000,000 of the total credit of \$30,000,000 to Mexico, which credit was not specifically allocated to the Inter-American Highway (Ex. G).

The amount actually expended on the Highway from loans by the Export-Import Bank to El Salvador, Honduras, Nicaragua and Costa Rica as of November 30, 1943 is \$6,495,000. The total original commitments of the Bank to these four countries for highway purposes was \$8,215,000, leaving an available balance of \$1,720,000 for new construction (Ex. G).

CHAPTER VI

FINANCIAL CONTRIBUTION BY LATIN-AMERICAN COUNTRIES

The amount expended by Mexico, the Central American countries and Panama to June 30, 1943 on the Inter-American Highway is estimated to be \$67,385,200.51 of which Mexico has expended \$38,011,193, and other countries, \$29,374,007.04, (Ex. H).

When the report on the "Proposed Inter-American Highway" was made to Congress on March 6, 1934, the total length of the Highway from the American border to Panama City was estimated at 3,246 miles*. Of this total, 1,265 miles constituted all-weather roads which included 751 miles in Mexico, 250 miles in

*Under present plans the estimated total length is 3,356 (Ex. N-a)

Panama and additional mileage in other countries.

There remained then 1,981 miles to be constructed or improved. Since that date, construction has been completed of an additional 1,140 miles by the United States engineers or by the local authorities, leaving 841 miles to be completed according to the length of the Highway in the 1934 survey of 3,246 miles, or 951 miles to be completed according to the present route of 3,356 miles (Ex. N).

The Mexican government had financed its own construction from Mexico City south to the Guatemalan border prior to the time the credit of \$30,000,000 was opened on November 19, 1941 by the Export-Import Bank. Of this amount, \$10,000,000 was actually disbursed, although it is not certain that all of this was spent on the Inter-American Highway (Ex. G).

CHAPTER VII

FUTURE CONSTRUCTION AND FINANCING

Expenditures made by the War Department of the United States in constructing the pioneer road may serve to reduce the amount necessary to construct and complete the Highway in some countries (Ex. P).

Guatemala already had an all-weather road the full length of the country (about 300 miles) at the time the pioneer road was undertaken and had expended \$3,456,677 of its own funds. It had not sought or received any loans from the Export-Import Bank for highway construction nor had any funds been expended by the United States under Act 375. Notwithstanding that the existing Guatemalan road had been adopted for the route of

the Pan American Highway, the United States engineers projected a new pioneer road over a different route at an estimated cost of \$4,000,000. The United States had expended only \$245,482.51 for survey and construction (bridges) under Act 412 of 1934. The original estimate of the United States Bureau of Public Roads, in its 1934 report, for the improvement and completion of the Guatemalan road (for type 2, macadam), was \$7,624,392.75. The Public Roads Administration now estimates \$9,131,240.00 is needed to improve and complete the Highway to standard (Ex. I-a). Guatemala has expressed the intention of financing, without outside aid, her own road-building.

In 1934, El Salvador had an all-weather road of 94 miles out of a total of 182 constituting the route of the Highway. The present route is 196 miles.

The United States Army is estimated to have spent \$600,000 on a pioneer road, although the remaining 88 miles of existing highway was good or fair in dry weather. In 1934, the report of the Bureau of Public Roads estimated the cost of a completed macadam-surfaced highway at \$3,111,367.50 (type 2). Since then, expenditures have been made both by the United States and by El Salvador and a through road has been built to the Honduras border. El Salvador has spent a total of ^{*}\$3,947,534 to September 22, 1943 on its section of the Highway and the United States has expended \$314,614.40 under Act 375. As the funds have already been set up, no new money will have to be provided (Ex. I-a).

The original route in Honduras was 87 miles of which only 7 miles was an all-weather road in 1934. The present route

*See total funds set up, Column G, I-a.

is 95 miles. The amount necessary to construct a macadam highway (type 2) was estimated by the Bureau of Public Roads at \$2,785,987 in 1934. The United States Army is estimated to have spent \$7,000,000 on a pioneer road in Honduras alone. Notwithstanding this, and the expenditures already made by the United States (\$346,716) and by Honduras (\$398,712) prior to June 30, 1940 and under Act 375, the Public Roads Administration now estimates that a further sum of \$2,303,640 will be necessary to complete the Highway to Public Roads Administration standards, in addition to existing appropriations and commitments. This includes a spur to the capital, Tegucigalpa. Honduras has been granted a credit by the Export-Import Bank of \$1,000,000 (September 9, 1942), of which an unexpended balance of \$865,000 remained on December 9, 1943. Honduras has also entered into an agreement (September 9, 1942) for obtaining advances under Act 375. The pioneer road built by the United States Army Engineering Division at a cost of \$7,000,000 has followed the line of the Inter-American Highway, but this road did not come up to Highway standards and future expenditures will be made for that purpose. Work is now being actively undertaken in improving the surface and in bridge-building.

In Nicaragua, the length of the original highway was 214 miles, and it was estimated that an expenditure of \$6,187,338 would be necessary to construct a macadam road (type 2) in 1934. There had already been expended by the United States

\$241,598 and by Nicaragua, \$2,401,928, when the Pioneer Road was undertaken by the United States Army engineers on which an estimated \$9,000,000 was spent. Part of this road, however, did not follow the accepted route of the Inter-American Highway from the Honduras border, nor was it paved. Since the report of 1934, the route of the Highway in Nicaragua has been changed in order to serve new territory not now served by existing railways and the present length is 257 miles.

Nicaragua obtained a credit of \$2,000,000 on November 13, 1939, of which \$1,815,000 was allocated for the Highway, and \$1,750,000 had been disbursed to December 9, 1943. The total accounted for as having been spent on the Highway by Nicaragua and the United States up to September 22, 1943 is; by Nicaragua, \$2,401,928.50; and by the United States \$241,598.54 (Ex. H).

On April 8, 1942, Nicaragua entered into an agreement for advance of funds for construction under Act 375 of December 26, 1941. It is now estimated by the Public Roads Administration that a further sum of \$7,739,400 will be necessary to complete the Highway to Public Road Administration standards. \$4,514,700 of the above amount has been set up leaving \$3,224,700, of new money, to be provided (Ex. I-a).

In Costa Rica, the route as originally surveyed was 356 miles of which only 43 miles was then an all-weather road. The present route is 383 miles. It was estimated in 1934 that a paved road (Macadam, type 2) would cost \$11,516,693. There had been expended by the United States Public Roads Administration, \$3,239,981.80, and by Costa Rica \$4,050,429.07. The Pioneer

Road construction by the United States Army is estimated to have cost \$17,800,000. It is now estimated by the Public Roads Administration that \$36,959,000 is necessary to complete the Highway in Costa Rica. There has been set up, however, \$21,200,000 leaving a balance of \$15,759,000 to be provided in order to complete the Highway.

An appropriation was made by act of July 12, 1943 (Law 140) of \$12,000,000 for the Highway in Costa Rica (which is included in the above estimate). The Export-Import Bank also opened a credit on February 21, 1940 of which \$3,000,000 was allocated to the Pan American Highway. A balance of \$605,000 remained from this, on December 9, 1943. Costa Rica also entered into an agreement, on January 16, 1942, for an advance of funds under Law 375. The funds expended from this source are included in the amounts given above as expended by the United States and Costa Rica.

The Public Roads Administration reports that Costa Rica has a mileage of 383 miles of which 135 miles are all-weather or paved road leaving a balance of nearly 248 miles yet to be constructed or improved (Exhibit N).

In Panama, the original route of the Highway, as surveyed in 1934, was 367 miles in length, of which 250 were already improved. It was estimated that \$6,420,043 would be necessary to construct the uncompleted section and improve the existing roads to standard requirements of the Public Roads Administration. The distance in Panama of the Highway is 377 miles, under present plans (Ex. N).

The United States has already spent or appropriated \$5,177,177 and Panama a total of \$15,118,725. The United States Army is estimated to have spent \$1,600,000 on the Pioneer Road. Panama now has an improved, all-weather section of 344 miles, leaving a balance of only 33 miles to be constructed. Panama has already expended a credit of \$2,500,000 extended by the Export-Import Bank on February 21, 1940. This was refunded to Panama under the appropriation of \$2,700,000 made on May 3, 1943 by Law 48. This includes interest on the Export-Import Bank loan of \$2,500,000. Panama has also expended in addition to the above amount \$1,908,649, for a road from Sabanas to Chepo south of Panama City which may form part of the Highway.

Panama entered into an agreement on June 7, 1943 for advances under Law 375, but has received none up to date. There were no commitments by the Export-Import Bank to Panama for highway purposes as of December 9, 1943. It is understood that Panama will provide her own funds for highway construction and reconditioning.

SUMMARY

CHAPTER

VIII

The figures for distance and condition do not take into account the construction on the Pioneer Road.

There have been constructed to date from the American border to Panama City a total of 2,405 miles of paved or unpaved

all-weather roads, (Ex. N-a). On this construction, there has been expended by the other countries, including Mexico, \$67,385,200 and by the United States, \$9,565,671 to June 30, 1943. In addition, the United States has expended an estimated \$40,000,000 for construction of a pioneer road in all countries except Mexico, some of which is, or may become a part of the Inter-American Highway (Ex. H. and K).

There remain to be constructed or improved 951 miles, of which 555 miles are in Mexico. The remainder of 396 miles to be constructed or improved are in the following countries: Costa Rica, 248 miles; Panama, 33 miles; Honduras, 19 miles; Nicaragua, 75 miles, El Salvador, 21 miles, Mexico and Guatemala will do their own construction and improvement. It is understood that Panama will do likewise (Ex. N-a).

There are outstanding balances of commitments not including Mexico by the Export-Import Bank of \$1,720,000 for loans for the Highway in Honduras, Nicaragua and Costa Rica. No credits exist for Guatemala, El Salvador and Panama. In addition, there is a balance of funds usable under the Act of Congress 375 of \$8,000,000, conditioned upon the expenditures by the recipient countries of one-third of the total. If the latter sum is used, the recipient countries must expend an additional \$4,000,000 for highway purposes. But there is available for Costa Rica alone, without any obligation, the sum of \$12,000,000 appropriated under Act 140 of July 13, 1943. There remains a balance of \$4,635,234 from the countries to meet

the \$12,000,000 already appropriated by the United States under Act 375; also, \$9,719,032.65 from unexpended appropriations, (Ex. I-d).

In Mexico, there remained to be completed, in 1934, a total of 786 miles, to construct and improve which the sum of \$25,400,000 was estimated to be necessary. (In the 1934 estimate, Senate Document 224, 1934). Since then additional work has been done by the Mexican government, and only 555 miles remain uncompleted, (Ex. N-a). For this there is available to Mexico a balance of \$20,000,000 from the credit opened by the Export-Import Bank on November 19, 1941. Mexico has not entered into any agreement for the advance of funds under Act 375. However, the amount available from the Export-Import Bank, if utilized for the Highway, would probably be sufficient to cover the construction on the basis of the 1934 estimates, considering there are 231 miles less to build in 1944 than in 1934. On the other hand, Mexico did not benefit by any expenditures made by the United States Army on the pioneer Road, as did the other countries.

All uncompleted sections of the Highway in all the countries are either under construction or plans for their completion have been made.

On the basis of estimates made by the engineers employed by the Export-Import Bank, an annual sum of \$995,000 will be necessary to maintain the Highway from Mexico to Panama in good condition when completed, assuming a large part of the road will be gravel-surfaced (Ex. L).

LIST OF EXHIBITS

LIST OF EXHIBITS WITH DESCRIPTIVE SUMMARY

A. Chronology:

Chronology of important events in connection with the Pan American Highway from March 25, 1923, the date of the opening of the International Conference of American States at Santiago, Chile, to July 12, 1943, the date of the enactment of Public Law 140 appropriating \$12,000,000 for construction of the remaining uncompleted section in the southern part of Costa Rica; account of all the international conferences and congresses held in the American republics at which resolutions or conventions were adopted respecting the Pan American Highway; an account of the various resolutions and acts of Congress making appropriations for highway purposes and of the various international conventions, and agreements to which the United States was a party relating to survey and construction of the Highway; amounts of the various sums authorized or appropriated by Congress from time to time, with data as to the dates of the resolutions or acts, the source of publication and the purposes for which they were authorized. This includes in chronological order, the data comprized in exhibits "D", "E" and "G" described above.

B. Attitude:

Attitude of the various countries toward the construction of the Inter-American Highway through their territories.

C. Benefits:

Benefits to be derived by the participating countries from the construction of the Highway.

D. List of Conventions and Executive Agreements or Bilateral Agreements:

A list of conventions and executive agreements or, bilateral agreements effected by exchanges of notes relating to the Pan American Highway and to international automotive traffic on highways, giving the dates on which they were signed.

E. List of Legislative Enactments of the United States Congress:

A list of legislative enactments of the United States Congress relating to the Pan American Highway and international Highways in general from the 68th Congress (1923-1925) to the 78th Congress inclusive (1943), with the number of the resolution or act, a citation of the source of publication and a brief statement of the title and of the amounts authorized or appropriated for surveys, construction and other purposes.

F. Appropriations:

A list of appropriations by the Congress of the United States for surveys and construction of the Highway between Mexico and the Panama Canal, arranged chronologically by dates of the several acts from March 4, 1925 (68th Congress), to July 12, 1943 (78th Congress), showing the amount of each appropriation, including those made for international road congresses or conferences (total of \$31,548,500.00), including interest on loan to Panama).

G. Loans and Credits:

A list of the loans and credits made by the Export-Import Bank for construction of the Highway, arranged by countries, showing the dates on which the credits were opened, the total line of credit and the disbursements actually made and balance owing and not repaid as of December 9, 1943, with a table showing the outstanding commitments of the bank to each country as of December 1, 1943. This shows the total original commitments of \$38,215,000, from which there was actually disbursed \$16,256,327, leaving a balance of \$21,958,673 still obligated and available for further construction.

H. Amounts Expended:

Amounts expended by the United States and the other countries in the survey and construction of the Highway from Nuevo Laredo on the American-Mexican border to the Panama Canal Zone at Panama City up to September 22, 1943, with summary showing the total actually expended by each country to June 30, 1943. Includes summary of cash expended and obligations incurred by the United States, and appropriations made but not yet obligated up to and including July 13, 1943.

I. Estimate for Completion:

Estimate for completion of the Highway with table, digest and project statement by the Public Roads Administration, January 7, 1944.

Showing summary of funds, presumably available to meet in part, future construction; original estimate of March 1, 1944; present estimate of final total cost; additional funds required for work to complete the Highway.

K. Estimate of Final Total Cost of the Highway and Pioneer Road.

L. Maintenance Cost and Mileage:

Maintenance cost and mileage in Central America from report by engineers of the Export-Import Bank.

M. Plans for Future Work and Work in Progress.

N. Condition and Mileages of Inter-American Highway:

From report of Public Roads Administration, January 7, 1944. Distances in Mexico and Central American countries; distances in Mexico, Puebla route.

O. Extract from Report; Public Roads Administration.

Dated November 23, 1943 by the Public Roads Administration. Shows changes in route from the original survey of the Highway giving type of surface, design, etc.

P. Mileage of Pioneer Road:

Through Central America, as of October 31, 1943 when work was terminated, based upon a report to the War Department of December 11, 1943, with approximate totals of funds expended in each country.

- Q. Sources of Information
- R. Feeder Roads, Railroads and Ports with Highway Connections
- S. Short Account of the Pan American Highway
- T. Maps showing original projected route of Highway and present route, feeder roads, railways and ports with sources of production of minerals, forest, and vegetable supplies indicated.
- U. Pan American Highway Finance Authority (Report of the Finance Committee of the Pan American Highway. February 15, 1940.
- V. Highway laws of Mexico and the Central American countries.

CHRONOLOGY, PAN AMERICAN HIGHWAY

A

1923-1943

March 25-May 3, 1923 - Fifth International Conference of American States at Santiago, Chile.

The first time specific recommendations were made by an international conference, relative to an inter-American highway project, were made at the Fifth International Conference of the American States at Santiago, Chile, in 1923.

At this conference, the following resolution was adopted:

"To recommend to the states members of the Pan American Union, to improve as rapidly as possible the transportation facilities between their most important cities by means of automobiles, and between such cities and the principal ports permanently open to international traffic, and between the principal cities and the capitals of neighboring states;

"That there be convened at a date and place to be determined by the governing board of the Pan American Union, a conference on automobile highways to study measures best adapted to developing an efficient program for the construction of automobile highways within the different countries of America, and between these different countries."

At this meeting, Argentina extended an invitation to the countries attending to hold the conference referred to above, at Buenos Aires at such a time as the governing board of the Pan American Union should designate.

November, 1923

Following this conference at Santiago, Chile, in 1923, invitations were issued by the "Highway Education Board", a semi-official organization cooperating with the Pan American Union and financed by the automobile industry in the United

States, to Latin American engineers interested in the highway problem, to visit the United States to make an intensive study of transportation facilities and to submit to the Pan American Union an agenda for the First Pan American Highway Congress.

June 1, 1924

Thirty-seven delegates from nineteen Latin American nations assembled in Washington as guests of the Highway Education Board. They began a tour of certain states with aides from the Departments of State, Agriculture, Commerce, and the Pan American Union. On their return to Washington, they drafted a constitution for the Pan American Confederation for Highway Education. The first mention of the Pan American Highway occurs in these articles of the Confederation. The expenses of this tour, costing \$90,000 were met by the Highway Education Board.

December 29, 1924

An invitation was received from Argentina by the United States to attend the First Pan American Highway Congress to be held in 1925 at Buenos Aires; the place of meeting designated by the Pan American Union.

March 4, 1925

Pub. Res. No. 72

43 S. 1355

Congress passed a joint resolution, giving authority to our government to participate in the First Pan American Congress of Highways at Buenos Aires, Argentina, 1925, appropriating therefor, \$15,000.00.

October 3-13, 1925 - First Pan American Congress of Highways at Buenos Aires, Argentina.

This congress recommended a permanent organization to bring about rapid development of continental highways and establish in each country a national highway division under a department in charge of highways.

This congress approved the constitution and by-laws of the Pan American Confederation for Highway Education.

Summary of observations made by the delegates:

That the highway development is of immediate importance to the social, economic, and political progress of the countries; that the highway constitutes the first link in the modern highway system of communications, without which other agencies can not function properly.

April 1926 - Second Tour of Latin-Americans.

Following a conference of journalists of South American Republics in Washington, at the invitation of the Pan American Union, a tour of the middle and eastern states was made at the request of the Highway Board of Education in order to show road and commercial developments. Expenses of the tour, which amounted to \$20,000, were paid for by the Highway Education Board.

April 24, 1926 - International Convention relative to Motor Traffic, signed at Paris.

Conditions under which motor cars may be used on public roads. Condition of motor car, driver's qualifications, etc. Signed by most European countries, but in Western Hemisphere, only by Brazil, Guatemala, Peru, Mexico, Cuba and Uruguay.

May 1927 - Third Tour

Following the Commercial Pan American Conference held in Washington, delegates present at this conference made tour in the United States, visiting industrial and highway development and construction, as guests of the Highway Education Board. Cost, \$20,000 defrayed by the Highway Education Board.

January 16-February 20, 1928 - Sixth International Conference of American States at Habana, Cuba.

The following resolution was passed:

"To recommend to the Pan American Congress of Highways, which will be held in Rio de Janeiro in 1929, the consideration and adoption of agreements looking to the construction of a road of longitudinal communication across the continent, taking up and deciding all questions relative to studies, route, branch connections, technical and economic cooperation of the different countries, and all other matters involved in the solution of such problem.

"The Pan American Union shall be charged with the assembling of informative data and with the preparation of projects that may lead to the most efficient carrying out of the present resolution, bringing them in due time to the notice of the Pan American Congress of Highways above referred to.

"To give its full approval to the initiative for the building of an inter-American Highway and to recommend to all Governments, members of the Pan American Union, that they cooperate, in so far as possible, in the prompt realization of the said project."

Extract from the address of President Coolidge at this conference:

"An increase of information depends largely on an increase in the means of communication. During the entire nineteenth century intercourse between the American Republics was exceedingly difficult, and this isolation proved a serious obstacle to closer understanding..... During very recent years every government of this hemisphere has been giving special attention to the building of highways, partly with a view to establishing

feeders to the railway lines, but also to provide great arteries of inter-American communication for motor transport.....

"I am asking the United States Congress to authorize engineering advisers, the same as we send military and Naval advisers, when requested by other countries, to assist in road building....."

May 4, 1928 Public Res. No. 40 70th Congress 45 S 490

A joint resolution by United States Congress. That the Government of the United States manifest the utmost interest in the purposes of the resolution passed at the Sixth International Conference of American States at Habana; in order to promote the speedy realization of these purposes and objects, the President is requested to direct the several agencies of the Government to lend such cooperation and assistance as may be feasible, having the matter thoroughly considered by the approaching conference to be held at Rio de Janeiro. It is further requested to advise Congress of any conclusions reached and any action which may be suggested by the conference.

May 29, 1928 Public No. 563 70th Congress 45 S 912

United States Congress appropriates \$15,000 for the Second Pan American Conference on Highway to be held at Rio de Janeiro to remain available until June 30, 1930, and expenses of the delegates visiting Colombia and Venezuela in connection with this conference. Also appropriated \$25,000 for expenses of the Sixth Session of the Permanent International Association of Road Congresses to be held in the United States at Washington, D. C., either in 1929 or 1930 to remain available until June 30, 1930.

December 4, 1928

President Coolidge, in his Annual Message to Congress, urges assistance by the United States to road building in American Republics. Quote: "Such assistance should be given especially to any project for a highway designed to connect all the countries on this hemisphere and thus facilitate intercourse and closer relations among them."

Cole Resolution

March 4, 1929

Public Res. No. 104

70th Cong. 45 S 1697

Authorization of the sum of \$50,000 to enable the Secretary of State to cooperate with the several governments, members of the Pan American Union, that have initiated a request or signified a desire to cooperate in the reconnaissance surveys to report the feasibility of possible routes and such other information as to be pertinent to the building of an Inter-American Highway or highways.

Countries showing desire of acceptance:

Guatemala - April 6, 1929

Nicaragua - June 11, 1929

Panama - July 14, 1930

Honduras - Sept. 3, 1930

Costa Rica - Agreed, January 31, 1931, to cooperate if she didn't have to bear any expense. March 1931, Costa Rica agreed to take part of the expenses on herself.

El Salvador -Verbally agreed on November 2, 1931, but not officially, due to certain political reasons and because her surveys had been made.

Mexico did not accept, as she had already undertaken surveys with her own engineers.

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This is the first act of cooperation between the United States and the Central American countries in making surveys for the Pan American Highway.

August 28, 1929 - Second Pan American Highway Congress, Rio de Janeiro.

Endorsed Resolution of the First Pan American Highway Congress at Buenos Aires in October 1925. Emphasized value of highway communications urged building highways with public funds exclusively. Recommended that Pan American Union recommend to each country between United States and Panama that within five years it build a road suitable for vehicular traffic between the United States and Panama. Prescribed certain traffic rules. Endorsed turning to right on meeting other vehicles. Establishment of central agency in Panama for technical information.

Panama reported that it had, through their Central Highway Board appropriated \$20,000 for preliminary expenses in connection with reconnaissance of the estimated cost of the Inter-American Highway from Panama to the United States.

Following this Congress, members of the delegation participated in highway conferences with leading government officials, business men, economists, bankers, educators, and highway engineers in Uruguay, Argentina, Chile, Peru, Bolivia, Panama, Colombia, and Venezuela.

October 7-12, 1929 - First Inter-American Highway Congress at Panama City ("The Projected Inter-American Highway").

In consequence of the previous invitation from Panama, the delegates of the five Central American countries and the United States, returning from Rio de Janeiro, attended a special conference at Panama, to consider and, if possible, provide for the early completion of the projected Inter-American Highway extending from the southern border of the United States to the Panama Canal. Mexico did not attend as she had already started construction and located parts of the highway through her country.

The conference resolved to recommend the appointment by the Pan American Union of an Inter-American Highway Commission, each government to nominate their representative members, and that the countries of Central America, Mexico, and the United States cooperate with this Commission and facilitate its work; that the Pan American Union, when circumstances may justify it, promote meeting of representatives of countries interested in the highway so they may make necessary international agreements; that the Pan American Union obtain through this Commission, or other means, approximate data covering the problem of the cost of the highway in each Central American republic so that the financial problems may be considered simultaneously with the technical studies. It also resolved to recommend to each of the countries that within five years a suitable road be constructed for vehicular traffic between the two

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countries, United States and Panama.

March 26, 1930 Public No. 78 71st Congress 46 S 115

Appropriation of \$50,000 to enable the Secretary of State to cooperate with the several governments, members of the Pan American Union, which signify their desire to cooperate in reconnaissance of the Pan American Highway and to report to Congress probable cost of building it; the money to be expended upon the order of the Secretary of State. The appropriation to remain available until expended. This sum was to carry out the "Cole Resolution" authorized by Public Res. No. 104, March 4, 1929.

March 26, 1930 - Panama establishes Reconnaissance Survey Headquarters - (The Projected Inter-American Highway)

Acting on the authority of the foregoing appropriation, highway engineers of the Bureau of Public Roads were sent by this government to Panama where they established an office on June 30, 1930, in quarters provided for this purpose by the Panamanian government. They proceeded with the surveys in the Central American States (except in El Salvador). The five countries, Guatemala, Nicaragua, Panama, Honduras, and Costa Rica had requested this country's cooperation through the Pan American Union. Both Mexico and El Salvador at this time declined to take advantage of this, having previously explained that most of the route through their respective territories had already been located and in El Salvador's case for other reasons as well.

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October 6, 1930

The representatives of the American Republics who were in Washington to attend the 6th Session of the Permanent International Association of Road Congresses were authorized by their countries to sign a convention drawn by the Pan American Union as follows:

"To establish uniform rules among themselves for control and regulation of automotive traffic on the highways of their respective countries, and the crossing of international boundaries.

This convention was signed in Washington on October 6, 1930, at the Pan American Union by representatives of all the American Republics excepting Cuba and Haiti. However, this convention was ratified only by the following countries:

Ecuador	Mexico	Dominican
Honduras	Peru	Republic

January 10, 1931 - Appointment of members of Inter-American Highway Commission at Washington, D.C.

In accordance with recommendation of the First Inter-American Highway Conference at Panama in 1929, the Director General of the Pan American Union appointed as members of the Inter-American Highway Commission, the persons listed below:

Thomas H. MacDonald
W. R. Ely
J. Walter Drake
Harry Chandler.

This commission is now non-existent.

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March 16-24, 1931 - 2nd Inter-American Highway Conference at Panama. Also referred to as a Meeting of the First Inter-American Highway Commission.

The following resolutions were passed:

That a national highway fund in each country be established consisting of all revenues derived from custom duties on vehicles, gasoline and operators of motor vehicles. An indirect source of revenue in the form of a special one-cent postage stamp to be used on every letter, national and international, in addition to regular postage. A Central Road Board in each country to see that passport and custom laws be made uniform. Approves of the program of the Pan American Confederation for Highway Education and recommends a like board in each country. Disapproves tolls on roads. Approves the Traffic Convention formulated in Washington October 4, 1930. Recommends the highway, in its construction, use as much of the existing highway system as possible. That the highway include important centers of population or those supported by economic justification even if the length of the highway is extended. Contains data as to the present conditions of surveys along the highway showing the structures that have been completed. Recognizes the importance of a highway between Alhajuela and Colon. The Technical Committee at this conference roughly and unofficially estimate the following sums necessary for the various countries to complete their

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links in the system as follows:

<u>Country</u>	<u>Miles</u>	<u>Amount</u>
Costa Rica	375	\$12,000,000
Guatemala	272	12,000,000
Nicaragua	245	10,000,000
El Salvador	---	5,000,000
Honduras	73	3,500,000
Panama	---	3,500,000
		<u>\$46,000,000</u>

To finance the above, it is suggested that these countries make a bond issue of 5% and that the United States take up these bonds and issue against them 4% bonds for sale to the public, the difference in interest payments (1%) to accrue to an amortization fund. Another proposal was that the countries issue 3% bonds to be taken by the United States which would substitute 4% bonds for public offering. The one-per-cent difference would be the contribution by the United States to the project.

This report discusses fully the survey of the road through Costa Rica to Nicaragua and the other countries up to the Mexican Border, where it crosses the Suchiate River.

September 1932

Ferry service began across the Panama Canal at Balboa Basin. This ferry service was maintained by the Panama Canal Commission.

December 3-26, 1933 - Seventh International Conference of American States at Montevideo, Uruguay.

A report by the delegates of the United States on

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referring to the work of the Congresses held at Rio de Janeiro, August 1929, and at Panama in October 1929, which provided for a reconnaissance survey through Central America and presented a statement by President Roosevelt on the subject of the survey and the Highway as follows:

".....President Roosevelt has indicated that the Congress of the United States may well give favorable consideration to a recommendation that the United States bear the entire initial and immediate cost of a survey for the completed means of motor transportation throughout the northern and southern continents, and other interested governments to be requested later to share in the costs of the project-- such survey, of course, to be conducted only with the full approval and cooperation of each of the interested nations."

Attention was called to appropriation of the United States Congress of \$50,000 to aid in making surveys through the countries cooperating. Panama, Guatemala, Nicaragua, Costa Rica and Honduras have signified their cooperation.

They presented a preliminary report of a reconnaissance survey of the highway by the Bureau of Public Roads showing one-third of the total distance of 3200 miles from the United States border to the city of Panama had been completed and that this survey demonstrates the entire feasibility of the project.

No definite action was taken by the conference on this subject.

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June 14, 1934 - Document No. 224, 73rd Congress (Senate Resolution 271) ordered printed a report prepared by the Bureau of Public Roads, Department of Agriculture.

From the date when the above Central American countries signified their intention of taking advantage of the resolution, No. 104, reconnaissance surveys were made in these five countries. The engineers returned to Washington and prepared their final report to the Secretary of State. This report is of very exhaustive nature, describing the conditions found in each country, the location of the road, the approximate cost of building.

Cost of building from the Mexican-Guatemalan border to the Canal Zone, \$37,645,822.

Cost, of the entire road, including unfinished part of Mexico, \$63,046,000. Since this report, there has been a change in the original survey of the route, and the cost has greatly increased.

