

**THE FOREIGN  
ASSISTANCE  
PROGRAM**

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**ANNUAL REPORT TO THE CONGRESS  
FISCAL YEAR 1968**

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Some program figures used in this report for fiscal year 1968, including statistical data in the appendices, are preliminary figures and are subject to minor revision when the final analyses have been completed.

## PRESIDENT'S LETTER OF TRANSMITTAL

*To the Congress of the United States:*

I am proud to transmit the Annual Report on the Foreign Assistance Program for Fiscal Year 1968.

The year's most significant development was the sharpened focus of our aid program on the priority problems of food and population.

During the 12 months covered by this report, major breakthroughs in food production occurred in the less developed countries.

—Record harvests were achieved in Pakistan, Turkey, and the Philippines. In India food grain harvests jumped to nearly 100 million tons, 10 percent above the previous record.

—Total food output in the developing countries rose 7 percent, the largest increase on record.

United States economic aid played a major role in this Green Revolution. Our programs encouraged more effective farm price policies, helped to extend irrigation and establish farm credit systems, and provided technical assistance, fertilizer, pesticides and tools that farmers need to take full advantage of the new "miracle" seeds.

Many less developed nations are now establishing family planning programs. During fiscal 1968 the Agency for International Development committed \$35 million to help them carry out these programs. This was nine times more than AID devoted to population programs during the previous year.

This report records the continuing concentration of American aid in relatively few countries where it can be most effectively used to help others help themselves. Fifteen nations accounted for 84 percent of total economic commitments by AID during the year. They were Brazil, Chile, Colombia, Dominican Republic, India, Indonesia, Korea, Laos, Nicaragua, Nigeria, Pakistan, Panama, Thailand, Turkey, and Vietnam.

Another country, Iran, achieved self-support during the fiscal year and the United States AID mission there was formally closed.

Among the most helpful signs of our times are the breakthroughs being made by the less developed countries in food production, and the programs they have launched in the field of family planning.

It is our responsibility—and the responsibility of other more developed nations—to give their efforts firm support through our foreign assistance program. To do less would be to court catastrophe in a world growing smaller day by day.



LYNDON B. JOHNSON

THE WHITE HOUSE,  
*January 1969*

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## . INTRODUCTION

The Agency for International Development committed \$2.18 billion for economic assistance in fiscal year 1968, \$238 million less than in fiscal 1967. The reduction resulted primarily from decreased appropriations. Developing countries of particular interest to the United States needed more support than the AID program was able to provide.

AID continued to emphasize long-term development, largely through Development and Alliance for Progress Loans and technical assistance programs.

The reduction was concentrated primarily in Supporting Assistance and Development Loan funds, although nearly all funding categories were lower. Commitments for Development Loans dropped \$70 million to a total of \$1.04 billion. Supporting Assistance commitments were \$594 million, a reduction of \$124 million, due to temporarily lessened needs in Vietnam and a continued policy of curtailing Supporting Assistance programs where possible.

Commitments for fiscal 1968 were as follows:

	<i>Millions</i>
Development and Alliance for Progress Loans.....	\$1, 038. 7
Supporting Assistance.....	594. 5
Vietnam.....	393. 6
Other.....	200. 5
Technical Cooperation (Including Alliance for Progress).....	295. 8
Contingency Fund.....	27. 5
Contributions to International Organizations.....	134. 9
Administrative Expenses and Other.....	81. 3
Total.....	*\$2, 178. 0

\*Rounded figure includes \$5.3 million capitalized interest.

The United States again contributed more than any other nation to assist the developing world. The U.S. proportion of the total, however, continued to decline. In calendar year 1967 the United States ranked seventh in percentage of national income devoted to governmental foreign assistance. This country also has tightened its terms for providing aid. Several nations now offer development loans on easier terms than the United States. Among these countries are Belgium, Denmark, France, the Netherlands, Sweden and the United Kingdom.

Commitments by AID in fiscal 1968 constituted the largest category of U.S. economic assistance, but the addition of categories not included in the Foreign Assistance Act brings total obligations to about \$4.2 billion.

During fiscal 1968 total U.S. Government commitments for such economic assistance were as follows:

	<i>Millions</i>
AID-----	\$2, 178
Public Law 480-----	1, 424
Inter-American Development Bank-----	300
Peace Corps-----	106
International Development Association-----	104
Asian Development Bank-----	20
Other-----	61
<b>Total-----</b>	<b>*\$4, 193</b>

\*The U.S. Export-Import Bank in fiscal 1968 made long-term loans totaling \$562 million to promote U.S. exports to less developed areas of the world. These loans, however, are at or near commercial interest rates and are usually of medium maturity.

## I. AID APPROPRIATION CATEGORIES

The largest portion of AID funding, \$1.04 billion, was in the form of dollar-repayable Development and Alliance for Progress Loans. In fiscal 1967 such loans totaled \$1.11 billion.

Supporting Assistance—to sustain nations under military or economic threat—amounted to \$594 million. This was a substantial reduction below the level of fiscal 1967 and was due largely to lower commitments for Vietnam.

Funding for Technical Cooperation, including the Alliance for Progress, totaled \$296 million, down about \$21 million from the fiscal 1967 total. These programs help to build the skills and institutions required for growth in the developing countries.

To meet unexpected requirements for assistance \$28 million was provided through the Contingency Fund.

### DEVELOPMENT LENDING

Development Loans totaling \$1.04 billion\* were committed in fiscal 1968. They were divided 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 countries import U.S. goods needed in support of a comprehensive development program and specific major commodity requirements.

Project and program loan commitments in fiscal 1968 emphasized increased agricultural production and other rural improvements. The Development Loan total decreased \$83 million.

#### *Project Loans*

AID authorized 54 project loans amounting to \$307 million in 25 countries including several regional projects. Projects supported included expansion of the Trombay fertilizer plant in India, construction of water supply systems in Guyana, Panama, Nigeria and Tunisia, and malaria eradication efforts in Pakistan, Brazil, Costa Rica, El Salvador, Honduras and Nicaragua.

\*Includes \$13 million in grants for population programs under Title X of the Foreign Assistance Act.

Approximately 30 percent of the amount of project loans (up 10 percent from fiscal 1967) was directly to help increase farm output and improve rural life. Another eight percent was for improvement of educational institutions, while about 25 percent was for health facilities. Other loans provided for development of power and transportation facilities.

### *Program Loans*

AID's program loan commitments in the fiscal year totaled \$718 million, an increase of \$111 million over fiscal 1967. India continued to be the largest single recipient with two loans totaling \$248 million, primarily to support the import of fertilizer and fertilizer materials and other aids to food production.

AID continued to require adequate self-help performance in certain key areas of a country's economy as a condition of a program loan. In this way, the Agency can encourage measures and policies which contribute to economic and social progress.

### *Debt-Servicing Capacity*

The debt-servicing capacity of many developing countries remained a problem. AID continued to analyze this problem and to seek solutions through discussions with officials from assisted countries and other aid-giving nations.

It is AID 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. In most cases during fiscal 1968, it was necessary to authorize loans on the minimum terms established by the Congress—a 10-year grace period at two percent interest, followed by a 30-year repayment period at 2.5 percent interest.

## TECHNICAL COOPERATION

AID's Technical Cooperation program is designed to provide the critical, noncapital assistance necessary for development. The aim is to help build human skills, knowledge, motivation and institutions.

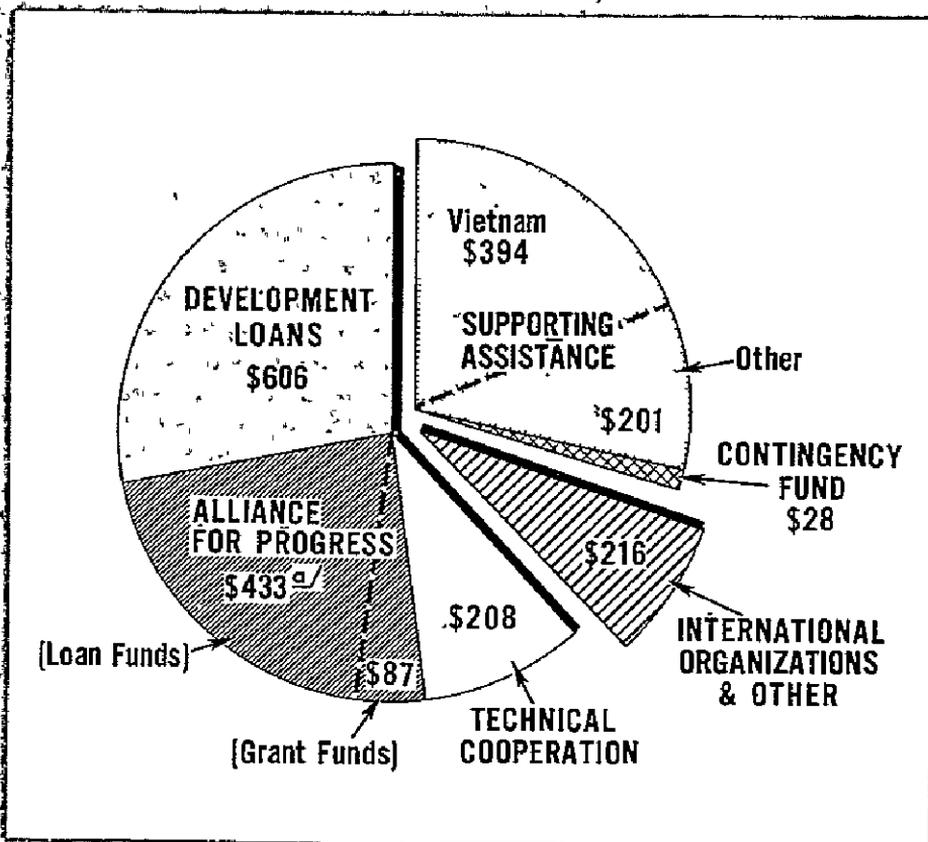
The fiscal 1968 Technical Cooperation commitments total \$296 million, compared to \$316 million in fiscal 1967. Included in this total were Alliance for Progress funds committed for Technical Cooperation in Latin America amounting to \$78 million. Other regional commitments were \$68 million for Africa, \$44 million for East Asia and \$35 million for the Near East and South Asia. The remaining \$70 million\* was for non-regional activities such as program support costs and the AID research program.

Much of this assistance is provided by technicians and expert advisors working as direct hire AID technicians, as employees of other

\*Includes \$10 million in Alliance for Progress grants used for program support of non-regional programs.

## FY 1968 AID PROGRAM BY APPROPRIATION CATEGORY

(Millions of Dollars)



**TOTAL \$2,178 Million<sup>b/</sup>**

<sup>a/</sup> Includes \$13 million on a grant-basis for Population Programs.

<sup>b/</sup> Total includes \$5 million capitalized interest.

Federal departments under Participating Agency Service Agreements (PASAs) or as employees of an AID contractor, university or private institution. At the end of fiscal 1968, 7,758 technicians were serving abroad, including 4,065 under direct hire, 1,183 under PASAs and 2,510 under AID contract.

The deployment of technician skills reflected the Agency's increasing stress on the war on hunger, disease and ignorance. The number of technicians engaged in agriculture was 1,209; in education activities, 969, and in the fields of health and family planning, 625.

Technical cooperation also takes the form of training in the United States or in other countries for scientists, managers, administrators, technicians and teachers from the less developed nations. These trainees, selected on the basis of their potential contribution to development of their homeland, receive instruction under the auspices of AID, its contractors and participating Federal agencies. About half are enrolled at U.S. universities, while the others receive on-the-job and observational training or participate in various job-related activities in this country.

AID sponsored 5,602 foreign nationals who arrived in the United States during fiscal 1968 for training under AID and contractor auspices. Arrivals included 2,432 from Latin America, 1,276 from East Asia and Vietnam, 1,016 from Africa and 878 from the Near East and South Asia. Agriculture, public administration, education, public safety, labor, industry and health were the chief fields of training.

During the year, 2,945 trainees arrived under AID auspices for study in other countries. These arrivals included 1,630 in East Asia, 583 in the Near East and South Asia, 574 in Latin America and 158 in Africa.

A recent worldwide survey by AID of some 19,000 foreign nationals trained under AID sponsorship revealed that 87 percent of them still have jobs which relate to their training in the United States. During fiscal 1968 the 100,000th such foreign national completed his training in this country.

## SUPPORTING ASSISTANCE AND THE CONTINGENCY FUND

Supporting Assistance fosters national security and foreign policy objectives:

- It helps needy countries contribute to common defense or internal security.
- It helps resist economic instability or other problems growing from the burden of military expenditures.

In fiscal 1968 AID's Supporting Assistance commitments totaled \$594 million, a decrease of \$124 million from the total of the previous year. The reduction was partly the result of a curtailment of some activities in Vietnam because of heavy Communist attacks on major cities, but it was also a result of AID's effort to minimize use of Supporting Assistance funds. Twelve countries received Supporting Assistance.\*

The largest single commitment of funds was for the Vietnam program, which received \$394 million or 66 percent of all Supporting Assistance obligations. Korea, Laos, Thailand, the Dominican Republic, Jordan and Congo (Kinshasa) received most of the remaining commitments.

AID's Contingency Fund is used to help meet unforeseeable requirements for assistance.

Contingency Fund commitments in fiscal 1968 were \$28 million, a decrease of \$22 million from the level of 1967.

Major Contingency Fund grants or loans during fiscal 1968 were for Indonesia, the United Nations Forces in Cyprus, and the Tarbela Dam portion of the Indus Basin development complex. Disaster relief expenditures from the Contingency Fund totaled over \$2 million.

\*Three additional countries—India, Nepal and Pakistan—received supporting assistance funds only for population programs under Title X of the Foreign Assistance Act.

## II. ECONOMIC ASSISTANCE PROGRAM

Assistance is concentrated under AID policy in relatively few countries. In fiscal 1968, 15 countries accounted for 87 percent of AID's total country assistance. Vietnam received the largest commitments, followed in order by India, Brazil, Pakistan, Colombia, Korea, Turkey, Laos, Chile, Thailand, Dominican Republic, Indonesia, Nicaragua, Nigeria and Panama.

Development Loans are concentrated in countries where development efforts, especially self-help performance, show the greatest promise of success. Eighty-three percent of all Development Loans in fiscal 1968 were committed to eight countries: Brazil, Chile, Colombia, Dominican Republic, India, Korea, Pakistan and Turkey.

Supporting Assistance is concentrated in countries where internal and external threats to security are greatest and where stability is important to U.S. national security and foreign policy interests. Four countries—Korea, Laos, Thailand and Vietnam—received 91 percent of Supporting Assistance commitments, with Vietnam alone receiving about two-thirds of the total.

### *Progress Toward Self-Support*

AID's objective is to help developing countries achieve self-sustaining growth. AID programs have already assisted a number of nations to reach this stage. The United States was able to end AID programs to Iran and Israel in 1967.

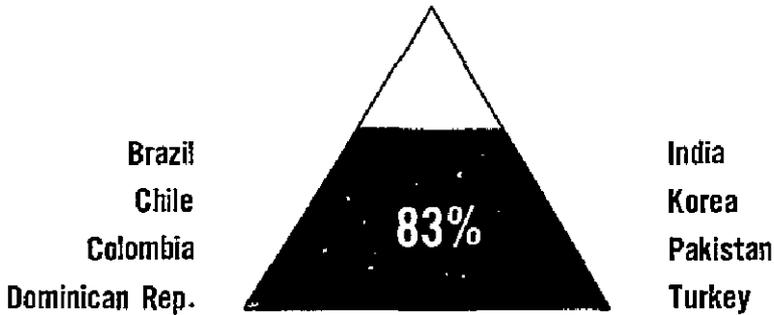
To qualify for development assistance, countries must agree to carry out effective self-help steps on their own. In fiscal year 1968 the major recipients of AID development assistance invested an average of \$5 from their own resources for development purposes for every dollar's worth of help from AID.

Self-help also means adopting sound basic economic policies. During fiscal 1968:

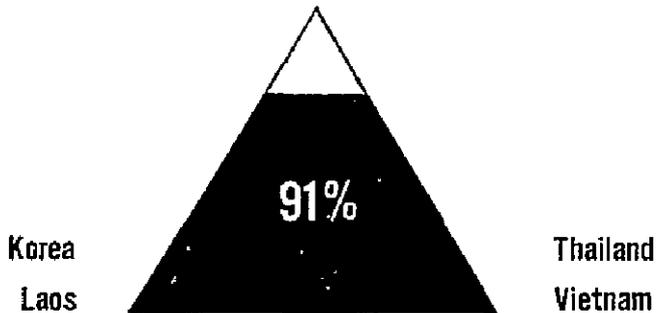
- Brazil raised taxes and held the line on government expenditures without interfering with priority programs in agriculture and education.
- Indonesia adopted a stabilization program calling for reduced government deficits and tighter monetary policy to help limit inflation.

## AID CONCENTRATES ITS PROGRAM FY 1968

### Development Loans — 8 Countries



### Supporting Assistance—4 Countries



In fiscal 1968 AID continued use of loans to encourage self-help steps in such basic areas as agriculture and education.

In Pakistan, for example, AID loans helped increase incentives for farmers to use high-yield wheat and rice seeds. AID financed imports of seeds and fertilizers when Pakistan undertook sound economic and administrative reforms.

