

FACT SHEETS

**ECONOMIC DEVELOPMENT
AND
UNITED STATES ASSISTANCE**

FREE CHINA

APRIL, 1962

U.S. Agency for International Development

Taipei, Taiwan

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Fact Sheet - Industry

US Aid to industrial development in Taiwan began approximately in 1951 with the rehabilitation of the war-torn plants and equipment plus the supply of a few essential commodities. Starting in 1953, needed expansions were started in fertilizer, cement and power production and, in a limited way, in iron smelting and rolling facilities. Jointly planned projects for new industrial development made their first appearance in late 1954.

Total U.S. Aid to Taiwan industrial development (project type, excluding commodity) since 1951 through 1961 has been approximately as follows: (Unit \$1,000)

| | <u>US\$</u> | <u>NT\$</u> |
|---|-------------|-------------|
| Land and Water Resources | 118.7 | - |
| Fisheries | 1,158.9 | 134,724.1 |
| Farm Tools Agricultural Machinery & Other Natural Resources Activities | 370.7 | - |
| Mining and Minerals | 4,699.3 | 186,605.3 |
| Power and Communications | 97,637.4 | 2,090,410.7 |
| Manufacturing and Processing | 51,716.2 | 546,154.7 |
| Service Industries, Engineering, Construction, Industrial Management, Training and Others | 10,348.8 | 536,822.3 |
| Transportation (highways, railways, harbors, shipping, air & others) | 37,336.9 | 1,313,923.8 |
| Environmental Sanitation (water supply, slaughterhouse) | 109 | 40,190 |
| Miscellaneous | 17,942 | 282,284 |

Listed below are output figures of some principal industrial products, showing increased production since 1954:

| | <u>1954</u> | <u>1961</u> |
|-------------------------|--------------------|-------------------|
| Coal | 2,117,603 m.t. | 4,236,574 m.t. |
| Pyrite | 26,617 m.t. | 47,467 m.t. |
| Power | 1,805,322,000 kwh. | 4,083,707,000 kwh |
| Fertilizer (various) | 168,091 m.t. | 340,312 m.t. |
| Canned pineapple | 999,257 boxes | 2,798,374 boxes |
| Sugar | 642,017 m.t. | 924,313 m.t. |
| Plywood | 3,872,000 sq.m. | 18,796,000 sq.m. |
| Bagasse board | 973,601 pcs. | 3,302,811 pcs. |
| Pulp and paper | 57,341 m.t. | 153,454 m.t. |
| Caustic soda | 14,392 m.t. | 36,697 m.t. |
| Polyvinyl Chloride | -0- | 7,055 m.t. |
| Plate glass | -0- | 446,159 cases |
| Cement | 536,416 m.t. | 1,504,635 m.t. |
| Iron and steel products | 83,157 m.t. | 300,418 m.t. |
| Aluminum & products | 14,840 m.t. | 18,649 m.t. |

Beginning 1958 U.S. Aid to industrial development in Taiwan, in the form of financing specific development type projects, has been gradually reduced.

Developments in 1961

In FY1961 in the field of mining and minerals, U.S. assistance was confined to the technical services of one U.S. Mining Engineer and one U.S. Mineral Geologist (phased-out in August 1961), local currency financing for the phase-out of coal, copper and pyrite development projects and continued local currency grant support to mineral exploration which is expected to be completed in FY1962.

In the field of power and telecommunications, DLF U.S. dollar loans and counterpart local currency loans were extended for the construction of Tachien Reservoir; Nanpu 3rd Thermal Unit, a 140 mw. unit designed to meet the expected shortage of power before the completion of the Tachien Reservoir; and microwave telecommunication system. In December 1961, Kukuan Hydro and Saenao 2nd Unit Thermal were completed and the power generated therefrom was integrated into the Taiwan Power system.

In the field of manufacturing and processing, continued support was provided for the modernization and expansion of the aluminum plant of the Taiwan Aluminum Corp. This project was financed by DLF Loan and Aid U.S. dollars and local currency and is expected to increase production of aluminum ingot from 8,000 m.t. to 20,000 m.t. by October 1962.

The By-product Coke Oven project, financed with a DLF Loan, was completed in October 1961; the Sulfuric Acid Plant (275 m.t. of 100% acid per day) at the Kaohsiung Ammonium Sulfate Plant was completed and accepted by the project sponsor in November 1961. Another sulfuric acid plant, which will produce acid for increased production of phosphate fertilizer, financed with aid U.S. dollar funds obligated in FY59, was in the planning stage and a contract for engineering design services was being negotiated in the U.S.

U.S. Aid support to service and management organizations in FY61 included continued financing of the operation of the China Productivity and Trade Center (CPTC) and the Taiwan Handicraft Promotion Center (THPC) and provision of the engineering services of the J. G. White Engineering Corp. Of significance was the initiation of a ceramic training institute under the management of CPTC, which is expected to train ceramic workers in improved ceramic designs and engineering and thereby motivate greater development of Taiwan's ceramic industry. A U.S. dollar grant (US\$22,000) was also provided to the National Bureau of Standards for procurement of new instruments which will improve and expand the Bureau's capability in establishing and controlling industrial standard weights and measures.

In the field of transportation, local currency grants and loans were provided for the improvement of highways and municipal roads in Taipei and Kaohsiung. Construction of a new high-speed highway between Taipei and Keelung was initiated in May 1961. Continued financial support was furnished to the improvement and expansion of Keelung, Hualien and Kaohsiung harbors with the construction work under the major project, the outer harbor of Keelung, initiated in July 1961. The U.S. Civil Aviation Advisory Group continued to provide technical advisory services to the Chinese Civil Aeronautics Administration of the Ministry of Communications and continued local currency financial support was provided for the improvement of civil aviation facilities including construction of a new runway at the Hualien airport. In coordination with an approved IDA loan, Aid local currency funds were provided for the Taipei Regional Water Supply project under which physical work began in July 1961. Construction activity at the Multi-purpose Shihmen Dam continued throughout the year without interruptions.

Developments in 1962

For 1962, Aid financing of development type projects in the field of Mining and Minerals will be confined to continued support to the copper and pyrite development project which is estimated to be completed in December 1963 with the following anticipated results:

| | <u>Average Annual Production</u> | |
|---|----------------------------------|------------------|
| | <u>1955-1958</u> | <u>1962-1967</u> |
| Copper ore | 166,732 mt. | 270,000 mt. |
| Pyrite ore | 40,115 mt. | 75,000 mt. |
| Gold ore | 56,979 mt. | 30,000 mt. |
| Production of gold including that from copper & pyrite ores | 330 kg. | 420 kg. |

Continued Aid local currency support will be provided for the operation of a Mining Research and Service Center and for a demonstration-type project for Mine Accident Prevention, Rescue and Recovery.

In the field of power, local currency funds will be provided to support the implementation of the DLF financed Tachien Reservoir and Nanpu 3rd Unit Thermal construction projects. In addition, U.S. dollar and local currency will continue to be provided for the expansion and improvement of Taipower's high and low voltage transmission and distribution system.

The DLF loan-financed third expansion of the Hsinchu Window Glass Works will begin physical implementation in the early part of the year. This project, designed to increase sheet glass production from 500,000 to 800,000 standard cases per year and to initiate production of 100,000 cases of ground and polished glass per year by December 1963, will not require any Aid financing other than the already approved DLF U.S. dollar loan but will received technical supervision of AID/C.

Listed below are current AID financed industrial projects as of January 1962:

| <u>Projects</u> | <u>Remarks</u> |
|--|--|
| Coal Mine Development | Wanhu & Chialo Coal Mine are being developed. |
| Mineral Development | Mineral Exploration to be phased out in June 1962. Copper and Pyrite Development 48% completed. Mining Research & Service Center and Mine Accident Prevention, Rescue and Recovery are being implemented. |
| Telecommunication Expansion Microwave Radio System Primary System Improvement Power Transmission & Distribution Tachien Reservoir Construction | Scheduled to be completed in Dec. 1962. DLF financing. Physical completion 22%. |
| Nanpu Third Unit | DLF financing. Estimated completion Date; January 1963. |
| Hsinchu Window Glass Works - Third Expansion KASC Second Expansion | DLF financing. Estimated completion date; May 1964. |
| Phosphate Fertilizer - TFC No. 2 Factory | DLF financing. Estimated completion date; December 1963. |
| Aluminum Plant Modernization | Physical completion - 98%. Part of the project started operation. |
| Material Standard Control - National Bureau of Standards China Productivity & Trade Center | Recruiting technical services contract. |
| Taiwan Handicraft Promotion Center General Industrial Training Highway & Road Improvement | Physical completion - 75%. Estimated completion date: October 1962. Procurement is underway. |
| Expansion of Railroad Facilities Harbor Development Coastal Ship Construction | Ceramic Training Institute has been established. |
| Ingalls-Taiwan Expansion Air Transportation Improvement General Transportation Training Municipal Water Supply | AID phase out in FY63. Participant training. Improvement of N-S Highway, municipal roads, construction of Taipei-Keelung No.2 Highway, Kaohsiung Ai Ho Canal. Estimated completion date; December 1962. |
| Slaughterhouse & Meat Packing | For Keelung, Kaohsiung & Hualien Harbor. For construction of a 2,500-ton general cargo vessel. |
| J. G. White | DLF financing. Physical completion 10%. Scheduled phased-out in FY62. |
| Shihnen Dam | Participant training. Work on Taichung nearing completion. Work on Taipei just started. Procurement underway for Kaohsiung. Plant site selected for Taipei. Contract to be terminated on July 31, 1962. |
| | Physical completion - 43%. Estimated completion date; August 1963. |

Fact Sheet - Agriculture/JCRR

Introduction

JCRR is a joint Sino-American organization authorized by Section 407 of Public Law 462, China Aid Act of the 80th U.S. Congress and established on October 1, 1948. It was conceived as a new and different approach to the problem of rural development and authorized to formulate and carry out a program of reconstruction (improvement and development) in rural areas of China.

During its tenure on mainland China from October 1948 to August 1949, a total of US\$3.5 million equivalent in local currency was expended for projects such as agricultural improvement, farmers' organizations, rural industries, citizenship education, irrigation, rural health and land reform.

