

THE
FOREIGN
ASSISTANCE
PROGRAM

77

Annual Report to the Congress
Fiscal Year 1966

THE FOREIGN ASSISTANCE PROGRAM

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Fiscal Year 1966**

PRESIDENT'S LETTER OF TRANSMITTAL

To the Congress of the United States:

One of the clearest lessons of modern times is the destructive power of man's oldest enemies. Where hunger, disease and ignorance abound, the conditions of violence breed.

For two decades, this lesson has helped to shape a fundamental American purpose: to keep conflict from starting by helping to remove its causes and thus insure our own security in a peaceful world.

Four Presidents and ten Congresses have affirmed their faith in this national purpose with a program of foreign assistance.

The documents I transmit to the Congress today—the Annual Reports of our Foreign Assistance Program for fiscal 1966 and 1967—detail this program in action over a 24-month period. Their pages describe projects which range from the training of teachers in Bolivia to the fertilization of farmland in Vietnam—from the construction of a hydroelectric dam in Ethiopia to inoculation against measles in Nigeria. The reports tell of classrooms built and textbooks distributed, of milk and grain fortified with vitamins, of roads laid and wells dug, and doctors and nurses educated.

These are accomplishments largely unnoted in the swift rush of events. Their effect cannot be easily charted. But they are nonetheless real. In the barrios and the rice fields of the developing world they have helped to improve the conditions of life and expand the margin of hope for millions struggling to overcome centuries of poverty.

But the fundamental challenge still remains. The forces of human need still stalk this globe. Ten thousand people a day—most of them children—die from malnutrition. Diseases long conquered by science cut down life in villages still trapped in the past. In many vast areas, four out of every five persons cannot write their names.

These are tragedies which summon our compassion. More urgently, they threaten our security. They create the conditions of despair in which the fires of violence smoulder.

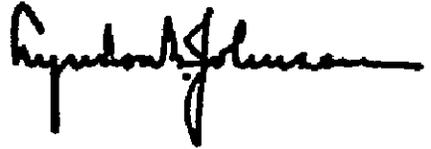
Our investment in foreign aid is small. In the period covered by these reports, it was only five percent of the amount we spent for our defense.

The dividends from that investment are lives saved and schools opened and hunger relieved. But they are more. The ultimate triumphs of foreign aid are victories of prevention. They are the shots that did

not sound, the blood that did not spill, the treasure that did not have to be spent to stamp out spreading flames of violence.

These are victories not of war—but over wars that did not start.

I believe the American people—who know war's cost in lives and fortune—endorse the investment for peace they have made in their program of foreign aid.



LYNDON B. JOHNSON

JANUARY 1968

NOTE: This letter serves to transmit Annual Reports for both fiscal years 1966 and 1967.

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I. INTRODUCTION

Fiscal year 1966 marked a basic shift in emphasis in United States assistance programs abroad. American attention and resources were focused on the most fundamental needs of developing countries—enough food for their citizens, more and more from their own production; health facilities that assure at least the minimal benefits of modern medicine and population control technology; educational systems able to equip the young to meet the challenge they will inherit.

These themes were not new to the Agency for International Development. AID and its predecessor agencies had pioneered many of the techniques that helped produce agricultural breakthrough in Greece, roll back malaria in India or measles in West Africa, start Latin America toward effective educational reform. What was new was the decision to devote even more of the Agency's money, energy and know-how to these critical fields, effectively putting first things first.

The Beginnings of Change

Less than half of fiscal 1966 remained when the new priorities were announced. Major program changes in a world-wide organization do not happen overnight. They take time and careful preparation. Yet, maintaining its high self-help standards and conditions, the Agency committed \$824 million for worthy projects and programs in these fields, compared to \$616 million originally contemplated—an increase of 33 percent.

These commitments comprised nearly a third of AID's total fiscal 1966 commitments of \$2.665 billion. They included:

- \$561 million for agriculture, compared with initial planning of \$393 million.
- \$126 million for health, compared with the earlier plan calling for \$114 million.
- \$137 million for education, compared with \$109 million first projected.

Yet money amounts do not tell the full story. Money can pay for such vital supplies as fertilizer, new seeds, pesticides, medical equipment and books. But the most critical commodity in these fields is knowledge. And knowledge means people—people with the talent, the

patience, and the dedication to press forward year after year with the long, slow business of changing the habits of centuries.

Thus, it is an equally significant indicator that in fiscal 1966 AID financed nearly 1,200 technical advisors in agriculture alone, an increase of 16 percent over fiscal 1965.

The Importance of Family Planning

And in the vital area of family planning—upon which long-run economic advance largely depends—AID more than doubled expenditures compared with the previous year. Even then, the amount of money committed was not large; it was under \$6 million. But once again, money is not the primary problem. Family planning must be voluntary, entered into by each family and each country according to its own view of the personal and moral questions involved. Most developing countries are only now reaching such decisions and reflecting their conclusions in public programs. Only when these have been formulated is there need for jeeps and trucks and equipment for clinics. Even when these programs are operating at full capacity, money needs will not be large by economic standards. But no activity is more important to the economic and social well-being of the developing world. And, regardless of the amounts of money involved, none will get closer and more constructive attention from AID.

Family planning is perhaps the most obvious example of the general proposition which underlies the full spectrum of AID activities: development is always largely the product of self-help. AID cannot establish investment priorities, collect taxes, direct local governmental units, or enact land reform. Nor can AID provide the majority of development capital. In fiscal 1966, in fact, major AID recipients averaged \$8 in resources committed to development for every \$1 provided by AID.

What AID can do is help those who have the will to help themselves. AID can provide the critical margin of capital and know-how which often means the difference between stagnation and progress. AID is a goad, a guide, a catalyst. It is most successful when its relatively small injections of resources are so strategically placed as to bring out local capital, imagination, and drive. This process, repeated again and again, is the only known road to sustained economic growth.

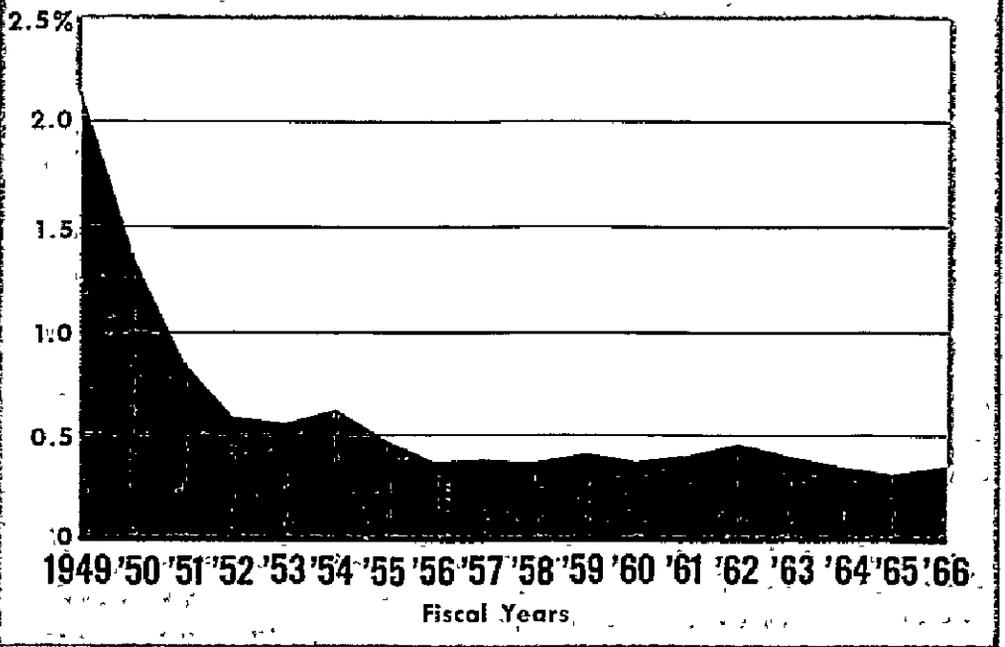
The Effectiveness of Concentration

To maximize its effectiveness, AID concentrates the bulk of its resources in a very few countries. In fiscal 1966, 79 percent of its bilateral aid went to only 10 countries—Brazil, Chile, Colombia, India, Korea, Laos, Pakistan, the Dominican Republic, Turkey and Vietnam. Another 11 percent went to a second group of ten. The remaining 10

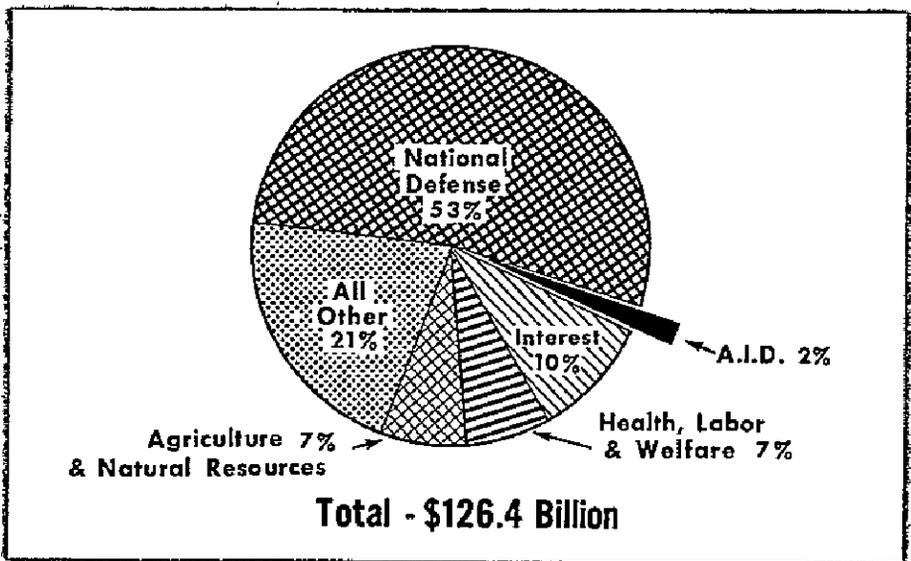
percent was invested in carefully chosen programs in another 54 countries, largely in Africa. In each case, whatever the size of country and program, commitment of AID funds was preceded by the most intense study of economic and technical feasibility. Nobody's interests are served by waste. In AID's business, an ounce of careful preparation is worth many tons of tardy enlightenment.

AID recognizes fully that government financing can provide only part of the capital needed to solve the world's vast development problems. For this reason, the Agency—following the guidelines of the Advisory Committee on Private Enterprise in Foreign Aid headed by Arthur K. Watson—has stepped up its drive to encourage more involvement by private U.S. resources in overseas development. AID has continued to provide investment guaranties, investment survey grants and loans of foreign currencies to American business. The Agency also devised a new method of stimulating participation in foreign development by institutional lenders such as trust funds and pension funds. Additional efforts will be made to create a partnership between the United States Government and private American resources in the task that must engage our best talents—the war on poverty, hunger, disease, and ignorance in the developing world.

FOREIGN ASSISTANCE ACT ECONOMIC OBLIGATIONS AS A PERCENT OF U.S. GROSS NATIONAL PRODUCT



A.I.D.'s SHARE ONLY 2 PERCENT OF THE FEDERAL BUDGET - FY 1966 Obligations



II. ECONOMIC ASSISTANCE PROGRAM

AID committed \$2.665 billion for foreign economic assistance programs in fiscal 1966, \$486 million more than in fiscal 1965. Seventy-five percent of the increase was in Supporting Assistance and Contingency Fund commitments resulting from requirements in Vietnam. In fiscal 1966, Vietnam received almost twice as much AID assistance as any other country, accounting for more than one-fifth of the total Agency program.

The AID program in fiscal 1966 continued to emphasize long-term development in Asia, Africa and Latin American through Development Loans and Technical Cooperation Grants. These two activities accounted for 58 percent of total commitments in the year.

Commitments in fiscal 1966 were as follows:

	<i>Millions</i>
Country and regional programs.....	\$2, 383.8
Development Loans.....	\$1, 232.0
Technical Cooperation.....	248.0
Supporting Assistance.....	697.9
Contingency Fund.....	205.9
Non-Regional Programs.....	74.2
(Development Loans, Technical Cooperation Grants, Supporting Assistance and Contingency Fund Commitments)	
Contributions to International Organizations.....	137.8
Other.....	69.2
Total.....	<u>\$2, 665.0</u>

CONCENTRATION OF ASSISTANCE

Continuing its practice of the past several years, AID concentrated assistance in fiscal 1966 in relatively few countries. The Agency now directs most of its assistance to countries which are making maximum self-help efforts or whose needs are greatest.

Ten countries accounted for 79 percent of AID's bilateral assistance in the year. In order of size of commitments, they were Vietnam, India, Brazil, Korea, Turkey, Pakistan, the Dominican Republic, Chile, Colombia and Laos.

AID's Development Loans were even more concentrated. Seven countries—India, Brazil, Turkey, Pakistan, Chile, Colombia and Korea—received more than 83 percent of the Development Loans authorized in the year.

Five countries—Vietnam, Korea, Laos, Jordan and Thailand—received 89 percent of all Supporting Assistance. Vietnam alone accounted for 67 percent of Supporting Assistance.

PROGRESS OF ASSISTED COUNTRIES

AID assistance is designed to encourage and help less developed countries achieve self-sustaining growth. When they have reached this point, or have found other development resources, AID ends assistance to them. Several countries made substantial and encouraging progress toward economic self-sufficiency in fiscal 1966.

AID assistance to Iran is gradually being ended. The Agency discontinued loans to the country on concessional terms during the year because increased petroleum revenues enabled Iran to obtain foreign financing on conventional terms. However, AID will provide Iran with technical help in the fields of agriculture, education and public administration through part of fiscal 1968. It also will give assistance under the Food for Freedom program.

Turkey's Second Five-Year Plan assumes an end to AID concessional assistance by 1973. During the first three years of its First Five-Year Plan (1963-67), the country achieved a 6 percent annual increase in gross national product compared with a plan target of 7 percent; a 10 percent per year increase in industrial production, and a higher-than-expected level of private investment. During 1966 the Turkish economy continued to make substantial gains, and the rate of increase in gross national product may well have exceeded 8 percent.

In the two years since gaining independence, Kenya has established an increasingly efficient government administration. The country has followed sound internal fiscal policies, the flight of capital has been reduced and foreign investment is being encouraged. In 1966 Kenya adopted a soundly conceived development plan which emphasizes agricultural growth and the training of specialists needed for economic and social progress.

U.S. assistance through AID obviously has contributed to the progress of these and other countries. Nevertheless, most of the credit must go to the countries themselves; progress has resulted largely from their own efforts. Experience has shown that, when a country being given outside assistance does not advance, it is principally because the country has been unwilling to take the necessary self-help measures. In this case, no amount of assistance will produce economic growth. This fact is a guiding principle of the AID program.

EFFECT ON BALANCE OF PAYMENTS

In recognition of U.S. balance of payments problems, virtually all AID assistance is "tied" to the purchase of American goods and serv-

ices. The Agency sends goods and services to developing countries but keeps the dollars to pay for them here in the United States. Thus the net impact of the AID program on the balance of payments deficit is minimized.

AID also has minimized the potential dollar drain of untied expenditures. It has adopted policies which result in maximum use of foreign currencies obtained through sale of U.S. surplus agricultural commodities and which restrict offshore procurement.

AID-financed commodity expenditures in fiscal year 1966 totaled \$1.2 billion. All but \$121 million or about 10 percent of this total was for U.S.-supplied commodities. Further, with only minor exceptions, the source of offshore procurement was limited to selected developing countries which accepted payment in dollars tied to the financing of imports from the United States.

When AID expenditures of all kinds are considered, 77 percent of the \$2.1 billion total was spent in the United States. Equally significant were the even more rigid policies governing fiscal 1966 commitments for future expenditures. As a result, percentages for AID funds spent in this country will increase.

As recently as fiscal 1962, AID's expenditures abroad totaled nearly \$1 billion. Stringent tying in subsequent fiscal years has sharply reduced offshore expenditures. In fiscal 1966, AID's offshore payments were \$503 million,¹ about 23 percent of total Agency expenditures. This percentage was higher than estimated at the start of the fiscal year, because of increased offshore payments to meet the requirements of Vietnam.

In fiscal 1966, AID had foreign assistance receipts from abroad totaling \$183 million. These receipts, primarily repayments of principal and interest on loans made by AID and predecessor agencies, reduced the year's net total of payments abroad under foreign economic assistance programs to about \$320 million.