Pakistan's development plan in agriculture, which calls for self-sufficiency in food grains by the early 1970's, is on schedule. Wheat and maize yields in some parts of the country, for instance, are already up by as much as 500 percent.

A nation's rate of saving is a key index of self-help. In Korea, savings have climbed from virtually nothing six years ago to about 13 percent of the gross national product (GNP). Per capita GNP has grown over the same period to \$155, an increase of about 40 percent. AID's assistance to Korea is undergoing a planned reduction as the country approaches self-sufficiency.

## *Implementation of Title IX*

Title IX of the Foreign Assistance Act calls for increasing popular involvement in development, especially through participation in democratic private and public institutions. During fiscal 1968 AID guided its programs toward this objective.

Representatives of AID and the Department of State met with academic authorities in the social sciences during a six-week conference to study problems of implementing Title IX. A \$700,000 contract with the Fletcher School of Law and Diplomacy was negotiated for research, training and consultation on Title IX matters.

Further research was begun and numerous seminars, conferences and orientation programs were held to brief and train AID personnel on Title IX programs. In addition, AID began a review of all overseas programs to measure progress toward Title IX objectives.

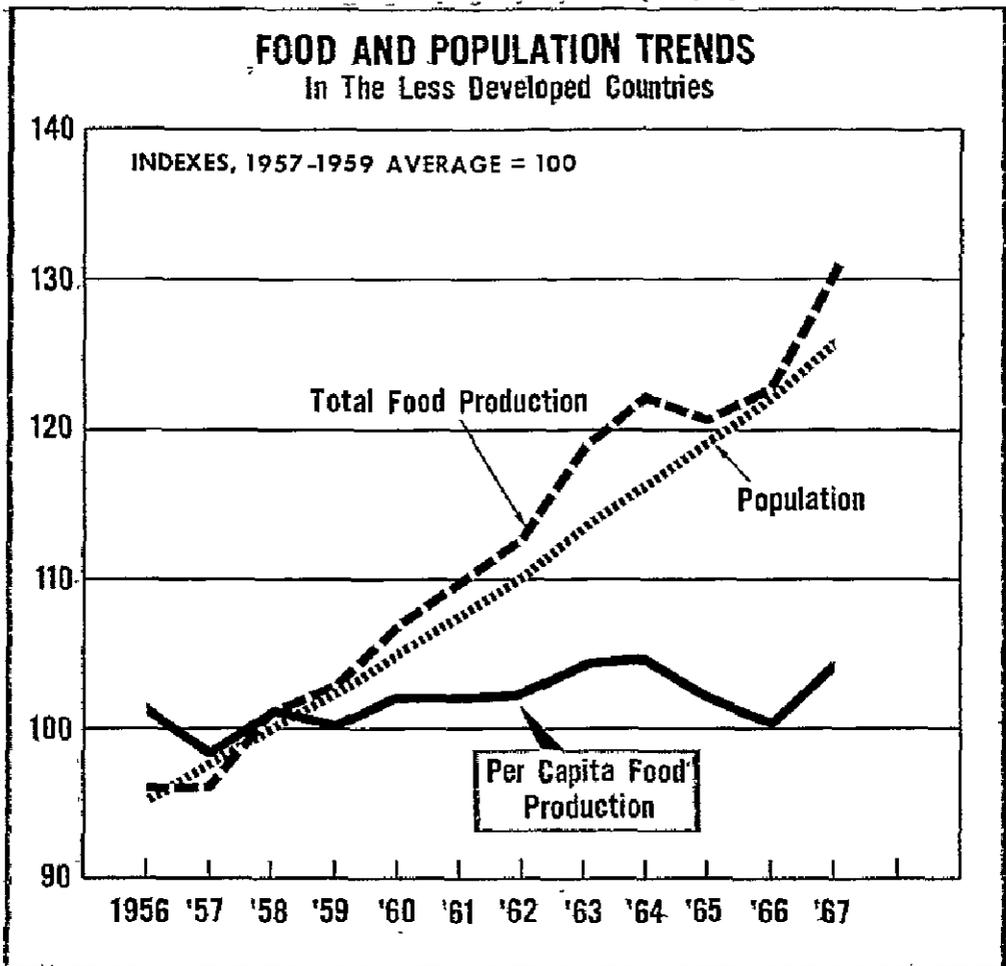
## THE WAR ON HUNGER

The effort to balance food and population in the developing countries—the War on Hunger—intensified during fiscal 1968. There were several notable developments:

- Agricultural production continued upward. Total food output in the developing countries set records, rising seven percent between 1966 and 1967. AID's commitment in agriculture totaled \$519 during fiscal 1968.
- Population and family planning activities increased as AID committed approximately \$35 million, triple the total for the previous three years. In addition, \$50 million in local currencies was obligated for family planning programs.
- The number of people benefiting from Food for Work projects rose to 12 million. The number of children who received nutritional foods donated through the Food for Freedom programs increased to 48 million in 106 countries.
- The first commitments were made toward introducing Fish Protein Concentrate into the growing list of high-protein foods.
- Funds were obligated for the first time to build the competence of U.S. institutions to deal with long-range major development programs. For instance, contracts totaling over \$1 million were signed with six U.S. universities already working on Indian agricultural development.

## *The "Green Revolution"*

Throughout the developing countries—Asia, particularly—grain production set records. New high-yielding varieties—such as IR-8 and



IR-5 rice developed in the Philippines and wheat strains imported from Mexico—helped produce in several countries an upturn dramatic enough to be termed a “Green Revolution.”

Helped by good weather, the increased use of fertilizers and pesticides and greater availability of credit and marketing resources, many countries enjoyed bumper harvests in 1967. India reported the following increases over the 1957-59 average: 76 percent in wheat, 36 percent in rice, 16 percent in sorghum and 62 percent in corn.

Pakistan’s rice production rose 45 percent over the average. In wheat, the increase was 70 percent and corn, 65 percent.

A vital ingredient in production of record crops was the amount of fertilizer used. AID financed well over three million tons of fertilizer in fiscal 1968, compared to two million tons in 1967.

AID research in agriculture included:

- Development of Baisaikhi, a high-protein mung bean which matures in 75 days and can be used in multiple cropping.

- Projects at Purdue University and the University of Nebraska to improve the protein quality of sorghum and wheat, respectively.
- Development of new varieties of hybrid corn in Kenya and beans in El Salvador.
- A \$400,000 contract with the International Rice Research Institute of Los Banos in the Philippines—where IR-8 was developed—to permit expanded research and training.

AID financed several projects in the continuing effort to solve problems of food pricing, storage, distribution and marketing. An analysis of factors involved in changes in food production was begun by the U.S. Department of Agriculture. The USDA also undertook a study of the potential worldwide demand for farm exports from developing countries. Ohio State University is analyzing the use of capital by such countries in solving problems of food pricing, storage, distribution and marketing.

### *Population and Family Planning*

The Congress earmarked \$35 million for family planning assistance to the developing world in fiscal 1968, and AID committed virtually the entire amount for programs in 26 countries and for various regional, interregional and nonregional activities.

The Agency's guidelines governing assistance in family planning remained unchanged: assistance is in response to requests from developing countries which must decide on their own population policies and methods of family planning. Individual participation and choice of family planning methods must be voluntary.

Assistance in the population and family planning field during fiscal 1968 included:-

- Over \$18 million in direct assistance to country programs.
- Major expansion of overseas programs of non-governmental organizations with extensive experience in the family planning field—the International Planned Parenthood Federation, the Population Council and the Pathfinder Fund.
- Grants to U.S. universities for a five-year program to create the required U.S. institutional base for training, research, and for supplying advisory services to overseas programs.
- Over \$3 million for additional interregional, regional and research activities.
- Some \$13 million for purchase of commodities from the United States, including \$5 million for AID's first financing of contraceptives for developing countries.

## *Public Law 480*

Sales and donations to the less developed countries under Public Law 480 totaled more than \$1.4 billion, of which \$1 billion was in sales for dollars or foreign currencies. Donations included \$217 million for U.S. voluntary agencies and \$178 million for emergency relief and economic development.

### *Nutrition and Food From the Sea*

In addition to the corn-soya-milk (CSM) blend supplied through Food for Freedom programs to provide more nutrition to the diets of people receiving U.S. commodities, steps were taken to furnish other high-protein foods. AID's first contract to a private firm for the production of Fish Protein Concentrate was let for \$900,000 to produce a thousand tons of this commodity. Additionally, funds were provided for FPC feasibility studies in Chile and Korea.

The High Protein Food Studies program, designed to increase supplies of protein foods in developing countries through private enterprise, was expanded. AID has now signed contracts with nine major companies for the development and test-marketing of high-protein foods.

A significant agreement was signed with a consortium of scientific organizations which will provide information and assist in solving technical problems in nutrition and child-feeding programs.

To assist in school lunch programs, AID sent teams to the Philippines and Brazil. These volunteers were recruited from the membership of the American School Food Service Association.

## **HEALTH PROGRAMS**

Excluding funding for programs related to population matters, AID committed \$184 million for health programs during fiscal 1968. These funds were used to:

- Support disease control or eradication efforts in battling such killers as malaria, measles, smallpox, cholera and other epidemic diseases.
- Provide development loans for national water and sewerage systems.
- Assist in development of manpower to conduct health programs.
- Engage in health research that provides for new approaches to the control and eradication of epidemic and endemic diseases.

Panama and Paraguay were added to the malaria program, bringing to 18 the total number of countries with AID-assisted programs to eradicate the disease. These programs protect a total of 738 million people.

To combat measles and smallpox, AID budgeted over \$7 million. This program is being carried out by the National Communicable Disease Center of the U.S. Public Health Service in cooperation with the World Health Organization. It is providing immunization for the populations of 18 African countries during a five-year period.

In addition to the program in Africa, AID has established a smallpox vaccine reserve of 20 million doses of jet-injector freeze-dried vaccine which is administered by the Communicable Disease Center. This reserve is for use in countries other than Africa which face the threat of an epidemic.

Emphasis was on management, operation and maintenance of water and sewerage systems to lessen the danger of diseases caused by pollution. Capital projects in water supply now aggregate more than \$150 million.

Beyond its work in bilateral health programs, AID contributed to programs of the World Health Organization, Pan American Health Organization, United Nations International Children's Emergency Fund and Southeast Asia Treaty Organization.

## RESEARCH AND INSTITUTIONAL GRANTS

Research activities emphasized food and population problems. Of the 10 new research projects authorized in fiscal 1968, eight dealt with agriculture, health, population and nutrition. Of the 24 projects from previous years that required additional financing, 19 were in agriculture, health and nutrition. In all, over \$7 million was obligated for research. At the end of the fiscal year, AID was financing 70 research projects.

Ten institutions received more than \$7 million—the first grants under Section 211(d) of the Foreign Assistance Act. This authority aims to build institutional competence to deal with economic and social development problems. Three grants were for studies in the population and family planning field, six for a rural agricultural development program in India and one for democratic development.

## EDUCATION

AID committed about \$199 million for education and manpower training in developing countries during fiscal 1968. The Agency supported efforts to increase the number and quality of teachers and to produce textbooks and instructional materials.

AID continued to support regional centers of higher education as a means of reducing the need for foreign nationals to train in the United States. Special progress in this respect was noted in Africa and Southeast Asia.

About 80,000 student teachers in underdeveloped countries were enrolled in college level AID-assisted schools in fiscal 1968, some 5,000 more than in the previous year. Another 108,000 student teachers attended AID-assisted schools below college level. Almost 60,000 teachers completed their courses in fiscal 1968. Just under 100,000 teachers received inservice training with AID help. Some 24 million students other than teacher-trainees were enrolled in AID-assisted schools. About 13,000 classrooms were constructed with financial support from AID.

The Agency continued to support science education with special summer science institutes in India and Pakistan and a contract with the National Science Foundation. The contract calls for the Foundation to provide information on inexpensive science education and laboratory equipment which lends itself to production within the developing countries.

Sector loans for education, requiring both the lender and recipient to take a broad view of the education sector and its relationship to the rest of the economy, received special consideration in Latin America. These loans provide incentives for educational reform, innovation and new technologies and represent a major new approach in assisting education.

Some examples:

- Brazil, assisted by a \$32 million education sector loan, embarked on an ambitious program of modernization and expansion at the secondary level. The loan agreement is designed to reinforce widespread Brazilian self-help efforts.
- Chile received a sector loan of more than \$16 million to accelerate educational reforms already started.
- A loan and grant totaling almost \$3 million to El Salvador for educational television contains promise of revolutionizing education in that country and providing a pilot demonstration for other Latin American countries.

## PRIVATE RESOURCES

During fiscal 1968, AID intensified its efforts to engage the resources of individuals, corporations, financial institutions, associations and voluntary groups in the task of development.

A private Investment Center and a Private Resources Development Service were established within the Office of Private Resources. The Investment Center, which serves as the focal point for the administration and coordination of investment incentive programs, was given new direct administrative and financing functions in carrying out these programs.

Through the Development Service, AID is supporting an increasing number of private U.S. organizations which are carrying out development programs in less developed countries. The Agency's involvement ranges from traditional contract relationships with these organizations to partial grant support of their privately managed and independently programmed technical activities. Private organizations supported in these ways are bringing demonstrated capacity, high motivation and substantial resources to bear on important development problems. The International Executive Service Corps, Volunteers for International Technical Assistance and the Council for International Progress in Management are examples of organizations receiving this type of support from AID.

### *Investment Incentives*

To assist U.S. investors in finding investment opportunities, AID reimburses a U.S. company up to 50 percent of investment survey costs if the company decides not to invest and submits an acceptable survey report to the Agency. In fiscal 1968, 32 such survey contracts were approved and five positive decisions to invest resulted from completed surveys—all in the high-priority area of agricultural investment. This brings to more than \$68 million the cumulative total of investments made or firmly planned as a result of 36 surveys of particular promise since inception of the program in fiscal 1962. Forty-eight previously approved surveys are still under way. It is estimated that this program generates about \$80 of new investment for each dollar spent by AID.

The Agency is taking new steps to stimulate private U.S. investment in high-priority businesses in developing countries. To promote development of much needed nutritional products, for instance, AID has contracted with 10 companies to explore the production and marketing of high-protein beverages and diet supplement food products. AID is encouraging U.S. companies to develop large-scale integrated agricultural projects in Africa. Sixteen survey teams have conducted 32 large-unit agriculture studies, two of which have already moved toward actual investments.

Under AID's financial institution investment promotion program in Africa, four groups of investment houses and commercial banks have contracts to locate specific investment opportunities and promote them among their customers. Some 150 opportunities have been chosen for promotion. AID finances these investment studies and receives repayment through profits of the enterprise which results from such efforts.

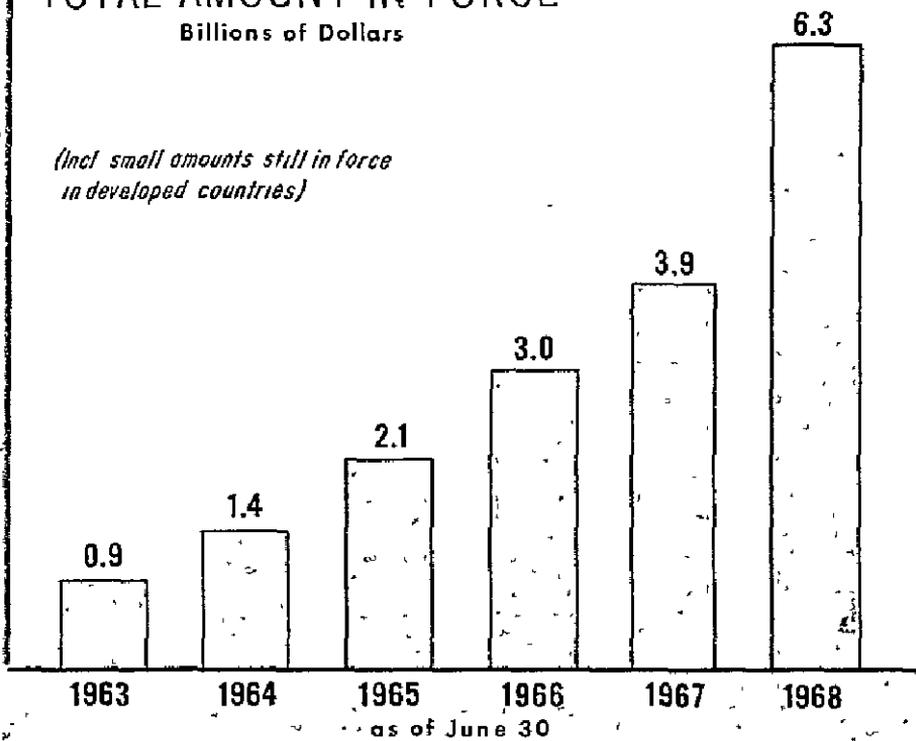
AID is helping to finance the newly established Inter-American Investment Development Center (IIDC) in New York, a privately operated experiment aimed at identifying and screening investment opportunities in Latin America and promoting them through private

# AID INVESTMENT INSURANCE PROGRAM

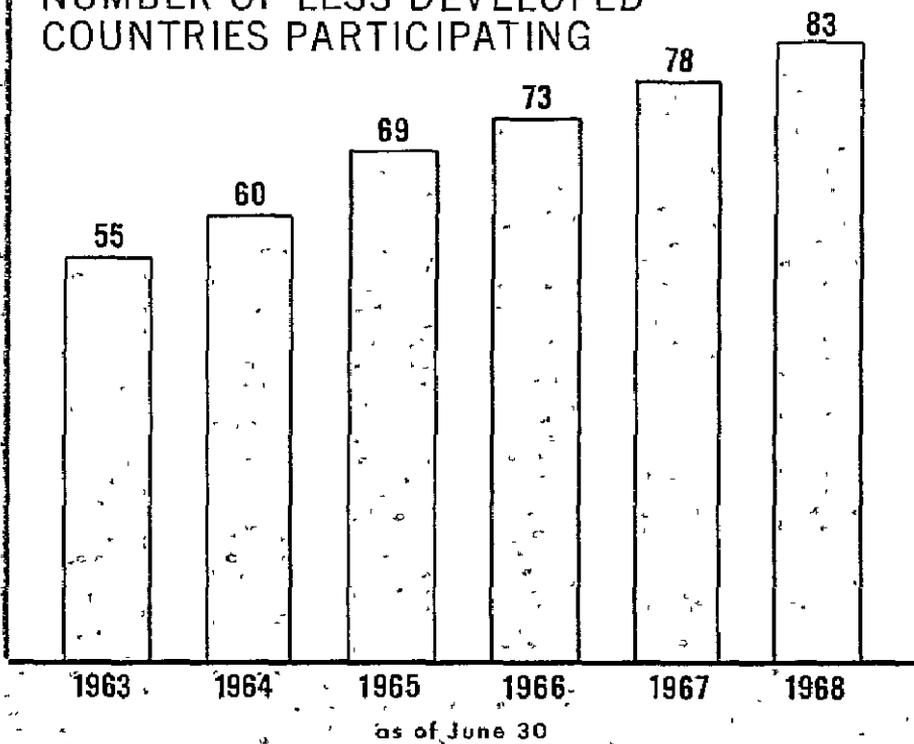
## TOTAL AMOUNT IN FORCE

Billions of Dollars

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



## NUMBER OF LESS DEVELOPED COUNTRIES PARTICIPATING



consulting firms and banks. Since the IIDC opened its doors in January 1968, nine investment opportunities have been selected for promotion.