In Taiwan, JCRR has had a vital role in virtually every aspect of increased production and rural progress. JCRR has accomplished 4,000 projects during its 11 years on Taiwan, which include reorganizing the farmers' associations and assisting in the implementation of a program of rent reduction and land reform, improving rural health, and restoring, and then increasing agricultural production. Total US Aid to Taiwan's rural development since 1950 through 1960 has been approximately as follows: (Unit \$1,000)

| | <u>NT\$</u> | <u>US\$</u> |
|---|------------------|----------------|
| Crop production | 170,949 | 944.3 |
| Livestock production | 65,627 | 330.4 |
| Water use and control | 455,078 | 2,082.4 |
| Forestry and soil conservation | 81,970 | 407.3 |
| Rural organization and agri. extension | 86,901 | 64.5 |
| Economic research & statistics | 88,820 | 3.4 |
| Fisheries | 64,752 | -16.3 |
| Land reform | 25,812 | - |
| Rural health | 72,459 | 261.5 |
| Agri. research and education | 55,232 | 694.3 |
| Rural electrification and communication | 33,945 | - |
| Gov't budget support to local agri. prog. | 242,946 | 1,027.0 |
| Misc. program (incl. AOI) | 56,533 | 128.0 |
| Administration | 89,679 | 224.4 |
| Total | <u>1,490,703</u> | <u>6,183.8</u> |

Note: The above table includes only funds disbursed by JCRR. Payment of salaries, allowance and international travel of American personnel, and expenses of TA participants are disbursed by AID/C.

As a result of the land reform program in 1953, 85% of Taiwan's farms is operated by land-owning farmers as compared with 61% before the reform. In terms of 1952 constant dollars, family earnings per farm, including non-farm income, increased from NT\$8,580 in 1950 to NT\$10,798 in 1960, as follows:

Family earnings per farm
(NT\$)

| | <u>Current prices</u> | <u>Constant 1952 prices</u> |
|------|-----------------------|-----------------------------|
| 1950 | 6,650 | 8,580 |
| 1954 | 12,861 | 9,479 |
| 1957 | 17,566 | 8,790 |
| 1958 | 16,691 | 10,403 |
| 1959 | 17,776 | 10,005 |
| 1960 | 33,353 | 10,798 |

Listed below are output figures of some principal agricultural products, showing increased production since 1954:

| | <u>1954</u> | <u>1960</u> |
|----------------|-----------------|-----------------|
| Rice | 1,695,107 m.t. | 1,912,018 m.t. |
| Sweet-potatoes | 2,556,823 m.t. | 2,978,676 m.t. |
| Peanut | 65,868 m.t. | 102,167 m.t. |
| Wheat | 15,493 m.t. | 45,574 m.t. |
| Soybean | 20,310 m.t. | 52,653 m.t. |
| Sugar cane | 6,310,090 m.t. | 6,736,236 m.t. |
| Tea | 13,007 m.t. | 17,365 m.t. |
| Jute | 12,805 m.t. | 20,806 m.t. |
| Cabbage | 89,087 m.t. | 95,972 m.t. |
| Banana | 89,008 m.t. | 114,216 m.t. |
| Pineapple | 65,567 m.t. | 166,730 m.t. |
| Citrus fruits | 27,755 m.t. | 52,866 m.t. |
| Timber | 476,783 cu. m. | 822,326 cu. m. |
| Hog | 2,050,205 Heads | 2,269,015 Heads |
| Fishery | 152,548 m.t. | 259,140 m.t. |

Developments in 1961

In 1961 in the field of plant industry, programs have continued in seed improvement, pest and disease control, more intensive use of the available crop area, spacing and heavy fertilization experiments. In order to increase land productivity and to help improve soils in Taiwan, a new province-wide soil survey is being undertaken which is expected to be completed in 1966.

Developments in animal industry included expansion of the dairy industry to a total of 4,500 dairy cattle; establishment of 45 artificial insemination stations and artificial breeding of 50,000 sows. The construction of a cold storage building for the poultry product cooperative was started at the end of 1961. Two million eight hundred thousand head of hogs were vaccinated with freeze-dried lapinized hog cholera vaccine and against swine erysipelas, resulting in a protection rate of 80% of the total hog population.

JCRR continued during the past year to give financial and technical assistance to agricultural extension programs. By the end of 1961, extension work with adult farmers and 4-H club was under way in 278 townships and home extension in 154. Extension work with aborigines in 1961 included home extension in 15 townships and construction of additional primary school classrooms. Intensive village improvement was demonstrated in 65 villages and 31 townships. Similar guidance and assistance were given to extension work in offshore islands of Quemoy and Matsu.

In the field of farmers' organizations & marketing, JCRR has continued its help to improve the organization, management and activities of the three mainstays of Taiwan's agrarian structure; farmers' association, fishermen's associations and irrigation associations. Assistance in this field in 1961 has been given to increasing the FAs' rice hulling capacity to 9,000 metric tons per eight-hour day; increasing the FA fertilizer storage capacity to 205,850 metric tons by the addition of 33 fertilizer warehouses; the addition of ten rice seed and two peanut seed granaries thereby increasing the total seed storage capacity to 7,600 metric tons; and the addition of eleven orange packing houses thereby increasing the total orange packing capacity to 5,000 metric tons a season.

In 1961, a unified agricultural credit program was set up to provide a permanent and dependable source of funds which would be loaned to farmers at reasonable interest rates and on terms that conform to the farmers' requirements. NT\$309,000,000 from the counterpart funds will be appropriated for this purpose throughout a five year period with an initial appropriation of NT\$63,000,000 in 1961. Sixty three farmers' associations participated in the 1961 operation of this fund resulting in the provision of NT\$118,000,000 in production loans to the farmers in December 1961. More than 34,000 farmers have borrowed from this fund.

In the field of land and water development, a total of 47 projects were implemented. These include work on rotational irrigation, canal lining, flood control, land reclamation, ground water development, pumping irrigation, and rural electrification and communication and communication service. Plans are being developed for more reservoirs, river basins, tidal land development and further exploitation of ground water.

In forestry, total island-wide planted area has been estimated to be 26,349 ha., of which 5,327 ha. are national forests, 18,640 ha. community and private forest and 2,382 ha. under a land lease reforestation program. Timber production went up to 893,200 cubic meters in 1961, reflecting an increase of 8.6% over 1960. Timber export reached a new peak of approximately 10 million US dollars. One plywood mill began production, two are under construction, and three are in planning stage. Three timber dry-klins started operation and two modern wood-working plants were established.

In 1961 total fish production reached a record high of 312,439 metric tons, far surpassing the goal of 270,000 metric tons set for the year under the third 4-year economic development plan and also representing an increase of over 20% as compared to 259,140 metric tons in 1960. A total of 40 trawlers with a gross tonnage of 4,110 tons were newly constructed and participated in inshore fishing operation. Six fish markets and refrigeration plants were constructed and three fishing harbors completed. Fish culture production has increased over 90%. Exportation of frozen tuna and sharkskin leather has earned for the government US\$400,000 in foreign exchange in 1961.

Developments in 1962

Plant industry studies will be made to improve the second rice crop yield and establish the benefits of irrigation on upland crops. Work on improvement of such economic crops as bananas, pineapples, tea and citrus will be expanded.

In the field of animal industry, dairy promotion work will be strengthened to increase dairy cattle population from 4,500 to 6,200 head, artificial insemination of hogs will be expanded, and the construction of a cold storage for poultry products is scheduled for completion in this year.

In agricultural extension, farm extension and 4-H club work will be expanded to cover 300 townships, home economics extension to 210 townships in the plains and aboriginal areas and promulgation of an extension law for both the Republic of China and the province of Taiwan will be undertaken.

In agricultural organizations and marketing, rice hulling capacity of farmers' associations is planned to be increased to 9,580 metric tons a day; capacity of fertilizer warehouses to be upped to 210,850 metric tons; rice and seed granaries storage capacity to be increased to 9,000 metric tons; a poultry feed plant, a mushroom spawn production plant, and two vegetable wholesale markets will be constructed. Four thousand eight hundred hectares of fragmented farm land are planned to be consolidated in 1962.

The main activity of agricultural credit is expansion of the unified agricultural credit program to include about 120 farmers' associations with JCRR providing NT\$80,000,000 as a lending fund.

A new project for reclamation of waste land in east Taiwan will be started in 1962 aiming to reclaim 7,300 hectares in three years for a cost of about NT\$546 million. Ninety-three economic development projects utilizing PL480 Tital II agricultural commodities will be formulated and implemented in this year.

Goal of 1962 forestry program is to assist private and community reforestation of 20,000 ha. as an industry fiber source, and the construction of 30 km. of forest road for hard wood conversion and harvesting. Two experimental pilot plants will be established to demonstrate new manufacturing and processing methods. Several wood technology experts in specific fields of endeavor will be invited as short-term consultants,

Further development in fisheries in 1962 includes the completion of fourteen deep-sea tuna boats; addition of 16 300-1000 ton boats to the existing deep-sea fishing fleet; and participation of Chinese fishermen in cooperative fisheries under-takings with fishery companies of Thailand, South Vietnam and some African countries.

Fact Sheet - Education

Introduction

During the past 16 years the government of the Republic of China has accomplished much in the field of education. Today, 96.4% of the island's school-age children are enrolled in the 1,843 grade schools. The number of pupils stands at 1,888,783, or nearly double that under the Japanese occupation.

At the time of the island's retrocession to China, Taiwan had only 75 secondary schools. Today there are 363, with a combined enrollment of 355,274 students, a 7-fold increase compared with the pre-1945 figure.

In Taiwan's 27 colleges and universities, 34,560 young men and women are pursuing their diversified studies. There are four national and two provincial universities offer post-graduate courses.

In addition to regular schools, there are numerous extension schools and seminars conducted for the general public. These, together with an islandwide radio education program, have brought the literacy up to 81.3% of the island's total population.

Along with the quantitative rise in education has come a shift in the subjects pursued by the Chinese youth. More and more of them are turning their attention to science.

MSM/C role in education is to advise and assist the host government in developing an education program within its education system that will supply the skilled manpower needed to bolster the economic development and enhance the prestige of the Republic of China.

Vocational Agricultural Education

Throughout the years, ICA MSM/C has assisted 25 of the 41 vocational agricultural schools and one agricultural teachers training institution by providing adequate equipment and facilities, the reorganization of curriculum and improvement of teaching methods.

There are approximately 24,000 students enrolled in the 41 vocational agricultural schools and 2,000 in three fishery schools.

A five man Michigan State University Contract team is now complete with two men stationed at National Taiwan University, two at Chung Hsing University and the team leader spending a portion of his time at each institution.