Tying of AID assistance to the purchase of U.S. goods and services has sharply increased participation of American business and industry in the foreign aid program.

The greatest gain has occurred in U.S. supplier's share of AID-financed commodities. In fiscal 1960, American firms supplied only 41 percent of AID-financed commodities—\$423 million of a \$1 billion commodity total that year. However, in fiscal 1966 U.S. firms supplied

¹ This measure of the foreign economic aid "dollar drain" is sometimes questioned as too high because of "feedback" or too low because of "substitution." "Feedback" refers to the fact that a substantial share of the dollars AID spends in less developed countries or contributes to international organizations comes back to the United States to pay for more American goods and services. "Substitution" refers to the fact that when aid is tied, the less developed countries may reduce American purchases made from their own limited dollar earnings. However, AID studies indicate that at current levels of tying the real effect of the economic aid program on the U.S. balance of payments is approximately the same as the apparent effect cited in the text.

90 percent of AID-financed commodities. AID-financed export shipments from the United States to Asia, Africa and Latin America totaled \$1.1 billion. Businesses in virtually every state in the union shared in supplying the AID-financed purchases.

American shipping lines are paid about \$35 million annually to carry AID-financed cargoes to their destinations. The Cargo Preference Act requires that at least 50 percent of U.S. foreign assistance cargoes be carried in American vessels if available. In fiscal 1966, as in 1965, AID again exceeded this minimum.

FOOD PROBLEMS AND POPULATION POLICY

Food production in the developing countries has been rising, but not as rapidly as the demand for food. With populations increasing at a rate of 2½ percent to 3 percent a year, food production per person in the less developed countries has barely kept pace. In some countries it has declined.

The less developed countries now have a food deficit of 16 million tons of grain annually, met by imports from developed countries. This deficit can be expected to grow to 42 million tons by 1975, and to 88 million tons by 1985, if food output continues to increase at the present rate, the population grows at projected rates and a modest increase in per capita food demand occurs. A food shortage of this size would amount to a world-wide disaster. The developed countries could not meet the need, even if they substantially increased their food production.

Because of this ever-widening food gap, AID is giving priority attention to agricultural growth in the developing countries. It is also providing increasing assistance with population policy and family planning programs—an essential part of the effort to achieve a better balance between available food supplies and people to feed.

Assistance With Agriculture

AID project and program loans¹ in fiscal 1966 emphasized agricultural production and rural development. Twenty-five of the 81 project loans approved in the year will help increase farm output or stimulate rural development.

Major program loans AID approved in the year also will help raise farm production. For example, loans to India, Pakistan and Afghanistan will help them import fertilizers and equipment needed to increase farm output.

In another move to help overcome the growing food shortage, AID increased the number of direct-hire or contract technicians as-

¹ Project loans support distinguishable projects. Program loans support an economy in general, normally through import of needed commodities.

signed to agricultural and food programs from a thousand at the end of fiscal 1965 to 1,164 by the close of fiscal 1966.

AID and the U.S. Department of Agriculture continued to cooperate closely on technical assistance to the developing countries. Their joint activities included training of foreign agricultural technicians, introduction of better farming methods, and help to developing countries in establishing extension services, research stations, credit cooperatives and other organizations necessary for modern farming.

Malnutrition, caused by lack of balance in diet, is a major problem in the developing countries. AID helped by fortifying foods sent abroad under Public Law 480 (Food for Peace) donation program. Last year it fortified nonfat dry milk with vitamins A and D; fortified flour and cornmeal with calcium; and added vitamins and minerals to blended grains, oilseed and milk foods. It also undertook pilot tests of high protein food formulations, such as gelatinized processed cornmeal, soy beverage and a special nutritious food for children.

Public Law 480

AID operations under the Foreign Assistance Act were supplemented by exercise of responsibilities under Public Law 480. AID administered the law overseas and integrated its benefits with other assistance.

In fiscal 1966, sales and grants under PL 480 totaled \$1.909 billion. Agreements with 18 countries for local currency sales of surplus commodities under Title I of the law totaled \$1.039 billion of which \$640 million was reserved for development projects and \$50 million for loans to private enterprise.

Under Title II, commodities worth \$234 million (including freight) were donated to 25 countries and the World Food Program for such purposes as disaster relief, community development and school feeding. In the same period, 72 million persons received \$246 million in food, donated under Title III, for distribution by AID-accredited voluntary agencies working in developing countries. Agreements for dollar credit sales under Title IV totaled \$406 million.

Assistance with Family Planning

AID is providing growing support to country programs in population and related areas, including family planning. The Agency will help a country determine the scope of its population problems, assist it in training health personnel, and provide technical and other assistance for educational purposes in family planning programs.

AID has three primary criteria for family planning assistance: the developing nation must request U.S. help; its family planning

program must be consistent with the cultural, social, religious, and political beliefs of its people; participation must be voluntary.

In fiscal 1966, AID committed about \$5.7 million to help developing countries measure and solve their population problems, for example by assisting national population planning programs in Honduras and South Korea. In June 1966 the Agency authorized the first loan for direct assistance with a family planning effort. The loan for \$3.6 million—to Turkey—will provide transport for Turkish health specialists to reach the country's villages and establish family planning centers. Other countries that have requested assistance are Costa Rica, Ecuador, India, Jamaica, Pakistan and the United Arab Republic.

AID's work in the field of population planning is closely coordinated with programs of the U.S. Public Health Service, the Pan American Health Organization, and other U.S. agencies and international organizations. AID also has contracted with a number of universities, including the Universities of Notre Dame, Hawaii, Michigan and North Carolina and Johns Hopkins University, to provide training in population projects, personnel for overseas work, and research.

PRIVATE ENTERPRISE IN DEVELOPMENT

AID believes that a vigorous private sector is essential to sound and adequate economic growth of developing nations. It further believes that American private enterprise not only can greatly assist this process through investment overseas but that it must do so in recognition of its own stake in future peace.

During fiscal 1966, AID authorized \$85.3 million in dollar loans to intermediate credit institutions which provide capital on reasonable terms for private ventures in developing countries. The major share of the loans, \$72.3 million, went to industrial development banks, agricultural credit institutions and cooperative banks in Latin America.

AID also authorized \$15.6 million in direct dollar loans to private American and foreign borrowers.

The Role of American Know-How

AID financed the contract services of 149 American advisers to work on such developing country projects as investment centers, development banks, industrial districts and surveys of private investment opportunities.

The Agency continued to support the work of the International Executive Service Corps, a private, non-profit organization directed and managed by U.S. businessmen. The IESC provides experienced American volunteers to help firms in the less developed countries improve their management, production and marketing.

AID also expanded its programs to encourage private American investment in the developing countries.

Seventy-three less developed countries are now participating in the program under which AID insures American investments in their countries against certain risks. Four more countries—Rwanda, British Honduras, Ceylon and Singapore—agreed during the year to participate in the Investment Guaranty Program. Investment guaranty agreements with four other nations—Thailand, India, Honduras and Nicaragua—were amended to provide broader coverage.

Protection of Private Investment

During the year, AID wrote 601 contracts for \$1.079 billion protecting private American investments in less developed countries against specific risks of inconvertibility loss due to expropriation, and loss due to war, revolution or insurrection.

The Agency also wrote one guaranty under the Extended Risk Guaranty Program, in which it will insure up to 75 percent of an American investment against all risks except fraud or misconduct for which the investor is responsible. AID wrote this guaranty under a new, liberalized plan which permits institutional lenders to participate in the 75 percent fully-guarantied portion of a loan without having to invest in the remaining 25 percent. The 25 percent portion, which can be insured by AID against specific risks, may be supplied by commercial banks and may mature first.

The Extended Risk Guaranty written in fiscal 1966 covers 75 percent of a \$5.4 million loan made by a group of American institutional lenders to a paper company in Bangkok, Thailand. AID also provided specific risk coverage for the 25 percent portion of the loan, which is being supplied by two American commercial banks. Besides the U.S. financing, about 1,170 Thai investors are providing funds for the project, whose total cost is estimated at \$28 million.

The total value of AID Investment Guaranty coverage outstanding rose in fiscal 1966 to \$3 billion—a net increase of \$900 million over the preceding year, and the largest annual increase in coverage since the start of the program. Claims paid through fiscal 1966 amounted to only \$267,825.

Sharing Costs

To further encourage private American investment in the developing countries, AID will share with U.S. firms the costs of surveying specific investment opportunities. AID pays half of the survey costs if the investment is not made. AID approved 59 Investment Survey Participation grants in the year, bringing to 205 the number approved since the program got under way in fiscal 1963. Eighty-nine surveys

have been completed and 22 firms are proceeding with investments totaling about \$57 million.

AID approved the equivalent of \$42.9 million in local currency "Cooley loans" in fiscal 1966 either to American firms and their affiliates or to foreign firms using American agricultural products. About \$33 million of the total was for projects in the Near East and South Asia region, in such fields as food processing, pharmaceuticals, cement production and metal fabrication. Loans also were made in the Far East (\$5.6 million); in Europe and Africa (\$2.4 million); and in Latin America (\$1.9 million). They covered a wide range of projects—for example, expansion of a fish packing plant in the Philippines, building of an agricultural products refinery in Sudan and construction of housing in Bolivia.

The Advisory Committee on Private Enterprise in Foreign Aid, whose chairman was Arthur K. Watson, submitted its final report to the AID Administrator. The report provides valuable advice and guidance for AID's efforts to encourage private participation in overseas development. Many of the committee's recommendations, including a reduction in fees for Specific Risk Guaranties, have been adopted.

In response to the President's directive to encourage greater food production in developing countries, AID emphasized rural cooperative development during the year. Some 360 AID-financed technicians worked on cooperative development. AID worked with cooperatives which have nearly five million family members in 25 countries. It gave Latin America greatest attention, focusing assistance on the establishment of savings and loan associations, credit unions, and cooperatives for housing, farm credit, handicraft marketing and rural electrification.

USE OF EXCESS PERSONAL PROPERTY

The Foreign Assistance Act authorizes AID, in anticipation of overseas needs, to acquire equipment declared excess by Federal agencies. This enables AID to provide equipment for developing country programs and projects at prices far below those of new property and gives greater assurance that equipment will be available at the point of use when it is needed.

During fiscal 1966, AID provided, for program and project use, equipment which had an original value of about \$35 million. The Agency expanded shipments from excess property utilization offices located at Frankfurt, Germany, and Tokyo, Japan. These offices provide highly effective support because of their nearness to users, and because of the limited number of claimants to excess U.S. property in their areas. Reconditioning of equipment by these offices has no adverse effect on the U.S. balance of payments, since the servicing firms

are paid from the proceeds of sales of U.S. surplus agricultural commodities.

MANAGEMENT PROGRESS

AID administrative improvements during the fiscal year focused on increased automation of fiscal and personnel data; improved contracting procedures with private resources; a major effort to achieve economies in Agency operations; and greater flexibility in organization to meet changing program needs, including the emergency requirements of Vietnam.

Personnel

AID had 15,472 direct-hire employees (U.S. and foreign nationals) on June 30, 1966, a net increase of only 374 in the year despite the stepped-up demands of Vietnam. If personnel engaged in the Vietnam program are excluded, the number of direct-hire employees declined for the third successive year.

The Agency made major changes in its personnel program to improve operations and strengthen the AID staff. For example, AID set up a special recruiting unit that will emphasize this part of the Agency's work; appointed some 120 outstanding young college graduates to junior officer positions at home and abroad; established training centers in Hawaii and Florida for employees assigned to Vietnam, and expanded the Agency's language training facilities. More than 1,600 employees were given language training in the year.

Relations with Other Agencies

Through joint efforts, AID and other foreign affairs agencies eliminated nearly 50 differences in their administrative regulations, chiefly pertaining to overseas operations, reduced overlapping and duplicate information reporting requirements and improved exchange of information among the agencies. AID also improved and simplified the procedures and fiscal arrangements through which specialists of other Federal agencies serve under AID contract in developing countries.

Internal Organization

AID established comprehensive planning, programming and budgeting systems for its assistance to nine major aid-receiving countries. It also set up a pilot system designed to improve reporting and evaluation of technical assistance programs.

Over 150 individual cost reduction actions were taken during the year, resulting in more economical purchasing, contracting and transportation of commodities. Through these savings, \$33.1 million was made available for high priority programs and to help meet increased Agency operating costs.

AID and Embassy logistics and administrative support staffs were consolidated in five additional countries. Studies aimed at similar consolidations were conducted in six other countries.

The Agency also continued to stress frequent and impartial evaluations of AID's country assistance programs. Members of the General Advisory Committee on Foreign Assistance Programs, whose chairman is James A. Perkins, President of Cornell University, visited 17 countries during fiscal 1966 to determine the effectiveness of AID assistance. Operations Evaluation Teams made up of senior AID officials and representatives of business, the professions and other government agencies reviewed AID programs in 14 countries.

Fiscal Management and Automation

AID took additional steps to reduce the already small impact of its programs on the U.S. balance of payments and to increase the use of excess local currencies in lieu of dollars. The Agency expanded its use of commercial letters of credit issued through U.S. banks to assisted countries. AID then receives local currencies to finance its activities in these countries. A similar "U.S. Source Letter of Credit" was developed for use in a limited number of cases where AID-financed goods are shipped from sources other than the United States.

Use of automatic data processing was expanded and contributed to a more efficient and economical operation. For example, all U.S. personnel, including nearly 7,500 employees at 80 stations in the United States and around the world, were brought under the centralized automated payroll system.

III. ECONOMIC PROGRAM BY REGIONS

Increased requirements in Vietnam nearly doubled AID's commitments in the Far East in fiscal 1966. They totaled \$860 million, compared with \$450 million the previous year. Commitments to finance AID's portion of the Alliance for Progress and other Latin American programs continued an upward trend. They rose by 16 percent to a new high of \$684 million, compared with \$588 million in fiscal 1965. The Near East and South Asia region was third in total commitments—\$663 million in 1966, a decline from \$694 million the previous year. In Africa, the 1966 figure was \$177 million, slightly larger than the \$164 million committed in 1965.

Fiscal Year 1966 Country and Regional AID Commitments

[Millions of dollars]

Region	Total	Appropriation Category			
		Development loans	Technical co-operation	Supporting assistance	Contingency fund
Total for regions (excludes non-regional)	\$2, 393. 8	\$1, 232. 0	\$248. 0	\$697. 9	\$205. 9
Far East	859. 8	80. 0	44. 5	594. 8	140. 5
Latin America	684. 1	505. 4	78. 5	44. 8	55. 4
Near East/South Asia	663. 2	576. 2	43. 8	34. 8	8. 3
Africa	176. 7	70. 4	81. 2	23. 5	1. 7

NOTE: Details may not add to totals due to rounding.

NEAR EAST AND SOUTH ASIA

Approximately 87 percent of AID's commitments in the Near East and South Asia region in fiscal 1966 was in Development Loans—the highest percentage for any region. The total amount was \$576 million compared to \$606 million in fiscal 1965. Most Development

Loan funds committed to the region were to help countries finance U.S. imports needed for comprehensive development programs or for particular economic sectors. This type of assistance for India increased from \$190 million in fiscal 1965 to \$300 million in fiscal 1966, including \$50 million for fertilizer imports to increase agricultural production and \$250 million to support an import liberalization program. Pakistan and Turkey also received substantial similar assistance.

Technical Cooperation obligations fell from the fiscal 1965 level. Only India, Cyprus and regional programs showed increases.

Supporting Assistance commitments in the region also declined. Jordan and Yemen were the only countries receiving this type of grant assistance.

Among AID-financed capital projects or technical assistance activities concluded during the year were the following:

- The Trombay Thermal Power Plant near Bombay, India, was formally commissioned. It will add 140 megawatts of power to one of India's most populous and heavily industrialized areas. An AID loan of \$17.9 million helped finance the purchase of U.S. materials and construction and engineering services.
- In Jordan, AID successfully ended its help with economic and social development of the East Ghor area. AID gave technical and financial assistance in establishing agricultural credit facilities, a cooperative marketing system, a health center, a community center and a system of farm-to-market roads.
- In Iran, AID concluded the development of centers where soldiers are trained in skilled trades for use after release from military service. As part of the project, AID helped train 152 teachers. The Iranian armed forces will now train about 7,200 soldiers annually without AID assistance.
- Similarly, during the year AID ended technical assistance to the Osmania Medical College, Hyderabad, India. With AID's help, curriculum and physical facilities were improved and 229 faculty members were trained for medical education institutes.