June 18, 1934 Public No. 393 73rd Congress 48 S. 996

\$75,000 appropriated for continuation of reconnaissance surveys on the Pan American Highway in cooperation with the countries that had agreed to provisions of Act of March 4, 1929.

June 19, 1934 Public No. 412 73rd Congress 48 S. 1042

Appropriation of \$1,000,000 for cooperation between the United States and several governments in carrying on a survey for construction on the proposed highway, subject to cooperation by the several countries. The main purpose

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of this appropriation was the construction of bridges. The countries to build the approaches and supply local labor and local material and the United States is to supply bridge material and erection of same. The following countries agreed to cooperate on the dates shown:

Panama	Oct. 23, 1934	Nicaragua	November 19, 1934
Guatemala	Oct. 24, 1934	Honduras	" 20, 1934
Costa Rica	Nov. 15, 1934		

74th Congress

March 2, 1936 - T. S. 946

Convention between the United States and Panama for completion of the Trans-Isthmian Highway, signed at Washington, D.C., March 2, 1936, for a highway between the cities of Panama and Colon, on territory under their respective jurisdictions. Waiver of the Trans-Isthmian railroad, which had exclusive rights to build roads across the Isthmus, was obtained. Each country to maintain the portions of the road in their respective jurisdictions. Each country to enjoy equally the use of the road. The United States ultimately paid the entire cost of this road.

July 1, 1936

Formal inauguration of the opening of the Laredo, Texas-Mexico City section of the Pan American Highway.

December 1-23, 1936

Inter-American Conference for the Maintenance of Peace at Buenos Aires, Argentina.

Convention on the Pan American Highway:

"Art. 1. The High Contracting Parties agree to collaborate with all diligence and by all adequate means, in the speedy completion of a Pan American Highway, which will permit at all times the transit of motor vehicles.

"Art. 2. The High Contracting Parties shall form a commission of technical experts with the object of coordinating the work of different Governments.....

"Art. 3. Immediately after ratifying the present Convention, the High Contracting Parties shall consult among each other with a view to appointing a financial committee composed of the representatives of three of the ratifying Governments. This Committee shall study the problems concerning the speedy completion of the Pan American Highway, and within a period of not more than six months from the date of its constitution shall submit a detailed report for the consideration of the Governments, accompanied by the plan for the solution of said problems.

"Art. 4. Finally, the High Contracting Parties bind themselves to establish or designate at once in their respective territories at least one permanent public office, for the purpose of giving information on the work in progress, and all other information which nationals and tourists of the signatory countries may require. Secretary of Agriculture Wallace designated the United States Bureau of Public Roads as the place giving information covering construction, etc. of the Pan American Highway in the United States.

The above convention was ratified by the following countries:

United States	7/15/37	Honduras	9/15/38
Nicaragua	7/20/37	Guatemala	8/23/38
Mexico	12/23/37	Panama	12/13/38
El Salvador	4/ 1/38	Peru	2/20/39
Chile	7/28/38	Costa Rica	6/27/39
		Colombia	11/28/40

September 16, 1937 T.S. 927 75th Congress 51 S 152

Proclamation by the President of the United States
proclaiming the Convention on the Pan American Highway

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signed at Buenos Aires, December 23, 1936, by the respective plenipotentiaries of the United States and the twenty other American Republics represented at the Inter-American Conference for the Maintenance of Peace. Ratification advised by the United States Senate, June 29, 1937.

March 5, 1938 Pub. No. 440 75th Congress 52 S 88

Appropriation giving the Secretary of Agriculture \$34,000 for continued cooperation with the several governments, members of the Pan American Union, in connection with the survey and construction of the Inter-American Highway.

June 25, 1938 Public No. 723 75th Cong. 52 S 1146

Appropriation of \$15,000 for expenses for United States participation in the Third Pan American Highway Conference to be held at Santiago, Chile in 1939, and \$50,000 to enable the Secretary of State to continue to collaborate with the several governments, members of the Pan American Union, for engineering advice and assistance in the carrying on of the work of the Pan American Highway, making use of the funds made available by these two Congressional Acts (Public No. 440 and Public No. 723).

September 15, 1938

First meeting of Pan American Highway Finance Committee, held at the Pan-American Union in Washington, D.C., composed of: Dr. F. Castillo Najera, Mexican Ambassador to the United States; Dr. Leon De Bayle, Nicaraguan Minister to

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the United States; Major John Van Ness Philip, representing the United States. The first and second reports of the Finance Committee contain the estimate of cost of completing the highway from the southern Mexican border to the Panama Canal to be \$55,599,000, and including the unfinished part of the highway in Mexico at \$78,308,000, and suggest means of financing completion of the road. These reports were referred by the Pan American Union to the Eighth International Conference of American States at Lima, December 1938, and to the Third Pan American Highway Congress at Santiago, January 1939. At this meeting of the Committee it was decided to consider a finance plan in the section of the Highway north of the Panama Canal at this time.

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EIGHTH INTERNATIONAL CONFERENCE

OF AMERICAN STATES

Lima, Peru, December 9-27, 1938

The following are resolutions and recommendations relating to Pan American Highway and Automotive Traffic. Two resolutions were approved on the Pan American Highway. One recommended ratification of the 1936 convention passed at Buenos Aires, by those countries which have not yet done so; the early completion of the respective national sections of the Highway; the incorporation in the Pan American Highway system of the ancient Inca Highway extending from Quito to Tucuman; and consideration of the Cuban proposal for inclusion of the Insular Republics in the highway system by means of ferry boats. A second resolution related to the financing of the highway and called upon the Governments to make available to the Financial Committee of the Pan American Highway the information requested in the two reports which the Committee has prepared. These reports were referred to the Third Pan American Highway Congress Meeting in Santiago, January 1939. Request was made of the Third Pan American Highway Congress, to consider the several plans that have been suggested for financing the Highway by the Finance Committee, and to transmit its recommendations to the financial Committee. It was then resolved to request the Financial Committee of the Pan American Highway to

complete its study and formulate specific recommendations as soon as possible after receipt of the observations and suggestions of the several governments and of the Third Pan American Highway Congress.

A resolution was approved providing for a revision of the Convention on the Regulation of Automotive Traffic signed at Washington in 1930, calling on the Third Pan American Highway Congress to prepare a draft which should be sent to the Governments through the Pan American Union, and that on the basis of the replies received, a definitive draft convention be drawn up and signed.

January, 1939 - Third Pan American Highway Congress at Santiago, Chile.

The Third Highway Congress passed many resolutions and recommendations of a most comprehensive nature relating to the Pan American Highway, its construction, operation and all the various conditions within its scope; as designing high-speed highways; experimental laboratories for road, materials and wood; traffic statistics and regulations; signals when driving; lighting and maintenance; services; coordination of highway, railway and water transportation; gasoline tax for road purposes only; interchange of technicians and publications; classification of roads in the system glossary of technical terms, basic route; setback zones of at least 10 meters on each side of the road on which buildings and other obstructions are

prohibited; zones to be landscaped and building near those zones to be regulated.

The resolution on Finance closely follows the recommendations of the Pan American Highway Finance Committee referred to this Congress by the Lima Conference. It is as follows:

"4. To recommend to the Finance Committee, and to the Governments who need to finance the Pan American Highway System, that they consider the desirability of creating, among themselves, as soon as possible, a non-profit finance organization, in which all the interested Governments can cooperate on the basis of absolute equality.

The said organization to have the following functions:

- a. To act in accordance with the general procedure outlined by the Finance Committee and the opinions of the Technical Committee;
- b. To help the Governments, which may so request it, to obtain the necessary credits for the completion of their respective portions of the highway as soon as possible;
- c. To help the Governments to obtain these credits on long terms and at reduced interest rates;
- d. To accept in its own name or in the name of a third party, the guarantees which the Governments may offer for the fulfillment of the obligations contracted;
- e. To issue its own bonds or certificates, guaranteed with credits or bonds of the various debtor Governments;
- f. To guarantee with its own signature the payment of loans, the amortization of which is guaranteed in a satisfactory manner; and
- g. To subscribe, purchase, sell and negotiate the bonds which the Governments may issue for this purpose."

Resolves to recommend that the city of Buenos Aires be the

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seat of the Central Committee of the Permanent Institution of the Pan American Highway Congress and to request the Argentine Government to take charge of the organization of this committee.

April 14-21, 1939 - First Inter-American Travel Congress at San Francisco, California.

Resolves: That the extension of automobile travel in Latin America depends on the early completion of the Pan American Highway;

That consideration of those governments needing credit for the early completion of the Pan American Highway be given by the organization of an intervening non-profit corporation to aid in financing the construction of the highway;

That the Pan American Highway Confederation be requested to study the possibility of extending the Pan American Highway by means of ferry boats to the Islands of America;

That the Pan American Union be requested to transmit to the Argentine Government the aspirations of the Congress that the bill authorizing ferry service between Buenos Aires, Argentina, and Colonia, Uruguay, may be approved;

That the completion of the International Pacific Highway, joining Alaska and Cape Horn in Chile would greatly stimulate Inter-American motor travel.

This congress paid their own expenses.

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July 26, 1939 - Convention between the United States and Panama for the Trans-Isthmian Highway.

Ratified by Panama, July 17, 1939; ratified by the President of the United States, July 26, 1939; proclaimed by the President, July 27, 1939.

September 23-October 3, 1939 - First Meeting of Ministers of Foreign Affairs at Panama.

Resolution 111 - Appendix 9

To recommend to the Governments of the American Republics:

"10. To make every effort to complete their respective sections of the Pan American Highway and to recommend to the countries which have ratified the Buenos Aires Convention (Inter-American Conference for the Maintenance of Peace at Buenos Aires, Argentina, December 1-23, 1936) that they designate as soon as possible one or more experts to expedite the fulfillment of the recommendation of the Third Pan American Highway Congress."

July 20, 1939 Public Law 200 76th Congress 53 S 1071

The President is authorized to use a sum not to exceed \$1,500,000 for expenses at his discretion for cooperation with Panama on highway between Chorrera and Rio Hato provided satisfactory assurances were given to the President by the Panama Government for cooperation on such construction.

August 9, 1939 Public 361 76th Congress 53 S 1305

Appropriation of \$40,000 for continuation of cooperation with the several governments, members of the Pan American Union, in connection with the survey and construction of the Pan American Highway as provided in

Resolution 104, March 4, 1929, as amended and supplemented. Also appropriated \$1,500,000 as authorized by Act 200, for the Chorrera and Rio Hato road on the line of the Pan American Highway. This act includes an appropriation of \$100,000 for a barge canal and highway project across the Republic of Nicaragua.

February 29, 1940

Third report of the Pan American Highway Finance Committee:

This report recommends the creation of a Pan American Highway Finance Authority and embodies all the recommendations and resolutions of the Third Highway Congress held at Santiago, Chile, in January, 1939.

The principal features are:

The creation of an intervening non-profit corporation which may be called an authority, or other name, for the purpose of obtaining long-term credit.

Each country seeking or lending credit to be represented on the board.

The corporation shall extend credit for highway construction. For this purpose it may receive bonds or certificates guaranteed by the good faith and credit of the issuing government and other considerations as may be agreed upon.

The corporation shall not arrange credit for construction until the cost of construction has been passed upon by the Technical Commission as created by the Buenos Aires

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Convention of 1936. Among the other considerations referred to above as security for the bonds, the following sources are suggested: Excess taking of land along the right-of-way; withdrawal from entry for the benefit of the road of any public domain bearing timber, gravel or other highway material; tax on gasoline; concessions as supply and repair stations, tourist camps, telephones, airfields, etc.; and tolls as a possible source of revenue.

The expenses of the meetings of the Pan American Highway Finance Committee involving reporting of meetings, stenographers, typing, printing of three reports, and other incidental expenses amounting to approximately \$5,000 were met by funds provided by the Pan American Highway Confederation. No appropriation of public money has been made for the Pan American Highway Finance Committee.

This report was forwarded to the American Republics by the Pan American Union, and has been acknowledged by the following countries: (Exhibit S)

Bolivia	Mexico	
Brazil	Panama	United States
Ecuador	Paraguay	

April 18, 1940 Public Law 459 76th Congress 54 S 129

Appropriation of \$75,000 for the continuation of cooperation with the several governments, members of the Pan American Union, in connection with the survey and construction of the Pan American Highway as provided by Public Resolution No. 104 (Cole Resolution) as amended and supplemented (45 S. 1697).

July 30, 1940 - Second Meeting of Ministers of Foreign Affairs at Habana, Cuba.

After citing the desire of all the American Republics to make effective their solidarity by means of a network of highways which has become a vital and urgent need and would benefit equally all the inhabitants of the Americas-- resolves to recommend to the Financial Committee in drafting a plan for financing construction of the highway--to take into account the following factors; economic capacity of individual nations, their population, their revenues, length of highway in the territory, benefits derived by each from the highway and also take into account the section of highway completed in each country so that they may receive credit for their share of the work already completed in determining the cost of the highway to each country.

August 1, 1940 - Publication by the Pan American Highway Confederation of the first route and condition map of the Pan American Highway in Mexico, Central America, and South America.

April 5, 1941 Public Law 28 77th Congress 55 S 109

Appropriation of \$100,000 to enable the President to utilize the services of the Public Roads Administration under the convention on the Pan American Highway between the United States and other American Republics at Buenos Aires in 1936 in connection with the survey and construction of the Inter-American Highway.

July 3, 1941Public 15077th Congress

Appropriates for expenses of the Fourth Pan American Highway Congress to be held at Mexico City, September 1941, \$6,500.

September 15-24, 1941 - Fourth Pan American Highway Congress at Mexico City.

Among the resolutions and recommendations passed by this Congress relating to the construction and financing of the highway as well as other matters pertaining to it, were the following:

Standard of design, speed control, adequate marking, highway facilities, service stations, parking and recreation areas, elimination of signs and other obstructions which may effect the use and beauty of the highway, no tolls, inspection of vehicles and examination of drivers. Endorse plan suggested at Second Meeting of Ministers at Havana, Cuba, in July 1940, to be the most equitable solution of financing and distributing the cost of the highway.

Exclusive use of highway funds for highway purposes. Highway bonds guaranteed by a tax on motor fuel to be issued by a credit organization with powers to administer funds, supervise work of the highway, and have charge of the amortization of the bond issue. Uniform highway accounting, tax on increased property value of adjacent real estate and special taxes that appear in the

budget of the nations devoted to highway construction to be used to service the bonds above mentioned. A joint resolution of the Fourth Pan American Highway Congress and the Second Inter-American Travel Congress meeting in Mexico at the same time, recommends the drafting by the Pan American Union of a convention for the regulation of Highway traffic. Also recommends the extension of the Pan American Highway system to the insular republics and that the road which may cross from the Yucatan Peninsula in Mexico to join the central highway in Cuba and the other Caribbean republics by ferry boats be considered a main branch of the Pan American Highway or a part of the Pan American Highway system.

September 15-24, 1941 - Second Inter-American Travel Congress, at Mexico City, Mexico.

The resolutions and recommendations passed at this Congress pertain largely to the tourist trade and its development with regard to all the facilities, services and accommodations this trade demands. This congress paid their own expenses.

December 17, 1941 Public Law 353 77 Congress

Appropriated \$873,000 to the War Department for improvement of the Chorrera Rio Hato Road on the line of the Pan American Highway in Panama.

December 26, 1941 Public Law 375 77th Cong. 55 S 860

\$20,000,000 authorized to be appropriated to enable

the United States to cooperate with the Central American Republics, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama, in surveys and construction of the proposed Inter-American Highway within the borders of the aforesaid republics. Expenditures in any such country shall be subject to a request therefor and upon assurances that the country making the request will assume at least one-third of the expenditures proposed. In no country shall the expenditure of the United States exceed two-thirds of the total expenses incurred in the survey and construction in any one country. All expenditures by the United States under the Act for material, equipment and supplies shall, where practicable, be made from products of the United States or of the country where the work is being carried on.

Survey and construction to be under the Public Roads Administration, consulting with the Department of State in matters involving foreign relations. Countries agreeing to the conditions provided under 375:

Guatemala	May 19, 1943
El Salvador	February 13, 1943
Honduras	October 26, 1942
Nicaragua	April 8, 1943
Costa Rica	January 16, 1942
Panama	May 15, 1943

January 28, 1942 - Third meeting of Ministers of Foreign Affairs at Rio de Janeiro.

Passed the following resolutions:

Mobilization of Transportation Facilities

Whereas:

1. The problems of increasing to the highest degree the efficiency of transportation facilities among the Republics of the Western Hemisphere is of great importance in view of the difficulties arising from the existing emergency:.....

RESOLVES:

1. To recommend to the Governments of the American Republics:

(a) That they adopt immediately adequate measures to expand and improve all the communications systems of importance to continental defense and to the development of commerce between the American nations;

(k) That they speed up the construction of the unfinished sections of the Pan American Highway and the improvement of the sections already constructed so as to provide efficient transportation in the Hemisphere and permit the development of Inter-American and domestic commerce, connecting centers of production with centers of consumption. To this end, there are expressly reiterated the conclusions approved in recommendation number L11 of the Lima Conference of 1938 and in resolution number XX111 of the Habana Meeting of 1940 (urging respectively the completion of the Pan American Highway, the ratification of the Pan American Highway convention of 1936 on Inca Highway and a financial plan based on benefits incurred and ability to pay for each country).

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February 1942 Public Law 463 77th Congress 56 S 101

\$7,000,000 appropriated for construction of Inter-American Highway in accordance with the Act 375, authorizing \$20,000,000 for this purpose.

May 20, 1942

A swing-span type of bridge over the Canal at Miraflores was officially opened to the public. The United States has agreed to build a bridge over, or a tunnel under, the Canal as soon as present hostilities are over.

June 27, 1942 Public Law 630 77th Congress 56 S 409

Appropriation of \$100,000 to enable the President to utilize the services of the Public Roads Administration in fulfilling the obligations of the United States under the convention on the Pan American Highway between the United States and other American Republics, signed at Buenos Aires, December 23, 1936.

July 4, 1942

A pioneer Road project was authorized by a directive of the General Staff of the Army. \$15,000,000 of Army funds were made available for this purpose. Previously the Department of State had made agreements, mostly verbal, with Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica and Panama for the Army Engineers to build the road through these countries. The countries agreed to furnish the rights of way without cost to the United States. The United States agreed to build the road without cost

to the countries. The road follows the route of the Pan American Highway in many sections but also deviates from it in places, especially in Guatemala and Nicaragua.

January 6, 1943

H.R. 56 and S. 1297 - Pending

A bill to provide for a defense highway in the United States to serve as a link in connecting the Inter-American Highway with the Alaskan Highway, and for other purposes.

March 3, 1943

Convention of March 3, 1943. Automotive traffic regulations promulgated and approved by the governing board of the Pan American Union; not yet signed or ratified by the various American Republics. Feb. 21, 1944--has been signed by a number of the American Republics including the United States and is now awaiting ratification.

May 3, 1943

Public Law 48

78th Congress

Appropriation of \$2,700,000 to reimburse Panama for money spent with interest on the Chorrera Rio Hato Road, a part of the Pan American Highway.

June 26, 1943

Public Law 90

78th Congress

\$100,000 appropriated for the President to utilize the Public Road Administration for surveys and construction on the Pan American Highway in fulfilling the obligation of the United States and other American Republics, signed at Buenos Aires in 1936, and for performing engineering services in Pan-American countries at the request of any agency or governmental corporation of the United States. The

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\$100,000 to be derived from administrative funds under the Act of July 11, 1916.

The same bill appropriates \$5,000,000 for services in connection with the construction of Inter-American Highway in accordance with Act 375 approved December 26, 1941, authorizing \$20,000,000.

July 12, 1943

Public Law 140

78th Congress

Appropriation of \$12,000,000 for working and construction on the Pan American Highway in the southern part of Costa Rica between Cartago and San Isidro del General. The distance is about 72 miles; 15 miles or so are completed. This road passes over very mountainous area in Costa Rica.

Oct. 31, 1943

Termination of work on Pioneer Road by the United States Army.

November 1943

The President of Guatemala designates the section of highway built by the United States Army engineers from Malacatán on the Pan American Highway passing through Ayutla, Escuintla to Guatemala City on the Pan American Highway as the "International Highway of the Pacific."

BATTITUDE OF THE VARIOUS COUNTRIESMEXICO:

Mexico ratified the Convention of Buenos Aires on the Pan American Highway of December 23, 1936. By that time, it's government had already completed 751 miles of all-weather road between the American border at Nuevo Laredo and Mexico City. It is estimated that Mexico has already spent over \$38,000,000 on its section of the road. The Mexican Government did not share in the benefits of the money expended by the United States for surveys from 1930 to 1934 as it had already made surveys of its own. Nor did it share in the benefits of the money spent by the United States War Department on the pioneer road.

The Mexican Government has not enjoyed the benefit of any sums expended by the United States Public Roads Administration on construction, nor has it entered into any exchange of notes for advances of funds under the terms of the Act (No. 375) of December 26, 1941. However, it has applied for and received from the Export-Import Bank, on November 19, 1941, a line of credit of \$30,000,000 for road construction, which is available, although not specifically allocated to this highway.

As Mexico is now a co-belligerent with the United States and the Central American republics, it may be assumed that she is interested in the strategic aspect of the road for

purposes of hemisphere defense. The construction of a bridge over the Suchiate River at the Guatemalan border has facilitated communications and closer relations with that country.

It is probable that Mexico will continue to carry out construction by her own engineers until the connection is made at the Guatemalan border with the southern part of the road. A report from the United States embassy in Mexico states that Mexico is showing an intention of completing the southern portion of the Highway in her country at an early date so as to coincide with the opening of the Highway to the south.

GUATEMALA:

The government of Guatemala had already constructed a through all-weather road from Mexico to El Salvador prior to 1931. However, it entered into an agreement with the United States Bureau of Public Roads for cooperation in the surveys conducted from 1931 to 1933, and received some financial assistance in connection with expenditures by the latter for construction of bridges. Guatemala has not applied for nor received any loans from the Export-Import Bank, but she has entered into an exchange of notes (May 19, 1943) for receiving advances of funds under Act 375. Guatemala has received the benefit of the expenditure of an estimated \$4,000,000 by the United States War Department in the construction of the pioneer road, which, however, does not follow the road already built in its entire length and which has been adopted for the Pan American route.

The Guatemalan Government is in the strongest financial position of any of the Central American countries and is able and willing to carry its share of the cost of completing its section. This involves merely the improvement of the existing road and bringing it up to the required standard.

EL SALVADOR:

The government of El Salvador did not participate in the surveys made from 1931 to 1933 as it was not recognized by the United States, nor from January 1932 till January 1934 did it participate in any of the funds expended by the Bureau of Public Roads for construction. It had, however, verbally agreed to the "Cole Resolution", Public Res. 104, 70th Congress, but not officially, on November 2, 1930. A road already existed from the Guatemalan border to its capital, San Salvador. However, it has entered into an agreement on February 13, 1942, for cooperative expenditures under Act 375 and has already received an advance of funds, \$314,614, under that act. A credit has also been opened for El Salvador by the Export-Import Bank (December 10, 1941), and an advance of funds allocated to the Highway (\$400,000) made. Work is already under way, under the direction of the United States Public Roads Administration, in the remaining section that will extend to the Honduran border. The pioneer road construction in El Salvador is estimated at \$600,000.

HONDURAS:

The government of Honduras entered into an agreement with the United States Bureau of Public Roads in 1930 for cooperation on surveys and received the benefit of United States funds for both construction and surveys. Because of its isolated position, it was especially interested in road construction, but while its section was the shortest of all the countries, amounting to only 87 miles, its government was one of the poorest and required financial assistance. It has accordingly applied for and received a line of credit of \$1,000,000 from the Export-Import Bank (Sept. 9, 1942) of which \$135,000 had been expended to December 9, 1943, and it has entered into an agreement, under date of Sept. 9, 1942, for receiving funds under Act 375. Moreover, the United States War Department is estimated to have expended \$7,000,000 in the construction of a pioneer road in that country since December 1942.

NICARAGUA:

The government of Nicaragua cooperated from the first in the surveys for the road and received the benefit of expenditures by the United States for both surveys and construction. It has expended of its own funds about \$2,401,928 and the United States has expended about one-tenth of that amount, or \$241,598. On April 8, 1942, Nicaragua entered into an exchange of notes for advances under Act 375, and two separate

lines of credit have been opened in its favor by the Export-Import Bank (November 13, 1939, and December 16, 1941), under which \$3,565,000 has been advanced. The country has also received the benefit of \$9,000,000 of United States funds expended by the War Department in the construction of a pioneer road, although part of this does not follow the accepted route of the highway.

COSTA RICA:

The uncompleted section of the road in Costa Rica is the longest, most difficult, and most expensive to construct of all the sections. For this reason, its cooperation has been dependent on continual financial assistance from the United States. Its government cooperated in the surveys and received funds for construction during the period 1930-1934. It has expended from its own funds a total of \$4,050,429, to September 22, 1943. It applied for funds under Act 375 by a note of January 16, 1942, and it applied for and received a credit from the Export-Import Bank on February 21, 1940. Costa Rica alone of the Central American countries has received a direct and unconditional appropriation by the United States Congress of \$12,000,000 (July 12, 1943) to assist in completing its section. There were direct appropriations to Panama, but as they were due to the immediate necessity of the war, they can hardly be considered in the same category. Moreover, the United States War Department is estimated to have spent over \$19,400,000 in Costa Rica including Northern Panama. In view of this large financial assistance, it may be assumed that the Costa Rican government will cooperate until the road is completed.

PANAMA:

The government of Panama was very active from the beginning in assisting the construction of the Highway. The First Inter-American Highway Congress was held there in October, 1929. A meeting of representatives of the Inter-American Highway Commission met at Panama on an invitation of the government in March 1931. An office of the United States Bureau of Public Roads was opened in Panama in June 1930.

Panama had already completed 250 miles of all-weather road by 1934. She cooperated in the surveys and construction between 1930 and 1934, receiving the benefit of United States funds.

On February 21, 1940, Panama received a line of credit from the Export-Import Bank under which \$2,487,703.00 was disbursed. For this she was reimbursed by the United States Congress by an appropriation on May 3, 1943.

Panama has entered into an agreement under date of June 7, 1943, for the advancement of funds, under Act 375. The United States Army also spent about \$1,600,000 on the pioneer road; this sum is included in the amount given for Costa Rica.

Because of its strategical importance, as well as material benefits, the government of Panama is vitally interested in the completion of the road. The remaining uncompleted section of about 33 miles to the Costa Rican border is the shortest of all and will require a comparatively small expenditure.

BENEFITSC1. Immediate Benefits

Since the United States, Mexico, the Central American countries and Panama are now at war with the Axis powers, the primary benefit to be derived from the completion of the Highway is the strategical value for purposes of defense and quick transit for forces and equipment between the United States and the Canal Zone in either direction and between the adjacent countries.

The transit by sea is at present subject to the hazard of submarine operations by the enemy, and to the scarcity of shipping. Railways do not afford possibilities at present of through shipment, since only the United States, Mexico, Guatemala, and El Salvador are linked by rail. The Highway will, however, supplement existing railway facilities in Nicaragua, Costa Rica and Panama, all of which are on the West Coast.

With regard to private commercial shipments between the United States and Panama and the intervening countries, the Highway will make possible additional necessary exports and imports, now curtailed on account of the submarine hazard, and the scarcity and high cost of shipping space. This applies not only to through shipments by American and Panama merchants, but also to local shipments between the adjoining countries. The latter were served principally by foreign shipping companies mainly, prior to the present war.

These companies, whether of friendly or enemy countries, have all withdrawn, and the United States shipping is confined principally to government cargoes.

II. Post-War Benefits

A. To the United States:

The benefits to be derived by the United States from the completion of the Highway, and which will continue or arise after the termination of the present war, include among others, increased opportunity for export of American manufactured articles, for investment of American capital and for employment of American technical and scientific personnel in the management and operation of commercial and industrial enterprises.

Exports from the United States to the countries in the past have been hindered by inadequate transportation facilities, especially to interior points, thus reducing the market and increasing the cost of our products to the native importers. The enlarged opportunities to the Central Americans to export by truck many of their products will contribute to their ability to import.

American capital will find a new field for investment made possible by the inauguration of enterprises related to the Highway. This applies particularly to the construction of hotels, air-fields, filling stations, etc., along the route, and the erection of factories for local manu-

facturers. The possibility of export by truck of coffee and bananas to the railhead or shipping port, made possible by the Highway or its lateral feeder roads, should result in a revival in their agricultural industries and an opportunity for employment of further American private capital in the development of plantations.

American forces returning after the close of the war will be seeking an opportunity for employment, which the inauguration of new enterprises in Central America will afford them. This will contribute toward a solution of one of the most pressing problems of the post-war period. The completion of the Highway will enable the men and their families to drive from the United States to any country in which they may wish to locate. These countries will all require additional immigration to enable them to develop their resources. Availability of transportation will afford a great inducement to the American colonist to emigrate. This factor has played a large part in the development of American agricultural colonies in Mexico.

The improvement of transportation will also enable the United States to obtain more cheaply and in greater abundance the tropical products formerly bought in the Far East and which have been cut off since the beginning of the war. This applies especially to certain kinds of lumber, plants and vegetables, tropical fruits, and minerals (see attached list). The negotiation of the trade treaties with all the

countries has made possible the importation of their products provided transportation can be obtained. A list of these products for each country is given in the economic section of the report on the Proposed Inter-American Highway made by the United States Bureau of Public Roads in 1934. The occurrence of the present war has only added to the significance of the remarks made at that time regarding these products as replacements for Far Eastern imports. These agricultural and mineral imports are noncompetitive and will for the most part be admitted duty-free as at present.

The United States will also benefit from the incoming tourist trade, which formerly all went to Europe. This means increased foreign exchange and also increased cultural relations with the peoples of Central America.

B. To the Cooperating Countries:

The benefits that will be derived from the construction of the Highway by the countries of Central America may be seen from those already resulting to Mexico from the section of the Pan American Highway in that country. The two most important from a financial standpoint are the increased revenues derived by the government from the gasoline and other taxes, and the immense volume of year-round tourist traffic. The latter has provided considerable amounts of dollar exchange and is equivalent in this respect to increased exports.

To care for the increased traffic, many new hotels have been built and other improvements made along the Highway.

