

THE FOREIGN
ASSISTANCE
PROGRAM

ANNUAL REPORT TO THE CONGRESS
FISCAL YEAR 1967

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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.

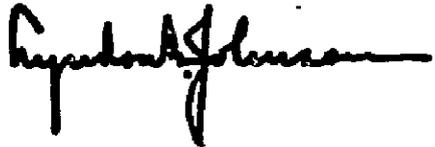
Our investment in foreign aid is small. In the period covered by these reports, it was only five percent of the amount we spent for our defense.

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. ECONOMIC ASSISTANCE PROGRAM

AID committed \$2.415 billion for economic assistance in fiscal year 1967, \$250 million less than in fiscal 1966.

The reduction was concentrated in Development and Alliance for Progress Loans and in the Contingency Fund. Development and Alliance for Progress Loans fell to \$1.1 billion, a reduction of \$124 million from the previous year. The obligation for the Contingency Fund was \$50 million, down \$159 million.

The worldwide commitment for Supporting Assistance, however, was \$718 million, up \$16 million from fiscal 1966. This increase was due to the greater effort in Vietnam. Commitments for Supporting Assistance in Vietnam totaled \$490 million, an increase of \$22 million over fiscal 1966. That total represented two-thirds of all Supporting Assistance committed during the period and was one-fifth of the entire amount of economic assistance obligated.

During fiscal 1967, total AID commitments for economic assistance were as follows:

	<i>Millions</i>
Regional and Country programs-----	\$2, 118. 4
Development Loans-----	\$669. 1
Technical Cooperation-----	167. 3
Alliance for Progress Loans-----	439. 1
Alliance for Progress Grants-----	82. 1
Supporting Assistance—Vietnam----	489. 8
Other -----	222. 0
Contingency Fund-----	44. 4
Nonregional Programs (Development Loans, Technical Cooperation Grants, Supporting Assistance and Contingency Fund commitments)-----	78. 5
International Organizations and Programs-----	143. 6
American-Sponsored Schools and Hospitals Abroad -----	11. 1
Survey of Investment Opportunities-----	1. 5
Administrative expenses, AID and Department of State -----	62. 3
 Total -----	 \$2, 415. 4

Although the United States continued to provide more funds than any other nation for assistance to the developing countries, the U.S. proportion of the overall contribution continued to fall. The United States, which for many years ranked first in percentage of national income devoted to governmental foreign assistance, now ranks with

the United Kingdom behind France, Australia, and Belgium. At the same time, the United States has tightened its terms for providing aid while other nations have eased theirs. Five developed countries—Denmark, the United Kingdom, Sweden, Canada and Belgium—now offer development loans on more generous terms than the United States.

Commitments by AID constituted the largest single category of U.S. economic assistance, but there were others which, if considered in a context broader than that contemplated in the Foreign Assistance Act, would bring the total obligation to almost \$4 billion.

During fiscal 1967, total U.S. Government commitments for such economic assistance were as follows:

	<i>Millions</i>
AID	\$2, 415
Public Law 480.....	1, 040
Inter-American Development Bank.....	250
Peace Corps.....	105
International Development Association.....	104
Asian Development Bank.....	20
Other	64
Total	\$3, 998*

*The Export-Import Bank in fiscal 1967 made long-term loans totaling \$947 million to promote U.S. exports to less developed areas of the world. These loans, however, are at no cost to the U.S. taxpayer because they are at near commercial interest rates and are usually of medium maturity.

Concentration of Economic Assistance

It is AID policy to concentrate assistance in a relatively small number of countries where resources and performance indicate that development efforts can best succeed.

More than 90 percent of all Supporting Assistance in fiscal 1967 went to Jordan, the Dominican Republic, Korea, Laos, Thailand and Vietnam. Seventy-five percent of all Development Loan commitments went to India, Brazil, Turkey, Pakistan, Colombia and Korea. Twenty-two nations accounted for 90 percent of AID's bilateral commitments by country.

Progress Toward Self-Sustaining Growth

The primary purpose of AID assistance is to help developing countries achieve self-sustaining growth and end their need for outside assistance on concessional terms. Over the years U.S. aid programs have been terminated in a number of countries which have achieved this goal.

Fiscal 1967 was the last full year of AID assistance to Iran, which was clearly reaching the point of self-sustaining growth. AID scheduled only terminal commitments of \$300,000 for Iran in fiscal 1968.

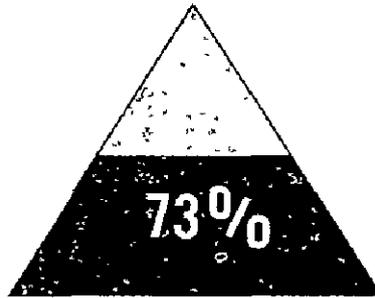
AID project assistance is conditioned on specific self-help steps to be taken by the recipient. Nations receiving AID program loans with

AID CONCENTRATES ITS PROGRAM

FY 1967

Loan Commitments—7 Countries

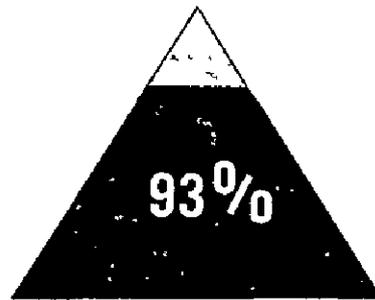
Brazil
Colombia
Dominican
Republic



India
Korea
Pakistan
Turkey

Supporting Assistance—6 Countries

Dominican
Republic
Jordan
Korea



Laos
Thailand
Vietnam

which to finance purchase of a wide variety of commodities needed for development agree to undertake broad self-help measures—such as liberalization of government control on imports—which can move a whole economy forward.

In fiscal 1967 AID introduced the concept of the sector loan to support specific self-help programs in a key sector of a country's economy such as agriculture, health, or education. The initial sector loan totaling \$10 million was committed to the Government of Chile which agreed to undertake expanded teacher training, new classroom techniques, improved vocational guidance and efforts toward a higher minimum educational level. It is estimated that this loan will enable Chile to cut in half the 10-year period which restructuring of the nation's educational system might otherwise have required.

Major recipients of AID development assistance in fiscal 1967 demonstrated their determination to help themselves by spending an average of \$8 of their own limited resources on development activities for each \$1 of AID assistance received.

The result in Korea, for example, has been a per capita increase in gross national product (GNP) averaging 6.8 percent over the past 4 years. A stabilization program there has limited inflation to less than 10 percent annually compared to 35 percent in previous years. Exports have been growing by more than 30 percent a year. AID is gradually phasing out Supporting Assistance while maintaining a substantial Development Loan program and technical assistance in marketing, rural development and industrial technology.

AID assistance to Turkey supports that country's efforts to reach its announced goal of self-sustaining growth by the end of 1973. Turkish monetary policies have reduced inflation. The nation's total per capita output of goods and services has risen 3.1 percent annually over the past 3 years. In the same period, annual agricultural and industrial output climbed 4 and 20 percent respectively; and the return on exports grew by about 10 percent a year.

With AID support, the nations of Central America have made impressive progress in regional economic cooperation. Under the Central American Common Market, most goods move freely throughout Central America. Trade among the five countries involved—Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua—has doubled in the last 3 years and total exports from the five countries have increased nearly 45 percent. Per capita GNP has risen an average of 3.3 percent annually despite rapid population growth. Moreover, Central America's self-help progress is not limited to economic development. In the last year, free democratic elections were held in four of the five Central American countries.

Implementation of Title IX

Title IX of the Foreign Assistance Act calls for full participation by the people of developing countries in the task of development. In compliance with this provision, AID accelerated its efforts during fiscal 1967 to encourage such participation in democratic institutions, both private and governmental.

An Intra-Agency Committee and a division in AID's Office of Program and Policy Coordination were established to clarify U.S. assistance objectives in selected countries in the light of Title IX, to redesign some activities and develop new ones, and to develop criteria by which to evaluate results. Discussions were held with representatives of non-governmental organizations to draw upon their experience. A re-examination of traditional AID activities was begun and a research program initiated toward increasing popular participation in the development process.

PRIORITY PROGRAMS

Fiscal 1967 marked the first full year of implementation of the Presidential directive to launch a concentrated attack on hunger, disease and ignorance in countries which are determined to help themselves.

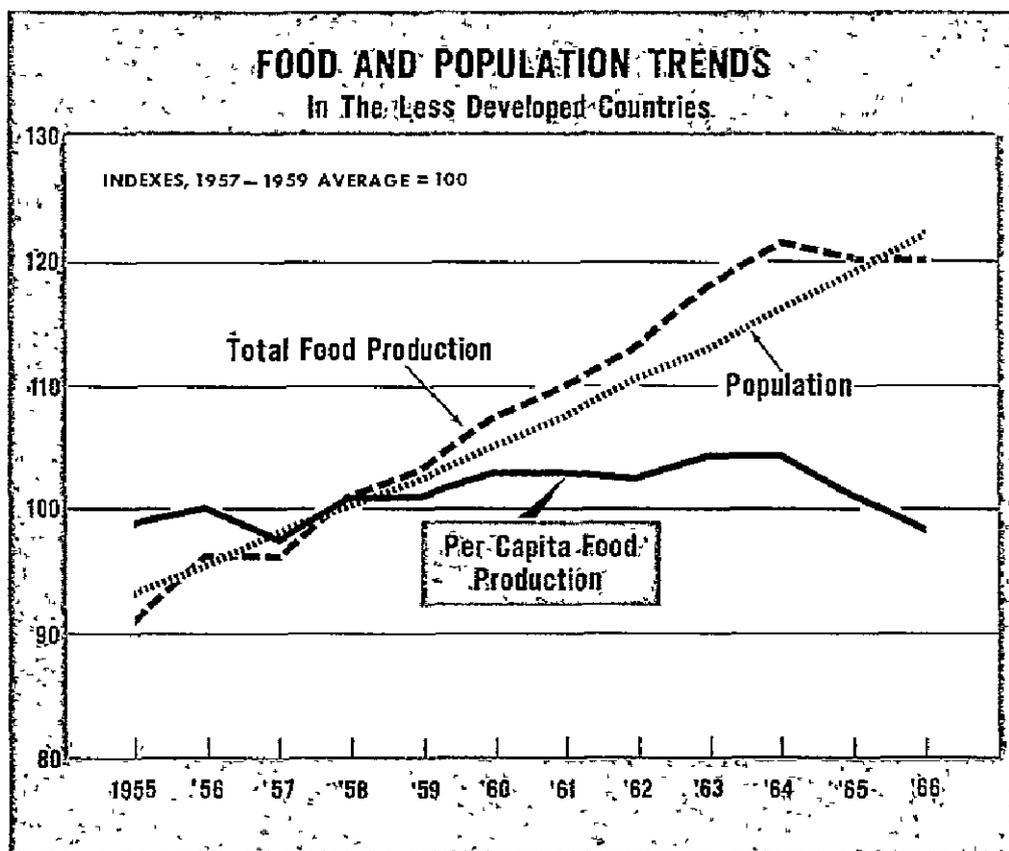
For improvement of agriculture in developing countries \$497 million was obligated; for health, \$156 million; and for education, \$189 million.

The Food Crisis

The first priority in the underdeveloped world is food. In virtually all less developed countries the vast majority of the people are engaged in the production of food. Yet most of these nations now import foodstuffs in an effort to feed their fast-growing populations. Clearly their first challenge is to increase both the quantity and the quality of their agricultural production.

AID programs concentrate on the complex of measures required to increase agricultural development.

This means technical assistance to the developing countries in building and strengthening ministries of agriculture, farm extension serv-



ices, experimental stations and agricultural schools. Some \$69 million of AID funds in fiscal 1967 were allocated to these activities.

This also means help through loans. During fiscal 1967, Development and Alliance for Progress Loans in the field of agriculture totaled \$297 million. These loans financed the import of U.S. goods, such as fertilizer and farm machinery; the improvement of seed strains; and the construction of fertilizer plants in the developing countries.

Similarly, AID continued support during the fiscal year to large water, power, irrigation and roadbuilding projects with direct or indirect significance for agricultural development. Some examples follow:

- AID authorized a Development Loan of \$12 million for the construction of a hydroelectrical generating plant and training of its operators in Afghanistan.
- AID provided another \$6 million above the original loan of almost \$9 million made in fiscal 1964 for further work on a major highway over which farm products will move in Nigeria.
- For the first year of a 2-year, 1,500-acre irrigation and flood control demonstration project in Vietnam, AID made a grant of almost half a million dollars.

In order to coordinate U.S. assistance programs aimed at meeting the challenge of agricultural development, AID established a central Office of the War on Hunger in fiscal 1967.

This office provides top-level supervision of agricultural development programs and efforts to combat malnutrition, develop food from the sea and assist family planning programs conducted by the less developed countries. It coordinates research projects and also administers the Food for Freedom program in cooperation with the U.S. Department of Agriculture (USDA).

The Food for Peace Act of 1966, effective January 1, 1967, provides for the planned U.S. production of agricultural products specifically to meet the needs of those nations and makes agricultural commodities more readily available to countries which seriously try to increase their own farm production. The new Act amending Public Law 480 also authorizes the use of foreign currencies from the sale of U.S. farm commodities for family planning assistance in countries requesting it.

In fiscal 1967, sales and grants under Public Law 480 totaled about \$1.2 billion. Sales either for foreign currencies or U.S. dollars on credit were negotiated with 19 countries and totaled \$775 million. Government-to-government donations amounted to \$103 million. The U.S. pledge to the World Food Program was \$84 million and voluntary agencies received \$160 million in commodities together with \$43 million covering costs of shipment.

These grant programs permit AID to use food to meet special situations. One of the most urgent is malnutrition, especially in children. During fiscal 1967, \$3 million in AID funds were used to fortify Food for Freedom commodities with vitamins and minerals and to formulate blended foods. One of these, CSM, a combination of gelatinized cornmeal, soy flour and nonfat dry milk, was developed in cooperation with the USDA and private industry. More than 200 million pounds were shipped to 88 countries.

Investigation of new methods which fit the special conditions found in the developing countries is essential if these countries are to increase their agricultural production. During fiscal 1967 AID committed more than \$4 million for research and survey projects aimed at finding ways to increase food output.

Family Planning

Parallel to the need for increasing food production is the necessity to curb population increases in the developing countries. Mounting recognition of this need was reflected in an increase in AID's assistance to family planning activities during the year.

A significant new step was the removal of contraceptives from AID's list of commodities ineligible for shipment overseas. This permits contraceptives to be purchased in the United States for use in family planning programs overseas, when requested. New policy also permits AID to help finance the manufacture of contraceptives overseas.

AID's basic regulations governing assistance in this field, however, remain unchanged. Assistance is provided in response to requests from governments or institutions of developing nations. Each assisted country must decide its own population policy and methods of family planning. Individual participation in a nation's family planning program must be voluntary and in accord with individual beliefs and personal preferences.

AID financial commitments in the field of family planning more than doubled in fiscal 1967. AID full-time personnel in population programs increased from 14 to 40.

Health Programs

Epidemic diseases in the less developed nations seriously impair the productivity of rural and urban workers alike. Illness brings death to millions of children before they have a chance to contribute to the economy of their country. It causes misery and death on a scale which, for humanitarian reasons alone, commands the attention and assistance of more fortunate countries.

To improve the health of the millions living in the underdeveloped world, AID conducts programs having three broad objectives:

- To assist developing countries in the control and eradication of communicable disease.
- To aid in training their own health workers.
- To help reduce and ultimately solve the problem of malnutrition, above all in mothers and children.

AID committed a total of \$156 million to health programs during fiscal 1967. Major portions of that amount were spent in continuing drives against several of the most deadly and debilitating diseases. To help bring measles under control and eradicate smallpox in large parts of Africa by 1971, \$11 million was approved. To fight malaria in a campaign which has already brought protection to some 650 million people, \$20 million was committed. AID also provided almost a quarter of a million dollars to combat cholera.

Vaccinations against measles were administered to 2.6 million people during the fiscal year, an increase of half a million over fiscal 1966. Smallpox inoculations totaled 123 million, up 16 million. Over 4.7 million people received vaccinations to ward off cholera.

Other significant developments during fiscal 1967 included:

- An increase of 67 percent over the previous fiscal year in the number of physicians, nurses and auxiliaries trained as a result of various forms of AID assistance.
- A contract with the Pan American Health Organization to conduct field demonstration projects in Colombia to develop new staffing patterns and techniques for use of auxiliary health workers in rural areas.
- Initiation of 10 health research projects at a cost of \$2.3 million, the largest number since responsibility for health research was delegated to the Health Service.

Emphasis on Education

The underdeveloped world has long been characterized by a lack of trained manpower at many levels. Continuing programs in this field, AID approved \$189 million in fiscal 1967 to help expand specialized, technical and basic education in the less developed countries. In addition, \$22 million were committed for education and manpower training in health and agriculture.

A shortage of teachers and institutions to train them continued to be a basic problem. AID emphasized projects which provided for the development of capable educational administrators, supervisors and

teachers. At the same time building and strengthening of educational institutions to serve as regional centers of excellence continues. These centers are expected to reduce the numbers of foreign nationals requiring training in the United States.

Worldwide there were 73,200 student teachers enrolled in college or university level AID-assisted schools in fiscal 1967. Another 107,600 student teachers attended AID-assisted schools below the collegiate level. Almost 64,000 of those teachers completed their courses in fiscal 1967. In addition, inservice training was provided with AID help for 108,078 teachers. Aside from teacher-trainees, there were more than 21 million students of all types enrolled in AID-assisted schools.

Special attention was given to the use of modern technology in education:

- The Institute for International Educational Planning produced, under AID contract, a manual on the use of television and radio in upgrading instruction, expanding educational opportunities, providing inservice training for teachers and teaching basic skills to adults.
- The National Science Foundation signed a contract with AID to support special projects to develop science education on a worldwide basis.

Summer science institutes continued to receive support in India and Pakistan. AID made a \$12 million loan to India to support science institutes attended by more than 10,000 Indian teachers and professors. The loan also helped buy laboratory equipment, books, films, projectors, technical journals and other supplies needed by teachers in 135 engineering colleges and 270 polytechnic institutes.

AID helped alleviate critical shortages of textbooks and new texts were developed that relate student learning directly to practical development problems.

Almost 18,000 classrooms were constructed with funds from AID.

PRIVATE RESOURCES IN DEVELOPMENT

AID is actively encouraging the involvement of both American and local private resources in the development process. At home AID seeks to make the U.S. private sector a major partner and contributor in the aid program; in the developing countries AID helps strengthen the private sector.

To give added emphasis to these efforts, AID established a new Office of Private Resources in March 1967.

During fiscal 1967 AID expanded its programs to encourage private American investment in the developing countries, with particular

emphasis on investment in agricultural industries. A total of almost \$70 million went to industrial development banks which provide capital on reasonable terms for private ventures in developing countries. The major share of these loans, \$51 million, was for Latin America, while \$4 million went to Africa and \$15 million to East Asia.

AID also obligated \$84 million in direct dollar loans to private borrowers, American and foreign. Dollar loans to mixed borrowers, private and governmental, amounted to \$71 million.

Investment Insurance

Five new countries—Zambia, Malta, Indonesia, Lesotho and Cameroon—agreed during the fiscal year to participate in AID's Investment Insurance Program. At the end of fiscal 1967, 78 less developed countries were participating in this program under which AID insures American investments in their countries against certain risks. Investment insurance agreements with three other nations—Paraguay, the Philippines and Ghana—were amended to provide the additional coverage against damage from war, revolution and insurrection, and for extended risks.