Trade and Industrial Education

In the field of Trade and Industrial Education, AID/C assisted the GRC in the completion of an island-wide occupational survey and on the basis of the survey, a vocational industrial teacher training program was established to train administrators and teachers for eight vocational industrial schools on the island. While this program was underway, the shop facilities, instructional materials and school-industry cooperative programs were developed.

The reorganization of Taipei Institute of Technology was also started in CY1961. The General Advisory Committee has been organized and the craft committees will be organized in CY1962. Course of study development, building construction, and installation of equipment will go forward in CY1962.

Science Education

US AID/C in 1959 began to assist the GRC to develop an all-level science education improvement program. The present project has two objectives.

The program is divided into two parts: Instructional and Research. These phases are both in their fourth fiscal year.

In recapitulating the past year's achievement and projecting toward the future, the following major developments were observed:

1) The Tsing Hua research reactor was successfully installed and its criticality achieved in April. Following the criticality experiment, continued calibration has been carried on to check the reactor performance. Development towards production of radioisotopes, especially the short-lived ones, is now being done for research purposes in industry, medicine and agriculture. The reactor program is a joint activity between USAEC, USAID/C and IAEA.

2) The AID Regional Science Education Conference was held in Taipei in November. The one-week conference was attended by delegates, both Americans and Nationals, from China, Korea, Vietnam and Thailand.

3) A second group of science laboratories for 40 junior high schools was constructed during the year. This effort completed the blanketing of all eighty junior high schools on the island with a multi-purpose type science laboratory. In addition to this, 18 senior high schools completed their science halls, each of which is usually the combination of three laboratories for physics, chemistry and biology with their auxiliary facilities.

4) Four junior high level science experimental centers were selected. This, plus the 4 senior level selected in previous year, bring to a total of eight experimental centers geographically distributed around the island. Each of them will bear a long-range responsibility of developing science education programs for themselves as well as demonstration for the neighboring schools.

5) In research science area, continued effort in undergirding the research climate in the established institutions is underway. Science consultants, one AID sponsored and several other agency sponsored, came to Taiwan to give senior expert services in providing research leadership. Eight major laboratory buildings were completed. Owing to the late delivery of foreign procurement of equipment, much of the planned activities had to be postponed to the following year.

Education Administration and Development

This master project is composed of the following sub-projects, each separately identified and described below:

Sub-project A - Education Advisory Services

This activity provides technical assistance in island-wide education administration including the service of a Chief Education Advisor who directs the MSM/C education program and furnishes technical and administrative assistance to all education projects through the Ministry of Education. He also serves as a member of Board of Directors of US Education Foundation (Fulbright program) to China.

Sub-project B - Teacher Education

The 10 normal schools of Taiwan are of high school level and are unable to adequately train teachers in both academic subjects and pedagogy. Through this project, these normal schools are being selectively up-graded into junior colleges. To date, two schools have moved into the new program. Summer and evening courses, and workshops are being developed to improve in-service teachers, and the Panchiao In-service Training Center is being strengthened.

To meet the acknowledged inadequacy of high school English teaching, a contract is being negotiated to retrain more than half of the 2,200 English teachers in Taiwan.

Sub-project C - Educational Materials Center

All schools in Taiwan, especially the elementary and general secondary schools, lack effective teaching tools. This project was initiated in 1955 to improve the production, distribution and effective use of all types of educational materials. To date more than 4,000 Chinese teachers have received special training, and the National Educational Materials Center Library has grown to 1,434 reels of film, 803 filmstrips and 1,234 educational tapes, plus numerous pamphlets, charts, exhibits and the like. A large part of the training function is carried out through the ten regional normal schools.

Sub-project D - Building Materials Research Center

The purpose of this project is to establish a long range program through an education institution with well-trained personnel for improvement of building materials and their use in construction on Taiwan. At present, local building materials are for the most part poorly prepared and ineffectively used throughout the trade.

This program began in FY 1961 by establishing at Cheng Kung University a Building Materials Research Center. The Center is managed by a Director, appointed by the President of Cheng Kung University. The Director serves under the direction of the University President.

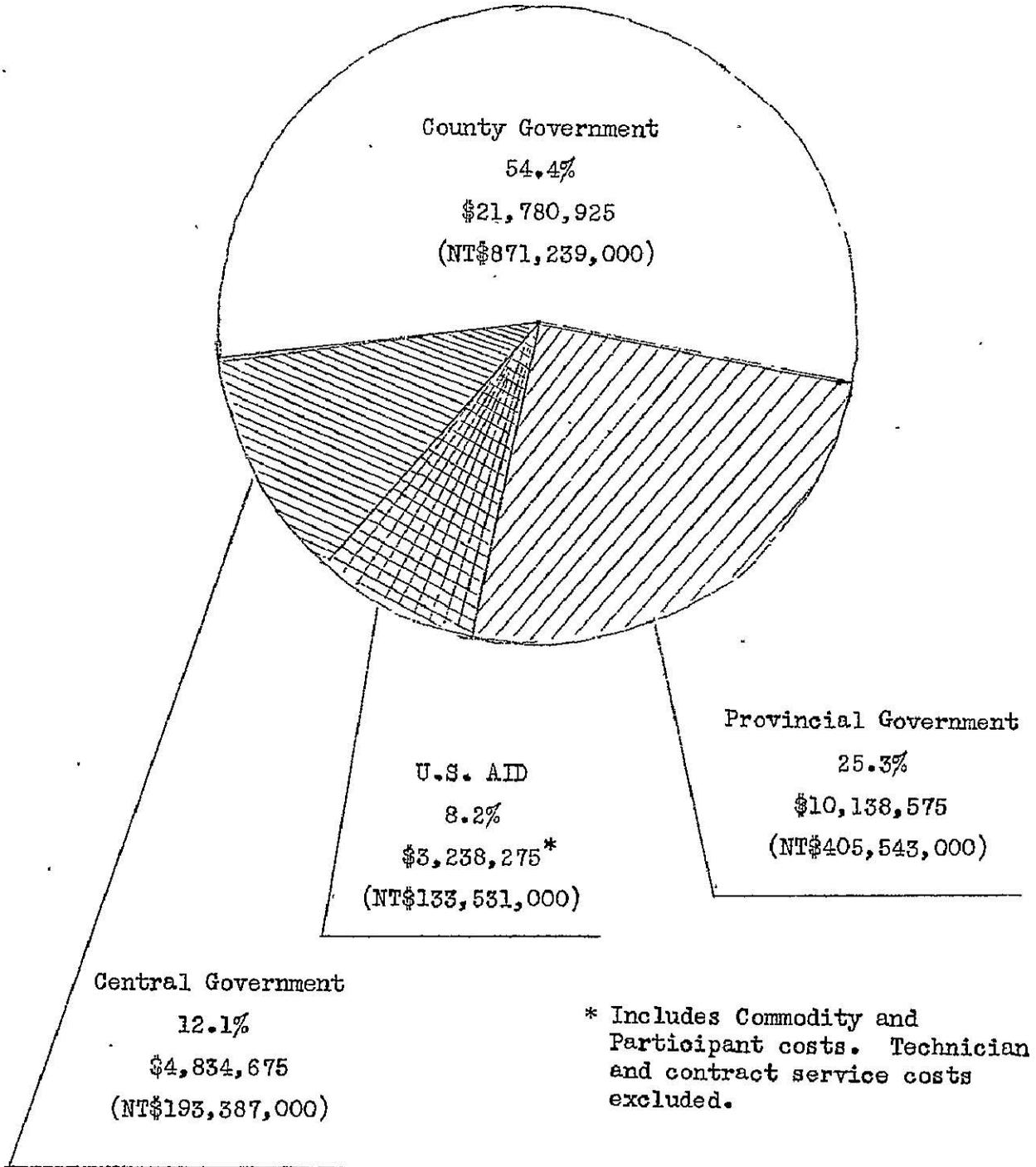
Overseas Chinese Education

The project was started in FY 1954 upon the suggestion of Mr. Richard Nixon, then Vice President of the United States. The purposes are: 1) to provide higher educational opportunities for overseas Chinese students who might not otherwise have such education available to them in the Free World; 2) to provide a more desirable alternative to dissuade students from going to Communist China; 3) to enhance the prestige of the GRC by developing its educational facilities and making them known throughout Southeast Asia; and 4) to educate the overseas Chinese youth so that they may return to their homes more anti-Communist and possessing of skills which may be of value to the development of their countries. 8,049 overseas Chinese students are now in the Republic of China and 3,199 have graduated.

BUDGET ON EDUCATION FY 1961

\$39,992,450 .

(NT\$1,603,700,000)



U. S. AID TO EDUCATION FY1952 - FY1958

| <u>Total</u> | <u>FY52</u> | <u>FY53</u> | <u>FY54</u> | <u>FY55</u> | <u>FY56</u> | <u>FY57</u> | <u>FY58</u> |
|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| NT\$ | 14,860,173 | 2,434,662 | 17,634,481 | 18,327,559 | 55,109,314 | 71,623,000 | 91,266,800 |
| US\$ | --- | 573,480 | 393,736 | 857,687 | 1,152,623 | 1,066,134 | 1,349,000 |

EDUCATION STATISTICS OF TAIWAN AS OF JUNE 30, 1958

| | <u>No. of Schools</u> | | | | | <u>No. of Teachers</u> | |
|-------------------------|-----------------------|-----------------|-------------------|---------------|----------------|------------------------|-----------------|
| | <u>Total</u> | <u>National</u> | <u>Provincial</u> | <u>County</u> | <u>Private</u> | <u>Total</u> | <u>Teaching</u> |
| College and University | 27 | 5 | 9 | - | 13 | 5,508 | 3,100 |
| Secondary Schools | 363 | 2 | 99 | 183 | 79 | 22,262 | 16,700 |
| Middle Schools | 244 | 2 | 56 | 131 | 55 | 14,526 | 11,200 |
| Senior | 139 | 2 | 55 | 40 | 42 | - | - |
| Junior | 105 | - | 1 | 91 | 13 | - | - |
| Normal Schools | 10 | - | 10 | - | - | 756 | 400 |
| Normal | 10 | - | 10 | - | - | 756 | 400 |
| Special | - | - | - | - | - | - | - |
| Vocational Schools | 109 | - | 33 | 52 | 24 | 6,980 | 4,800 |
| Senior | 102 | - | 33 | 45 | 24 | - | - |
| Junior | 7 | - | - | 7 | - | - | - |
| Elementary Schools | 1,843 | - | 9 | 1,785 | 49 | 45,444 | 41,800 |
| Kindergarten | 675 | - | 8 | 345 | 322 | 2,575 | 2,600 |
| Supplementary Education | 719 | - | 49 | 9 | 661 | 3,893 | 2,600 |
| General | 16 | - | 3 | 2 | 11 | 295 | 100 |
| Vocational | 34 | - | 13 | 7 | 14 | 699 | 100 |
| Special | 3 | - | 3 | - | - | 210 | 100 |
| Miscellaneous | 666 | - | 30 | - | 636 | 2,689 | 1,400 |
| Total: | 3,627 | 7 | 174 | 2,322 | 1,124 | 79,682 | 66,000 |

Fact Sheet - Public Health

Malaria Program - Taiwan Provincial Malaria Research Institute (TAMRI)

The malaria program has been the most successful program in the public health field. From 1,200,000 known cases and an annual mortality of 12,000 in 1950 to 69 cases in 1960 and no deaths, is a record which any public health organization can be proud of. The country is now in the malaria eradication stage which will terminate in 1963.