A large amount of exports, especially of tropical fruit, is already moving by truck to the Mexican border. A similar development may be expected in Panama to supply the United States Army and Navy forces in the Canal Zone and, with the return of peace, the demands of shipping companies. In Mexico, agricultural development along the route of the Highway has been marked. The same may be expected to take place in the Central American countries, once there is assurance of a good road to the principal markets, to the railways or to the ports of export. The West coast of Central America has not in the past enjoyed the benefits of good transportation as has the East coast, since the latter has had most of the navigable rivers and the railways, built by the government or the banana plantation companies, to carry products to the sea-ports. The banana, coffee and live-stock industries should be stimulated, since the products can economically be shipped by truck over the lateral roads of the Highway to the sea-ports or rail-head.

At the same time, the cost of living should be reduced as imports will be reduced in price on account of lower transportation charges.

Products now largely grown in the Far East, which Central American countries are capable of producing due to similarity of the soil and the climate:

List of woods, plants and minerals found in Mexico or in the Central American countries. Experiments now under way by the various United States agencies, may find commercial use for many of them which does not exist at the present time.

Woods:

Chijol	Mahogany	Pine
Ceiba	Nispero	Primavera
Cortes	Oak	Guanacaste
Eboe	Palo Maria	San Juan
Laurel	Pardillo	Sapote
	Pochote	Santa Maria
		Spanish Cedar

Plants and vegetables:

Rubber	Camphor	Ramis
Guayule	Palm Nuts	Red Squill
Henequen	Cashew Nuts	Tannias
Sisal	Abaca, Manilla type	Pyrethrem
Copra	Opium	Gum, Oils, Resin
Quinine	Nax Vomica	Adhesives
Rotinone	Sarsaparilla root	Tapioca
		Divi Divi Nuts

Minerals:

Tin	Antimony	Mercury
Silver	Manganese	Tungsten
Gold	Chromium	Nickel
Platinum	Mica	

See map for location of various products in the countries.

LIST OF PROPOSED OR ADOPTED CONVENTIONS AND
BILATERAL AGREEMENTS RELATING TO THE
PAN AMERICAN HIGHWAY OR TO
TRAFFIC ON HIGHWAYS IN
GENERAL.

Conventions:

- October 11, 1909 Convention on automotive regulations;
signed at Paris. No country in the
Western Hemisphere is signatory to this
convention. (Treaty Bulletin No. 13,
P. 25)
- April 24, 1926 Convention on automotive regulations;
signed at Paris. The only countries
in the Western Hemisphere signing this
convention were Brazil, Cuba, Guatemala,
Mexico, Peru, and Uruguay.
- October 6, 1930 Convention on automotive traffic; drawn
T. S. 6 by the Pan American Union, signed in
Washington October 6, 1930, by all the
American Republics excepting Cuba and
Haiti, but ratified only by Ecuador,
Honduras, Mexico, Peru and the Dominican
Republic.

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March 2, 1936

T. S. 946

Convention relating to the building of the Trans-Isthmian Highway, between the United States and Panama. Proclamation was signed at Washington March 2, 1936; ratification exchanged July 27, 1939 and proclaimed by the President on the same date.

December 23, 1936

Convention on the Pan American Highway, passed at Inter-American Conference for the Maintenance of Peace held at Buenos Aires. The high contracting parties agreed to collaborate with all adequate means for a speedy completion of the Pan American Highway. A technical and finance committee was created. The convention was signed by the delegates of the various countries and ratified only by the following countries:

United States	July 15, 1937
Nicaragua	July 20, 1937
Mexico	December 23, 1937
El Salvador	April 1, 1938
Chile	July 28, 1938
Honduras	September 15, 1938
Guatemala	August 23, 1938
Panama	December 13, 1938
Peru	February 20, 1939
Costa Rica	November 27, 1940
Colombia	November 28, 1940

March 3, 1943

Convention on the Regulation of Inter-American Automotive Traffic. March 3/43. Submitted by the Pan American Union for ratification by the American Republics. Not yet signed or ratified by the countries.

Bilateral Agreements:

March 4, 1929

The bilateral agreements following the passing of the Cole Resolution (Public Resolution No. 104, March 4, 1929; Public Law No. 78, 70th Congress, March 26, 1930) appropriating \$50,000 for cooperative surveys. The following countries agreed to the provisions of this resolution:

Guatemala	April 6, 1929
Nicaragua	June 11, 1929
Panama	July 14, 1930
Honduras	Sept. 3, 1930
Costa Rica	March, 1931
El Salvador(verbally)	December 2, 1931

Mexico did not agree as the surveys in her country had already been undertaken.

June 16, 1934

The bilateral agreements following the appropriation of \$1,000,000 under Public Law No. 412, 73rd Congress, for the cooperation between the United States and several Central American countries for the purpose of making surveys and for the construction, of certain bridges along

the proposed route of the Pan American Highway. The following countries agreed on the dates shown:

- Guatemala October 24, 1934
 - Honduras November 20, 1934
 - Nicaragua November 19, 1934
 - Costa Rica November 15, 1934
 - Panama October 23, 1934
- El Salvador and Mexico did not agree as they had already undertaken surveys.

December 26, 1941

Bilateral Agreements following Public Law No. 375, 77th Congress, authorized the expenditure of \$20,000,000 by the United States provided Central American countries would expend \$10,000,000 toward the construction of the Pan American Highway through those countries. The above proposal was effected by exchange of notes with the following countries on the dates given:

- Costa Rica January 16, 1942
(Executive Agreements Series no. 293)
- El Salvador February 13, 1942
(Executive Agreements Series no. 294)
- Nicaragua April 8, 1942
(Executive Agreements Series no. 295)
- Honduras October 26, 1942
(Executive Agreements Series no. 296)
- Guatemala May 19, 1943
(Executive Agreement Series 345)
(810.154/ Enc 2043) (See DCR)
- Panama June 7, 1943
(Executive Agreement Series 365)
(810.154/ Enc. 2058) (See DCR)

1942, Previous to July 1

Bilateral Agreements, mostly verbal, for the building of a pioneer road from the Mexican-Guatemala border to the Canal Zone. The countries involved were Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica and Panama. The cost of constructing the road to be paid for by the United States. The rights of way to be given by the countries.

E

LEGISLATIVE ENACTMENTS BY THE UNITED STATES
CONGRESS RELATING TO THE PAN AMERICAN HIGH-
WAY OR IN WHICH THE PROJECT IS REFERRED TO,
AND INTERNATIONAL HIGHWAYS IN GENERAL.

<u>Number</u>	<u>68th Congress (1923-1925) Description</u>	<u>Citation</u>
Pub. Res. 72	Pan American Congress of Highways, appointment of delegates authorized. To Buenos Aires, appropriated, \$15,000. Approved March 4, 1925	43 Stat. 1355
	<u>69th Congress (1925-1927)</u>	
Pub. Res. 37	Authorized appropriation not exceeding \$3,000 per year for membership of the United States in the Permanent Association of International Road Congresses, and \$5,000 for United States participation in the meetings to be held in 1926. Approved June 18, 1926.	44 Stat. 754
Pub. 492	Appropriations to enable the United States to accept a membership in the Permanent Association of Road Congresses, \$3,000; and for expenses of the United States in the meetings of the Congresses. \$5,000 for the year of 1926; in all, fiscal year 1927, \$8,000. Approved July 3, 1926	44 Stat. 867
Pub. 638	Permanent Association of International Road Congresses (Dept. of State Appropriation, 1928) \$3,000. Approved February 24, 1927.	44 Stat. 1191

70th Congress (1927-1929)

<u>Number</u>	<u>Description</u>	<u>Citation</u>
Public No. 32	Permanent Association of International Road Congresses (Dept. of State appropriation, 1929) \$3,000. Approved, Feb. 15, 1928.	45 Stat 75
Public Res. 18	Permanent International Association of Road Congresses, invitation to hold 6th Session in U.S. in either 1929 or 1930, \$25,000. Approved March 28, 1928.	45 Stat 378
Pub. Res. 24	Second Pan American Conference on Highways at Rio de Janeiro, participation, appropriation authorized, \$15,000. Approved April 3, 1928.	45 Stat 403
Pub. Res. 40	Inter-American Highway, assistance authorized. Approved May 14, 1928.	45 Stat 490
Public 563	For a meeting of the permanent International Association of Road Congresses to be held in the United States. (Second Deficiency Act, 1928) \$25,000. Approved May 29, 1928. Appropriation to remain available until June 30, 1930.	45 Stat. 912
	Second Pan American Conference on Highways at Rio de Janeiro, participation appropriated (Second deficiency Act, 1928) \$15,000. Approved May 29, 1928	45 Stat 912
Public 686	Permanent Association of International Road Congresses (Dept. of State Appropriation, 1930), \$3,000 appropriated. Approved Jan. 25, 1929.	45 Stat. 1107

<u>Number</u>	<u>Description</u>	<u>Citation</u>
Pub. Res. 104 (Cole Resolution)	Inter-American Highway, appropriation authorized for cooperation in surveys. \$50,000. Approved March 4, 1929.	45 Stat 1697
	71st Congress (1929-1931)	
Pub. 78	Inter-American Highway (First Deficiency Act 1930) Cole Resolution. \$50,000 appropriation. Approved Mar. 26, 1930.	46 Stat 115
	And for the Permanent International Association of Road Congresses (First Deficiency Act 1930) \$25,000 appropriated. Approved March 26, 1930.	46 Stat. 114
Pub. 142	Permanent International Association of Road Congresses (Dept. of State Appropriation, 1931). Appropriated, \$3,000. Approved April 18, 1930, for the quota of the United States.	46 Stat 185*
Public 444	Permanent International Association of Road Conferences to be held in the United States. Strike out "\$25,000" as appropriation made under Pub. 563, approved May 29, 1928 and substitute appropriation of \$55,000 approved June 26, 1930.	46 Stat. 818
Public 519	Permanent International Association of Road Congresses (Second Deficiency Act, 1930) \$30,000 appropriated. Approved July 3, 1930.	46 Stat. 888
Public 719	Permanent Association of International Road Congresses (Dept. of State Appropriation, 1932) \$3,000. Approved February 23, 1931	46 Stat 1320

<u>Number</u>	<u>Description</u>	<u>Citation</u>
	72nd Congress - None	
	73rd Congress- None	
Senate Resolution 271	Document 224-First Survey with estimates of cost of Pan American Highway from Mexico to the Panama Canal. Ordered printed June 6, 1934.	
Public 393	Inter-American Highway (Continuance of cooperative survey) \$75,000 appropriated. Approved June 18, 1934.	48 Stat. 996
Public 412	Inter-American Highway (Emergency Appropriation Act, 1935). Appropriated \$1,000,000 for survey and construction in cooperation with Central American countries. Approved June 19, 1934.	49 Stat. 1042
	<u>74th Congress (1935-1936)</u>	
Public 22	Permanent Association of International Road Congresses (Dept. of State Appropriation Act, 1936) \$588.00. Approved March 22, 1935.	49 Stat. 73
Public 599	Permanent Association of International Road Congresses) Dept. of State Appropriation Act, 1937). Appropriated \$75,000. Approved May 15, 1936.	49 Stat. 1316
T. S. 946	Convention between the U. S. and Panama for Trans-Isthmian Highway. Approved at meeting of March 2, 1936, and proclaimed by the President July 29, 1939.	

75th Congress (1937-1938)

<u>Number</u>	<u>Description</u>	<u>Citation</u>
Public 153	Permanent Association of International Road Congresses (Dept. of State Appropriation Act, ending June 30, 1938) \$588.00. Approved June 16, 1937.	50 Stat. 268
Public Res. 68	Eighth International Road Congress, 1938, participation, appropriation authorized. \$5,000 for meeting in Holland. Approved August 24, 1937.	50 Stat. 750
T. S. 927	Convention on Pan American Highway between United States and other American Republics, signed at Buenos Aires December 23, 1936. Proclaimed by the President of the United States, September 16, 1937.	51 Stat. 152
Public 440	Inter-American Highway (First Deficiency Appropriation Act, 1938) \$34,000. Approved March 5, 1938	52 Stat. 88
Public 495	Permanent Association of International Road Congresses (Dept. of State Appropriation Act, 1939) \$5,588.00, including not to exceed \$5,000 authorized by Publ. Res. 68, approved Aug. 24, 1937. Approved April 27, 1938	52 Stat. 254
Pub. Res. 96	Third Pan-American Highway Conference, participation, appropriation authorized, \$15,000. Approved May 20, 1938	52 Stat. 408
Public 723	Pan-American Highway (Second Deficiency Appropriation Act, 1938), \$50,000 for engineering advice and assistance. \$15,000 for 3rd Highway Congress, Santiago, Chile, in 1939. Approved June 25, 1938.	52 Stat 750

<u>Number</u>	<u>Description</u>	<u>Citation</u>
<u>76th Congress (1939-1940)</u>		
Public 156	Permanent Association of Internation Road Congresses (Dept. of State Appropriation Act, 1940) \$588.00. Approved June 29, 1939	53 Stat. 892
Public 200	\$1,500,000 authorized for the President to cooperate with Panama on a highway between Chorrera and Rio Hato. Approved July 20, 1939.	53 Stat. Part 2, 1071, 1327
July 27, 1939	Convention between United States and Panama for completion of the Trans-Isthmian Highway, proclaimed by the President of the United States, July 27, 1939.	53 Stat. Part 3 1869
Public 361	Inter-American Highway (Third Deficiency Appropriation Act, 1939) \$40,000 for Surveys, etc. And also, \$1,500,000 for Chorrera-Rio Hato Road. Approved August 9, 1939.	53 Stat. 1305
Public 459	Inter-American Highway, for necessary expenses (Independent Offices Appropriation Act, 1941) \$75,000. Approved April 18, 1940.	54 Stat. 129
<u>77th Congress (1941-1942)</u>		
Public 375	Cooperation with Central American republics for construction of Inter-American Highway, \$20,000,000, authorized December 26, 1941. Bilateral agreements in accordance with Public Law 375, December 26, 1941.	55 Stat. 860

<u>Number</u>	<u>Description</u>	<u>Citation</u>
E. A. S. 293	Costa Rica--Inter-American Highway--Jan. 16, 1942. In participation under Act. 375.	56 Stat. 1840
E. A. S. 294	El Salvador--Inter-American Highway--Jan. 30, 1942; Feb. 13, 1942. In participation under act 375.	56 Stat. 1842
E. A. S. 295	Nicaragua--Inter-American Highway--April 8, 1942. In participation under Act 375.	56 Stat. 1845
E. A. S. 296	Honduras--Inter-American Highway--Sept. 9, 1942; Oct. 26, 1942. In participation under Act 375.	56 Stat. 1848
E. A. S. 345	Guatemala Inter-American Highway, May 19, 1943. In participation under act 375.	
E. A. S. 365	Panama, Inter-American Highway, June 7, 1943. In participation under act 375.	
Public 463	Inter-American Highway (First Deficiency Appropriation Act, 1942), \$7,000,000 appropriated Under Act 375. Approved February 21, 1942.	56 Stat. 101
Public 630	Pan-American Highway (Independent Offices Appropriation Act 1943) \$100,000 from administrative funds under Act 7/11/16. For the President to utilize the services of the P.R.A. Approved June 27, 1942.	56 Stat. 409
Public 646	Defense Highway Act. of 1941; amendment to include route in Puerto Rico and Hawaii. Approved July 2, 1942.	56 Stat. 562
Public 28	Inter-American Highway (Independent Offices Appropriation Act, 1942) \$100,000. Approved April 5, 1941.	55 Stat. 109

<u>Number</u>	<u>Description</u>	<u>Citation</u>
Public 150	Fourth Pan American Highway Congress (Second Deficiency Appropriation Act, 1941) \$6,500. Approved July 3, 1941.	55 Stat. 562
Public 353	For construction on Rio-Hato Road in Panama--Appropriated December 17, 1941, \$873,000. <u>78th Congress (1943-)</u>	55 Stat. 765
H.R. 56 and Senate 1297 Jan.	A Bill to provide for a defense highway in the United States to serve as a link in connecting the Inter-American Highway with the Alaskan Highway and for other purposes. Pending.	
Public 48	Refund to Panama, monies expended by her on Chorrera-Rio Hato Highway with interest. Appropriated \$2,700,000. Approved May 3, 1943.	
Public 90	For continuation of cooperation between United States and other American Republics for surveys and construction of the Pan American Highway. Appropriated \$100,0000. And for surveys and construction under Public Law 375. Appropriated \$5,000,000. Approved June 26, 1943.	
Public 140	General Appropriation. July 12, 1943. For Pan American Highway in Costa Rica. Section between Appropriated \$12,000,000. Approved July 12, 1943.	

APPROPRIATIONS BY THE CONGRESS OF THE UNITED STATES
FOR SURVEYS AND CONSTRUCTION ON THE SECTION OF THE
PAN AMERICAN HIGHWAY BETWEEN MEXICO AND
THE PANAMA CANAL

(All appropriations for surveys and construction were expended in cooperation with the countries involved which shared the expenses cooperatively.)

68th Cong.	<u>March 4, 1925</u> <u>Public Res. No. 72</u>	First American Congress of Highways at Buenos Aires	\$ 15,000
70th Cong.	<u>May 29, 1928</u> <u>Public No. 563</u>	Second Pan American Conference of Highways, for expenses of U. S. delegates at Rio de Janeiro.	15,000
71st Cong.	<u>March 26, 1930</u> <u>Public No. 78</u>	Cole Resolution appropriation fulfilling No. 104. For surveys	50,000
73rd Cong.	<u>June 18, 1934</u> <u>Public No. 393</u>	For surveys of Pan American Highway	75,000
73rd Cong.	<u>June 19, 1934</u> <u>Public No. 412</u>	To build bridges, etc. locating roads	1,000,000
75th Cong.	<u>March 5, 1938</u> <u>Public No. 440</u>	For surveys and construction	34,000
75th Cong.	<u>June 25, 1938</u> <u>Public No. 723</u>	For surveys and construction.	50,000
		And for the Third Pan American Highway Congress, Appropriation for expenses United States Delegates at Santiago, Chile.	<u>15,000</u>
			\$1,254,000

		Forward	\$1,254,000
76th Cong.	<u>August 9, 1939</u> <u>Public No. 361</u>	For Surveys and construction	40,000
76th Cong.	<u>August 9, 1939</u> <u>Public No. 361</u>	Appropriation to enable the U. S. to cooperate with Panama in improving and constructing the highway between Chorrera and Rio Hato along the route of the Pan American Highway	1,500,000
76th Cong.	<u>April 18, 1940</u> <u>Public Law 459</u>	For surveys and construction	75,000
77th Cong.	<u>April 5, 1941</u> <u>Public No. 28</u>	For surveys and construction	100,000
77th Cong.	<u>July 3, 1941</u> <u>Public No. 150</u>	Fourth Highway Congress at Mexico	6,500
77th Cong.	<u>Dec. 17, 1941</u> <u>Public No. 353</u>	Appropriation for improvement of Chorrera Rio Hato road in Panama	873,000
77th Cong.	<u>Dec. 26, 1941</u> <u>Public No. 375</u>	Authorization of \$20,000,000, co- operating with the Central American Highway on the basis of 2/3 by the U. S., and 1/3 by the other countries	
77th Cong.	<u>February 1942</u> <u>Public Law 463</u>	Appropriation as auth- orized by 375	<u>7,000,000</u>
			\$10,848,500

		Forward	\$10,848,500.00
77th Cong.	<u>June 27, 1942</u> <u>Public Law 630</u>	Appropriation for Pan American Highway for surveys and construction	100,000.00
77th Cong.	<u>May 3, 1943</u> <u>Public Law 48</u>	*Refund to Panama for money expended by her on Chorrera Rio Hato Road	2,700,000.00
78th Cong.	<u>June 26, 1943</u> <u>Public No. 90</u>	Appropriation for Pan American Highway. For surveys and con- struction.	100,000.00
78th Cong.	<u>June 26, 1943</u> <u>Public No. 90</u>	Appropriations as authorized by 375	5,000,000.00
78th Cong.	<u>July 12, 1943</u> <u>Public Law 140</u>	For section of Pan American Highway in Costa Rica	12,000,000.00
		Advanced to P.R.A. for construction in Costa Rica from War Dept. fund 1942, E.S.A. 430	800,000.00
			<u>\$31,548,500.00</u>

Deduct from the appropri-
ations the following funds
not used in construction:

Highway Congresses	\$51,500.00
Interest on Panama loan of \$2,700,000 (Pub. 48, 77th Cong.)	207,790.57
Unused balance of this appropriation	<u>4,505.55</u>
	<u>212,296.12</u>

		<u>263,796.12</u>
Total appropriations for highway construction,		\$31,284,703.88
*Treasury reports; \$2,487,703.88-Paid on principal		
207,790.57-Paid on In- terest		
Unused Balance	<u>4,505.55</u>	
Total	<u>\$2,700,000.00</u>	

Loans and Credits to Mexico and Central American Countries by the Export-Import Bank for construction of the Pan American Highway through Central America. Condition to December 9, 1943.

Mexico

November 19, 1941, a line of credit of \$30,000,000 was established. Available for Highway purposes, but not specifically allocated to the Pan American Highway. Disbursed \$10,000,000, of which \$1,782,521.08 has been repaid.

Balance owing \$8,216,478.92

Guatemala- None

El Salvador

December 10, 1941 a line of credit of \$1,196,000 was established. Of this amount, \$400,000 was allocated for the Pan American Highway. Disbursed to date, December 9, 1943.

400,000.00

Honduras

Sept. 9, 1942, a line of credit of \$1,000,000 was established for construction of the Pan American Highway. Disbursements to date--

135,000.00

Nicaragua

November 13, 1939, a line of credit of \$2,000,000 was established, of which sum \$1,815,000 was allocated for work on the Pan American Highway, but only to purchase materials and equipment in the United States, and pay salaries of the United States engineers and technicians; full amount disbursed. \$238,672 has been repaid. Amount owing-----

\$1,576,327.50

December 16, 1941 a second line of credit of \$2,000,000 was established for work on the Pan American Highway. Disbursed to date, \$1,750,000.

Amount owing----- 1,750,000.00

Total amount owing-----

3,326,327.50
\$12,077,806.42

Forwarded \$12,077,806.42

Nicaragua, cont.

Total amount of money loaned to Nicaragua for construction on the Pan American Highway, \$3,565,000.00

Costa Rica

February 21, 1940, a line of credit \$5,000,000 was established, of which \$3,000,000 was allocated to Pan American Highway. Disbursed to date, August 30, 1943.

2,395,000.00

Panama - None

February 21, 1940, a line of credit was established, \$2,500,000.00

Disbursed 2,487,703.88
Balance Cancelled \$ 12,296.12

77th Congress, Act 48 appropriated to reimburse Panama 2,700,000.00

United States Treasury paid in principal, \$2,487,703.88
paid in interest, 207,790.57
2,695,494.45
\$ 4,505.55

Total loans outstanding-- 14,472,806.42

Outstanding Mexican loan--* 8,216,478.92

Outstanding Central American Loans \$ 6,256,327.50

As of November 30, 1943, there are no arrearages of amortizaion periods or interest payments in connection with the above loans.

*The total amount of \$10,000,000 disbursed from the \$30,000,000 commitment for Mexico leaves \$20,000,000 new money available.

TOTAL COMMITMENTS FOR PAN AMERICAN
HIGHWAY DISBURSEMENTS AND FUNDS
AVAILABLE FOR ROAD CONSTRUCTION

<u>Country</u>	<u>Commitments</u>	<u>Disbursements</u>	<u>Balance Available for Road Construction</u>
Mexico	\$30,000,000	\$10,000,000	\$20,000,000
El Salvador	400,000	400,000	
Honduras	1,000,000	135,000	865,000
Nicaragua	3,815,000	3,565,000	250,000
Costa Rica	3,000,000	2,395,000	605,000
Panama	-----	-----	-----
	<u>\$38,215,000</u>	<u>\$16,495,000</u>	<u>\$21,720,000</u>
			Balance available for road construction: \$21,720,000

Total commitments excluding Mexico, \$8,215,000

Disbursements, 6,495,000

Balance available \$1,720,000

EXPENDITURES

October 18, 1943

Monies disbursed in building the Pan American Highway from Nueva Laredo, Mexico, to the Panama Canal by the United States and the Intervening countries up to September 22, 1943.

MEXICO

By the U. S.	By Mexico	Pioneer Road
None	\$38,011,193.47	Cost estimated by U. S. engineers to 10/31/43, when work was stopped.

GUATEMALA

	By the U. S.	By Guatemala	
Act of 1934		\$3,324,516.00	
Public 412 and other funds	\$245,582.51	132,161.27	
Under 375	<u>Nothing</u>	<u> </u>	
	\$245,582.51	\$3,456,677.27	\$4,000,000.00

EL SALVADOR

	By the U. S.	By El Salvador	
		\$3,790,227.00	
Under Act 375	<u>\$314,614.40</u>	<u>157,307.20</u>	
	\$314,614.40	\$3,947,534.20	\$ 600,000.00

HONDURAS

	By the U. S.	By Honduras	
		\$ 154,301.00	
Prior to 6/30/40	\$321,850.25	231,978.08	
Under Act 375	<u>24,866.08</u>	<u>12,433.04</u>	
	\$346,716.33	\$ 398,712.12	\$7,000,000.00

NICARAGUA

	By the U. S.	By Nicaragua	Pioneer Road
		*\$2,302,682.00	
Prior to 6/30/43	\$206,505.52	81,700.00	
Under Act 375	<u>35,093.02</u>	<u>17,546.51</u>	
	\$241,598.54	\$2,401,928.51	\$9,000,000.00

*Total loans to Nicaragua for P. A. H.
 construction - - - - - \$3,565,000.00

Amount accounted for as used for
 this purpose - - - - - 2,302,682.00

Amount unaccounted for - - - \$1,262,318.00

The difference is probably explained by financing of the Pioneer Road, the Rama Road, purchases of road material and equipment for all of which reimbursement is expected. Auditors from the P. R. A. are now at work unscrambling this account.

COSTA RICA

	By the U. S.	By Costa Rica	
P. R. A. 10/22/43		\$2,811,317.00	
Before 6/30/40	\$ 85,022.97	61,632.66	
Under Act 375	2,354,958.83	1,177,479.41	
	*669,842.08		
	<u>**130,157.92</u>		
	\$3,239,981.80	\$4,050,429.07	\$19,400,000.00

*Expenditures made from funds transferred to P. R. A. by the War Department of \$800,000., of which this amount, \$669,842.08, has been expended.

**The balance of \$130,157.92 is obligated so should go in the United States amount.

- 3 -

PANAMA

	By the U. S.	By Panama	Pioneer Road
		\$14,949,906.00	A rough estimate of the cost in Panama is \$1,600,000., which is included in the Costa Rican estimate above.
Prior to 6/30/40	\$ 316,473.77	168,819.87	
Special Appropriation to 6/30/40 *	<u>4,860,703.88</u>	_____	
	\$5,177,177.65	\$15,118,725.87	
Under 375, nothing			The total cost to the time the Army stopped construction on 10/31/43, is estimated at \$40,000,000.

*Of this amount \$1,500,000 was appropriated by Public 361, 76th Congress, and \$873,000 by Public 363, 77th Congress, for the Chorrera Rio Hato Highway on the route of the Pan American Highway. The balance of \$2,487,703.88 expended by Panama, being proceeds of a loan from the Export-Import Bank, refunded by the United States under Act 48, 77th Congress.

In addition, Panama expended \$1,908,649 for the road from Sabanas to Chepo, which may become a part of the Pan American Highway; and also, \$20,000 for a special Highway Congress held in Panama, 7/12/29.

(The Trans-Isthmian Road to cost \$7,978,000, paid for by the U. S. It is not yet declared a part of the Pan American Highway System.)

The value of the benefits received by the Pan American Highway due to building of the uncompleted Pioneer Road by the Army, should be added to the cost to the United States for the Pan American Highway when these values are determined.

The amounts given as the expenditures by the countries other than Mexico were obtained by the Public Roads Administration representative in each country from the various officials in each country in charge of road building on the route of the Pan American Highway.

S U M M A R Y

Amount actually expended
to June 30, 1943

	By the U. S.	By other countries
Mexico	None	\$38,011,193.47
Guatemala	\$ 245,582.51	3,456,677.27
El Salvador	314,614.40	3,947,534.20
Honduras	346,716.33	398,712.12
Nicaragua	241,598.54	2,401,928.51
Costa Rica	3,239,981.80	4,050,429.07
Panama	<u>5,177,177.65</u>	<u>15,118,725.87</u>
	\$9,565,671.23	\$67,385,200.51

Expenditures under Act 375 included in the above:

United States - - \$2,729,532.33

Other Countries - 1,364,766.16

CURRENT STATUS OF FUNDS APPROPRIATED BY CONGRESS

(Made by Public Roads Administration, June 1944)

Expended to June 30, 1943 for construction other than under Public 375		\$6,836,138.90
Status of \$12,000,000 appropriated in accordance with provisions of Public 375:		
Paid to cooperating countries	\$2,729,532.33	
Administrative expenses	141,597.95	
Obligated but not paid out	5,705,387.32	
Available funds not obligated	<u>3,423,482.40</u>	\$12,000,000.00
Miscellaneous expenditures on cooperative work not included in above		*347,281.19
Unused balance of funds authorized to be expended for surveys, engineering advice, etc. Appropriation for Cartago San Isidro Road, Costa Rica		<u>12,000,000.00</u>
	Total	\$31,284,703.88

*Not all spent on Inter-American Highway

ESTIMATE TO FINISH

By the Public Roads Administration
Feb. 26, 1944

Guatemala	\$9,131,240	Estimate of March 1941 No United States funds.
El Salvador	2,040,000	Estimate of Jan. 1944 No United States funds.
Honduras	2,303,640	This includes \$1,000,000 for the spur to Teguci- galpa. Estimate January 1944, U. S. funds.
Nicaragua	3,224,700	This is for the original road by way of Sebaco, Matagalpa and Esteli. Estimate of Jan. 1944 U. S. funds.
Costa Rica	15,759,000	Estimate of Jan. 1944. United States funds.
Panama	8,285,758	Estimate to March 1941. No United States funds.

In the above table Guatemala and Panama will defray the cost of completion of the Highway in their own countries. El Salvador has the amount needed already set up. In Honduras, Nicaragua and Costa Rica, the amount given for each country is in addition to the funds already set up and will have to be provided by the United States. It totals \$21,287,340.

Estimated time to complete the Highway is two and one half years.