During the year, AID wrote contracts guarantying \$1.04 billion worth of private American investments in 43 less developed countries against specific risks of inconvertibility, loss due to expropriation, and loss due to war, revolution or insurrection.

The total value of AID investment insurance coverage outstanding rose in fiscal 1967 to \$3.7 billion—a net increase of \$800 million over the preceding year. Claims paid through fiscal 1967 amounted to \$334,193 of which \$66,368 was paid in fiscal 1967.

The Agency also authorized nine guaranties under the Extended Risk Guaranty Program, in which it will guaranty up to 75 percent of American private investment against virtually all risks except fraud or misconduct for which the investor is responsible. AID wrote these guaranties under a new, liberalized plan which permits institutional lenders to participate in the 75 percent fully guaranteed 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. This arrangement has made it possible for the first time to interest U.S. institutional investors in making long-term loans to important projects in the developing countries.

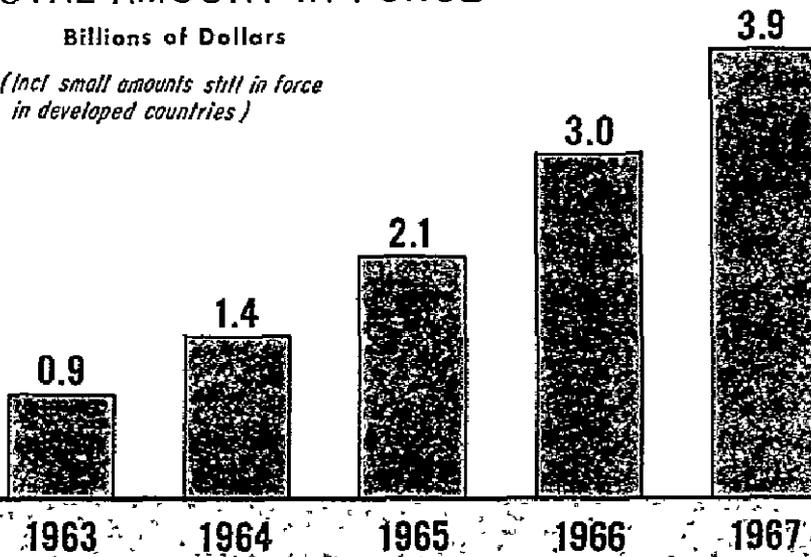
The Extended Risk Guaranties written in fiscal 1967 cover \$42 million of U.S. investment in projects costing \$158 million. The projects included fertilizer plants in India and Brazil, a feed mill in Korea, and a corn processing and merchandising operation in Thailand.

AID INVESTMENT INSURANCE PROGRAM

TOTAL AMOUNT IN FORCE*

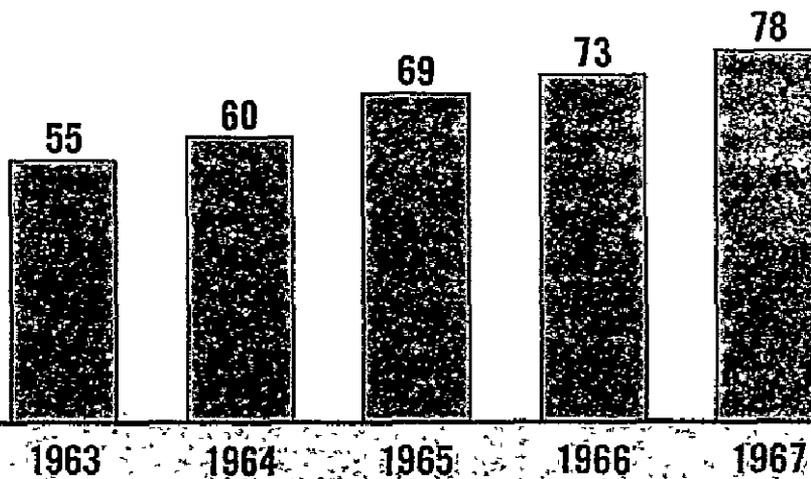
Billions of Dollars

**(Incl small amounts still in force
in developed countries)*



as of June 30

NUMBER OF LESS DEVELOPED COUNTRIES PARTICIPATING



as of June 30

Investment Surveys

To encourage private American investment in the developing countries, AID shares 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 75 Investment Survey Participation Agreements in the year, bringing to 280 the number approved since the program got underway in fiscal 1963. Of a total of 134 surveys completed under this program, 36 firms made positive decisions to invest and 98 decided against investing. Total investment resulting from the survey program through June 30, 1967, was approximately \$81 million.

AID approved the equivalent of more than \$29 million in local currency "Cooley" loans in fiscal 1967 either to American firms and their affiliates or to foreign firms using American agricultural products. Of the total, \$21 million was for projects in the Near East and South Asia in such fields as food processing, metal fabrication, electrical parts, carbon black, pharmaceuticals, steel ingots, housing, millwork and bauxite mining. Other loans included almost \$3 million in Africa for a tire plant, a sawmill, housing and a hotel; \$3 million in East Asia for installations to produce plastics, pharmaceuticals, poultry, electrical equipment, and noodles; and more than \$2 million in Latin America for cement, chemicals, poultry production and cattle ranching.

The Agency continued to support the work of the International Executive Service Corps, a private, nonprofit organization directed and managed by U.S. businessmen. The IESC provides experienced American businessmen-volunteers to help firms in the less developed countries improve their management, production and marketing. During the year IESC received 441 requests for management assistance from local businesses in 31 developing countries. There were 172 projects completed, 41 volunteers active in the field, and 111 volunteers ready to leave on assignment at the end of fiscal 1967.

Technical Service Contracts

At the end of fiscal 1967, AID had 1,431 technical service contracts in effect with a total value of \$537 million for work in 69 countries. This included contracts with 124 American universities with a total value of \$194 million. These contracts with individuals, private firms, organizations and universities provide technical assistance, advice and training in agriculture, health, education, industrial development, housing, transportation, public administration and community development.

Nearly 350 AID contract technicians worked during the fiscal year on cooperative development. AID assistance reached cooperatives with nearly 5 million family members in 25 countries. Assistance was

focused during the year on establishing savings and loan associations, credit unions, and cooperatives for housing, farm credit and rural electrification.

Voluntary Agencies

At the end of fiscal 1967, 73 U.S. agencies were registered with AID's Advisory Committee on Voluntary Foreign Aid. Registration enables an agency to receive reimbursement for the cost of transporting to assisted countries donated supplies of medicine, drugs, hospital equipment, agricultural tools and machinery, clothing and food. Registered agencies also may obtain excess U.S. Government property and, under the Food for Freedom program, agricultural commodities. AID pays the cost of shipping such commodities overseas and, in fiscal 1967, obligated more than \$5 million for shipments by 35 registered agencies and the American National Red Cross.

Voluntary agencies are involved in worldwide programs of education, literacy and vocational training, nutrition, child feeding, health, agricultural production, food distribution and population planning—diverse programs of technical assistance and self-help in many fields.

Disaster Emergency Relief

During fiscal 1967, total U.S. assistance from all sources for 62 disasters amounted to \$92 million compared to \$27 million for fiscal 1966, and \$50 million in fiscal 1965. Of the fiscal 1967 total, AID directly committed \$4 million. The huge increase was due chiefly to drought-caused famine in India, for which the U.S. Government, voluntary agencies and other U.S. sources provided \$55 million in Food for Freedom supplies, tools and money. Emergency disaster relief arising from the Middle East conflict accounted for \$12 million from all U.S. sources.

AID AND THE BALANCE OF PAYMENTS

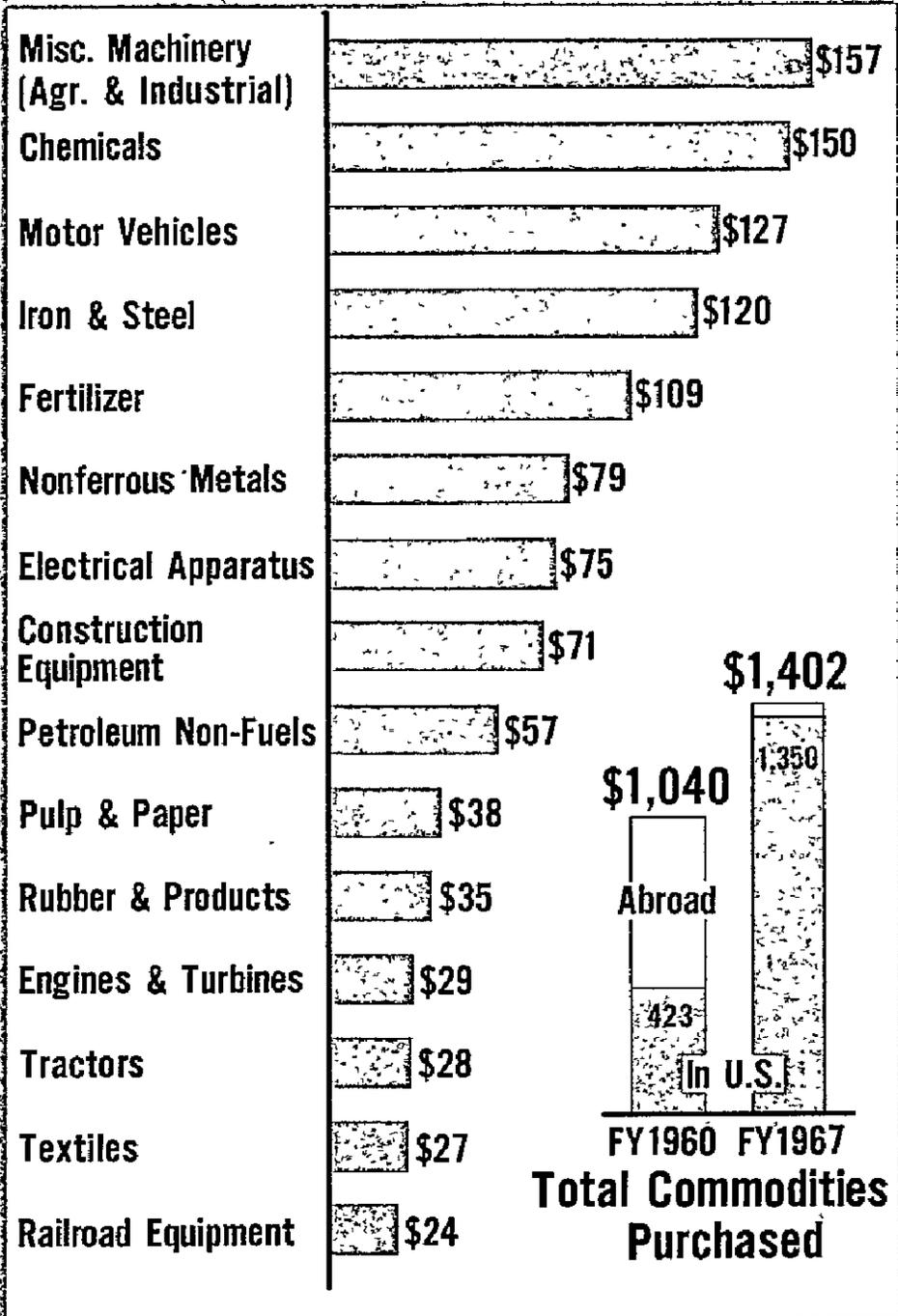
Several significant improvements have been made in reducing the outflow of dollars attributable to the foreign assistance program.

- In fiscal 1967, 96 percent of AID's commodity requirements were procured in the U.S., compared to 90 percent in the preceding year. The proportion of total AID expenditures made in the United States rose from 82 percent in fiscal 1966 to 88 percent in fiscal 1967.
- AID missions made greater efforts to acquire local currencies for use in their programs by selling U.S. commodities rather than purchasing local currencies with dollars.

FY1967 FINANCING OF MAJOR U.S. COMMODITIES

Major U.S. Commodities Purchased Under AID Programs

FY 1967 - - Millions of Dollars.



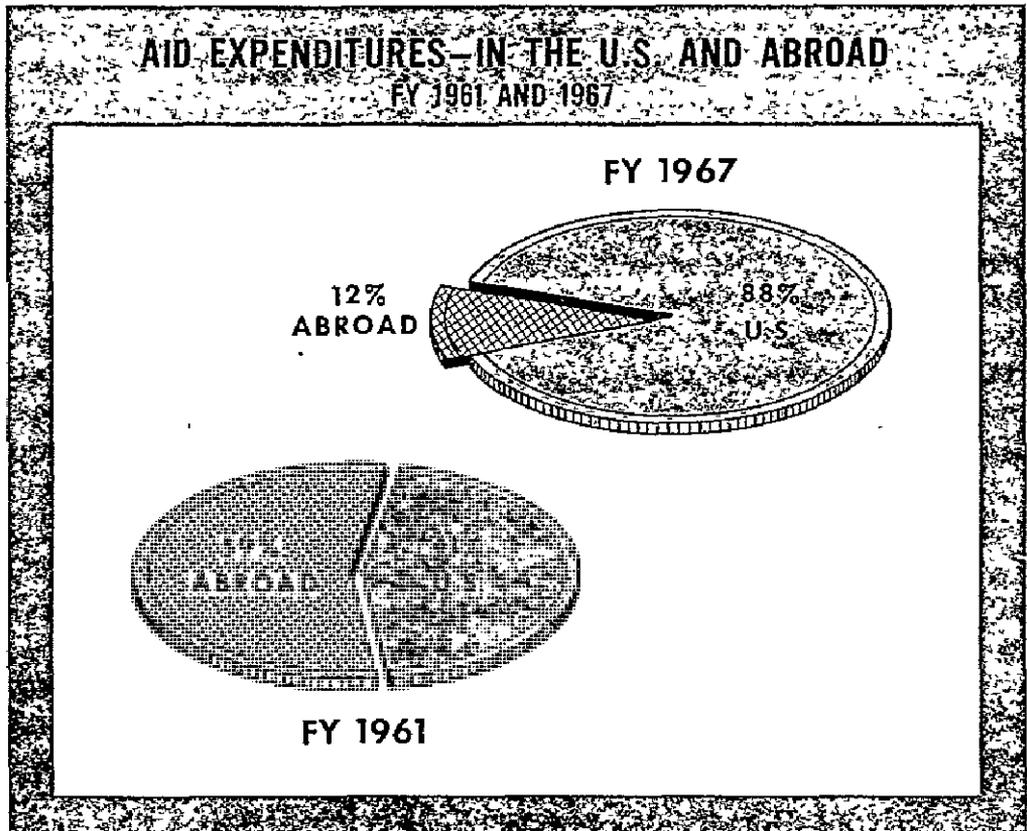
- Greater emphasis is being placed on assisting projects which not only generate immediate U.S. exports, but also encourage "follow-on" orders for maintenance and expansion in future years.

As a result of these and earlier steps, AID's net offshore expenditures fell to \$320 million in fiscal 1967 from \$503 million in the previous year. The net impact on the U.S. balance of payments was an outflow of \$82 million compared to \$213 million in fiscal 1966.¹

To minimize the possibility that AID-financed exports would be substituted for U.S. commercial exports, a number of steps have been taken:

- Discussions have been held with assisted countries concerning difficulty of maintaining current assistance levels in the face of the U.S. balance of payments deficit and the need to increase U.S. commercial imports.
- AID focused increased attention on selecting U.S. commodities which would not otherwise be exported by the United States. Although this can be effective in insuring that AID-financed exports are truly ad-

¹ Contributions to International Organizations amounting to \$113 million in fiscal 1967 were credited as being spent in the United States; this reflects the actual circumstances more realistically than in previous years when all I.O. expenditures were attributed to offshore.



ditional to commercial exports, it does result in higher budgetary costs.

- In addition, AID joined with other agencies to assess on a country-by-country basis the possible indirect costs of the U.S. assistance program; the possibilities of reducing any indirect costs identified; and the most desirable cost-reducing strategy in the light of total U.S. interests in each country.

MANAGEMENT PROGRESS

During fiscal 1967, management of the foreign aid program was significantly improved. The net increase in AID personnel resulting from expanded programs in Vietnam and Thailand was minimized by personnel reductions elsewhere. The Agency exceeded its cost reduction goals, benefited from increased automation and achieved greater efficiency through the establishment of guidelines for procurement under capital projects.

At the end of fiscal 1967, AID's direct-hire employment was 8,816 U.S. citizens and 8,495 foreign nationals. Although this was an overall increase of 1,839 during the year, AID staffs, excluding Vietnam and Thailand, actually remained about the same size as in the previous year.

AID undertook a series of major organizational realignments. A separate regional bureau to oversee the Agency's program in Vietnam was established by dividing the Bureau for the Far East into separate bureaus for Vietnam and East Asia. The latter became responsible for programs in Laos, Thailand, Korea, the Philippines, Burma, and Indonesia and residual activities in China (Taiwan). The two Bureaus began to improve administration of assistance efforts in those countries and in Vietnam.

Staff functions were realigned to implement the Presidential call for a War on Hunger and increased use of the private sector. The Offices of Program Coordination, Material Resources, Development Finance and Private Enterprise, and Technical Cooperation and Research were abolished or reorganized, resulting in the creation of the Offices of Program and Policy Coordination, the War on Hunger, and Private Resources.

The Office of Program and Policy Coordination was made responsible for policies, programing and resource budgeting, and multilateral, technical and capital assistance.

The Office of the War on Hunger began to consolidate all staff activities relating to agriculture, population, nutrition, health and Food for Freedom.

The Office of Private Resources was organized to assure maximum involvement of U.S. nonfederal resources in overseas development and

stimulate the growth of the private sector in the developing countries.

The Office of Procurement under the Assistant Administrator for Administration became responsible for all aspects of program procurement, including supply management, contract services, transportation and technical knowledge of industrial products, functions which formerly had been a part of the Material Resources Office.

Cost Reduction

At the beginning of fiscal 1967, AID established a goal of \$8.2 million in cost reductions. This goal was exceeded as a result of over 100 individual cost reduction actions saving more than \$9.6 million.

A capability for automatic data processing was established at the AID mission in Vietnam. An Agency-wide computerized information system for technical assistance projects was tested in four countries. The tests demonstrated the feasibility of worldwide use of such a system. A data base was developed for an integrated system to significantly improve the Agency's ocean freight management, commodity surveillance, commodity price and freight rate analysis, and arrival accounting.

AID Capital Projects Guideline, Borrower Procurement of Goods and Services of United States Source and Origin was published. This document set forth the AID requirements governing capital project procurement, the broad procedures to be followed in obtaining contract approvals, and the criteria to be applied by AID in determining whether to grant such approvals.

Using the Guideline, U.S. contractors may more easily anticipate rules applicable to their AID-financed contracts. Also, the guideline serves borrowers as a primer on capital project contracting. The Guideline permits faster implementation of projects and shortens the staff time required to describe and impose Agency procurement rules. Use of the Guideline is expected to save AID 18 professional man-years annually.

Use of Excess Personal Property

Under the Foreign Assistance Act, AID may acquire for programs in less developed countries equipment declared excess by other federal agencies. In fiscal 1967, AID provided equipment with an original value of nearly \$43 million. The cost to AID was under \$7 million for rehabilitation by overseas and domestic contractors, freight and other handling charges. The effect on the balance of payments was minor since most of this cost was paid from local currencies received for sales of U.S. agricultural commodities under the Food for Freedom program.

II. ECONOMIC PROGRAM BY REGIONS

The general pattern of assistance to the five regions of the underdeveloped world remained unchanged in fiscal 1967.