The 1962 budget: US\$20,000 and NT\$3,750,000

Disease Control

1. Tuberculosis Control

This has been a successful program and has had good cooperation with other international agencies such as WHO. The death rate for TB has gone from 285/100,000 in 1947 to 47/100,000 in 1959. All discovered cases are given drugs, and hospitalization if needed. The emphasis is on out-patient treatment to make hospital beds available for other diseases. The program had been successful in recruiting and training of doctors, nurses, X-ray technicians, maintenance men and over 100 health workers.

The TB program received to date \$689,000 for drugs, X-ray films and equipment, vehicles, etc. The 1962 contribution will be \$92,000. NT\$8,810,000 will be used this year from counterpart funds. UNICEF and WHO have cooperated with U.S. AID on this project.

2. Tropical Disease Control

This is a new project which will utilize the facilities and personnel of the malaria institute. Concentration will be made on the elimination of filariasis and intestinal parasites and arthropods such as the carriers of scrub typhus and amoebic and bacillary dysenteries.

Aid will be in the form of participants to the U.S. and Japan and \$6,000 for commodities. NT\$1,545,000 will be budgeted from counterpart funds.

Sanitation and Water Supply

1. Institute of Environmental Sanitation (IES)

The Institute of Environmental Sanitation is endeavoring to improve public health by the installation of compost plants and excreta disposal plants, research on night soil disposal and utilization, food and milk sanitation, training of sanitation and industrial hygiene personnel, etc.

The Institute has trained over 500 personnel including sanitarians, chemists and engineers, 22 rural demonstration areas have been set-up. Over 5,000 shallow wells have been dug and 15 simple distribution systems have been constructed. Twenty air sampling stations are in operation in Taiwan cities, and hookworm control projects have been installed in three coal mines.

The 1962 contribution will be \$81,800 and NT\$3,954,000 in counterpart funds.

2. Provincial Department of Reconstruction (FDCR)

The 1962 program will provide water for 8 communities and drilling and equipping ten deep wells. Thirty water works operators will be trained, the costs being shared by AID and Taiwan Water Works Association. The assistance to this project this year will consist of one participant to the U.S., NT\$7,860,000 from counterpart as grants and NT\$6,300,000 from counterpart as loans.

Medical and Para-Medical Education

This project consists of a number of related activities designed to increase the number and competence of medical and para-medical education. It has aided medical schools (including pharmacy and dentistry), schools of nursing and midwifery, institute of public health and two teaching hospitals affiliated with medical schools; plus given aid to in-service and first country training.

Chief areas of assistance has been in the construction, remodeling and equipping of key teaching institutions, technical assistance by furnishing consultants to the schools and participant training.

This year's contribution will include the training of two participants and two short-term consultants. US\$192,000 and NT\$27,939,000 have been budgeted for equipment and remodeling and enlarging plants.

Hospital and Related Health Facilities

As of 1959 - 1960, there were 19 active hospitals under the Provincial Government, one large teaching hospital of the National Taiwan University under the Ministry of Education, and several private missionary hospitals, all open to the public and all maintaining roughly equivalent standards of medical care. There were also many very small private hospitals or clinics, whose bed numbers in total are small and whose standards usually are deplorably low. The total number of beds of governmental hospitals and missionary hospitals follows:

General hospital beds

| | |
|---|-------|
| Provincial hospitals | 1,566 |
| University medical center | 800 |
| Various missionary hospitals (est.) | 350 |
| | <hr/> |
| | 2,716 |
| Leprosarium | 1,016 |
| TB, Psychiatric, etc. | 396 |
| | <hr/> |
| | 4,628 |

The Retired Servicemen's Program, an unprecedented project to care for combat ineffectives (about 80,000) retired from the Chinese armed forces, received by special grant one 600 bed modern general hospital and 9 rural convalescent/chronic hospitals (better called nursing homes). These institutions, working in close cooperation, not only care for the originally retired servicemen, but accept for treatment a continuing flow of recently discharged military personnel. The 600 bed Veterans General Hospital is affiliated as a teaching hospital with the National Defense Medical Center, and is outstanding in the Far East. It admists a few private cases.

The most important current aid effort is the support of a program to integrate all public health and hospital facilities and staff into a single administrative unit. Trial programs are going on in three counties. AID is providing critical commodities, some construction (especially dormitories), funds for training and supervision, and, until now, guidance and stimulation.

FACT SHEET - PUBLIC ADMINISTRATION

Introduction

Prior to CY 1960 activities in the field of public administration training consisted of several surveys conducted by management consultant firms and short-term technical advisors, plus a moderate amount of participant training. The only exception was a regular-hire budget advisor who was employed in 1956 and continued his work in this field until he was made Chief of the Public Administration Division that was established in February, 1960. Both officials of MSM/C and the Chinese Government had evidenced concern about the inadequacy of public administration since the Mission was first established. In CY 1958 GRC established an Administrative Reform Commission whose assigned task was to determine actions that should be taken to overcome these inadequacies. As a result of the findings of this Commission, AID assistance was requested in the fields of fiscal administration, personnel administration, tax administration, statistical reporting, centralized purchasing and property management. With the exception of AID supported efforts to improve budget administration which was started in CY 1956, all other activities of the Mission's Public Administration Division were started in CY 1960 and early 1961.

DEVELOPMENTS IN CY 1961

Statistical Advisory Service

1. The National Income Statistics Working Group issued a lengthy report on weaknesses of 36 selected basic data series within the statistical system, including specific recommendations for improvement and a sub-committee on implementation of the report was formed.
2. The Commodity Classification Working Group completed the first stage of its work, which consisted of a consolidated listing of all the commodity items known to the various classification systems presently being used in Taiwan.
3. A charter was obtained from the National Ministry of the Interior for the formation of the Chinese Statistical Association, organized to encourage improved standards in this profession. Applications for membership were being accepted at the close of the year.
4. A planning committee was established for an industrial and commercial census and it completed technical and budgetary plans for these censuses to be taken in the spring of 1962.
5. The Data Processing Center, which originally began as a service for processing ICA aid records, using the IBM punch-card system, was expanded into a governmental service operation and undertook a number of projects on a reimbursable basis.

Revenue Administration

Continuing studies were made during the past year to improve tax administration, and plans were drafted for establishing a pilot office to test new procedures

and methods. A revised income tax law was finalized and submitted to the Finance Committee of the Legislative Yuan for study on May 2, 1961.

Personnel Administration

Work on the job standards and wage development plan for GRC enterprises was continued. Also, a comprehensive training program designed to make possible the installation of improved personnel management practices in the several enterprises was continued. 19 MOEA employees were trained in Position Classification (1 class), 34 MOEA employees were trained in Work Efficiency Improvement (2 classes). 84 private enterprise employees were trained in Position Classification (2 classes).

Financial Administration

1. The Budget Committee succeeded in establishing performance budgeting in ten selected government agencies at the three levels of government and has selected, with the approval of the Executive Yuan, fourteen additional agencies to train the personnel in the installation of performance budgeting during 1961/62 to be ready for operations in 1963.
2. The Treasury Committee has made substantial progress in the development of procedures and drafting amendments to laws governing procedures in the Treasury Department as well as in the recently established Central Bank of China. Suitable mechanical equipment was ordered to facilitate the accounting and check writing operations.
3. The Auditing Committee has been studying USA auditing procedures as performed by the General Accounting Office and is in the process of developing local procedures at MOA for replacing pre-auditing with post-auditing at the site of government agencies, and expanding the operations to develop complete comprehensive audits. These worthwhile efforts will continue to be handicapped by the shortage of suitably trained personnel.
4. With assistance from the Mission's Financial Administration Advisor the Security Exchange Commission study group drafted various stock exchange regulations that were needed in connection with the planned establishment of a Stock Exchange early in CY 1962. In addition, a group of four Chinese officials from the SEC was sent to Japan for one month to observe the operations of large and small exchanges, and the supervision exercised over the exchanges by the Japanese Government.

PLANNED DEVELOPMENTS IN CY 1962

Statistical Advisory Service

1. The National Income Statistics Working Group is sponsoring a number of technical studies which are designed to improve present data and methods and to fill in statistical gaps including, among others, a study of the flow of commodities from a national income standpoint, the contribution to the national income of the many very small businesses ordinarily not included in any census or survey, the inventories of commodities, and the field testing of plans for the survey of personal incomes.

2. The Commodity Classification Working Group will complete its preparation of a standard commodity code system, consistent with the 1960 revisions of the International Trade Classification, but adapted to the needs and problems of commodity classification in Taiwan.
3. A two-month training course for provincial statistical employees has been drawn up, emphasizing national income data and concepts and will be carried out within a few months. Nominations of individuals are now underway.
4. The Industrial and Commercial Census enumeration will be carried out under the direction of the provincial governor and final results are anticipated by the middle of calendar year 1963.

Revenue Administration

The Pilot Office in Taichung City will be set up under reorganization plan. A working group, or task force, working on a full-time basis will make continuing studies in operations and methods, tax administration and enforcement; they will draft and test procedures in Pilot Office. As new procedures are developed and improved they will be put in manual form and implemented in the other tax offices over the Island. Two participants will go to the U.S. for six-months training in the fields of tax audit and assessment techniques and tax collection and enforcement.