INTER-AMERICAN HIGHWAY PROJECT STATEMENTS

Made by Public Roads Administration

I-a

I-a

COUNTRY	A MAR. 1, 1941	B U.S. SHARE OF PROJECT STATEMENTS NOW IN EFFECT	C ACTUAL (1) OR PROBABLE (2) PROJECT STATEMENTS EST' COST	*D TOTAL PROJECT AGREEMENTS NOW IN EFFECT	** (E-A)		G TOTAL FUNDS SET UP	H PRESENT ESTIMATE OF COST OF CONSTRUCTION	I ADDITIONAL FUNDS REQUIRED FOR WORK TO BE DONE ON 100% U.S. FUNDS BASIS	J BASIS
					F PROSPECTIVE OVERDRAFT AS COMPARED WITH ESTIMATE OF 3/1/41	* SPECIAL APPROPRIATIONS				
GUATEMALA	\$9,131,240.00	\$ 000.00	(2) \$9,131,240.00	\$ 000.00	\$ 000.00		\$ 9,131,240.00	\$ 000.00		
EL SALVADOR	2,073,650.00	1,360,000.00	(1) 2,040,000.00	2,040,000.00	-33,650.00		2,040,000.00	2,040,000.00	000.00	
HONDURAS	3,055,497.00	2,000,000.00	(1) 3,000,000.00	3,000,000.00	-55,497.00		3,000,000.00	5,303,640.00	2,303,640.00	100% U.S.
NICARAGUA	3,906,841.00	3,009,800.00	(1) 4,514,700.00	1,697,729.90	607,859.00		4,514,700.00	7,739,400.00	3,224,700.00	100% U.S.
COSTA RICA	4,094,219.00	5,600,000.00	(1) 8,400,000.00	8,400,000.00	4,305,781.00	12,800,000.00	21,200,000.00	36,959,000.00	15,759,000.00	100% U.S.
PANAMA	8,285,758.00	000.00	(2) 8,285,758.00	000.00				8,285,758.00	000.00	
ADMINISTRATIVE EXPENSE			750,000.00		750,000.00					
TOTAL	\$30,547,205.00	\$1,969,800.00	\$36,121,698.00	\$15,137,729.90	\$5,574,493.00	\$12,800,000.00	\$30,754,700.00	\$69,459,038.00	\$21,287,340.00	

Amount of Mar. 1, 1941 estimate not covered by Pub. 375 (Col. A) - 547,205.00
 Deficit in funds for cooperative work * A & E) \$6,121,698.00 (Administrative 750,000.00)
 Deduct administrative funds-100% U.S. 750,000.00 (Expense (\$70,209,038.00))
 5,371,698.00
 Deduct 1/3 for local contributions by countries involved- 1,790,566.00
 U.S. Share \$3,581,132.00
 Total U.S. funds needed for cooperative work-- 4,331,132.00
 Total (see Col. 1) needed for additional work to be done on 100% U.S. basis-- 21,287,340.00
 Total (U.S.) funds needed to complete-- \$25,618,472.00

* Includes \$800,000 transferred from War Department funds.

** (Col. 1 of \$21,287,340.00 is obtained by taking the sum of columns C and F, \$47,921,698 from Col. H, \$70,209,038.)

*** (Column E is arrived at by deducting A from column C)

**** (For breakdown of column D, see the attached sheet I-c)

Note:

At the time of preparation of the above table, it was believed that Guatemala and Panama would finance their own construction. Since then however, estimates have been prepared on the basis of these two countries cooperating under Act 375, as shown by the following table (Exhibit I-b).

Digest of I-a Table

Total funds needed since the estimate of March 1, 1941		
January 7, 1944 estimate to complete		\$69
Guatemala will complete their own road estimated at,	\$9,131,240	
Panama will do same estimated at,	<u>8,285,758</u>	<u>17</u>
		\$52

Total funds already set up for construction:

El Salvador	2,040,000	
Honduras	3,000,000	
Nicaragua	4,514,700	
Costa Rica	<u>21,200,000</u>	<u>30</u>

*For construction - - - - -	\$21,
Administrative expenses of the United States - -	
Excess expenditures over the total sum as provided by Act 375, which was \$20,000,000 for the United States (2/3), and \$10,000,000 for the countries (1/3), the countries having agreed to participate in this excess of \$5,371,698 by which they will provide 1/3, \$1,790,566, and the United States 2/3 - - - - -	<u>3,5</u>
Total additional funds to complete. To be supplied by the United States - - - - -	\$25,6

*Balance of new money to be provided.

PRESENT CONSOLIDATED ESTIMATE OF COST OF CONSTRUCTING

INTER-AMERICAN HIGHWAY.

Made by the Public Roads Administration,
June 1943

	EXPENDITURES				Estimated Additional Expenditure Required to Construct to Accepted Standards.				
	To - June 30, 1943		By		Under Public 375		On 1/3 - 2/3 basis		By U.S.
	Under Public 412	By U.S.	U.S. without Cooperation	U.S. without Cooperation	By Cooperator	By U.S.	By Cooperator	By U.S.	Without Cooperation
\$58,011,193.47									
MEXICO	\$38,011,193.47	\$	\$	\$	\$	\$	\$	\$	\$20,000,000.00
\$12,833,499.78									
GUATEMALA	3,324,516.00	132,161.27	245,582.51			3,043,746.66	6,087,493.34		
\$ 5,830,227.00									
EL SALVADOR	3,790,227.00				157,307.20	314,614.40	522,692.80	1,045,385.60	
\$ 4,711,769.33									
**1,300,000.00							**433,333.34	866,666.66	
HONDURAS	154,301.00	231,978.08	321,850.25		12,433.04	24,866.08	1,322,113.62	2,644,227.26	
\$10,330,287.52									
NICARAGUA	2,302,682.00	81,700.00	206,505.52		17,546.51	35,093.02	2,562,253.49	5,124,506.98	
\$39,916,972.63									
COSTA RICA	2,811,317.00	61,632.66	85,022.97	800,000.00	1,177,479.41	2,354,958.83	1,622,520.59	3,245,041.17	27,759,000.00
\$28,581,661.52									
PANAMA	14,949,906.00	168,819.87	316,473.77	4,860,703.88			2,761,919.34	5,523,838.66	
\$ 1,597,281.19				347,281.19					500,000.00
ADMINISTRATION				141,597.95					608,402.05
\$163,112,892.44									\$28,867,402.05
TOTALS	\$65,344,142.47	\$ 676,291.88	\$1,175,435.02	\$ 6,149,583.02	\$1,364,766.16	\$2,729,532.33	\$12,268,579.84	\$24,537,159.67	\$20,000,000.00

- * By Mexico without U.S. Cooperation.
- ** For Tegucigalpa Spur.
- *** For equipment purchased from Army.

Expenditures under Public No. 375		
Paid to cooperating countries to June 30, 1943	.....	\$ 2,729,532.33
Administrative Expenses	.....	141,597.95
Estimated additional payments to Cooperating countries	.....	24,537,159.67
Total	.....	\$27,408,289.95
Less authorization	.....	20,000,000.00
Additional funds required	.....	7,408,289.95
Funds to be used without cooperation	.....	28,867,402.05
Less funds already provided	.....	12,000,000.00
Total Federal funds required	.....	\$16,867,402.05
		7,408,289.95
		16,867,402.05
		\$24,275,692.00

FINANCIAL CONDITION OF INTER-AMERICAN HIGHWAY

LATEST ESTIMATE OF COST BY P.R.A. FEBRUARY 26, 1944

EXPENDITURES TO SEPTEMBER 22, 1943

COUNTRY	TOTAL ESTIMATED COST	EXPENDED TO 9/22/43	BALANCE OF FUNDS NEEDED TO COMPLETE
MEXICO	\$58,011,193.47	\$38,011,193.47	\$20,000,000.00
GUATEMALA	12,833,499.78	3,702,259.78	9,131,240.00
EL SALVADOR	5,830,227.00	4,262,148.60	1,568,078.40
HONDURAS	6,011,769.33	745,428.45	5,266,340.88
NICARAGUA	10,330,287.52	2,643,527.05	7,686,760.47
COSTA RICA	39,916,972.63	7,290,410.87	32,626,561.76
PANAMA TO PANAMA CITY	28,581,661.52	20,295,903.52	8,285,758.00
ADMINISTRATION:		488,879.14	1,108,402.05
	\$163,112,891.44	\$77,439,750.88	\$85,673,141.56

Expenditures by War Department of \$40,000,000 not included because it has not been determined how much of the Pioneer Road is of effective use.

Of the funds required to complete (\$85,673,141.56) \$21,270,467.67 have been appropriated, leaving a balance of \$64,544,271.84 to be provided as follows:

Mexico	\$20,000,000.00	By the United States	\$32,275,692.00
Guatemala	3,043,746.66	By other countries	<u>32,268,579.84</u>
El Salvador	522,692.80		\$64,544,271.84
Honduras	1,755,446.96		
Nicaragua	2,562,253.49	(1) Expenditures from Exhibit H	
Costa Rica	1,622,520.59	(2) Estimate to complete from Ib	
Panama	<u>2,761,919.34</u>	(3) Total estimated cost derived from 1 and 2.	
Total	\$32,268,579.84		

The following tables I-b-1 to I-b-6 are explanatory of table I-b which was prepared by the Public Roads Administration in June 1944.

EXPENDITURES ON THE INTER-AMERICAN HIGHWAY
TO SEPTEMBER 22, 1943, PROBABLY UNDER AUDIT BY
THE UNITED STATES AND REPUTEDLY BY OTHER NATIONS

COUNTRY	BY THE UNITED STATES	BY OTHER NATIONS	TOTAL	COUNTRY
MEXICO	NONE	\$38,011,193.47	\$38,011,193.47	MEXICO
GUATEMALA	\$ 245,582.51	3,456,677.27	3,702,259.78	GUATEMALA
EL SALVADOR	314,614.40	3,947,534.20	4,262,148.60	EL SALVADOR
HONDURAS	346,716.33	398,712.12	745,428.45	HONDURAS
NICARAGUA	241,598.54	2,401,928.51	2,643,527.05	NICARAGUA
COSTA RICA	3,239,981.80	4,050,429.07	7,290,410.87	COSTA RICA
PANAMA TO PANAMA CITY	5,177,177.65	15,118,725.87	20,295,903.52	PANAMA TO PANAMA CITY
ADMINISTRATION:	488,879.14		488,879.14	ADMINISTRATION:
	\$10,054,550.37	\$67,385,200.51	\$77,439,750.88	

Expenditure of \$40,000,000 by the Corps of Engineers, U. S. Army, on the Pioneer Road not included because it has not been determined how much of the work can be effectively used.

Source- Philip Report

M.E. Gilmore
June 16, 1944

Expenditures lifted bodily from
Exhibit H.

ANALYSIS OF SOURCES OF FUNDS NEEDED TO COMPLETE THE INTER-AMERICAN HIGHWAY

(1) COUNTRY	(2) TOTAL REQUIRED	(3) UNDER COOPERATIVE AGREEMENTS		(5) NONCOOPERATIVE	
		BY UNITED STATES	BY OTHER COUNTRIES	BY UNITED STATES	BY OTHER COUNTRIES
MEXICO	\$20,000,000.00	NONE	NONE	NONE	\$20,000,000.00
GUATEMALA	9,131,240.00	\$6,087,493.34	\$3,043,746.66	NONE	NONE
EL SALVADOR	1,568,078.40	1,045,385.60	522,692.80	NONE	NONE
HONDURAS	5,266,340.88	3,510,893.92	1,755,446.96	NONE	NONE
NICARAGUA	7,686,760.47	5,124,506.98	2,562,253.49	NONE	NONE
COSTA RICA	32,626,561.76	3,245,041.17	1,622,520.59	\$15,759,000.00	NONE
COSTA RICA Special-al- ready appro- priated	NONE	NONE	NONE	12,000,000.00	NONE
PANAMA TO PANAMA CITY	8,285,758.00	5,523,838.66	2,761,919.34	NONE	NONE
ADMINISTRATION	1,108,402.05	NONE	NONE	1,108,402.05	NONE

\$85,673,141.56 \$24,537,159.67 \$12,268,579.84 \$28,867,402.05 \$20,000,000.00

Against Column 3 there remains a balance from Act 375 of \$9,128,869.72, to be applied \$24,537,159.67 minus \$9,128,869.72; balance to be provided \$15,408,289.95.

Against Column 5 the sum of \$12,000,000.00 has already been appropriated. \$28,867,402.05 minus \$12,000,000.00 balance to be provided \$16,867,402.05.

Total balance to be provided - \$32,275,692.00

7 other Countries additional - \$32,268,579.84 (Column 4 plus Column 6)

Total required from: Page 1- Remaining columns from Exhibit Ib.

TOTAL ESTIMATED COST SHOWING ORIGIN OF FUNDS EXPENDED AND TO BE SUPPLIED

	<u>BY COUNTRIES</u>	<u>BY UNITED STATES</u>	<u>TOTAL</u>
1. Expended to date.....	\$67,385,200.51	\$10,054,550.37	\$77,439,750.88
2. To be furnished under cooperative agreement.....	12,268,579.84	24,537,159.67	36,805,739.51
3. Special appropriation by United States for Costa Rica.....		12,000,000.00	12,000,000.00
4. To be furnished by Mexico.....	20,000,000.00		20,000,000.00
5. Additional appropriation proposed from United States.....		<u>16,867,402.05</u>	<u>16,867,402.05</u>
	\$99,653,780.35	\$63,459,112.09	\$163,112,892.44
	61.1%	38.9%	

ADDITIONAL FUNDS TO BE PROVIDED:

By 7 Countries:

From Column 1, Line 2	\$12,268,579.84		
From Column 1, Line 4	<u>20,000,000.00</u>		\$32,268,579.84
Total cost to U.S. (Col. 2)		\$63,459,112.09	
From Column 2, Line 1, already spent	10,054,550.37		
From Line 2, balance from Act 375	9,128,869.72		
From Column 2, Line 3, Sp. App. C. R.	<u>12,000,000.00</u>	<u>31,183,420.09</u>	
Total by United States		\$32,275,692.00	<u>32,275,692.00</u>
Total by all			\$64,544,271.84

ANALYSIS OF AVAILABLE FUNDS APPROPRIATED OR COMMITTED BUT YET UNSPENT

COUNTRY	AVAILABLE UNDER : ACT 375 AND COOP- ERATIVE AGREEMENT	AVAILABLE FROM : EXPORT-IMPORT BANK LOANS	SPECIAL APPRO- PRIATION BY : UNITED STATES	TO BE SUPPLIED: BY COUNTRIES : (COMMITTED)	TOTALS
MEXICO	NONE	\$20,000,000.00	NONE	NONE	20,000,000.00
GUATEMALA	NONE	NONE	NONE	\$ 9,131,240.00	9,131,240.00
EL SALVADOR:	\$ 2,040,000.00	(*400,000.00)	NONE	NONE	2,040,000.00
HONDURAS	3,000,000.00	(*865,000.00)	NONE	NONE	3,000,000.00
NICARAGUA	1,697,729.90	(*250,000.00)	NONE	NONE	1,697,729.90
COSTA RICA	8,400,000.00	(*605,000.00)	\$12,000,000.00	NONE	20,400,000.00
PANAMA TO PANAMA CITY:	NONE	NONE	NONE	8,285,758.00	8,285,758.00
	\$15,137,729.90	\$20,000,000.00	\$12,000,000.00	\$17,416,998.00	\$64,554,727.90

If balance of
\$8,000,000 under
Act 375 is made
available plus

1/3 by others	12,000,000.00				12,000,000.00
	\$27,137,729.90	\$20,000,000.00	\$12,000,000.00	\$17,416,998.00	\$76,554,727.90

February 26, 1944 estimated balance to complete
Funds apparently available, authorized or committed
Apparent additional funds required

\$89,673,141.56
76,554,727.90
13,118,413.66

*Balance available for Export-Import Bank loans probably will be used to meet commitments under Cooperative Agreement.

This presumptive or apparent amount of additional funds required will obviously be increased should the Central American Countries fail to provide the anticipated funds or commitments shown as follows:

- a) 1/3 of the \$15,137,729.90 shown in Column 1, as agreed upon
- b) 1/3 of the \$12,000,000.00 shown in Column 1, as anticipated
- c) All of \$17,416,998.00 as has been verbally promised or agreed upon.

TABLE SHOWING EXPENDITURES AND AMOUNTS UNDER AGREEMENT UNDER ACT 375 AS OF JUNE 30, 1943

AMOUNT TO BE SUPPLIED BY COUNTRIES \$10,000,000.00

AMOUNT AUTHORIZED BY UNITED STATES \$20,000,000.00

(1) COUNTRY	(2) SPENT BY UNITED STATES	(3) SPENT BY COUNTRIES	(4) TOTAL	(5) UNDER AGREEMENT UNITED STATES	(6) BETWEEN COUNTRIES	(7) TOTAL	(8) TOTAL COLUMNS 4 and 7
MEXICO	NONE	NONE	NONE	NONE	NONE	NONE	NONE
GUATEMALA	NONE	NONE	NONE	NONE	NONE	NONE	NONE
EL SALVADOR	\$ 314,614.40	\$ 157,307.20	\$ 471,921.60	\$ 1,360,000.00	\$ 680,000.00	\$ 2,040,000.00	\$ 2,511,921.60
HONDURAS	24,866.08	12,433.04	37,299.12	2,000,000.00	1,000,000.00	3,000,000.00	\$ 3,037,299.12
NICARAGUA	35,093.02	17,546.51	52,639.53	1,131,819.93	565,909.97	1,697,729.90	1,750,369.43
COSTA RICA	2,354,958.83	1,177,479.41	3,532,438.24	5,600,000.00	2,800,000.00	8,400,000.00	11,932,438.24
PANAMA	NONE	NONE	NONE	NONE	NONE	NONE	NONE
	\$2,729,532.33	\$1,364,766.16	\$4,094,298.49	\$ 10,091,819.93	\$5,045,909.97	\$15,137,729.90	\$19,232,028.39

Remaining funds authorized under Act 375

Total authorized	\$30,000,000.00
Spent and under Agreement	19,373,626.34
Balance	\$10,626,373.66

By United States	\$7,084,249.11
By Others	3,542,124.55
	\$10,626,373.66

CONDITION OF LOANS MADE BY EXPORT-IMPORT BANK AS OF SEPTEMBER 22, 1943

COUNTRY	AMOUNT OF LOAN	AMOUNT TO HIGHWAYS	AMOUNT REMAINING TO BE ADVANCED	AMOUNT ADVANCED	AMOUNT SPENT ON HIGHWAYS
MEXICO	\$30,000,000.00	\$30,000,000.00	\$20,000,000.00	\$10,000,000.00	*UNKNOWN
GUATEMALA	NONE	NONE	NONE	NONE	NONE
EL SALVADOR	1,196,000.00	400,000.00	NONE	400,000.00	400,000.00
HONDURAS	1,000,000.00	1,000,000.00	865,000.00	135,000.00	135,000.00
NICARAGUA	4,000,000.00	3,815,000.00	250,000.00	3,565,000.00	3,565,000.00
COSTA RICA	5,000,000.00	3,000,000.00	605,000.00	2,395,000.00	2,395,000.00
PANAMA	NONE	NONE	NONE	NONE	NONE
	\$41,196,000.00	\$38,215,000.00	\$21,720,000.00	\$16,495,000.00	\$ 6,495,000.00

* No fixed commitment was made by Mexico to spend the entire loan on highways - however, this was implied. It is believed that a greater sum was spent from loan and current revenues on the Inter-American Highway and lateral roads.

The loans to the Central American Countries were paid by the Export-Import Bank, of the United States, against vouchers covering work performed on the Inter-American Highway which vouchers were certified by the Public Roads Administration. Therefore, the borrowers have no balances in hand. The Export-Import Bank is obligated to advance \$1,720,000.00 additional to the several Central American countries.

SUMMARY OF COMMITMENTS AND UNEXPENDED APPROPRIATIONS
FOR ROAD CONSTRUCTION

Balance of commitments from Export Import Bank, to the countries-----	\$21,710,000.00
Available to the United States balance of Act 375-----	8,000,000.00
Funds to be supplied by the countries on the 1/3 to 2/3 basis of act 375-----	4,000,000.00
Funds appropriated by the United States on Act 375, \$12,000,000 to be matched, by the countries by \$6,000,000. To July 3/43, the countries expended under Act 375, \$1,364,766 leaving a balance to match the United States expenditures under 375 of-----	4,635,234.00
Unexpended funds as of August 1, 1943 from United States appropriations to July 13, 1943 for highway surveys and construction-----	<u>21,719,032.65</u>
Balance of funds available and commitments-----	\$60,074,500.65

J

105

Estimate of Engineers, (Day & Fitch) of the Export-
Import Bank as to the cost of completion of Highway

April 26 to June 3, 1943.

"If the completed portions of the Pioneer Road are accepted as satisfactory for the present needs of the countries through which it passes, the remaining uncompleted portions of the Pan American Highway (excluding the Cartago-San Isidro section in Costa Rica for which financing has already been provided) could be completed to similar standards with a further expenditure of about \$12,000,000."

Panama: David to Costa Rica border, 66.9 miles.

"It can be completed to military standards with an additional expenditure of \$1,000,000 assuming the utilization of existing plant and equipment and no further investment cost."

Costa Rica: Panama border to San Isidro, 92 miles.

"Assuming the continued use of the equipment and facilities provided, it is roughly estimated that completion would require the expenditure of \$2,250,000, over and above the commitments for bridges and drainage structures."

San Ramon to the Nicaraguan border, 154 miles.

Could be completed to military road standards for an additional \$2,500,000."

Nicaragua: Sebaco via Esteli to Honduras border, 82.3 miles. "Could be completed for about \$1,500,000."

Honduras: 91.8 miles

"Could be completed to military standards for an additional \$1,500,000."

El Salvador: Honduras border via Santa Rosa to San Miguel, 35.9 miles. Alternate route to Pioneer Road can be completed for an additional \$900,000.

Guatemala: Guatemala City via Escuintla to Mexican border, 197 miles. Work remaining to be done will require a further expenditure of \$3,000,000.

Estimate to complete the Pioneer
Road or Inter-American Highway
to Military Standards

By Export-Import Bank Report
Sept. 27, 1943 (Day & Fitch)

	<u>Length (miles)</u>		<u>Estimated Cost To Complete</u>
Panama	66.9 (25	U. S.	\$ 1,000,000
Costa Rica	92 (*Panama border to San Isidro)		2,250,000
Costa Rica	54.5 (San Ramon to Nicaragua border)		2,500,000
Nicaragua	82.3 (32) (Sebaco to Honduras border)		1,500,000
Honduras	91.8 (31)		1,500,000
Salvador	35.9 (Honduras border to San Miguel)		900,000
Guatemala	<u>197.0</u> (Guatemala City to Mex. border)		<u>3,000,000</u>
	720.4 miles	U. S.	\$12,650,000

*San Isidro to Cartago not included as it was considered the sum of \$17,114,390, already allocated was sufficient to build this section on Pioneer Road standards, not Public Road Administration standards.

EXHIBIT

Report by Messrs. Rugg and Belyea to the Coordinator of Inter-American Affairs, June 17, 1943. A short digest:

In this report, it is estimated that the Pioneer Road will be completed by May 15, 1944 (the Army stopped work on this road, October 31, 1943).

The nature of the terrain through which the Highway passes will make a maintenance program imperative, perpetual and costly.

Motor transportation will be practically nonexistent in one years time due to the cost of gasoline, tires and the inability to obtain spare parts.

Motor transportation is a vital part of the transportation system in each Republic and in many cases the entire economy of the country is dependent upon it.

This report recommends the improvement of sections of the Highway, now under way. Many feeder roads necessary to the service of the Highway are indicated and their construction is recommended. It suggests that a road be constructed in Guatemala from Guatemala City through Flores in the Petan Area, to Merida on the Yucatan Peninsula in Mexico.

The report contains many practical suggestions and is worthy of careful study.

K

ESTIMATED TOTAL COST TO COMPLETE THE PAN AMERICAN HIGHWAY
 UNITED STATES-MEXICAN BORDER TO THE CANAL ZONE
 TYPE OF ROAD-BITUMINOUS-MACADAM AND GRAVEL SURFACE
 WITH FUNDS EXPENDED ON THE PIONEER ROAD INCLUDED

Appropriations by the United States, not included in the
 estimate of January 7, 1944:

Rio Hato Road	\$2,373,000	
Refund to Panama	2,700,000	
For survey and construction previous to Act 375	<u>1,324,000</u>	
		\$ 6,397,000
Expenditures by the countries to 6/30/43		67,386,200
Estimate of completed cost of the Highway made by Public Roads Administration, January 7, 1944, which includes all United States appropriations to date excepting those noted above		70,209,038
Estimate to complete road in southern Mexico, made by Mexican officials, February 1943		<u>20,000,000</u>
Total estimate		\$163,992,238

Expended by the United States on a Pioneer Road from Guatemala border to the Canal Zone. (Work terminated on October 31, 1943)		<u>40,000,000</u>
		\$203,992,238

MAINTENANCE COST AND MILEAGE

Report of Engineers, Export-Import Bank, June 3, 1943

(A) In all the agreements with the various countries, for road construction, there is no provision for maintenance.

(B) Estimate for maintenance:

From the report to the Export-Import Bank, on the Inter-American Highway, made during July and August, 1943, by their representatives. The estimated cost of yearly maintenance for a period of three years, based on the assumption that a considerable portion of the road will have gravel surfacing, is as follows:

<u>Country</u>	<u>Approximate Mileage</u>	<u>Estimated Cost per year</u>
Costa Rica	383	\$330,000.
Nicaragua	257	80,000.
Honduras	95	40,000.
El Salvador	196	55,000
Guatemala	300	205,000.
Panama	<u>377</u>	<u>275,000.</u>
	1608	\$985,000.

PLANS FOR FUTURE AND PRESENT WORK

The Public Roads Administration is going ahead with work as fast as economically feasible. They are taking over the machinery and equipment used by the Army on the Pioneer Road, where economically possible, and utilizing work done by the Army where it runs along the route of the Pan American Highway.

All uncompleted sections of the Highway in all the countries except Mexico and Guatemala are either under construction or plans for their completion have been made.

The following is a short account of the work now under way in 1944 with plans in Mexico for 1945 as well.

Mexico:

The 1944 budget for work on the Pan American Highway is for construction south of Mexico City with an allotment of 28,275,000 pesos.

The section between Mexico City and Oaxaca is to be completely asphalt-surfaced, some 90 miles of which are now gravel-surfaced.

From Oaxaca to Juchitan, a distance of 181 miles, (16-1/4 miles beyond Tehuantepec) to be graded and gravel-surfaced for an all-weather road.

No provision is made for a bridge over the wide Tehuantepec River. It is thought a ferry service is contemplated. 23,599,000 pesos has been allotted for the foregoing sections of the Highway.

From Chiapa to Escopetazo, a distance of 16 miles, the present all-weather road is to be asphalt-surfaced. 276,000 pesos allotted for this purpose.

Escopetazo to San Cristobal de las Casas, a distance of 27 miles, only enough construction will be done to make the Highway passable for trucks in the wet season. The allotment is 1,200,000 pesos.

Boquerón to Tapachula, a distance of approximately 25 miles, only 6 additional kms. of earth works to be added to 15 kms. of earth works already completed from Tapachula. These 15 kms. to be gravel-surfaced. The budget allotment for this work is 3,200,000. pesos.

In addition to this, funds have been provided for a new gravel-surfaced road from Tapachula to Suchiate where the railroad connects with Guatemala.

In 1945 Mexican Department of Communications plans to complete a gravel-surfaced all-weather road from Juchitán (near Tehuantepec) to Gracias á Dios on the Guatemalan border.

Gracias á Dios is by map measurement about 45 miles southeast of Comitán. The road will pass through La Trintaria on the Pan American Highway, 9-1/2 miles south of Comitán and thence to Gracias á Dios.

Guatemala:

No work being done by the United States Government. The Guatemalan Government is continuing the work on the Pioneer Road section where the Army left off on October 31, 1944.

El Salvador:

Work under way between San Miguel and the Honduras border and is graded from San Miguel to La Union and is being graded from Sirama to the border. The bridge over the Goascoran River on the border has been completed.

Honduras:

The Pioneer Road built by the Army across the country is being improved to Public Roads Administration standards.

The two major bridges to be erected, the one over the Grande River which is completed and that over the Guacirope River is 80% complete as of June 16, 1944.

Nicaragua:

Paving work is being done on the section between Sebaco and Diriamba not yet paved.

Diriamba to Costa Rica border, no work. Bridges over the Ochomogo River, built.

Costa Rica:

Section north of Managua. The bridge over the Barranca River has been finished. Improvement work is going on between Esparta and San Ramon.

From Nivel to San Isidro del General, the most difficult section of the entire Pan American Highway route rising to an altitude of 10,931 feet; work is under way.

Great progress is being made under most trying conditions.

From San Isidro del General to the border of Panama, no work is being done.

Panama:

No work is being done on the Pan American Highway proper. On the Trans-Isthmian Highway, which may be designated as a part of the Pan American Highway system, the paving is being completed.