LATIN AMERICA

AID's increased commitments to Latin America in fiscal 1966 reflect the continued emphasis on Western Hemisphere development begun under the Alliance for Progress. In a message delivered by

Secretary of State Rusk to the Second Extraordinary Inter-American Conference at Rio de Janeiro in November 1965, the United States pledged assistance beyond the original 10 years contemplated for the Alliance to those nations prepared to continue helping themselves and their neighbors.

The determination of the Latin American nations to help themselves is evident in their actions and their progress. By the end of fiscal 1966, 15 countries had instituted land reform programs including land distribution and establishment of production and marketing services. Particularly encouraging is the achievement by Latin American nations of a 2.5 percent increase in per capita gross national product in each of the last two years.

Development Loans accounted for 73 percent of AID's fiscal 1966 commitments in the region. Loans totaled \$506 million, compared with \$442 million in the previous year. Brazil received the largest loan total, \$229 million. The Dominican Republic received \$14 million, Chile \$90 million, Colombia \$82 million and Bolivia \$22 million.

The \$78.5 million Technical Cooperation program in Latin America was the largest world-wide. As one part of the program, funds of \$1.8 million provided for 117 U.S. Internal Revenue Service advisory and training experts to help 18 countries improve tax administration and collection. With previous AID help, the countries increased their tax collection from \$7.3 billion in 1960 to \$9.2 billion in 1964. Collections in 1964 were 8.2 percent higher than in 1963.

AID committed \$45 million from Supporting Assistance and \$55 million of Contingency Funds to Latin America in the fiscal year. Nearly three-quarters of this more than \$100 million total was allocated to the Dominican Republic as emergency support following the April 1965 uprising and the ensuing political crisis.

By the close of fiscal 1966, AID technical and capital assistance under the Alliance for Progress had contributed to better education and health and an improved standard of living for many millions of Latin Americans. In the field of education, over 14 million textbooks had been distributed, 140,000 teachers trained, and 27,000 classrooms constructed. Latin Americans were receiving medical care from 1,200 health centers, 56 million people had been protected against malaria, and 16 million children were participating in school lunch programs. Other illustrations of progress: 225,000 homes had been built or were under construction and 2,700 new rural wells were serving 8 million people.

FAR EAST

AID's program in the Far East was dominated by assistance to Vietnam in its struggle for freedom. Vietnam received \$593 million out of total Agency commitments to the region of \$860 million.

Supporting Assistance continued to account for the largest part

of AID commitments. The \$595 million of Supporting Assistance funds committed in the year, together with \$140 million from the Contingency Fund, represented 85 percent of commitments in the Far East.

Development lending in the region increased moderately. The Agency approved 11 loans totaling \$80 million, compared with loans amounting to \$69 million in the previous year. All Development Loans in fiscal 1966 went to Korea, whose growing economic strength is making possible a steady shift of AID assistance from grants to loans. The Agency authorized 10 project loans totaling \$70 million to Korea. It also authorized a program loan of \$10 million to the Korean Government—the Agency's first program loan to the country—for use in importing raw materials and semi-processed goods.

Technical Cooperation obligations in the Far East totaled \$44.5 million, more than a 10 percent increase over fiscal 1965. Assistance was concentrated in rural development and health and educational programs in Vietnam, Laos and Thailand.

The largest component of AID assistance to Vietnam was the Commercial Import Program which helped provide essential requirements of the economy and control inflation. The sale of these imports absorbs excess purchasing power and provides funds to help finance the war effort. AID import financing for Vietnam in the year totaled \$398 million.

The Agency also assisted the Government of Vietnam with an extensive rural development program, refugee resettlement programs and strengthening of the country's police forces.

In the rural development program, AID helped construct local schools and health clinics; educate teachers; technicians and health workers; guide and assist farmers with better farming methods; build local leadership for effective local government; and train local security forces in the villages.

In fiscal 1966, over 3,000 classrooms were built and almost 5 million textbooks were distributed. Almost 900,000 pupils were enrolled in schools which AID has assisted over the years, either financially or with technical advice and guidance; 4,500 of them were studying to be teachers. In fact, about one-third of all the teachers in Vietnam have received their basic training in AID-assisted colleges and normal schools.

Vietnam's refugee problem continues to be serious, but with AID's help about a half-million refugees have been provided food, shelter and medical care and have subsequently been returned to their villages or resettled.

In the health field, during fiscal 1966, 8 million Vietnamese were vaccinated for smallpox and 4.5 million were immunized against cholera. About one-fourth of the population is now protected from

malaria. AID has helped Vietnam renovate 10 key province hospitals and build over 6,000 medical dispensaries or health stations. About 600 doctors and 700 registered nurses have received their basic training as a result of AID programs, and 1,300 paramedical personnel have received some training in fields such as practical nursing, health education, sanitation, nutrition, etc.

AID is assisting the Government of Vietnam with a wide variety of agricultural programs to raise the living standards of the people, increase production and strengthen the agricultural base of the economy. An agricultural extension service now operates in all provinces of the country. Almost two million acres of land were fertilized and 113,000 acres irrigated during 1966. AID also assisted with land reforms and provided \$4 million of agricultural credit.

The United States continued strong support for Asian efforts to achieve regional economic cooperation and development. Two major accomplishments were establishment of the Asian Development Bank and start of a program to develop new initiatives in regional education.

Because of stepped-up support for the Mekong River Basin Program, AID obligations for regional projects increased to \$15 million in fiscal 1966, compared with \$1.9 million the previous year. AID committed \$12.1 million, about one-half of the expected cost, to the Nam Ngum multi-purpose dam project in Laos. It also committed \$1.4 million for a feasibility study of the proposed Pa Mong multi-purpose water resources project in Thailand.

As in Vietnam and Korea, the AID program in fiscal 1966 contributed to long-range development and stability in other countries of the Far East. Over 1,700 Laotians were attending AID-assisted teacher training schools, and 1,200,000 textbooks were distributed. In Thailand, the Agency supported an intensified rural development and public works program in the country's northeast region, which is threatened by Communist infiltration and guerilla activity. In the Philippines, AID concluded help with a four-year mineral project that resulted in discovery of more than 150 million metric tons of ore and an increase in value of the country's mineral production from \$75 million to \$121 million a year.

AFRICA

AID assisted 34 African countries in fiscal 1966, and also gave assistance on a regional basis. The largest recipients of aid were the Congo (Kinshasa), Ethiopia, Liberia, Sudan, Nigeria and Tunisia. Together, these countries received 67 percent of total AID assistance to Africa. Ethiopia was the largest single recipient, primarily because of the start of several new development loan projects. Nigeria and Tunisia, the two African countries where AID conducts major pro-

grams in support of general development, continued to receive substantial aid.

AID gave increased emphasis to assistance on a regional basis and to encouragement of regional institutions. This approach is reflected in an expanded regional program for control of measles and eradication of smallpox, and initiation of a project to help the East African governments improve their tax administration operations. Nineteen Western African countries are involved in the measles and smallpox program. By 1969, more than 110 million adults and children will be vaccinated against smallpox and 25 million children will be immunized against measles.

AID committed \$81 million for Technical Cooperation activities in Africa in the fiscal year, about the same as in the previous year. Technical assistance was directed primarily toward increasing food production through agricultural training and research; to education and manpower training, with priority attention to higher, secondary and vocational education; and to health and sanitation, including training of paramedical personnel.

The Agency authorized \$70 million for 19 Development Loans to 12 African countries and 2 regional loans to the University of East Africa. Ethiopia was the largest loan recipient with loans totaling \$29.9 million, including a loan of \$21.7 million for construction of a dam and hydroelectric facilities at Finchaa in the Blue Nile Basin. Tunisia, the second largest loan recipient, received a \$15 million program loan to finance raw materials, fuels and essential consumer foods required for the country's development effort.

Supporting Assistance outlays to the region totaled \$23.5 million, 13 percent of the total African program. This continued a steady decline of Supporting Assistance since fiscal 1961, when 56 percent of the African program consisted of this type of assistance.

AID has begun a new program under which commercial banks and investment houses that have international interests will locate investment opportunities in Africa and make them known to corporate investors. Feasibility studies will then be conducted by the possible investors under AID's Investment Survey Participation Program. AID has already arranged programs with six banks or investment houses.

These were among the results of the AID program in Africa in fiscal 1966:

- Twenty primary school classrooms constructed in Somalia under a joint AID-Peace Corps program.
- Completion of assistance to a vocational education institute in Liberia, with total replacement of American personnel by Liberians.

- Nearly 1,900 Africans from 30 different countries trained under AID-sponsored regional education programs.
- Approximately 11,500 students enrolled in AID-assisted institutions at the collegiate or university level.
- Achievement of full operation by an AID-assisted regional heavy equipment center in Togo, with programs for 50 mechanics and 60 operators of heavy equipment from 9 countries.
- Airlift to Zambia of more than 3.6 million gallons of diesel oil for industrial operations, needed when normal supplies were cut off.
- Construction of new water systems benefiting over 400,000 people.
- Sudan's raising its average production of five principal food crops by approximately 20 percent over the last five years.
- Protection from malaria of over three million Ethiopians.

IV. TECHNICAL COOPERATION

AID's technical assistance activities in fiscal 1966 stressed agricultural, educational and health progress of the developing countries, in accordance with the President's call for strong new emphasis in these fields.

Of 6,503 AID-financed technicians at work in Asia, Africa and Latin America on June 30, 1966, nearly one-fifth—1,164 technicians—were engaged in programs to increase farm production and improve the nutritional content of food. About one-fifth of the technicians—1,283—were helping to strengthen educational systems of the developing countries. More than 350 other technicians were assigned to urgently needed health and sanitation programs.

AID sponsored the training of 4,910 foreign technicians (participants) in the United States during the fiscal year. The numbers of participants, by regions, were: Latin America, 2,042; Africa, 1,396; Near East and South Asia, 917; and Far East, 555. Participant training was concentrated in agriculture, public administration, education, public safety, labor, industry and health.

AID committed \$312 million in Technical Cooperation funds during fiscal 1966, about \$4 million more than in the previous year. The major share of the fiscal year 1966 commitments, \$258 million, was for projects in the four regions, with the largest programs being in Africa (\$81 million) and Latin America (\$79 million). Commitments for the Far East totaled \$44 million, and for the Near East and South Asia, \$44 million. The remaining commitments of \$54 million were for non-regional activities, such as the AID research program.

Agriculture

During the year, AID intensified its efforts to persuade the less developed countries to emphasize agricultural planning and to adopt policies encouraging increased farm production.

The Agency also assigned an increased number of technicians in food and agricultural programs. The total of 1,164 technicians engaged in food and agricultural projects as of June 30, 1966, compares with 1,000 technicians a year earlier. Virtually all of the increase was in numbers of employees of universities, business firms and other private organizations engaged in carrying out AID-financed contracts overseas.

About one-half of the funds available to AID for central research in the year was committed to agricultural studies. The goals of these studies were to raise farm production, to increase nutritional content of foods and to reduce waste of food materials.

Education

In education, AID-financed technicians declined to 1,283 as of June 30, 1966, from 1,321 a year earlier.

In cooperation with the Agency, the National Education Association arranged for 61 Peace Corps volunteers to work in seven countries of Africa and Latin America in the summer of 1966. Additional teams will be formed in fiscal 1967. The Agency is studying possible expanded use of educational television in countries which have serious teacher shortages.

Health

AID's programs in the field of health were centered on developing new projects in nutrition, family planning and control of communicable disease. The Agency sent the first of nine planned nutritional study teams to Brazil, Thailand, Zambia and the Sudan to start work on special projects to curb kwashiorkor and other nutritional deficiencies in preschool children. These will be followed by broader studies leading to development of country projects in nutrition. AID also provided additional funds to a few universities to enable them to build capacity for research, consultation, surveys and training in the fields of nutrition, population study and family planning.

On March 3, 1966, the AID Administrator and the Surgeon General signed an agreement transferring technical responsibility for the world-wide malaria eradication program from AID to the Public Health Service. The Public Health Service plans a substantial increase in U.S. activities in this field. It is also implementing a program aimed at controlling measles and eradicating smallpox in West Africa over a five-year period.

Increased Reliance on Private Technicians

Excluding Vietnam, where AID had about 800 direct hire workers in such fields as agriculture, public health and public safety, most AID technicians in fiscal 1966 were hired under about 125 contracts with universities or were employees of other Federal agencies.

As of June 30, 1966, AID had 6,503 technicians at work overseas, of whom 2,982 were direct hire employees (including those in Vietnam), 2,894 were under contract and 627 were from other government agencies. During the year, AID entered about 400 agreements with

other government agencies for specialists to assist AID programs in the developing countries. The work of these specialists ranged from a few weeks' consultation by a Patent Office representative in Brazil to establishment of a Laos highway department and road network by a permanent contingent of over 50 technicians from the Bureau of Public Roads.

V. DEVELOPMENT LENDING

AID authorized Development Loans totaling \$1.232 billion in fiscal 1966. AID "project loans" will help developing countries build or expand manufacturing, irrigation, power facilities and the like, or meet agricultural, health and educational needs of their people. AID "program loans" will help these countries import U.S. goods needed to sustain industries and support development efforts.

Two-thirds of the Development Loans in the fiscal year were of the program type. Program and project loans both emphasized increased agricultural production and improvements in related rural life.

Although the dollar total of Development Loans increased over fiscal 1965, Development Loans declined to 46 percent of the total AID program compared with 53 percent the previous fiscal year. However, if the Vietnam program is excluded, Development Loans amounted to about 59 percent of the total AID program in both fiscal years.

Project Loans

AID authorized 81 project loans for \$410 million during the year. The projects are in 32 countries and the East Africa Region. Twenty-five loans for about \$100 million will help increase farm output and improve rural life. A few typical projects: provision of supervised agricultural credit in Peru; eradication of malaria in Ecuador, and construction of farm-to-market roads in Honduras.

A substantial number of other project loans in the year will help develop power facilities and improve transportation and communications. AID approved 9 loans for \$92 million for power projects and 19 loans for \$106 million for transportation and communications projects.

Program Loans

AID's program loan commitments in the year totaled \$822 million, India being the largest recipient. AID authorized three loans totaling \$300 million to the Government of India to assist in importing fertilizer and fertilizer materials, to help stimulate agricultural production in other ways, and to provide commodities, components and equipment needed for the industrial sector.

As a condition of a program loan, AID requires improved performance in certain key areas of a country's economy. Thus the Agency

can use a loan of this type to encourage agrarian reform, liberalization of imports, monetary and credit stabilization, and other measures that will contribute to economic and social progress.

Because of the advantages of program loans, AID has made increasing use of them in recent years. In fiscal 1963, program loans amounted to 41 percent of the dollar total of Development Loans; in fiscal 1966, they made up 67 percent of the total.

Debt-Servicing Capacity

AID will make a Development Loan only if the borrower cannot obtain other financing on terms which are realistic in relation to the country's foreign exchange earnings. In all but a few cases, AID found it necessary to make Development Loans in fiscal 1966 on the minimum terms authorized by law—a 10-year grace period at 1 percent interest, followed by a 30-year repayment period at 2.5 percent interest.

The Agency is becoming increasingly concerned about the ability of many loan recipients to carry a heavy debt-servicing burden. It is giving intensive study to the problem, including discussions with officials of aid recipients and other aid-giving nations.

VI. SUPPORTING ASSISTANCE AND THE CONTINGENCY FUND

AID's Supporting Assistance commitments in fiscal year 1966 totaled \$704 million, an increase of \$265 million over the previous fiscal year. However, the number of countries receiving Supporting Assistance dropped from 17 in fiscal 1965 to 13 in fiscal 1966.

Most of the increase in commitments in 1966 resulted from greater requirements in Vietnam. That country alone accounted for \$470 million or two-thirds of all Supporting Assistance commitments. Korea, Laos, Thailand, the Dominican Republic and Jordan received most of the remaining commitments.

Supporting Assistance furthers U.S. national security and foreign policy objectives in varied ways:

- It enables recipient countries to make a greater contribution to the common defense or to internal security than their economies alone could bear.
- It helps maintain access to U.S. bases and to solve economic or other problems arising out of the existence of such bases.
- It provides an alternative, together with other sources of aid, to Sino-Soviet assistance which would threaten a country's independence.