### *Investment Insurance*

The most widely used of AID's investment incentive programs is its insurance of private loans and equity against loss due to specific political risks of war, revolution or insurrection, expropriation or nationalization, and currency inconvertibility.

In fiscal 1968, 617 coverages totaling \$2.5 billion were written covering \$1.06 billion worth of investment. This brings to \$6.02 billion the total outstanding coverage, \$3.54 billion of which was issued in the last two fiscal years. Political risk insurance is now available in 83 countries.

Income from insurance fees is running about \$15 million per year, and the total collected is over \$58 million. These funds are held in reserve against possible future claims, and to pay program expenses directly related to operation of the guaranty programs, as authorized by the Congress.

### *Investment Financing*

Under the Extended Risk Guaranty Program 11 guaranties were authorized. These cover, in certain cases, up to 75 percent of U.S. private investment against almost all risks except fraud or misconduct. Projects covered included farm business ventures, multiple investment studies, projects of the Atlantic Development Company for Latin America, a private multinational investment company and loans made by the Credit Union National Association to private Latin American credit unions. A group of American investors in Africa (Chanas Fund) and U.S. lenders to the new Indonesian satellite station also bought extended risk coverage.

The more than \$82 million worth of Extended Risk Guaranties issued since the program began in fiscal 1962 have assisted projects with a total capitalization of \$374 million. One claim of \$111,160 was paid in fiscal 1968.

By the end of fiscal 1968, AID had issued guaranties to U.S. investors in Latin American housing projects totaling over \$272 million (55,895 dwelling units). AID also issued \$10 million in housing investment guaranties in East Asia (2,141 units) and \$18 million in Africa (2,750 units).

### *Local Currency Loans*

The dollar equivalent of more than \$43 million in local currency loans was approved. These loans were for 21 development projects of U.S. firms and their foreign affiliates or foreign firms using U.S.

agricultural products. Projects included fertilizer plants in India and Pakistan, a petroleum refinery in India, cotton storage in Korea, pipe manufacture in Colombia and grain storage in Israel.

Local currency loans for the Near East and South Asia alone were valued at more than \$37 million, by far the biggest amount to any region. The largest loan was the equivalent of more than \$14 million to Dawood-Hercules Chemicals Limited for a major fertilizer project in Pakistan. Lube India Limited received a Cooley loan valued at over \$8 million for construction of a refinery in India.

### *Technical Service Contracts*

As fiscal 1968 ended, AID had 1,396 technical service contracts in effect with a total value of \$629 million for work in 67 countries. This included \$204 million in contracts with 70 American universities engaged in projects in 40 countries. The value of the technical service contracts increased \$92 million over the previous year.

The 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.

U.S. assistance to cooperatives was focused on credit unions, agricultural credit, housing, rural electrification, savings and loan associations and agricultural marketing. A major development was the start of negotiations among a U.S. cooperative group, the Indian Government and Indian cooperatives to establish a \$119 million fertilizer plant in India.

### *Voluntary Agencies*

Voluntary agencies have begun to evolve longer-range programs to help build human and natural resources in developing countries. Included are technical assistance projects in health, education, welfare, agriculture, community development and small industries.

Approximately 500 agencies, missions and foundations are active in overseas development projects. Of that number, 78 were registered with AID's Advisory Committee on Voluntary Foreign Aid in fiscal 1968, an increase of five over last year. Registration enables participants to apply for reimbursement for the cost of transporting to assisted countries privately donated supplies of medicine, drugs, hospital equipment, agricultural tools and machinery, clothing and food. In fiscal 1968, AID obligated more than \$5 million for shipments by 35 registered agencies and the American National Red Cross. Registered agencies may also apply for excess U.S. Government property, and, under the Food for Freedom program, agricultural commodities. AID pays the ocean freight costs of shipping such commodities overseas.

## Disaster Relief

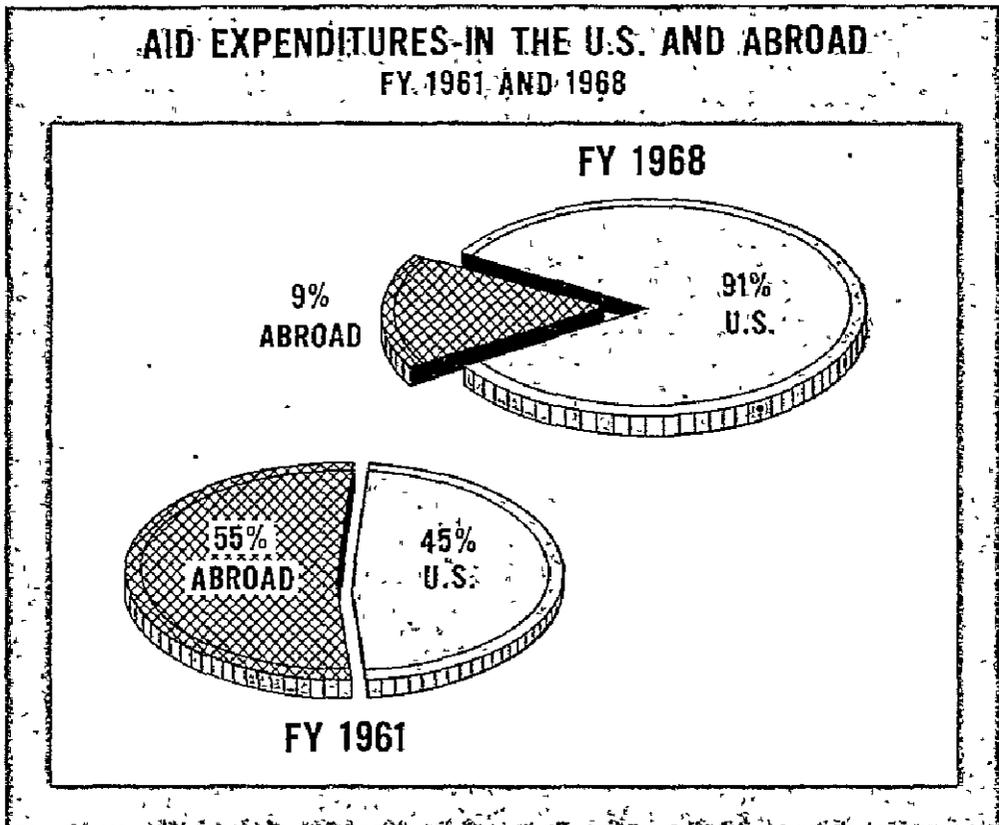
During fiscal 1968, AID expenditures for disaster relief totaled almost \$8 million.\* Contributions of Public Law 480 commodities for disaster relief were valued at more than \$21 million.

The United States provided assistance to an estimated 5.5 million victims of 55 foreign disasters. Assistance was provided 11 times in Africa, 3 in Europe, 15 in Latin America, 13 in the Near East and South Asia and 13 in East Asia and Vietnam.

### AID AND THE BALANCE OF PAYMENTS

A Presidential Directive in January 1968 required AID to reduce its offshore expenditures to less than \$170 million in calendar year 1968. This contributed to the following changes in fiscal year 1968:

- Ninety-eight percent of AID's commodity requirements were purchased in the United States. This compares with 96 percent in fiscal 1967 and 90 percent in fiscal 1966.
- Ninety-one percent of AID's total expenditures were made in the United States, an increase of nine percentage points in two years.

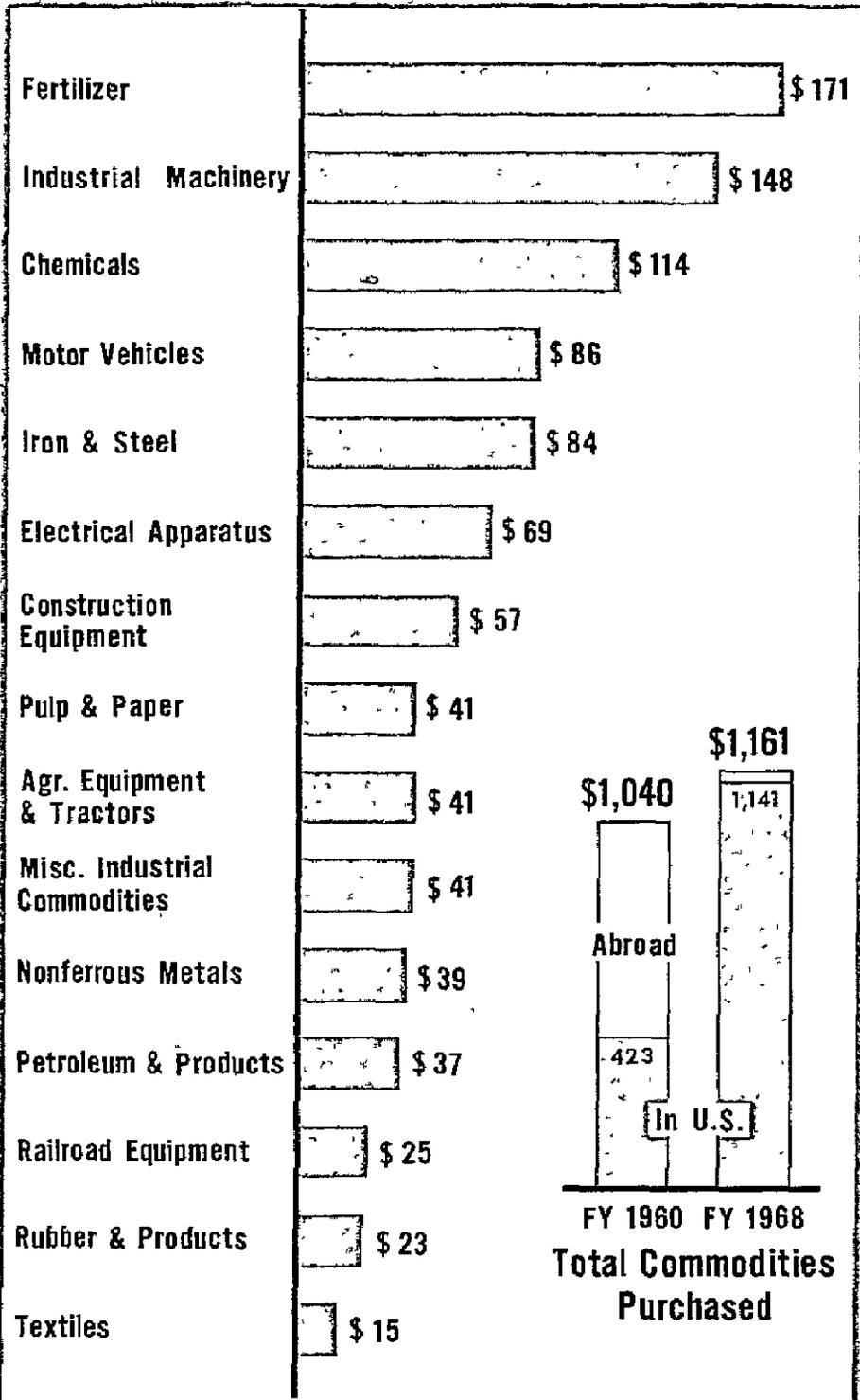


\*Includes country assistance funds for Vietnam.

# FY 1968 FINANCING OF MAJOR U.S. COMMODITIES

Major U.S. Commodities Purchased Under AID Programs

FY 1968 - - Millions of Dollars



- AID's gross offshore expenditures fell to about \$178 million compared to \$222 million\* in fiscal 1967. With receipts of principal and interest amounting to \$259 million from earlier loans, the net impact on the U.S. balance of payments in fiscal 1968 was a gain of approximately \$81 million. In addition, AID programs helped extend American commercial influence to areas where it has been traditionally weak.

- Together with the Departments of the Treasury, Commerce and State, AID established an "Additionality Working Group" which seeks to assure that U.S. commercial exports are not adversely affected by AID-financed exports. This group discusses with assisted countries the need for maintaining or increasing imports from the United States to minimize any negative impact from AID programs on the U.S. balance of payments. It has also created a reporting system identifying indirect costs of AID programs and ways to reduce them.

## MANAGEMENT PROGRESS

During fiscal 1968, continuing improvements were made in the management of the foreign aid program. The Agency's staffing level, except for the Vietnam program, declined significantly and decisions were made which will result in further sharp reductions in employment.

As a result of increased automation, greater efficiency in the procurement function, and related actions, the Agency again exceeded its cost reduction goals. In addition, the Agency adopted new procedures to improve program evaluation methods.

### *Staffing*

At the end of the year, AID's direct-hire employment was 8,753 Americans and 9,277 foreign nationals. As a result of AID's expanded Vietnam program the total of 18,030 is an increase of 719 from the previous fiscal year. Agency staffs other than Vietnam reduced their employment by 938 during the year.

Together with other Federal agencies which have overseas operations, AID participated in the President's balance of payments exercise to reduce overseas operating costs. As a result, the Agency's December 1967 employment levels overseas are being reduced by almost 1,400 direct-hire employees paid from appropriated funds. A part of this

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\*This figure is revised from the \$320 million cited in last year's report, due largely to the recognition of larger reverse flows from current AID expenditures than originally calculated.

reduction has already taken place and the entire reduction is scheduled to be achieved by September 1969.

Full-time permanent employment in Washington was reduced at the end of the fiscal year by 220 persons from December 1967 levels.

### *Organizational Changes*

To improve the speed and quality of personnel services, as well as to reduce significantly the size of personnel staffs, most of the Agency's personnel functions were centralized in the new Office of Personnel and Manpower. The new office brings together the operating personnel responsibilities of three regional bureaus, the Office of Public Safety, and the former Office of Personnel Administration which was abolished.

A Position Management Review Committee was established to guide an internal appraisal of activities. The committee's action resulted in a substantial reduction of small organizational elements and supervisory positions. In addition, new organization controls were introduced and a position classification review of all offices was begun.

### *Cost Reduction*

At the beginning of the year, AID established a goal of \$12 million in cost reductions. This goal was more than doubled with total savings in excess of \$27 million for the year. Efforts to reduce workload on overseas posts resulted in more than 200 suggestions, many of which have already been accepted and implemented. Required field reports have been reduced by 16 percent.

### *Operations Improvement*

AID has taken steps to assure a more complete review of its operations. Emphasis was placed on planning assistance methods and effective use of resources previously approved. The Agency has established an Audit and Compliance Committee to assure that information from audits, inspections and other reports is pursued to a prompt and logical conclusion. A newly designated Deputy Assistant Administrator for Administration and a senior officer within each regional bureau are responsible for supervising this operation.

A new program evaluation system was established. The main objective is the regular, critical analysis of all Agency programs and projects to determine that objectives are being met, that costs are realistic, and that both the U.S. interest and recipient country development are being served. The evaluation system provides for prompt reporting to improve program planning and execution. Key responsibility is delegated to missions, but each regional bureau has designated evaluation officers to support the effort and a Program Evaluation Committee has been created to serve as a clearing house for the exchange of evaluation experience.