The largest commitment of Development Loans was again to the Near East and South Asia. Africa and Latin America received the biggest commitments for Technical Cooperation programs to help build the basic infrastructure upon which nations depend. By far the most sizable obligation for Supporting Assistance was made to Vietnam in the struggle to assist the country's economy as it continues its massive defense effort. AID committed the largest share of its Contingency Funds to Latin America and East Asia to meet the special needs of those vital regions.

NEAR EAST AND SOUTH ASIA

The major emphasis of the AID program in the Near East and South Asia region was on increased agricultural production which accounted for 25 percent of the total commitments to the Near East and South Asia in fiscal 1967. The largest single item procured under the program loans was fertilizer. Pesticides and earthmoving equipment for agricultural projects were the other major items provided.

Economic assistance to the region declined to \$572 million in fiscal 1967 from the fiscal 1966 level of \$663 million. This resulted almost wholly from a significant decline in program lending to India from \$300 million in fiscal 1966 to \$182 million in fiscal 1967.

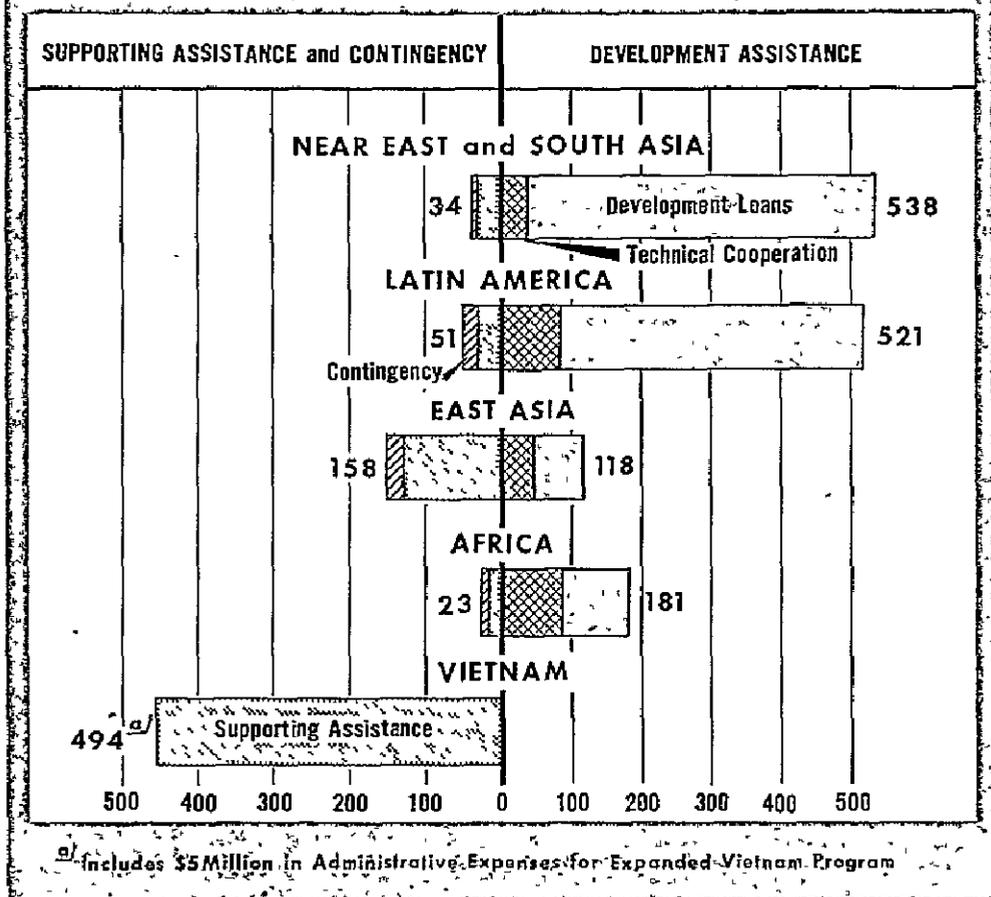
With peace restored between India and Pakistan in the spring of 1966, India was able to give top priority to increasing agricultural production and family planning, and to modifying administrative controls to facilitate imports of raw materials, fertilizer, industrial and farm equipment, spare parts and pesticides. To make the import liberalization effective, the Indian Government planned to issue more import licenses, thus utilizing greater amounts of its own foreign exchange.

Loans to India

In support of the liberalization program and the increased emphasis on agriculture and family planning, AID authorized two large program loans for India toward the end of fiscal 1966. The Government of India's plans for development during fiscal 1967 were frustrated by the effects of the 1965-66 drought, the worst in 40 years. The continuation of the drought into a second year, reducing agricultural

FY 1967 AID PROGRAM BY REGION

(Millions of Dollars)



production 11 percent and further depressing the economy, also diverted the government's attention from import liberalization to the problems of coping with food shortages. Thus, import licensing did not proceed as had been planned, but relaxation has occurred more recently.

The level of program lending to Pakistan decreased somewhat in fiscal 1967, but project lending increased to support a number of projects that were ready for implementation. The major portion of fiscal 1967 project loans was for agriculture and economic infrastructure essential to the nation's economy.

Progress in Turkey

Program lending to Turkey totaled \$65 million, down \$5 million from the previous fiscal year. This decline reflects the plan to phase out U.S. assistance on special terms to Turkey by 1973. Project loans totaled \$70 million. Of that total, \$11 million was for education, including equipment for the Ataturk University Medical School,

equipment and books for the Hacettepe Science Center, and laboratory equipment and technical books for the Middle East Technical University. Government borrowing for education is new to Turkey, and these were the first loans for such a purpose. It was an important step for Turkey to take, implying an increased recognition of the vital importance of human development. A loan of \$22 million was made to the Eregli Steel Mill to finance the expansion of the mill, originally constructed with U.S. loan assistance.

Other Programs

Development Loans to Afghanistan for land reclamation and the Kajakai Hydroelectric Plant were a long planned portion of U.S. assistance to the Helmand-Arghandab Valley Authority in support of the regional development of the area—the most fertile in Afghanistan. A commodity loan to Ceylon was made in support of the efforts of a consultative group, under the auspices of the World Bank, to restore the economy of that country.

A loan totaling almost \$2 million was authorized in November 1966 to Jordan for improvement of the Jerusalem Airport, but work was suspended in June 1967 as the result of the Arab-Israeli war and Israeli occupation of the Jordan River's west bank. At the end of fiscal 1967 construction under this loan was at a standstill.

Budget support for Jordan was slightly reduced during the fiscal year as planned, but the level of \$30 million was augmented by \$2 million from the Contingency Fund following an Israeli raid on a west bank village in November 1966. These additional funds were used to procure public safety equipment to help control instability in the area.

The small Supporting Assistance program in Yemen was withdrawn in April 1967 following Yemen's abrogation of the bilateral aid agreement with the United States.

Technical Cooperation Programs

Technical Cooperation declined from \$44 million in fiscal 1966, to \$38 million. The phaseout of the Iran and Cyprus programs accounted for almost \$2 million of the decline. Plans for terminating the Iran program on November 30, 1967, resulted from steadily increasing oil revenues and from Iran's successful development efforts assisted by the U.S. aid program. Suspension of AID programs to the Middle East during the Arab-Israeli war accounted for nearly \$3 million of the decline in Technical Cooperation.

The Technical Cooperation program to Afghanistan increased slightly in support of a greater effort in agriculture. In fiscal 1967 the Government of Afghanistan initiated an Accelerated Wheat Production Program aimed at self-sufficiency in wheat by 1972. This will

require a 20 percent increase in wheat production to be achieved largely by use of new high-yield varieties and fertilizer.

LATIN AMERICA

AID commitments for Latin American countries totaled \$572 million, down \$112 million from previous year's commitment, which had been the highest since inception of the Alliance for Progress.

Alliance Loans totaled \$439 million and accounted for 77 percent of the fiscal 1967 commitment by AID to the region. Brazil, by far the largest and most populous country in Latin America, received the largest loan total, \$198 million. Colombia received \$100 million; Panama, \$23 million; the Dominican Republic, \$17 million; and the Central American region, \$20 million.

Technical Cooperation funds committed in Latin America totaled \$82 million during fiscal 1967.

AID committed \$32 million in Supporting Assistance and \$19 million from the Contingency Fund to Latin America during the fiscal year.

An annual population increase exceeding the average annual increase in productivity in the region continued to be a basic obstacle to development in Latin America.

At the meeting of hemisphere leaders at Punta del Este in April 1967, agreement was reached on a timetable calling for creation of a Latin American common market by 1970 which would be in substantial operation by 1985. The market would provide the basis for economic integration through multinational development projects.

At the time of the summit meeting, major regional integration organizations were already formed, the Central American Common Market and the Latin American Free Trade Association.

At Punta del Este the heads of state reaffirmed their support for the objectives of the Alliance for Progress and the special need for accelerated development in agriculture, education, health, science and technology.

Loans for Farmers

There was continued development of institutions designed to help the people of Latin America improve their lives by means of more effective use of domestic and foreign investment. For example, loans to 296,000 farmers through agricultural credit institutions totaled \$182 million. These loans will help farmers increase food production. On another level, almost 15,000 firms received loans worth \$173 million from intermediate credit institutions.

The United States continued to support Latin American self-help efforts through both bilateral and multilateral assistance mechanisms.

In fiscal 1967 increased emphasis was placed on developing the role of the Inter-American Committee for the Alliance for Progress (CIAP) to assure that U.S. bilateral assistance is consistent with the findings and recommendations of this multinational organ of the Alliance.

In the area of Technical Cooperation, AID continued to rely heavily on U.S. universities, business firms, and nonprofit organizations to provide assistance in specialized fields for building development institutions in Latin America. Programs such as the Partners of the Alliance program provided a wide spectrum of private expertise to achieve overall Alliance objectives.

Joint AID and other U.S. Government agency programs throughout the hemisphere also are supported by technical assistance. For example, the U.S. Department of Agriculture and AID are helping the ministries of 15 countries in Latin America to reorganize their food ministries to revamp price policies, and to develop the institutions necessary for increased production and improved land use. AID also is working with the Internal Revenue Service in assisting 18 countries to improve their tax administration and collection. Through the assistance of the Department of Labor, country by country analyses of manpower requirements are being made which provide a base for developing appropriate training and education programs in Latin America.

In the field of education, 5.8 million textbooks were distributed, 7,196 classrooms were constructed, and more than 35,000 teachers received training.

Two hundred health centers and subcenters were provided, raising the total created since the inception of the Alliance to 1,340. Twenty-seven thousand people were vaccinated against measles; 1.7 million were vaccinated against smallpox, and 20,000 received cholera shots in fiscal 1967. New potable water supply systems totaled 713, and new rural wells, 1,767.

In addition, more than 2,000 miles of roads were built or improved, and 84,000 dwelling units were constructed for the benefit of more than 500,000 people.

EAST ASIA

East Asia received increased AID commitments for economic assistance during fiscal 1967. New obligations totaled \$276 million, up \$10 million from 1966.

There were these major developments:

- Assistance to Indonesia was resumed by western countries as the new Indonesian Government changed the political and economic course of the country for the better.

- The Asian Development Bank began operations. The U.S. subscription to the bank is \$200 million, 20 percent of its total capital.
- With encouragement from the United States, Asian countries took important new initiatives in regional cooperation.
- The Vietnam program, due to its growing size, was removed from AID's Far East Bureau to be administered separately, and the remaining countries were grouped in the new East Asia Bureau.

Supporting Assistance was once again the largest part of the AID commitment in the region, totaling \$139 million for Laos, Korea, Thailand, and Indonesia. This figure was \$15 million higher than in fiscal 1966.

The Development Loan figure was lower in fiscal 1967, but more countries benefited. In the previous year \$80 million was committed—all to Korea. In fiscal 1967 the commitment to Korea was \$61 million, to the Philippines almost \$7 million, and to Thailand more than \$3 million.

Technical Cooperation obligations for East Asia increased. The total for the region was \$47 million, \$11 million higher than the previous year's figure.

Assistance to Korea

Short of resources and heavily populated, Korea nevertheless continued to set an impressive example for other Asian countries. Through a combination of self-help and aid from the United States and other donors, Korea's annual growth rate reached nearly 12 percent as the country started its second 5-year plan in January 1967. Over \$60 million of the funds committed to Korea was in the form of Development Loans. Korea received over twice as much assistance of all kinds as any other country in the region: 40 percent of the region's total or \$115 million. This was, however, almost 22 percent under fiscal 1966, indicating the country's increasing ability to "go it alone" economically.

Among highlights of the AID program in Korea in fiscal 1967 were:

- Virtual completion of the country's first two chemically mixed fertilizer plants which will produce 265,000 metric tons of fertilizer a year. AID committed \$49 million in fiscal 1965 for partial financing and issued extended and specific risk guaranties to U.S. firms involved in the project.
- Purchase of 62 diesel electric locomotives by the Korean National Railroad through a \$19 million loan authorized the previous year.

Laos and Thailand

The U.S. assistance programs for Laos and Thailand are designed to help eradicate those economic and social conditions which Communist subversion can exploit. Assistance is concentrated in rural areas where most of the people of Laos and Thailand live. The goals are increased local security, economic opportunity, health and education services, social justice, and popular participation in the processes of government.

AID obligated over \$56 million for Laos, slightly less than in fiscal 1966 but still the second largest share in the region. A significant part of the effort was aimed at helping the country increase its rice production to become an exporter of the grain.

Laos will be among several nations benefiting from the Nam Ngum Dam and hydroelectric complex on which construction began in fiscal 1967. The dam is an important project in the multilateral Mekong River Development Program for Southeast Asia. AID will provide half of the estimated \$24 million cost, with the remainder contributed by Japan, the Netherlands, Canada, Thailand, Denmark, Australia, New Zealand and France.

Laos continued to be the region's second largest recipient of project assistance. Three-quarters of the \$39 million thus used was for support of rural development, counterinsurgency and public safety programs.

In Thailand, a \$53 million AID program helped the government contain a Communist-led incipient insurgency in the northeast. The program represented a \$10 million increase from the previous year. Thailand was the region's largest recipient of technical assistance, \$13 million. Much of the assistance to Thailand was directed toward improving the Thai police force.

The Philippines and Indonesia

An aid program of \$11 million helped the Government of the Philippines commence a rice and corn self-sufficiency program. The total was up almost \$8 million from 1966. For the first time the Philippines signed a dollar credit sale agreement, providing \$20 million for surplus American corn, cotton and tobacco.

Indonesia, struggling to recover from the mismanagement of the Sukarno era, earned renewed assistance from the free world. The United States, Japan and nine other nations, together with the World Bank and the International Monetary Fund (IMF), participated in a multilateral effort to reschedule Indonesia's foreign debts and coordinate interim financial assistance, supporting the new Indonesian Government's stabilization program. The United States pledged to provide approximately \$65 million of Indonesia's calendar 1967 foreign

exchange requirements of \$200 million—to be met by Food for Freedom commodities and AID loans. Two-thirds of this IMF-endorsed figure was subscribed by other countries.

Regional Programs in East Asia

AID participates in East Asian regional programs in order to contribute to the progress and stability of the area, to help build cooperation among the countries there, and to encourage involvement of other nations and international organizations in development of the region.

Among the major regional efforts to which AID contributed during fiscal 1967 were those of the Asian Development Bank, the Population Council, and the Mekong Basin Program. AID's regional Technical Cooperation programs for East Asia during the fiscal year totaled \$9 million.

The Mekong Basin Program provides an outstanding example of long-term U.S. assistance in the region. The lower Mekong River, flowing past Thailand and through Laos, Cambodia and Vietnam, is one of Southeast Asia's great natural resources. For more than 10 years the United States has contributed to the multilateral Mekong Basin Program in the effort to develop the river's potential for hydroelectric power, control its floods, irrigate surrounding land and improve navigation. In fiscal 1967 preliminary engineering work on the Nam Ngum Dam in Laos, financed in part by the United States, was begun. Work continued on the AID-financed feasibility survey of the proposed multipurpose Pa Mong Dam project located on the mainstream of the Mekong. In addition, AID continued to support the river's hydrologic data collection system, study proposed improvements in river transportation and navigation and compile a Mekong Resources Atlas for immediate and long-range development planning.

Other regional efforts to increase economic cooperation were also encouraged by the United States. The Southeast Asian Ministers of Education approved 10 regional education projects. Plans were made for a meeting on regional development in transportation and communications. The Asian Productivity Organization expanded its efforts in the training of management and production personnel throughout the region.

Among the activities assisted by AID throughout East Asia during fiscal 1967 were distribution of almost 3,000 textbooks, construction of 437 classrooms, protection of 39,000 persons from malaria, training of over 200 health personnel, irrigation or reclamation of over 290,000 acres of farmland, as well as construction of almost a thousand miles of roads and housing for 13,000 people. During the year, 1.5 million people received loans for AID-assisted agricultural credit institutions.

AFRICA

The economic assistance program in Africa underwent significant change and growth as regional aid for the first time exceeded the program for any individual country.

In fiscal 1967, AID committed almost \$203 million to all assisted African countries, with \$32 million of that total obligated for regional programs. Development Loans totaled \$98 million; Technical Cooperation, \$83 million; Supporting Assistance, \$19 million; and Contingency Funds, almost \$4 million.

As the fiscal year began, a group headed by Edward M. Korry, Ambassador to Ethiopia, was reviewing assistance policies in Africa pursuant to a Presidential request. The object: to see how U.S. resources could be put to best use in African development. The "Korry Report" led to new AID policies for Africa.

Under the new policies, the majority of U.S. bilateral assistance was to be concentrated in 10 nations where development prospects are best or where the United States has special relationships. These development emphasis countries are Nigeria, Tunisia, Ethiopia, Ghana, Liberia, Morocco, Sudan and, as a region, Kenya, Tanzania and Uganda. As much as possible, assistance will go to these countries in cooperation with other aid donors and under leadership of an international organization. During Arab-Israeli hostilities, however, Sudan severed diplomatic relations with the United States, and the aid program there was suspended as the fiscal year ended.

In all other but the development emphasis countries, AID plans to complete a number of ongoing technical assistance and capital projects while foregoing new commitments for such bilateral aid. The aim is to limit AID assistance in these countries to support for regional and multidonor projects and institutions, a small Self-Help Fund for each country, and loans for private industry from a proposed U.S. private investment corporation which would be established with AID financing.

During fiscal 1967, AID helped 35 African nations, one more than in the previous year. However, about three-fifths of the total assistance committed in the region, \$121 million, went to six countries: Tunisia, Ghana, Nigeria, Congo (Kinshasa), Ethiopia and the Somali Republic.

Programs in Tunisia and Ghana

The two largest country programs in terms of commitments during fiscal 1967 were Tunisia and Ghana, where a major segment of AID help was in the form of program loans financing a variety of U.S.-produced commodities needed in a developing economy. In both countries, heavy machinery, industrial raw materials, fuel and trucks were major imports under such loans.

Other significant loans authorized in fiscal 1967 were to assist a livestock development project in Uganda, construction of a water system for the capital city of Mogadiscio in the Somali Republic, and purchase of commodities to fight malaria in Ethiopia.

Five regional loans were authorized. These loans are providing funds for a number of area projects, including building roads and further development of a university serving Kenya, Tanzania and Uganda.

Technical Cooperation programs were directed primarily toward increasing food production, aiding education and training, and improving health and sanitation.