In Southeast Asia, Supporting Assistance is used primarily to increase defensive strength in those countries where U.S. foreign policy interests are at stake.

AID's Contingency Fund helps the U.S. meet urgent and unforeseeable needs for assistance, including help to countries which are undergoing economic or political crises or which have been ravaged by natural disasters.

Contingency Fund commitments in fiscal year 1966 totaled \$209 million, an increase of \$152 million over fiscal 1965. Vietnam's share of fiscal 1966 commitments amounted to \$114 million compared with a fiscal 1965 share of \$15 million. Other recipients of Contingency Fund grants or loans during fiscal 1966 included a number of Latin American countries as well as Ceylon, Ghana, Korea, Laos, Thailand and the Somali Republic. Disaster relief commitments from the Contingency

Fund totaled \$610,000 and were part of \$27 million of relief the U.S. Government and registered voluntary agencies provided to disaster victims in 36 countries.

Supporting Assistance and Contingency Fund commitments in fiscal 1966 were concentrated in rural development, counter-insurgency, refugee and public safety programs in Vietnam, Laos and Thailand.

VII. MILITARY ASSISTANCE PROGRAM

The fiscal year 1966 Military Assistance Program (MAP), which provided varying amounts and types of grant aid to 56 allied and friendly countries, was based on \$1.64 billion in total obligational authority. This included new obligational authority of \$1.17 billion, reappropriations and recouplements of \$166 million, and the utilization of \$300 million in Department of Defense stocks under the authority of Section 510 of the Foreign Assistance Act.

The Supplemental Defense Appropriation Act of 1966 provided a supplemental military assistance appropriation of \$375 million to cover the \$300 million Section 510 drawdown in fiscal year 1966 and a similar \$75 million drawdown in fiscal year 1965.

Vietnam Costs Made Part of Defense Budget

The Supplemental Defense Appropriation Act also transferred responsibility for funding the support of South Vietnamese and other free world forces in Vietnam, and for related costs, from MAP to the Department of Defense budget. This transfer reflects the fact that MAP was not designed to underwrite any sustained military hostilities, but rather to provide a deterrent to aggression and an initial ability to resist it. Continued MAP financing of the rapidly rising requirements of South Vietnamese and other free world forces in Vietnam would have seriously distorted the basic purposes of the program. The allocation of such a disproportionate percentage of available funds to a single country would have seriously jeopardized U.S. security interests in other countries and areas of the free world.

All unexpended balances of current and prior year programs for South Vietnam, originally funded under MAP, have been transferred to the military departments.

Allocation of Assistance

The following table shows the percentage of military assistance allocated to each region, and the percentage allocated to non-regional projects such as those formerly grouped under the heading U.S. Forces Support and MAP Administration.

	<i>Percent</i>
Europe.....	3.6
Near East and South Asia.....	14.7
Africa.....	1.8
Far East.....	60.4
Latin America.....	5.2
Non-Regional.....	14.3

Within this regional grouping and crossing regional lines, 75.6 percent of the fiscal 1966 program was allocated to countries on the periphery of the Soviet Union and Communist China. These allied and friendly nations maintain a combined military strength of some 3.5 million men. Their deployment along the frontiers of freedom greatly facilitates the accomplishment of U.S. forward defense strategy.

Fiscal 1966 military assistance for the other countries which received grant aid was directed toward these objectives:

- Strengthening the capabilities of selected Latin American nations to maintain the internal security needed to realize the goals of the Alliance for Progress.
- Providing U.S. support to allied and friendly nations that have given the United States access to strategically vital bases and installations.
- Completion of prior year commitments to countries whose economic progress now permits an increasingly rapid phase-out of all grant aid.
- Furnishing of modest amounts of aid to countries in which political instability and economic underdevelopment may bring Communist attempts to gain domination.

The military assistance programs in many of the developing nations of Africa, Southeast Asia and Latin America gave special emphasis in fiscal 1966 to the strengthening of internal security through training programs and through support of civic action projects. In these projects a country's military forces contribute to such nation-building activities as construction of roads, schools, sanitation facilities and communications systems. At the same time, through their work, they help establish rapport between the people they serve and the government they represent.

The MAP training programs bring more foreign nationals to the United States than all other government programs combined. During fiscal 1966, nearly 10,000 foreign military personnel were scheduled for training in the United States, and about 11,000 for training overseas. About 95 percent of these trainees were nationals of developing countries.

Developments in Year

All military assistance—both grant aid and sales—to India and Pakistan was suspended on September 8, 1965, following the outbreak of armed conflict between the two nations. The embargo on grant military aid continues. However, in light of the significant steps both countries have taken to restore peace, the United States has resumed sale to India and Pakistan of limited quantities of non-lethal military equipment, such as communications equipment.

During the year, the Republic of Korea sent more than 20,000 civic action and combat forces—trained and equipped through MAP—to South Vietnam.

MAP gave new emphasis to multilateral military cooperation in fiscal 1966. Military assistance funds were used to help defray certain expenses of the Inter-American Peace Force in the Dominican Republic. Financial assistance was also provided in connection with joint and combined military exercises. The Central American Defense Council conducted a joint exercise early in the year, and preliminary planning for a second exercise is being completed. Plans have also been developed to foster cooperation in intelligence and communications among Latin American military establishments.

A military coup took place in Argentina and, as a result, U.S. military assistance to that country was suspended late in the fiscal year.

Foreign Military Sales Program

Orders for sales of U.S. military equipment in the year totaled \$1.7 billion. As in the past, the industrialized countries of Western Europe, Japan, Australia and Canada accounted for approximately 90 percent of the total sales. The balance was accounted for by more than 20 countries.

APPENDICES *

AID Program Commitments¹ in Near East and South Asia in FY 1966

[Thousands of dollars]

Country	Total	Appropriation category			
		Development loans	Supporting assistance	Technical cooperation	Contingency fund
Near East and South Asia.....	\$663, 226	\$576, 200	\$34, 848	\$43, 836	\$8, 342
Afghanistan.....	11, 006	2, 800		8, 206	
Ceylon.....	7, 500				7, 500
Cyprus.....	219			219	
India.....	309, 894	300, 000		9, 894	
Iran.....	8, 770	6, 500		2, 270	
Israel.....	10, 000	10, 000			
Jordan.....	43, 479	7, 900	32, 000	3, 579	
Nepal.....	3, 346			3, 346	
Pakistan.....	127, 206	120, 000		7, 206	
Turkey.....	133, 495	129, 000		4, 495	
United Arab Rep. (Egypt).....	1, 483			1, 483	
Yemen.....	2, 848		2, 848		
CENTO.....	444			444	
Regional.....	3, 537			2, 695	842

¹ Loan authorizations and obligations.

* Details may not add to totals due to rounding.

Technical Cooperation Grants in Near East and South Asia in FY 1966

[Millions of dollars]

Field of activity	Technical cooperation grants	Field of activity	Technical cooperation grants
Total.....	\$43. 8	Public administration.....	\$4. 1
Food and agriculture.....	7. 2	Community development and social welfare.....	0. 1
Industry and mining.....	2. 2	Private enterprise promotion.....	0. 8
Transportation.....	1. 7	General and miscellaneous.....	4. 9
Labor.....	1. 0	Technical support.....	8. 6
Health and sanitation.....	2. 3		
Education.....	9. 5		
Public Safety.....	1. 5		

*AID-Financed Technicians in Near East and South Asia;
Contract and U.S. Government Employees*

[As of June 30, 1966]

Field of activity	Government employees ¹	Contract employees ²
Total.....	610	663
Food and agriculture.....	132	45
Industry and mining.....	60	53
Transportation.....	52	85
Labor.....	10	8
Health and sanitation.....	37	7
Education.....	28	382
Public safety.....	16	..
Public administration.....	44	37
Community development.....	2	6
Private enterprise promotion.....	1	9
General and miscellaneous.....	57	31
Technical support.....	171	.....

¹ U.S. nationals paid from program funds—includes 482 AID direct hire and 128 assigned to AID by other Federal agencies.

² U.S. citizens in positions identified in AID-financed contracts

*New Development Loan Authorizations in Fiscal Year 1966
Near East and South Asia*

Borrower—Amount—Terms ¹	Purpose
AFGHANISTAN	
Government of Afghanistan: \$800,000; 40 years; interest of 1 percent during 10-year grace period and 2½ percent thereafter.	To help finance foreign exchange costs of purchasing, importing and installing two 1500-KW diesel generators and related services.
Government of Afghanistan: \$2 million; 40 years; interest of 1 percent during 10-year grace period and 2½ percent thereafter.	To help government provide private importers foreign exchange needed to purchase agricultural and industrial machinery and equipment.
INDIA	
Government of India: \$50 million; 40 years; interest of 1 percent during 10-year grace period and 2½ percent thereafter.	To provide foreign exchange for purchasing and importing fertilizer and fertilizer materials.

¹ All Development Loans are repayable in U.S. dollars unless otherwise stated.

*New Development Loan Authorizations in Fiscal Year 1966
Near East and South Asia—Continued*

Borrower—Amount—Terms ¹	Purpose
INDIA—Continued	
Government of India: \$100 million; 40 years; interest of 1 percent during 10-year grace period and 2½ percent thereafter.	To help finance imports of essential raw materials and components needed to sustain production; to provide spare parts for maintaining and repairing existing industrial plants, and to finance priority inputs for agriculture.
Government of India: \$150 million; 40 years; interest of 1 percent during 10-year grace period and 2½ percent thereafter.	To help finance purchase and importation of commodities needed to maintain or increase production of existing industrial facilities, and to further India's agricultural program.
IRAN	
Government of Iran: \$6.5 million; 25 years including 5-year grace period; interest of 3½ percent on total.	To help finance foreign exchange costs of (a) services required to establish and develop management operations and training skills needed for electric power industry, (b) feasibility and other studies that will be needed as development program progresses, and (c) equipment needed to train personnel in operating and maintaining modern power generating, transmitting and distributing facilities.
ISRAEL	
Government of Israel: \$10 million; 20 years including 5-year grace period; interest of 3½ percent on total.	To help government meet foreign exchange costs of imports required for continued development of Israeli economy.

*New Development Loan Authorizations in Fiscal Year 1966
Near East and South Asia—Continued*

Borrower—Amount—Terms ¹	Purpose
JORDAN	
Government of Jordan: \$1.6 million; 40 years; interest of 1 percent during 10-year grace period and 2½ percent thereafter.	To help government finance foreign exchange and local currency costs involved in constructing new Bethlehem-Jerusalem road and an interchange where road will intersect Amman-Jerusalem road, and to provide consulting engineering services in connection with the new road and related construction, other AID-financed road projects, and other highway projects.
Government of Jordan: \$6.3 million; 40 years; interest of 1 percent during 10-year grace period and 2½ percent thereafter.	To finance purchase of goods and services needed for improving Jordan's telecommunications system.
PAKISTAN	
Government of Pakistan: \$50 million; 40 years; interest of 1 percent during 10-year grace period and 2½ percent thereafter.	To help finance imports of fertilizer, pesticides, and agriculture-related equipment, and to provide raw materials for private industries which are critical to the economy.
Government of Pakistan: \$70 million; 40 years; interest of 1 percent during 10-year grace period and 2½ percent thereafter.	To finance imports of commodities in support of government's Third Five-Year Plan, and to help government re-establish its import liberalization program.
TURKEY	
Government of Turkey: \$70 million; 40 years; interest of 1 percent during 10-year grace period and 2½ percent thereafter.	To provide foreign exchange for purchase of commodities and commodity-related services essential in carrying out country's Five-Year Plan.

*New Development Loan Authorizations in Fiscal Year 1966
Near East and South Asia—Continued*

Borrower—Amount—Terms ¹	Purpose
TURKEY—Continued	
Government of Turkey: \$3.6 million; 40 years; interest of 1 percent during 10-year grace period and 2½ percent thereafter.	To finance foreign exchange costs of purchasing (a) up to 1,400 jeep-type vehicles or component parts thereof for use in Family Planning Program and Rural Health Centers which have capabilities in family planning programs; (b) related shop equipment and technical services; and (c) technical advice and educational materials in connection with Family Planning Program.
Government of Turkey: \$12.3 million; 40 years; interest of 1 percent during 10-year grace period and 2½ percent thereafter.	To finance foreign exchange costs of design, purchase and construction of a third 110-megawatt thermal generator unit complete with auxiliary equipment and necessary 161-kilovolt substation gear at Ambarlie.
Government of Turkey: \$28.1 million; 40 years; interest of 1 percent during 10-year grace period and 2½ percent thereafter.	To finance foreign exchange costs of machinery, equipment, materials and services needed to (a) increase production of open pit and underground lignite mines at Tuncilbek to approximately 3.2 million tons of run-of-mine coal per annum; (b) increase capacity of the fine-coal washing unit at Tuncilbek; (c) increase production of lignite from open-pit mine at Seyitomer to approximately 2 million tons run-of-mine per annum; and (d) expand production of bituminous coal mines in Zonguldak Basin to approximately 9,430,000 tons run-of-mine per annum.

*New Development Loan Authorizations in Fiscal Year 1966
Near East and South Asia—Continued*

Borrower—Amount—Terms ¹	Purpose
TURKEY—Continued	
Government of Turkey: \$15 million; 40 years; interest of 1 percent during 10-year grace period and 2½ percent thereafter.	To finance foreign exchange costs of (a) purchasing highway equipment and spare parts to maintain equipment of General Directorate of Highways; (b) paying freight and insurance thereon; (c) obtaining consulting engineering services; and (d) providing technical training in United States for employees of Directorate.

AID Program Commitments¹ in Latin America in FY 1966

[Thousands of dollars]

Country	Total	Appropriation category			
		Develop- ment loans	Supporting assistance	Technical cooperation	Contingency fund
Latin America	\$684, 095	\$505, 405	\$44, 756	\$78, 536	\$55, 398
Argentina	1, 744			1, 744	
Bolivia	28, 425	22, 000	3, 200	3, 225	
Brazil	243, 080	228, 700		14, 380	
Chile	93, 250	90, 000		3, 250	
Colombia	87, 010	81, 500		4, 035	1, 475
Costa Rica	2, 538	500		2, 038	
Dominican Republic	94, 317	14, 500	35, 141	7, 353	37, 323
Ecuador	16, 300	2, 000		4, 300	10, 000
El Salvador	3, 382	1, 635		1, 747	
Guatemala	4, 099	1, 550		2, 549	
Guyana	6, 158	4, 000		880	1, 278
Haiti	2, 386		1, 400		986
Honduras	12, 041	9, 870		2, 171	
Jamaica	1, 377			1, 377	
Mexico	223			223	
Nicaragua	16, 269	14, 270		1, 999	
Panama	12, 839	7, 800		1, 540	3, 500
Paraguay	11, 674	9, 380		2, 294	
Peru	18, 541	12, 700		5, 005	836
Regional—Central America and Panama	3, 788			3, 788	
Trinidad and Tobago	5, 000		5, 000		
Uruguay	5, 900	5, 000		900	
Venezuela	1, 660			1, 660	
Regional	12, 094		15	12, 079	
Organ. of American States	2, 490			2, 490	
Other	9, 603		15	9, 588	

¹ Loan authorizations and obligations.

Technical Cooperation Grants in Latin America in FY 1966

[Millions of dollars]

Field of activity	Technical cooperation grants	Field of activity	Technical cooperation grants
Total.....	\$78.5	Public administration.....	\$7.5
Food and agriculture.....	12.9	Community development and social welfare.....	1.4
Industry and mining.....	3.9	Housing.....	0.9
Transportation.....	1.9	Private enterprise promotion.....	1.6
Labor.....	4.3	General and miscellaneous.....	9.0
Health and sanitation....	4.1	Technical support.....	14.9
Education.....	12.1		
Public safety.....	3.9		

AID-Financed Technicians in Latin America; Contract and U.S. Government Employees

[As of June 30, 1966]

Field of activity	Government employees ¹	Contract employees ²
Total.....	827	915
Food and agriculture.....	162	246
Industry and mining.....	133	38
Transportation.....	24	15
Labor.....	8	107
Health and sanitation.....	19	36
Education.....	55	164
Public safety.....	82	2
Public administration.....	106	70
Community development.....	6	26
Housing.....	8	19
Private enterprise promotion.....	1	114
General and miscellaneous.....	67	78
Technical support.....	156	.....

¹ U.S. nationals paid from program funds—includes 601 AID direct hire and 226 assigned to AID by other Federal agencies.