CONDITION AND MILEAGE OF INTER-AMERICAN HIGHWAY
MADE BY THE PUBLIC ROADS ADMINISTRATION
(As of December, 1943)

	<u>Condition</u>	<u>Kms</u>	<u>Length</u> <u>Miles</u>
<u>MEXICO</u>			
	Nuevo Laredo-Mexico City	Paved	1226 762
(a)	Mexico City-Cuautla	Paved	104 65
	Cuautla-Jonacatepec	All-weather	30 19
	Jonacatepec-Matamoros	Dry-weather	40 25
	Matamoros-Tepozcolula	Paved	223 139
	Tepozcolula-Nochistlán	All-weather	25 15
	Nochistlán-Oaxaca	All-weather	105 65
(b)	Oaxaca-El Portillo	All-weather	70 44
	El Portillo-Nejapa	Dry-weather	81 50
	Nejapa-Juchitan	(Trail (Dry-weather)	123 76 50 31
	Juchitan-Las Cruces	Trail	181 112
	Las Cruces-Chiapa	Paved	117 73
	Chiapa-(San Cristobal)		
	Las Casas	Dry-weather	69 43
	(San Cristobal) Las Casas-		
	Comitán	Trail	98 61
	Comitán-Tapachula	Trail	253 157
	Tapachula-Guatemala Border	Paved	18 11
	TOTAL MEXICO		2813 1748
<u>GUATEMALA</u>			
	Mexico Border-Guatemala		
	City	All-weather	316 196
	Guatemala City-El Salvador		
	Border	All-weather	167 104
	TOTAL MEXICO		483 300
<u>EL SALVADOR</u>			
	Guatemala Border-San Sal-		
	vador	Paved	97 61
	San Salvador-San Miguel	Paved	137 85
	San Miguel-La Union	All-weather	47 29
(c)	Sirama-Honduras Border	Dry-weather	34 21
	TOTAL EL SALVADOR		315 196
<u>HONDURAS</u>			
	El Salvador Border -Nacaome	All-weather	35 22
(d)	Nacaome-Jicaro Galan	Dry-weather	5 3

-2-

	Condition	Length	
		Kms.	Miles
Honduras continued:	(Brought forward)	40	25
Jicaro Galan-Choluteca	All-weather	45	28
Choluteca-Las Cabezas	All-weather	16	10
Las Cabezas-Banquito	Dry-weather	14	9
Banquito-San Marcos	All-weather	25	16
(d) San Marcos-Nicaragua Border	Dry-weather	12	7
TOTAL HONDURAS		152	95

NICARAGUA

Honduras Border-Pueblo Nuevo	Dry-weather	35	22
Pueblo Nuevo-Condega	All-weather	21	13
(e) Condega-Matagalpa	Trail	86	53
Matagalpa-Sebaco	All-weather	21	13
Sebaco-Maderas	All-weather	52	32
Maderas-Managua	Paved	52	32
Managua-Diriamba	Paved	43	27
Diriamba-Nandaine	All-weather	24	15
Nandaine-Rivas	All-weather	45	28
Rivas-Costa Rica Border	All-weather	35	22
TOTAL NICARAGUA		414	257

COSTA RICA

Nicaragua Border-Liberia	Dry-weather	79	49
Liberia-Bagaces	Dry-weather	26	16
Bagaces-Las Canas	All-weather	22	14
Las Canas-Esparta	(Dry-weather)	77	48
	(All-weather)	10	6
Esparta-San Ramon	(Dry-weather)	18	11
	(All-weather)	13	8
San Ramon-Naranjo	All-weather	21	13
Naranjo-San Jose	Paved	55	34
San Jose-Cartago	Paved	22	14
Cartago-El Empalme	All-weather	29	18
El-Empalme-Angostura	All-weather	45	28
Angostura-San Isidro	Trail	40	25
San Isidro-Buenos Aires	Trail	59	37
Buenos Aires-Pasco-Real	Trail	31	19
Pasco Real-Panama Border	Trail	69	43
TOTAL COSTA RICA		616	383

PANAMA

(g) Costa Rica Border-Volan ^c	Trail	53	33
Volan-Concepcion	All-weather	35	22
Concepcion-David	All-weather	25	16
David-Santiago	All-weather	232	144
Santiago-Rio Hato	Paved	133	83
Rio Hato-Panama City	Paved	128	79
TOTAL PANAMA		606	377
GRAND TOTAL		5399	3356

- (a) (The route via Puebla to Matamoros is 15 miles longer than the above, but is the one now being used. It is all paved.)
- (b) (South of Oaxaca the all-weather road continues 62-1/2 miles to Las Margaritas, March 1, 1944).
- (c) (Transmittable by using a section of the Pioneer Road. All-weather route).
- (d) (This section to be kept open during wet season by Public Roads Administration resident engineer.)
- (e) (Passable all-weather route by using a section of the Pioneer Road from Condega to Sebaco.)

(Notes added by J.V.N.P.)

- (g) The Army engineers state there is 15 miles of all-weather road completed from El Volcan toward the border of Costa Rica.

CONDITION AND LENGTH OF INTER-AMERICAN HIGHWAY
REPORT BY PUBLIC ROADS ADMINISTRATION
DECEMBER 1943

Digest of report in miles:

	<u>Paved</u>	<u>All-weather</u>	<u>Dry-weather</u>	<u>Trails</u>	<u>Total Miles</u>
Mexico	1050	143	149	406	1748
Guatemala	----	300	---	---	300
*El Salvador	146	29	21	---	196
*Honduras	---	76	19	---	95
*Nicaregua	59	123	22	53	257
Costa Rica	48	87	124	124	383
Panama	<u>162</u>	<u>182</u>	<u>---</u>	<u>33</u>	<u>377</u>
	1465	940	535	616	3356

Total:

Paved and all-weather, 2405 miles.

Dry-weather and trails, 951 miles.

*These countries, the Army states, are passable in all weather by using section of the pioneer road which either does not follow the route of the Pan American Highway or else is not up to the standard required for the Pan American Highway.

By using the section of the Pioneer Road, the paved and all-weather are 2520 miles and the dry-weather and trails 836 miles.

Distances in Mexico as given by the reports from the Military
 Attaché and the Junior Economic Analyst at the Embassy,
 1943 and 1944

	Kms.	Miles
Laredo to Mexico City	1226	766.
Mexico City to Puebla	129	81.18
Puebla to Oaxaca	426	266.25
Oaxaca to Tehuantepec	264	165
Tehuantepec to Juchitan	26	16.25
Juchitan to Tapachula	718	446.
Tapachula to Talisman Bridge on border of Guatemala	<u>18</u>	<u>11</u>
	2807	1751.68

Changes in the route from the original survey as given in Senate Document 224, 1934 and other data from a report by the Public Roads Administration, dated 11/23/43.

Guatemala:

Original route went by Tecpán between Encuentros and Patzicia. This was changed to go by Sololá and Godinez because the latter route has been improved since the original survey was made, and for certain political reasons.

El Salvador:

The original route followed existing roads practically all the way. From San Domingo to San Miguel, the Government of El Salvador has relocated the old road and made improvements so the route of the Inter-American Highway was changed to correspond with these improvements.

The original route continued from San Miguel by way of Santa Rosa to the bridge crossing the Goascoran River on the road to Nacosome, Honduras.

The government requested this section of the route to be changed so as to connect with the port of La Union. The route then ran from San Miguel to Sirama and thence to the Goascoran River bridge with a spur running to the port of La Union.

Honduras:

The original route follows more or less established roads and was planned to run from Jicaro Galan on the Highway south

to San Lorenzo, the main land port, and thence to Pavana. Since San Lorenzo was connected with the Pan American Highway by a good road it was unnecessary to extend the Pan American Highway to that port. A final line was adopted in a shorter and more direct route across Honduras. The change at the Nicaraguan border was made to meet a relocation of route in Nicaragua.

Nicaragua:

The original route north of Managua went on the south side of Lake Managua through Nacarote, La Paz, Chinandega and Somotillo. Since this section is served by a railroad, and because of the desire to open up new sections of the country to development, the route was changed to follow the north shore of Lake Managua through Tipetapa, Maderas, Sebaco, Esteli, and Somoto. This route offers a more temperate climate due to the higher elevation.

South of Managua the original route went by way of Granada, one of the largest cities, and then to Nandaime. As this section is served by a railroad and in order to open new country, the route was changed to go by way of Casa Colorado, Diriamba and Jinotepe.

Costa Rica:

North of San Jose, changes from the original route were made only to straighten the line and one minor relocation.

South of San Jose, the original route went to Tres Rios

and thence across the Divide through San Marcos and to the General Valley and along the south side of the General River. The route was changed from Tres Rios to Cartago over a paved road and climbed to and follows the Continental Divide for 30 miles through El Palma and descends to the General Valley and along on the north side of the General River on higher ground. This route, after a number of surveys, was selected as the best route.

Panama:

The original route followed existing road almost wholly except near the Costa Rican border. No changes made in original location.

General Design and Construction Standards:

Due to varying conditions of terrain and because of financing problems, standards of design and construction were not made rigid. In general, the plans contemplated a 28' to 30' road having a surface of 18' to 20', a radius of curvature limited to 164' and maximum grades not exceeding 6 per cent, except in mountainous country, the maximum grade 7 per cent or 8 per cent for a distance of not over 300 meters.

Types of Surface: Three contemplated:

- (a) Any satisfactory material
- (b) Same with bituminous treatment
- (c) Concrete

It was planned that most of the work would be done by stage construction. It was felt that the above noted standards

were such that, considering varied nature of the terrain through which the route went, they could be followed throughout except possibly in some of the most mountainous sections.

The work done since the time of the original survey has generally followed the above noted standards.

Speed:

30 M.P.H. in mountainous sections

40 M.P.H. in rolling country

50 M.P.H. in level areas

Bridges:

15-ton load; width, 20' to 24'

Status of Construction:

In Guatemala, there is an all-weather road the full length of the country and no work is under way at present.

In El Salvador, the road is paved from the Guatemala border to San Miguel. Work is under way between San Miguel and the Honduras border. The road is graded from San Miguel to La Union and is being graded from Sirama to the border. No surfacing has as yet been placed. A bridge has been constructed over the Goascoran River on the border between El Salvador and Honduras.

In Honduras, the United States Engineering Division has recently finished a pioneer road across the country on the line of the Inter-American Highway. The work of improving this pioneer road to Inter-American Standards is just beginning. Two major bridges are being built over the Guacirope and Grande Rivers near Nacaome.

In Nicaragua, the United States Engineering Division has recently been working on a pioneer road from the Honduras border to Sebaco, part of which does not follow the accepted route of the Inter-American Highway. From Sebaco through Managua to Diriamba the road is either paved or an all-weather road. Paving work is being done on those sections not yet paved. From Diriamba to the Costa Rica border the United States Engineering Division has been working on a pioneer road. A bridge is being built over the Ochomogo River as a cooperative project.

In northern Costa Rica from the Nicaragua border to Naranjo, the United States Engineering Division has been working on a pioneer road. A bridge is being built over the Barranca River near Esparta. From Naranjo to Cartago south, the road is a paved road for about 48 miles. From there to San Isidro, the road is under construction partly as a cooperative project and partly with United States funds.

This section is in the most mountainous part of the whole route. The line climbs the continental divide from Cartago to about Nivel at an elevation of about 11,000 feet, and then goes down into the General Valley. From San Isidro south to the Panama border no work of consequence has been done.

In Panama from the Costa Rica border to Volcan, there are no existing roads. From Volcan to Concepcion there is an all-weather road and from Concepcion to David a dry weather road.

No work is being done on this part. From David to Panama City
the route is either paved or an all-weather route all the way.
No work is being done.

P

PIONEER ROAD DISTANCES, COST AND STATUS
AT TERMINATION OF WORK, OCTOBER 31, 1943

Report to the War Department, December 11, 1943:

(Authority to begin work on the project was given by the Army on July 4, 1942, after the State Department had made the necessary bilateral agreements with each country involved.)

	Total Mileage	Total Com- pleted to Line & Grade	Total Surfaced	Funds Expended
South Costa Rica and Panama	144.4	29.26	20.30	1,000,000.
North Costa Rica	150.3	33.58	9.36	\$19,400,000.
Republic of Nic- aragua, Southern Part	64.51	64.51	64.51	
Honduras and North Nicaragua	174.1	99	79.3	16,000,000
El Salvador	35.97	35.97	35.97	600,000.
Guatemala	<u>261.52</u>	<u>178.25</u>	<u>122.46</u>	<u>4,000,000.</u>
	830.92	440.57	331.93	\$40,000,000.

Extract from "Off-Continent Field Progress"
Report included in War Department's letter
of Dec. 1, 1943

CLASSIFICATION OF EXPENDITURES ON PIONEER ROAD
IN CENTRAL AMERICA FOR PERIOD ENDING OCT. 31, 1943

Access Roads and Trails	\$2,932,420
Clearing and Grubbing	1,555,558
Grading	20,367,297
Surfacing	6,052,498
Drainage	3,296,878
Bridges	4,800,742
Surveys	<u>2,032,251</u>
	\$41,037,644

*Note: The above does not include any expenditures for camp installations, mobilization of working force or demobilization.

COMPLETED WORK ACCEPTED BY THE GOVERNMENTS
EXTRACT, WAR DEPARTMENT REPORT
APRIL 1944, Vol. I
Page 274, 275

"In turning the road back to Central American Republics for maintenance, it was planned to release individual sections as rapidly as they were completed. As these releases were made, they usually were formally accepted by letter. The first acknowledgment received was that from the Republic of Nicaragua dated 1 July 1943 covering the section of the route from near Diriamba to the Rio Ochomogo. Other sections officially accepted before the middle of September include (1) from Chol-teca to Las Cabezas, by the Republic of Honduras, (2) the 6 miles extending northeastward from San Miguel, by the Republic of El Salvador, and (3) from the Rio Ochomogo to Rosario, by the Republic of Nicaragua. After termination of the work on the respective parts of the project, the following other sections, completed or made consistently serviceable, were officially accepted for maintenance by the various republics:

Panama

David to La Concepcion

La Cuesta Piedra to 5 miles west of El Volcan

Costa Rica

The 5 miles extending westward from San Ramon

The 9-1/2 miles extending eastward from the Rio Bar-ranca

Las Cañas to Bagaces

Nicaragua

Rosario to Costa Rican boundary

Sebaco to Espino

Honduras

The Rio Goascoran to 6 miles northeast of San Miguel

Guatemala

San Cristobal to Asuncion Mita

Two miles east of El Progreso to La Ceibita

Two miles east of El Molino to Guadalupe

The 7 miles extending westward from Escuintla

Mazatenango to Cuyotenango

The Rio Samala to the Rio Ocosito

Three miles north of Ayutla to San Lorenzo

Two miles north of San Lorenzo to the Rio La Puerta

Malacatan to Talisman Bridge.

Summary of Contracts for Construction from Report
of War Department, April 1944. Appendix R-~~Extract~~
from letter of Col. Kelton Sept. 16, 1943

Guatemala

Contractor: Republic of Guatemala
Contract: No 8022 Eng 403 - Amount \$3,189,250
Total set up for Project 4,027,000
Percent complete 31 August 1943 58%
Total length of road in project 265 miles
Length of road 100% complete 31 August 130 miles
No. of bridges (over 20') completed 41, uncompleted 19.
No. of culverts (under 20') completed 1014, uncompleted 270.

Salvador

Contractor: Republic of El Salvador
Contract: No 8022-Eng. -402 -Amount 452,510
Total set up for project 553,012
Per cent complete 30 September 1943 100%
Total length of road in project 36.4 miles
Length of road 100% complete 36.4 miles
Bridges (over 20') 100 % complete 6
Culverts (under 20') 100% complete 136
Plan: Road will be completed 30 Sept.

Honduras

Contractor: Swinerton, McClure, Vennell
Contract: C.P.F.F. No. 8022-Eng. -5
Present working estimate for completion \$6,200,000

Total set up 11 September for project	7,800,000
Per Cent complete 31 August 1943	55%
Total length of road	90 miles
Length completed 31 August 1943	50 miles
Bridges (over 20') required 56, completed 31 August 21	
Culverts (under 20') required 536, completed 31 August 388	

North Nicaragua

Contractor: Swinerton-McClure-Vinnell	
Contract: C.P.F.F. No. 8022-Eng.-4	
Present working estimate for completion	\$5,760,000
Total set up for project 11 Sept. 1943	7,200,000
Per Cent complete 31 August	55%
Total length of road	83,4 miles
Estimated length completed 31 August	45 miles
Bridges (over 20') required 35, completed 18	
Culverts (over 20') required 412 completed 234	

South Nicaragua

Contractor: Republic of Nicaragua	
Contract: No. 8022-Eng. -4 amount	\$1,197,650
Total set-up for project	1,497,180
Percent complete 30 September 1943	99%
Total length of road	65 miles
Total road completed 30 September 1943	64 miles
Bridges (over 20') Required 14, Completed 13	
Culverts - Installed by Republic under contract with P.R.A.	

North Costa Rica

Contractor: U.S.E.D. Hired Labor

Total set up for project 11 Sept. 1943	9,807,280
Per cent complete 31 August 1943	24%
Total length of road	155 miles
Total road completed	17 miles
Bridges (over 20') required 24, completed 10	
Culverts (under 20') 912, completed 179	

San Ramon-Palmareas Sector

Contractor: Republic of Costa Rica	
Contract: No. W-8022 Eng. 212-Amount	\$40,000
Total set up for project	40,000
Per cent complete 31 August 1943	47%
Total length of road	4.5 miles
Total road completed	2.2 miles

South Costa Rica & Panama

Contractor: Martin Wunderlich Company	
Contract: No. 8022-Eng.-4-Amount	\$11,129,230
Total set up for project 11 September	13,894,276
Per cent complete 30 Sept. 1943	38%
Total length of road	150 miles
Total road completed 31 August 1943	36 miles
Bridges (over 20') required 100, completed 42	
Culverts (Under 20') required 1059, completed 254	

Extract from letter of Col. Kelton in charge of construction of Pioneer Road Project April 30, 1944 Page 275. Final Project Report War Department.

PIONEER ROAD

Funds and Costs

"The first funds were allotted to the project on the 27th of June 1942, when \$1,600,000 were made available to cover the estimated cost of the survey. After construction was authorized, an allotment was received for an additional \$12,400,000. The various estimates made by the P.R.A. (appendix A), although not consistent, all indicated that construction could be completed with these funds. However, these preliminary estimates were soon found to be too low, due partly to underestimation by the P.R.A. of both the quantities involved and the physical difficulties attending work in the tropics, and partly to obstacles which were not foreseen when the P.R.A.'s estimates were made, such as the effect of the war upon costs and availability of shipping, equipment, materials, and personnel. Therefore, it was necessary to obtain additional allotments from time to time. The last, made available on 1 February 1944, brought the total construction funds to \$42,000,000. Auditing and accounting are not yet complete and final costs have not yet been determined, but the "Project Cost Summary" for 30 April 1944, included as appendix U, gives the latest available cost data. When final figures are available, they probably will show that about \$1,500,000 of the allotted funds remain unexpended. In addition, the construction account of the project should be

credited with approximately \$7,500,000, consisting of (1) the proceeds from demobilization sales of materials, supplies, and equipment and (2) the actual value of property transferred to other Government agencies without reimbursement. Thus, the net cost of the project will approximate \$33,000,000. In addition to the above \$7,500,000, a \$2,500,000 credit will be realized from sale and transfer of mobile equipment. This, together with funds to be returned and other credits, will balance the "Revolving Fund for Purchase of Mobile Equipment" (allotment of \$4,000,000 dated 10 May 1943)."

VARIATIONS OF PIONEER ROAD FROM PAN
AMERICAN HIGHWAY ROUTE OF
P.R.A.
(see maps 1 and 2)

The Pioneer Road varies from the Public Roads Administration proposed route in the following places:

1. Naranjo to Las Cañas, Northern Costa Rica
2. Sebaco to Esteli; Northern Nicaragua
3. Rio Goascoran to San Miguel, El Salvador
4. Guatemala City to Malacatan, near Mexican border.

1. This route was selected as being easier, quicker and cheaper than the Public Roads Administration route. The Pioneer route was finally agreed to by the Public Roads Administration and the President of Costa Rica.

2, This route is 27 miles, approximately half that via Matagalpa. It was completed as an all-weather road, but was not adopted by the Public Roads Administration. However, it provides a serviceable route.

3. The Pioneer Road goes through Santa Rosa to San Miguel (a distance of 36 miles), while the Public Roads Administration proposed route goes to Sirama and thence to San Miguel, a distance of 44 miles. The Pioneer Road was completed and furnishes a serviceable all-weather highway., but the Public Roads Administration adhered to the other route.

4. The use of the existing highway between Guatemala City and the Mexican border was considered to be too steep, narrow and crooked and unsuitable for military traffic. It was also

subject to dense fogs. A location at a lower elevation was therefore selected, following Guatemala national route No. 3.

Access Roads

A number of landing fields for planes were constructed in Panama, Costa Rica, Nicaragua, and Honduras.

COSTA RICA

Access Road: Golfito to Sabalito

From a point 12 miles inland from Golfito on the Ferrocarril del Sur, a branch railroad 9 miles in length was built by the Cia Bananera de Costa Rica at a cost of \$250,000 across swampy land where a road was impossible. This railroad (from Coto Junction to Corredor), was to give access to an access highway 21 miles to Sabalito on the Costa Rican Panama border of which 9 miles were surfaced.

Dominical to San Isidro: The Army and Public Roads Administration together constructed an access road from the port of Dominical to the Highway at San Isidro del General, a distance of 25 miles.

Chomes to Guacimal: 6 miles. Chomes is on the Gulf of Nicoga. This road was surfaced.

Bebedero to Las Cañas: 10 miles, graded and surfaced.

Puerto Soley to La Cruz; 5 miles, constructed.

Honduras

An existing road from the port of San Lorenzo to Pavana and Choluleca (26 miles) was graded and surfaced.

SOURCES OF INFORMATION

1. "La Carretera Panamericana" by Carlos P. Anesi, Buenos Aires, 1938.
2. Department of State, entire file relating to the Pan American Highway and all publications of the Department relating to acts of Congress, conventions, agreements, etc., and correspondence with the United States ambassadors of the Central American countries relating to conditions of the Highway and feeder roads to May 1944.

Also, invaluable aid was given by the Department of State in preparing, drafting and printing maps, of the countries through which the Highway passes.

Much aid was given by the Division of International Conferences, the Treaty Division, Research and Publications, the library, the Translating Division.
3. Public Roads Administration, report of 1941. Facts on the proposed Inter-American Highway. Also maps.
4. Report on Mexican road condition by J. Van Ness Philip, April 7, 1943.

Reports by Mr. C. Norman Frees, Junior Economic Analyst in the American Embassy in Mexico City.

Report, United States Military Attaché, Mexico, on the Pan American Highway conditions, 1943.
5. Report by R. R. Day and John D. Fitch to Mr. Pierson, the President of the Export-Import Bank, regarding condition of the Highway from the Mexican-Guatemalan border to the Panama Canal, estimates of cost of Maintenance, September, 1943.

Report on status of loans by Export-Import Bank as of December 1943.
6. Coordinator of Inter-American Affairs, on arrangement, digest of statistical report, sources of material, etc.

Field reports of Messrs. Rugg and Belyea, on condition of the Highway etc., June 17, 1943.
7. Reports to the Pan American Union relating to the Central American Countries.

8. Report of Special Committee on Regulation of Inter-American Automotive traffic, March 2, 1943.
9. Pan American Highway Confederation: Data relating to Highway Congress, Inter-American Travel Congress, chronology, maps and charts.
10. United States Department of Commerce, Division of Latin American Transportation, 1942 reports relating to roads and railroads; maps, etc.
Report by Root, "Historic Summary of Progress on the Pan American Highway."
11. United States Department of Agriculture: reports on strategical and critical materials.
Report by Dr. E. N. Brssman on productive resources and trade of tropical Latin America.
12. United States War Department: Report on the Pioneer Road, December 11, 1943; report on strategical and critical materials by Col. A. F. Fischer and other reports on the same subject.
13. United States Navy Department: Sailing Directions for the West Coasts of Mexico and Central America, and charts.
14. Report on transit of the Darien by Richard Tewkesbury, 1940.
15. Office of Strategic Services; information as to Highway and feeder roads, etc.
16. National Highway Laws of Mexico and the Central American Countries.
17. Board of Economic Warfare.
18. United States Statutes 1923-1944.
19. Panama Canal office, Washington, D. C.
20. Various periodicals, etc. relating to Latin America.

R

MEXICAN FEEDER ROADS
CONNECTING WITH THE PAN AMERICAN HIGHWAY

<u>Nearest Point on Highway</u>	<u>Road Condition</u>	<u>Terminal</u>
Monterrey	Paved	Matamoros, Tamps.
Monterrey	Paved	Terreón, Dgo.
V. Juarez to Mexico City	Paved	Tampico, Tamps.
A. Morelos	Paved	Guadalajara, Jal.
Ixmiquilpan	All-weather as far as Rancho Grande. Remain- ing section of about 125 miles to Durango to be all-weather by end of 1944.	Durango, Dgo.
Pachuca and Mexico City	Transitable practically all year.	Tuxpan, Ver.
Matamoros, Pue., and Mexico City	Paved	Veracruz, Ver.
Tuxla, Gutierrez	All-weather and seasonable but in use the entire year	Pichucalca (this road is to be extended to V. Hermosa)
Oaxaca	Dry-weather, but used practically all year	Puerto Angel, Oax.
Mexico City	Paved	Acapulco
Mexico City	All-weather, Tepic to Tequila; paved Tequila to Mexico City	Tepic, Nay. through GuadlaJara
Monterrey	All-weather to Cer- ralvo, remaining portion dry-weather.	Roma, U.S.A.

<u>Nearest Point on Highway</u>	<u>Road Condition</u>	<u>Terminal</u>
Mexico City	All-weather	Nautla
C. Victoria	Paved and all- weather to San Fernando; remain- ing portion seasonal.	Matamoros, Tamps.
Valles	All-weather for approximately 53 miles the remaining 150 or so miles dry-weather	Tampico

GUATEMALA

Feeder Roads

<u>Nearest Point on the Highway</u>	<u>Condition</u>	<u>Terminal</u>
*Quetzaltenango	See note	Huehuetenango
Los Encuentros	All-weather	Cuhén (or Sacapulas)
Guatemala	All-weather	Cobán (Extended to Sebol as probably a dry-weather road)
*Guatemala	All-weather to Sanarate, balance dry-weather	Rio Hondo and 10 miles further on road to Puerto Bar- rios, also to Zacapa.
** Malacatán	All-weather Pioneer Road via Esquintla Designated by the President of Guatemala as the International Highway of the Pacific.	Guatemala City
*Don Justo	See note	Ipala
*El Progreso	See note	Jalapa
*Cuilapa	See note	Chiquimulillo
Esquintla (on Pioneer Road)	All-weather	Chiquimulillo
Guatemala	All-weather	Puerto San José
Guatemala	All-weather	Esquintla (On the Pioneer Road)
Chimultenango	All-weather	Esquintla (on the Pioneer Road)
*Godinez	See note	Palmira (on Pioneer Road)
Quetzaltenango and Retalhuleu (On the Pioneer Road)	See note	Port of Champerico

*Note: The roads marked with an asterisk are used all the year by men on business but not considered in proper condition for the average tourist during the wet season. The above data on roads in Guatemala was submitted to the Department of State from the United States Embassy in Guatemala, May 18, 1944.

** The Pioneer Road from Malacatán on the Pan American Highway to Ayutla, Escuintla, and Guatemala is rated as all-weather although certain construction, as to bridges, etc. is still under way.

EL SALVADOR

<u>Nearest Point on the Highway</u>	<u>Condition</u>	<u>Terminal</u>
Santa Ana	All-weather	Port of Acajutla
Colón and San Salvador	All-weather	Port of Acajutla
San Salvador	All-weather	Port of La Libertad
San Salvador	All-weather	Zacatecoluca
San Miguel	All-weather	Goascoran
San Miguel	All-weather	San Francisco
San Salvador	Probably tran- sitable all year.	Chalatenango

Road condition from the C.S.S. information 1943, and from the United States Embassy, May 20, 1944.

HONDURAS

Feeder Roads

<u>Nearest Point on the Highway</u>	<u>Condition</u>	<u>Terminal</u>
✓ Jicara Galan	All-weather	Tegucigalpa
✓ Jicara Galan	All-weather	San Lorenzo
✓ *Tegucigalpa	All-weather	Danlí
"	All-weather	San de Flores
"	All-weather	Lepaterique
"	All-weather road to Petrerillos and by railroad to Puerto Cortés.	Puerto Cortés

* As Tegucigalpa, the capital, is connected with the Pan American Highway at Jicara Galan by an all-weather road, it is considered as part of the Highway system.

In response to an airgram sent to the Embassy on April, 20, 1944 for information as to road conditions in Honduras, the only road noted as all-weather is the road from Tegucigalpa to San Lorenzo. This was undoubtedly due to a misunderstanding as to what was wanted.

The road condition of the other roads is taken from O.S.S. information received by them from Honduras in 1943.

NICARAGUA

Feeder Roads

<u>Nearest Point on the Highway</u>	<u>Condition</u>	<u>Terminal</u>
Pueblo Nuevo	Dry-weather	Ocotal
Esteli	Dry-weather	El Sauce
Esteli	Pioneer Road connection all-weather.	Sebaco
San Benito	All-weather	La Cruz
San Benito	Dry-weather, under construction for all-weather At- lantic Highway	Rama
Managua	Dry-weather	Granada
Diriamba	All-weather	Masaya
Nandaime	All-weather	Granada
Rivas	Dry-weather	San Juan del Sur
Jinotepe	All-weather and dry-weather	Casares
Casa Colorado	All-weather	Port of Masachapa
Sebaco	All-weather from Poneloya to León, balance dry-weather	Poneloya
Esteli	Dry-weather	El Sauce

(Data of May 16, 1944, from United States Embassy)

COSTA RICA

Feeder Roads

<u>Nearest Point on the Highway</u>	<u>Condition</u>	<u>Terminal</u>
Naranjo	Partly all-weather	La Marina (North of Villa Quesada)
Heredía	All-weather	Volcan Poas
San José	All-weather	S. I. de Coronado
Cartago	All-weather	Volcan Irazu
Cartago	All-weather	Turrialba
San Isidro del General	All-weather, access road	Punta Dominical
San José	All-weather	San Isidro d' Acosta
San José	All-weather	Puriscal
Esparta	Seasonal but in use practically the entire year.	Port of Punt- arenas
Guacimal	Transitable pre- sumably all the year.	Chomes
Las Cañas Bebedero	Transitable pre- sumably all the year.	Bebedero Las Cañas
Cañas Gordas	An access pilot road at end of railroad has been opened but is transitively doubtful.	Port of Golfito
La Cruz		Puerto Soley

Data to May 1944 as corrected by
the Public Roads Administration
official and forwarded by the U. S.
Embassy in Costa Rica.

PANAMA

Feeder Roads

<u>Nearest Point on Highway</u>	<u>Road Condition</u>	<u>Terminal</u>
Panama City	Paved and All- weather	Colón
Panama City	All-weather	Chepo
Chorrera	All-weather	Paja
Point West of San Carlos	All-weather	El Valle
Anton	Practically all-weather	Puerto Obaldia
Divisa	All-weather	Puerto Mensabe
Point West of Divisa	All-weather	Ocu
Santiago	All-weather	San Francisco
Chiriqui	All-weather	Gualaca
David	*All-weather con- struction expected to be completed by the end of this year	Boquete
David	All-weather	Pedregal
David	All-weather ex- cept a short period of the year.	Divala

* This is to be an Atlantic to Pacific road, but the section from Boquete to Robale to be at present only as a horse trail.