Personnel Administration

During CY 1962 installation of personnel management program in government enterprises will be undertaken. In addition to supervision of the installation of this program in each separate enterprise it will be necessary to continue the training program. An estimated 60 MOEA employees will be trained in Position Classification (3 classes). An estimated 37 MOEA employees will be trained in Employee Utilization (2 classes).

Financial Administration

During 1962 the three amended laws of Budget, Treasury and Audit, as well as several related laws, are expected to be completed in final form and submitted for legislative action, so as to become effective by January 1, 1963.

The new budget law will restrict many of the loose practices of fiscal control, and place more authority in the Legislature for balancing the budget. The function of central budget review and control is expected to be developed at the National Bureau of Budget. The installation of performance budgeting will be extended into more agencies of the National and Provincial governments by developing several mobile task force groups. A careful evaluation will also be undertaken in the agencies where such budgeting has already been installed.

The revised laws will restrain some of the extra-budgetary disbursements, will centralize treasury accounting and disbursement for the entire central government. During 1962 detailed procedures will be written, and suitable personnel trained to make possible the reorganization of the Treasury Bureau of MOF to perform these new functions.

During 1962 the Auditing Committee staff is expected to complete the preparation of audit manuals for the conduct of comprehensive audits in government agencies and public enterprises at all three levels of government. It is expected that inservice training seminars will be established with the aid of the Public Administration Institute to retrain existing personnel and additional personnel that must be procured for the expanded audit program.

Early in 1962 a Japanese Consultant was engaged for a short period to review the laws and regulations drafted by the SEC and the Exchange Corporation and to offer his recommendations. Seminars are now being conducted to train brokers and their representatives. Two employees of the Exchange will be sent for training in a Tokyo brokerage house in March. The Exchange was opened for business on February 9, 1962. Further activities in this project will concern working out problems that may be encountered during early stages of operations.

Fact Sheet - Industrial Districts

Introduction

As industrial estates have proven to be a versatile tool to stimulate industrial growth in a country, this project is designed to provide aid assistance to help GRC in her efforts to develop industrial districts in Taiwan.

The first district, Liutu, is located just south of Keelung; a second district is in Kaoshiung; a third district has been proposed in Nan-Wang Tien.

In FY61, NT\$36,360,000, earmarked under Section 104(g) of the 3rd PL480 Agreement was provided on a loan basis exclusively for the development of the Liutu District. The development of this industrial district includes grading and the construction of roads, dikes and sewerage system, the expenses of which will be borne by the users of land. Provision of public utilities and other services will be financed under separate projects, for which the users of land will pay rates only.

Developments in CY1961

In CY1961, the development of Liutu industrial district was begun. The construction program was started in May 1961, to be completed by the end of 1962.

The developed land will be distributed as follows:

| | <u>Area (Hectares)</u> | <u>% of Total</u> |
|------------------------------|------------------------|-------------------|
| Factory | 39.6 | 66.4 |
| Road | 4.3 | 7.2 |
| Dyke | 6.8 | 11.4 |
| Sewerage Treatment Plant | 3.0 | 5.0 |
| Water Supply Plant | 1.7 | 2.9 |
| Service Center & Gas Station | 0.7 | 1.2 |
| Transformer Station | 0.1 | 0.2 |
| Green Land | <u>3.3</u> | <u>5.7</u> |
| Total: | <u>59.5</u> | <u>100.0</u> |

Summary of Planned Development in CY1962

In order to meet the increasing demand of harbor facilities for the growing export and import trade of this island, a project for extending the Kaoshiung Harbor was set afoot in 1958, to be completed in 12 years. Under this project, some 750 hectares of tidal land will be reclaimed. Together with the neighboring areas improved over the years, land available for industrial use will add up to about 1,300 hectares. A master plan of land utilization of this district has been worked out in coordination with the plan for Metropolitan Kaoshiung. The first stage comprises some 218 hectares of reclaimed land to be developed for industrial purpose.

A small scale industrial district in Nan-Wang Tien recently has been proposed by GRC. The development cost estimated for this district totals NT\$17,625,000.

For development of this district, it is estimated that US financing of about NT\$10,000,000 will be required in FY63. The GRC also plans to establish one industrial district of this size each year in FY64 and FY65, for which a loan of NT\$10,000,000 each will be needed.

Fact Sheet - Tourism

In order to assist the GRC to attract more tourists to this country, earn more foreign exchange and promote a better international understanding of Free China's accelerated economic growth, a tourism project was initiated in FY1961 under the sponsorship of the Ministry of Communications.

Under this project, (a) MOC has established a Tourism Council with representatives from several government agencies and the private sections and assumed the responsibility of mapping out a long range program for the development of tourism, policy-making and general supervision. The Committee has designated the Taiwan Tourism Council of the Provincial Government and Taiwan Visitors Association, a private organization, to carry out the operational program, called Sub-project A; and (b) in line with the promotion of tourism, the arts collections now stored in the Palace Museum, one of the major tourism attractions of Free China, presently located at Taichung (100 miles from Taipei), will be moved to a museum to be constructed in Taipei suburb for exhibition for convenience of international tourists, most of whom land at Taipei. This is called Sub-project B which is to be completed in about two years with a total cost of NT\$30 million under the responsibility of the Joint Administration of National Palace Museum and National Central Museum.

In August 1960, the amounts budgeted from Counterpart Funds were:(a) NT\$2 million and NT\$4 million for Sub-project A for FY1961 and FY1962, respectively; (b) NT\$15 million each for Sub-project B for FY1961 and FY1962; and (c) NT\$8 million each for Sub-project A for FY1963 and FY1964.

Following are statistical figures for the tourism industry in Taiwan for the past six years:

| | <u>Foreign</u> <u>Visitors</u> | <u>Overseas</u> <u>Chinese</u> | <u>Total</u> | <u>Increase</u> <u>%</u> | <u>Estimated Foreign</u> <u>Exchange Earnings</u> | <u>Increase</u> <u>%</u> |
|------|-----------------------------------|-----------------------------------|--------------|-----------------------------|--|-----------------------------|
| 1956 | 11,734 | 3,240 | 14,974 | 100 | US\$ 935,876 | 100 |
| 1957 | 14,068 | 4,091 | 18,159 | 21 | US\$ 1,134,938 | 21 |
| 1958 | 15,557 | 1,152 | 16,709 | 12 | US\$ 1,044,313 | 12 |
| 1959 | 17,634 | 1,694 | 19,328 | 29 | US\$ 1,208,001 | 29 |
| 1960 | 20,796 | 2,840 | 23,636 | 58 | US\$ 1,477,251 | 58 |
| 1961 | 34,831 | 7,374 | 42,205 | 182 | US\$ 2,637,814 | 182 |

Fact Sheet - Small Industry Loan (SIL)

Introduction

This project was started in 1954 for the purpose of making available medium term development loans on relatively favorable terms to small private industries. This is the only source of medium term credit available to small private enterprises at terms which are within the scope of their capabilities for repayment. Both local currency loans and U.S. dollar aid, on a counterpart deposit basis (for procurement of equipment and machinery) have been extended through three commercial banks, with branches situated in all major centers of Taiwan, and through the Central Trust of China. This project is directed at private industries in Taiwan with a view toward increasing their capabilities for industries production, lowering their production costs and improving the general quality of their products.

A total of 348 U.S. Dollar loans in the amount of US\$7,328,000 and 261 local currency loans in the amount of NT\$93,357,000 had been extended to 426 recipients under the FY54-59 Small Industry Loan (SIL) Programs. Some of the 426 recipients received two or more U.S. Dollar and/or N.T. Dollar loans.

In addition to the above regular Small Industry Loans, under the FY60 SIL Program, a total of 96 local currency loans in the amount of NT\$17,197,000 had been extended thru the three commercial banks and China Development Corporation to factories damaged by the flood which struck the central part of Taiwan on August 7, 1959 and caused serious and extensive damage.

Development in CY1961

Starting with the FY60 SIL Program, only local currency loan has been extended, since a DLF Loan of US\$2,500,000 was made available for small industries for import of machinery and equipment thru the three commercial banks and Central Trust of China under FY60-61 (as of end of 1961, a total of 37 sub-loans in the amount of US\$1,501,329 were extended).

The regular local currency loan under FY60 has been handled by the Huanan, the Changhua and the First Commercial Banks. The interest rate to the sub-loan receivers was raised to 18% from 7.2% per year and the minimum and maximum amount of each individual sub-loan was raised from NT\$100,000 and NT\$1,200,000 to NT\$200,000 and NT\$3,000,000 respectively. The three commercial banks received a total of 75 sub-loan applications totalling NT\$116,863,807, which have been screened & reduced to 38 applications totalling NT\$45,840,000 (including banks' 20% participation) with the technical consultation of CPTC.

The projects rejected by the banks were either technically or financially unsound or unable to meet the Chinese Government Industrial Policy. By the end of June 1961, the AID/CUSA fund portion of NT\$36,672,000 was fully released to the handling banks for transfer to the end-users.

Under FY62 SIL Program, NT\$40,000,000 were made available from the Counterpart Fund for discounting bills of exchange for small industries along with NT\$60,000,000 from CUSA Account No. 4. As of Dec. 31, 1961 the cumulative total amount discounted by Bank of Communication, Changhua Commercial Bank, First Commercial Bank, Huanan Commercial Bank, and Overseas Chinese Commercial Bank amounted to NT\$285,593,897.62. The total amount of outstanding bills discounted by the banks for each enterprise is limited to NT\$3,000,000 and maturity of the bill should not exceed 90 days after acceptance. The rate of discount is 0.045% per day for the present.

Planned Development in CY1962

Under the FY62 SIL Program, NT\$40,000,000 has been allocated for Bill discounting as mentioned above, and another NT\$40,000,000 is to be allocated to small industries thru the four commercial banks (Changhua, Huanan, First, and Overseas Chinese). The maximum amount of SIL to a single enterprise was raised

to NT\$4,000,000 and the interest rate was fixed at 16.2% per year. Acceptance of the applications by those commercial banks will be started on 15th February 1962 and stopped in middle of May 1962. The deadline for release of Aid Fund is Oct. 31, 1962.