² U.S. citizens in positions identified in AID-financed contracts.

New Development Loan Authorizations in Fiscal Year 1966
Latin America

Borrower—Amount—Terms ¹	Purpose
BOLIVIA	
Government of Bolivia: \$5 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To finance dollar costs of highway maintenance equipment and spare parts, including cost of related technical advisory services and training of mechanics/operators and engineers.
Mining Bank of Bolivia: \$4.3 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To promote further development of private mining sector of Bolivia. AID funds together with Bank resources will be used to make equipment, working capital and other types of productive loans to mining sector.
Agricultural Bank of Bolivia: \$2.1 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To finance dollar costs of loans by borrower to farmers for purchase of farm machinery equipment, parts, tools, silos, fencing, livestock and similar items.
Corporation Minera de Bolivia: \$1.1 million; 13 years including 3-year grace period; interest at 4 percent. Government of Bolivia has option to accept payment from borrower in local currency and repay equivalent in dollars in 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To help finance dollar costs of Third Phase of rehabilitation plan of borrower.
Empresa Nacional de Electricidad: \$4.75 million; 30 years; interest at 1 percent during 5-year grace period and 2½ percent thereafter.	To help finance dollar costs, including engineering costs and technical assistance, of constructing facilities for generation, transmission and distribution of electricity in Department of Santa Cruz.
Government of Bolivia: \$4.75 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To help finance dollar costs, including engineering costs, for paving and improvement of road between El Alto and Oruro.

¹ All Development Loans are repayable in U.S. dollars unless otherwise stated.

New Development Loan Authorizations in Fiscal Year 1966
Latin America—Continued

Borrower—Amount—Terms ¹	Purpose
BRAZIL	
Companhia Hidroelectrica de Boa Esperanca: \$8.9 million; repayable in local currency in 25 years including 6-year grace period; interest at 3½ percent. Government of Brazil will repay AID in dollars in 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To finance part of dollar costs of equipment, materials, services, and training of personnel for a hydroelectric plant at Boa Esperanca and a transmission system for northern section of states of Piaui and Maranhao.
Government of Brazil: \$11 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To help finance subloans made through Fundo de Financiamento de Estudos de Projetos e Programas (FINEP) to finance prefeasibility, feasibility, and natural resource survey studies, and to finance costs of technical assistance to FINEP.
Government of Brazil: \$150 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To support Brazil's 1966 development stabilization program through financing of goods and services originating in and procured from the United States.
Sanitation Department of State of Guanabara: \$2.5 million; 20 years including 3-year grace period; interest at 5½ percent. Government of Brazil has option to accept payment from borrower in local currency and repay equivalent in dollars in 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To help finance dollar costs of maintenance, computer, mosquito control, telecommunications and related equipment and technical assistance to borrower, to be used for maintenance and improvement of Guanabara sewer system.

New Development Loan Authorizations in Fiscal Year 1966
Latin America—Continued

Borrower—Amount—Terms ¹	Purpose
BRAZIL—Continued	
Guanabara Water Co.: \$2.6 million; 20 years including 3-year grace period; interest at 5½ percent. Government of Brazil has option to accept payment from borrower in local currency and repay equivalent in dollars in 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To help finance dollar costs of maintenance, related equipment, and technical assistance to borrower, to be used for maintenance and improvement of Guanabara water system.
Highway Department of State of Sao Paulo: \$20 million; 18 years including 3-year grace period; interest at 3½ percent. Government of Brazil has option to accept payment from borrower in local currency and repay equivalent in dollars in 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To help finance dollar costs of highway maintenance equipment and technical assistance and training required to maintain road network of Sao Paulo, and to help accomplish reorganization of borrower.
Government of Brazil: \$400,000; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To help finance dollar costs of technical assistance to National Highway Department, including related commodity requirements.
Government of Brazil: \$20 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To help finance dollar costs of importing fertilizer from the United States in order to make fertilizer available to food producers at favorable prices and terms, and to provide related technical assistance.
Companhia Central Brasileira Forca Electrica: \$13.3 million; 24 years including 4-year grace period; interest at 5½ percent. Government of Brazil has option to accept payment from borrower in local currency and repay equivalent in dollars in 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To help finance dollar costs of constructing a hydroelectric project, transmission lines and substations, and improving related electrical distribution facilities and engineering services.

New Development Loan Authorizations in Fiscal Year 1966
Latin America—Continued

Borrower—Amount—Terms ¹	Purpose
CHILE	
Government of Chile: \$80 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To support economic development program by helping to finance imports required for public sector investment and for maintenance of an adequate investment level in private sector.
Central Bank of Chile: \$10 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To finance importation by private importers of U.S. capital goods and related services.
COLOMBIA	
Government of Colombia: \$65 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To support Colombian Development Program by assisting in financing of essential imports.
Colombian Institute of Agrarian Reform: \$8.5 million; 20 years including 10-year grace period; interest at 1 percent during grace period and 2½ percent thereafter. Government of Colombia has option to accept payment from borrower in local currency and repay equivalent in dollars in 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To help finance program of supervised agricultural credit to small and medium-sized family farms and purchase of U.S. goods and services required to implement credit program.
Banco Ganadero: \$8 million; 20 years including 7-year grace period; interest at 5½ percent. Government of Colombia has option to accept payment from borrower in local currency and repay equivalent in dollars in 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To help finance program of credit and technical assistance to medium-sized livestock producers to assure a sufficient internal beef supply and an exportable surplus, and purchase of U.S. goods and services required to implement credit program.

New Development Loan Authorizations in Fiscal Year 1966
Latin America—Continued

Borrower—Amount—Terms ¹	Purpose
COSTA RICA	
Government of Costa Rica: \$500,000; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To help finance costs of equipment, material, and services for national plan to eradicate malaria.
DOMINICAN REPUBLIC	
Banco Nacional de la Vivienda: \$5 million; 25 years including 5-year grace period; interest at 1 percent during grace period and 2½ percent thereafter. Government of the Dominican Republic has option to accept payment from borrower in local currency and repay equivalent in dollars in 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To be used for deposits in, loans to, and purchase of mortgages from affiliated savings and loan associations, and for technical assistance to borrower.
Banco Agricola de la Republica Dominicana: \$9.5 million; 25 years including 10-year grace period; interest at 2½ percent. Government of the Dominican Republic has option to accept payment from borrower in local currency and repay equivalent in dollars in 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To make loans to farmers, farm cooperatives and other entities, and to provide technical assistance to borrower and sub-borrowers.
ECUADOR	
Government of Ecuador: \$2 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To help finance dollar and local costs of equipment, material and services for malaria eradication program.
EL SALVADOR	
Government of El Salvador: \$1.64 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To help finance dollar and local costs of equipment, material and services for national plan to eradicate malaria.

New Development Loan Authorizations in Fiscal Year 1966
Latin America—Continued

Borrower—Amount—Terms ¹	Purpose
GUATEMALA	
Government of Guatemala: \$1.55 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To help finance dollar and local costs of equipment, material and services for national plan to eradicate malaria.
GUYANA	
Government of Guyana: \$2 million; increasing previous loan from \$5.5 million to \$7.5 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To finance construction of highway from Atkinson Field to Mackenzie.
Government of Guyana: \$2 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To establish private investment fund to make subloans for establishment of new industrial enterprises and expansion of existing industrial enterprises.
HONDURAS	
Government of Honduras: \$5.2 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To help finance costs, including engineering, of constructing farm-to-market access roads, and to help finance purchase of road maintenance equipment.
Government of Honduras: \$1.17 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To help finance dollar and local costs of equipment, material and services for a plan to eradicate malaria.
Government of Honduras: \$500,000; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To finance dollar costs of equipment, material and services for sectoral or resource surveys, prefeasibility studies and feasibility studies.

New Development Loan Authorizations in Fiscal Year 1966
Latin America—Continued

Borrower—Amount—Terms ¹	Purpose
HONDURAS—Continued	
<p>Financiera Hondurena: \$3 million; 20 years including 5-year grace period; interest at 4 percent. Government of Honduras has option to accept payment from borrower in local currency and repay equivalent in dollars in 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.</p>	<p>To help finance continued operation of private development bank which makes loans and equity investments to promote creation, expansion and operation of private industrial enterprises in Honduras and member countries of Central American Common Market.</p>
NICARAGUA	
<p>Government of Nicaragua: \$2.07 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.</p>	<p>To help finance dollar and local costs of equipment, material and services for national plan to eradicate malaria.</p>
<p>Government of Nicaragua: \$1.5 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.</p>	<p>To help finance cost of approximately 114 primary schools located chiefly in urban areas.</p>
<p>Agrarian Reform Institute: \$2 million; 25 years including 10-year grace period; interest at 1 percent during grace period and 2½ percent thereafter. Government of Nicaragua has option to accept payment from borrower in local currency and repay equivalent in dollars in 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.</p>	<p>To help finance supervised agricultural credit and purchase of equipment, materials and services needed to implement this activity.</p>

New Development Loan Authorizations in Fiscal Year 1966
Latin America—Continued

Borrower—Amount—Terms ¹	Purpose
NICARAGUA—Continued	
<p>Corporacion Nicaraguense de Inversiones: \$5 million; 20 years including 5-year grace period; interest at 5½ percent. Government of Nicaragua has option to accept payment from borrower in local currency and repay equivalent in dollars in 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.</p>	<p>To assist private development bank in financing subloans and equity investments in sub-projects which promote creation, expansion and effective operation of private enterprise.</p>
<p>Banco de la Vivienda: \$3.7 million; 30 years including 8-year grace period; interest at 2 percent during grace period and 3 percent thereafter. Government of Nicaragua has option to accept payment from borrower in local currency and repay equivalent in dollars in 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.</p>	<p>To contribute to financing of affiliated savings and loan associations; purchase of technical assistance for borrower and associations including training of personnel; and purchase of equipment and material needed by borrower and associations.</p>
PANAMA	
<p>Government of Panama: \$1.7 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.</p>	<p>To help finance dollar and local costs of constructing approximately 166 primary schools located in six priority development areas.</p>
<p>Desarrollo Industrial, S.A.: \$4 million; 20 years including 5-year grace period; interest at 3 percent. Government of Panama has option to accept payment from borrower in local currency and repay equivalent in dollars in 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.</p>	<p>To assist private development bank in financing subloans and equity investments in sub-projects which promote creation, expansion and operation of private industrial enterprises, and to finance technical assistance related to improvement of borrower's operations.</p>

New Development Loan Authorizations in Fiscal Year 1966
Latin America—Continued

Borrower—Amount—Terms ¹	Purpose
PANAMA—Continued	
Instituto de Fomento de Hipotecas Aseguradas: \$2.1 million; 25 years; 2 percent during 5-year grace period and 2½ percent thereafter. Government of Panama has option to accept payment in local currency and repay equivalent in dollars in 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To make loans to affiliated savings and loan associations and provide technical assistance to borrower.
PARAGUAY	
Government of Paraguay: \$4.68 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To help finance dollar and local costs of rehabilitating and improving a highway from Asuncion to Puerto "Presidente Stroessner."
Government of Paraguay: \$4.7 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To help finance dollar and local costs of rehabilitating Asuncion Airport.
PERU	
Government of Peru: \$2.1 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To help finance subloans to local governmental or community organizations to cover portions of costs of community projects, and to help finance costs of technical assistance to Cooperacion Popular.
Government of Peru: \$1.6 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To help finance establishment and operation of a rural electric cooperative in Mantaro Valley, to help construct facilities in area to be served by cooperative, and to provide technical assistance to borrower and cooperative.

New Development Loan Authorizations in Fiscal Year 1966
Latin America—Continued

Borrower—Amount—Terms ¹	Purpose
PERU—Continued	
Government of Peru: \$9 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To assist with Peruvian agricultural development, including agrarian reform, by financing part of cost of supervised agricultural credit for small and medium-income farmers or groups of farmers, to help with forestry development, and to provide technical assistance.

URUGUAY

Bank of the Oriental Republic of Uruguay: \$5 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To help finance dollar costs of importing U.S. fertilizer, equipment for distribution of fertilizer, and equipment for technical assistance in connection with use of fertilizer.
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AID Program Commitments¹ in the Far East in FY 1966

[Thousands of dollars]

Country	Total	Appropriation category			
		Develop- ment loans	Supporting assistance	Technical cooperation	Contin- gency fund
<i>Far East.</i>	\$859, 781	\$80, 020	\$594, 787	\$44, 514	\$140, 460
Burma.	301	.....	.....	301	.....
Korea.	146, 777	80, 020	60, 000	5, 497	1, 260
Laos.	55, 180	.....	44, 070	11, 135	1, 975
Philippines.	3, 654	.....	.....	3, 654	.....
Thailand.	43, 408	.....	20, 387	13, 400	9, 621
Vietnam.	593, 465	.....	470, 331	8, 941	114, 194
Regional.	14, 996	.....	.....	1, 586	13, 410

¹ Loan authorizations and obligations.

Technical Cooperation Grants in the Far East in FY 1966

[Millions of dollars]

Field of activity	Technical cooperation grants	Field of activity	Technical cooperation grants
Total	\$44. 5	Public administration	\$2. 2
Food and agriculture	5. 3	Community development and social welfare	0. 4
Industry and mining	3. 1	Housing	(*)
Transportation	1. 7	Private enterprise promotion	0. 6
Labor	0. 1	General and miscellaneous	2. 0
Health and sanitation	6. 5	Technical support	17. 3
Education	5. 0		
Public safety	0. 3		

*Less than \$50,000.

AID-Financed Technicians in the Far East; Contract and U.S. Government Employees

[As of June 30, 1966]

Field of activity	Government employees ¹	Contract employees ²
Total	1, 529	420
Food and agriculture	119	18
Industry and mining	110	69
Transportation	91	14
Labor	4	
Health and sanitation	182	30
Education	59	67
Public safety	166	8
Public administration	52	31
Community development	65	75
Private enterprise promotion		5
General and miscellaneous	346	103
Technical support	335	

¹ U.S. nationals paid from program funds--includes 1,339 AID direct hire and 190 assigned to AID by other Federal agencies

² U.S. citizens in positions identified in AID-financed contracts

*New Development Loan Authorizations in Fiscal Year 1966
Far East*

Borrower—Amount—Terms ¹	Purpose
KOREA	
Republic of Korea: \$2 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To finance part of dollar costs of feasibility studies for possible future capital projects.
Republic of Korea: \$10 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	First program loan, to finance foreign exchange costs of commodities and commodity-related services needed to promote economic development.
Republic of Korea: \$3 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To finance part of dollar cost of expanding Hyun Dai Cement Plant.
Republic of Korea: \$22.5 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To finance part of dollar costs of constructing a Seoul area thermal power plant.
Republic of Korea: \$3.76 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To finance part of dollar cost of Seoul City Bokwang Dong Water Works water treatment facility.
Republic of Korea: \$1.65 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To finance part of dollar cost of constructing the Daehan Synthetic Fiber Plant in Pusan.
Republic of Korea: \$5.61 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To finance part of dollar cost of expanding a nylon filament manufacturing plant.
Republic of Korea: \$18.6 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To finance part of dollar cost of purchasing 62 diesel electric locomotives, 5 diesel wrecking cranes, and equipment and tools needed for their maintenance.

¹ All Development Loans are repayable in U.S. dollars unless otherwise stated.

*New Development Loan Authorizations in Fiscal Year 1966
Far East—Continued*

Borrower—Amount—Terms ¹	Purpose
KOREA—Continued	
Republic of Korea: \$3.5 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To finance part of dollar cost of constructing the Chang Gye Chun sewage treatment plant.
Republic of Korea: \$4.2 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To establish a network of air navigation aids.
Republic of Korea: \$5 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To finance part of dollar cost of loans to medium industries through the Medium Industry Bank.