Very complete data by the Commercial Attaché, Mr. R. B. Sowell, and forwarded to the Department by the embassy, May 5, 1944.

Mexican Railroad Connections
with the Highway

<u>Nearest Point on Highway</u>	<u>Terminal</u>
Monterrey	Matamoros, Tamps.
Monterrey	Durango
Monterrey	Chihuahua
Valles and to Monterrey and Mexico City	Tampico
Valles	San Luis Potosí
Mexico City	Durango
Mexico City and Matamoros, Pue.	Vera Cruz
Mexico City	Balsas
Mexico City	Port Manzanillo and Guadalajara
Oaxaca	Tehuacán
Tehuantepee	Puerto Mexico
Tehuantepec	Salina Cruz
Tehuantepec	Arriaga
Tapachula	Arriaga

Nearest Point
on the HighwayTerminals

Nicaragua continued:

Managua

El Sauce through León

Managua and Diriamba

Granada

COSTA RICA

Cartago and San José

Puerto Limón

Esparta and San José

Port of Puntarenas

PANAMA

Concepción

Puerto Armuelles through
Divala and Progreso

David

Boquete

David

Pedregal

Panama City

Colón

Panama City

Cristóbal

RAILROADS HAVING DIRECT CONNECTION
ON THE PAN AMERICAN
HIGHWAY

137

GUATEMALA

Nearest Point
on the Highway

Terminals

Guatemala City and Santa Ana,
El Salvador

Puerto Barrios

Guatemala City

Port of San José

Ayutla on the Pioneer Road and
Tapachula, Mexico

Port of Oscós

Retalhuleu on the Pioneer Road and
Guatemala City

Port of Champerico

EL SALVADOR

San Salvador

Port of Acajutla

Sirama and San Salvador

Port of La Unión

Santa Ana

Metapan

Ilopango

Texistepeque

HONDURAS

Jicara Galan through Tegucigalpa.
This connection is by road to
Petrerillos and thence by rail-
road.

Puerto Cortés, which is
connected with the fol-
lowing ports by railroad.
These ports are on the
Caribbean: Tela, La Ceiba,
Balfate, Trujillo and
Cabo Camarón.

NICARAGUA

Managua

Puerto Morazán

Managua

Port of Corinto

Rivas

Port of San Juan del Sur

Rivas

San Jorge on Lake Nicara-
agua

MEXICAN PORTS HAVING CONNECTION
WITH THE PAN AMERICAN HIGHWAY

(Principal ports designated
by an asterisk)

East Coast

Matamoros (Brownsville):

Brownsville, U.S.A., opposite Matamoros on the Northern side of the Rio Grande, is the port for Matamoros, Tamps. It has 1,600 feet of wharves and ample facilities for all ships. The canal to the Gulf of Mexico has 28 feet of water. The Rio Grande is not navigable to Brownsville. Matamoros is connected with the Highway at Monterrey by both road and railroad.

* Tampico:

Harbor consists of 15 miles of Panuco River. There are 10,300 feet of public and private wharves with depth alongside 26 to 30 feet. Road connection with highway at V. Juarez and railroad connection at C. Victoria, and Valles and Mexico City.

* Veraacruz:

Protected harbor. 14,340 feet of piers and wharves. Has an aggregate of water depth from 15 to 30 feet alongside. Road and railroad connection with Highway at Mexico City and with Matamoros, Ptas.

* Puerto Mexico:

Free port, on the Coatzacoalcos River. Vessels can lie alongside wharves with depth of water 21 to 28 feet. Railroad connection with Highway at Juchitán and with Salina Cruz on the Pacific.

West Coast

Puerto Madero:

Six fathoms about 1-1/2 miles from shore. Cargo worked by small lighters. ~~XXXXXXXX~~
~~XXX~~ Road connections with Highway at Tapachula.

" "

* Salina Cruz:

There is a protected basin with the quays, and dry dock. Depth of water alongside, 32 feet. Facilities recently put in order. Road and railroad connections with the Highway at Tehuantepec, and railroad connection with Puerto Mexico on East coast.

" "

Puerto Angel:

Protected during the dry season with good anchorage for small vessels. Depth of water, 4 to 7 fathoms. Larger vessels can anchor in 10 fathoms further out. Road connection with the Highway at Oaxaca about 100 miles distant.

" "

* Acapulco:

Has a protected harbor. 500 yard mole fronting town. Depth of water alongside, 18 feet. Also fiscal wharves, depth water 10 to 28 feet alongside. Highway connection at Mexico City and Matamoros, Pue. by road.

" "

Manzanillo:

protected
 Has a harbor protected by a breakwater. Wharf 425 feet long. Depth alongside 18 feet. Cargo worked by ships gears. Standard Oil wharf, 24 feet water alongside. Cargo also worked by lighters. Railroad connections with the Highway at Mexico City.

Other Mexican principal ports with no highway connection:

West Coast:

Ensenada:

Port of entry for lower California. Piers small. Cargo worked by lighters from anchorage. Landing difficult due to heavy swell. In 1943 it is reported that a new pier is under construction in a sheltered cove.

Mazatlan:

Open roadstead. Commercial center of the West coast of Mexico and most important city between San Diego and Panama. Small warves. Cargo handled exclusively by lighters.

East Coast:

El Progreso:

Open Roadstead. Principal port of entry for Yucatan. New pier one mile long with railroad track under construction. 17 feet water alongside. Lighters available.

PORTS

(Principal ports designated by asterisk)

Guatemala

East Coast

*Puerto Barrios: Protected Harbor.

Pier 2,200 feet long, depth alongside, 17 to 18 feet. Direct railroad connection with the Highway at Guatemala City, and at San Salvador, El Salvador.

West Coast

*San José:

Open roadstead. Ships have to anchor about a mile off shore in 9 to 13 fathoms. Cargo worked by lighters to end of 907 foot pier. Pier has a depth of approximately 30 feet of water at outer end. Connection with Highway by road and railroad at Guatemala City.

" " *Champerico:

Open roadstead. Cargo worked by lighters. Pier 350 yards long with 15 feet water outer end. Road and railroad connection on the Pioneer Road at Retalhuleu and with the Pan American Highway at Guatemala City.

" " Ocós:

Open roadstead. Only way to land passengers and cargo is by means of surf boat. Railroad connection at Ayutla on the Pioneer Road.

El Salvador

West Coast

*La Unión:

Protected harbor. Principal port of entry to El Salvador. Concrete pier 980 feet long, 30 feet of water outer end. Vessels unload alongside. Road connection on the Highway at Sirama. Road and railroad connection with San Miguel on the Highway. Also, highway and railroad connection with San Salvador, the capital of El Salvador.

El Salvador, continued:

West Coast

*La Libertad:

Open roadstead. Pier 250 yards long for unloading cargo worked by lighters. Good road connections with Highway at San Salvador. Port for San Salvador, the capital

" " *Acajutla:

Open roadstead with pier 960 feet long, 9 feet of water at outer end. Cargos worked by lighters. Road and railroad connection with San Salvador and by road to Santa Ana on the Highway.

Honduras

East Coast

*Puerto Cortés:

The harbor protected from Northerners, but southwest winds ~~make~~ landing difficult except at the wharf. Great caution necessary on account of shoals in approaching the port. Chief port of Honduras. Main wharf 970 feet long. Depth of water alongside, 27-1/2 feet. Served by railroad to Porterillos and thence by road to Tegucigalpa and Jicara Galan on the Highway.

West Coast

*Amapala:

Protected harbor. Port for San Lorenzo and Tegucigalpa, the capital. Pier 400 feet long with 11 feet water at outer end. Cargo worked by lighters. As Amapala is on Tigre Island, goods are transported to the mainland by lighters and boats. Highway connection at Jicara Galan and with Tegucigalpa by road.

Nicaragua

East Coast

Bluefields:

Wharf 500 feet long; 13 feet water alongside.

Nicaragua continued:

Bluefields, continued:

To be connected with San Benito on Highway and Managua by the Atlantic Highway or Rama road under construction.

West Coast

San Juan del Sur:

Partially protected harbor. Small pier. Cargo worked from anchorage by lighters. Connected with Rivas by road and railroad.

" " *Corinto:

Protected port. Pier 913 feet. Depth of water, 20 to 30 feet on sides of pier. Principal Pacific port for Nicaragua. Railroad on pier. Railroad connection with Managua.

" " Morazan:

Protected harbor. Not given in the "Sailing Directions", U.S.N., but as this port has a railroad connection on the Highway at Managua, it must be considered of some importance. Freight could be ferried from the railhead in El Salvador at the port of La Unión across the bay of Fonseca to the railhead at the above port and thence to Managua, the capital of Nicaragua.

Costa Rica

East Coast

*Puerto Limón:

Safe and easy access presumably protected principal port of Costa Rica. Two wharves both served by railroads. Water from 25 to 36 feet on outer and inner side. Wharfhead T, 1050 feet long. Connected by rail with Cartago and San José, the capital, both on the Highway.

West Coast

Golfito:

Land locked harbor. Dock and facilities

Costa Rica, continued:

Golfito, continued:

recently built by fruit company. Has connection with Canas Gordas on the Projected Highway route. Part way by rail and the rest by partly constructed pilot road.

West Coast

Dominical:

Open roadstead. No information in "Sailing Directions", U.S.N. Cargo worked by lighters. There is an access all-weather road to San Isidro del General on the projected Pan American Highway route.

" " *Puntarenas:

Inner harbor for small vessels land-locked. Roadstead open to the South; otherwise, there is some protection. Only port of importance on the Pacific in Costa Rica. L-shaped mole 1,130 feet long. Wharf on each side of outer arm. Depth of water each wharfhead, 30 to 33 feet. Railroad connection with Esparta on Highway and also San José, the capital. Road connection with Esparta very poor.

Panama

East Coast .

Cristóbal and Colón:

Protected by breakwaters. Cristóbal Mole extends for 1,200 yards in a westerly direction and has a width of about 200 feet. Three piers on southern side each about 1,000 feet in length and 200 feet wide. 27 to 41 feet water alongside. Railway tracks on pier. There are two wharves at Colón; the one in general use has a depth alongside ranging from 18 to 27 feet. Connected with the Highway by road and railroad at Panama City.

Panama continued:

West Coast

Panama City:

Several piers, all small and dry at low water, and only available for small vessels and lighters.

" * Balboa:

Protected harbor. Berths for 24 vessels with ample depth of water and facilities for all classes of vessels. Immediate connection with the Highway at Panama City.

" " Pedregal:

Protected harbor on the Rio Pedregal. Wharf for small steamers drawing less than 10 feet. Connected with the Highway at David by road and railroad.

" " *Puerto Armuelles:

Protected harbor. Pier 475 yards long with 500 feet berthing space. Water depth alongside, 36 feet. Important shipping point for bananas and other products. Connected by railroad with the Highway at Concepción.

Note: See maps (exhibit T) following.

§ 145

PAN AMERICAN HIGHWAY

Short Account
May 1944

From the border of the United States and Mexico to the Canal Zone in Panama by using section of the Pioneer Road where the Pan American Highway is not completed.

Mexico:

From the border of the United States and Mexico at Laredo, Texas, to the border of Mexico and Guatemala near Tapachula, Mexico via Puebla, the route now in use, the distance is 1,763-1/2 miles. This route through Puebla is 15 miles longer than the one given in the table, (exhibit "N"), which gives the route through Cuautla, on the established line of the Pan American Highway, a part of which is only a dry-weather road.

The Highway passes through Mexico City 762 miles from the border on an all-paved road. From Mexico City to Las Margaritas, a small town 62-1/2 miles South of Oaxaca and 404 miles South of Mexico City, the Highway is all paved except for a section of 152-1/2 miles which is a gravel-surfaced all-weather road on the north and south side of Oaxaca. The above section of the Highway has an uninterrupted stretch of paved and all-weather road for 1193 miles. The time to travel by motor is 30 hours.

From Las Margaritas to Tapachula, a distance of 603 miles, it is not transitable by motor in the wet season, except from Arriaga to Chiapa.

From Tapachula, the Highway is paved to the Talisman Bridge on the border of Guatemala, a distance of 11 miles.

It is possible in the dry season, however, to motor from Tehuantepec to Arriaga by indifferent dry-weather roads, a distance of approximately 100 miles.

From Arriaga to Chiapa, a distance of 104 miles, an all-weather road exists in good condition. From there on through San Cristóbal, Comitán to Motocintla, a distance of about 227 miles, the route is transitable in dry season, though part of the road south of Comitán to Motocintla is more or less a trail used only by local planters. The total distance from Tehuantepec to Motocintla is 431 miles.

In order to cover this part of Mexico by car, it would be necessary to ship the car by train from Córdoba to Tehuantepec or to Arriaga, in case it was not desired to motor over the poor roads from Tehuantepec to Arriaga. After reaching Motocintla, there is nothing to do but go back over the same route to Arriaga. At Arriaga the car would have to be shipped by train to Tapachula if a trip by motor was contemplated to the south through Guatemala, El Salvador, Honduras and Nicaragua. The border between Nicaragua and Costa Rica would end continuous motoring on an all-weather road. In the dry season it is possible to cross Costa Rica as far as 46 miles south of Cartago with a stout high-clearance car, as there is a section some 15 miles long between Sapoá, Nicaragua and La Cruz, Costa Rica that is a trail only, yet is traversed by jeeps.

Guatemala:

The distance to cross is 300 miles. Motoring time, approximately 14 hours. From the Mexican border at the Talisman Bridge to the border of San Salvador at San Cristóbal, there are two routes; one by the National Highway which is accepted as the Pan American Highway route direct to Guatemala City and then on by the Pan American Highway to the border of El Salvador. This route passes over very mountainous country at one point reaching 10,500 feet between the Mexican border and Guatemala City. It is passable all the year but very rough in places. The other route is on the Pioneer Road built by the Army at a much lower elevation and nearer the Pacific and joining the Pan American Highway at Guatemala City where it follows the established line of the Pan American Highway to the border of El Salvador. It is passable and called an all-weather road, but not yet finished. This section of the Pioneer Road was traversed by an Army officer in an automobile in 8 hours during March 1944.

El Salvador:

El Salvador has a paved and all-weather road to San Salvador, the capital, and then to the border of Honduras by using the Pioneer Road from San Miguel to Goascoran, a distance totaling 186 miles to cross El Salvador. Time to travel by motor, 6 hours approximately.

Honduras:

95 miles and time to motor, 3-1/2 hours. Again, a good

all-weather road to the border of Nicaragua with the exception of seven miles near the Nicaraguan border which the Public Roads Administration resident engineer expects to keep open during the wet season. The capital, Tegucigalpa, is connected with the Pan American Highway at Jicara Galan by an all-weather road. The border into Nicaragua is crossed near San Marcos.

Nicaragua:

Nicaragua has two stretches aggregating 20 miles of very good dry-weather road near the border of Honduras having a certain amount of stone base that can be traversed in almost all weather, but not quite good enough to be described as an all-weather road. The balance of the Highway, by using the Pioneer Road section between Estelí and Sebaco, which shortens the over-all route by 24 miles, is paved or gravel-surfaced to Managua, the capital. The accepted route of the Pan American Highway is to be from Condega or Estelí to Jinotega, Matagalpa and Sebaco. 53 miles of this route is trail and not transitable. From Managua to the border of Costa Rica at Sapoa the Highway is all-weather. Distance 233 miles via the Pioneer Road section, time 9 hours 20 minutes to travel by motor.

Costa Rica:

A distance of 383 miles. In the dry season it is possible to motor from Sapoa on the border of Nicaragua to San Ramon by a dry-weather road a distance of 152 miles except as noted before. This section of the road has been traversed several times by officials of the Public Roads Administration in a

station wagon. Where it is transitable, it should not be undertaken by tourists except those looking for adventure. From San Ramon there is an almost entirely paved road to Cartago, 61 miles, passing through San José, the capital. From Cartago, an all-weather road exists to Angostura near Nivel, a distance of 46 miles. Total mileage traversable in dry weather is 250 miles. From Nivel, near Angostura, to the border of Panama construction is going on, but only a trail exists and is not transitable. Distance, 124 miles.

Panama:

Length of Pan American Highway, 377 miles. From the border of Costa Rica to El Volcan, 33 miles, a pilot road was opened by the Army for the Pioneer Road, yet it must be characterized as a trail only and not transitable. From El Volcan to Panama City, a distance of 344 miles, (time to travel, 13 hours) an all-weather road in very poor condition exists as far as Santiago, 182 miles. From Santiago to Panama City, a distance of 162 miles, the Highway is paved. Should it be desired to travel by motor in Panama it would be necessary to ship the car by boat from the Port of Puntarenas, Costa Rica to Balboa, Panama. If a coastal steamer less than 10 feet draft is obtainable at Puntarenas, the automobile could be shipped to the port of Pedregal which is connected by an all-weather road with the Pan American Highway at David about 6 miles distant. The motorist would then be able to travel the entire Highway from David to Panama City.

From Panama City the Isthmus is crossed by the Trans-Isthmian

Highway to Colón. This route is not completed as to paving, so that for part way another route must be followed. The present route used, however, is paved the entire length.

Time necessary to cross the Isthmus is from 1-1/4 to 1-1/2 hours. The distance about 50 miles.

South of Panama City there extends an all-weather road to Chepo in the Darien for a distance of about 38 miles.

T

SOURCES OF MAPS.

O.S.S. (War Department)

State Department Maps

Coordinator of Inter-American Affairs

Department of Commerce

Department of Agriculture

Navy Department

Pan American Union

Pan American Highway Confederation

United States Embassy in Mexico (May 1944)

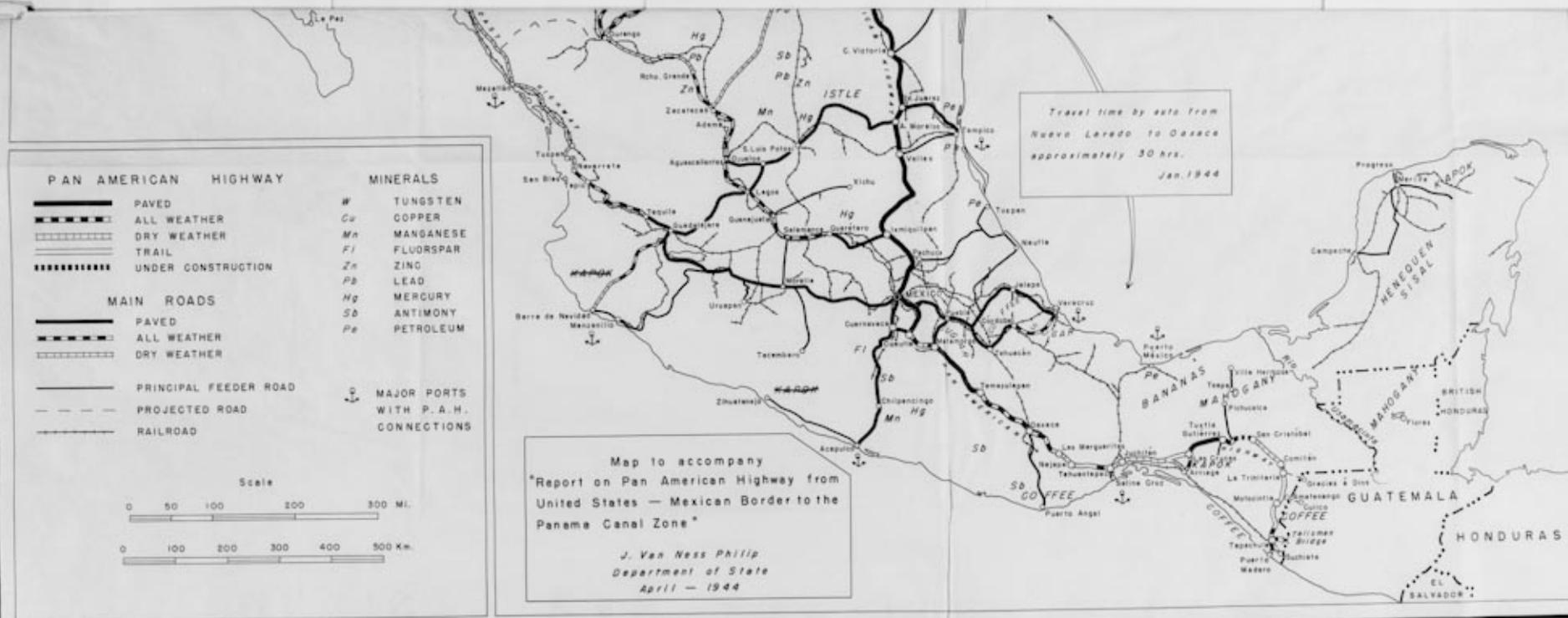
United States Embassies in Central America

Representatives of Public Roads Administration in
Central America *May 1944*

Latest maps published by Mexico and Central American
Countries

Maps published by National Geographic Society and
Others.

THIS OVERSIZI ITEM HAS BEEN
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Drawn in the Department of State, Division of Geography and Cartography, May 5, 1944 1294 G.

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Luis, 1944 + 1945 + 1946

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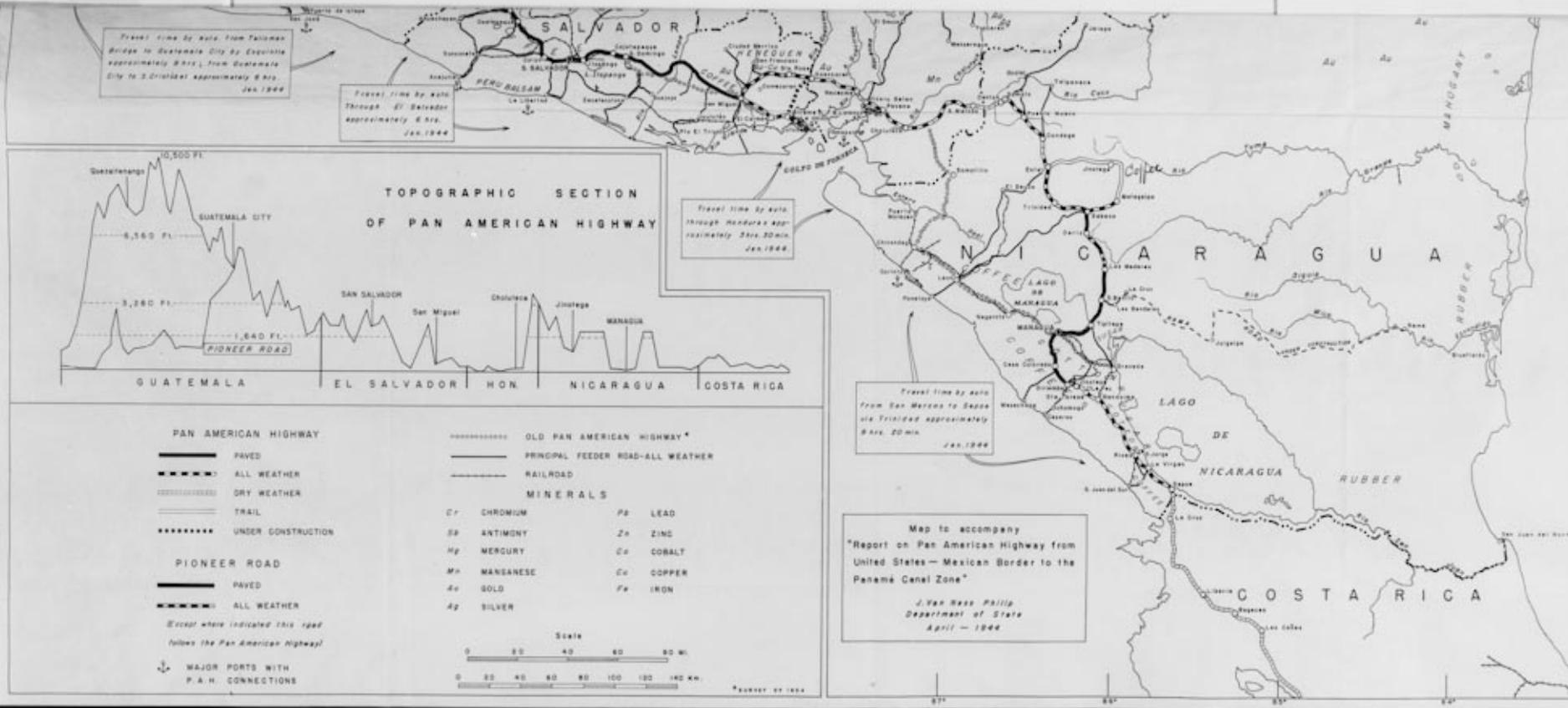
PROVISIONAL

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substituted for this map showing
products and airports.

AMERICA: PAN AMERICAN HIGHWAY PART I



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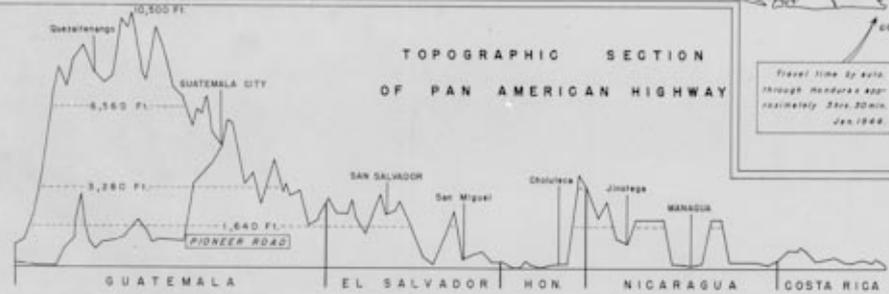
Travel time by auto from Yajalon Bridge to Guatemala City by Escuintla approximately 6 hrs.; from Guatemala City to 2. Cristóbal approximately 8 hrs. Jan. 1944

Travel time by auto through El Salvador approximately 6 hrs. Jan. 1944

Travel time by auto through Honduras approximately 3 hrs. 30 min. Jan. 1944

Travel time by auto from San Marcos to Soconusco via Triunfo approximately 9 hrs. 20 min. Jan. 1944

TOPOGRAPHIC SECTION
OF PAN AMERICAN HIGHWAY



PAN AMERICAN HIGHWAY

- PAVED
- ALL WEATHER
- DRY WEATHER
- TRAIL
- ***** UNDER CONSTRUCTION

PIONEER ROAD

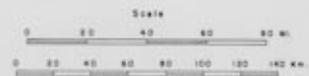
- PAVED
 - ALL WEATHER
- Except where indicated this road follows the Pan American Highway!*

MAJOR PORTS WITH P. A. H. CONNECTIONS

- OLD PAN AMERICAN HIGHWAY*
- PRINCIPAL FEEDER ROAD-ALL WEATHER
- RAILROAD

MINERALS

- | | | | |
|----|-----------|----|--------|
| Cr | CHROMIUM | Pb | LEAD |
| Sb | ANTIMONY | Zn | ZINC |
| Hg | MERCURY | Co | COBALT |
| Mn | MANGANESE | Cu | COPPER |
| Au | GOLD | Fe | IRON |
| Ag | SILVER | | |



Map to accompany
"Report on Pan American Highway from
United States—Mexican Border to the
Panamá Canal Zone"
J. Van Ness Phillips
Department of State
April - 1944

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PROVISION

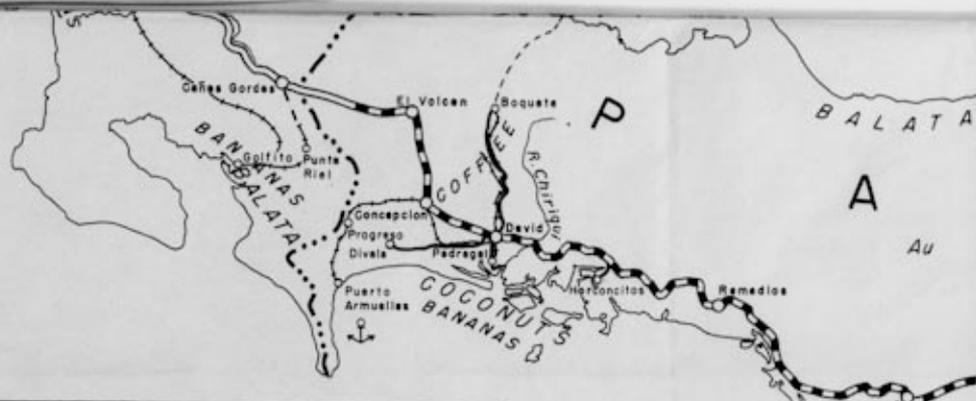
A new and complete map will be
substituted for this map showing
products and airports.