Through the Self-Help Fund, AID continued to provide support for local development work. The Self-Help Fund was established to help give people the tools and materials with which they can improve their own communities. Typical projects are construction, repair, and furnishing of school buildings, clinics and community centers, improvement of roads, digging of wells and improvement of village water systems. These are low-cost efforts initiated by a government or the people of an area, who contribute their labor. These projects can usually be completed with minimum administrative overhead and often are undertaken with help from Peace Corps volunteers and nongovernment agencies.

Private Investment

To encourage the private sector in Africa, four local currency loans and two dollar loans were authorized to help private investors build, for example, a hotel in Congo (Kinshasa), a Firestone tire and rubber factory, low-cost housing, and a millwork plant in Tunisia.

A low rate of private investment continued to hamper development in most African countries. To acquaint American businessmen with the considerable opportunities of the region, AID revised its program for stimulating investment there. Earlier, the Agency, the host government or consultants conducted surveys to find likely areas for investment by U.S. firms. In fiscal 1967, however, AID began paying the costs of sending to Africa representatives of the private investment community itself to gather preliminary information. This information was then relayed by private investment firms to U.S. industries.

Under the old program, virtually no U.S. firms had been convinced to open operations in Africa. Under the new system, nine financial institutions have agreed to send 14 representatives on preliminary inspections of over 40 investment possibilities. Such activity was instrumental, for instance, in the decision of Abbott Laboratories to invest \$600,000 in a pharmaceutical plant in Ghana.

In the 10 development emphasis countries, AID financed prelimi-

nary surveys to promote investment by certain U.S. firms in food-industry activities in Africa.

Supporting Assistance in fiscal 1967 was down to 9 percent of the total AID effort in Africa from much higher percentages in the early years of the program there. Most of this assistance during fiscal 1967 was committed to Congo (Kinshasa) to help stabilize the country's economy and strengthen its internal security.

During the year, Haile Selassie I University, centered at Ethiopia's capital city of Addis Ababa and established and supported with help from AID funds, increased its student body to over 4,000 and awarded over 500 degrees, diplomas and certificates. Nearly 1,700 Africans from 29 countries received university training under AID-sponsored programs in the United States, Africa, and at the American University of Beirut, Lebanon. Over 7.5 million smallpox and 1.4 million measles vaccinations were provided in Central and West Africa. Construction of 50 wells capable of irrigating some 5,000 acres was completed in Tunisia. A census was conducted with AID help in Malawi, and income tax withholding systems were established in Kenya, Tanzania and Uganda. Construction of an AID-financed hydroelectric project in Liberia was completed, increasing the country's electrical output by more than a third.

VIETNAM

Fiscal year 1967 was a time of transition for the program of economic assistance to Vietnam. Projects and programs initiated in earlier years were reorganized to better reach priority objectives.

The Vietnam program remained the largest and most intensive single country undertaking in the history of AID. Financed almost entirely from Supporting Assistance funds, it was an unprecedented effort to help relieve human suffering and build a nation in the midst of war. AID representatives assisted at all levels in efforts to maintain a stable economy, relieve wartime dislocations, introduce progress to rural areas, improve public services and expand economic opportunity.

The AID staff of full-time employees in Vietnam more than doubled, from about 750 at the beginning of the year to almost 1,600 at the end. On loan from other U.S. Government agencies were 149 persons, in addition to 337 others under contract with private American firms and institutions. About 3,000 Vietnamese and 1,200 nationals from other countries were also employed by AID in Vietnam.

The civilian and military programs in support of the Government of Vietnam's Revolutionary Development program in the rural areas were combined under the direction of the U.S. Military Assistance Command, Vietnam. The AID mission director, who reports directly to the American Ambassador, works closely with this effort and also

supervises economic stabilization and longer range development programs.

A separate Bureau for Vietnam was established in the Agency's Washington headquarters to integrate AID functions in connection with this complex program.

Dollar Level Decreases in 1967

The dollar level of the program actually decreased in fiscal 1967 to \$494 million,¹ compared with \$594 million in the preceding fiscal year. This decline was due to a major reduction in the AID-funded Commercial Import Program from \$398 million to \$160 million. The reduction was possible largely because of the increase in the foreign currency holdings of the Government of Vietnam, and by the shifting of fertilizer imports to project assistance. The Vietnamese were able to finance a much greater proportion of imported commodities needed to control inflation and supply the requirements of the economy. This decrease, however, was in large part offset by the need to expand projects designed to support pacification, relief and development programs.

Strong inflationary pressures which developed in mid-1965 and persisted were held in check by a joint Vietnamese-United States stabilization program. AID's major tool in this effort was the financing of imports for sale through commercial channels to meet the demand for essential commodities, to stabilize prices and to absorb excess Vietnamese currency which resulted from government wartime spending. The rapid increase of commercial imports, in response to greater Vietnamese buying power, prevented runaway inflation and strengthened the private sector.

Nowhere was the impact of the military and economic buildup felt more keenly than in the port of Saigon. To help improve operations, AID provided funds and technical assistance for port development and modernization. At the outset of fiscal 1967, more than 300,000 tons of cargo awaited unloading and distribution. At the end of the fiscal year, the backlog was only 82,000 tons, and cargo was being handled at a rate equivalent to 6 million tons per year in a port designed originally to handle less than 2 million tons annually.

Revolutionary Development Program

With the Vietnamese economy under better control, the problem of building the country continued through the Revolutionary Development program. Revolutionary Development is the joint Vietnamese-United States effort to provide village and hamlet residents with security against Vietcong attacks; to restore effective government authority; to initiate political, economic and social development; and to gain the willing support of the people toward achieving these goals. Much of

¹ Excludes \$43 million in reimbursements by the Department of Defense.

the technical assistance provided by AID in such fields as agriculture, education, public health, public works, public safety and equipment maintenance is in direct support of this program.

Because of the intensification of the military effort, the refugee situation in South Vietnam became acute in fiscal 1967. To help meet this problem, the United States provided over \$20 million in Food for Freedom commodity assistance and AID agricultural and educational programs which benefit refugees. AID programs designed to assist refugees included construction of temporary classrooms, institution of vocational training courses and several pilot resettlement projects which crossed provincial boundaries. Working through Vietnam's Special Commissariat for Refugees, AID provided temporary food, shelter, and medical care in fiscal 1967 for more than 950,000 refugees, an increase of 450,000 over fiscal 1966. Approximately 441,000 refugees were resettled or returned to their villages last year, bringing to 940,000 the total of those returned or resettled since September 1965.

Health Activities

In the health field, 6 million Vietnamese were vaccinated for smallpox, cholera and plague. Almost 200,000 Vietnamese were treated each month at AID-supported medical facilities. There were 25 American and 18 other free world medical teams working in provincial hospitals throughout the country.

AID helped bring about an increase in the number of paramedical personnel trained from 230 to 2,400. More than 350 health centers were provided with AID assistance, and some 60 drinking-water systems were built.

Teams of United States and Vietnamese economists and technical experts continued to develop plans and programs for the future and to tie present development activities more closely to future needs. The Vietnamese Government set aside substantial funds to finance its postwar development plans.

In addition to complex planning for the future, AID is engaged in institution building and resource development projects in many fields. These activities include various projects in the fields of education, agriculture, public health, labor, public works and public administration. With help from AID, more than 3.5 million textbooks were distributed and 3,200 classrooms constructed. Attendance in assisted schools was up over 10 percent, with more than a million students enrolled below college level and over 31,000 enrolled in universities.

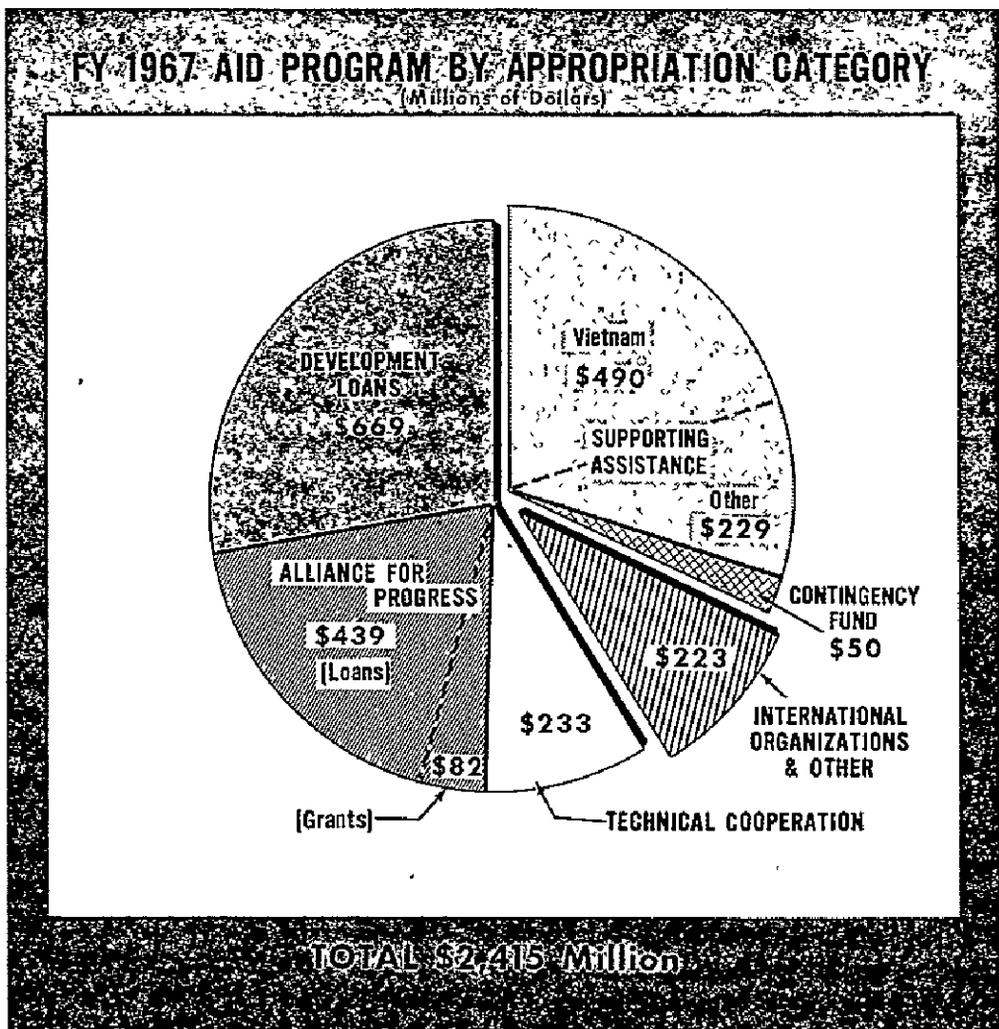
AID also helped to increase Vietnam's electrical output 50,000 kilowatts and to build 1,800 dwelling units. Other AID construction projects included roads, bridges, rail lines and port facilities. AID construction projects in Vietnam during fiscal 1967 totaled almost \$72 million.

III. AID FUNDING CATEGORIES

AID continued to allocate the largest portion of funds to Development and Alliance for Progress Loans, which are made under conditions assuring effective use of the money and are repayable in dollars. During fiscal 1967, such loans totaled \$1.1 billion.

The commitments for Technical Cooperation, including the Alliance for Progress, amounted to \$316 million as the effort continued to help developing nations create the skills and institutions necessary for economic advancement.

Some \$718 million was provided for Supporting Assistance, the category covering funds for building defensive strength and limiting economic instability in particularly hard-pressed developing countries.



Supporting Assistance was increased substantially in fiscal 1967 due largely to greater requirements in Vietnam.

The Contingency Fund for urgent and unexpected assistance needs totaled \$49 million.

DEVELOPMENT LENDING

Development Loans totaling \$1.1 billion were authorized in fiscal 1967. They were divided almost equally into two major categories:

- Project loans to help developing countries with specific projects such as creating or expanding industries, irrigation and power facilities, or capitalizing local credit institutions.
- Program loans to help these countries import U.S. goods needed in support of a comprehensive development program and specific sector requirements.

Both project and program loans approved in fiscal 1967 emphasized increased agricultural production and other rural improvements. The dollar total of Development Loans decreased \$124 million, 10 percent, from the previous year.

Project Loans

AID authorized 103 project loans amounting to \$501 million in 37 countries and the East Africa Region. Projects included improvement of wheat seed in Turkey, construction of a fertilizer plant in Brazil, eradication of malaria in Panama and Paraguay and building of water supplies in the Sudan, the Somali Republic, Kenya, Dahomey and Thailand.

Approximately one-fifth of the amount of project loans will directly help increase farm output and improve rural life. Other project loans emphasized the development of power facilities and the improvement of transportation and communications. AID approved 9 loans totaling \$102 million for power projects and 26 loans totaling \$102 million for transportation and communications projects.

Program Loans

AID's program loan commitments in the fiscal year totaled \$607 million, down \$215 million from fiscal 1966. Again India was the largest recipient with two loans totaling \$182 million to support the import of fertilizer and fertilizer materials, to help stimulate agricultural production in other ways, and to provide commodities, components and equipment needed for the industrial sector.

AID requires improved self-help performance in certain key areas of a country's economy as a condition of a program loan. In this way, the Agency utilizes these loans to encourage measures that will contribute to economic and social progress, such as liberalization of imports and monetary and credit stabilization.

Because of the important self-help impact of program loans, AID has increased the use of this type of assistance.

Debt-Servicing Capacity

With the debt-carrying burden mounting in nations receiving assistance, AID continued to seek solutions through discussions with officials from assisted countries and other aid-giving nations.

The Agency has made it a policy to provide Development Loans only if the borrowing country cannot obtain other financing on terms which are realistic in relation to its foreign exchange earnings. Therefore, in most cases during fiscal 1967, AID found it necessary to authorize loans on the minimum terms established by the Congress—a 10-year grace period at 1 percent interest, followed by a 30-year repayment period at 2.5 percent interest.

TECHNICAL COOPERATION

Through AID's Technical Cooperation programs, the skills developed over many years in the economically advanced countries can be transmitted expeditiously to the people of the developing nations. Much of this transmittal of know-how is accomplished by means of AID-financed technicians working primarily in the vital fields of agriculture, education and health.

There were 7,865 AID-financed technicians at work overseas at the end of fiscal 1967, and half of them were directly engaged in programs combating hunger, ignorance and disease. For example, 1,385 technicians—221 more than the year before—were helping to increase both the quality and quantity of food; and 1,122—196 more than in the previous year—were working in health programs.

The total committed in fiscal 1967 for Technical Cooperation was \$316 million, higher than the previous year by more than \$3 million. The largest Technical Cooperation programs were in Africa and Latin America. The program for Africa totaled \$83 million. Separate Alliance for Progress funds committed for the Latin American effort exceeded \$82 million. For East Asia, \$47 million was obligated and for the Near East and South Asia, \$38 million. The remaining \$66 million supported nonregional activities such as the AID research program.

Most AID-sponsored research is designed to provide specific breakthroughs in knowledge and technology which will speed the develop-

ment process. Other projects are designed to create techniques of analysis with which to strengthen AID's programing and administration. The research is conducted by universities in the United States and elsewhere, federal agencies, foundations, research institutes and other private organizations.

With Technical Cooperation funds, AID sponsors training for technicians from developing countries in the United States and certain other nations. These trainees are picked on the basis of their potential contribution to the development of their homeland. About half are enrolled at U.S. universities, while the others are receiving instruction elsewhere or are in the United States and other countries observing and participating in activities relating to their careers.

AID sponsored 6,727 foreign technicians who arrived in the United States during fiscal 1967 for training under both AID and contractor auspices. Arrivals included 3,102 from Latin America, 1,423 from Africa, 1,124 from the Near East and South Asia and 1,078 from the Far East.

During the fiscal year, 2,371 trainees sponsored by AID arrived for study in other host countries. These arrivals included 1,148 from East Asia, 729 from the Near East and South Asia, 444 from Latin America and 50 from Africa.

Agriculture, public administration, education, public safety, labor, industry and health were the chief fields of training.

Reliance on Private Technicians

More than half of the U.S. technicians working overseas in AID missions at the end of fiscal 1967, excluding those in Vietnam, were hired under 134 university contracts or were employees of other contractors or federal agencies. Of the 7,865 technicians employed overseas, 3,946 were direct hire employees, 2,713 were under contract and 1,206 were from other government agencies. During the year, AID signed 339 agreements with other government agencies for specialists to work in AID programs abroad.

In Vietnam, AID employed 700 direct hire technicians in the fields of public health, agriculture and public safety.

SUPPORTING ASSISTANCE AND THE CONTINGENCY FUND

In fiscal 1967 AID's Supporting Assistance commitments rose \$16 million over the previous fiscal year to \$718 million. The number of countries receiving this type of help remained the same—13.

This year as last, most of the increase in commitments resulted from greater needs in Vietnam, which received \$490 million or 68 percent

of all Supporting Assistance obligations. Korea, Laos, Thailand, the Dominican Republic, Jordan and Congo (Kinshasa) received most of the remaining commitments.

National security and foreign policy objectives are advanced by Supporting Assistance in a number of ways:

- It helps recipient countries to reduce the threat of armed conflict engendered internally or externally. Specifically, in those Southeast Asian countries where U.S. foreign policy interests are at stake it supports improvement of the defensive posture.
- It provides an alternative, together with other sources of aid, to Sino-Soviet assistance which would threaten a country's independence.

Unforeseeable needs for assistance, including help to countries which are undergoing economic or political crises or have been ravaged by natural disasters, are met by AID's Contingency Fund.

Contingency Fund commitments in fiscal 1967 were held to \$50 million, a decrease of \$159 million over fiscal 1966.

Primary recipients of Contingency Fund grants or loans during fiscal 1967 were Panama, the Dominican Republic, Indonesia and Jordan. Disaster relief commitments from the Contingency Fund were \$4 million, only a small part of the approximately \$92 million in relief which the U.S. Government and registered voluntary agencies provided to disaster victims in 62 countries.

IV. MILITARY ASSISTANCE PROGRAM

During fiscal 1967, the Military Assistance Program (MAP) was administered within the framework of a new limitation. An amendment to the Foreign Assistance Act limited to 40 the number of countries which may receive military assistance other than training in the United States. Actually 36 countries received military assistance in the form of materiel during the fiscal year.

Total obligational authority for fiscal 1967 was \$952 million. Of the total, \$781 million represented new obligational authority. The \$792 million appropriated by the Congress was reduced by over \$10 million transferred from the MAP appropriation to the Department of the Army account. The transfer resulted from a decision by the Secretary of Defense to assign responsibility to the Department of the Army for operation of the U.S. Logistics Center in Japan. The balance of the total obligational authority upon which the fiscal 1967 program was based consisted of \$171 million in reappropriations, recoupments and reimbursements.

Allocation of Assistance

<i>Region</i>	<i>Amount of Military Assist- ance Program (thousands of dollars)</i>	<i>Percentage of Military Assist- ance Program</i>
East Asia.....	436, 507	42. 3
Near East and South Asia.....	253, 284	24. 6
Europe.....	37, 585	3. 6
Africa.....	34, 422	3. 3
Latin America.....	56, 146	5. 3
Nonregional.....	162, 359	15. 7
Credit assistance.....	53, 600	5. 2
MAP asset account ¹	-81, 578	-----
Total.....	952, 325	-----

¹ The minus figure represents previously funded assets available without cost to the fiscal 1967 MAP, but which were applied to country programs throughout fiscal 1967.

Military assistance to seven countries lying along the periphery of the Soviet Union and Communist China accounted for more than 78 percent of all military assistance programmed for individual countries. The armed forces of these seven countries, with a combined strength of more than 2 million men, were strengthened for their self-defense missions and the common defense of the free world with the equipment, training and related support provided through MAP.