AID Program Commitments¹ in Africa in FY 1966

[Thousands of dollars]

Country	Total	Appropriation category			
		Development loans	Supporting assistance	Technical cooperation	Contingency fund
Africa.	\$176, 737	\$70, 421	\$23, 490	\$81, 157	\$1, 669
Algeria.	210			210	
Bechuanaland	75			75	
Burundi, Kingdom of.	79			79	
Cameroon.	1, 410	600		810	
Central African Republic.	420			420	
Chad.	1, 051			1, 051	
Congo (Kinshasa)	19, 889		19, 000	889	
Dahomey.	1, 221			1, 221	
Ethiopia.	35, 364	29, 925		5, 439	
Gabon.	552			552	
Gambia	39			39	
Ghana.	1, 745			1, 495	250
Guinea.	4, 374	3, 150		1, 224	
Ivory Coast.	340			340	
Kenya.	3, 262	140		3, 122	
Liberia.	8, 088	1, 391		6, 647	
Malagasy Republic.	948			948	
Malawi (Nyasaland)	2, 149	200		1, 949	
Mali, Republic of.	1, 194			1, 194	
Mauritania.	129			129	
Morocco	3, 243	2, 550		693	
Niger.	722			722	
Nigeria.	\$23, 184	\$4, 600		\$18, 584	
Rwanda.	1, 465		1, 025	440	
Senegal.	616		124	492	
Sierra Leone.	1, 990			1, 990	
Somali Republic.	4, 366			4, 102	264
Sudan.	13, 688	10, 525		3, 163	
Tanzania.	1, 707	140		1, 567	
Togo.	1, 417			1, 417	
Tunisia.	17, 285	15, 000		2, 285	
Uganda.	2, 670	650		2, 020	
Upper Volta.	844			844	
Zambia (Northern Rhodesia)	983			983	
East Africa Regional.	3, 704	1, 550		2, 154	
Africa Regional.	15, 575		3, 340	11, 080	1, 155
Regional, USAID/Africa.	790			790	

¹ Loan authorizations and obligations.

Technical Cooperation Grants in Africa in FY 1966

[Millions of dollars]

Field of activity	Technical cooperation grants	Field of activity	Technical cooperation grants
Total	\$81.2	Public administration	\$4.3
Food and agriculture	23.1	Community development and social welfare	1.1
Industry and mining	2.1	Housing	0.3
Transportation	4.4	Private enterprise promotion	1.7
Labor	0.5	General and miscellaneous	6.7
Health and sanitation	6.7	Technical support	8.3
Education	19.7		
Public safety	2.3		

AID-Financed Technicians in Africa; Contract and U.S. Government Employees

[As of June 30, 1966]

Field of activity	Government employees ¹	Contract employees ²
Total	616	896
Food and agriculture	232	210
Industry and mining	38	33
Transportation	15	103
Labor	2	. . . . .
Health and sanitation	41	3
Education	44	484
Public safety	28	2
Public administration	10	37
Community development	7	3
Housing	6	2
Private enterprise promotion	13	6
General and miscellaneous	49	13
Technical support	131	. . . . .

¹ U.S. nationals paid from program funds—includes 533 AID direct hire and 83 assigned to AID by other Federal agencies.

² U.S. citizens in positions identified in AID-financed contracts.

*New Development Loan Authorizations in Fiscal Year 1966
Africa*

Borrower—Amount—Terms ¹	Purpose
CAMEROON	
Federal Republic of the Cameroon: \$600,000 (an amendment to a fiscal 1965 loan of \$3.2 million); 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To help finance foreign exchange and local costs of goods and services required for reconstruction of 55 miles of road.
EAST AFRICA REGIONAL	
University of East Africa: \$850,000; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To help finance foreign exchange and local costs of goods and services for construction of dormitory and classroom facilities at University College, Nairobi.
University of East Africa: \$700,000; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To help finance foreign exchange and local costs of goods and services required for construction program at University College, Dar es Salaam.
ETHIOPIA	
Imperial Ethiopian Government (IEG): \$21.7 million to be reloaned to Ethiopian Electric Light and Power Authority. EELPA will repay IEG in local currency in 25 years, including 6-year grace period; interest at 5½ percent for duration of loan. IEG will repay in dollars in 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To help finance foreign exchange costs of goods and services required for engineering and construction of Finchaa Dam, within Blue Nile Basin, to supply electric power.
Ethiopian Investment Corporation (EIC): \$8 million; 20 years including 5-year grace period; interest at 4 percent for duration of loan.	To help EIC, a government-owned intermediate credit institution, finance up to 80 percent of foreign exchange and local costs of four private sector industrial projects.

¹ All Development Loans are repayable in U.S. dollars unless otherwise stated.

New Development Loan Authorizations in Fiscal Year 1966
Africa—Continued

Borrower—Amount—Terms ¹	Purpose
ETHIOPIA—Continued	
Imperial Ethiopian Government: \$225,000 (an amendment to a fiscal 1964 loan of \$700,000); 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To help finance purchase from U.S. of approximately 60 Bailey-type bridges to improve 1,325 miles of existing feeder roads.
GUINEA	
Republic of Guinea: \$3 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To help finance purchase from the United States of heavy-duty vehicle components to be assembled by the SOMOVA Mack truck plant in Conakry.
Republic of Guinea: \$150,000; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To finance foreign exchange costs of services of a U.S. firm to prepare final engineering plans for reclamation of rice growing area on Kakossa Island.
KENYA	
Government of Kenya: \$140,000; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To finance foreign exchange costs of services of a U.S. firm to prepare final engineering designs for upgrading sections of two roads.
LIBERIA	
Republic of Liberia: \$1.5 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To finance foreign exchange and local currency costs of commodities and minor construction services in support of 24 AID grant-financed technical assistance projects.
MALAWI	
Government of Malawi: \$200,000; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To finance foreign exchange costs of services of a U.S. firm to prepare engineering plans for proposed road along shore of Lake Malawi.

New Development Loan Authorizations in Fiscal Year 1966
Africa—Continued

Borrower—Amount—Terms ¹	Purpose
MOROCCO	
Kingdom of Morocco: \$2.4 million (an amendment to previous fiscal 1964 loan of \$2.3 million); 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To finance foreign exchange and local currency costs for conversion of former U.S. Air Force base at Nouasseur to an international civil airport.
S.A. Transatlant: \$150,000; 15 years including 3-year grace period; interest at 5½ percent for duration of loan.	To help finance foreign exchange costs of establishing year-round tourist hotel in Agadir.
NIGERIA	
Federal Republic of Nigeria: \$1.6 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To finance purchase from the United States of 85,000 telephone instruments and related equipment as part of Nigeria's telecommunications expansion program.
Federal Republic of Nigeria: \$3 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To help finance foreign exchange and local costs of improvement and construction of section of Western Avenue Agege road.
SUDAN	
Republic of the Sudan: \$5.9 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To finance foreign exchange costs of equipment and services required for maintenance and improvement of roads and airport runways maintained by Ministry of Public Works.
Agriculture Products Refining Co., Ltd.: \$3,325,000; 15 years including 3-year grace period; interest at 5½ percent for duration of loan.	To help finance foreign exchange costs of establishing a dura processing plant.
Republic of the Sudan: \$1.3 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To assist in financing the costs of construction of Khartoum North Sewerage System.

New Development Loan Authorizations in Fiscal Year 1966
Africa—Continued

Borrower—Amount—Terms ¹	Purpose
TANZANIA	
Government of Tanzania: \$140,000; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To finance foreign exchange and local costs required for expansion of Community Development Training Center at Tengeru.
TUNISIA	
Government of Tunisia: \$15 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To finance importation of commodities and equipment in support of Tunisia's development plan.
UGANDA	
Government of Uganda: \$650,000; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To help finance foreign exchange and local currency costs of developing privately leased and operated cattle ranches in southwestern Uganda.

Fiscal Year 1966 AID Commitments

[Millions of dollars]

Region	Total	Appropriation category				
		Develop- ment loans	Technical cooperation	Supporting assistance	Conti- gency fund	Contribu- tions to interna- tional orgs. & other
Total.....	\$2, 665. 0	\$1, 232. 4	\$312. 5	\$704. 1	\$209. 0	\$207. 0
Far East.....	859. 8	80. 0	44. 5	594. 8	140. 5	.....
Latin America.....	684. 1	505. 4	78. 5	44. 8	55. 4	.....
Near East & South Asia.....	663. 2	576. 2	43. 8	34. 8	8. 3	.....
Africa.....	176. 7	70. 1	81. 2	23. 5	1. 7	.....
Non-Regional.....	281. 1	0. 4	64. 5	6. 2	3. 2	¹ 207. 0

¹ Includes \$137.8 million in Contributions to International Organizations and \$69.2 million in other appropriations, i.e., Administrative Expenses for AID and State Department, and for American Schools and Hospitals Abroad.

Technical Cooperation Grants World-Wide in FY 1966

[Millions of dollars]

	Technical cooperation grants		Technical cooperation grants
Grand total.....	\$312.5	Labor.....	5.9
Non-regional	64.5	Health and sanitation... .	19.6
Regional programs.....	248.0	Education.....	46.4
		Public safety.	8.0
By field of activity		Public administration.....	18.1
		Community development and social welfare.....	3.0
Food and agriculture.....	48.4	Housing	1.2
Industry and mining. . . .	11.2	Private enterprise promotion..	4.8
Transportation.....	9.6	General and miscellaneous..	22.6
		Technical support.....	49.1

AID Employment FY 1963-1966 ¹

[As of June 30 each year]

Year	Total in AID/W* and overseas	Vietnam support	Total excluding Vietnam
1963.....	16,782	1,024	15,758
1964.....	15,642	1,221	14,421
1965.....	15,098	1,629	13,469
1966.....	15,472	2,205	13,267
U.S. nationals.....	7,442	1,002	6,440
Foreign nationals.....	8,030	1,203	6,827

¹ U.S. and foreign national direct-hire employees; excludes contract personnel

*AID/Washington, D.C.

AID-Financed Technicians World-Wide; Contract and U.S. Government Employees

[As of June 30, 1966]

Field of activity	Government employees ¹	Contract employees ²
Total	3, 609	2, 894
Food and agriculture	645	519
Industry and mining	341	193
Transportation	182	217
Labor	24	115
Health and sanitation	279	76
Education	186	1, 097
Public safety	292	12
Public administration	212	175
Community development	80	110
Housing	14	21
Private enterprise promotion	15	134
General and miscellaneous	533	225
Technical support	806	

¹ U.S. nationals paid from program funds—includes 2,982 AID direct hire and 627 assigned to AID by other Federal agencies.

² U.S. citizens in positions identified in AID-financed contracts.

Foreign Technicians (Participants) Arriving in the United States for Training in Fiscal Year 1966 ¹

[By region and field of activity]

Field of activity	Region				Total
	Latin America	Africa	Near East and South Asia	Far East	
Agriculture	420	452	279	74	1, 225
Industry	92	43	18	72	225
Transportation	49	28	16	16	109
Labor	161	8	126	11	306
Health	78	26	59	37	200
Education	292	245	57	51	645
Public administration	345	233	196	142	916
Public safety	381	101	64	70	616
Community development	38	30	9	10	87
Housing	27	10			37
Atomic energy	11		26	10	47
Communications media	3	14			17
Miscellaneous	145	206	67	62	480
Total	2, 042	1, 396	917	555	4, 910

¹ Excluding technicians (participants) brought to the United States by AID-financed contractors for training in fiscal year 1966.

Countries Where AID Investment Guaranties Are Available

[As of June 30, 1966]

Type of guaranty			
Convertibility	Expropriation	War, revolution and insurrection	Extended risk
Afghanistan	Afghanistan	Afghanistan*	—
Argentina	Argentina ¹	Argentina ¹	Argentina ¹
Bolivia	Bolivia	Bolivia	Bolivia
Brazil	Brazil	Brazil	Brazil
British Honduras	British Honduras	British Honduras	British Honduras
Central African Republic	Central African Republic	Central African Republic	Central African Republic
Ceylon	Ceylon	Ceylon	Ceylon
Chad	Chad	Chad	Chad
Chile	Chile	Chile	Chile
China, Republic of	China, Republic of	China, Republic of	China, Republic of
Colombia	Colombia	Colombia	Colombia
Congo (Brazzaville) ²	Congo (Brazzaville) ²	Congo (Brazzaville) ²	Congo (Brazzaville) ²
Congo (Kinshasa)	Congo (Kinshasa)	Congo (Kinshasa)	Congo (Kinshasa)
Costa Rica	Costa Rica	Costa Rica ¹	Costa Rica ¹
Cyprus	Cyprus	Cyprus	Cyprus
Dahomey	Dahomey	Dahomey	Dahomey
Dominican Republic	Dominican Republic	Dominican Republic	Dominican Republic
Ecuador	Ecuador	Ecuador	Ecuador
El Salvador	El Salvador	—	—
Ethiopia	Ethiopia	—	—
Gabon	Gabon	Gabon	Gabon
Ghana	Ghana	—	—
Greece	Greece	Greece	Greece
Guatemala ²	Guatemala ²	—	—
Guinea	Guinea	Guinea	Guinea
Guyana	Guyana	Guyana	Guyana
Haiti	Haiti	—	—
Honduras	Honduras	Honduras	Honduras
India	India	India	India
Iran	Iran	—	—
Israel	Israel	Israel	Israel
Ivory Coast	Ivory Coast	Ivory Coast	Ivory Coast
Jamaica	Jamaica	Jamaica	Jamaica
Jordan	Jordan	Jordan	Jordan
Kenya	Kenya	Kenya	Kenya
Korea	Korea	Korea	Korea
Laos	Laos	Laos	Laos
Liberia	Liberia	Liberia	Liberia
Malagasy Rep	Malagasy Rep.	Malagasy Rep.	Malagasy Rep.
Malaysia	Malaysia	Malaysia	Malaysia
Mali	Mali	Mali	Mali
Mauritania	Mauritania	Mauritania	Mauritania
Morocco	Morocco	Morocco	Morocco
Nepal	Nepal	Nepal	Nepal
Nicaragua	Nicaragua	Nicaragua	Nicaragua

See footnotes at end of table.

Countries Where AID Investment Guaranties Are Available—Continued

[As of June 30, 1966]

Type of guaranty			
Convertibility	Expropriation	War, revolution and insurrection	Extended risk
Niger	Niger	Niger	Niger
Nigeria	Nigeria	—	—
Pakistan	Pakistan	—	—
Panama	Panama	Panama*	—
Paraguay	Paraguay	—	—
Peru	—	—	—
Philippines	Philippines	—	—
Portugal	Portugal	—	—
Rwanda ¹	Rwanda ¹	Rwanda ¹	Rwanda ¹
Senegal	Senegal	Senegal	Senegal
Sierra Leone	Sierra Leone	Sierra Leone	Sierra Leone
Singapore	Singapore	Singapore	Singapore
Somali Republic	Somali Republic	Somali Republic	Somali Republic
Spain ³	Spain ³	—	—
Sudan	Sudan	Sudan	Sudan
Tanzania	Tanzania	Tanzania	Tanzania
Thailand	Thailand	Thailand	Thailand
Togo	Togo	Togo	Togo
Trinidad-Tobago	Trinidad-Tobago	Trinidad-Tobago	Trinidad-Tobago
Tunisia	Tunisia	Tunisia	Tunisia
Turkey	Turkey	Turkey	Turkey
Uganda	Uganda	Uganda	Uganda
Upper Volta	Upper Volta	Upper Volta	Upper Volta
U.A.R. (Egypt)	U.A.R. (Egypt)	U.A.R. (Egypt)	U.A.R. (Egypt)
Uruguay ¹	Uruguay ¹	—	—
Vietnam	Vietnam	Vietnam	Vietnam
Venezuela	Venezuela	Venezuela	Venezuela
Yugoslavia ²	Yugoslavia ²	—	—
Denmark	Denmark	—	—
France	France	—	—
Netherlands	Netherlands	—	—
Norway	Norway	—	—
United Kingdom	—	—	—

Although the Mutual Security Act of 1959 excluded economically developed countries for purposes of the Investment Guaranty Program, guaranties are still available for the underdeveloped overseas dependencies of the following countries:

Denmark	Denmark	—	—
France	France	—	—
Netherlands	Netherlands	—	—
Norway	Norway	—	—
United Kingdom	—	—	—

¹ Although applications will be accepted, guaranties cannot be processed until agreement is ratified by country's legislative body and in force.

² Restricted availability.