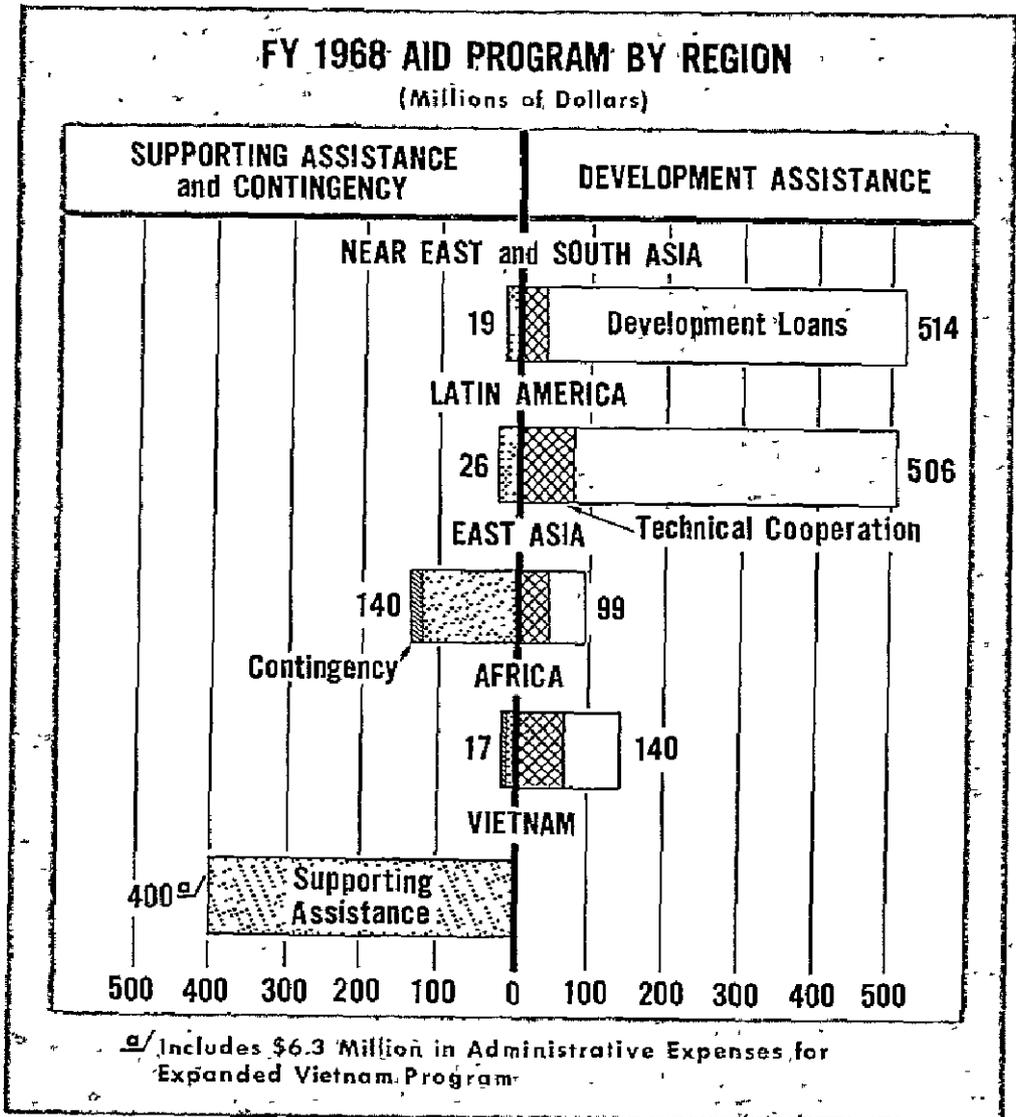
## USE OF EXCESS PERSONAL PROPERTY

Section 608 of the Foreign Assistance Act authorizes AID to acquire excess property, in advance of known need, for use in programs for less developed countries. Under this authority, in fiscal 1968, AID provided equipment with an original value of over \$24 million. The cost to AID was under \$5 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 from sales of U.S. agricultural commodities under the Food for Freedom Program.

### III. ECONOMIC PROGRAM BY REGIONS

The regional pattern of assistance was generally unchanged in fiscal 1968.

The Near East and South Asia—with a number of nations progressing toward self-sustaining economic growth—received the largest commitments of Development Loans. Latin America and Africa, seeking to build the skills required for development, were provided with the biggest share of Technical Cooperation. Vietnam claimed the major portion of Supporting Assistance in its continuing defense effort. More than half the commitments to East Asia were in the form of Supporting Assistance to Korea, Laos and Thailand.



## NEAR EAST AND SOUTH ASIA

AID commitments for the Near East and South Asia in fiscal 1968 totaled \$533 million. This was a reduction of \$40 million from 1967. The trend in assistance for the region has been downward for the past six years and reached a new low in fiscal 1968.

Five countries which had received assistance the previous year received none in 1968. They were Ceylon, Cyprus, Israel, the United Arab Republic and Yemen. The program in Iran, which was reduced to a small technical assistance effort as Iran's ability to finance its development grew, was terminated during the year.

Nearly 95 percent of AID's commitments for the region went to India, Pakistan and Turkey. India was the only country in the region to receive more assistance in fiscal 1968. The program in Pakistan was slightly smaller than in 1967. Commitments to Turkey fell from \$139 million in fiscal 1967 to \$72 million in 1968, partly in recognition of Turkey's continued strides toward self-sustaining growth and partly due to the fact that a large number of projects became ready for financing in 1967.

Development Loans again were the largest proportion of the commitments to the region. The total was \$479 million, a drop of \$22 million from fiscal 1967 but still 90 percent of all commitments to the Near East and South Asia. Technical Cooperation was \$35 million, about \$3 million below the previous year. Supporting Assistance amounted to \$19 million, down \$13 million.

### *Agriculture*

Fertilizer continued to be the largest single item procured under program loans. India, for instance, procured over 2.7 million tons of AID-financed fertilizer in fiscal 1968, more than double the amount procured one year earlier.

A loan of \$37 million was committed to India for expansion of its Trombay fertilizer plant. India also dedicated its largest fertilizer complex, the Coromandel project, which is designed to produce 15 percent of the country's nitrogen supply and almost 40 percent of its phosphate. AID has assisted the project with local currency loans totaling about \$28 million.

The return of good monsoons after two years of drought, combined with the AID-supported drive to increase the use of fertilizers, pesticides and high-yield seeds, produced bumper crops in much of the region:

- India harvested more than 95 million tons of food grains, 30 percent more than the previous year and a new record.
- Pakistan's wheat production totaled over 6 million tons, over half again the 1967 level.

## *Family Planning*

Emphasis on family planning increased in fiscal 1968 with grant and loan commitments of almost \$10 million. India and Pakistan received grants totaling \$5 million and \$1 million respectively. A loan of almost \$3 million was committed to India for the purchase of vehicles to be used in family planning work.

Indian officials estimated that family planning efforts in 1967 prevented well over a million births, and they announced plans to spend \$306 million on the program during a six-year period ending in 1971. Pakistan's plan calls for expenditure of almost \$60 million during the six years ending in 1970.

AID also assisted Nepal with a commitment of \$299,000 and provided \$655,000 for regional programs. These were conducted by the Pathfinder Fund to assist private organizations in developing rural family planning programs for India and other countries of the region; the Population Council to assist in a post-partum program of family planning initially in 50 Indian hospitals and later in other countries, and the Planned Parenthood Association for training in the United States for technicians from the region.

## *Major Projects*

During fiscal 1968 Pakistan dedicated the Mangla Dam, the largest project in the Indus Basin plan and one of the biggest dams in the world. The United States, through AID, provided financing jointly with Britain, West Germany, Canada, Australia and other signatories to the Indus Basin Agreement.

Also completed during the year were the Pamba Kakki hydroelectric and Indraprastha (Delhi C) thermal power plants in India and modernization of a coal washery for the Western Lignite Mines in Turkey. AID committed almost \$13 million for expansion of Turkey's Ereğli Iron and Steel Works.

## LATIN AMERICA

AID commitments for Latin America totaled \$532 million, down \$40 million from fiscal 1967. Brazil, Colombia, the Dominican Republic and Chile accounted for 70 percent of the 1968 commitments although the first three countries received less than in the previous year. Commitments to Chile, however, rose sharply as the result of large sector loans for agriculture and education.

Alliance for Progress Development Loans amounted to \$420 million—nearly 80 percent of total commitments to the region. Brazil, with the greatest area and population in Latin America, again received the largest loan total, \$180 million. Colombia received \$73 million; Chile, \$54 million; and the five Central American states, \$53 million. In addition to the \$420 million in Alliance for Progress Devel-

opment Loans authorized in fiscal 1968, Latin American countries, under a special Congressional authorization, also used nearly \$8 million in Alliance loan funds for population programs financed on a grant basis.

Supporting Assistance commitments totaled \$26 million, of which \$23 million was in loans—\$16 million for the Dominican Republic, \$4.5 million for Bolivia, and \$2.5 million for Guyana. Of the \$3 million in Supporting Assistance grants, Haiti received \$2 million, and the remaining \$1 million was split among three other countries.\*

Alliance Technical Cooperation programs totaled \$78 million—\$4 million less than in the preceding year. Largest country recipient was Brazil, with \$13 million, and three other countries—Peru, the Dominican Republic, and Colombia each received between \$4 and \$5 million. Regional assistance, including several projects for the Organization of American States, accounted for more than \$19 million of the Technical Cooperation funds in fiscal 1968.

More rapid development of the countries of the region was inhibited by the high rate of population growth which compounded demand for essentials such as food, housing, jobs, education and health care. At the same time, Latin American countries found reduced overseas markets for traditional export products including coffee, sugar, cocoa and cotton.

Despite overall lower AID commitments to the region, funding for activities in the priority fields of agriculture, education and health increased about one-third. Educational programs received about half the increase, but agricultural programs again were given the largest share, about 28 percent of the total commitments to the region.

Program loans tied to anti-inflationary government measures have helped continue stabilization efforts in Brazil, Chile and Colombia, and support a new program in Costa Rica.

### *Sector Loans*

One of the most significant changes in the pattern of U.S. assistance to the Alliance for Progress was the increased use of the sector loan. First used in 1967, sector loans are designed to effect qualitative as well as quantitative improvement over an entire sector by supporting institutional reform in it. AID negotiated sector loans to improve agriculture and education in Brazil, Chile, Colombia and Uruguay. Assistance was provided, for example, to agricultural credit programs for small farmers and for expansion of a free and comprehensive secondary school system.

Sector loans for Latin America amounted to \$53 million in agriculture and \$48 million in education. The total was 10 times that of fiscal 1967.

\*Excludes \$10 million in Alliance for Progress grants used for program support of non-regional programs.

## *Project Loans*

The largest single project funded by AID in Latin America during fiscal 1968 was the \$27 million loan for the Passo Real Hydroelectric Project in southern Brazil.

Other project loans included activities ranging all the way from a water supply project in Guyana to a mobile rural health program in Panama.

## *Technical Assistance*

Virtually every country in Latin America benefited from the \$78 million obligated in Technical Cooperation during fiscal 1968. Included in this total was over \$59 million for country programs, about \$11 million for a regional program, and \$8 million for contributions to the Organization of American States. These funds finance U.S. technicians working in Latin American countries and support the training of Latin Americans in U.S. schools and universities.

## *Agriculture*

The dominant purpose of AID lending to the agriculture sector continues to be to increase production incentives. Food production in the region increased at a rate of six percent in 1967 compared to the population growth rate of three percent, despite the fact that six countries out of 20 did not meet their planned goals in agriculture.

A \$23 million sector loan to Chile complemented a four-year plan to increase agricultural production through incentives related to credit for farmers, agrarian reform, agricultural export policy, food marketing and sales of commodities required for food production. Sector loans of \$15 million were made to Colombia and Uruguay. Farm inputs from the United States and reforms to benefit farmers and encourage increased public and private investment in agriculture are the main elements of Colombia's plan to break a lingering stagnation in that sector. The loan for Uruguay is aimed at stabilizing and developing the agriculture sector.

AID committed a \$13 million loan for research in Brazil, where agricultural production increased over seven percent during calendar 1967. Loans to the Dominican Republic, Honduras and Paraguay emphasized farm credit.

## *Education*

New actions in the field of education included a sector loan of \$32 million for Brazil, primarily for support of secondary school development. Chile received a \$16 million sector loan for improvements in primary and secondary education. El Salvador was provided with a \$2 million loan for a demonstration project in educational television development as part of a program of educational reform.

Through the Inter-American Cultural Council, two regional programs for science and technology and for educational development were formed, financed through a joint Latin American-U.S. fund. AID's commitment to this fund in fiscal 1968 was over \$3 million, which was to be matched by more than \$8 million from Alliance countries.

U.S. technicians continued work throughout the region to develop manpower training programs to meet employment needs. Major emphasis was on vocational training, establishing comprehensive secondary schools and improving science education at all levels.

### *Economic Integration*

In accord with the 1967 Declaration of Alliance Presidents favoring self-help regional cooperation, AID encouraged the movement toward formation of a Caribbean Free Trade Area and a development bank for the newly independent English-speaking East Caribbean nations. The visit of President Johnson to Central America in July 1968 gave added impetus to the progress in economic cooperation within the Central American Common Market. Trade within the Market, which amounted to \$31 million in calendar 1960, totaled an estimated \$220 million in 1967.

AID agreed to contribute \$500,000 toward a new Inter-American Export Center which was established under auspices of the Inter-American Economic and Social Council.

AID continued to assist the Pan American Health Organization's Special Malaria Eradication Fund. This fund has helped protect over 11 million people in Latin America. Aid also helped support the Aftosa Center in Argentina in seeking ways to eliminate hoof-and-mouth disease from the hemisphere. The Agency contributed to the Special Development Assistance Fund of the Organization of American States. This fund supports projects which include hydrologic studies for the Plate River watershed, part of a multi-national basin development by five Latin American countries.

## EAST ASIA

AID commitments for East Asia totaled less than \$240 million during fiscal 1968—substantially below the \$276 million committed in 1967. The decline resulted from the reduction of funding for the Agency.

These were among the major developments:

- East Asian countries made significant starts or expansions in family planning programs with AID providing almost \$5 million in assistance.

- AID helped spread use of high-yield rice which may make the Philippines fully self-sufficient in rice production within a few years.
- \$32.5 million in loans were provided to Indonesia as part of the multilateral effort to help finance the country's stabilization program.
- The Korean economy continued to achieve remarkable growth, despite a serious drought which took a heavy toll of the rice crop.

Once again the major portion of AID's commitments to East Asia took the form of Supporting Assistance. The total was \$128 million to Laos, Korea, Thailand and the Regional Development Program. This compared to \$139 million in fiscal 1967.

Development Loan commitments totaled over \$55 million, down \$16 million from the previous year. The largest share, \$32 million, was committed for Korea. Commitments for Indonesia were \$20 million, and commitments for the Philippines totaled more than \$3 million.

Technical Cooperation obligations were also smaller. The total for the region was \$44 million, \$3 million below the previous year.

### *Korea*

Korea, with AID's help, continued to exceed the ambitious goals of its second five-year plan. The economic growth rate was 8.4 percent. Industrial production soared 21 percent and exports, 30 percent. As Korea increased its ability to "go it alone" economically, AID continued to reduce its program there. The total was \$75 million, a drop of \$40 million from 1967.

Some of the Agency's major contributions to Korea's growth in fiscal 1968 were:

- Development Loans of \$20 million to Korean banks for importing U.S. machinery, equipment and services for small and medium industries.
- Assistance totaling well over \$4 million to the Korean Institute of Science and Technology to finance technical and engineering services and to buy scientific and research equipment from the United States. The Institute will contribute to Korea's economic growth by applying science and technology to the solution of industrial problems.
- Equipment valued at considerably more than \$1 million for expansion of family planning services.

### *Laos*

In Laos, AID made commitments of almost \$63 million during fiscal 1968. The program concentrated mainly on security-oriented

projects in rural development, refugee relief and public safety. In addition, more than \$18 million was committed to the Foreign Exchange Operations Fund. The fund is a multi-national effort which provides foreign exchange for Laotian imports. It helps control inflationary pressures resulting from extraordinary defense expenditures to counter North Vietnamese aggression and Communist insurgency. Other donors include France, Japan, the United Kingdom and Australia.

While security was still the primary concern in Laos, AID also provided assistance in agriculture and small industry development. An Accelerated Rice Production Program is under way which is intended to make Laos self-sufficient in rice in a few years. And in fiscal 1968 a Small Industries Loan Fund made its first loan available to finance the purchase of sawmill equipment for the Lao timber industry.

### *Thailand*

AID's program for Thailand is aimed at removing those social and economic conditions in which Communist subversion can take root. The fiscal 1968 program totaled \$47 million—\$7 million less than in 1967. Assistance was concentrated on improving the Thai police force and on encouraging development in the northeastern part of the country where Communist insurgents are most active. The Thai Government's new Northeast Economic Development Plan is part of its self-help effort in this area. AID also furnished \$650,000 for equipment and supplies needed to put family planning services and health centers in 17 provinces.

### *The Philippines*

In the Philippines, emphasis was on rural development, agriculture and health. AID assisted family planning in the Philippines with \$1 million in grants to support activities of a number of local family planning organizations. AID loans which totaled a little more than \$3 million were made available to help establish two pilot rural electrification cooperatives.