East Asia

Responsibility for funding support of South Vietnamese and other free world forces combating Communist aggression in Vietnam was transferred to the Department of Defense in fiscal 1966. Nevertheless, it was still necessary to allocate almost 50 percent of total MAP obligational authority for fiscal 1967 to other free world countries in East Asia to assist these countries in containing the Communist threat.

During fiscal 1967, Republic of Korea forces, trained and equipped under MAP, maintained their readiness to defend against possible attack from North Korea and increased their capabilities to counter North Korean infiltration and violation of the Demilitarized Zone. MAP also enabled the Republic of Korea to continue modernizing its armed forces, replace a portion of its obsolescent F86's with more modern F5's, improve its anti-infiltration capability at sea with the addition to its naval forces of high speed transports for use in coastal patrol, and replace a significant share of wornout army equipment produced for World War II and the Korean War.

During this same period, the Republic of Korea more than doubled its contribution of MAP-trained combat forces to fight in South Vietnam.

Through MAP, the Republic of China continued to modernize its forces, principally its air force and navy. The existence of the modernized forces of the Republic of China is a constant factor in Communist-Chinese military planning. The Communist Chinese were forced to continue development of major installations and stationing of significant forces opposite Taiwan. The Republic of China also made continued progress in improving its logistics system and maintenance and repair facilities, and in undertaking a greater share of its own defense costs, thereby increasing its contribution to the mutual defense of the area in support of its treaty obligations with the United States. China again increased its economic and technical assistance to South Vietnam.

In the Philippines, greater emphasis was given to use of MAP resources to improve effectiveness against the current trends toward deterioration in internal security. Equipment was provided to equip engineer construction battalions assigned to civic action projects including building or repairing roads to end the isolation of rural communities in insurgent areas. The Republic of the Philippines contributed to free world action in Vietnam by sending a reinforced combat engineer unit of about 2,000 men to work on civic action projects in Tay Ninh Province, South Vietnam.

MAP assistance to the pro-Western Indonesian Government encouraged it to use its armed forces in civic action projects which would

contribute to the overall rehabilitation of the country under the new government.

Military assistance to Japan was terminated in fiscal 1967 as the Japanese assumed full responsibility for support of their defensive forces. Funds were limited and used to provide modest amounts of training for Japanese military personnel, both in Japan and at service schools in the United States.

Thailand continued to support United States operations in Vietnam and improved its capability to put down incipient insurgency fomented by the Communists. In association with the free world effort in Southeast Asia, Laos continued its combat operations in defense against Pathet Lao and North Vietnamese aggression. These activities were supported by MAP in fiscal 1967 but, due to their active combat nature, the Administration proposed to the Congress that programs for Laos and Thailand, like that for Vietnam in fiscal 1966, be transferred out of MAP and funded from the Department of Defense budget in fiscal 1968.

Near East and South Asia

In the Near East and South Asia, India and Pakistan received no military grant assistance during the fiscal year. U.S. military missions were withdrawn from both countries, and it was announced that future U.S. military assistance would be limited to the training of small numbers of personnel from each country in the United States. Sales policy was broadened to cover spare parts for all equipment of U.S. origin then in inventory, but the United States remains unwilling to sell lethal items to either country.

Military assistance for Greece continued to contribute to modernization of Greek armed forces committed to NATO, with primary emphasis being placed on Army improvement. However, as a result of the military coup in Greece in April 1967, the United States suspended delivery of selected major equipment items programmed for Greece under MAP.

During fiscal 1967, MAP continued modernization of the Turkish armed forces, shifting heavier emphasis to modernization and mechanization of the Turkish Army. As evidence of continuing efforts to achieve maximum new equipment with available MAP funds and to complement Turkish economic development, two new contracts for in-country cost-shared vehicle production were signed and assembly begun. Since 1957, more than 16,000 vehicles have been so produced in Turkey. By the end of fiscal 1967, the Turkish share of parts and labor accounted for over 50 percent of the vehicle cost on one type.

Additionally, in fiscal 1967 the Turks undertook rehabilitation of a large number of United States "as is, where is" M-48 tanks in Turkey. An agreement for Turkish construction of two destroyer escorts on a cost-shared basis was also signed, and preliminary production

steps were begun. Joint United States-Turkish MAP planning was undertaken and placed on a continuing basis.

Orderly progress was made in shifting an increasing proportion of Iran's military procurement program from grant aid to credit sales. The phased transition from total U.S. equipment support to a situation in which Iran will be self-supporting in the defense field began in fiscal year 1965. The U.S. aid commitment to Iran extends through fiscal year 1969, after which it is anticipated that the Iranians will underwrite the cost of virtually all of their defense needs.

In the Near East, U.S. policy was to provide selected programs of military assistance and sales to several Arab countries and to Israel to prevent a dangerous imbalance resulting from continued heavy Soviet assistance in the area. Among the Arab nations, U.S. assistance was furnished primarily to Saudi Arabia, Jordan and Lebanon, as well as to several North African Arab states. Materiel deliveries to all Near Eastern countries were suspended following the outbreak of hostilities in early June 1967.

Africa

In Africa, small equipment programs designed primarily for civic action for Mali, Guinea and Senegal were successfully completed.

Training of additional Nigerian military in the United States was suspended as a result of the hostilities between the secessionist eastern region and the Nigerian Federal Government.

U.S. military advisory teams made progress toward improving Ethiopian military capabilities in supply operation, equipment maintenance and troop training, which resulted in more efficient use of MAP equipment and better control of supplies.

Latin America

Military assistance for Latin America continued to emphasize strengthening of the capabilities of selected Latin American nations to maintain the internal security needed to realize the goals of the Alliance for Progress. Military assistance was a major factor in successful counterinsurgency operations in Guatemala, Colombia, Venezuela and Bolivia.

Programs for Latin America also continued to emphasize multilateral cooperation through assistance with joint and combined military exercises and multinational communications.

New emphasis was placed on reductions in unnecessary defense expenditures in Latin American countries by the Declaration of American Presidents at Punta del Este on April 14, 1967.

A change in the Foreign Assistance Act placed a new limit of \$85 million on the total of grants and sales to Latin America, other than training. Grant aid was reduced and comprised about half of this

total. In addition, grant-materiel assistance to Costa Rica was phased out.

Military Export Sales

The Department of Defense continued its program of military sales to countries economically able to pay for all or part of their legitimate defense needs. These sales have improved the defensive posture of our allies and other friendly countries and significantly developed standardization and the concept of common logistics between the United States and the foreign customer. Military sales also contributed substantially to offsetting the unfavorable balance of payments resulting from essential deployment of U.S. forces overseas. New orders totaling \$1.94 billion were accepted during fiscal 1967.

About 90 percent of these orders were from economically developed countries of Western Europe, the United Kingdom, Canada, Australia, New Zealand and the oil-rich countries of the Middle East. Most sales, \$1.07 billion, were for cash. Sales of more than \$550 million were made to Australia and the United Kingdom on credit provided by the Export-Import Bank without Department of Defense guarantee. Thus, only \$310 million represented orders involving credit either provided or guaranteed by the Department of Defense.

It has been the U.S. policy to dissuade the less developed countries from acquiring equipment which they cannot afford or which is not essential to their minimum defense requirements. Purchase requests from such countries and those in tension areas have been evaluated carefully to limit arms races, minimize the adverse impact on their economic development, and yet enable these nations to maintain a reasonable defense posture. Under this policy, the value of sales denied is several times greater than the value of sales made.

A substantial part of the sales for fiscal 1967 resulted from bilateral and multilateral coproduction arrangements. While such arrangements tend to increase unit costs above more favorable costs made possible by large U.S. production runs, a foreign customer often prefers a joint effort which will further his own technology or industry. Even under this type of arrangement, the United States benefits from substantial sales of technology, components and tooling.

The military sales program has also supported cooperative research and development projects for the mutual advantages to be derived from pooling technical resources, sharing development costs and the ultimate standardization and production sharing benefits. Such considerations were instrumental in the United States agreeing to develop with Germany a Main Battle Tank to be deployed in the 1970's; developing with the United Kingdom a jet lift engine for a V/STOL aircraft; and developing with the United Kingdom, Australia and Canada the MALLARD ground communications systems for the mid-1970's.

APPENDICES ¹

¹NOTE: Details in tables may not add due to rounding.

AID Commitments in Fiscal Year 1967 by Region and Appropriation Category

[Millions of dollars]

Region	Total	Appropriation category					
		Development loans	Supporting assistance	Technical cooperation	Contingency fund	Contributions to international organizations	Other
Grand total.....	¹ 2, 415. 4	1, 108. 6	718. 4	315. 5	49. 8	143. 6	79. 5
Regional and country programs.....	2, 118. 4	1, 108. 2	711. 8	249. 4	44. 4		4. 7
Near East and South Asia.....	572. 5	500. 4	32. 0	37. 8	2. 2		
Latin America.....	572. 3	439. 1	31. 9	82. 1	19. 3		
Vietnam.....	¹ 494. 4		489. 8				
East Asia.....	276. 2	70. 9	139. 4	46. 8	19. 1		4. 7
Africa.....	203. 0	97. 8	18. 7	82. 7	3. 8		
Nonregional.....	297. 0	0. 4	6. 6	66. 1	5. 4	143. 6	74. 9

¹ Data exclude \$43.1 million in reimbursements by the Department of Defense for Vietnam programs.

AID Technical Cooperation Programs in Fiscal Year 1967 by Field of Activity

[Thousand of dollars]

Field of activity	Technical cooperation	Field of activity	Technical cooperation
Total project assistance	308, 702	Public safety	7, 771
Regional and country programs	248, 158	Public administration	18, 028
Food and agriculture	47, 891	Community development and social welfare	3, 820
Industry and mining	12, 471	Housing	1, 906
Transportation	8, 064	Private enterprise promotion	5, 906
Labor	5, 860	General and miscellaneous	26, 342
Health and sanitation	24, 991	Technical support	40, 888
Education	44, 225	Nonregional	60, 544

AID-Financed Technicians Worldwide, Contract and U.S. Government Employees

[As of June 30, 1967]

Field of activity	Government employees ¹	Contract employees ²
Total	5, 152	2, 713
Food and agriculture	834	551
Industry and mining	303	213
Transportation	220	58
Labor	44	143
Health and sanitation	472	79
Education	403	719
Public safety	384	16
Public administration	281	230
Community development	128	102
Housing	21	47
Private enterprise promotion	28	73
General and miscellaneous	901	454
Technical support	1, 133	28

¹ U.S. nationals paid from program funds—includes 3,946 AID direct hire and 1,206 assigned to AID by other Federal agencies.

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

AID Commitments in the Near East and South Asia, Fiscal Year 1967

[Thousands of dollars]

Country	Total	Appropriation category			
		Development loans	Supporting assistance	Technical cooperation	Contingency fund
Total.....	572, 516	500, 433	32, 036	37, 829	2, 219
Afghanistan.....	25, 335	17, 000	-----	8, 335	-----
Ceylon.....	7, 500	7, 500	-----	-----	-----
Cyprus.....	41	-----	-----	41	-----
India.....	211, 732	203, 333	-----	8, 399	-----
Iran.....	910	-----	-----	910	-----
Israel.....	5, 500	5, 500	-----	-----	-----
Jordan.....	37, 709	1, 800	30, 000	3, 909	2, 000
Nepal.....	3, 403	-----	-----	3, 403	-----
Pakistan.....	136, 576	130, 400	-----	6, 176	-----
Turkey.....	139, 450	134, 900	-----	4, 550	-----
United Arab Republic (Egypt).....	761	-----	-----	761	-----
Yemen.....	2, 036	-----	2, 036	-----	-----
CENTO.....	530	-----	-----	530	-----
Regional.....	1, 033	-----	-----	815	219

AID Technical Cooperation Programs in the Near East and South Asia, Fiscal Year 1967

[Thousand of dollars]

Field of activity	Technical cooperation	Field of activity	Technical cooperation
Total.....	37, 829	Public administration.....	3, 587
Food and agriculture.....	7, 557	Community development and social welfare.....	161
Industry and mining.....	1, 720	Housing.....	24
Transportation.....	1, 266	Private enterprise pro- motion.....	305
Labor.....	572	General and miscellaneous..	3, 126
Health and sanitation.....	2, 198	Technical support.....	9, 117
Education.....	6, 889		
Public safety.....	1, 308		

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

[As of June 30, 1967]

Field of activity	Government employees ¹	Contract employees ²
Total.....	797	416
Food and agriculture.....	139	65
Industry and mining.....	70	40
Transportation.....	29	26
Labor.....	12	10
Health and sanitation.....	26	7
Education.....	198	165
Public safety.....	17	-----
Public administration.....	54	51
Community development.....	11	-----
Private enterprise promotion.....	1	6
General and miscellaneous.....	82	32
Technical support.....	158	14

¹ U.S. nationals paid from program funds

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

*AID Development Loan Authorizations, Fiscal Year 1967,
Near East and South Asia*

Borrower—Amount—Terms.

Purpose

All development loans are repaid in U.S. dollars to AID unless otherwise stated.

AFGHANISTAN

Government of Afghanistan: To finance construction equipment and technical services for the Helmand-Arghandab Valley Authority and the Helmand-Arghandab Construction Unit.
\$4.6 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.

Government of Afghanistan: To finance the foreign exchange costs of constructing a hydroelectric generating plant at the Kajakai Dam and facilities in the Kandahar-Girishk area of the Helmand-Arghandab Valley, and to furnish technical, supervisory and training services for related Afghan electric authorities.
\$12 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.

Government of Afghanistan: To assist in financing the foreign exchange costs of equipment and supplies required to establish a land survey program as a basis for increasing domestic revenue from land taxes.
\$400,000; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.

CEYLON

Government of Ceylon: To finance imports such as fertilizer, motor vehicles, tires and tubes, tractors, construction equipment, and agricultural equipment. A portion of the loan will finance consulting services.
\$7.5 million; 25 years; interest at 1 percent during 5-year grace period and 2½ percent thereafter.

*AID Development Loan Authorizations, Fiscal Year 1967,
Near East and South Asia—Continued*

Borrower—Amount—Terms	Purpose
All development loans are repaid in U.S. dollars to AID unless otherwise stated.	
INDIA	
Government of India: \$12 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To assist in financing the foreign exchange costs of importing equipment, supplies, books, and teaching aids required to upgrade India's system of scientific and technological education.
Mahindra & Mahindra, Ltd.: \$9.3 million; 40 years. interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To assist in financing the foreign exchange costs of expanding its output of jeep vehicles from 10,000 to 25,000 units per annum.
Government of India: \$132 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To finance commodity imports such as raw materials, spare parts, fertilizer, pesticides, and farm implements.
Government of India: \$50 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	Same as above.
ISRAEL	
Government of Israel: \$5.5 million; 20 years, including a 5-year grace period; interest at 3½ percent.	To assist in financing the foreign exchange costs of material, equipment, and services necessary for constructing, equipping, and starting up an electric power generating facility in Tel Aviv.

*AID Development Loan Authorizations, Fiscal Year 1967,
Near East and South Asia—Continued*

Borrower—Amount—Terms	Purpose
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All development loans are repaid in U.S. dollars to AID unless otherwise stated.

JORDAN

<p>Government of Jordan; \$1.8 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.</p>	<p>To finance the foreign exchange cost of improving and extending the runway at the Jerusalem Airport, constructing a tunnel for the Jerusalem-Rawallah Highway made necessary by the runway extension, and providing navigational equipment and training.</p>
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PAKISTAN

<p>President of Pakistan: \$4 million; 40 years; interest of 1 percent during 10-year grace period and 2½ percent thereafter.</p>	<p>To help eliminate malaria in Pakistan and prevent its reintroduction.</p>
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<p>President of Pakistan: \$10.7 million; 40 years; interest of 1 percent during 10-year grace period and 2½ percent thereafter.</p>	<p>To provide for the installation and electrification of irrigation and drainage tubewells for the salinity control and reclamation project in West Pakistan.</p>
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<p>President of Pakistan: \$3.7 million; 40 years; interest of 1 percent during 10-year grace period and 2½ percent thereafter.</p>	<p>To assist in the construction of a steel tower transmission line in West Pakistan and the necessary substations required for the effective use of the hydroelectric power generated by the Mangla Dam generating station.</p>
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<p>President of Pakistan: \$2.4 million; 40 years; interest of 1 percent during 10-year grace period and 2½ percent thereafter.</p>	<p>To provide general and specialized consulting services to the East Pakistan Water and Power Development Authority.</p>
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*AID Development Loan Authorizations, Fiscal Year 1967,
Near East and South Asia—Continued*

Borrower—Amount—Terms	Purpose
All development loans are repaid in U.S. dollars to AID unless otherwise stated.	
President of Pakistan: \$1.5 million; 40 years; interest of 1 percent during 10-year grace period and 2½ percent thereafter.	To finance the installation of a 50-megawatt (MW) hydro-generating electric power unit at the Karnafuli Power Station in East Pakistan.
President of Pakistan: \$13.1 million; 40 years; interest of 1 percent during 10-year grace period and 2½ percent thereafter.	To finance diesel locomotives.
President of Pakistan: \$70 million; 40 years; interest of 1 percent during 10-year grace period and 2½ percent thereafter.	To provide commodity assistance in support of Pakistan's development effort.
President of Pakistan: \$25 million; 40 years; interest of 1 percent during 10-year grace period and 2½ percent thereafter.	To provide fertilizer for Pakistan's agricultural effort.
TURKEY	
Government of Turkey: \$65 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To finance imports of U.S. capital goods, spare parts, and raw materials in support of Turkey's development program.
Government of Turkey: \$30.5 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To improve mining of copper ore on the Black Sea Coast and to construct facilities, including a smelter, at Samsun to increase copper production.

*AID Development Loan Authorizations, Fiscal Year 1967,
Near East and South Asia—Continued*

Borrower—Amount—Terms	Purpose
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All development loans are repaid in U.S. dollars to AID unless otherwise stated.