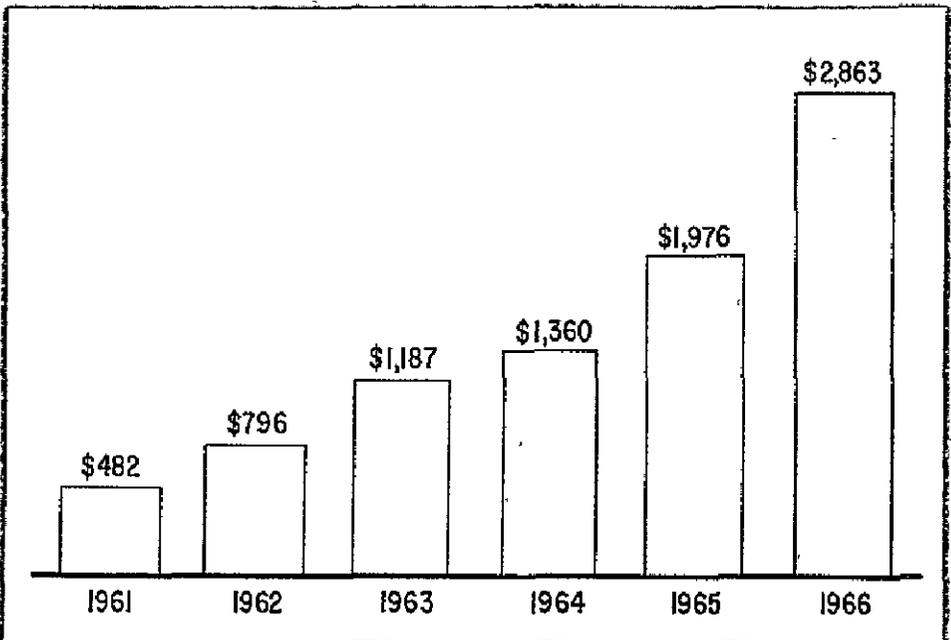
³ Not presently available.

*Includes only guaranties against loss due to damage from war.

SPECIFIC RISK GUARANTY PROGRAM

AMOUNT OF COVERAGE IN FORCE AS OF JUNE 30

(Millions of Dollars)



Foreign Currency (Cooley) Loans¹ Authorized in FY 1966

[Values expressed in dollar equivalents]

Country	Borrower	Amount	Purpose
EUROPE/AFRICA			
Finland	Standard Electric (SEP)	\$320, 000	Telecommunications and electric equipment.
Finland	Oy Esso ab.	1, 000, 000	Expand marketing facilities.
Morocco	S.I. Rima	225, 000	Hotel.
Morocco	S.A. Transatlas	94, 000	Hotel.
Sudan	Agricultural Products Refinery	750, 000	Manufacturing facilities.
TOTAL EUROPE/ AFRICA		\$2, 389, 000	
FAR EAST			
China, Republic of	Taiwan Polymers Corp.	4, 000, 000	Polyethylene plant.
China, Republic of	Milbern-Heller Woodcrafts	80, 000	Construction of woodcrafts plant.
Korea	Pumyang Industrial Co.	110, 619	Slasher-sizing plant.
Philippines	White Rose Packing Corp.	375, 000	Sardine plant expansion.
Philippines	Bataan Pulp & Paper Mills, Inc.	1, 025, 000	Plant rehabilitation.
TOTAL FAR EAST		\$5, 590, 619	

See footnote at end of table.

Foreign Currency (Cooley) Loans¹ Authorized in FY 1966—Continued

[Values expressed in dollar equivalents]

Country	Borrower	Amount	Purpose
LATIN AMERICA			
Bolivia.....	Hogares Bolivianos, S.A..	1, 000, 000	Housing construction.
Colombia	Huevas Oro, Ltd	39, 000	Poultry plant construction.
Colombia.....	Pauley & Rey de Colombia.....	133, 000	Cheese factory construction.
Colombia.....	Singer Sewing Machine Co.....	356, 000	Plant construction and equipment.
Peru.....	Purina Peru..	350, 000	Animal feed plant.
TOTAL LATIN AMERICA..		\$1, 878, 000	
NEAR EAST AND SOUTH ASIA			
Cyprus	Olive Seed Oils, Ltd.....	210, 000	Olive seed oil plant construction.
Greece	General Alliance Hellas..	250, 000	Carton plant expansion.
Greece.....	Pfizer Hellas, Athens.....	667, 000	Pharmaceutical plant expansion.
Greece.....	Hellenic Cement Co.....	2, 000, 000	Cement plant construction.
Greece.....	ITT Hellas, A.E., Athens.....	400, 000	Communications plant expansion.
India.....	Blue Star Worthington, Ltd.....	420, 000	Air conditioning equipment plant.
India.....	York-India, Ltd.....	315, 000	Air conditioning equipment plant.
India	Richards	1, 312, 500	Pharmaceutical plant.
India	Precision Bearings, Ltd	315, 000	Precision bearing plant.
India	Graphic Arts Equipment Co.....	315, 000	Graphic arts machinery and equipment.
India.....	Renusugar Power Co.....	3, 150, 000	Electric power equipment.
India.....	Ferro Coatings & Colourings, Ltd.....	553, 000	Metal coatings plant.

India	Lal-Rac Measuring Tools Private, Ltd....	273, 000	Measuring tools.
India	Corn Products Co. Private, Ltd.....	501, 480	Corn products.
India.. ..	International Fisheries	420, 168	Seafood packing expansion.
India.	Hindustan Aluminum Corp.....	6, 300, 000	Aluminum production facilities expansion.
Iran.....	Sherket Schami Pfizer.....	613, 000	Pharmaceutical plant.
Israel.....	Lageen (Israel) Tin Box, Ltd.	200, 000	Container manufacturing.
Israel	The American House	500, 000	Economic trade center.
Israel.	Mata Foodstuffs, Ltd	83, 000	Facilities expansion.
Israel.	United Saran Enterprises.....	666, 667	Plastics production.
Pakistan.....	Sunshine Farms.....	126, 000	Dairy products.
Pakistan	Johnson & Johnson... ..	378, 000	Pharmaceuticals.
Pakistan.	Searle Pakistan, Ltd	168, 000	Pharmaceuticals.
Pakistan.....	Bank of America.....	2, 088, 000	Bank.
Pakistan.....	First National City Bank.....	2, 088, 000	Bank.
Pakistan.....	American Express Co.....	2, 088, 000	Bank.
Turkey.	Ideal Standard Sanayi	3, 560, 000	Plumbing supplies.
Turkey.....	Turk General Elektrik	1, 667, 000	Fractional HP motors.
Turkey.....	U.S. Royal Elastik.....	1, 400, 000	Auto tires.
TOTAL NEAR EAST AND SOUTH ASIA		\$33, 027, 815	
TOTAL ALL REGIONS.....		\$42, 885, 434	

¹ Local currency loans to U.S. firms or branches, affiliates or subsidiaries and to foreign private investors, for purposes designed to increase consumption and markets for U.S. agricultural commodities.

AID-Financed Contracts for Development of Cooperative-Type Institutions, Fiscal Year 1966

Contractor	Number of contracts	Number of persons employed under contracts	Funds expended
American Institute for Free Labor Development (AIFLD)	24	47	\$833, 000
Cooperative League of the USA (CLUSA)	8	46	1, 913, 000
Credit Union National Association (CUNA)	21	36	797, 000
Farmers Union International Assistance Corporation (FUIAC)	11	24	578, 000
Foundation for Cooperative Housing (FCH)	15	24	514, 000
Fund for International Development (FICD)	3	11	146, 000
International Cooperative Training Center (ICTC)	5	21	240, 000
National League of Insured Savings Association (NLISA)	6	10	80, 000
National Rural Electric Cooperative Association (NRECA)	16	33	388, 000
Joint Commission Rural Reconstruction in China (Vietnam)		1	561, 000
Checchi & Company (Sierra Leone)	3	1	320, 000
International Cooperative Development Association (ICDA)	2	6	90, 000
Totals	114	260	\$6, 460, 000

*Investment Survey Program Activity
Fiscal Years 1963-1966*

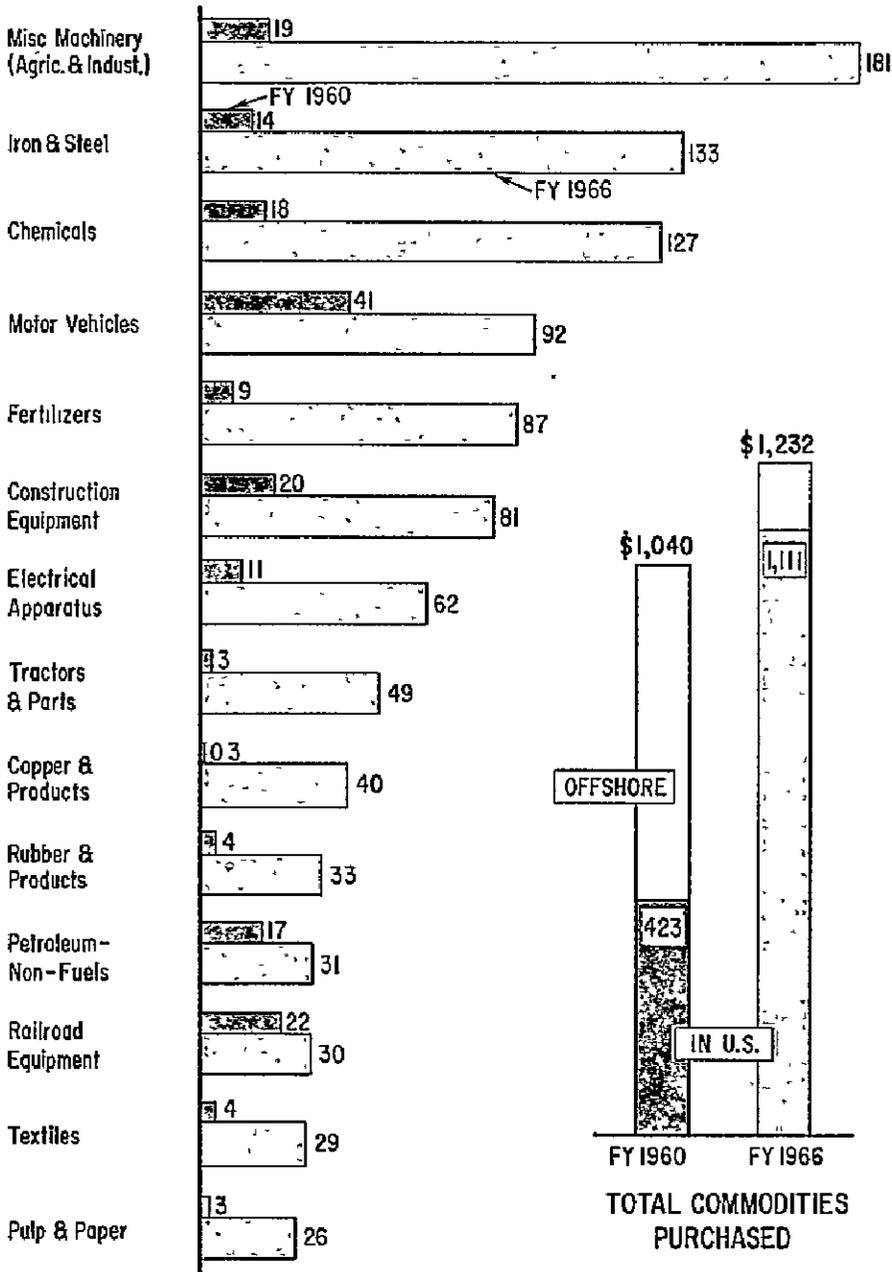
	FY 1963	FY 1964	FY 1965	FY 1966
Surveys authorized ¹	29	59	57	59
Maximum AID obligation	\$403, 800	\$701, 300	\$586, 900	\$1, 139, 700
Surveys completed	3	18	35	33
Decisions to invest	0	4	11	7
Maximum potential investment	0	\$12, 000, 000	\$18, 000, 000	\$27, 400, 000

¹ One survey authorized in FY 1962.

A.I.D. FINANCED COMMODITY EXPENDITURES

MAJOR COMMODITIES PURCHASED IN U.S.

FY 1966 VS. FY 1960 - Millions of Dollars



Obligations of U.S.-Owned Foreign Currencies for Economic Development and Defense Support¹ Fiscal Year 1966

[Thousands of dollar equivalents]

Field of activity	Total	Region				
		Near East and South Asia	Latin America	Far East	Africa	Europe
Total	\$637,650	\$389,769	\$28,525	\$138,578	\$37,783	\$93,005
Direct military support	118,637	5,201	.....	109,193	4,243	.....
Food and agriculture	109,328	87,436	5,213	1,287	5,445	9,947
Industry and mining	81,493	30,378	3,407	.....	9,521	38,187
Transportation	42,268	23,324	3,111	313	1,120	14,400
Labor	21,343	21,184	150	.....	.....	.....
Health and sanitation	23,620	22,311	1,309	.....	.....	.....
Education	64,557	43,794	1,271	17,894	1,598	.....
Public safety	11	.....	11	.....	.....	.....
Public administration	147	43	104	.....	.....	.....
Community development	37,740	35,343	2,397	.....	.....	.....
Housing	32,718	2,718	.....	.....	.....	30,000
Private enterprise promotion	83,075	71,355	9,338	.....	1,919	463
General and miscellaneous	72,723	46,682	2,205	9,891	13,937	8

¹ Currencies derived from sale of U.S. surplus agricultural commodities under Title I of Public Law 430.

NOTE: Data converted on the basis of June 30, 1966 exchange rates. Excludes "Cooley" loans.

U.S. Share of AID-Financed Commodity Expenditures Fiscal Years 1960-1966

[Millions of dollars]

Fiscal year	Total expenditures for commodities	Commodities purchased in U.S.	
		Amount	Percent of all commodity expenditures
1960	\$1,040	\$423	41
1961	1,055	466	44
1962	884	586	66
1963	1,146	905	79
1964	1,165	1,008	87
1965	1,238	1,186	92
1966	1,232	1,111	90

AID Outshipments of Excess Federal Property¹

[Original acquisition cost in millions of dollars]

Region	FY 1965	FY 1966	Percent increase
Near East and South Asia	\$10.9	\$15.2	39
Far East	4.5	14.9	231
Africa	2.0	3.2	60
Latin America	1.3	1.6	23
Total	\$18.7	\$34.9	87

¹ Excess U.S. Government-owned equipment obtained by AID for use in developing country programs and projects, as authorized by Section 608 of the Foreign Assistance Act.

Organizations Registered with the Advisory Committee on Voluntary Foreign-Aid and Receiving AID Ocean Freight Payments¹ in FY 1966

American Friends Service Committee	International Rescue Committee
American Jewish Joint Distribution Committee ²	Iran Foundation
American Korean Foundation	Lutheran World Relief ²
American Mission to Greeks ²	Meals for Millions Foundation
American National Red Cross ²	Medical Assistance Programs, Inc.
American ORT Federation	Mennonite Central Committee ²
American Relief for Poland ²	N.A.E. World Relief Commission ²
Assemblies of God, F.S.C.	People to People Health Foundation (Project HOPE)
CARE, Inc. ²	Project Concern
Catholic Relief Services, NCWC ²	Seventh-Day Adventist Welfare Service ²
Christian Reformed World Relief Church World Service ²	Summer Institute of Linguistics
Foster Patents' Plan	Thomas A. Dooley Foundation
Friends of the U.S. of L.A. (FUSLA)	Tools for Freedom Foundation
Hadassah ²	World Vision Relief Organization
Heifer Project	YMCA, International Committee
International Educational Development	

¹ AID obligated \$5,435,950 to cover freight costs for overseas shipment of supplies privately donated for the overseas work of these 31 registered voluntary agencies and the American National Red Cross. The Red Cross is not a registered voluntary agency. It receives assistance under special agreement.

² Participating in the Food for Peace Program. During fiscal year 1966, AID obligated \$60 million to transport foods to 79 countries under the Food for Peace program.