*and some small changes in
routes*

RAL AMERICA: PAN AMER



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PAN AMERICAN HIGHWAY

- PAVED
- ALL WEATHER
- DRY WEATHER
- TRAIL
- UNDER CONSTRUCTION

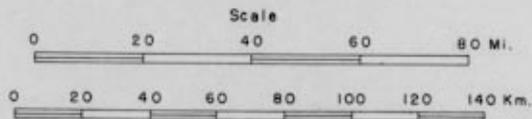
*(Pioneer Road follows route of
Pan American Highway)*

- MAJOR PORTS WITH
P. A. H. CONNECTIONS

- OLD PAN AMERICAN HIGHWAY*
- PRINCIPAL FEEDER ROAD-ALL WEATHER
- RAILROAD

MINERALS

- Mn* MANGANESE
- Au* GOLD
- Pb* LEAD
- Zn* ZINC
- Cu* COPPER



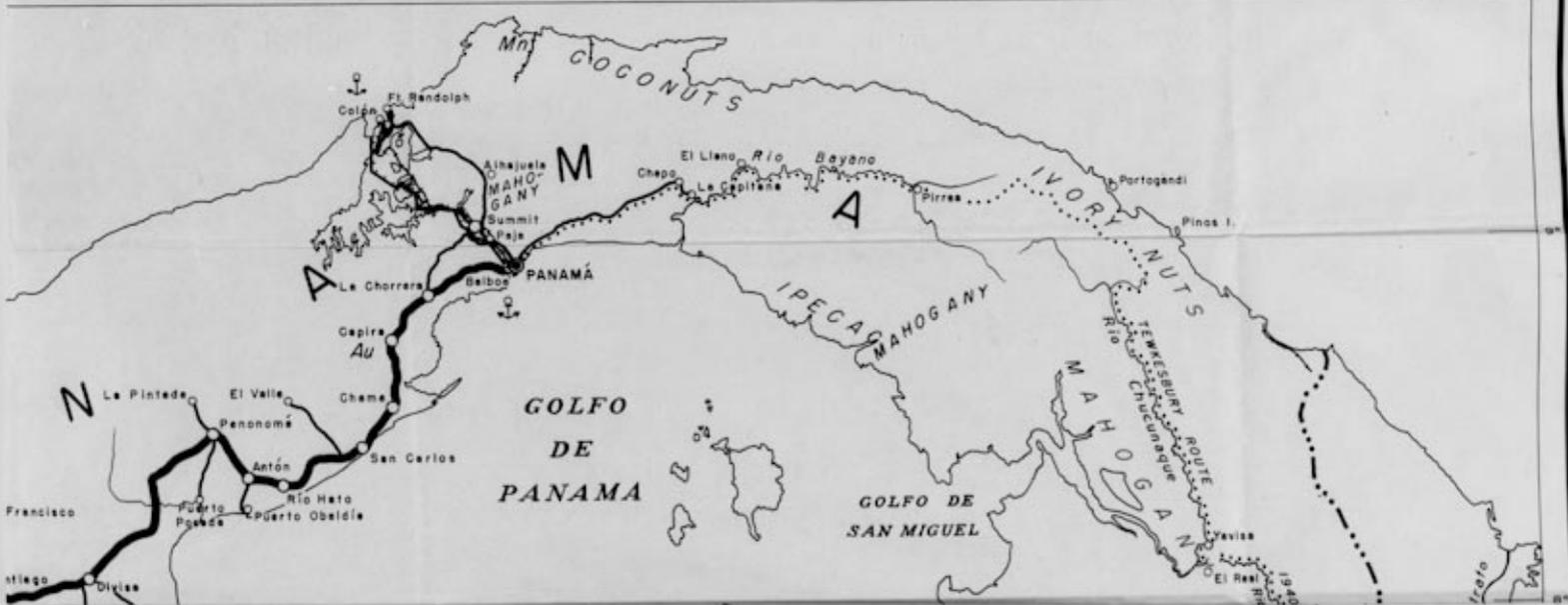
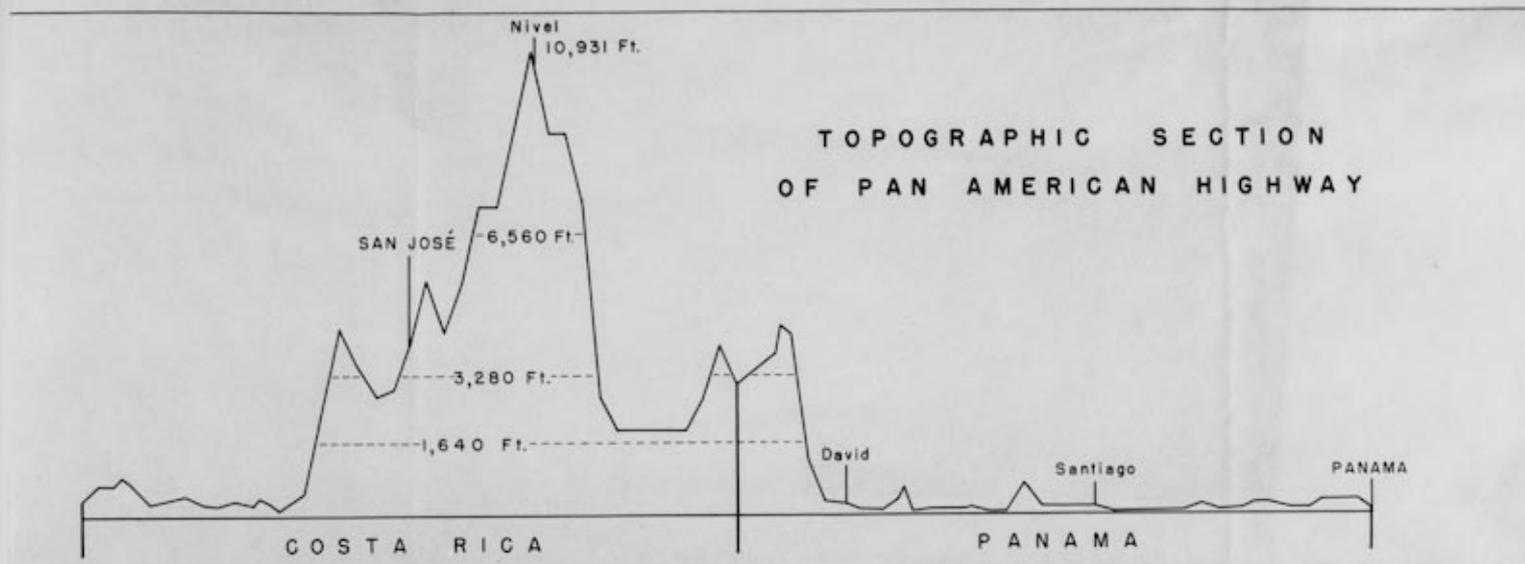
* SURVEY OF 1934

Drawn in the Department of State, Division of Geography and Cartography, April 13, 1944 1269D

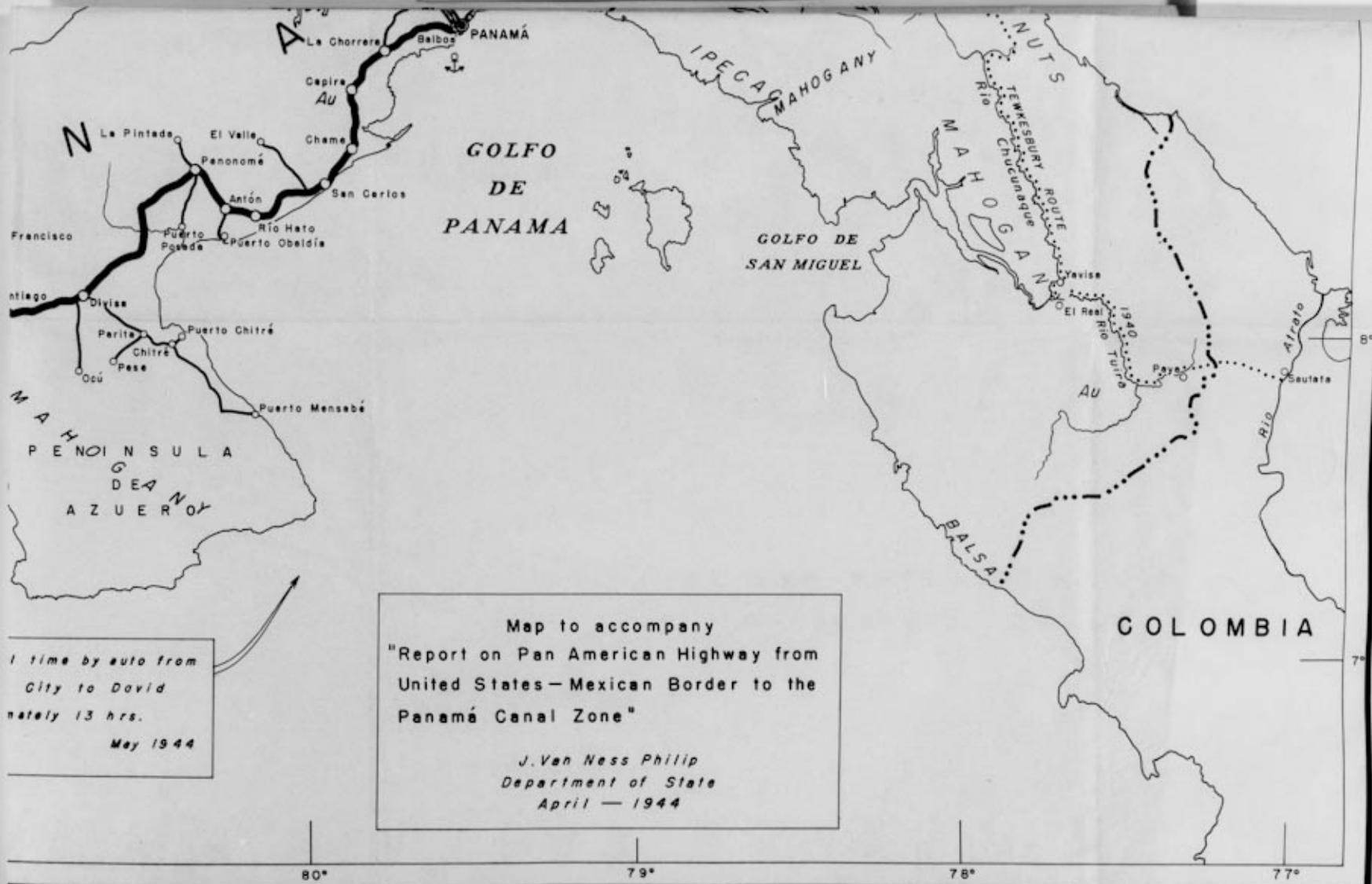
*12-02-9
DPT on Pan Am Highway*

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PAN AMERICAN HIGHWAY PART 2



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LITHO. A. HOEN & CO. INC.

**PAN AMERICAN HIGHWAY
FINANCE AUTHORITY**

**RECOMMENDED IN A REPORT
of the
PAN AMERICAN HIGHWAY
FINANCE COMMITTEE**

**Appointed in accordance with the
Convention on the Pan American Highway
signed at the
Inter-American Conference for the Maintenance of Peace**

**PAN AMERICAN UNION
Washington, D. C.**

U
V

At the request of
**THE PAN AMERICAN HIGHWAY
FINANCE COMMITTEE**

This Report is printed by the
**PAN AMERICAN
HIGHWAY CONFEDERATION**

**Pan American Union
Washington, D. C.**

REPORT OF THE FINANCE COMMITTEE ON THE PAN AMERICAN HIGHWAY

Two reports earlier prepared by this Committee discussed the estimated cost of the Pan American Highway and suggested for the consideration of the several Governments and forthcoming international conferences methods of financing its early construction.

In a report dated October 26, 1938, the Committee estimated the cost of completing the Highway from the United States-Mexico border to the Panama Canal to be \$78,000,000.00.

The Committee is pleased to report that substantial confirmation of its estimates have been received from certain Governments, and that no information has been received which leads the Committee to revise materially its earlier estimates of the cost of the project, considering the type of highway contemplated.

In its report of November 23, 1938, the Committee presented to the several Governments, members of the Pan American Union, several proposed methods of financing further construction of the Highway. These plans at one time or another had been laid before the Committee for its consideration. It was believed that an outline of these proposed methods of financing would facilitate the observations of the Conferences and the Governments. The report of the Committee further set forth certain basic considerations which the committee believed requisite to any fiscal policy on which the Governments might embark for the purpose of completing the construction of the Pan American Highway.

The report of October 26, 1938, and the report of November 23, 1938, were submitted to the Eighth International Conference of American States at Lima, opening December 9, 1938. The Lima Conference referred the reports of the Committee to the Third Pan American Highway Congress meeting at Santiago, Chile, January 11, 1939.

The Santiago Congress, comprised of official representatives from the several Governments, received the reports of the Committee, gave them careful consideration, and presented for the information of the Governments and of the Committee a resolution outlining in some detail a proposed method of financing the Highway.

Examination of the resolution of the Santiago Congress reveals a striking similarity between the recommendations of the Congress and one of the plans advanced by the Committee in its report of November 23.

Certain basic agreements between the Resolution of the Third Pan

American Highway Congress and Plan III-B of the Report of the Finance Committee are at once apparent. This plan calls for the creation of an intervening corporation in which the several Governments may cooperate.

The Santiago Congress recommends "to the Finance Committee and to the Governments who need to finance the Pan American Highway System, that they consider the desirability of creating among themselves as soon as possible, a non-profit finance organization in which all interested Governments can cooperate on a basis of absolute equality."

The Committee suggested a corporation with "power to hold titles to property, to make contracts, to receive bonds from Governments, to issue bonds in its own right, and to appoint officers and agents at a fixed compensation."

The Santiago Congress recommends a corporation empowered to issue bonds or certificates guaranteed with the credits or bonds of the various participating Governments, such a corporation to guarantee with its own signature the payment of loans, to subscribe, purchase, sell and negotiate the bonds which the participating Governments may issue for this purpose, and that in general the corporation shall assist those Governments requesting aids "to obtain the necessary credits for the completion of their respective portions of the Highway."

The Committee is gratified to find the recommendations of the Congress paralleling so closely one of the plans proposed for financing the Highway, and inasmuch as the Congress may be assumed to be representative of the opinion of the several Governments, and inasmuch as the resolution represents the studied conclusions of the official delegates of these Governments, the Committee must believe that such a plan is acceptable to the several Governments. It therefore reaches the conclusion that a plan embodying the essentials of one of its proposals and the recommendations of the Santiago Congress is most likely to meet with the general approval of the Governments members of the Pan American Union who may need assistance in financing the early construction of the Pan American Highway.

The Committee further is gratified to find that the Santiago statement conforms in many important particulars with the basic principles laid down in its earlier report.

In the Committee's opinion these principles are so important that they will bear review at this time.

Particularly, the Committee proclaims the need for cooperative action by the several countries if the benefits accruing from the Highway are to be realized in this generation. Cooperative action would seem to imply the international application of the principle of Federal aid by

which those countries of the group in a position to do so would lend credit and counsel to those countries requesting such cooperation.

The Committee insists that any fiscal policy with reference to the Highway must involve a plan in which all the countries may participate according to their respective needs. And it is plain to the Committee that any fiscal policy must be essentially one of credit, each country retaining responsibility for and pride of accomplishment in the completion of its portion of the Pan American Highway.

Equally apparent to the Committee is its contention that "any plan for an early completion of the Highway must not too seriously deplete the present finances of the country nor act as a barrier to the construction and maintenance of lateral or feeder roads," implying thereby the need for long term financing.

If a cooperative plan is to be followed, the Committee believes adequate structural standards should be established, with provisions for maintenance and operation of the Highway during the life of any loan obtained for its construction.

It is the belief of the Committee that those countries which have enjoyed the greatest experience in highway finance, construction and maintenance should, in the best tradition of Pan American unity, now contribute advisory services and supervision, and that these services and supervision should be sought and welcomed by the countries accepting credit for the immediate construction of their respective portion of the Highway. Such a provision, adhering to accepted principles of Pan American solidarity, is found in the Convention for the creation of a Technical Commission on the Pan American Highway, proposed at the Buenos Aires Peace Convention of December, 1936, which also created the Pan American Highway Finance Committee.

The Committee therefore recommends for the consideration of the several Governments:

1. The creation of an intervening non-profit corporation for the purpose of assisting in the obtaining of credit to finance the purchase of goods, machinery and materials to be used in the construction of the Pan American Highway, or any highway a part of the Pan American Highway System. This corporation may be called the Pan American Highway Finance Authority, the Pan American Highway Finance Commission, or by other appropriate title.

2. The corporation shall be governed by a board of directors. Each country seeking credit through the corporation shall be entitled to one director on the board, and each country lending credit, goods, machinery or materials, shall be entitled to one representative on the directorate of the corporation; but in no event shall any country be entitled to more

than one member on the board of directors. Appointment to the board of directors shall be an official act of the respective Governments participating in financing the Pan American Highway, but made in a manner most convenient and acceptable to the several Governments. Vacancies shall be filled in the same manner.

3. The board of directors shall determine the fiscal policy of the corporation and shall name appropriate officers to conduct the business of the corporation. Its members shall serve without compensation from the corporation, each country at its discretion providing compensation for its representative thereon.

4. The corporation shall have the power to hold in its name, titles to property, to make contracts, to appoint officers and agents, to hire employees, and to fix their compensation.

5. The body shall be incorporated, but care shall be exercised that the corporation, doing business in any country member of the Pan American Union, shall comply in every particular with the laws of the sovereign Government within whose domain it has business to transact.

6. The corporation may issue in its own name bonds or certificates in an amount not to exceed the total of bonds or certificates on deposit with it from sovereign Governments, and it may offer its bonds or certificates for sale in the public market, to international banks, or to fiscal branches of Governments whose nationals seek to provide goods, machinery or materials for use in the construction of the Pan American Highway.

7. The corporation shall extend or arrange credit for the purchase of goods, machinery or materials for use in the construction of specified portions of the Pan American Highway or the Pan American Highway System. For this purpose it may receive bonds or certificates from sovereign Governments, guaranteed by the good faith and credit of issuing Governments, and such other considerations as may mutually be agreed upon, and in lieu thereof transmit to the Governments an equivalent of the bonds of the corporation, exchange, or at its option, goods, machinery or materials of equal value for use on the Highway.

8. In no instance shall the corporation extend or arrange credit for the construction of a specified portion of the Highway, until the estimate of cost and specifications for construction shall have been furnished by the Technical Commission on the Pan American Highway. The corporation shall take occasion to insure that highways so constructed be maintained satisfactorily during the life of the obligation. The Technical Commission on the Pan American Highway shall consist of no less than three representatives of highway departments of countries members of the Pan American Union, serving without cost to the corpo-

ration. The Committee recommends that the countries bear the expense of salaries and services of engineers and employees attached to the Pan American Highway Technical Commission.

The Committee here enunciates broad principles, believed acceptable to the several Governments. It does not attempt to set out in meticulous detail the charter of the proposed authority or corporation.

To achieve this fiscal vehicle with a minimum of delay and formality, the Committee requests the Director of the Pan American Highway Confederation, who is serving as its secretary, to proceed with the incorporation of an organization after the pattern here proposed and in general agreement with the basic principles earlier propounded by this Committee.

When three or more Governments shall have named members to its Board of Directors, the corporation shall be considered to be established within the meaning and intent of this report. The present members of the Committee shall serve as directors of the corporation, representing their respective Governments until their successors have been appointed and qualified.

Numerous advantages occur to the Committee in favor of an intervening corporation which also could act as fiscal agent and central purchasing agency for the several Governments in the construction of the Pan American Highway. Among these are:

1. Economies that can be effected by a central purchasing agency.
2. Insurance of adequate and standard specifications and uniform construction of the Highway throughout.
3. Adequate technical and administrative supervision, during construction, and continuous maintenance during the life of the obligation.
4. Provision for coordination of effort through an Inter-American organization to insure that highways of the several Governments meet at International boundaries and that the cost of joint projects, such as bridges, be properly allocated.
5. The corporation insures a business-like and continuous program of construction, not subject to the uncertainties of political or domestic situations.
6. A single corporation, concerned with the Highway as a whole would seem to offer the best assurances for the self-liquidation of the Highway as a whole, as well as of particular sections, so important to the economic future of the several countries through which the Highway passes.

In its studies leading to these conclusions, the Committee has confronted a situation largely without precedent. Certain considerations seem obvious, however.

One of these is that the Highway, traversing seventeen countries, often through sparsely populated or virgin territory, offers an opportunity for self-liquidation without parallel in our time. In Western United States of North America the pioneer railroads achieved a degree of self-liquidation by receiving grants of land of nominal value, sure of appreciation because of the adjacent improvement. In certain populous sections of England the principle of excess condemnation has in more than one instance returned to the Government the cost of a public improvement plus profit. Many states of the United States recently have enacted laws permitting the exercise by proper authorities of the principle of excess-taking, and in a report entitled "Toll Roads and Free Roads" the President in his message to the Congress of the United States urged this procedure.

"I lay great emphasis on this," said the President in transmitting the report, "because by adopting the principle of excess-taking of land, the ultimate cost to the Government of a great national system of highways will be greatly reduced."

By the accident of location, certain properties stand to reap an unearned increment that in the opinion of the Committee should accrue to the Governments whose people bear the cost of the improvement. Appreciation of land bordering or immediately adjoining the Highway should be to the road, in this case to the Finance Authority, thus serving to broaden the base of the bonds of the corporation and providing a degree of self-liquidation that in many instances may well be complete.

Countries seeking credit of the Authority should, the Committee believes, welcome this procedure, since it would tend the more quickly to free the Highway of debt and deliver to the Governments and the people all the income and all the benefits already demonstrated as inherent in highway transportation.

Furthermore, the excess land would be held, not by an individual nor by a neighbor creditor country, but by the several countries co-operatively joined within the framework of the Authority.

The Committee recommends that provisions for recoupment through excess-taking be included in the articles of incorporation.

The Committee would view with favor any further development, such as landing fields, lines of communication, travel accommodations, if not inconsistent with national sovereignty, provided the income therefrom hastens the liquidation of the cost of the Highway. In other words the Committee is concerned that the people generally, rather than individuals singly, should profit by so vast a project.

One further consideration favors the principle of excess-taking in this instance. Such a policy would permit of scenic development now

denied except at excessive cost to highways through populous areas, and it would prevent undesirable encroachments which, in many instances known to the Committee, have to a substantial degree dissipated the investment in expensive highways.

Supporting the theory of excess-taking in this instance, the Committee needs only to say that free rights-of-way should be a condition of financial aid. Another condition should be the withdrawal from entry for the benefit of the Authority of those portions of the public domain lying near the right-of-way which bear timber, gravel, sand, or other useful highway materials, thus reducing the capital investment.

In addition to the financial considerations involved, the Committee has become aware of certain intangibles which argue for the form of finance and a method of construction envisaged under the Authority, and the Technical Commission, as provided for in the Buenos Aires Convention.

Considerations of defense and mutual dependence are bound up within the highway plan, and these have been impressed upon the Committee in recent months.

The Committee applauds the high purpose that prompts one country to render financial assistance to another for the purpose of constructing the Pan American Highway. It is persuaded, however, that such a plan cannot but result in isolated programs of construction which may fail to realize the full benefits inherent in the plan here proposed. Where loans are for short terms, it recommends that provisions be made in the articles of incorporation whereby they may be refinanced under the auspices of the Authority. The Committee believes the Authority removes possibility of friction and misunderstanding between debtor and creditor nations and it is convinced that national pride never would permit obligations owed to a family of nations to be in default.

If dictates of continental kinship, community of interests and trade are present, the Committee suggests to ultimate creditor nations that debt service be waived for a brief period of years to permit the benefits of highway transportation to become real. Potential resources of many of the countries members of the Pan American Union are so abundant, that it is not always apparent that future earnings must first be capitalized in order to realize from investments any profit at all.

If other international financial institutions can develop natural resources simultaneously with highway improvement, such a procedure would serve to increase highway revenue and hasten the day of liquidation.

The Committee believes, however, that one transcendent project in which all the countries requiring aid may cooperate best fits the needs

of the times. Whereas the Panama Canal stands out as a great work completed by one nation alone, the Pan American Highway produced cooperatively by all the nations of the Western Hemisphere would be a practical exemplification of that Pan American solidarity so often proclaimed at Pan American conferences.

As appendices to this report, the Committee attaches a copy of Plan III-B in its second report, and the text of the resolution on finance adopted at Santiago, Chile, by the delegates to the Third Pan American Highway Congress.

The Committee requests the Director General of the Pan American Union to transmit copies of this report to the several Governments signatory to the Convention signed at Buenos Aires, December 23, 1936, with the request that the several Governments transmit to the Union for the benefit of the Committee on or before May 10, 1940, any observations they may care to make. Thereafter the Committee requests the Director of the Pan American Highway Confederation to proceed in its behalf with the preparation and legalization of articles of incorporation not inconsistent with this and preceding reports, advising with the Committee and taking into consideration any observations by the several Governments.

(S) F. CASTILLO NÁJERA

(S) LEÓN DE BAYLE

(S) J. VAN NESS PHILIP

February 15, 1940.

APPENDIX I

III-B. COOPERATIVE ACTION THROUGH A PAN AMERICAN HIGHWAY FINANCE AUTHORITY

A SECOND plan involving cooperative action has been received by the Committee. The basic proposal is one of finance, but adequate safe-guards insuring uniform and standard construction are gained by broadening the powers of the Technical Commission, also created at the Buenos Aires Convention, of December 23, 1936.

Under this second plan the duties and powers of the Pan American Highway Finance Committee would be broadened to permit the Committee to organize as a corporate entity, with all the rights and duties of a corporate body, under the name of the Pan American Highway Finance Authority. One important provision called for each adhering Government to name representatives to the Committee, these representatives automatically becoming members of the Authority. The usual provisions for filling vacancies were included.

Contemplating heavy responsibility for the Committee, acting in its capacity as the Pan American Highway Finance Authority, this second plan provided that the Committee should at all times be responsible to the High Contracting Parties adhering to the convention or protocol.

The Authority was given power to hold titles to property, to make contracts, to receive bonds from Governments, to issue bonds in its own right, and to appoint officers and agents and to fix compensation. It also was provided that the Authority might, appropriate arrangements having been made, act as fiscal agent for any Government adhering to the agreement in its efforts to finance the Pan American Highway. The Pan American Highway was defined as one longitudinal road connecting all of the countries of continental America, or any portion thereof, or any highway part of the Pan American Highway System, if so designated by the Technical Commission.

Under this proposal construction of the road and responsibility for engineering was left with the respective Governments and their several national highway departments, but as safeguards, the Technical Commission was required at the request of the Authority to offer technical counsel and advice, and to be responsible for designating the route of the Highway, subject to approval by the respective Governments.

The Authority was empowered to receive from any Government a party to the agreement, bonds in an amount equal to the goods, materials and machinery required to build a specified portion of highway, such

bonds to be backed by the good faith, honor and credit of the issuing country, which would offer appropriate guarantees that funds so received from the Authority would be properly expended. It was specified in this proposal that such Governments would give to the Authority any other guarantee for the service of its bonds which the Governments and the Authority might mutually agree upon, including liens on or titles to lands, gasoline taxes not otherwise obligated, and other considerations. The Authority at its option was authorized to deliver to the Government or Governments, goods, materials and machinery of a value equal to the sum of bonds received from the cooperating Parties.

The Committee fails to find in the document as presented to it any provision that the Authority pay for local labor or for materials available from local sources.

To obtain funds to satisfy its contracts previously made with Parties to the proposed agreement, the Authority was empowered to issue international bonds based upon the obligations of the several Governments deposited with it. Any High Contracting Parties, having ratified this agreement and seeking to provide a market for materials produced within its territory, would purchase the Authority's bonds through an appropriate fiscal branch of the Government, or it would agree to acquire the Authority's bonds from individuals, corporate or trading bodies in an amount equal to the value of goods, materials or machinery sold to the Authority. Alternatively, the Authority might sell its bonds in the open market and use the proceeds to pay for goods, materials and machinery. The Committee finds in this document a provision that the revenues so acquired by the Authority shall be expended exclusively in the country of origin.

A differential is provided in the rate per annum between the bonds received by the Authority and those sold by the Authority. This differential would supply in part the operating expenses of the Authority, which was required in the document also to finance the operations of the Technical Commission as an organization.

The Authority would be liquidated when all of its outstanding bonds, principal and interest paid, have been returned to it, and when the several countries shall have redeemed bonds delivered to the Authority.

A provision requiring the Authority to establish central purchasing facilities was included in this document.

Further, the Technical Commission was authorized and required to prescribe structural standards for the construction of the Highway and to develop specifications for materials and equipment.

The usual provisions for ratification were set up and provisions for denunciations were included.

APPENDIX II

RESOLUTION ON FINANCE ADOPTED AT THE THIRD PAN AMERICAN HIGHWAY CONGRESS, JANUARY 17, 1939

Whereas:

1. The American Republics have expressed their firm determination to complete, as soon as possible, the Pan American Highway System, with the lofty purpose of strengthening the bonds which already unite them;
2. The early conclusion of this Highway requires the investment of large sums within a relatively short time;
3. The present generation cannot and should not bear the total cost of such a great undertaking;
4. Some Governments would need to obtain international credits to accomplish the common purpose above referred to; and
5. The Eighth International Conference of American States recently held at Lima has entrusted this Congress with the task of studying and passing upon the reports presented by the Finance Committee, created in accordance with the provisions of the Convention on the Pan American Highway, signed at Buenos Aires in 1936;

THE THIRD PAN AMERICAN HIGHWAY CONGRESS

Resolves:

1. To express its recognition to the Finance Committee for the reports it has presented.
2. To recommend to the Finance Committee that it take advantage, as it has done to date, of the information and services offered by the Pan American Confederation for Highway Education.
3. To recommend to the signatory Governments of the Buenos Aires Convention that they provide the said Committee, as soon as possible, with the data and the observations that it has requested and especially with the following information:
 - a. The total cost of the Pan American Highway within their respective territories;
 - b. The investments made to date;
 - c. The amount to be invested, and the distribution of these investments on a time basis; and
 - d. The time necessary to complete the construction in accordance with existing programs.
4. To recommend to the Finance Committee, and to the Governments

who need to finance the Pan American Highway System, that they consider the desirability of creating, among themselves, as soon as possible, a non-profit finance organization, in which all the interested Governments can cooperate on a basis of absolute equality, the said organization to have the following functions:

a. To act in accordance with the general procedure outlined by the Finance Committee and the opinions of the Technical Committee;

b. To help the Governments, which may so request it, to obtain the necessary credits for the completion of their respective portions of the Highway as soon as possible;

c. To help the Governments to obtain these credits on long terms and at reduced interest rates;

d. To accept, in its own name or in the name of a third party, the guarantees which the Governments may offer for the fulfillment of the obligations contracted;

e. To issue its own bonds or certificates, guaranteed with the credits or bonds of the various debtor Governments;

f. To guarantee with its own signature the payment of loans, the amortization of which is guaranteed in a satisfactory manner; and

g. To subscribe, purchase, sell and negotiate the bonds which the Governments may issue for this purpose. (Approved January 17, 1939.)

PAN AMERICAN HIGHWAY CONFEDERATION

Pan American Union

Washington, D. C.
Stephen James, Director

Thursday
February twenty-nine
Nineteen forty

Dear Sir:

I am directed by the Pan American Highway Finance Committee to hand you a report signed by the Committee in Washington on February 15, 1940, suggesting the incorporation of the Pan American Highway Finance Authority.

May I invite your attention to the last paragraph of the report, wherein the Committee requests you to transmit copies to the several Governments signatory to the Convention signed at Buenos Aires, December 23, 1936.

Because of the importance of this report the Confederation has been glad to have copies printed.

With assurances of my continuing esteem, I am

Sincerely,

Stephen James
Secretary to the Committee

The Director General
The Pan American Union
Washington, D. C.