AID continued to play a leading role in the successful Rice and Corn Self-Sufficiency Program. AID agricultural advisors helped develop a do-it-yourself rice kit which contained enough seed, pesticide and fertilizer to plant a 2,000 square meter plot of "miracle" rice. This kit introduced the new high-yield rice to farmers. The result of this and other efforts was a record rice harvest.

### *Indonesia*

The United States continued to participate in the nine-nation effort to finance Indonesia's stabilization program. As in the previous year, AID agreed to provide one-third of Indonesia's aid request if the

other participating nations provided the remainder. AID committed \$32.5 million during fiscal 1968 to finance purchase of essential commodities from the United States. A \$22 million Public Law 480 credit was made available to Indonesia in February 1968 for the import of U.S. Government-owned food supplies.

Technical assistance was provided with a strong emphasis on training Indonesian workers on the job, in the United States and in other countries. In addition, \$270,000 in equipment and training was committed to help Indonesia prepare for a national family planning program to be launched in fiscal 1969.

### *Regional Program*

AID continued to encourage and support Asian initiatives for regional cooperation and economic development projects benefiting the nations of East Asia. The United States also encouraged international organizations and the more affluent nations to participate in development of the region.

For many years the United States has contributed to the multilateral Mekong Basin Program. The goal is to put the Mekong River—one of Southeast Asia's great natural resources—to work for the people who live in the region. In fiscal 1968, the U.S. Bureau of Reclamation continued its AID-financed feasibility survey of the multipurpose Pa Mong Dam project, a vital part of the plan for the basin. AID contributed U.S. equipment and spare parts to maintain and expand the river's hydrologic network. An AID-financed feasibility study of priority improvements in Mekong River ports and cargo handling facilities was completed.

A grant of \$1 million was committed to establish a center for family planning and population training and studies in the East-West Center of the University of Hawaii. The Center will deal with population matters in Asia and the Pacific area, and the great majority of the students and faculty will come from those regions. A grant of \$325,000 was made to the Population Council to expand its activities in East Asia.

Singapore was host to the third conference of Southeast Asian Ministers of Education. Five-year development plans were approved for regional education programs in English, mathematics, science, agriculture and tropical medicine. Support of the Asian Institute of Technology was reaffirmed, and a proposal for a Tropical Biology Center in Bogor, Indonesia, was approved. AID plans to help finance these projects for the first five to seven years of their existence.

## **AFRICA**

In fiscal 1968 AID committed over \$156 million in assistance to African countries. Development Loans totaled \$72 million, Technical

Cooperation \$68 million, Supporting Assistance \$17 million and Contingency Funds \$200,000.

For the second consecutive year, the Africa Regional Projects program was the largest single program, accounting for about 22 percent of the total. About half of the year's total assistance was devoted to bilateral programs in Ghana, Tunisia, Ethiopia, Liberia, Morocco and Nigeria.

### *Development Loans*

Fourteen loans were authorized in fiscal 1968. A \$13 million loan will assist in improving the "Great North Road," a major trade artery which runs from central Zambia to Dar es Salaam in Tanzania. Program loans to finance trucks, industrial raw materials, fuel, machinery and other commodities required for development were authorized for Ghana and Tunisia.

Two loans for Morocco will assist in developing irrigation facilities in the lower Moulouya River and provide key commodities such as fertilizer, seeds and machinery for the country's agricultural development. Two education loans will expand facilities at Ethiopia's Haile Selassie I University and provide additional dormitories at Makerere University in East Africa.

### *Supporting Assistance and Technical Cooperation*

Supporting Assistance funds were used primarily to finance commodity imports for Congo (Kinshasa) to support the country's stabilization effort under leadership of the International Monetary Fund. This type of assistance has declined steadily and constituted over 10 percent of the fiscal 1968 AID program in Africa as compared with about half in the early years of the program.

Technical Cooperation programs were directed primarily toward increasing food production through support of agricultural training, research and extension services. Technical Cooperation continued in the fields of education and manpower training with priority attention to vocational, secondary and higher education. Emphasis was on increased training at African institutions. Technical Cooperation also concentrated on health and sanitation, including the training of nurses, public health administrators and paramedical personnel, continuation of the malaria eradication program in Ethiopia and the expanded campaign to control measles and eradicate smallpox in 18 West and Central African countries. Family planning projects were initiated in Tunisia, Ghana and Liberia.

Self-help funds were used to assist localities to construct, repair and furnish school buildings, clinics and community centers; improve local roads; dig wells and improve village water systems. Improved seed varieties, simple hand tools and other agricultural implements

were provided to local farmer associations, cooperatives and youth groups.

### *Investment Opportunities*

As part of AID's increased emphasis on promoting participation of the private sector in less developed countries, the Africa Bureau completed the first full year of two pilot projects in private investment promotion. Under one of these, U.S. investment firms received out-of-pocket financing to help them place representatives in Africa to seek investment opportunities. To date this has resulted in positive investment decisions of \$1.6 million in Morocco and \$600,000 in Ethiopia for poultry production enterprises, \$500,000 in Ghana for small industry and plans for a \$1.6 million investment to establish a barge line on Volta Lake.

Under the second pilot project, U.S. food producing companies are provided incentives to investigate investment opportunities in the processing and production of food in Africa. The Garvey Grain Corporation is establishing a seed corn producing plant in Morocco through an investment of \$370,000. Pioneer Farms is making an investment in Ghana in the production of corn, cowpeas, and kenaf which in over five years is expected to total more than \$8 million from U.S. and Ghanaian sources.

Two local currency Cooley loans totaling \$2.5 million and two new housing guaranties were authorized in fiscal 1968.

### *New Projects*

Ground water surveys were undertaken in Kenya in cooperation with the World Bank, the United Kingdom and Sweden. The objective is to increase production and marketing of cattle by locating and developing water resources. After initial development of the range and water resources in northeastern Kenya, the project is to be extended to include Ethiopia and Somalia.

AID helped initiate a family planning and demographic data development project in Ghana which will provide fertility and mortality data on urban and rural areas. The Planned Parenthood Association of Ghana and the Demographic Unit of the University of Ghana's Sociology Department will work together in carrying out the survey. The project's basic objective is to provide data so that government planners can accurately evaluate demographic trends as they affect social and economic development.

A family planning project was initiated in Tunisia with assistance from AID, the Ford Foundation, the Peace Corps and Sweden. The project includes mobile educational teams, the recruitment of social workers for maternity centers, a large-scale oral contraception pro-

gram and an audio-visual center for the production of films, charts, and posters for training in family planning.

### *Mass Immunization*

AID has been assisting in a mass immunization program aimed at eradication of smallpox and control of measles in 19 West and Central African countries. Almost 46 million vaccinations against smallpox have been administered. Over six million children have received measles vaccinations, four million in fiscal 1968.

A project aimed at increasing wheat production in Morocco and Tunisia was initiated through a contract with the International Center for Corn and Wheat Improvement in Mexico. The Center will test local and new varieties of wheat and train local technicians and wheat scientists in the modern techniques of wheat improvement.

During the year, AID approved a \$435,000 grant to the African Development Bank to be used to finance priority feasibility studies and technical assistance needs.

AID played a primary role in establishing a self-sustaining two-year Technical College at Ibadan, Nigeria. This installation now has capacity for over 300 students with a further increase to 500 expected.

AID has provided experienced American teacher trainers and educators for 28 teacher training schools in East Africa under a contract with Teachers College, Columbia University. Of approximately 900 teacher trainers employed in East Africa, about one-tenth are provided by AID.

## VIETNAM

For the second successive year, commitments for Vietnam declined. The total was \$400 million,\* down \$94 million from fiscal 1967. The commitments represented over two-thirds of AID's worldwide obligations for Supporting Assistance.

The 19-percent reduction for Vietnam was divided proportionately between the Commercial Import and Project programs. The former was reduced by \$40 million and the latter by \$54 million.

Chief reason for the lower Commercial Import program, a major anti-inflationary effort, was a rapid decline in demand for imports. Demand was down because of disruptions following Communist attacks on Vietnamese cities during the first half of 1968. Although the import program was reduced, it was still instrumental in holding the rate of inflation to the level of fiscal 1967.

The Communist attacks also caused some setbacks for projects. Decreases in funding for projects, however, resulted primarily from the concentration of AID efforts on fewer priority matters and the assumption by the Vietnamese of greater responsibility for a number of projects.

\*Excludes \$35 million in reimbursements by the Department of Defense.

Progress resulting from concentration of AID's effort and greater Vietnamese responsibility for projects was particularly evident in the fields of education and agriculture:

- Public school attendance was up as much as five percent.
- High-yield rice, planted on only 600 acres the year before, was planted on over 50,000 acres in fiscal 1968.

Other priority projects on which AID concentrated included land reform and care for civilian casualties and refugees. The Agency also encouraged the government in its decision to assume a larger role in administering Vietnamese hospitals.

### *Transfer of Funds*

After the Communist attacks, some funds were transferred from development programs to relief and rehabilitation projects. Funds for public health, public safety, public works and refugees were increased.

Municipal administration and services, including water supply, housing, public transportation and electric power generation, were grouped under the title, Urban Reconstruction and Development, and provided with almost \$12 million during the year.

There were these other highlights:

- In the field of public health, some 9 million Vietnamese—almost 2 million more than in 1967—were inoculated against such diseases as smallpox and cholera.
- Cargo handling in Saigon Harbor continued to improve with AID assistance. Ships which a year earlier had been unloaded in two months were being unloaded in less than five days.
- The AID-supported drive to increase participation by the Vietnamese in the nation's political life resulted in elections in some 6,000 villages and hamlets. National elections for the presidency and National Assembly were held.

## IV. CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

From the AID appropriation, the United States made voluntary contributions of \$135 million to international organizations and programs during fiscal 1968, a reduction of almost \$9 million below the previous year's total.

The largest single contribution was \$75 million for the United Nations Development Program, an increase of \$5 million over 1967. Nations receiving assistance through this program must exercise self-help by supplying a wide variety of local resources for projects.

The Indus Basin Development Fund received just under \$21 million, down almost \$2 million from 1967. The United States is one of nine donors to this fund, the purpose of which is to harness the waters of the basin for the benefit of some 50 million people while easing tensions in the area.

The contribution of the UN Children's Fund (UNICEF) amounted to \$12 million. During fiscal 1968, UNICEF continued, among other things, to help 104 countries build basic health services which emphasize maternal and child care and, in four countries, included family planning programs. UNICEF also helped protect people in 24 countries from malaria and assisted 51 countries in controlling tuberculosis. Governments receiving UNICEF assistance make matching contributions which have averaged two and a half times the UNICEF contributions.

As in 1967, AID contributed \$2 million cash to the World Food Program to assist in the administrative and operational costs of the program.

The largest contribution for direct relief was more than \$13 million cash for the UN Relief and Works Agency for Palestine Refugees in the Near East. This cash contribution was joined with a contribution of almost \$9 million in agricultural commodities. UN peacekeeping forces on Cyprus and in the Middle East received \$8 and \$5 million respectively. The fund for UN Technical and Operational Assistance to the Congo received over \$2 million.

For the first time, \$500,000 was contributed to the UN population programs. The funding was primarily to establish a UN field staff to help countries identify and prepare action project requests in the population field.

## V. MILITARY ASSISTANCE PROGRAM

The fiscal 1968 Military Assistance Program (MAP) reflected decreased appropriations and increased legislative restrictions.

In terms of funding, grant aid dropped more than 40 percent in the last five years. The totals, \$1.09 billion for fiscal 1963 and over \$600 million for fiscal 1968, exclude grant programs for Vietnam, Thailand and Laos, as well as NATO infrastructure, which are now funded from the regular defense budget and credit assistance associated with military sales.

During the same five-year period, the number of countries receiving one or more forms of grant aid—military equipment, related services and training—dropped almost 30 percent from 69 in fiscal 1963 to 49 in 1968.

The 1968 program was based on fund availability which included \$400 million in new obligational authority appropriated by the Congress in December 1967, a \$100 million supplemental appropriation for military assistance to South Korea, and recoupments, reimbursements and reappropriations totaling approximately \$100 million.

More than 80 percent of the fiscal 1968 MAP fund availability was used to provide equipment and training urgently needed by the armed forces of five forward defense countries whose military capabilities are an essential ingredient of free world collective security—the Republics of Korea and China, Iran, Greece and Turkey. On a regional basis, more than half of the total was allocated to East Asia.

<i>Region</i>	<i>Percentage of Program</i>
East Asia.....	56.3
Near East and South Asia.....	26.7
Europe.....	.9
Africa.....	3.3
Latin America.....	4.4
Non-Regional.....	8.4

### *East Asia*

Responsibility for funding military assistance to Laos and Thailand was transferred to the Department of Defense budget in fiscal 1968. (In 1966 similar responsibility for support of South Vietnamese and other free world forces in Vietnam was transferred to the Department of Defense budget.)

Military Assistance for the Republic of Korea as originally planned would have provided for the maintenance of the South Korean forces as well as for limited modernization. During the year, however, North Korea significantly intensified its activities in the Republic of Korea. Incidents along the demilitarized zone increased, an attempt to assassinate the President of South Korea was made and the USS Pueblo was seized. In view of the intensified threat posed by North Korea, President Johnson requested, and the Congress appropriated, an additional \$100 million in military assistance to help South Korea further strengthen its defenses and its capability to deter North Korean aggression and infiltration.

Despite this increased threat at home, the Republic of Korea maintained its contribution of approximately 50,000 fighting men to the free world forces in South Vietnam.

The Republic of China took the first major step toward shifting from grant aid to credit sales and continued to improve its logistics system and expand its capabilities to repair, maintain and manufacture military equipment and supplies. Military assistance, supplemented by the Republic of China's undertaking a greater share of its own defense costs, permitted limited modernization of its forces.

Military assistance for the Republic of the Philippines was geared to internal security requirements including mobility, anti-smuggling and civic action capabilities. The Philippines continued to maintain in Vietnam a Civil Action Group composed of approximately 2,000 military personnel.

The program for Indonesia continued to assist the Indonesian armed forces in carrying out civic action projects instituted by the new Indonesian Government.

### *Near East and South Asia*

Neither India nor Pakistan received grant military assistance during the year, except for the training of small numbers of military personnel in the United States. Spare parts for previously furnished U.S. equipment were sold to both countries. The United States has remained unwilling to sell lethal end items to either country, but in two cases has agreed to the sale by third countries of U.S. controlled equipment. Limited programs for the training in the United States of military personnel from elsewhere in South Asia were continued.

A military assistance program for Greece was continued in fiscal 1968, but shipment of selected major items was suspended after the April 1967 military coup.

During the year, MAP aided modernization of the Turkish armed forces with emphasis on mechanization of the Turkish Army. Efforts were continued to acquire and provide as much new equipment as possible with available MAP funds and to promote Turkish economic

development. Although no new projects were begun in fiscal 1968, prior year in-country projects such as cost-shared vehicle production and destroyer escort construction, and rehabilitation of M-48 tanks were continued.

In Iran, the military procurement program continued to shift from grant aid to credit sales. This phased transition, which began in fiscal 1965, is expected to be completed in fiscal 1969. Iran will thereafter underwrite the cost of virtually all of its defense needs. The fiscal 1968 MAP emphasized air force modernization and a cost-shared communications system for the Imperial Iranian Gendarmerie.

Arms limitation in the Near East was a cardinal item in President Johnson's five-point proposal of June 1967 for a peaceful solution to the Middle East crisis. The United States continued to work for such a limitation. U.S. arms shipments to the area continue to be made only on a selective basis after very thorough and careful reviews.

The prohibition of military equipment deliveries, instituted as a result of the June-1967 war, remains in effect for those countries which broke diplomatic relations with the United States. Shipments of selective equipment items were resumed to Israel, Lebanon and Saudi Arabia in October 1967 and to Jordan in February 1968.

### *Africa*

A change in the Foreign Assistance Act placed a limit of \$40 million on the total of grants and sales to Africa. Grant aid was reduced to about half of that total and was keyed primarily to internal security requirements and training.

Training of Nigerian military personnel in the United States remained suspended because of the hostilities between the secessionist eastern region and the Nigerian Federation Government.

### *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 contributing factor in containing insurgencies in Guatemala, Colombia and Venezuela, and in overcoming the insurgency in Bolivia.

The programs for Latin America continue to emphasize multilateral cooperation through assistance in support of joint and combined military exercises and multinational communications. Similarly, there was continued emphasis on the need for eliminating unnecessary defense expenditures and on avoiding any semblance of an arms race in the area.

A change in the Foreign Assistance Act placed a new limit of \$75 million on the total of grants and sales to Latin America, other than

training. Grant military assistance to Latin America amounted to more than \$17 million for materiel and services and \$10 million for training for a total of over \$27 million. Cash sales of under \$12 million and credit assistance of over \$35 million brought the total of grants and sales for fiscal 1968 to \$75 million, of which more than \$64 million was chargeable to the legislative ceiling for Latin America. The funding of grant materiel assistance for the larger nations—Argentina, Brazil, Chile and Peru—was phased out during the year.

### *Military Export Sales*

Military export sales totaled an estimated \$1.9 billion in fiscal 1968 and were concentrated in the economically developed countries. About 85 percent of the total, \$1.6 billion, represented purchases by the developed countries of Europe and the Far East. Almost \$500 million represented orders placed directly by the purchaser with U.S. industry. Approximately \$900 million took the form of cash orders placed with the Department of Defense, and another \$264 million utilized the Department's credit or guaranty of credit prior to the termination of its revolving credit sales fund at the end of the fiscal year. The remainder consisted of orders placed with the Department of Defense by economically developed countries under credits negotiated by those countries with the Export-Import Bank without any Department of Defense guaranty.