Military Assistance Program for Fiscal Year 1966

[Thousands of dollars]

Total.....	¹ \$1, 636, 149
EUROPE.....	59, 446
Denmark.....	1, 165
Norway.....	34, 582
Portugal.....	620
Spain.....	19, 419
Weapons Production Program.....	4, 797
European Area Program.....	863
MAP Assets Applied to Country Programs.....	2, 000
NEAR EAST and SOUTH ASIA.....	241, 240
Afghanistan.....	126
Greece.....	79, 554
India.....	(²)
Iraq.....	210
Iran.....	45, 733
Jordan.....	4, 063
Lebanon.....	77
Nepal.....	(²)
Pakistan.....	(²)
Saudi Arabia.....	799
Syria.....	26
Turkey.....	127, 727
Near East and South Asia Area Program.....	11, 908
MAP Assets Applied to Country Programs.....	28, 983

See footnotes at end of table

Military Assistance Program for Fiscal Year 1966—Continued

[Thousands of dollars]

AFRICA...	\$28, 841
Congo.....	3, 529
Ethiopia.....	15, 035
Guinea.....	138
Liberia.....	952
Libya.....	2, 264
Mali.....	803
Morocco.....	4, 596
Nigeria.....	345
Senegal.....	394
Sudan.....	198
Tunisia.....	579
Upper Volta.....	8
FAR EAST.....	987, 645
China, Republic of.....	93, 793
Japan.....	1, 604
Korea.....	157, 509
Laos.....	(2)
Malaysia.....	191
Philippines.....	21, 883
Thailand.....	(2)
Vietnam ¹	592, 154
Far East Area Program.....	182, 502
MAP Assets Applied to Country Programs.....	61, 991
LATIN AMERICA.....	84, 322
Argentina.....	11, 809
Bolivia.....	2, 804
Brazil.....	17, 255
Chile.....	9, 325
Colombia.....	12, 169
Costa Rica.....	234
Dominican Republic.....	2, 856
Ecuador.....	2, 873
El Salvador.....	738
Guatemala.....	1, 385
Honduras.....	1, 037
Jamaica.....	525
Mexico.....	381
Nicaragua.....	1, 358
Paraguay.....	1, 523
Peru.....	9, 361
Panama.....	605
Uruguay.....	2, 325
Venezuela.....	1, 111
Latin America Area Program.....	4, 648
NON-REGIONAL.....	234, 655
Administrative Expenses.....	23, 818
Other Non-Regional Programs.....	210, 837

¹ Includes \$473.3 million of FY 1966 programs for Vietnam transferred to the military departments.

² Data classified; included in the figure for the Area Program.

*Foreign Disasters and Emergency Relief Expenditures*¹
Fiscal Year 1966

[Thousands of dollars]

Region	AID		PL 480	Voluntary Agencies	Total U.S.
	Contingency Fund	Other ²			
Africa	\$68.8	\$29.5	\$12,713.9	\$26.9	\$12,839.1
Latin America	361.2	19.3	1,370.1	988.6	2,739.2
Near East-South Asia	82.2	906.0	13.3	131.1	1,132.6
Far East	139.8	³ 84.0	9,448.1	416.4	10,088.3
TOTAL	\$652.0	\$1,038.8	\$23,545.4	\$1,563.0	\$26,799.2

¹ During FY 1966, AID provided assistance to the victims (estimated at more than 4 million persons) of 48 major disasters. Regionally, the disaster incidence was: Africa—15; Latin America—16; Near East-South Asia—5; and Far East—12. Disasters included floods, typhoons, tidal waves, earthquakes, landslides, fires, drought and famine.

² Includes projects financed with AID funds as well as projects financed by other U.S. Government agencies.

³ Includes \$55,997 expended by the U.S. Army in Japan for which AID reimbursement was not requested.

**FREEDOM OF NAVIGATION AND
NON-DISCRIMINATION**

The following statement is provided in compliance with Section 634(a) of the Foreign Assistance Act as amended:

Governmental practices tending to discriminate between U.S. citizens on religious grounds continued to occur in some countries in the Near East, principally with respect to travel. Although the extent of these restrictions has been reduced over the years, little progress was made in fiscal 1966. Some success has been achieved in mitigating the effects of the Arab boycott on certain American firms and individuals. Under amendments to the Export Control Act, American exporters must provide the Department of Commerce with information about proposals to engage in restrictive trade practices or boycotts. The Secretary of Commerce encourages firms not to become involved in such arrangements.

The Suez Canal remained closed to Israeli ships and cargoes. The state of Arab-Israeli relations continued to be the chief barrier to progress in removing this restriction.

**AGENCY ADVISORY COMMITTEES
FISCAL YEAR 1966**

Advisory Committee on Economic Development

Advises the Administrator and senior staff in the fields of research, evaluation, and planning assistance, and provides a channel of communication between the Agency and professional scholars concerned with developing countries.

Members: Edward S. Mason, Professor of Economics, Harvard University, Chairman; Vincent Barnett, President, Colgate University; Hollis B. Chenery, Professor, Department of Economics, Harvard University; Emile Despres, Director, Research Center in Economic Growth, Stanford University; Allan R. Holmberg, Professor of Anthropology, Cornell University; Max F. Millikan, Director, Center for International Studies, Massachusetts Institute of Technology; Lucian W. Pye, Professor of Political Science, Center for International Studies, Massachusetts Institute of Technology; Theodore W. Schultz, Professor of Economics, University of Chicago.

*President's General Advisory Committee
on Foreign Assistance Programs*

The Committee provides the Executive Branch with continuing advice on ways to improve the effectiveness of U.S. foreign assistance programs.

Members: James A. Perkins, President, Cornell University, Chairman; Dwayne O. Andreas, Chairman, Executive Committee, National City Bank of Minneapolis; Joseph A. Beirne, President, Communications Workers of America; Eugene R. Black, Special Presidential Advisor for Southeast Asian Economic and Social Development; Mrs. Everett N. Case, Chairman, Board of Trustees, Skidmore College; Luther H. Foster, President, Tuskegee Institute; Alfred M. Gruenther, Past President, American National Red Cross; J. George Harrar, President, The Rockefeller Foundation.

Also, William R. Hewlett, President, Hewlett-Packard Company; Sol M. Linowitz, Chairman of the Board, Xerox Corporation; Edward S. Mason, Lamont University Professor, Harvard University; George Meany, President, AFL-CIO; Franklin D. Murphy, Chancellor, University of California at Los Angeles; Samuel M. Nabrit, President, Texas Southern University; David Rockefeller, President, The Chase Manhattan Bank; Arthur K. Watson, Chairman, IBM World Trade Corporation; William J. Zellerback, President, Crown-Zellerback Paper Company.

Development Loan Committee

The Committee, under the direction of the AID Administrator, establishes policies, standards and criteria for the Agency's lending operations.

Members: David E. Bell, AID Administrator; Donald W. Hoagland, Assistant Administrator, Office of Development Finance and Private Enterprise, AID; Harold F. Linder, Chairman of the Board of Directors of the Export-Import Bank of Washington; Anthony M. Solomon, Assistant Secretary of State for Economic Affairs; Winthrop Knowlton, Assistant Secretary of the Treasury for International Affairs.

Cooperative Advisory Committee

Agricultural and cooperative specialists who bring to bear the knowledge, resources and experience of non-government organizations on the Agency's programs.

Members: Herbert J. Waters, Assistant Administrator for Material Resources, AID, ex-officio, Chairman; James E. Bent, President, Hartford Federal Savings, Hartford, Connecticut; John B. Clarke, Treasurer and Chief Business and Financial Officer, Howard University; Clyde T. Ellis, General Manager, National Rural Electric Cooperative Association; Leon Keyserling, Economic Consultant; Murray D. Lincoln, Past President, Cooperative League of the U.S.A.; Kenneth J. Marin, Past President, Credit Union National Association.

Also, Kenneth D. Naden, Executive Vice President, National Council of Farmer Cooperatives; Herschel D. Newson, Master, National Grange; James G. Patton, Past President, National Farmers Union; Walter Reuther, President, International Union of United Automobile, Aerospace and Agricultural Implement Workers of America; Charles B. Shuman, Past President, American Farm Bureau Federation; Bishop Edward E. Swanstrom, Executive Director, Catholic Relief Services, National Catholic Welfare Conference; M. W. Thatcher, President, National Federation of Grain Cooperatives.

Advisory Committee on Housing and Urban Development

Provides advice and guidance in the administration of AID's responsibility to make investment guaranties for housing projects in accordance with Sections 221 and 224 of the Foreign Assistance Act of 1962, and gives general guidance in the development and administration of AID's program of housing and urban development.

Members: Osborne T. Boyd, Director, Industrial and Urban Development Services, AID; Charles Abrams, Housing Consultant to the United Nations; Alexander Bookstaver, Economic Adviser for AFL-CIO; W. Evans Buchanan, Past President, National Association of Home Builders; Arthur H. Courshon, Chairman of Board, Washington Federal Savings and Loan Association, Miami Beach, Florida; Raymond P. Harold, President and Chairman of Board, Worcester Savings and Loan Association, Worcester, Massachusetts.

Also, Nathaniel S. Keith, President, National Housing Conference; Mrs. Anne Roberts, New York City Economic Opportunity Committee; Frank M. Summers, Attorney at Law, East St. Louis, Illinois; Arthur Tonsmeire, Jr., President, First Federal Savings and Loan Association, Mobile, Alabama; Benjamin Turner, Attorney and Home Builder, Coral Gables, Florida; William L. C. Wheaton, Professor, University of California Institute of Urban and Regional Development.

Ex-officio members: The Honorable Robert C. Weaver, Secretary of Housing and Urban Development; The Honorable John E. Horne, Chairman, Federal Home Loan Bank Board.

Advisory Committee on Voluntary Foreign Aid

Established by the President in 1946 to succeed the War Relief Control Board in correlating government foreign aid programs with those of voluntary aid agencies. Registers U.S. voluntary, nonprofit agencies for foreign aid activities and approves their programs; certifies to their eligibility for freight subsidies for overseas shipment of their own donated supplies or relief, rehabilitation and technical assistance; certifies to their eligibility to participate in the food distribution program under Public Law 480.

Members: Charles P. Taft, Attorney at Law, Cincinnati, Ohio, Chairman; Margaret Hickey, Public Affairs Editor, *Ladies' Home Journal*, Vice Chairman; Gordon M. Cairns, Dean, College of Agriculture, University of Maryland; Ugo Carusi, retired government official, Washington, D.C.; John B. Faegre, Jr., Attorney at Law, Minneapolis, Minnesota; Adelaide C. Hill, Institute of African Studies, Boston University.

Also, Mrs. Martha Irvine, civic and public service leader, Long Island, New York; Raymond F. McCoy, Dean, Graduate School, Xavier University; James T. Nicholson, retired, former Vice President, American National Red Cross, Chevy Chase, Maryland; George Nelson Lund, President, First National Bank, Reserve, Montana; Lessing J. Rosenwald, Chairman, Rosenwald Fund; Elmore R. Torn, Trans-Continental Gas Pipeline Corporation, Austin, Texas.

Advisory Committee on International Education of Health Manpower

Advises the Administrator on all AID policies and programs relating to health manpower.

Members: James P. Dixon, President, Antioch College, Chairman; John A. D. Cooper, Dean of Sciences, Northwestern University; Albert W. Dent, President, Dillard University; Thomas H. Hunter, Chancellor for Medical Affairs, University of Virginia; John W. Knutson, Professor of Preventive Dentistry and Public Health, University of California; Robert C. Long, Chairman, International Committee of the American Medical Association; John A. Logan, President, Rose Polytechnic Institute.

Also, Margaret Mead, Curator of Ethnology, American Museum of Natural History; Robert S. Morison, Director, Division of Biological Sciences, Cornell University; Margaret L. Shetland, Dean of the College of Nursing, Wayne State University; Ernest L. Stebbins, Dean of the School of Hygiene and Public Health, Johns Hopkins

University; John M. Weir, Director, Medical and Natural Sciences, The Rockefeller Foundation.

Advisory Committee on Research

Advises AID on the development and administration of sound policies and programs of research on the problems of developing countries.

Members: Walsh McDermott, Chairman, Department of Public Health and Preventive Medicine, Cornell University, Committee Chairman; Clifford R. Barnett, Associate Professor of Social Anthropology, Stanford University; Robert A. Charpie, President, Electronics Division, Union Carbide Company; Kurt W. Deuschle, Chairman, Department of Community Medicine, University of Kentucky; Merle Fainsod, Chairman, Department of Government, Harvard University; Max F. Millikan, Director, Center for International Studies, Massachusetts Institute of Technology.

Also, Arthur T. Mosher, Executive Director, The Agricultural Development Council, Inc.; Roger Revelle, Director, Center for Population Studies, Harvard School of Public Health; Eugene B. Skolnikoff, Political Science Section, Massachusetts Institute of Technology; F. Joachim Weyl, Special Assistant to the President, National Academy of Sciences; Carroll Wilson, Professor of the Sloan School of Management, Massachusetts Institute of Technology; Abel Wolman, Professor of Sanitary Engineering, Johns Hopkins University.

Committee on AID-University Relations

Serves as a forum for discussion of the mutual interests of AID and American universities in developing nations.

Members: William C. Friday, President of the University of North Carolina, Chairman; Stephen K. Bailey, Dean, Maxwell Graduate School of Citizenship and Public Affairs, Syracuse University; Louis T. Benezet, President, Claremont Graduate School and University Center; John T. Caldwell, Chancellor, North Carolina State University at Raleigh; Harlon H. Hatcher, President, University of Michigan; David D. Henry, President, University of Illinois; Grayson L. Kirk, President, Columbia University; Charles P. McCurdy, Jr., Executive Secretary, Association of American Universities.

Also, Rosemary Park, President, Barnard College; Edgar F. Shannon, Jr., President, University of Virginia; Rt. Rev. Msgr. James P. Shannon, President, College of St. Thomas; Russell I. Thackrey, Executive Secretary, National Association of State Universities and Land-Grant Colleges; Herman B. Wells, Chancellor, Indiana University; Logan Wilson, President, American Council on Education; O. Meredith Wilson, President, University of Minnesota; F. L. Wormald, Vice President, Association of American Colleges.

Observers: Richard A. Humphrey, Director, Commission on International Education, American Council on Education; Elton L. Johnson, Director, International Rural Development Office, National Association of State Universities and Land-Grant Colleges; Howard P. Wile, Executive Director, Committee on Governmental Relations, The National Association of College and University Business Officers.

Labor Advisory Committee on Foreign Assistance

Advises and assists AID in its labor programs, policies, and problems.

Members: George Meany, President, AFL-CIO, Chairman; I. W. Abel, President, United Steelworkers of America; Joseph A. Beirne, President, Communications Workers of America; William C. Doherty, Jr., Administrator, American Institute for Free Labor Development; David Dubinsky, President, International Ladies Garment Workers Union; John J. Grogan, President, Industrial Union of Marine and Shipbuilding Workers of America; A. F. Grospiron, President, Oil, Chemical and Atomic Workers International Union; George M. Harrison, Chief Executive Officer, Brotherhood of Railway Clerks; Albert J. Hayes, Vice President, AFL-CIO.

Also, Paul Jennings, President, International Union of Electrical, Radio and Machine Workers; Joseph D. Keenan, Secretary, International Brotherhood of Electrical Workers; Ernest S. Lee, Assistant Director, Department of International Affairs, AFL-CIO; Jay Lovestone, Director, Department of International Affairs, AFL-CIO; Andrew C. McLellan, Inter-American Representative, AFL-CIO; Lee W. Minton, President, Glass Bottle Blowers Association of the United States and Canada; A. Philip Randolph, President, Brotherhood of Sleeping Car Porters; Walter P. Reuther, President, International Union of United Automobile, Aerospace and Agricultural Implement Workers of America; Thomas E. Robles, Associate Inter-American Representative, AFL-CIO; James A. Suffridge, President, Retail Clerks International Association.

Subcommittee on AID Matters of the Foreign Exchange Committee of New York Banks

Advises in the development of AID financing procedures and the drafting of regulations and their amendments.

Members: Arthur Bardenhagen, Vice President, Irving Trust Company, Chairman; Milton S. Coe, Assistant Vice President, The Chase Manhattan Bank; James A. Harrington, Assistant Vice President, Bankers Trust Company; Arthur C. Krymer, Vice President, Chemical Bank New York Trust Company; Anthony L. Leone, Assistant Vice President, First National City Bank; Harold T. McGrath, Assistant Secretary, Manufacturers-Hanover Trust Company; William

E. McGraw, Assistant Vice President, Morgan Guaranty Trust Company; Henry Reuter, Assistant Vice President, The Marine Midland Trust Company.

The Interagency Police Group

Assists AID's Administrator in the coordination and leadership of U.S. police assistance programs.

Members: Byron Engle, Director, Office of Public Safety, AID, Chairman; Joseph J. Casper, Assistant Director, Federal Bureau of Investigation, Department of Justice; Arnold Sagalyn, Director, Law Enforcement Coordination, Treasury Department; Albert A. Rabida, Officer in Charge, Internal Defense Policy, Politico-Military Affairs, Department of State; Maj. Gen. Carl Turner, Provost Marshal of the U.S. Army.

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