Fact Sheet - Development Loan Fund (DLF)

Introduction

The scope of operations includes loans, credits and guaranties. The DLF from its inception in November 1957 to December 31, 1960 approved 14 loan applications for US dollars to both private and government organizations in Taiwan. These loans amounted to a total of US\$119,736,000 and are with one exception (Ingalls-Taiwan Shipbuilding Corporation) repayable in New Taiwan dollars. This figure represents around 7% of the total amount of loans approved by DLF to 48 countries, among which Taiwan is listed as the fourth largest recipient.

The cumulative status of 14 DLF projects, as of December 31, 1960, is as

below:

| <u>Project Title</u> | <u>Amount (US\$)</u> | <u>Interest Rate</u> | <u>Dura- tion</u> | <u>Disbursements</u> | <u>Date Agree- ment Signed</u> |
|--|--------------------------|----------------------|-----------------------|------------------------------|------------------------------------|
| Asia Cement Corp. | 3,000,000 | 5½ | 10 | 2,952,000 | 7/25/58 |
| Shihmen Dam (GRC) | 21,500,000 | 3½ | 35 | 9,006,000 | 11/10/58 |
| TRA 1st Loan (GRC) | 3,200,000 | 3½ | 11 | 1,834,000 | 11/12/58 |
| Land Bank-Fishery | 686,000 | 5 | 5 | 598,000 | 3/18/59 |
| Small Industry Loan | 2,500,000 | 5½ | 5 | -- | 12/15/59 |
| Ingalls-Taiwan | 2,000,000 *4,500,000, | 5½ | 9 | 74,000 | 1/22/59 |
| By-Product Coke Oven | 1,000,000 | 5½ | 9 | 939,000 | 2/19/59 |
| Taiwan Aluminum Corp. | 1,350,000 | 5½ | 5 | 500,000 | 6/25/59 |
| TRA 2nd Loan (GRC) | 5,900,000 | 3½ | 11 | -- | 2/18/60 |
| China Development Corp. | 10,000,000 | 5-3/4 | 10 | -- | 3/24/60 |
| Taiwan Telecommunication Administration | 2,000,000 | 3½ | 10½ | -- | 6/16/60 |
| Nanpu Thermal Power | 20,500,000 | 3½ | 20 | -- | 9/30/60 |
| Hsinchu Window Glass | 1,600,000 | 5-3/4 | 12 | -- | 5/12/61 |
| Tachien Reservoir | 40,000,000 | 3½ | 30 | -- | 6/21/61 |
| | <u><u>Total:</u></u> | | | <u><u>US\$16,003,000</u></u> | |

(* Guaranteed loans.)

Note: DLF approval of both the Hsinchu Window Glass and Tachien Reservoir loans was made on 6/14/60 and 12/21/60 respectively.

Of the above 14 loans, excepting those sub-loans financed through intermediate credit institutions, the Asia Cement Plant Project was satisfactorily completed on July 13, 1960 and the Pioneer Chemical - By Product Coke Plant early in Oct., 1961. The remaining projects are all in varying stages of implementation.

Development in CY 1961

1. Progress of Approved Loans

During CY1961, numerous sub-loan projects were financed through the Land Bank of Taiwan (Fishery Program), the three commercial banks and CTC (Small Industry Loan Program), and the China Development Corporation for the development of small private enterprise. Following the Asia Cement Plant, the By-Product Coke Oven Project, sponsored by the privately owned Pioneer Chemical Corporation, was completed in early October.

The cumulative status of disbursements for 14 projects, as of December 31, 1961, is as follows:

| <u>Project Title</u> | <u>Amount of Loan</u> | <u>Cumulative Disbursements</u> |
|-----------------------------------|-----------------------|---------------------------------|
| Asia Cement Corporation | 3,000,000 | 2,994,000 |
| Shimen Development Commission | 21,500,000 | 13,946,000 |
| TRA 1st Loan | 3,200,000 | 2,191,000 |
| Land Bank of Taiwan - Fishery | 686,000 | 683,000 |
| Small Industry Loan Program | 2,500,000 | 1,227,020 |
| Ingalls-Taiwan Shipbuilding Corp. | 6,500,000 | 86,000 |
| By-Product Coke Oven Project | 1,000,000 | 1,000,000 |
| Taiwan Aluminum Corporation | 1,350,000 | 1,325,000 |
| TRA 2nd Loan | 5,900,000 | 5,870,000 |
| China Development Corporation | 10,000,000 | 432,325 |

| <u>Project Title</u> | <u>Amount of Loan</u> | <u>Cumulative Disbursements</u> |
|-------------------------------|-----------------------|---------------------------------|
| Taiwan Telecommunication Adm. | 2,000,000 | 22,000 |
| Nanpu Thermal Power Project | 20,500,000 | 2,954,000 |
| Hsinchu Window Glass Works | 1,600,000 | -- |
| Tachien Reservoir Project | 40,000,000 | -- |
| | <hr/> <hr/> | <hr/> <hr/> |
| Total: | US\$119,736,000 | US\$32,730,345 |

2. Status of Pending Applications

Taiwan's pending applications under DLF active consideration, as of Dec. 31, 1961, are as follows:

| <u>Project Title</u> | <u>Date of Application</u> | <u>Amount (US\$)</u> | <u>Feasibility Study</u> |
|---|----------------------------|----------------------|--------------------------|
| 1. TRA 3rd Loan - Railway | 5/16/60 | 7,980,000 | JGW V-12 Report |
| 2. Polyolefin (Private) | 5/31/60 | 2,350,000 | nil |
| 3. TTA 2nd Loan - City Phones | 6/9/60 | 5,500,000 | TTA Report |
| 4. Chinsui Gas Field | 7/1/61 | 4,900,000 | nil |
| 5. Tourism Hotel (Private) | 8/28/61 | 1,500,000 | nil |
| 6. Urea Expansion & Ammonium Phosphate Project, TFC | 10/4/61 | 7,100,000 | nil |
| | <hr/> <hr/> | <hr/> <hr/> | |
| Total: | | US\$29,330,000 | |

Planned Development in CY1962

1. DLF to AID DL Financing

In view of the legislation covering the operations of the Agency for International Development, combining the functions of both ICA and DLF, it is anticipated that future financing of this category of projects will be made available from AID Development Loan financing.

2. Prospective Loan Applications

In addition to the pending applications listed in the preceding section, Shen Ao Third Thermal Power Unit (approx. US\$21,500,000), Petro-Chemicals Development Project (approx. US\$7,000,000) and Steel Plant Project (approx. US\$30,000,000) are considered as prospective applications provided that the initial feasibility studies are completed in this calendar year (CY1962).

Fact Sheet - China Development Corporation (CDC)

Introduction

1. Incorporation of the CDC

The Executive Yuan approved the development corporation project in principle in the early part of 1958. On February 25, 1959, the Steering Committee of the Development Corporation was organized. Under the Chairmanship of Mr. P. H. Ho, Managing Director of Bank of China, the Committee was composed of eleven members, including eight representing the private sector and three representing government banking institutions, an executive secretary, and an observer representing both the ICA, MSM/C and DLF. The CDC was established ahead of schedule in May, 1959.

The China Development Corporation was formally incorporated on May 14 with an initial equity capital of NT\$80 million. Of the total NT\$80 million, NT\$56.53 million was subscribed by private investors with the remaining NT\$23.47 million being subscribed by the Chinese Government.

2. Aims and Functions

The main functions of CDC are summarized as follows:

- a. To finance and shore up private industrial enterprises through medium and long term loans as a means either to encourage the setting up of new productive projects or to expand or modernize those already in existence.
- b. To promote and assist private industrial enterprises thru equity investment to stimulate the pace of economic growth. However, such investments shall be disposed of to private holders as soon as the enterprise in question gains a firm footing.
- c. To issue, float, guarantee or underwrite corporate bonds in domestic or foreign markets.

- d. To act as an intermediary for negotiation with Overseas Chinese or foreign investors who are interested in investment in private industrial enterprises in Taiwan.
- e. To undertake other trust business including technical or administrative advice or assistance to parties concerned.

3. Financial Resources of CDC

- a. Capital: NT\$80,000,000 (US\$2,000,000) fully paid up.
- b. Counterpart Fund Loan: NT\$300,000,000 (US\$7,500,000) to be released in NT\$100,000,000 amounts over a three-year period commencing from FY60 at an annual interest rate of 6% repayable in 30 years.
- c. DLF Loan Fund: US\$10,000,000 at an annual interest rate of 5 3/4% repayable in 10 years.

4. Loan Operations

As of the end of CY1960, CDC's loan operations were as follows:

| <u>Category of Fund</u> | <u>Amount Approved</u> | <u>Number</u> | <u>Amount Disbursed</u> | <u>Number</u> |
|-------------------------|------------------------|---------------|-------------------------|---------------|
| DLF | US\$ 1,848 m. | 13 | n.a. | n.a. |
| CFT | NT\$253,362 m. | 47 | NT\$120.894 m. | 30 |
| CDC | NT\$ 28.450 m. | 7 | NT\$ 25.420 m. | 6 |

In lieu of engaging the services of a foreign advisor, the Chief of the Private Investment & Trade Division, AID/C participates in CDC Operational Committee Meetings as an observer. CDC has established a staff of engineers, economists, financial analysts and loan operation officers to analyze potential projects.

Development in CY1961

1. Loan Operations

Up until the end of CY1961, CDC's loan operations were as follows:

| <u>Category of Fund</u> | <u>Amount Approved</u> | <u>Number</u> | <u>Amount Disbursed</u> | <u>Number</u> |
|-------------------------|------------------------|---------------|-------------------------|---------------|
| DLF | US\$ 6,124,000 | 22 | US\$ 431,484 * | 7 |
| CPI | NT\$ 355,632,000 | 65 | NT\$217,726,883 | 52 |
| CDC | NT\$ 33,250,000 | 9 | NT\$ 31,760,000 | 8 |

(* Letters of Credit have been opened in the total amount of US\$1,097,033.)

2. Guarantee of Obligations

CDC has approved 7 cases to provide guarantees for payment of NT\$54 million and US\$355,542 for foreign bank loans, custom duties, etc. As of the end of CY1961, the total outstanding guarantees amount to NT\$54 million and US\$155,542, involving four local companies.

3. Investment

CDC has invested NT\$5,990,000, representing a little less than 50% of total investment, in the China Color Printing Co. which has been an aid-financed project transferred from public to private ownership.

CDC has also decided in principle to invest NT\$8,000,000 (16% of the total shares) in the United Nylon Corporation which is a joint venture between local and Japanese interests to be established with DLF financing.