Co-production of U.S. equipment remained an important element of U.S. export negotiations. NATO allies negotiated arrangements to produce major weapon systems, including the M-60 tank, an advanced version of the NATO F-104 Starfighter aircraft and various helicopters. In fiscal 1968 arrangements were made for Japan to co-produce for its own use the NIKE/HERCULES and HAWK SAM missile systems in expansion of Japanese air defense capabilities.

Concern expressed by the Congress over the need for restraint in military exports, primarily to the less developed countries, resulted in new constraints in 1967 foreign assistance legislation. It was therefore decided to propose separate legislation which would not only clarify and expand restraints on policies and procedures but would also divorce military sales from economic aid and military assistance. This determination led to introduction of a proposal for a Foreign Military Sales Act, transmitted to the Congress in February 1968. As fiscal 1968 ended, the proposed Foreign Military Sales Act was under Congressional deliberation.

## APPENDICES <sup>1</sup>

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

*AID Commitments in Fiscal Year 1968 by Region and Appropriation Category*  
(Millions of dollars)

Region	Total	Appropriation category					
		Development Loans	Supporting Assistance	Technical Cooperation/ Development Grants	Contingency Fund	Contributions to International Organizations	Other
Grand total.....	2,178.0 <sup>1</sup>	1,038.7 <sup>2</sup>	594.5 <sup>3</sup>	295.8	27.5	134.9	81.3
Regional and country programs.....	1,861.8	1,033.4	583.4	225.8	12.7	-----	6.6
Near East and South Asia.....	532.9	478.9	19.0	35.0	-----	-----	-----
Latin America.....	532.1	427.5	26.1	78.3 <sup>4</sup>	-----	-----	0.2
Vietnam.....	400.3	-----	393.9	-----	-----	-----	6.3
East Asia.....	239.7	55.1	127.7	44.4	12.5	-----	-----
Africa.....	156.7	71.8	16.6	68.0	0.2	-----	-----
Nonregional.....	311.0	5.4	11.1	70.0	14.8	134.9	74.7

1. Excludes \$34.6 million in reimbursements by the Department of Defense for Vietnam programs; includes \$5.3 million in capitalized interest on Development Loans.
2. Includes \$12.9 million in grants for population programs under Title X of the Foreign Assistance Act.
3. Includes \$18.5 million for population programs under Title X of the Foreign Assistance Act.
4. Excludes \$10.2 million in Alliance for Progress grants for program support of non-regional programs.

*AID Technical Cooperation Programs in Fiscal Year 1968 by Field of Activity*

[Millions of dollars]

Field of activity	Technical cooperation	Field of activity	Technical cooperation
Total project assistance	288. 2	Public safety	7. 1
Regional and country programs	223. 8	Public administration	15. 6
Food and agriculture	39. 6	Community development and social welfare	2. 9
Industry and mining	9. 9	Housing	1. 4
Transportation	5. 5	Private enterprise promotion	3. 7
Labor	9. 3	General and miscellaneous	30. 7
Health and sanitation	18. 4	Technical support	39. 2
Education	40. 8	Nonregional	64. 3

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

[June 30, 1968]

Field of Activity	Government employees <sup>1</sup>	Contract employees <sup>2</sup>
Total	5, 248	2, 510
Food and agriculture	734	475
Industry and mining	337	268
Transportation	243	57
Labor	38	84
Health and sanitation	500	125
Education	291	678
Public safety	407	41
Public administration	254	206
Community development	168	116
Housing	11	8
Private enterprise promotion	4	43
General and miscellaneous	952	84
Technical support	1, 309	325

<sup>1</sup> U.S. nationals paid from program funds; includes 4,065 AID direct hire and 1,183 assigned to AID by other Federal agencies.

<sup>2</sup> U.S. citizens in positions identified in AID-financed contracts.

*AID Commitments in the Near East and South Asia, Fiscal Year 1968*

[Millions of dollars]

Country	Appropriation category			
	Total	Development Loans	Supporting Assistance	Technical Cooperation
Total.....	532. 900	478. 901	18. 978	35. 020
Afghanistan.....	8. 622	. 711	-----	7. 910
India.....	300. 916	285. 000	7. 321*	8. 595
Iran.....	. 138	-----	-----	. 138
Jordan.....	12. 157	-----	10. 175	1. 982
Nepal.....	2. 386	-----	. 045*	2. 341
Pakistan.....	132. 212	125. 190	. 782*	6. 240
Turkey.....	72. 182	68. 000	-----	4. 182
CENTO.....	. 400	-----	-----	. 400
Regional.....	3. 887	-----	. 655*	3. 232

\* Used only for population programs under Title X of the Foreign Assistance Act.

*AID Technical Cooperation Programs in the Near East and South Asia, Fiscal Year 1968*

[Millions of dollars]

Field of activity	Technical cooperation	Field of activity	Technical cooperation
Total.....	35. 0	Public safety.....	0. 9
Food and agriculture.....	7. 0	Public administration.....	2. 8
Industry and mining.....	1. 0	Community development and social welfare.....	0. 3
Transportation.....	0. 5	Private enterprise promotion.....	0. 1
Labor.....	0. 3	General and miscellaneous.....	4. 8
Health and sanitation.....	2. 0	Technical support.....	8. 2
Education.....	7. 0		

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

[June 30, 1968]

Field of activity	Government employees <sup>1</sup>	Contract employees <sup>2</sup>
Total.....	651	339
Food and agriculture.....	132	94
Industry and mining.....	58	9
Transportation.....	7	3
Labor.....	7	7
Health and sanitation.....	37	3
Education.....	110	174
Public safety.....	14	-----
Public administration.....	39	32
Community development.....	9	-----
Private enterprise promotion.....	3	9
General and miscellaneous.....	80	4
Technical support.....	155	4

<sup>1</sup> U.S. nationals paid from program funds.

<sup>2</sup> U.S. citizens in positions identified in AID-financed contracts.

*AID Development Loan Authorizations, Fiscal Year 1968  
Near East and South Asia*

Borrower—Amount—Terms	Purpose
All development loans are repaid in U.S. dollars to AID unless otherwise stated.	
<b>AFGHANISTAN</b>	
Government of Afghanistan: \$711,000; 40 years; interest at 1 percent during 10-year grace period; interest at 2½ percent thereafter.	To finance foreign exchange costs of an asphalt-surfaced road from the city of Herat in western Afghanistan to the border of Iran just west of the Afghan town of Islam Qala and road maintenance equipment costing not more than \$250,000.
<b>INDIA</b>	
Government of India: \$225 million; 40 years; interest at 2 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: \$23 million; 40 years; interest at 2 percent during 10-year grace period; interest at 2½ percent thereafter.	To provide foreign exchange for the importation from the United States of fertilizer to support increased agricultural production.
Government of India: \$37 million; 40 years; interest at 2 percent during 10-year grace period and 2½ percent thereafter.	To assist in financing foreign exchange costs of expanding the production capacity of the Trombay fertilizer plant.
<b>PAKISTAN</b>	
Government of Pakistan: \$115 million; 40 years; interest at 2 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 Pakistan: \$2 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To finance procurement of approximately 10 broad gauge diesel-electric locomotives together with an initial supply of spare parts for the Pakistan Western Railway.

*AID Development Loan Authorizations, Fiscal Year 1968*  
*Near East and South Asia—Continued*

Borrower—Amount—Terms	Purpose
All development loans are repaid in U.S. dollars to AID unless otherwise stated.	
Government of Pakistan: \$6.8 million; 40 years; interest at 2 percent during 10-year grace period and 2½ percent thereafter.	To assist in financing foreign exchange costs of goods, materials and services required for the execution of a malaria eradication program.
Government of Pakistan: \$970,000; 40 years; interest at 2 percent during 10-year grace period and 2½ percent thereafter.	To assist in financing foreign exchange costs of general advisory services to the Directorate of Public Health Engineering.
Government of Pakistan: \$420,000; 40 years; interest at 2 percent during 10-year grace period; interest at 2½ percent thereafter.	To assist in financing foreign exchange costs of goods, materials and services to the East Pakistan Agricultural Development Corporation, Government of East Pakistan, for a seed potato multiplication and storage project.
<b>TURKEY</b>	
Government of Turkey: \$40 million; 40 years; interest at 2 percent during 10-year grace period and 2½ percent thereafter.	To finance capital goods, spare parts and raw materials in support of the Turkish Development Plan.
Turkiye Sinai Kalkinma Bankasi: \$7.5 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To finance sub-loans to private enterprises for the foreign exchange costs of equipment, materials, supplies and services.
Government of Turkey: \$3 million; 40 years; interest at 2 percent during 10-year grace period and 2½ percent thereafter.	To assist in financing foreign exchange costs of equipment, vehicles and services for use in the program of the Government of Turkey to eliminate the cultivation of opium poppy and to encourage the substitution of other crops.

*AID Development Loan Authorizations, Fiscal Year 1968*  
*Near East and South Asia--Continued*

Borrower--Amount--Terms	Purpose
All development loans are repaid in U.S. dollars to AID unless otherwise stated.	
Government of Turkey: \$5 million; 40 years; interest at 2 percent during 10-year grace period and 2½ percent thereafter.	To finance sub-loans to private enterprises for the foreign exchange costs of equipment, materials, supplies and services.
Government of Turkey: \$12.5 million; 40 years; interest at 2 percent during 10-year grace period; interest at 2½ percent thereafter.	To assist in financing foreign exchange costs of engineering services, machinery, equipment, freight and insurance for the installation of an iron ore sintering plant and related facilities for the Eregli Steel Mill.

*AID Commitments in Latin America, Fiscal Year 1968*

[Millions of Dollars]

Country	Appropriation category			
	Total	Development loans	Supporting assistance	Technical cooperation
Total .....	<sup>1</sup> 531. 148	<sup>2</sup> 427. 511	26. 103	78. 287
Argentina .....	2. 822	1. 000	-----	1. 822
Bolivia .....	2. 813	. 194	4. 950	3. 469
Brazil .....	192. 996	180. 017	-----	12. 979
Chile .....	57. 893	55. 268	-----	2. 625
Colombia .....	77. 477	73. 116	-----	4. 361
Costa Rica .....	5. 102	3. 810	-----	1. 292
Dominican Republic .....	43. 466	22. 320	16. 420	4. 726
Ecuador .....	3. 570	. 597	-----	2. 973
El Salvador .....	8. 248	. 255	-----	1. 993
Guatemala .....	11. 246	8. 996	-----	2. 250
Guyana .....	8. 305	4. 700	2. 500	1. 105
Haiti .....	2. 000	-----	2. 000	-----
Honduras .....	13. 104	11. 080	-----	2. 024
Jamaica .....	. 961	. 275	-----	. 686
Mexico .....	. 185	-----	-----	. 185
Nicaragua .....	25. 487	28. 839	-----	1. 648
Panama .....	19. 571	16. 301	. 233	3. 037
Paraguay .....	2. 650	1. 000	-----	1. 650
Peru .....	5. 420	. 595	-----	4. 825
Uruguay .....	16. 349	15. 000	-----	1. 349
Venezuela .....	1. 410	. 356	-----	1. 054
East Caribbean .....	-----	-----	-----	. 050
Regional Office for Central America and Panama .....	3. 803	. 424	-----	3. 379
Regional .....	<sup>1</sup> 21. 421	2. 369	-----	18. 804

<sup>1</sup> Includes \$248,000 for Partners of the Alliance.

<sup>2</sup> Includes \$12.875 million in grants for population programs.

*AID Technical Cooperation Programs in Latin America, Fiscal Year 1968*

[Millions of dollars]

Field of activity	Technical cooperation	Field of activity	Technical cooperation
Total .....	78. 2	Public safety .....	3. 7
Food and agriculture .....	12. 5	Public administration .....	7. 2
Industry and mining .....	2. 9	Community development and social welfare .....	2. 3
Transportation .....	1. 8	Housing .....	1. 1
Labor .....	8. 0	Private enterprise promotion .....	1. 4
Health and sanitation .....	2. 1	General and miscellaneous .....	11. 8
Education .....	11. 9	Technical support .....	11. 4

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

[June 30, 1968]

Field of activity	Government employees <sup>1</sup>	Contract employees <sup>2</sup>
Total	838	660
Food and agriculture	144	204
Industry and mining	73	40
Transportation	59	9
Labor	10	48
Health and sanitation	42	27
Education	58	130
Public safety	90	1
Public administration	100	100
Community development	21	18
Housing	10	7
Private enterprise promotion	1	16
General and miscellaneous	78	28
Technical support	152	32

<sup>1</sup> U.S. nationals paid from program funds.

<sup>2</sup> U.S. citizens in positions identified in AID-financed contracts.

*AID Development Loan Authorizations, Fiscal Year 1968,  
Latin America*

Borrower—Amount—Terms	Purpose
All Development Loans are repaid in U.S. dollars to AID unless otherwise stated.	
<b>ARGENTINA</b>	
Government of Argentina: \$1 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To finance feasibility studies.
<b>BRAZIL</b>	
Electrobras: \$717,000; Two-Step Option; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter. Borrower: 20 years at 6 percent with 5-year grace period.	To assist in training power engineers and management officials in extra high voltage and interconnected electrical systems techniques, power rate structure and power pool operations.
Government of Brazil: \$10.3 million; 40 years; interest at 2 percent during 10-year grace period; 2½ percent thereafter.	To assist in financing commodities and technical assistance for continuation of the malaria eradication program.
Government of Brazil: \$75 million; 40 years; interest at 2 percent during 10-year grace period and 2½ percent thereafter.	To support economic stabilization and development.
Government of Brazil: \$15.4 million; 40 years; interest at 2 percent during 10-year grace period; 2½ percent thereafter.	To assist in establishing a National Loan Fund for financing municipal water and sewerage systems in communities which meet self-help criteria of such a Fund.
Government of Brazil: \$32 million; 40 years; interest at 2 percent during 10-year grace period; 2½ percent thereafter.	To provide support for education program.
Compania Estadual de Energia Electrica: \$27.4 million; Two-Step Option; 40 years; interest at 2 percent during 10-year grace period; 2½ percent thereafter. Passo Real: 25 years at 6 percent with 5-year grace period.	To assist in financing related transmission and distribution facilities for the Passo Real Hydroelectric Power project; also U.S. consulting engineering and training services.

*AID Development Loan Authorizations, Fiscal Year 1968,  
Latin America—Continued*

Borrower—Amount—Terms	Purpose
All development loans are repaid in U.S. dollars to AID unless otherwise stated.	
Government of Brazil: \$5.8 million; 40 years; interest at 2 percent during 10-year grace period; 2½ percent thereafter.	To assist in financing technical assistance training and electronic data processing equipment to carry out a five-year statistical development program for Brazil's Institute of Geography and Statistics.
Government of Brazil: \$13.4 million; 40 years; interest at 2 percent during 10-year grace period; 2½ percent thereafter.	Expansion and improvement of agricultural research.
<b>CHILE</b>	
Government of Chile: \$23 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To provide goods and services necessary to assist the program in the agricultural sector.
Government of Chile: \$16.3 million; 40 years; interest at 2 percent during 10-year grace period and 2½ percent thereafter.	To continue assistance in the educational sector, specifically primary and middle-level education.
Government of Chile: \$15 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To support stabilization and development.
<b>COLOMBIA</b>	
Government of Colombia: \$58 million; 40 years; interest at 2 percent during 10-year grace period and 2½ percent thereafter.	To assist in financing dollar costs of essential imports from the United States to facilitate increased investment and economic and social development.

*AID Development Loan Authorizations, Fiscal Year 1968,  
Latin America—Continued*

Borrower—Amount—Terms	Purpose
All development loans are repaid in U.S. dollars to AID unless otherwise stated.	
Government of Colombia: \$15 million; 40 years; interest at 2 percent during 10-year grace period and 2½ percent thereafter.	To assist in financing dollar costs of essential imports from the United States to stimulate the development of the agricultural sector through improved agricultural planning, implementation of constitutional reforms and increased public and private investments in the agricultural sector.
<b>COSTA RICA</b>	
Government of Costa Rica: \$3 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To provide a portion of the foreign exchange required to support a program designed to improve the balance of payments and to maintain necessary investment levels.
Government of Costa Rica: \$490,000; 40 years; interest at 2 percent during 10-year grace period and 2½ percent thereafter.	To increase by \$490,000 a previous loan of \$500,000 to assist in financing the dollar and local currency costs of equipment, material and services necessary for carrying out the regionally coordinated plan to eradicate malaria.
<b>DOMINICAN REPUBLIC</b>	
Government of Dominican Republic: \$12 million; 40 years; interest at 2 percent during 10-year grace period and 2½ percent thereafter.	To assist in financing dollar and local currency costs of a development program for the education sector including construction, materials and training.