<p>Government of Turkey: \$2 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.</p>	<p>To improve the quality of medical education and treatment at the new Ataturk University Medical School and its affiliated hospital by financing the foreign exchange costs of equipment, materials, supplies, and services.</p>
<p>Government of Turkey: \$22.4 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.</p>	<p>To finance the expansion of the Eregli Steel Mill and increase output of steel tonnage to meet domestic demand by financing engineering and supervisory services, machinery, and equipment.</p>
<p>Government of Turkey: \$4.5 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.</p>	<p>To finance laboratory equipment and technical books in support of Middle East Technical University's 5-year expansion plan to meet Turkey's needs for highly skilled manpower.</p>
<p>Government of Turkey: \$2.6 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.</p>	<p>To provide Mineral Research and Exploration Institute (MTA) with exploration equipment, laboratory equipment, and technical services to improve MTA's capacity to map and to evaluate Turkish mineral resources.</p>

*AID Development Loan Authorizations, Fiscal Year 1967,
Near East and South Asia—Continued*

Borrower—Amount—Terms	Purpose
<p>All development loans are repaid in U.S. dollars to AID unless otherwise stated.</p>	
<p>Government of Turkey: \$3.4 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.</p>	<p>To finance imports of U.S. agricultural commodities (seeds, machinery, pesticides, and fertilizer) to strengthen the Turkish agricultural sector and increase the Government's resources to implement a major wheat production program.</p>
<p>Government of Turkey: \$4.5 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.</p>	<p>To finance U.S. medical equipment and books, provide U.S. professors and U.S. training for Hacettepe Science Center (HSC) staff in support of an expansion program and effort to improve the quality of instruction at HSC.</p>

AID Commitments in Latin America, Fiscal Year 1967

[Thousands of dollars]

Country	Total	Appropriation category			
		Development loans	Supporting assistance	Technical cooperation	Contingency fund
Total.....	572, 332	439, 089	31, 850	82, 132	19, 262
Argentina.....	1, 618			1, 618	
Bolivia.....	15, 540	11, 000	450	4, 090	
Brazil.....	213, 773	197, 900		15, 873	
Chile.....	15, 515	12, 500		3, 015	
Colombia.....	104, 715	100, 000		4, 715	
Costa Rica.....	6, 912	5, 000		1, 912	
Dominican Republic.....	53, 657	17, 100	25, 000	4, 382	7, 175
Ecuador.....	3, 925			3, 925	
El Salvador.....	2, 244	400		1, 844	
Guatemala.....	11, 482	7, 958		2, 425	1, 099
Guyana.....	9, 440	8, 100		1, 340	
Haiti.....	1, 800		1, 400		400
Honduras.....	9, 145	7, 000		2, 145	
Jamaica.....	747			747	
Mexico.....	268			268	
Nicaragua.....	11, 425	9, 200		2, 225	
Panama.....	35, 179	22, 856		2, 135	10, 188
Paraguay.....	4, 093	1, 900		2, 193	
Peru.....	22, 583	17, 400		5, 183	
Trinidad and Tobago.....	5, 000		5, 000		
Uruguay.....	2, 675	775		1, 500	400
Venezuela.....	1, 445			1, 445	
Regional Office for Central America and Panama.....	24, 200	20, 000		4, 200	
Regional.....	14, 951			14, 951	
Organization of American States.....	5, 366			5, 366	
Other.....	9, 585			9, 585	

AID Technical Cooperation Programs in Latin America, Fiscal Year 1967

[Thousands of dollars]

Field of activity	Technical cooperation	Field of activity	Technical cooperation
Total.....	82, 132	Public administration.....	7, 935
Food and agriculture.....	15, 876	Community development and social welfare.....	2, 317
Industry and mining.....	2, 902	Housing.....	1, 334
Transportation.....	2, 036	Private enterprise promotion.....	2, 412
Labor.....	4, 908	General and miscellaneous.....	10, 281
Health and sanitation.....	4, 110	Technical support.....	12, 918
Education.....	10, 535		
Public safety.....	4, 588		

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

[As of June 30, 1967]

Field of activity	Government employees ¹	Contract employees ²
Total.....	958	954
Food and agriculture.....	172	252
Industry and mining.....	72	72
Transportation.....	64	8
Labor.....	16	96
Health and sanitation.....	27	12
Education.....	73	140
Public safety.....	96	2
Public administration.....	113	85
Community development.....	14	21
Housing.....	11	44
Private enterprise promotion.....	3	45
General and miscellaneous.....	147	177
Technical support.....	150	-----

¹ U.S. nationals paid from program funds.

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

AID Development Loan Authorizations, Fiscal Year 1967, Latin America

Borrower—Amount—Terms	Purpose
All development loans are repaid in U.S. dollars to AID unless otherwise stated.	
BOLIVIA	
Government of Bolivia: \$9.5 million; 40 years; interest at 1 percent during 10-year grace period and 2 percent thereafter.	To construct two related farm-to-market roads.
Government of Bolivia: \$1.5 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To conduct preinvestment feasibility studies.
BRAZIL	
Highway departments of the States of Santa Catarina, Parana, and Rio Grande do Sol: \$31.6 million; 15 years; interest at 1 percent during 3-year grace period and 3½ percent thereafter.	For highway maintenance equipment and technical assistance for the reorganization of the national highway department.
Central Electric Co. of Furnas (FURNAS): \$41.2 million; 20 years; interest at 1 percent during 5-year grace period and 6 percent thereafter.	For equipment, services and training related to construction of an addition to the Santa Cruz thermal plant.
Government of Brazil: \$8.4 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	For mineral and water resource surveys, technical assistance and equipment for the National Department of Mineral Production and National Department of Water and Energy.
Government of Brazil: \$100 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	For support of Brazil's program of stabilization and development.

AID Development Loan Authorizations, Fiscal Year 1967, Latin America—Continued

Borrower—Amount—Terms	Purpose
All development loans are repaid in U.S. dollars to AID unless otherwise stated.	
Ultrafertil Co.: \$14.8 million; 15 years; interest at 1 percent during 5-year grace period and 5½ percent thereafter.	For the construction of a fertilizer plant and fertilizer distribution system.
Boa Esperanca Hydroelectric Co.: \$1.8 million; 25 years; interest at 1 percent during 6-year grace period and 3½ percent thereafter.	For equipment, materials, services and training of personnel for a hydroelectric plant.
National Highway Department of Estradas de Rodagem: \$100,000; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	For additional consulting engineering services for highway construction.
CHILE	
Government of Chile: \$10 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	For goods and services necessary to assist Chile in achieving its program in the education sector.
Government of Chile: \$2.5 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	For preinvestment studies, feasibility studies, and related technical assistance necessary to help improve sector planning.
COLOMBIA	
Government of Colombia: \$100 million; 10 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To support Colombia's program of development.

AID Development Loan Authorizations, Fiscal Year 1967, Latin America—Continued

Borrower—Amount—Terms	Purpose
All development loans are repaid in U.S. dollars to AID unless otherwise stated.	
COSTA RICA	
National Bank of Costa Rica: \$5 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	For medium and long-term loans for agricultural production and processing.
DOMINICAN REPUBLIC	
Private Development Investment Co.: \$5 million; 20 years; interest at 1 percent during 5-year grace period and 2½ percent thereafter.	To establish and operate a private development finance company.
Foundation for Educational Credit: \$1.4 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To assist in capitalizing a non-profit credit institution which will provide credit to students in priority areas of study.
Government of Republic of Dominican Republic: \$8.7 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To finance community project designed to increase popular participation in economic development.
Government of Republic of Dominican Republic: \$2 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To finance feasibility studies, technical assistance to the National Planning Office, and equipment for documentation office at NPO.

AID Development Loan Authorizations, Fiscal Year 1967, Latin America—Continued

Borrower—Amount—Terms	Purpose
<p>All development loans are repaid in U.S. dollars to AID unless otherwise stated.</p>	
EL SALVADOR	
American School: \$400,000; 25 years; interest at 1 percent during 5-year grace period and 3½ percent thereafter.	To finance part of capital requirements for expansion of the demonstration school.
GUATEMALA	
Government of Guatemala: \$2.2 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To finance improvement of property tax system.
FIASA Industrial Development Bank; \$5 million; 20 years; interest at 1 percent during 5-year grace period and 2½ percent thereafter.	To create a private industrial and agricultural development bank which will make loans to stimulate private industrial and agricultural enterprises.
Government of Guatemala: \$758,000; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	An increase in a previous loan to finance costs and technical assistance of construction of Rio Hondo Highway.
GUYANA	
Government of Guyana: \$7.5 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To finance foreign exchange costs of reconstruction and improvement of several roads.
Government of Guyana: \$600,000; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To conduct preinvestment feasibility studies.

AID Development Loan Authorizations, Fiscal Year 1967, Latin America—Continued

Borrower—Amount—Terms	Purpose
All development loans are repaid in U.S. dollars to AID unless otherwise stated.	
HONDURAS	
Government of Honduras: \$7 million repayable in dollars in 40 years, including a 10-year grace period; interest at 1 percent during grace period and 2½ percent thereafter.	For equipment, materials, and services necessary for development and expansion of secondary education system.
NICARAGUA	
National Bank of Nicaragua: \$2.2 million repayable in dollars in 30 years; including a 10-year grace period; interest at 1 percent during grace period and 2½ percent thereafter.	To help finance agricultural service centers to be established in selected rural areas.
National Bank of Nicaragua: \$2 million repayable in dollars in 30 years, including a 10-year grace period; interest at 1 percent during grace period and 2½ percent thereafter.	To finance subloans to small entrepreneurs and to finance technical assistance services in connection with the loan.
Institute of National Development: \$5 million; 25 years; interest at 1 percent during 5-year grace period and 3½ percent thereafter.	To help promote, create, expand, and improve operation of private industry through subloans to private entrepreneurs.
PANAMA	
Institute of Housing and Urban Development: \$3.5 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	For the establishment of a cooperative technical institute and cooperative housing units.

AID Development Loan Authorizations, Fiscal Year 1967, Latin America—Continued

Borrower—Amount—Terms	Purpose
All development loans are repaid in U.S. dollars to AID unless otherwise stated.	
National Water and Sewage Institute: \$3.056 million; 30 years, interest at 1 percent during 5-year grace period and 3½ percent thereafter.	To help extend Panama City's water and sewerage systems; for highway expansion and maintenance; and for bridge and culvert construction in Panama City.
Government of Panama: \$4.1 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To help extend Panama City's water and sewerage systems; for highway expansion and maintenance; and for bridge and culvert construction in Panama City.
National Water and Sewage Institute: \$6.6 million; 30 years; interest at 1 percent during 5-year grace period and 3½ percent thereafter.	For the maintenance of Panama City's sewer system, rehabilitation of Panama City's streets and widening and improving of its highways.
Government of Panama: \$3.1 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	For the maintenance of Panama City's sewer system, rehabilitation of Panama City's streets and widening and improving of its highways.
Government of Panama: \$1.5 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	For equipment, materials, and services necessary for regionally coordinated plan of malaria eradication.
Government of Panama: \$1 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	For feasibility and prefeasibility studies.

AID Development Loan Authorizations, Fiscal Year 1967, Latin America—Continued

Borrower—Amount—Terms	Purpose
<p align="center">All development loans are repaid in U.S. dollars to AID unless otherwise stated.</p>	
PARAGUAY	
<p>Government of Paraguay: \$1.9 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.</p>	<p>For equipment, materials and services necessary to carry out a malaria eradication program.</p>
PERU	
<p>Government of Peru: \$7.5 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.</p>	<p>To finance, through a private investment fund, predominantly agro-industrial activities.</p>
<p>Government of Peru: \$5.5 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.</p>	<p>To modernize the urban and rural food distribution and processing systems.</p>
<p>Government of Peru: \$3.2 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.</p>	<p>To finance feasibility studies and related technical assistance and equipment.</p>
<p>Government of Peru: \$1.2 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.</p>	<p>To expand and improve one agricultural and five industrial vocational training centers under Peru's civic action program.</p>

AID Development Loan Authorizations, Fiscal Year 1967, Latin America—Continued

Borrower—Amount—Terms	Purpose
All development loans are repaid in U.S. dollars to AID unless otherwise stated.	
URUGUAY	
Bank of the Oriental Republic of Uruguay: \$775,000; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	For equipment and services to improve navigational, meteorological and communications facilities of Carrasco International Airport.
REGIONAL	
Central American Bank for Economic Integration (CABEI); \$20 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To provide continuing support for financing, planning and administration of regional infrastructure development leading to regional economic integration.

AID Commitments in Vietnam and East Asia, Fiscal Year 1967

[Thousands of dollars]

Country	Total	Appropriation category			
		Develop- ment loans	Supporting assistance	Techni- cal coop- eration	Contin- gency fund
Total.....	770, 639	70, 900	629, 187	46, 800	19, 101
Vietnam.....	¹ 494, 439	-----	489, 787	-----	-----
East Asia, total.....	276, 200	70, 900	139, 400	46, 800	19, 101
Burma.....	176	-----	-----	176	-----
Indonesia.....	31, 065	-----	13, 000	-----	18, 065
Korea.....	114, 725	60, 700	45, 000	9, 025	-----
Laos.....	56, 504	-----	45, 279	10, 400	825
Philippines.....	11, 257	6, 700	-----	4, 557	-----
Thailand.....	53, 320	3, 500	36, 121	13, 488	211
Regional.....	9, 153	-----	-----	9, 153	-----

¹ Includes \$4,652,000 in administrative expenses for expanded Vietnam program; excludes \$43,147,000 in reimbursements by the Department of Defense.

AID Technical Cooperation Programs in East Asia, Fiscal Year 1967

[Thousands of dollars]

Field of activity	Technical cooperation	Field of activity	Technical cooperation
Total.....	46, 799	Public safety.....	506
Food and agriculture.....	4, 898	Public administration.....	2, 488
Industry and mining.....	5, 890	Community development and social welfare.....	659
Transportation.....	1, 719	Housing.....	89
Labor.....	163	Private enterprise pro- motion.....	45
Health and sanitation.....	6, 430	General and miscellaneous.....	8, 158
Education.....	6, 364	Technical support.....	9, 390

*AID-Financed Technicians in East Asia, Contract and
U.S. Government Employees*

[As of June 30, 1967]

Field of activity	Government employees ¹	Contract employees ²
Total.....	858	312
Food and agriculture.....	92	33
Industry and mining.....	66	33
Transportation.....	69	3
Labor.....	2	-----
Health and sanitation.....	40	13
Education.....	36	59
Public safety.....	63	14
Public administration.....	33	17
Community development.....	96	69
Housing.....	1	-----
Private enterprise promotion.....	4	5
General and miscellaneous.....	136	58
Technical support.....	220	8

¹ U.S. nationals paid from program funds;

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

*AID-Financed Technicians in Vietnam, Contract and U.S. Government
Employees*

[As of June 30, 1967]

Field of activity	Government employees ¹	Contract employees ²
Total.....	1, 806	264
Food and agriculture.....	190	3
Industry and mining.....	55	43
Transportation.....	43	-----
Labor.....	10	30
Health and sanitation.....	285	42
Education.....	53	20
Public safety.....	180	-----
Public administration.....	63	-----
Community development.....	1	11
Private enterprise promotion.....	8	-----
General and miscellaneous.....	471	115
Technical support.....	447	-----

¹ U.S. nationals paid from program funds.

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

AID Development Loan Authorizations, Fiscal Year 1967, East Asia.

Borrower—Amount—Terms

Purpose

All development loans are repaid in U.S. dollars to AID unless otherwise stated.

KOREA

Republic of Korea: \$12.5 million, 40 years including 10-year grace period; interest at 1 percent for 10 years, 2½ percent thereafter.

To finance the foreign exchange costs of importing commodities and commodity related services to promote the economic development of Korea.

Republic of Korea: \$12 million, 40 years including 10-year grace period; interest at 1 percent for 10 years, 2½ percent thereafter.

To be reloaned to medium industry private enterprises for the purpose of financing the foreign exchange costs of machinery, equipment, and related services needed to establish, expand, or modernize facilities.

Republic of Korea: \$12.7 million, 40 years including 10-year grace period; interest at 1 percent for 10 years, 2½ percent thereafter.

To expand and improve the electric power transmission and distribution system.

Republic of Korea: \$17.5 million, 40 years including 10-year grace period; interest at 1 percent for 10 years, 2½ percent thereafter.

To construct an oil-fired, 200 megawatt thermo power plant at Ulsam, Korea.

Republic of Korea: \$3 million, 40 years including 10-year grace period; interest at 1 percent for 10 years, 2½ percent thereafter.

To construct an addition to the Han River intake structure, a new water treatment plant and water transmission, distribution and storage facilities.

*AID Development Loan Authorizations, Fiscal Year 1967,
East Asia—Continued*

Borrower—Amount—Terms	Purpose
<p>All development loans are repaid in U.S. dollars to AID unless otherwise stated.</p>	
<p>Republic of Korea: \$3 million, 40 years including 10-year grace period; interest at 1 percent for 10 years, 2½ percent thereafter.</p>	<p>To be reloaned to medium and small privately owned industrial enterprises for the purpose of financing foreign exchange costs of machinery, equipment, and related services needed to establish, expand, or modernize facilities.</p>
<p>PHILIPPINES</p>	
<p>Philippines: \$4.7 million, 25 years including 5-year grace period; interest at 3½ percent for 25 years.</p>	<p>To finance the foreign exchange costs of purchasing irrigation equipment to rehabilitate existing systems.</p>
<p>Philippines: \$2 million, 25 years including 5-year grace period; interest at 3½ percent for 25 years.</p>	<p>To conduct a series of feasibility studies in areas to be determined by the Government of the Philippines.</p>
<p>THAILAND</p>	
<p>Thailand: \$3.5 million, 25 years including 5-year grace period; interest at 3½ percent for 25 years.</p>	<p>To cover the foreign exchange component of a total \$13,400,000 equivalent needed to build the Lam Nam Oon Dam and irrigation project in northeast Thailand.</p>

AID Commitments in Africa, Fiscal Year 1967

[Thousands of dollars]

Country	Total	Appropriation category			
		Develop- ment loans	Supporting assistance	Techni- cal coop- eration	Contingency fund
Total.....	202, 975	97, 810	18, 681	82, 684	3, 800
Algeria.....	94			94	
Botswana.....	34			34	
Burundi.....	197			197	
Cameroon.....	1, 000			1, 000	
Central African Republic.....	413			413	
Chad.....	538			538	
Congo (Kinshasa).....	20, 301	2, 500	17, 200	601	
Dahomey.....	1, 169	850		319	
Ethiopia.....	13, 638	5, 800		7, 838	
Gabon.....	406			406	
Gambia.....	201			201	
Ghana.....	24, 059	22, 000		2, 059	
Guinea.....	1, 081			1, 081	
Ivory Coast.....	845		275	570	
Kenya.....	2, 801	350		2, 451	
Lesotho.....	143			43	100
Liberia.....	7, 379	1, 890		5, 489	
Malagasy Republic.....	2, 322	2, 000		322	
Malawi.....	1, 493			1, 493	
Mali.....	628			628	
Mauritania.....	50			50	
Morocco.....	3, 939	2, 900		1, 039	
Niger.....	822			822	
Nigeria.....	21, 562	6, 000		15, 562	
Rwanda.....	448		106	342	
Senegal.....	318			318	
Sierra Leone.....	1, 469			1, 469	
Somali Republic.....	15, 470	13, 220		2, 250	
Sudan.....	10, 677	3, 900		3, 077	3, 700
Tanzania.....	3, 138	900		2, 238	
Togo.....	423			423	
Tunisia.....	25, 634	23, 225		2, 409	
Uganda.....	6, 792	4, 950		1, 842	
Upper Volta.....	422			422	
Zambia.....	964			964	
East Africa regional.....	2, 467	125		2, 342	
Africa regional.....	27, 471	7, 200	1, 100	19, 171	
Regional USAID/Africa.....	2, 170			2, 170	

AID Technical Cooperation Programs in Africa, Fiscal Year 1967

[Thousands of dollars]

Field of activity	Technical cooperation	Field of activity	Technical cooperation
Total.....	81, 395	Public administration.....	4, 018
Food and agriculture.....	19, 560	Community development and social welfare.....	683
Industry and mining.....	1, 959	Housing.....	459
Transportation.....	3, 043	Private enterprise promo- tion.....	3, 144
Labor.....	217	General and miscellaneous..	4, 777
Health and sanitation.....	12, 253	Technical support.....	9, 463
Education.....	20, 437		
Public safety.....	1, 389		

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

[As of June 30, 1967]

Field of activity	Government employees ¹	Contract employees ²
Total.....	703	767
Food and agriculture.....	241	198
Industry and mining.....	40	25
Transportation.....	15	21
Labor.....	4	7
Health and sanitation.....	94	5
Education.....	43	335
Public safety.....	28	-----
Public administration.....	18	77
Community development.....	6	1
Housing.....	9	3
Private enterprise promotion.....	12	17
General and miscellaneous.....	49	72
Technical support.....	144	6

¹ U.S. nationals paid from program funds.