4. Additional Financial Resources

In November, 1961, an IDA loan of US\$5,000,000 was approved for re-lending to private industries.

Planned Development in CY1962

1. Scope of Operations

In order to permit CDC to undertake a more extensive scope of operations

AID has recently authorized CDC to handle the following matters:

- a. Approval of a US\$2.5 million ceiling amount for its guaranty operations, provided that CDC imposes a self-restriction under sound banking practices so as to maintain a reasonable debt-equity ratio at all times.
- b. Approval of DLF sub-loans in excess of US\$600,000 with the condition that smaller enterprises still have an opportunity to borrow DLF funds.
- c. Consideration of equity participation with CDC's own funds, provided such participation is in accordance with Article 2.b of CDC's Articles of Association. Article 2.b specifies that such total investment shall not exceed 50% of the total net worth and such investment for any particular enterprise shall not exceed 10% of the total net worth of the Corporation.

2. Increase in Equity Capital

In view of the fact that CDC's debt-equity ratio has been unusually low (about 7:1), CDC has been urged to increase its capital. Consequently, CDC has decided in principle to offer NT\$40 million of new stock for sale. Although CDC's original plan was to offer the new stocks in two stages (NT\$20 million each) they have now decided on a one stage (NT\$40 million) offer.

3. Loan Operations

Since new investment opportunities are limited in Taiwan, CDC has been concentrating on expansion and productivity improvement loans. However, in view of the fact that AID/C and GRC have recently engaged the services of the Stanford Research Institute Team for identification of additional investment opportunities, it is anticipated that there will be some new development projects resulting from the Stanford studies.

Fact Sheet - Training Program

Introduction:

The participant training program in Taiwan under the AID Technical Assistance Program is administered by the Joint Technical Assistance Committee (JTAC) which has as members the U.S. AID Mission to China (AID/C), the Council for United States Aid (CUSA) and the Joint Commission on Rural Reconstruction (JCRR). The Training Office of the Mission, which also acts as Secretariat of JTAC, is responsible for advising and assisting the AID/C-CUSA-JCRR technicians in planning, development, implementation, and follow-up and evaluation of these project elements which involve training programs and which call for participants to be trained in the United States and third countries. The program of third country training in Taiwan is also handled by JTAC and the Training Office.

From FY1951 to FY1961 the Mission has programmed 1,598 participants for training in the United States and 828 to third countries (Table 1). From CY1954 to CY1961, 1,104 third country training participants completed their training in Taiwan (Table 2).

| Table 1 | | | Table 2 | |
|-------------|------------------|-----------------------------|---------|---|
| Fiscal Year | Training in U.S. | Training in Third Countries | C. Y. | No. of participants from Third Countries (Training Completed) |
| 1951 | 49 | - | 1951 | - |
| 1952 | 14 | - | 1952 | - |
| 1953 | 167 | - | 1953 | - |
| 1954 | 170 | 61 | 1954 | 4 |
| 1955 | 190 | 49 | 1955 | 26 |
| 1956 | 188 | 59 | 1956 | 84 |
| 1957 | 164 | 77 | 1957 | 48 |
| 1958 | 144 | 78 | 1958 | 44 |
| 1959 | 155 | 117 | 1959 | 150 |
| 1960 | 137 | 133 | 1960 | 373 |
| 1961 | 91 | 86 | 1961 | 375 |
| 1962 | 129 [✖] | 168 [✖] | 1962 | 430 ^{✖✖} |
| | 1,598 | 828 | | 1,534 |

✖ Including 38 participants (29 A and 9 AX) selected in FY61 for using FY62 funds according to non-obligating PIO/P procedures.

✖✖ Estimated on basis of enquiries received.

Development in 1961

For years the JTAC planned to set-up a new building for the JTAC English Center: an amount of NT\$5,000,000 (US\$125,000 equivalent) from the counterpart funds was made available to JTAC under FY1961 for construction of a new building for the English Center. The construction started in February 1961 and was completed in September 1961. The new JTAC English

Center is providing more space and expanded teaching facilities for participants prior to their departure from Taiwan. It is planned to move the Mission Training Office which is also the JTAC Secretariat into this new building this Summer.

During 1961 the Joint Technical Assistance Committee provided full-time training in English for the following students:

| | |
|--|------------|
| TA Participants | 93 |
| United Nations Fellows | 8 |
| American Board, Medical Aid to China Physicians | 2 |
| World Health Organization Nurses | 1 |
| TOTAL | <u>104</u> |

In the same period the English Center also offered part-time language instruction for the following groups:

| | |
|---|------------|
| Civilian Business and Civic Leaders | 55 |
| Legislative Yuan | 15 |
| Taiwan Farmers' Association | 18 |
| AID/China Local Employees | 48 |
| TOTAL | <u>136</u> |

In addition, a number of classes were established during the year with the assistance of JTAC/EC. The Center screened applicants, supplied texts and test materials, set up training schedules, and so on for these groups:

| | |
|--|------------|
| Taiwan Committee, China Institute in America | 62 |
| Ministry of Education | 15 |
| Ministry of Foreign Affairs | 16 |
| Taiwan Telecommunication Bureau | 9 |
| Civil Aeronautics | 30 |
| TOTAL | <u>132</u> |

TOTAL NUMBER ALL STUDENTS RECEIVING TRAINING 372

As of December 31, 1961 the Mission has sent 2,130 participants abroad (including 1,468 participants to the U.S. and 662 participants to third countries), of which 2,028 participants have returned to Taiwan and 102 participants are still in training abroad (Table 3).

Table 3

| Field of Training Activity | Returned | | | In Training | | |
|---|--------------|---------------|--------------|-------------|---------------|------------|
| | U.S. | 3rd Countries | Total | U.S. | 3rd Countries | Total |
| 10 Agri. & Natural Resources | 293 | 251 | 544 | 22 | 4 | 26 |
| 20 Industry & Mining | 340 | 102 | 442 | 18 | 2 | 20 |
| 30 Transportation | 113 | 18 | 131 | 6 | 0 | 6 |
| 40 Labor | 4 | 0 | 4 | 0 | 0 | 0 |
| 50 Health & Sanitation | 138 | 39 | 177 | 9 | 4 | 13 |
| 60 Education | 208 | 151 | 359 | 16 | 5 | 21 |
| 70 Public Administration | 135 | 30 | 165 | 12 | 0 | 12 |
| 80 Community Development, Social Welfare & Housing | 3 | 7 | 10 | 0 | 0 | 0 |
| 90 General & Miscellaneous | 99 | 49 | 148 | 4 | 0 | 4 |
| 00 Direct Forces Support | 48 | 0 | 48 | 0 | 0 | 0 |
| TOTAL | <u>1,381</u> | <u>647</u> | <u>2,028</u> | <u>87</u> | <u>15</u> | <u>102</u> |

During CY1961, 272 participants returned to Taiwan after completion of their training programs abroad, and 251 participants departed from Taiwan for training (Table 4). The summary of participant load by months in 1961 is shown on Table 5.

Table 4

| Field of Training Activity | Departures in 1961 | | | Returnees in 1961 | | |
|------------------------------|--------------------|---------------|------------|-------------------|---------------|------------|
| | U.S. | 3rd Countries | Total | U.S. | 3rd Countries | Total |
| 10 Agri. & Natural Resources | 29 | 45 | 74 | 26 | 54 | 80 |
| 20 Industry & Mining | 46 | 24 | 70 | 54 | 39 | 93 |
| 30 Transportation | 11 | 1 | 12 | 9 | 6 | 15 |
| 50 Health & Sanitation | 9 | 10 | 19 | 8 | 8 | 16 |
| 60 Education | 24 | 22 | 46 | 27 | 23 | 50 |
| 70 Public Administration | 14 | 3 | 17 | 4 | 2 | 6 |
| 90 General & Miscellaneous | 13 | 0 | 13 | 12 | 0 | 12 |
| Total | <u>146</u> | <u>105</u> | <u>251</u> | <u>140</u> | <u>132</u> | <u>272</u> |

Table 5

| <u>1961</u> | <u>No. of Participants Departure</u> | <u>No. of Participants Return</u> |
|-------------|--|---------------------------------------|
| January | 34 | 30 |
| February | 13 | 12 |
| March | 25 | 17 |
| April | 1 | 7 |
| May | 13 | 12 |
| June | 16 | 23 |
| July | 13 | 24 |
| August | 38 | 26 |
| September | 47 | 27 |
| October | 43 | 20 |
| November | 6 | 30 |
| December | 2 | 44 |
| Total | <u>251</u> | <u>272</u> |

Nominations for third country training in Taiwan from Far East countries continue to increase. The total number of third country participants who completed training in Taiwan from 1954 to 1961 is 1,104 (Table 2). The total arrivals of participants are 1,128 of which 24 participants are still in training in Taiwan. Table 6 and Table 7 indicate the number of participant arrivals by country of origin and by field of training activity.

Table 6

| <u>Country of Origin</u> | <u>Arrivals in Total</u> | <u>In Training 12/31/61</u> |
|--------------------------|--------------------------|-----------------------------|
| Thailand | 375 | 2 |
| Vietnam | 298 | 20 |
| Korea | 188 | 2 |
| Philippines | 161 | 0 |
| Ryukyu | 36 | 0 |
| Laos | 31 | 0 |
| Japan | 21 | 0 |
| Cambodia | 13 | 0 |
| Nepal | 4 | 0 |
| Pakistan | 1 | 0 |
| | <hr/> 1,128 | <hr/> 24 |

Table 7

| <u>Field of Training</u> | <u>Arrivals in Total</u> | <u>In Training 12/31/61</u> |
|--------------------------|--------------------------|-----------------------------|
| Agriculture | 627 | 3 |
| Industry | 91 | 20 |
| Transportation | 54 | 0 |
| Health & Sanitation | 99 | 0 |
| Education | 181 | 0 |
| Public Administration | 32 | 0 |
| Community Development | 26 | 1 |
| General & Miscellaneous | 18 | 0 |
| | <hr/> 1,128 | <hr/> 24 |

(Training Completed: 1,104 participants, as of December 31, 1961)

During the year of 1961, 367 third country training participants arrived in Taiwan and 375 participants departed from Taiwan upon completion of their training programs. The number of participants completed their training in Taiwan by country of origin and by field of training activity is shown on Table 8. The participant load by months in 1961 is shown on Table 9.