*AID Development Loan Authorizations, Fiscal Year 1968,  
Latin America—Continued*

Borrower—Amount—Terms	Purpose
All development loans are repaid in U.S. dollars to AID unless otherwise stated.	
Government of Dominican Republic: \$7.1 million; 40 years; interest at 2 percent during 10-year grace period and 2½ percent thereafter.	To assist in financing the cost of a health program of maternal and infant care, emphasizing family planning, including construction of health facilities, education and training of personnel, studies, mass media materials, and technical assistance to borrower.
Cooperative Bank of the Dominican Republic: \$2.65 million; 40 years; interest at 2 percent during 10-year grace period and 2½ percent thereafter.	To assist in financing an agriculture credit cooperative.
<b>EL SALVADOR</b>	
Government of El Salvador: \$1.9 million; 40 years; interest at 2 percent during 10-year grace period and 2½ percent thereafter.	To assist the Ministry of Education in revising curricula, improving methods of training teachers and supervisors for all public school grades 1-12, and developing an instructional television project to demonstrate how this technology can extend educational opportunities.
The National Housing Finance Agency (an autonomous agency of the Government of El Salvador); \$3 million; 30 years; interest at 3 percent during eight-year grace period and 4 percent thereafter.	To provide the additional capital needed to maintain the self-supporting momentum of the newly created private savings and loan system, which is the primary means of financing the middle income housing needs of El Salvador.

*AID Development Loan Authorizations, Fiscal Year 1968,  
Latin America—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 El Salvador: \$1.03 million; 40 years; interest at 2 percent during 10-year grace period and 2½ percent thereafter.</p>	<p>To supplement a previous loan of \$1.6 million to assist in financing the dollar and local currency costs of the equipment, material and services necessary for carrying out the regionally coordinated plan to eradicate malaria.</p>
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**GUATEMALA**

<p>Government of Guatemala: \$8.6 million; 40 years; interest at 2 percent during 10-year grace period and 2½ percent thereafter.</p>	<p>To finance the qualitative improvement (curricula, textbooks, teaching materials, training, appointment and supervision of teachers) throughout the primary system, as well as the first phase of a six-year construction project, including rural and urban primary schools and rural normal schools.</p>
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**GUYANA**

<p>Government of Guyana: \$2.6 million; 40 years; interest at 2 percent during 10-year grace period and 2½ percent thereafter.</p>	<p>For improvement and extension of water supply systems along the East Bank of the Demerara River, the Atlantic Coast east of Georgetown, and the municipality of New Amsterdam.</p>
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<p>Government of Guyana: \$1.1 million; 40 years; interest at 2 percent during 10-year grace period and 2½ percent thereafter.</p>	<p>To assist in financing the costs of reconstruction and improvement of the Atkinson Airport.</p>
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<p>Government of Guyana: \$1 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.</p>	<p>For feasibility studies, pre-feasibility investigations and final engineering plans and specifications.</p>
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*AID Development Loan Authorizations, Fiscal Year 1968,  
Latin America—Continued*

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

### HONDURAS

<p>Government of Honduras: \$1.48 million; 40 years; interest at 2 percent during 10-year grace period and 2½ percent thereafter.</p>	<p>To supplement a previous loan of \$1.17 million to assist in financing the dollar and local currency costs of the equipment, material and services necessary for carrying out the regionally coordinated plan to eradicate malaria.</p>
<p>Government of Honduras: \$9.5 million; 40 years; interest at 2 percent during 10-year grace period and 2½ percent thereafter.</p>	<p>To provide financial support for a relending program under which the National Development Bank will help to achieve agricultural production goals in 1969 and 1970, construct two central grain storage buildings, and provide subloans and equity investments for agro-industries; and for programs under which the Federation of Associated Savings and Credit Cooperatives will provide combined technical and capital assistance to subsistence and near-subsistence farmers in the production of basic grain crops.</p>

### NICARAGUA

<p>Government of Nicaragua: \$1.864 million; 40 years; interest at 2 percent during 10-year grace period and 2½ percent thereafter.</p>	<p>To supplement a previous loan of \$2.07 million to assist in financing the dollar and local currency costs of equipment, material and services necessary for carrying out the regionally coordinated plan to eradicate malaria.</p>
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*AID Development Loan Authorizations, Fiscal Year 1968,  
Latin America—Continued*

Borrower—Amount—Terms	Purpose
All development loans are repaid in U.S. dollars to AID unless otherwise stated.	
National Light and Power Agency (a public power company owned by the Government of Nicaragua); \$10.2 million; 35 years; interest at 2½ percent.	To provide financial support for organizing three consumer-owned rural electric cooperatives and constructing electrical facilities for them.
Government of Nicaragua: \$2.2 million; 40 years; interest at 2 percent during 10-year grace period and 2½ percent thereafter.	To assist the Ministry of Public Health during a disbursement period of three years in constructing and equipping 56 new health centers and improving existing centers, continuing and strengthening the Rural Mobile Health Program and incorporating medical personnel into the project under Nicaragua's obligatory social service law.
Government of Nicaragua: \$9.4 million; 40 years; interest at 2 percent during 10-year grace period and 2½ percent thereafter.	To assist with production of basic food, feed and forage crops through financing dollar costs of fertilizers and chemical products, establishment of a comprehensive agricultural program aimed at improving coordination and efficiency among agricultural institutions and furthering efforts of the Government of Nicaragua to bear its share of public investment from public savings.

*AID Development Loan Authorizations, Fiscal Year 1968,  
Latin America—Continued*

Borrower—Amount—Terms	Purpose
All development loans are repaid in U.S. dollars to AID unless otherwise stated.	
<b>PANAMA</b>	
Government of Panama: \$330,000; 40 years; interest at 2 percent during 10-year grace period and 2½ percent thereafter.	To supplement a previous loan of \$2.4 million providing financing for the costs of a cadastral survey and the evaluation of natural resources, and for improving, through technical assistance, the Cadastral Institute's administrative capabilities, particularly in the area of rural taxes.
Government of Panama: \$500,000; 40 years; interest at 2 percent during 10-year grace period and 2½ percent thereafter.	To provide financial support for a program under which the Mobile Rural Health Organization will provide basic medical and health services for approximately 40 percent of the rural people of Panama who heretofore have not had such services.
National Institute of Water and Sewage Systems (an autonomous agency of the Government of Panama); \$15 million; 30 years; interest at 3½ percent with such interest to be capitalized during five-year grace period.	To provide the financial support required for meeting Panama City's urgent need for a new and sizable water supply system sufficient to satisfy the demands of its rapidly growing urban area.
<b>PARAGUAY</b>	
National Development Bank: \$1 million; 40 years; interest at 2 percent during 10-year grace period and 2½ percent thereafter.	To supplement a previous loan to provide sufficient funds to meet credit needs of farmers.

*AID Development Loan Authorizations, Fiscal Year 1968*  
*Latin America—Continued*

Borrower—Amount—Terms	Purpose
All development loans are repaid in U.S. dollars to AID unless otherwise stated.	
<b>URUGUAY</b>	
Government of Uruguay: \$15 million; 40 years; 2 percent interest during 10-year grace period and 2½ percent thereafter.	To provide goods and services in support of the agricultural development and stabilization program.
<b>REGIONAL</b>	
Pan American Development Foundation: \$325,000; interest at 2 percent during 10-year grace period and 2½ percent thereafter.	To assist in financing National Development Foundations in Latin American countries, to promote institutional development and community improvement projects.

*AID Commitments in East Asia, Fiscal Year 1968*

[Millions of dollars]

	Appropriation Category				
	Total	Development loans	Supporting assistance	Technical cooperation	Contingency fund
Total.....	239. 737	55. 100	127. 707	44. 430	12. 500
Burma.....	. 210	-----	-----	. 210	-----
Indonesia.....	35. 820	20. 000	-----	3. 320	12. 500
Korea.....	75. 231	32. 000	36. 491	6. 740	-----
Laos.....	62. 942	-----	53. 200	9. 700	-----
Philippines.....	9. 064	3. 100	-----	5. 964	-----
Thailand.....	46. 736	-----	36. 696	10. 047	-----
Regional.....	6. 999	-----	1. 325	8. 406	-----
Regional office, South-east Asia.....	2. 736	-----	-----	2. 736	-----

*AID Technical Cooperation Programs in East Asia, Fiscal Year 1968*

[Millions of dollars]

Field of activity	Technical cooperation	Field of activity	Technical cooperation
Total.....	44. 4	Education.....	6. 8
Food and agriculture.....	4. 1	Public safety.....	1. 1
Industry and mining.....	4. 0	Public administration.....	1. 6
Transportation.....	0. 8	Housing.....	(*)
Labor.....	0. 2	Private enterprise promotion.....	(*)
Health and sanitation.....	6. 3	General and miscellaneous.....	8. 5
		Technical support.....	11. 0

\*Less than \$50,000.

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

[June 30, 1968]

Field of Activity	Government employees <sup>1</sup>	Contract employees <sup>2</sup>
Total.....	898	323
Food and agriculture.....	99	17
Industry and mining.....	99	145
Transportation.....	70	---
Labor.....	3	1
Health and sanitation.....	49	24
Education.....	34	22
Public safety.....	76	23
Public administration.....	24	11
Community development.....	103	55
General and miscellaneous.....	86	16
Technical support.....	255	9

<sup>1</sup> U.S. nationals paid from program funds.

<sup>2</sup> U.S. citizens in positions identified in AID-financed contracts.

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

[June 30, 1968]

Field of Activity	Government employees <sup>1</sup>	Contract employees <sup>2</sup>
Total.....	2, 279	501
Food and agriculture.....	192	10
Industry and mining.....	72	38
Transportation.....	92	2
Labor.....	15	25
Health and sanitation.....	304	59
Education.....	62	22
Public safety.....	200	17
Public administration.....	81	2
Community development.....	31	39
Private enterprise promotion.....	---	3
General and miscellaneous.....	649	8
Technical support.....	581	276

<sup>1</sup> U.S. nationals paid from program funds.

<sup>2</sup> U.S. citizens in positions identified in AID-financed contracts

*AID Development Loan Authorizations, Fiscal Year 1968*  
*East Asia*

Borrower—Amount—Terms	Purpose
<p>All development loans are repaid in U.S. dollars to AID unless otherwise stated.</p>	
<p><b>INDONESIA</b></p>	
<p>Government of Indonesia: \$7.5 million; 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.</p>	<p>To finance foreign exchange costs of importing essential raw materials, equipment and spare parts to help stabilize, rehabilitate and develop the economy.</p>
<p>Government of Indonesia: \$12.5 million; 40 years; interest at 2 percent during 10-year grace period and 2½ percent thereafter.</p>	<p>To finance foreign exchange costs of importing essential raw material, equipment and spare parts to help stabilize, rehabilitate and develop the economy.</p>
<p><b>KOREA</b></p>	
<p>Republic of Korea: \$10 million; 40 years; interest at 2 percent during 10-year grace period and 2½ percent thereafter.</p>	<p>To finance foreign exchange costs of importing commodities to promote economic development.</p>
<p>Republic of Korea: \$5 million; 40 years; interest at 2 percent during 10-year grace period and 2½ percent thereafter.</p>	<p>To be reloaned to the newly established Korea Development Finance Corp., Korea's first private development bank. The KDFC will make subloans to private enterprises to finance foreign exchange costs of machinery, equipment and related services needed to establish, expand or modernize facilities.</p>
<p>Republic of Korea: \$15 million; 40 years; interest at 2 percent during 10-year grace period and 2½ percent thereafter.</p>	<p>To be reloaned to the Korea Reconstruction Bank which will make loans to private enterprises to finance foreign exchange costs of machinery, equipment and related services needed to establish, expand or modernize facilities.</p>

*AID Development Loan Authorizations, Fiscal Year 1968*  
*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: \$2 million; 40 years; interest at 2 percent during 10-year grace period and 2½ percent thereafter.</p>	<p>To be relaned to the Korea Institute of Science and Technology to provide foreign exchange for procurement of scientific research equipment.</p>
<p><b>PHILIPPINES</b></p>	
<p>Development Bank of the Philippines: \$2 million; 25 years; interest at 3½ percent; 5-year grace period on principal repayments.</p>	<p>To be relaned to the Victorias Rural Electric Service Co-operative to finance foreign exchange costs of machinery, equipment and related services for the purpose of generation, transmission and distribution of electric power.</p>
<p>Development Bank of the Philippines: \$1.1 million; 25 years; interest at 3½ percent; 5-year grace period on principal repayments.</p>	<p>To be relaned to the Misamis Oriental Rural Electric Service Cooperative to finance foreign exchange costs of machinery, equipment and related services for the purpose of generation, transmission and distribution of electric power.</p>

## AID Commitments in Africa, Fiscal Year 1968

[Millions of dollars]

Country	Appropriation category				
	Total	Develop- ment loans	Supporting assistance	Technical coopera- tion	Contingency fund
Total.....	156. 717	71. 845	16. 625	68. 047	. 200
Botswana.....	. 065			. 065	
Burundi.....	. 036			. 036	
Cameroon.....	. 359			. 359	
Central African Republic.....	. 223			. 223	
Chad.....	. 559			. 559	
Congo (Kinshasa).....	16. 065		15. 325	. 740	
Dahomey.....	. 345			. 345	
Ethiopia.....	6. 850	1. 000	. 300	5. 550	
Gabon.....	. 325			. 325	
Gambia.....	. 036			. 036	
Ghana.....	16. 846	15. 000		1. 846	
Guinea.....	1. 084			1. 084	
Ivory Coast.....	. 159			. 159	
Kenya.....	2. 624			2. 624	
Lesotho.....	. 050			. 050	
Liberia.....	5. 638	. 525		5. 113	
Malagasy Republic.....	. 296			. 296	
Malawi.....	8. 137	7. 000		1. 137	
Mali.....	1. 105	. 855		. 250	
Mauritius.....	. 050			. 050	
Morocco.....	14. 933	13. 000		1. 933	
Niger.....	1. 055	. 900		. 155	
Nigeria.....	21. 334	9. 700		11. 634	
Rwanda.....	. 100			. 100	
Senegal.....	. 322			. 322	
Sierra Leone.....	1. 104			1. 104	
Somali Republic.....	3. 708			3. 708	
Sudan.....	. 337			. 337	
Tanzania.....	2. 508			2. 508	
Togo.....	. 147			. 147	
Tunisia.....	13. 007	10. 265		2. 742	
Uganda.....	2. 050			2. 050	
Upper Volta.....	. 348			. 348	
Zambia.....	1. 214			1. 214	
East Africa Regional.....	3. 251	. 600		2. 651	
Africa Regional.....	28. 402	13. 000	1. 000	14. 202	. 200
Regional USAID/Africa.....	2. 045			2. 045	

*AID Technical Cooperation Programs in Africa, Fiscal Year 1968*

[Millions of dollars]

Field of activity	Technical cooperation	Field of activity	Technical cooperation
Total .....	66.2	Public safety .....	1.4
Food and agriculture .....	16.0	Public administration .....	4.0
Industry and mining .....	1.6	Community development and social welfare .....	0.3
Transportation .....	2.4	Housing .....	0.3
Labor .....	0.8	Private enterprise promotion .....	2.1
Health and sanitation .....	8.0	General and miscellaneous .....	5.6
Education .....	15.1	Technical support .....	8.6

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

[June 30, 1968]

Field of activity	Government employees <sup>1</sup>	Contract employees <sup>2</sup>
Total .....	570	687
Food and agriculture .....	167	150
Industry and mining .....	35	36
Transportation .....	15	43
Labor .....	3	3
Health and sanitation .....	68	12
Education .....	27	330
Public safety .....	27	---
Public administration .....	10	61
Community development .....	4	4
Housing .....	1	1
Private enterprise promotion .....	---	15
General and miscellaneous .....	57	28
Technical support .....	156	4

<sup>1</sup> U.S. nationals paid from program funds.

<sup>2</sup> U.S. citizens in positions identified in AID-financed contracts.

*AID Development Loan Authorizations, Fiscal Year 1968*  
*Africa*

Borrower—Amount—Terms	Purpose
All Development Loans are repaid in U.S. dollars to AID unless otherwise stated.	
<b>ETHIOPIA</b>	
Imperial Ethiopian Government: \$1 million; 40 years; interest at 2 percent during 10-year grace period and 2½ percent thereafter.	To finance the costs of design services and procurement of materials and equipment required for Haile Selassie I University.
<b>GHANA</b>	
Government of Ghana: \$15 million; 40 years; interest at 2 percent during 10-year grace period and 2½ percent thereafter.	To provide balance of payments support.
<b>LIBERIA</b>	
Government of the Republic of Liberia: \$525,000; 40 years; interest at 2 percent during 10-year grace period and 2½ percent thereafter.	To finance goods and services required to conduct joint technical assistance projects.
<b>MALAWI</b>	
Government of Malawi: \$7 million; 40 years; interest at 2 percent during 10-year grace period and 2½ percent thereafter.	To finance foreign exchange costs of procuring in the United States materials and services and a portion of the local costs required for construction of two major roads in the Lake Shore Road scheme.
<b>MALI</b>	
Government of Mali: \$855,000 (an amendment to the fiscal 1964 loan of \$1.1 million); 40 years; interest at 2 percent during 10-year grace period and 2½ percent thereafter.	To provide additional funds required to complete the Central Veterinary Laboratory.