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

AID Development Loan Authorizations, Fiscal Year 1967, Africa

Borrower—Amount—Terms	Purpose
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All development loans are repaid in U.S. dollars to AID unless otherwise stated.

CONGO (K)

Grand Hotel du Congo: \$2.5 million; 22 years; interest at 6 percent to be repaid in 36 semiannual installments commencing 2 years after official opening of hotel or 48 months after first disbursement, whichever occurs first. Level payments (principal and interest). Interest to be capitalized during construction period. The Democratic Republic of the Congo will be given the option to collect payments of interest and principal and repay AID; interest at 1 percent per annum during 10-year grace period and 2½ percent per annum thereafter.

To finance part of the foreign exchange costs of procuring U.S. equipment and services required to construct a modern international hotel.

DAHOMY

Government of the Republic of Dahomey: \$850,000; 40 years; interest at 1 percent per annum during 10-year grace period and 2½ percent per annum thereafter.

To finance the foreign exchange costs of purchasing and installing water supply systems in 15 towns.

ETHIOPIA

Imperial Ethiopian Government: \$5.8 million; 40 years; interest at 1 percent per year during 10-year grace period and 2½ percent per annum thereafter.

To finance U.S. costs and part of the local costs of the malaria eradication program, fiscal years 1968-69, phase I.

*AID Development Loan Authorizations, Fiscal Year 1967,
Africa—Continued*

Borrower—Amount—Terms	Purpose
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All development loans are repaid in U.S. dollars to AID unless otherwise stated.

GHANA

<p>Government of Ghana: \$20 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.</p>	<p>To provide balance of payments support.</p>
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<p>Government of Ghana: \$2 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.</p>	<p>To finance U.S. costs of goods and services required to undertake comprehensive sector studies in agriculture, telecommunications, transportation and water supply.</p>
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KENYA

<p>Government of Kenya: \$350,000; (an amendment to fiscal 1963 loan of \$2,200,000) City Council of Nairobi. The council will repay the \$350,000 to the Government of Kenya in 25 years, including a grace period not to exceed 3 years; interest at 3½ percent per year on the outstanding balance. Government of Kenya will repay AID in 40 years; interest at 1 percent thereafter.</p>	<p>To finance the U.S. costs and 45 percent of the local costs required to cover the difference between actual costs and the estimated costs of expanding the Nairobi water supply system.</p>
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LIBERIA

<p>Government of the Republic of Liberia: \$850,000; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.</p>	<p>To finance U.S. dollar costs of an airborne geophysical survey of Liberia and the preparation of contour maps of magnetic and radioactivity levels.</p>
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*AID Development Loan Authorizations, Fiscal Year 1967,
Africa—Continued*

Borrower—Amount—Terms	Purpose
All development loans are repaid in U.S. dollars to AID unless otherwise stated.	
Government of the Republic of Liberia: \$90,000; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To assist in financing the foreign exchange and local costs of completing the bypass road around Monrovia.
Government of the Republic of Liberia: \$300,000; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To finance U.S. costs of architectural and engineering services required to complete field investigations and to prepare final plans, specifications and bid documents for improvements to Roberts International Airport.
Government of the Republic of Liberia: \$650,000; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To help finance goods and services to permit the government to meet its commitments to U.S.-supported technical assistance projects.

MALAGASY REPUBLIC

Government of the Malagasy Republic: \$2 million; to be re-loaned to Direction Generale of Posts and Telecommunications (PTS); the PTS will repay the Government of Malagasy Republic in 20 years, including a 5-year grace period; interest at 3½ percent throughout the duration of the loan. The Malagasy Republic will repay AID in 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To assist in financing the foreign exchange costs for procurement of U.S. materials and services required to improve telecommunications facilities.
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*AID Development Loan Authorizations, Fiscal Year 1967,
Africa—Continued*

Borrower—Amount—Terms	Purpose
All development loans are repaid in U.S. dollars to AID unless otherwise stated.	
MOROCCO	
Government of the Kingdom of Morocco: \$1.6 million (an amendment to fiscal 1964 loan of \$2.3 million and first amendment to fiscal 1966 loan of \$2.4 million); 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To provide additional funds required to finance goods and services to convert the former USAF base at Nouasseur to an international civil airport. Actual costs have exceeded preliminary estimates.
Government of the Kingdom of Morocco: \$1.3 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To finance one-half of the goods and services required to design and construct an airline ground service and maintenance facility at Nouasseur International Airport.
NIGERIA	
Federal Military Government of Nigeria: \$6 million (an amendment to fiscal 1964 loan of \$8.6 million) 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To finance all foreign exchange costs of procurement of U.S. materials and services and part of the local costs of constructing 71 miles of paved road, including a high-level bridge over the Cross River at Ekuri, and improving 43 miles of connecting road, all in Eastern Nigeria.
SOMALI REPUBLIC	
Government of the Somali Republic: \$2.4 million (an amendment to fiscal 1963 loan of \$3.6 million) 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To finance goods and services to install necessary port, water, and power facilities for the city of Chisimaio. The additional funds are required because of design changes and because bid prices have exceeded preliminary estimates.

*AID Development Loan Authorizations, Fiscal Year 1967,
Africa—Continued*

Borrower—Amount—Terms	Purpose
All development loans are repaid in U.S. dollars to AID unless otherwise stated.	
Credito Somalo, a commercial bank owned by the Government of the Somali Republic: \$2 million; Credito Somalo will repay the government in 20 years, including a 5-year grace period; interest at 4 percent. The Somali Republic will repay AID in 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To help finance subloans and equity investments.
The Autonomous Mogadiscio Waterworks Agency (AMWA): \$8.5 million; AMWA will repay the Somali Republic in 30 years, including a 5-year grace period; interest at 3½ percent. The Somali Republic will repay AID in 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To finance the U.S. costs and part of the local costs of the required engineering, construction, and technical services during the establishment and initial operations of the AMWA.
Somali American Fishing Co.: \$320,000; (an amendment to fiscal 1965 loan of \$600,000) 15 years; interest at 5½ percent. Repayment of the \$320,000 will begin December 31, 1967, the date of the first principal payment under the fiscal year 1965 loan.	To procure additional goods and services to assist in financing the fall fishing season.

*AID Development Loan Authorizations, Fiscal Year 1967,
Africa—Continued*

Borrower—Amount—Terms	Purpose
All development loans are repaid in U.S. dollars to AID unless otherwise stated.	
Following the break in relations between the U.S. and the Sudan, there are no plans to implement the loans.	
SUDAN	
Government of the Republic of the Sudan: \$2.7 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To finance foreign exchange costs of a rural water management consultant and an engineering consultant and to assist groundwater development, all under phase I of a two-phase program. Phase II would include drilling projects.
TANZANIA	
Government of the United Republic of Tanzania: \$900,000; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To finance U.S. costs of road construction equipment, communications equipment and other equipment for Tanzania National Parks.
TUNISIA	
Government of the Republic of Tunisia: \$410,000; (an amendment to fiscal 1964 loan of \$2 million) 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To finance additional goods and services to construct and equip the Chott Maria Agricultural School. Actual costs will exceed preliminary estimates.
Government of the Republic of Tunisia: \$15 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To continue support for Tunisia's development by financing essential commodity imports from United States in fiscal 1967.

*AID Development Loan Authorizations, Fiscal Year 1967,
Africa—Continued*

Borrower—Amount—Terms	Purpose
All development loans are repaid in U.S. dollars to AID unless otherwise stated.	
<p>Societe Tunisienne de l'Electricite et du Gaz (STEG): \$6.2 million; STEG will repay the government in 25 years including a 5-year grace period; interest at 4½ percent. The Government of Tunisia will repay AID in 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.</p>	<p>To assist in financing the foreign exchange costs for procurement of U.S. materials and equipment to improve and extend the Tunisian electrical distribution system.</p>
<p>Government of the Republic of Tunisia: \$500,000; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.</p>	<p>To finance foreign exchange costs of final preparations for awarding the construction contract for the proposed airport terminal complex at Tunis/Carthage International Airport.</p>
<p>Government of the Republic of Tunisia: \$225,000; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.</p>	<p>To finance the foreign exchange costs of procuring fire/crash, rescue and service equipment and related services to raise the level of protection at Tunis/Carthage International Airport to standards recommended by the International Civil Aviation Organization (ICAO).</p>
<p>Government of the Republic of Tunisia: \$290,000 (an amendment to fiscal 1963 loan of \$1.8 million); 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.</p>	<p>To finance additional goods and services for constructing and equipping the school of law, economics and business administration. Actual costs will exceed preliminary estimates.</p>

*AID Development Loan Authorizations, Fiscal Year 1967,
Africa—Continued*

Borrower—Amount—Terms	Purpose
All development loans are repaid in U.S. dollars to AID unless otherwise stated.	
Government of the Republic of Tunisia: \$600,000; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To finance foreign costs of the American contractor training Tunisian technicians in the water supply field.
UGANDA	
Government of Uganda: \$4.7 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To finance U.S. costs and part of the local costs of upgrading Uganda's livestock industry.
Government of Uganda: \$250,000; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To finance U.S. costs of final preparations to award contracts for the construction of two regional primary teacher training colleges.
REGIONAL	
Development Corporation (West Africa) Limited (DCWA): \$1.5 million; 20 years, including a 5-year grace period; interest at 4 percent.	To finance U.S. costs and some local costs of various development projects.
East Africa Development Corporation Limited (EADC): \$500,000; 20 years, including a 5-year grace period; interest at 4 percent.	To finance U.S. costs and some local costs of various development projects.

*AID Development Loan Authorizations, Fiscal Year 1967,
Africa—Continued*

Borrower—Amount—Terms	Purpose
<p>All development loans are repaid in U.S. dollars to AID unless otherwise stated.</p>	
<p>Government of the United Republic of Tanzania: \$1.6 million; 40 years, interest at 1 percent during 10-year grace period and 2½ percent thereafter.</p>	<p>To finance U.S. costs of final preparations for awarding contracts for the realignment and surfacing of sections of the Great North Road in Tanzania between Tunduma on the Zambian border and Iringa in central Tanzania.</p>
<p>Government of Kenya: \$3.6 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.</p>	<p>To assist in financing the U.S. and local costs of construction and supervisory engineering to reconstruct and bituminize two road links in Kenya, thus completing the interstate road system joining Uganda, Kenya, and Tanzania.</p>
<p>University of East Africa, the guarantor is the Government of Uganda: \$125,000; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.</p>	<p>To finance U.S. costs of final preparation for awarding contracts to construct and equip buildings at Makerere University College, which will serve Kenya, Tanzania and Uganda.</p>

Countries or Areas With Investment Guaranty Agreements

[June 30, 1967]

Type of Guaranty			
Convertibility	Expropriation	War, revolution, and insurrection	Extended risk
Afghanistan.....	Afghanistan.....	Afghanistan ³	
Argentina.....	Argentina ¹	Argentina ¹	Argentina. ¹
Bolivia.....	Bolivia.....	Bolivia.....	Bolivia.
Brazil.....	Brazil.....	Brazil.....	Brazil.
British Honduras.....	British Honduras.....	British Honduras.....	British Honduras.
Cameroon*.....	Cameroon*.....	Cameroon*.....	Cameroon.*
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, Rep. of.....	China, Rep. of.....	China, Rep. of.....	China, Rep. 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 Rep.....	Dominican Rep.....	Dominican Rep.....	Dominican Rep.
Ecuador.....	Ecuador.....	Ecuador.....	Ecuador.
El Salvador.....	El Salvador.....		
Ethiopia.....	Ethiopia.....		
Gabon.....	Gabon.....	Gabon.....	Gabon.
Ghana.....	Ghana.....	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.
Indonesia*.....	Indonesia*.....	Indonesia*.....	Indonesia.*
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.
Lesotho*.....	Lesotho*.....	Lesotho*.....	Lesotho.*
Liberia.....	Liberia.....	Liberia.....	Liberia.
Malagasy Rep.....	Malagasy Rep.....	Malagasy Rep.....	Malagasy Rep.
Malaysia.....	Malaysia.....	Malaysia.....	Malaysia.
Mali.....	Mali.....	Mali.....	Mali.
Malta*.....	Malta*.....	Malta*.....	Malta.*
Mauritania.....	Mauritania.....	Mauritania.....	Mauritania.
Morocco.....	Morocco.....	Morocco.....	Morocco.
Nepal.....	Nepal.....	Nepal.....	Nepal.

See footnotes at end of table.

Countries or Areas With Investment Guaranty Agreements—Continued

[June 30, 1967]

Type of Guaranty			
Convertibility	Expropriation	War, revolution, and insurrection	Extended risk
Nicaragua	Nicaragua	Nicaragua	Nicaragua.
Niger	Niger	Niger	Niger.
Nigeria	Nigeria		
Pakistan	Pakistan		
Panama	Panama	Panama ³	
Paraguay	Paraguay	Paraguay*	Paraguay.*
Peru			
Philippines	Philippines	Philippines*	Philippines.*
Portugal	Portugal		
Rwanda	Rwanda	Rwanda	Rwanda.
Senegal	Senegal	Senegal	Senegal.
Sierra Leone	Sierra Leone	Sierra Leone	Sierra Leone.
Singapore	Singapore	Singapore	Singapore.
Somalia	Somalia	Somalia	Somalia.
Sudan	Sudan	Sudan	Sudan.
Tanzania (Mainland only)	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.
United Arab Rep. (Egypt)	United Arab Rep. (Egypt)	United Arab Rep. (Egypt)	United Arab Rep. (Egypt).
Uruguay ¹	Uruguay ¹		
Vietnam	Vietnam	Vietnam	Vietnam.
Venezuela	Venezuela	Venezuela	Venezuela.
Yugoslavia ²	Yugoslavia ²		
Zambia*	Zambia*	Zambia*	Zambia.*

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 Includes only insurance against loss due to damage from war.

*Newly available through agreements signed in fiscal year 1967.

Although economically developed countries are excluded from the investment insurance program, insurance may be available for some of the underdeveloped dependencies of Denmark, France, Netherlands, Norway, Spain, and United Kingdom.

AID Specific Risk Insurance Program
Amount of coverage in force as of June 30

[Millions of dollars]

1961.....	482	1965.....	1,976
1962.....	796	1966.....	2,862
1963.....	1,187	1967.....	3,722
1964.....	1,360		

AID Investment Survey Program Activity, Fiscal Years 1963-67

	Fiscal year 1963	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966	Fiscal year 1967
Surveys authorized ¹	29	59	57	59	75
Maximum AID obligation.....	\$403,800	\$701,300	\$595,900	\$1,139,700	\$1,520,000
Surveys completed.....	3	18	35	42	23
Decisions to invest.....		4	11	7	14
Maximum potential investment.....		\$12,000,000	\$18,000,000	\$27,400,000	\$24,500,000

¹ One survey authorized in fiscal year 1962.

AID Foreign Currency (Cooley) Loans¹ Authorized in Fiscal Year 1967

[Values expressed in dollar equivalents]

Country	Borrower	Amount	Purpose
Latin America:			
Bolivia.....	Sociedad Boliviana De Cemento S.A.....	384, 000	Cement plant expansion.
	Hogares Bolivianos S.A.....	790, 000	Housing units.
Chile.....	Liquid Carbonic De Chile, Ltd.....	68, 000	Chemical plant expansion.
	Alimentos Purina de (Chile) S.A.....	700, 000	Poultry production expansion.
Paraguay.....	International Products Corp.....	480, 000	Ranch development program.
		<u>2, 422, 000</u>	
East Asia:			
China.....	U.S.I. Far East Corp. (Taiwan Polymers).	2, 000, 000	Polyethylene plant expansion.
	Eli Lilly and Co., Inc.....	325, 000	Pharmaceutical plant.
Korea.....	Kanaan Poultry Corp.....	37, 000	Poultry—breeder houses.
	Signetics Korea Co., Ltd.....	450, 000	Integrated circuit plant.
	Sam Yang Foods Co., Ltd.....	74, 000	Noodle production.
Philippines.....	Arbor Acres Philippines Co.....	154, 000	Expansion of poultry breeding farm.
		<u>3, 040, 000</u>	
Africa:			
Tunisia.....	Firestone Tunisie S.A.....	500, 000	Rubber tires plant.
	Mendustrie S.A.....	105, 000	Millwork plant.
	Maisons Tunisiennes Carnoy.....	300, 000	Housing.
Congo (K).....	Grand Hotel Du Congo.....	1, 945, 000	Hotel.
		<u>2, 850, 000</u>	

Near East and South Asia:			
Israel	American-Israeli Paper Mills, Ltd.	333, 000	Papermill expansion.
	Hertz Rent-A-Car (Israel), Ltd.	833, 000	Car rental fleet expansion.
Turkey	Comag Continental Magnezit	1, 900, 000	Magnesium ore facilities.
	Madem Ve Kimya	600, 000	Colemanite and ulexite mining.
	Marshall Boyd	397, 000	Paint and varnish manufacturing.
India	Globe United Engineering	2, 187, 000	Iron and steel rolls and castings plant.
	Graphite India, Ltd.	413, 000	Graphite products plant.
	Cutler Hammer India, Ltd.	400, 000	Electrical component manufacturing.
	Shavo-Norgren (India) Private, Ltd.	107, 000	Norgren pneumatic and control instruments.
	Vickers-Sperry of India, Ltd.	267, 000	Hydraulic equipment plant.
	Modipon Limited	2, 426, 000	Nylon textile project.
	United Carbon India, Ltd.	1, 593, 000	Carbon black plant.
	Warner Hindustan Ltd.	1, 167, 000	Chemicals and pharmaceuticals.
	Taylor Instrument Co. (India), Ltd.	200, 000	Control instruments plant.
	Coromandel Fertilizers, Ltd.	5, 217, 000	Fertilizer project.
	Agricultural Association, Ltd.	373, 000	Hybrid seeds, sorghum, millet production.
	Globe Auto Electricals, Ltd.	133, 000	Auto electric parts—expand facilities.
Pakistan	Singer Sewing Machine Co.	1, 050, 000	Sewing machine retail sales facilities.
	Herchem, Ltd.	945, 000	Pesticides plant.
Greece	Ideal Standard S.A.I.	667, 000	Vitreous china sanitary ware and plastic plant.
Total Near East and South Asia		21, 208, 000	
Total all regions		29, 520, 000	

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. Named after former Congressman Harold D. Cooley, of North Carolina, who sponsored the authorizing legislation.

Obligations of U.S.-Owned Foreign Currencies for Economic Development and Defense Support,¹ Fiscal Year 1967

[Thousands of dollar equivalents]

Field of activity	Region						
	Total	Near East and South Asia	Latin America	Vietnam	East Asia	Africa	Europe
Total.....	850,349	655,591	13,495	102,805	39,908	29,383	9,167
Direct military support.....	144,821	-----	-----	102,805	35,904	6,112	-----
Food and agriculture.....	246,315	232,795	566	-----	3,088	9,802	64
Industry and mining.....	48,105	40,136	3,723	-----	-----	246	4,000
Transportation.....	18,141	5,729	4,967	-----	-----	2,711	4,734
Labor.....	31,152	30,987	165	-----	-----	-----	-----
Health and sanitation.....	82,851	81,655	741	-----	-----	455	-----
Education.....	45,018	42,072	167	-----	-----	2,779	-----
Public safety.....	648	-----	-----	-----	-----	648	-----
Public administration.....	164	56	108	-----	-----	-----	-----
Community development.....	64,272	64,242	30	-----	-----	-----	-----
Housing.....	1,823	-----	93	-----	-----	1,730	-----
Private enterprise promotion.....	94,943	91,941	2,536	-----	-----	466	-----
General and miscellaneous.....	28,502	22,743	40	-----	916	4,434	369
Technical support.....	43,594	43,235	359	-----	-----	-----	-----

¹ Currencies derived from sale of U.S. surplus agricultural commodities under Title I of Public Law 480.