Table 8

| <u>Country of Origin</u> | <u>Field of Training</u> | | | | | | <u>Total</u> |
|--------------------------|--------------------------|-----------------|--------------------------------|------------------|----------------------|---------------------------|--------------|
| | <u>Agri.</u> | <u>Industry</u> | <u>Health & Sanitation</u> | <u>Education</u> | <u>Public Admin.</u> | <u>Community Develop.</u> | |
| Thailand | 87 | 0 | 8 | 44 | 5 | 1 | 145 |
| Vietnam | 63 | 13 | 2 | 14 | 0 | 0 | 92 |
| Korea | 21 | 43 | 12 | 3 | 0 | 3 | 82 |
| P. I. | 32 | 0 | 1 | 0 | 1 | 2 | 36 |
| Ryukyu | 9 | 4 | 0 | 0 | 0 | 0 | 13 |
| Japan | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| Cambodia | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Nepal | 0 | 0 | 1 | 0 | 0 | 0 | 1 |
| Total | 218 | 60 | 24 | 61 | 6 | 6 | 375 |

Table 9

| 1961 | 3rd Country Participant Training in Taiwan | |
|-----------|--|----------------------------------|
| | No. of Participants Arrival | No. of Participants Departure |
| January | 1 | 2 |
| February | 17 | 4 |
| March | 6 | 19 |
| April | 40 | 6 |
| May | 12 | 57 |
| June | 24 | 9 |
| July | 29 | 27 |
| August | 31 | 35 |
| September | 105 | 43 |
| October | 89 | 94 |
| November | 8 | 68 |
| December | 5 | 11 |
| | <hr/> 367 | <hr/> 375 |

Trends:

The Mission is now conducting an Evaluation Survey of Participant Training. Dr. Ronald Wolfe, Participant Training Evaluation Consultant, arrived in Taipei in August 1961. Dr. Wolfe is engaged in the evaluation survey under the world-wide AID/W Evaluation of Participant Training Program. It is expected that the survey will be completed by June 1962.

A comparison of the FY1962 experience with that of FY1961 reveals certain significant trends on team projects on industrial and labor activities. The numbers programmed in the new fields such as labor, management team and public administration has increased, whereas the numbers training in agriculture, fisheries and forestry have declined.

The Mission and CUSA have worked out an arrangement whereby the local currency cost of training third country nationals in Taiwan will be financed by GRC. Also a portion of the training costs for Chinese participants to be trained in third countries under FY1962 program, and the entire financing of Chinese third country participants under FY1963 program will be borne by GRC.

Fact Sheet - Special Programs

VETERANS:

In response to the Chinese National Government's critical problem of sick, overage and otherwise ineffective, mainland-origin personnel in its military forces in 1954, the US Government, through presidential action, made available US\$48 million to help the Chinese Government establish a permanent program for rehabilitating and resettling military ineffectives and for replacing them with young, physically-fit reserves.

By 1959 the special appropriation through the US AID/C had been fully utilized in a joint, Sino-American program in which 77,000 ineffective enlisted men and 24,000 ineffective officers were retired and resettled. There remained no backlog of men ineffective for reasons of age or health in the Chinese Armed Forces. The Chinese were enabled to establish a sound, permanent veterans program capable of providing rehabilitation facilities and productive resettlement for Chinese military ineffectives.

Through 1961, 146,000 men (107,000 EM and 39,000 officers) have been retired from the Chinese Armed Forces, all of them refugee mainlanders.

In 1960 an additional 49,000 men also had to be retired and resettled. This led to a thorough joint study of the problem by US AID/C, MAAG and the Chinese plus intensive efforts to utilize existing veterans facilities and other civilian opportunities to resettle additional retirees. This effort was successful and most of the 49,000 men have now been retired. However, there still remain large numbers of surplus personnel in the Chinese Armed Forces and their early retirement is a continuing US objective requiring constant attention.

LOWCOST HOUSING AND URBAN DEVELOPMENT

Lowcost, self-help housing was initiated in Taiwan in 1953 in cooperative projects between labor unions representing dockworkers, coalminers and saltworkers and US AID/C; 450 houses were built in about twenty locations. From this first effort US AID/C encouraged the Chinese Government to organize a National Housing Commission and National Lowcost Housing Program for which more than US\$3,000,000 in local currency aid equivalent and technical advice were provided.

The first National Housing Programs commenced in 1955 and continued through 1961, 22,000 dwelling units were constructed primarily for workers and low income families. This program was instrumental in introducing apartment housing to Taiwan as well as the whole modern, lowcost-housing concept including private home ownership. Housing loans are for periods of from one to ten years and are usually made against buyer's matching funds which may arise from labor union welfare funds, credit and housing cooperatives or individual savings.

The program continues and is increasing each year in size, largely Chinese financed from revenues gained from increase-in-value-taxes on urban land. US AID/C continues to aid the Chinese Government with local currency for housing loans during time of disasters such as floods, typhoons and earthquakes. US AID/C is also assisting in a large urban redevelopment project in Taipei City aimed at demonstrating multi-storied squatter resettlement and lowcost housing according to the Hongkong pattern.

FERP PROGRAM

Under the Far East Refugee Program, first administered through US AID/C and now an activity under the American Consulate in Hongkong with backstopping by US AID/C for Taiwan operations, over 12,000 Chinese refugees from Hongkong, Macau and Southeast Asia, have been assisted to resettle in Taiwan since 1952. This program continues today on a reduced scale accommodating for resettlement in Taiwan approximately 500 new refugees each year in activities such as training as skilled workers and teachers, family reunions and independent settlers.

In addition to the refugees under the Far East Refugee Program, US AID/C has assisted the Chinese Government from time to time in resettling special refugee groups, the most recent of which has been some 1165 civilians moved to Taiwan in April 1960 from Laos, Burma and Thailand. Assistance usually consists of helping finance housing, training, and tools and materials for employment so that refugees can become self-supporting as quickly as possible.

KINMEN (QUEMOY) AND MATSU PROGRAM

The US AID/C program of economic assistance to Kinmen (Quemoy) and Matsu has resulted in considerable improvement in living standards and agricultural production. Despite the fact that US aid to Kinmen and Matsu has been less on a per capita basis than to Taiwan, far more dramatic production increases have been achieved in these offshore islands. In ten years total food production has increased many times; for instance, vegetables 500 times and pigs 40 times.

US AID/C assistance has also provided bomb shelters for the civilian populations as well as building materials for them to reconstruct their shell damaged houses and schools.

Since agricultural production has now been increased to the point that the islands are nearly self-sufficient, more attention is being given toward developing small industries, electric generation and transportation facilities.

| | | |
|--------------------------|---|----------------------------------|
| Aid thru ICA since 1958 | - | NT\$20,500,000 |
| Aid thru JCRF since 1954 | - | NT\$36,000,000 and US\$52,000 |

Civilian Population:

| | | |
|--------|---|--------|
| Kinmen | - | 46,000 |
| Matsu | - | 13,000 |

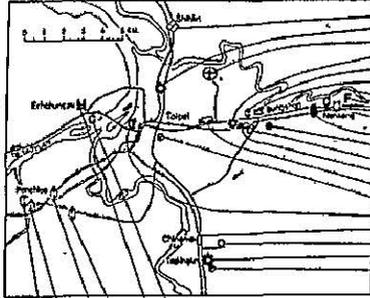
FOOD FOR PEACE FOR ECONOMIC DEVELOPMENT THROUGH TITLE II - PL 480

US AID/C and the Chinese Government are undertaking a modest Title II program in two broad categories; 15 projects involving veterans and other civilian refugees and 15 projects involving other civilians. These projects are in many major activity fields such as tree farming, land reclamation, water conservation and flood control, forestry, fisheries production and fish harbour construction, vocational training, public works construction and other activities all of which have high labor factor components. The Taiwan Title II projects will utilize 40,400 tons of US wheat, 1360 tons of edible oils 425 tons of raw cotton and 225 tons of milk powder in the next 18 months for distribution in kind as wages and direct consumption by project workers involving approximately 20 million man-days of labor. The Chinese Government is also making substantial contributions of labor, tools, materials and equipment to these 30 projects.

US AID/C also hopes to be able to use the Title II resources in support of a major housing program for Chinese military dependents who presently live under extremely poor housing conditions.

MAJOR INDUSTRIAL INSTALLATIONS, TAIWAN

TAIPEI DETAIL

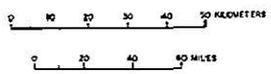
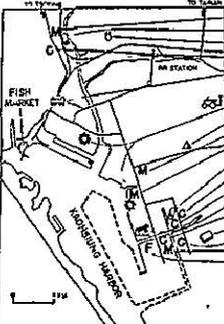


- WEI CHUAN FOOD CORP
- PACIFIC ELECTRIC WIRE MANUFACTORY
- TAIPEI COTTON MILL
- JONG BEEN TEXTILE MILL
- NEW TAIWAN SPINNING & WEAVING MILL
- FAH EASTERN TEXTILE MILL

- ### Mining
- NO. 1 CHIAO SHAN APATITE MINE
 - NO. 2 HSIANG TUNG PING SULPHURITE MINE
 - NO. 3 HSIANG CHANG COAL MINE
 - NO. 4 HSIANG SHAN COAL MINE
 - NO. 5 CHEN CHAI COAL MINE
 - NO. 6 HSIANG TUNG COAL MINE
 - NO. 7 CHANGSHAN GOLD AND COPPER MINE-TUNG
 - NO. 8 HOU TUNG COAL MINE
 - NO. 9 SHAN TI COAL MINE
 - NO. 10 KAN HO COAL MINE
 - NO. 11 HAN HO COAL MINE
 - NO. 12 HAN SHAN COAL MINE
 - NO. 13 CHEN SHAN COAL MINE
 - NO. 14 HAN CHANG COAL MINE

- | | |
|--------------------------------|-------------|
| CEMENT AND CHEMICAL INDUSTRIES | C |
| FERTILIZER INDUSTRY | F |
| METAL FABRICATING INDUSTRY | M |
| MACHINERY MFG. INDUSTRY | M |
| HUALIEN SUGAR FACTORY | M |
| PERU THERMAL POWER PLANT | PERU |
| WULAI HYDRO POWER PLANT | WULAI |
| CHILAN SHAN FORESTRY | CHILAN SHAN |
| CHIAHSUI OIL FIELD | CHIAHSUI |

KAOHSIUNG DETAIL



CROP REGIONS OF TAIWAN