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MEXICO

The Mexican Highway Law is contained in the Law of General Ways of Communication, (Ley de Vias Generales de Comunicación) which was published in the Diario Oficial of February 19, 1940 (Decree of Pres. Cardenas). The second book of this general law treats of land communications, and titulo 2 of roads (Caminos). Chap. I deals with roads in general (Articles 146-151) and Chapter II with the utilization of the roads for transportation of freight and passengers (Arts. 152-165).

The "Regulations for Constructing Roads in Cooperation with the States", issued by Pres. Camacho, were published in the Diario Oficial of April 15, 1942. These regulations are divided into 11 chapters as follows: general provisions, constitution and application of the cooperative funds, organization of local road commissions, powers and duties of the commissions and their members, powers and duties of the representative of the Secretary of Communications and Public Works, the treasurers and paymasters of the commissions, purchases and proof of expenditures, construction of bridges, general plan of roads and program of work, maintenance of the roads, and penalties.

Art. 65 (chap. X) of the above regulations provides that the maintenance of national highways constructed in cooperation with the states, prior to being paved, pertains to the commission charged with their construction, and thereafter is a charge

* "Leyes Y Reglamentos Sobre Comunicaciones Y Transportes. Ed. Inf. Aduanera de Mexico, 1943-

upon the Federal Government, provided they conform to certain stated specifications.

The Federal Highway police regulations were issued by Pres. C Camacho and published in the Diario Oficial of May 16, 1941. They are comprised in 5 chapters.

The Traffic Regulations for national highways and private roads under federal concession were issued by Pres. Rodriguez on December 21, 1932, and amended by a decree of President Camacho published in the Diario Oficial of January 28, 1942. These regulations are divided into nine chapters and deal with the following: vehicles, their condition and requisites; registry of vehicles; requisites for driving; traffic, general provisions, public services, route permits; tariffs and their classification; highway police; general provisions; penalties.

The above mentioned Law of General Ways of Communications (which is in 6 books), contains general rules applicable to roads and other means of communication. These are found in Book 1, which is divided into 11 chapters. These cover the following subjects: Classification, jurisdiction, concessions, and contracts and revocation of permits; construction and establishment of general ways of communication; commercial utilization of general ways of communication; personality and property of the enterprises subject to concession; rights of the nation; inspection; general rules.

Highways are defined as federal and some under the general law when they connect with any road from abroad, or when they connect two or more states in federal territories, or when they

have been built in whole or in greater part for the federations.

Art 3 (as amended by Decree of March 29, 1941, published in the Diario Oficial of August 20, 1941) defines the jurisdiction of the Ministry of Communications and Public Works over the highways.

Art 8 of the law requires the Minister of Communications to publish within the first 15 days of January of each year the program of works for the ensuing year in conformity with specified requirements.

Art 12 provides that contracts for construction or exploitation of general means of communications will be granted only to Mexican citizens or Mexican corporations.

Art 21 declares that communications are of public utility and the Ministry of Communications may declare the expropriation of the necessary lands, etc. for the construction.

Art 29 sets out the conditions under which the concessions lapse or the contracts may be rescinded. Art. 38 provides that permits are revocable.

Art. 49 provides for a "Consultative Tariff Commission", composed of representatives of various Ministries, which must approve schedules and tariffs of enterprises utilizing the highways.

Arts. 86-101 set forth the control which the Minister of Communications will exercise over the corporations which have concessions for the commercial utilization or construction of highways.

Art 102 provides that the Federal Government shall have a discount of 50% on every kind of service rendered by the enterprise.

Art 117 provides that the Ministry of Communications shall have the exclusive right to technical and administrative inspection of the highway.

Art 124 provides that any business carried on in connection with the use of highways shall be considered a public utility and shall require a permit from the Ministry of Communications.

No provision made for road tax upon individuals, corporations, etc., for highway purposes. Money for highway purposes to be obtained by direct appropriations, sale of bonds, etc.

GUATEMALA

(1 quetzal = \$1.00 United States Currency)

President Ubico, by an acuerdo, of June 5, 1942 promulgated regulations regarding the right of way over the public roads of the Republic and their relation with the properties they cross. The right of way for national highways comprises a width of 25 metres (75 feet).

The classification of the national routes was fixed by an Acuerdo of December 21, 1940. There are 23 routes included in this decree. The first two are the "Pan Americana". Route one of the Pan American Highway goes from Guatemala City via Quezaltenango and Malacatán to El Talisman on the Mexican border. Route 2 goes from Guatemala City to the border of El Salvador at San Cristobal Frontera. Route No. 6 is the "Coastal Route" (now the Pioneer Road) and goes from Ayutla via Retalhuleu, Escuintla and on to the border of El Salvador.

The highway laws of Guatemala are published in a compilation of laws in force relating to agriculture compiled by Rosendo P. Mendez in 1937 (Leyes Vigentes de Agricultura).

Decree No. 1783 of February 10, 1936 provides that the road funds (referred to in Decree No. 1474) be concentrated in the fiscal offices. The Treasurers of the departmental Road Commissions must send the taxes daily to the National Treasury. Art. 3 states that 50% of the taxes goes to the Central Commission of Agriculture and Roads and the remainder to the local commission.

Decree No. 1474 of October 31, 1943 provides that every able-bodied individual must give two weeks labor on the public roads. A census of persons must be made up every 6 months by the Jefe Politico. The Director General of Roads must draw up a plan for the work to be performed and submit it to the Secretary of Agriculture. The required labor may be commuted by the payment of one quetzal for each week (~~\$1.00~~) or \$2.00 for the two weeks required. The road funds are collected and invested by the local agricultural and road commissions in their own territory, accounts being rendered to the office of the Director General of Roads and to the Secretary of Agriculture. The matter of the establishment of bridge tolls and other taxes shall be settled by the Secretary of Agriculture.

By an acuerdo of September 6, 1913, national and municipal highways are declared to be of public utility and the adjoining lands may be used for their construction and repair, subject to payment under the law of expropriation.

Traffic regulations of the national police were approved on June 4, 1927 by an acuerdo.

Decree 1552 of May 29, 1928, provided that in the expenditure of money for construction of roads, the respective Ministry should give the preference to the system of job contracts.

By Decree No. 1645 of May 21, 1930, a tax on the consumption of gasoline was levied at 5 centavos per gallon for road construction. By Decree No. 1182 of September 25, 1931 an

additional tax of 4 centavos per gallon on gasoline was levied, making a total of 9 centavos (equivalent to 9 cents) per gallon. The additional tax was stated to be intended for the payment of bills due by the Road Department for gasoline and in payment to Warren Brothers Company for city paving. The funds collected from the additional tax were to be paid to a special account in the Baranco Central de Guatemala, to be held to the order of the Secretary of the Treasury.

The above tax of 5 centavos per gallon is collected by the customs upon importation and is destined especially for a fund to be used in contracting for the construction of paved roads of the first class. Such contracts are to be let by public bid and will be granted only to firms that make road-building their special business and who give bond.

Regulations to carry out the above decree No. 1645 establishing a gasoline tax were promulgated on June 21, 1930 by Decree No. 1084. They comprise 19 articles. Art. 2 provides that the tax falls upon the importers. Art. 3 states that it is independent of every other tax and is known as the tax "devialidad" (Road Tax). The tax is collected by the customs on the gasoline entering the country. That produced in refineries is taxable when it leaves the factory for sale.

The taxes on automobiles, trucks and other vehicles were established in Decree 1490 issued on December 31, 1933. This contains a table showing the federal tax, the Municipal Tax, the police tax for license plate, and the inspection fees. Payment of the taxes may be made to the agency of the National

Treasury in the police stations.

Traffic of persons and goods across the frontiers is governed by decree No. 1388 of April 19, 1933. This provides that only such roads may be used for entrance or exit as the Secretary of the Treasury may designate. The latter has already designated such ports of entry for the various departments of the Republic.

EL SALVADOR

(Colon= \$0.40 United States currency)

Legislative Decree No. 19 (Published in the Diario Oficial of July 10, 1940) suppressed the Departmental Road Commissions and created the General Highway Department (Dirección General de Carreteras) as a dependency of the Ministry of Fomento, giving it supervision over all roads both trunk roads and local roads. There were formerly 14 local commissions which are now united into one.

The Ministry of Fomento issued regulations for the construction, maintenance and improvement of the highways which were published in the Diario Oficial of August 20, 1940. These regulations comprise 135 articles and are included in 11 chapters. The titles of the chapters include: Division of the roads; specifications; plans and locations; earth works, drains, surfacing, personnel and their duties, subordinate employees, right of way and indemnities; store-houses.

The above regulations divide the roads into three classes, of which the first is the trunk highways. Included in the trunk highways is the Pan American Highway. The specifications for roads of the first class provide for a maximum grade of 6%. The repair and maintenance of the roads is in charge of the local superintendent of the zone; for purposes of inspection the 14 departments of the Republic are divided into 4 categories.

The existing highway law (Ley de Vialidad) was enacted by a legislative decree of May 30, 1926 and the regulations (reglamento) of the law were promulgated on May 13, 1929. (The text of each as amended is given in the Journal of the Treasury Department, Boletín de Hacienda, tomo II, Nos. 4-6 July 1936, -Jan. 1937).

The National Highway Law comprises 31 articles. Art. 1 specifies the sources of funds for road building which include:

- (a) an annual tax on liquid capital ranging from 1/2 per mil. on capitals of 10,000 to 100,000 ~~colones~~ to 2 per mil on capital over 1,000,000 ~~colones~~ (b) an annual tax of 10 ~~colmes~~ (\$4.00 U. S. Currency) on all persons exercising the liberal professions including priests or ministers of religion; (c) an annual tax on salaries of private and public employees ranging from 1-1/2 ~~colones~~ on salaries under 50 ~~colones~~ to 30 ~~colones~~ on salaries of 1,000 ~~colones~~ and over; (d) a personal tax on artisans and day laborers ranging from one to five ~~colones~~.

The payment of the first tax ("a") must be made within 60 days from receipt of notice.

The method of procedures for collection of the tax by the Revenue Collectors (Dirección General de Contribuciones Directas) is set out in Art. 3. Exemptions from taxes are set forth in Art. 10. By Art. 11, the Municipalities ^{remit} 80% of the taxes collected, retaining the remaining 20% for the exclusive

service of maintenance of the local roads. The registration fees from car owners must also be used by the Municipalities exclusively for the maintenance of local roads.

By Art. 20, there must be used exclusively in the construction and maintenance of the trunk roads, 50% of the receipts from tax "a" and 40% of the receipts from the other taxes.

The Regulations (Reglamento) of the Highway Law contain 54 articles. They are in two parts, the first relating to the Treasury Department and the second to the Department of Fomento.

Art. 1 of the regulations provides for a special section on roads within the office of the Director General of Direct Taxes. The duties of the chief of this section are set out in Art. 2.

The text of the regulations is accompanied by forms to be used by tax payers in making returns of their capital assets and liabilities and net capital on which the tax ("a") is based.

The collection of the tax from public employees is effected by withholding the amount of the tax from their salaries and is regulated by a decree of May 13, 1929.

The Minister of the Treasury is responsible for the collection of the road funds (Fondo de Vialidad) and he and the Minister of Fomento for the investment of the funds.

The second section of the regulations (arts 27-54) deals with the duties of the Ministry of Fomento in regard to the construction and maintenance of the roads. Chapter I gives a

classification of the roads; chapter II provides for a Department of Roads, Bridges and Streets. The **third** chapter (nowabrogated) describes the duties of the local road commissions, and the remaining chapters describe the officers and members of these commissions.

HONDURAS

(Lempira (100 centavos) = \$0.49 U. S. Currency)

The Honduran Highway Law (Ley de Vialidad) is that enacted by Decree No. 68 promulgated by President Taborsio Carias A. N. March 6, 1942 (Decretos del Congreso Nacional, 1941-1942, pp. 71-79), as amended by Decree no. 59 of March 5, 1943 (Decretos del Congreso Nacional, 1942-1943, pp. 124-134). The latter decree is divided into four chapters containing 70 articles. It deals with the same matters as the former decree and practically replaces it.

Art. 4 defines first class highways as those of over 6 metres (18ft.) in width, with grades not over 8%. The construction and maintenance of all highways is in charge of the Ministry of Fomento through the Director General of Roads.

Chapter III deals with income. This is derived from 8 sources: import tax on gasoline, crude oil and petroleum and derivatives; mining patents tax; tolls; taxes on special concessions; lease of lands; water tax, personal road tax; tax on realty. Gasoline pays a tax of 20 centavos per gallon; oil and other petroleum products, 10 centavos per gallon. This tax is collected by the customs and remitted to the Tesoreria Especial de Caminos. All sums received from the lease of national lands goes to the special Highway Funds (Fundode Caminos). The personal road tax ranges from one to eight lempiras per annum according to the income or business of the individual.

The annual road tax on realty, industrial enterprises and

commercial establishments is based on the estimated capital value of the real property and varies from one-half a lepira per thousand (50 centavos) on realty ranging from 1,001 to 10,000 lempiras in value, to 2 lempiras per thousand on properties of 50,000 lempiras or over, (Art. 34).

The personal road tax which every individual over 18 years of age pays (except those mentioned in Art. 20) is based on an annual census taken in February by the Municipal alcaldes or mayors. The lists are sent to the district Governors in April, who send a copy to the Director General of roads. The latter renders a statement to the Municipal Treasurers in June, and 20% of the tax is retained by the municipality. The tax is payable in July.

The real property tax is based upon a declaration which every owner must make on a government form in July of each year before the Municipal Alcalde or Mayor. This declaration gives the area and estimated value of the property. The returns are inspected by a commission, appointed for each district in August, who must make their reports by the end of September. The property returns and reports of the commissions must be sent by the mayors to the district governors by October 10. The governors must open a property register containing the data on the returns and send a copy to the General Revenue Office (Dirección General de Rentas) by November 30. The latter office must also maintain a property register of tax payers and send a copy to the Special Treasury of Highways.

The General Revenue Office sends the tax bill to the District or Municipal Treasurers for collection, and allows them to retain 20% of the sums collected for the benefit of the Municipality. The tax is collected by the town police in the month of February, Delinquent tax payers are subject to a fine of 20%.

The 20% of the tax which the Municipalities or the District Councils retain must be devoted entirely to the maintenance and opening of roads (art. 45).

In case the state expropriates property for purposes of public utility, the valuation shall be made according to law (Art. 46).

The registrars of real property are forbidden to record any deeds or other instruments of transfer without the exhibition of the receipt for the highway tax, (art. 50). No mortgage can be recorded for a sum in excess of the value declared for tax purposes (Art. 53). Every Notary Public must report every transfer of realty made before him to the Director General of Revenue indicating whether the owner has exhibited his tax receipt, without which he cannot authenticate the transfer, (Art. 54). A survey of the realty must be made every three years, (Art. 56).

The last chapter (IV) contains general provisions. Among these is one (Art. 60) to the effect that no contract for road work shall be let when the sum involved is over 1000 lempiras, without opening it to competitive public bids for a period of

30 days, or without posting an indemnity bond in favor of the Treasury for a sum of 110% of the value of the work.

Art. 61 provides that the executive shall issue regulations (reglamento) for the carrying out of the present law.

The special treasury of roads shall be under the Ministry of Fomento (Art. 62). In no case may highway funds be invested or employed in matters other than those pertaining to the Highway Department, and the expenditures made must be in agreement with the previous budgets that have been adopted.

Art. 67 provides that the executive shall include in the annual memoria of the Ministry of Fomento a detailed report of the work done in conformity with the highway plans that have been approved.

Art. 69 provides that the mayors and District Chiefs must render an account at the end of each year of the investment of the 20% of the individual road tax and of the real property tax which the municipalities or districts have retained, subject to a fine for failure to do so.

Art. 70 provides that this law shall take effect 10 days after its promulgation and that all previous laws and regulations are abrogated (except the Decrees which create special funds for the Junta de Fomento).

COSTA RICA

Decree No. 59 of August 3, 1936 consists of 22 articles which provide among other things the following:

Art. 1. The construction and maintenance of the roads is under the control of the Director General of Roads of the Department of Fomento. The Highway Department (Dirección General de Caminos) is composed of a chief engineer and a body of assistant engineers (Art. 2). Each province shall have a Road Commission (Junta de Caminos).

The sources of revenue allocated to the roads are set out in Art. 4 and are as follows:

(a) The Cedula tax established by Law No. 40 of November 14, 1931; (b) the taxes provided for by Law No. 74 of December 18, 1916 which are paid by owners of property which is benefitted by public works; (c) special contributions imposed on every canton; (d) the quota of its profits which the Banco Nacional de Seguros (National Insurance Bank) must pay in accordance with Law No. 12 of October 30, 1924; (e) an annual sum from the public treasury as fixed in the Law of the Budget sufficient to cover the salaries and expenses of the Highway Department. The income from sources mentioned in "b" and "c" above must be used in the maintenance and improvement of the local roads serving the tax payers.

The local Road Commissions must report to the Ministry of Fomento, during the first 40 days of the year, the work to be done in the cantons, in order that the Ministry may indicate the amount to be raised as a special benefit tax from each interested

canton. The special benefit tax list will be published in the Periodico Oficial. Protests may be filed within 30 days from the date of publications. Tax payers may, however, within 15 days, signify their desire to do work on the roads instead of paying the tax in cash.

The payment of the tax in cash must be made to the Municipal Treasury within 15 days after approval of the amount due, subject to a fine of 5% of the tax for each month of delay. Payment of the tax may be enforced by proceedings against the property of the debtor or by forced labor on the roads.

The Municipal Treasuries must deposit every fortnight in the National Treasury the sums received from payment of the road tax.

The local Highway Commissions (Juntas de Caminos) shall, within 3 months from the promulgation of this law, determine and classify the properties benefitted by the public works and determine the amount of the tax which they should pay according to Law No. 74 of December 18, 1916, and in accordance with the regulations to be issued by the executive..

The duties of the Assistant Engineers are set forth in Art. 15.

By Art 16, the Executive Power is given authority to expropriate by decree lands necessary for opening or enlarging or straightening a public highway. The owner is cited to appear before the local Highway Committee (Junta de Caminos) to fix by agreement the price to be paid to him. If no agreement is

reached, the price is fixed by judicial proceedings outlined in this article.

Officials who divert funds destined by this law for the construction of roads or use them for other purposes, are guilty of the crime of misapplication of funds. Those charged with the carrying out of a road project who misapply funds, in addition to suffering the penalty corresponding to the crime, shall suffer a fine of double the amount. (Art. 20).

The fincas (farms) referred to in Law No. 6 of September 22, 1910 are subject to payment of the taxes imposed by the respective committees (Juntas).

In order to determine the amount or proportion which, by Law 74 of December 18, 1916, the owners of the properties benefitted by the public works should pay, the executive must make the necessary studies and the amount must be submitted for the approval of the Congress before it is payable.

NICARAGUA NATIONAL HIGHWAY LAWS

Proclamation of the Pres. April 1926

Fund for construction and maintenance of road shall be known as "Road Service". All persons in the Republic, over 18 years of age, whether nationals or foreigners residing in the country, are obliged to cooperate with construction and maintenance of roads. (Exceptions accepted). Committees for enforcing the law in its respective jurisdiction are appointed by executive authority. The "Road Service" comprises the obligation to contribute financially or to work on public roads a certain number of days in the year in accordance with financial classification for each person, not including the value of their home. Artisans without shops, laborers, private and government employees who earn less than 15 cordobas (0.20 to a cordoba) a month work three days a year. Those earning over 16 cordobas up to 30 a month work four days a year and those up to 200 cordobas pay in a graduated scale to 15 days per year - over 200 cordobas per month, 20 days per year. Members of professions, 10 days a year. Persons with capital from 1,000 to 2,500 cordobas - three days a year up to persons with capital graduated up to 5,000,000.00 cordobas - 225 days a year. Laborers shall be entitled to 20 cents daily for their food. Road service shall be rendered in the taxpayer's own locality, otherwise they shall be furnished room and board. State provides machinery, tools and explosives. Road service may be commuted at rate of 50 cents per day.

Exemptions: Army personnel from the rank of Lieutenant down. Those over 60 years of age having property not in excess of

5,000 cordobas. Chiefs of police; professional men over 60 who don't have property.

Regulations for Road Law for 1926 General information of various boards and their duties and general instructions applying to the highways.

Every person of age and who may have to pay a tax as prescribed by law, is obliged to appear personally or through his legal representative before the Treasurer, should he decide to pay in cash his road tax- and in labor before the Chairman of the Board. Exemptions: All men in the School and National Guard, the Treasury guard, the Standing Police Corps, Traffic Police, Legal Police, and Municipal Police. All owners, of farms, businesses, etc., having people in their employ at 15 C a month must submit a complete list of their employees to the Departmental or local Boards.

Average exchange rate for 1944 - \$.201.

For State Department copy of this law, see file in the Analysis Section of R. A. which we returned to 330A.

Decree provides for appointment Road Boards, municipal tax payers, etc.

Roads of the Republic are divided into three classes: national, municipal, and provincial. National roads regarded as first class roads - 6 meters wide, 80 cm. gutters - fences and obstacles must be 3 meters from outer edge of gutter - grades less than 6%. Provincial roads - 5 meters wide - 60 cm. gutters - grades less than 7%. Municipal roads - 4 meters wide - 50 cm. gutters - grades less than 8%. Owners of land adjacent to road obligated to keep section next to fences and outer edge of gutter clean. On provincial and municipal as well as national roads, the space between the outer edge of the gutter and fences must be 3 meters. National roads must either be macadamized or of higher type pavement. Provincial and municipal roads may be of dirt. Bureau of Development in charge of roads. General duties of the Boards, tax collections and distribution, engineers, inspectors, caretakers, etc.

1919 - Direct annual tax is imposed for construction of public roads, as follows: 1st class - B. 12; 2nd class - B. 5; 3rd class - B. 3, equivalent to 3 days labor, either personal or by hired workmen. Taxes to be paid by all men over 21 and under 70 in the Republic, except: Foreign Service officials, including their family, servants or attendants--members of Consular Service established in Panama--members of the National Police Corps--clergymen--invalids--persons deprived of their liberty by law--persons holding burdensome positions--firemen and watchmen.

Board of Roads created in each capital of Department-- supervises construction--approves, etc, --appointment and duties, provisional lists of taxpayers and displaying of the same. Persons in third class pay in cash or by labor. How to make payments in disposition of funds. The Board in each District shall fix the tax that each resident is to pay in proportion to his capital whether or not he may own real estate. Compulsory tax shall never be more than twice the tax established by this law. Provisions for initiation of roads and construction in various districts. The sum of B 91,500 is dedicated by the Boards for necessary tools and to meet the expenditure by the provisions of the previous articles.

E. H. Jimenez, President
March 13, 1919

February 26, 1920 - National Assembly of Panama Decrees:
The Central Board of Roads to be in charge of planning, construction and maintenance of roads in the Republic as well as bridges, etc. Composition of roads, etc. An engineer may be selected by the Government - may be a foreigner, etc. Rights and privileges of the Board: studies and lays out the roads to be constructed - adopts measures conducive to carrying out projects and constructions - recommends to the Executive the desirability of obtaining one or more government loans for survey and construction.

Average exchange rate for Panama - Balboa since 1904 - Stabilized at one dollar U. S.

For State Department Copy of this law, see file in the Analysis Section of R. A. which we returned to 330A.

By decree of August 6, 1941, the license taxes on vehicles (impuesto de tránsito) include the following: A private car of five passengers or less pays 24 balboas (\$24 per annum); a bus holding over 22 passengers pays 72 balboas per annum; a one-ton or two-ton truck pays 50 balboas per annum; a motorcycle pays 8 balboas per annum. Charges for other cars and buses vary with the passenger capacity, and for other trucks varies with the load capacity.

A Traffic Law was enacted by Decree No. 75 of July 27, 1937 (published in an official edition of Decretos Y Resoluciones Vigentes (1904-1939). This contains 131 articles divided into 13 chapters. These relate to vehicles in general, hired vehicles, trucks, the driving of cars, lights, parking, passengers, drivers, licenses, inspection, etc.

CENTRAL AMERICAN COUNTRIES

TOTAL
FOREIGN TRADE
VALUE

Country	Population	Area in Sq. Miles	Name and Population of Capitals	Principal Exports	Currency		1942
					Unit	Value in U.S. dollars	
GUATEMALA	3,410,762	48,290	Guatemala 166,456	Coffee, bananas, essential oils, lum- ber, sugar	Que- tzal	1.00	34,109,000 quetzals (1)
EL SALVADOR	1,862,980	13,176	San Salva- dor 112,254	Coffee, gold, sil- ver, sugar, balsam, fib- ers	Col- on	.40	63,641,679 colons
HONDURAS	1,154,398	46,332	Tegucigalpa 47,223	Bananas, silver, lem- pira, gold, scrap ores, coffee	Lem- pira	.4902	41,296,779 lempiras
NICARAGUA	1,013,946	57,915	Managua 118,448	Gold, cof- fee, rubber, cabinet wood, cotton	Cord- oba	.20	21,098,870 U. S. dollars (2)
COSTA RICA	687,354	23,000	San Jose 66,800	Coffee, bananas, cacao, gold	Colon (con- trolled rate)	.1779	22,864,378 U. S. dollars (3)
PANAMA	631,637	34,169	Panama 82,827	Bananas, cacao, abaca, hides, rubber	Bal- boa	1.00	39,808,545 balboas

<u>Country</u>	<u>Population</u>	<u>Area (Sq. Mi.)</u>	<u>Name and Population of Capitals</u>	<u>Principal Exports</u>	<u>Unit</u>	<u>Value in U.S. Dollars</u>	<u>Total Trade Value (Pesos)</u>
Mexico	19,449,290	758,258	Mex. City (1,451,616)	Silver, copper, lead, henequen petroleum	Pesos	0.20	1,644,529,000

- (1) Unofficial estimate.
- (2) Foreign trade figures for Nicaragua present Nicaraguan cordobas and United States dollars at the nominal conversion rate of five to one.
- (3) Official source of Costa Rica presents trade figures in United States dollars.

NOTE: In the above table, the latest available figures are presented.

(Compiled in Economic Section, Pan American Union, 1944)

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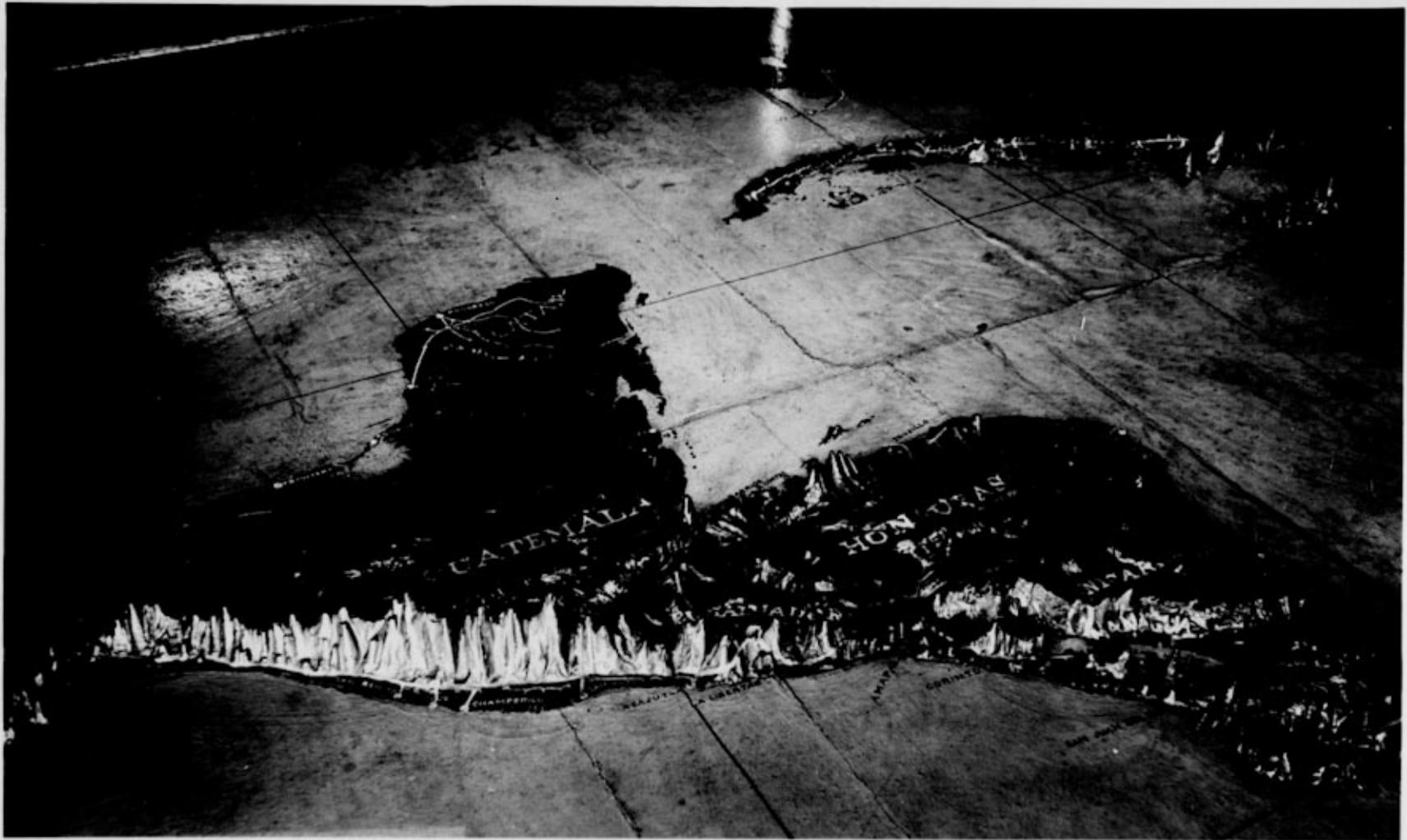
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PHOTOGRAPHS TAKEN OF THE RELIEF MAP IN
THE PAN AMERICAN UNION COVERING MEXICO
AND CENTRAL AMERICA

1. Mexico, from the United States border to the Isthmus of Tehuantepec (Salina Cruz).
2. Central America, from Guatemala to northern part of Costa Rica.
3. Honduras to Colombia.
4. Gulf of Mexico, and proposed ferry route from Florida through Cuba to Yucatan, and east coast of Central America. (Suggested as part of the Pan American Highway System).



Topographic map of Mexico



Red Side View #2





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