NOTE.—Data converted on the basis of June 30, 1967, exchange rates. Excludes "Cooley" loans.

AID-Financed Contracts for the Development of Cooperatives, Fiscal Year 1967

Contractor	Number of country projects	Number of persons employed under co-op contracts	Amount (thousands of dollars)
American Institute for Free Labor Development.....	20	1 45	820
American Savings and Loan Institute.....	17	3	50
Cooperative League of the U.S.A.....	14	77	1, 047
CUNA International, Inc.....	15	21	412
Farmers Union International Assistance Corporation.....	10	30	678
Foundation for Cooperative Housing.....	20	28	559
Fund for International Cooperative Development.....	4	5	138
International Cooperative Development Association.....	5	19	177
International Cooperative Training Center.....	1	21	223
National League of Insured Savings Associations.....	2 3	29	192
National Rural Electric Cooperative Association.....	23	45	461
Washington Federal Savings & Loan Association (Miami).....	22	23	150
Total.....	154	346	4, 907

¹ Estimate check.

² Plus Latin American regional.

AID Employment, Fiscal Year 1963-67¹

[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
1967.....	17, 311	4, 192	13, 119
U.S. nationals.....	8, 816	2, 257	6, 559
Foreign nationals.....	8, 495	1, 935	6, 560

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

*U.S. Share of AID-Financed Commodity Expenditures,
Fiscal Years 1960-67*

[Millions of dollars]

Fiscal year	Total ex- penditures for commodities	Commodities purchased in United States	
		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, 288	1, 186	92
1966.....	1, 232	1, 111	90
1967.....	1, 402	1, 350	96

*AID Outshipments of Excess Federal Property*¹

[Original acquisition cost in millions of dollars]

	FY 1966	FY 1967	Percent change
Near East and South Asia.....	15. 2	12. 5	- 18
Far East.....	15. 0	23. 7	+ 58
Africa.....	3. 2	3. 7	+ 16
Latin America.....	1. 6	2. 1	+ 31
Nonregional.....	-----	0. 7	-----
Total.....	35. 0	42. 7	+ 22

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

Organizations Registered With the Advisory Committee on Voluntary Foreign Aid and Receiving AID Ocean Freight Payments¹ in Fiscal Year 1967

American Friends Service Committee	Iran Foundation
American Jewish Joint Distribution Committee ^{2, 3}	Lutheran World Relief ²
American-Korean Foundation ³	Meals for Millions Foundation
American Mission to Greeks ²	Medical Assistance Programs, Inc.
American National Red Cross ²	Mennonite Central Committee ²
American ORT Federation ³	Mizrachi Women's Organization of America
American Relief for Poland ²	People-to-People Health Foundation (Project HOPE)
Assemblies of God, F.S.C.	Project Concern
CARE, Inc. ^{2, 3}	Salvation Army
Catholic Relief Services, USCC ^{2, 3}	Seventh-Day Adventist Welfare Service ²
Christian Reformed World Relief Church World Service ^{2, 3}	Summer Institute of Linguistics
Community Development Foundation	Thomas A. Dooley Foundation
Foster Parents' Plan	Tools for Freedom Foundation
Friends of the U.S. of Latin America (FUSLA) ³	World Relief Commission N.A.E. ²
HADASSAH ^{2, 3}	World Vision Relief Organization
Heifer Project	YMCA International Committee
International Educational Development ³	

¹ AID obligated \$5,429,000 to cover freight costs for overseas shipment of supplies privately donated for the overseas work of these 34 registered voluntary agencies and the American National Red Cross (ANRC). Because of its special charter, the Red Cross, although not a registered voluntary agency, shares in the benefits of registration.

² Eleven of the Registered Voluntary Agencies and the ANRC participated in the Public Law 480 Food for Freedom program. During fiscal year 1967, AID obligated \$42,688,912 to transport these foods to 80 countries under this program.

³ The registered voluntary agencies may also participate in AID's U.S. Government excess property program. During fiscal year 1967, 12 registered voluntary agencies had excess property determinations.

Foreign Disasters and Emergency Relief Expenditures,¹ Fiscal Year 1967

[Thousands of dollars]

Region	AID		Public Law 480	Voluntary agencies	Total United States
	Contingency fund	Other ²			
Africa.....	87.0	³ 25.0	7,977.0	118.0	8,207.0
Europe.....	225.0	-----	548.0	3,637.0	4,410.0
Latin America.....	286.0	14.0	976.0	519.0	1,795.0
Near East/South Asia.....	5,275.0	4,544.0	56,871.0	7,744.0	74,434.0
Far East.....	432.0	⁴ 1,560.0	492.0	159.0	2,643.0
Total.....	6,305.0	6,143.0	66,864.0	12,177.0	91,489.0

¹ During fiscal year 1967, the United States provided assistance to the victims (estimated at 14.2 million persons) of 62 foreign disasters. Regionally the disaster assistance was: Africa—11; Europe—2; Latin America—10; Near East, South Asia—15; Far East—15. Disasters included hurricanes, typhoons, cyclones, floods, drought/famine, earthquakes, fires, epidemics, civil strife, volcano eruption, and a marine oil pollution disaster.

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

³ Includes \$20,000 expended by the U.S. Navy in a meningitis epidemic, Morocco, for which AID reimbursement was not requested.

⁴ Includes \$200,000 for Ryukyu Islands typhoons and \$100,000 for Thailand Mekong flood expended by U.S. military for which AID reimbursement was not requested.

Military Assistance Program, Fiscal Year 1967

[Thousands of dollars]

East Asia:	
China, Rep. of.....	90,357
Indonesia.....	2,589
Japan.....	447
Korea.....	159,984
Malaysia.....	191
Philippines.....	26,636
Thailand.....	60,023
East Asia Area.....	96,280
	<hr/>
	436,507
	<hr/>
Near East and South Asia:	
Afghanistan.....	182
Greece.....	66,768
Iran.....	36,765
Iraq.....	193
Jordan.....	12,443
Lebanon.....	81
Saudi Arabia.....	1,047
Syrian Arab Rep.....	49
Turkey.....	134,856
Near East and South Asia Area.....	900
	<hr/>
	253,284
	<hr/>

Military Assistance Program, Fiscal Year 1967—Continued

Europe:	
Denmark.....	53
Norway.....	18,607
Portugal.....	1,027
Spain.....	15,204
Europe Area.....	2,694
	37,585
Africa:	
Congo (K).....	3,934
Ethiopia.....	(¹)
Liberia.....	992
Libya.....	4,152
Mali.....	78
Morocco.....	2,960
Nigeria.....	324
Senegal.....	10
Sudan.....	177
Tunisia.....	(¹)
Africa Area.....	21,795
	34,422
Latin America:	
Argentina.....	5,830
Bolivia.....	3,796
Brazil.....	12,998
Chile.....	4,073
Colombia.....	9,085
Costa Rica.....	13
Dominican Republic.....	2,844
Ecuador.....	3,203
El Salvador.....	401
Guatemala.....	2,247
Honduras.....	865
Mexico.....	116
Nicaragua.....	1,149
Panama.....	560
Paraguay.....	980
Peru.....	4,921
Uruguay.....	1,498
Venezuela.....	1,066
Latin America Area.....	501
	56,146

See footnotes at end of table.

Military Assistance Program, Fiscal Year 1967—Continued

Nonregional:	
Administrative Expenses.....	23, 338
Weapons Development.....	370
Infrastructure.....	83, 400
Int. Mil. Hqrs. & Agencies.....	42, 682
Other Nonregional.....	12, 569
	<u>162, 359</u>
Credit assistance account.....	<u>53, 600</u>
MAP asset account ²	<u>-81, 578</u>
Total.....	<u>952, 325</u>

¹ Included in area programs.

² The minus figure of \$81,578,000 represents previously funded assets available without cost to the fiscal year 1967 Military Assistance Program but which were applied to country programs throughout fiscal year 1967.

NONDISCRIMINATION AND FREEDOM OF NAVIGATION

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. The extent of these restrictions has been reduced over the years but there was little progress fiscal 1967. There has been some success in mitigating the effects of the Arab boycott on certain American firms and individuals. Amendments to the Export Control Act require American exporters to report to the Department of Commerce information about proposals to engage in restrictive trade practices or boycotts. The Secretary of Commerce encourages firms not to become involved in such arrangements.

As a result of the Arab-Israeli conflict, the Suez Canal was closed to all shipping as fiscal 1967 ended. The state of Arab-Israeli relations continued to be the chief obstacle to progress in assuring free and unrestricted passage by vessels of all nations through the canal.

AID ADVISORY COMMITTEES

President's General Advisory Committee on Foreign Assistance Programs

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

Members: Chairman, Dr. James A. Perkins, president, Cornell University; Dwayne O. Andreas, chairman, executive committee, National City Bank of Minneapolis; Joseph A. Beirne, president, Communications Workers of America; David E. Bell, vice president, the Ford Foundation; Eugene R. Black, special Presidential adviser for Southeast Asian economic and social development; Mrs. Everett N. Case, chairman, board of trustees, Skidmore College; Dr. Luther H. Foster, president, Tuskegee Institute; Gen. Alfred M. Gruenther, former president of the American Red Cross; Dr. J. George Harrar, president, the Rockefeller Foundation.

Also, Dr. Theodore M. Hesburgh, president, University of Notre Dame; William R. Hewlett, president, Hewlett-Packard Co.; Edward S. Mason, Department of Economics, Harvard University; George Meany, president, AFL-CIO; Dr. Franklin D. Murphy, chancellor, University of California at Los Angeles; Rudolph A. Peterson, president, Bank of America; Dr. Frank Stanton, president, Columbia Broadcasting System; William J. Zellerbach, president, Crown-Zellerbach Paper Co.

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: Chairman, Edward S. Mason, Department of Economics, Harvard University; Vincent M. Barnett, president, Colgate University; David E. Bell, vice president, the Ford Foundation, Hollis B. Chenery, Center for International Affairs, Harvard University; Kermit Gordon, president, Brookings Institution; Carl Kaysen, director, Institute for Advanced Study, Princeton, N.J.; Joseph LaPalombara, Department of Political Science, Yale University; Max F. Millikan, director, Center for International Studies, Massachusetts Institute of Technology; Lucian W. Pye, Department of Economics and Social Science, M.I.T.; Theodore W. Schultz, Department of Economics, the University of Chicago.

International Private Investment Advisory Council

Formed in fiscal year 1967 to advise U.S. foreign aid officials on how to stimulate increased private investment in less developed nations.

Members: Alfred C. Neal, president, Committee for Economic Development; W. P. Gullander, president, National Association of Manufacturers; Robert M. Norris, president, National Foreign Trade Council, Inc.; H. Bruce Palmer, president, National Industrial Conference Board; M. A. Wright, president, U.S. Chamber of Commerce; Christopher H. Phillips, president, the U.S. Council of the International Chamber of Commerce.

Committee on AID-University Relations

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

Members: Chairman, Dr. Stephen K. Bailey, dean of the Maxwell Graduate School of Citizenship and Public Affairs at Syracuse University, and chairman of the Commission on International Education, American Council on Education; Dr. Louis T. Benezet, president, Claremont Graduate School and University Center, and former chairman, American Council on Education; Dr. John T. Caldwell, chancellor, North Carolina State University at Raleigh, and chairman, International Affairs Committee, National Association of State Universities and Land-Grant Colleges; Dr. John A. Hannah, president, Michigan State University, and chairman, American Council on Education; Dr. Harlan H. Hatcher, president, University of Michigan, and former president, Association of American Universities; Dr. James H. Jensen, president, Oregon State University, and president, National Association of State Universities and Land-Grant Colleges; Dr. Grayson L. Kirk, president, Columbia University, and president, Association of American Universities; Charles P. McCurdy, Jr., executive secretary, Association of American Universities.

Also, Dr. Edgar F. Shannon, Jr., president, University of Virginia, and former president, National Association of State Universities and Land-Grant Colleges; the Most Reverend James P. Shannon, pastor, St. Helena's Parish House, and former chairman, Association of American Colleges; Dr. Richard H. Sullivan, president, Association of American Colleges; Dr. Russell I. Thackrey, executive secretary, National Association of State Universities and Land-Grant Colleges; Dr. Richard D. Weigle, president, St. John's College, and chairman, Association of American Colleges; Dr. Herman B. Wells, chancellor, Indiana University, and chairman, Education and World Affairs; Dr. Logan Wilson, president, American Council on Education; Dr.

O. Meredith Wilson, president, University of Minnesota, and chairman, Institute of International Education.

Observers: Richard A. Humphrey, director, Commission on International Education, American Council on Education; Dr. Louis B. Howard, director, International Programs 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; Dr. Norman P. Auburn, president, University of Akron.

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 for relief, rehabilitation and technical assistance; certifies to their eligibility to participate in the food distribution program under Public Law 480.

Members: Chairman, Charles P. Taft, attorney at law, Cincinnati, Ohio; Vice Chairman, Miss Margaret Hickey, public affairs editor, *Ladies Home Journal*; Mrs. Martha Emery Andrews, civic and public service leader; Dr. Gordon M. Cairns, dean, College of Agriculture, University of Maryland; Ugo Carusi, retired government official; John B. Faegre, Jr., attorney at law, Minneapolis, Minn.; Dr. Adelaide C. Hill, research associate, Institute of African Studies, Boston University.

Also, George Nelson Lund, former president, First National Bank, Reserve, Mont.; Dr. Raymond F. McCoy, dean, Graduate School, Xavier University; James T. Nicholson, retired, former vice president, American National Red Cross; Elmore R. Torn, chairman, Rural Associated Research; Edward M. M. Warburg, chairman, American Joint Jewish Distribution Committee.

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: Chairman, William S. Gaud, AID Administrator; 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 the board, Washington Federal Savings & Loan Association, Miami Beach, Fla.; Raymond P. Harold, president and chairman of the board, Worcester Savings & Loan Association, Worcester, Mass.; Nathaniel S. Keith, president, National Housing Conference; Mrs. Anne Roberts, deputy regional administrator, Department of Housing and Urban Development, New York, N.Y.; Arthur Tonsmeiré, Jr., president, First Federal Savings & Loan Association, Mobile, Ala.; Benjamin Turner, attorney and homebuilder, Coral Gables, Fla.; William 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.

Labor Advisory Committee on Foreign Assistance

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

Members: Chairman, George Meany, president, American Federation of Labor & Congress of Industrial Organizations; 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 & Shipbuilding Workers of America; A. F. Grospiron, president, Oil, Chemical & Atomic Workers International Union; George M. Harrison, chief executive officer, Brotherhood of Railway Clerks; Albert J. Hayes, vice president, AFL-CIO; Paul Jennings, president, International Union of Electrical, Radio & Machine Workers; Joseph D. Keenan, secretary, International Brotherhood of Electrical Workers; Ernest S. Lee, assistant director, Department of International Affairs, AFL-CIO.

Also, 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 U.S. and Canada; A. Philip Randolph, president, Brotherhood of Sleeping Car Porters; Walter P. Reuther, president, International Union of United Automobile, Aerospace & Agricultural Implement Workers of America; James A. Suffridge, president, Retail Clerks International Association.

Cooperative Advisory Committee

Agricultural and cooperative specialists bringing to bear the knowledge, resources and experience of nongovernment organizations on the Agency's program.

Members: James E. Bent, president, Hartford Federal Savings; John B. Clarke, treasurer—chief business and financial officer, Howard University; Tony Dechant, president, National Farmers Union; Clyde T. Ellis, former general manager, National Rural Electric Cooperative Association; Leon Keyserling, economic consultant; Kenneth J. Marin, former president, Credit Union National Association (CUNA, Inc.).

Also, Raymond W. Miller, president, Public Relations Research Association, Inc.; Kenneth D. Naden, executive vice president, National Council of Farmer Cooperatives; Herschel D. Newsom, master, National Grange; Walter Reuther, president, United Auto Workers; Charles B. Shuman, 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; Jerry Voorhis, former executive director, Cooperative League of the U.S.A.

The Interagency Police Group

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

Members: Chairman, Byron Engle, Director, Office of Public Safety, AID; Joseph J. Casper, assistant director, Federal Bureau of Investigation, Department of Justice; Albert A. Rabida, officer in charge, Internal Defense Policy, Politico-Military Affairs, Department of State; Maj. Gen. William E. DePuy, Provost Marshal of the U.S. Army.

Advisory Committee on International Education of Health Manpower

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

Members: Chairman, James P. Dixon, president, Antioch College; John A. D. Cooper, dean of sciences, Northwestern University; Thomas H. Hunter, chancellor for medical affairs, University of Virginia; Robert S. Jason, coordinator, medical center design and planning, Howard University College of Medicine; John W. Knutson,

professor of preventive dentistry and public health, University of California; Robert C. Long, chairman, International Committee of the American Medical Association.

Also, John A. Logan, president, Pose Polytechnic Institute; Margaret Mead, curator of ethnology, American Museum of Natural History; 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 Science, the Rockefeller Foundation; Kelly M. West, professor of continuing education, University of Oklahoma Medical School.

Development Loan Committee

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

Members: Chairman, William S. Gaud, AID Administrator; Anthony M. Solomon, Assistant Secretary of State for Economic Affairs; Harold F. Linder, Chairman of the Board of the Export-Import Bank of Washington; Winthrop Knowlton, Assistant Secretary of the Treasury.

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: Chairman, Arthur T. Mosher, executive director, the Agricultural Development Council, Inc.; C. Arthur Anderson, director, Comparative Education Center, University of Chicago; Clifford R. Barnett, associate professor of social anthropology, Stanford University; Nyle C. Brady, director of research, New York State College of Agriculture, Cornell University; Robert A. Charpie, president, Electronics Division, Union Carbide Co.; Emile Despres, professor of economics, Stanford University; Kurt W. Deuschle, chairman, Department of Community Medicine, University of Kentucky; James Hillier, vice president, RCA Labs, Princeton, N.J.; Francis Keppel, chairman of the board, president, General Learning Corp.

Also, Walsh McDermott, Department of Public Health and Preventative Medicine, Cornell University; John D. Montgomery, professor of public administration, Harvard University; Maurice L. Peterson, university dean, Division of Agricultural Sciences, University of California at Berkeley; Roger Revelle, director, Center for Population Studies, Harvard School of Public Health; Vernon Ruttan, chairman, Department of Agricultural Economics, Institute of Agriculture, University of Minnesota; F. Joachim Weyl, special assistant

to the president, National Academy of Sciences; Carroll L. Wilson, profesor of the Sloan School of Management, Massachusetts Institute of Technology.

*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: Chairman, Arthur Bardenhagen, vice president, Irving Trust Co.; John H. DeBenedictis, assistant treasurer, Chase Manhattan National Bank; James A. Harrington, assistant vice president, Bankers Trust Co.; Arthur C. Krymer, vice president, Chemical Bank New York Trust Co.; Anthony L. Leone, assistant vice president, First National City Bank; Harold T. McGrath, assistant secretary, Manufacturers-Hanover Trust Co.; William E. McGraw, assistant vice president, Morgan Guaranty Trust Co.; Henry Reuter, assistant vice president, the Marine Midland Trust Co.

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