*AID Development Loan Authorizations, Fiscal Year 1968*  
*Africa—Continued*

Borrower—Amount—Terms	Purpose
All development loans are repaid in U.S. dollars to AID unless otherwise stated.	
<b>MOROCCO</b>	
Government of the Kingdom of Morocco: \$8 million; 40 years; interest at 2 percent during 10-year grace period and 2½ percent thereafter.	To assure foreign exchange to finance imported commodities and equipment required for Morocco's agricultural development program.
Government of the Kingdom of Morocco: \$5 million; 40 years; interest at 2 percent during 10-year grace period and 2½ percent thereafter.	To assist in financing the costs of U.S., local and third-country goods and services required for the irrigation of 74,000 acres of farmland in the Lower Moulouya Irrigation II project.
<b>NIGER</b>	
Government of Niger: (amendment) \$900,000; 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 goods and services required for the Niger River Bridge Project.
<b>NIGERIA</b>	
Federal Republic of Nigeria: \$4.6 million (amendment to a fiscal 1963 loan); 40 years; interest at 1 percent during 10-year grace period and 2½ percent thereafter.	To provide additional funds required in financing foreign exchange and local costs of equipment, materials and services necessary for the completion of the Ibadan Water Supply project.
Federal Republic of Nigeria: \$5.1 million (amendment to a fiscal 1963 loan); 40 years; interest at 2 percent during 10 year grace period and 2½ percent thereafter.	To provide funds required in financing the foreign exchange and local costs of equipment materials and services necessary to construct the treatment plant of the Ibadan Water Supply project.

*AID Development Loan Authorizations, Fiscal Year 1968*  
*Africa—Continued*

Borrower—Amount—Terms	Purpose
All Development Loans are repaid in U.S. dollars to AID unless otherwise stated.	
<b>TUNISIA</b>	
Government of the Republic of Tunisia: \$10 million; 40 years; interest at 2 percent during 10-year grace period and 2½ percent thereafter.	To provide balance of payment support.
Government of the Republic of Tunisia: \$265,000 (an amendment to a fiscal 1962 loan); 40 years; interest at 2 percent during 10-year grace period and 2½ percent thereafter.	To provide additional funds required to finance equipment imports and additional U.S. engineering services essential for the construction and operations of the water treatment facilities of the Tunis Water Project.
<b>REGIONAL</b>	
Government of the United Republic of Tanzania: \$13 million; 40 years; interest at 2 percent during 10-year grace period and 2½ percent thereafter.	To finance costs of the required construction and engineering services needed to upgrade portions of the Great North Road.
<b>EAST AFRICA REGIONAL</b>	
University of East Africa, the guarantor is the Government of Uganda: \$600,000; 40 years; interest at 2 percent during 10-year grace period and 2½ percent thereafter.	To finance the U.S. portion of construction and supervisory engineering costs and part of the local costs for a dormitory and cafeteria building with kitchen facilities at Makerere University College.

*Countries or Areas With Investment Guaranty Agreements*

[June 30, 1968]

Convertibility	Expropriation	War, revolution, and insurrection	Extended risk
Afghanistan	Afghanistan	Afghanistan*	
Argentina	Argentina <sup>1</sup>	Argentina <sup>1</sup>	Argentina. <sup>1</sup>
Barbados	Barbados	Barbados	Barbados.
Bolivia	Bolivia	Bolivia	Bolivia.
Botswana	Botswana	Botswana	Botswana.
Brazil	Brazil	Brazil	Brazil.
British Honduras	British Honduras	British Honduras	British Honduras.
Cameroon	Cameroon	Cameroon	Cameroon.
Central African Rep.	Central African Rep.	Central African Rep.	Central African Rep.
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). <sup>2</sup>	Congo (Brazzaville). <sup>2</sup>	Congo (Brazzaville). <sup>2</sup>	Congo (Brazzaville). <sup>2</sup>
Congo (Kinshasa)	Congo (Kinshasa)	Congo (Kinshasa)	Congo (Kinshasa).
Costa Rica	Costa Rica	Costa Rica <sup>1</sup>	Costa Rica. <sup>1</sup>
Cyprus	Cyprus	Cyprus	Cyprus.
Dahomey	Dahomey	Dahomey	Dahomey.
Dominican Republic	Dominican Republic	Dominican Republic	Dominican Republic.
Ecuador	Ecuador	Ecuador	Ecuador.
El Salvador	El Salvador		
Ethiopia	Ethiopia	Ethiopia	Ethiopia.
Gabon	Gabon	Gabon	Gabon.
Gambia	Gambia	Gambia	Gambia.
Ghana	Ghana	Ghana	Ghana.
Greece	Greece	Greece	Greece.
Grenada	Grenada	Grenada	Grenada.
Guatemala <sup>2</sup>	Guatemala <sup>2</sup>		
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	Malagasy	Malagasy	Malagasy.
Malawi	Malawi	Malawi	Malawi.
Malaysia	Malaysia	Malaysia	Malaysia.
Mali	Mali	Mali	Mali.
Malta	Malta	Malta	Malta.
Mauritania <sup>2</sup>	Mauritania <sup>2</sup>	Mauritania <sup>2</sup>	Mauritania. <sup>2</sup>

See footnotes at end of table.

*Countries or Areas With Investment Guaranty Agreements—Con.*

[June 30, 1968]

Convertibility	Expropriation	War, revolution, and insurrection	Extended risk
Morocco	Morocco	Morocco	Morocco.
Nepal	Nepal	Nepal	Nepal.
Nicaragua	Nicaragua	Nicaragua	Nicaragua.
Niger	Niger	Niger	Niger
Nigeria	Nigeria		
Pakistan	Pakistan	Pakistan	Pakistan.
Panama	Panama	*Panama	
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.
Sudan <sup>2</sup>	Sudan <sup>2</sup>	Sudan <sup>2</sup>	Sudan. <sup>2</sup> *
Swaziland	Swaziland	Swaziland	Swaziland.
Tanzania (Main-land only).	Tanzania (Main-land only).	Tanzania (Main-land only).	Tanzania (Main-land only).
Thailand	Thailand	Thailand	Thailand.
Togo	Togo	Togo	Togo.
Trinidad-Tobago	Trinidad-Tobago	Trinidad-Tobago	Trinidad-Tobago.
Tunisia	Tunisia	Tunisia	Tunisia.
Turkey	Turkey	Turkey	Turkey.
Uganda	Uganda	Uganda	Uganda.
Upper Volta	Upper Volta	Upper Volta	Upper Volta.
U.A.R. (Egypt) <sup>2</sup>	U.A.R. (Egypt) <sup>2</sup>	U.A.R. (Egypt) <sup>2</sup>	U.A.R. (Egypt) <sup>2</sup> .
Uruguay <sup>1</sup>	Uruguay <sup>1</sup>		
Vietnam	Vietnam	Vietnam	Vietnam.
Venezuela	Venezuela	Venezuela	Venezuela.
Yugoslavia <sup>2</sup>	Yugoslavia <sup>2</sup>		
Zambia	Zambia	Zambia	Zambia.

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

<sup>2</sup> Restricted Availability.

\*Includes only insurance against loss due to damage from war.

Although economically developed countries are excluded from the Investment Insurance Program, insurance may be available for some of the underdeveloped dependencies of France, Netherlands, Portugal, and the 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	1968	6,022

*AID Investment Survey Program Activity, Fiscal Years 1963-68*

	1963	1964	1965	1966	1967	1968
Surveys authorized <sup>1</sup> .....	29	59	57	59	75	32
Maximum AID obligation.....	\$403, 800	\$701, 300	\$595, 900	\$1, 139, 700	\$1, 520, 000	\$539, 437
Surveys completed.....	3	18	35	42	23	23
Decisions to invest.....	2	5	11	10	5	1
Maximum potential investment.....	\$28, 935, 000	\$15, 281, 000	\$5, 971, 000	\$6, 495, 000	\$10, 600, 000	\$1, 100, 000

<sup>1</sup> One survey authorized in fiscal year 1962.

*AID Foreign Currency (Cooley) Loans <sup>1</sup> Authorized in Fiscal Year 1968*

[Values expressed in dollar equivalents]

Country	Borrower	Amount	Purpose
<b>Latin America:</b>			
Chile.....	Maquinas de Coser Singer de Chile S.A.....	332, 000	Sewing machine plant.
	Fabrica de Pernos y Tornillos.....	73, 000	Establishment of export division for screws, nuts, bolts, etc.
Colombia.....	American Pipe & Construction Inter- national.....	246, 000	Construction of warehouse facilities.
Total Latin America.....		651, 000	
<b>East Asia:</b>			
China, Rep. of.....	Union Carbide China (Taiwan) Ltd. ....	836, 000	Chemical manufacturing plant.
	Taiwan Development Corp. ....	1, 084, 000	Housing construction.
	Parke Davis Corp., Ltd. ....	100, 000	Pharmaceutical plant.
Korea.....	Korea Cotton Storage Co., Ltd. ....	222, 000	Cotton storage warehouse.
Total East Asia.....		2, 242, 000	

## Africa:

Guinea.....	Harvey Aluminum Inc.....	1,000,000	Bauxite mining.
Tunisia.....	Intercontinental Hotel & Home Development Corp.....	1,501,000	Hotel.
Total Africa.....		<u>2,501,000</u>	

## Near East and South Asia:

India.....	Pibco Ltd.....	533,000	Thermal insulation production.
	Vazire Glass Works Ltd.....	533,000	Expansion of facilities.
	Lube India Ltd.....	8,579,000	Construction of refinery.
	Mysore Cements Ltd.....	2,733,000	Expansion of cement plant.
	Mysore Lamp Works Ltd.....	400,000	Fluorescent tube manufacturing facilities.
Israel.....	Lageen Box and Can Factory Ltd.....	261,000	Can production plant.
	Dagon Batey Momguroth Le-Israel Ltd.....	533,000	Silo.
	The Central Bottling Co., Ltd.....	1,250,000	Bottling plant.
Pakistan.....	Sonol Israel Ltd.....	700,000	Pump and service stations.
	Johnson & Johnson Pakistan Ltd.....	208,000	Pharmaceutical plant addition.
	Dawood-Hercules Chemicals Ltd.....	14,204,000	Fertilizer project.
	Esso Pakistan Fertilizer Corp.....	7,875,000	Fertilizer manufacturing plant.
Total Near East and South Asia.....		<u>37,609,000.</u>	
Total all regions.....		<u>43,003,000</u>	

<sup>1</sup> 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.

*AID-Financed Contracts for the Development of Cooperatives,  
Fiscal Year 1968*

Contractor	Number of technicians <sup>1</sup>	Contract personnel (man months)	Amount (millions of dollars)
<b>Agricultural production &amp; marketing:</b>			
Cooperative League, USA.....	29	260	. 614
Farmers Union International Assistance Corporation.....	27	248	. 510
International Cooperative Development Association.....	18	144	. 258
<b>Credit extension (and capital development):</b>			
CUNA International, Inc.....	67	777	. 765
National League of Insured Savings Associations.....	18	192	. 377
<b>Housing development: Foundation for Co-operative Housing (FCH).....</b>			
	20	203	. 533
<b>Rural electrification: National Rural Electrification Cooperative Association.....</b>			
	50	227	. 683
<b>Training: International Cooperative Training Center.....</b>			
	19	189	. 271
<b>Total.....</b>	<b>248</b>	<b>2, 240</b>	<b>4 011</b>

<sup>1</sup> U.S. and local-hire technicians, and U.S. consultants.

*AID Employment, Fiscal Years 1963-68 <sup>1</sup>*

[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
1968.....	18, 030	5, 849	12, 181
<b>U.S. Nationals.....</b>	<b>8, 753</b>	<b>2, 627</b>	<b>6, 126</b>
<b>Foreign Nationals.....</b>	<b>9, 277</b>	<b>3, 222</b>	<b>6, 055</b>

<sup>1</sup> U.S. and foreign national direct-hire employees; excludes contract personnel.

*U.S. Share of AID-Financed Commodity Expenditures*  
*Fiscal Years 1960-68*

[Millions of dollars]

Fiscal year	Total expenditures 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.....	1,170	929	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
1968.....	1,161	1,139	98

*AID Outshipments of Excess Federal Property*<sup>1</sup>

[Original acquisition cost in millions of dollars]

	Fiscal year 1967	Fiscal year 1968	Percent change
Near East and South Asia.....	12.5	8.8	-30
East Asia.....	23.7	10.2	-57
Africa.....	3.7	3.4	-8
Latin America.....	2.1	1.3	-34
Nonregional.....	0.7	0.4	-43
Total.....	42.7	24.1	-44

<sup>1</sup> Excess U.S. Government-owned equipment obtained by AID for use in developing country program 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 Payments<sup>1</sup> in Fiscal Year 1968*

American Friends Service Committee	International Institute of Rural Reconstruction
American Jewish Joint Distribution Committee <sup>2 3</sup>	Iran Foundation
American-Korean Foundation	Lutheran World Relief <sup>2</sup>
American Mission to Greeks	Meals for Millions Foundation
American National Red Cross <sup>2</sup>	Medical Assistance Programs
American ORT Federation <sup>3</sup>	Mennonite Central Committee <sup>2</sup>
American Relief for Poland <sup>2</sup>	Mizrachi Women's Organization of America <sup>3</sup>
Assemblies of God, F.S.C.	Pan American Development Foundation
CARE, Inc. <sup>2 3</sup>	People-to-People Health Foundation (Project HOPE) <sup>2 4</sup>
Catholic Relief Services <sup>2 3</sup>	Project Concern
Christian Reformed World Relief Committee	Salvation Army
Church World Service <sup>2 3</sup>	Seventh-Day Adventist Welfare Service <sup>2</sup>
Community Development Foundation <sup>3</sup>	Summer Institute of Linguistics <sup>3</sup>
Foster Parents' Plan	Thomas A. Dooley Foundation
Friends of the U.S. of Latin America (FUSLA) <sup>3</sup>	United Israel Appeal <sup>3</sup>
HADASSAH <sup>3</sup>	World Relief Commission N.A.E. <sup>2</sup>
Heifer Project	World Vision Relief Organization
International Educational Development <sup>3</sup>	YMCA International Committee

<sup>1</sup> AID obligated \$5,300,000 to cover freight costs for overseas shipment of supplies privately donated for the overseas work of these 35 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.

<sup>2</sup> Eleven of the Registered Voluntary Agencies and the ANRC participated in the Public Law 480 Food for Freedom program. During fiscal year 1968, AID obligated \$41,340,300 to transport these foods to 53 countries under this program.

<sup>3</sup> The registered voluntary agencies may also participate in AID's U.S. Government excess property program. During fiscal year 1968, 13 registered voluntary agencies had excess property determinations.

<sup>4</sup> Public Law 480 donation for Ceylon carried aboard SS HOPE at no cost to U.S. Government

*Foreign Disasters and Emergency Relief Expenditures, Fiscal Year 1968*

[Millions of dollars]

Region	U.S. Government			Voluntary agencies	Total United States
	AID	Public Law 480	Other		
Africa.....	. 051	1. 409	-----	. 157	1. 617
Europe.....	. 188	. 076	<sup>3</sup> 3. 104	1. 175	4. 543
Latin America.....	. 876	. 589	. 002	. 857	2. 324
Near East/South Asia...	. 685	3. 258	. 008	4. 943	8. 894
East Asia/Vietnam.....	<sup>1</sup> 5. 953	16 331	-----	. 734	23. 018
<b>Total.....</b>	<b><sup>2</sup> 7. 753</b>	<b>21. 663</b>	<b>3. 114</b>	<b>7. 866</b>	<b>40. 396</b>

<sup>1</sup> Predominantly for relief after Tet offensive.

<sup>2</sup> Includes \$1,357,000 from Contingency Fund.

<sup>3</sup> Value of quonset huts contributed for Sicily earthquake victims by U.S. Navy.

*Military Assistance Program, Fiscal Year 1968*

[Millions of dollars]

East Asia:	
China, Rep. of.....	60.185
Indonesia.....	5.319
Korea.....	260.015
Philippines.....	21.185
East Asia Area.....	3.389
	<hr/>
	350.093
	<hr/>
Near East and South Asia:	
Greece.....	140.926
Iran.....	21.936
Jordan.....	.394
Saudi Arabia.....	.906
Turkey.....	99.063
Near East and South Asia Area.....	2.955
	<hr/>
	166.180
	<hr/>
Europe:	
Portugal.....	.705
Spain.....	3.590
Europe Area.....	1.104
	<hr/>
	5.399
	<hr/>
Africa:	
Congo (K).....	2.201
Ethiopia.....	(2)
Liberia.....	.700
Libya.....	1.133
Morocco.....	(2)
Tunisia.....	(2)
Africa Area.....	16.727
	<hr/>
	20.761
	<hr/>
Latin America:	
Argentina.....	1.785
Bolivia.....	2.301
Brazil.....	2.792
Chile.....	1.939
Colombia.....	4.856
Dominican Republic.....	2.577
Ecuador.....	1.787
El Salvador.....	.662
Guatemala.....	1.225
Honduras.....	.843
Nicaragua.....	1.106
Panama.....	.236
Paraguay.....	1.097
Peru.....	1.377
Uruguay.....	1.346
Venezuela.....	1.104
Latin America Area.....	.557
	<hr/>
	27.590
	<hr/>

*Military Assistance Program, Fiscal Year 1968—Continued*

Nonregional:	
Administrative Expenses.....	19. 919
Weapons Development.....	. 076
Int. Mil. Hqrs. & Agencies.....	27. 051
Other Nonregional.....	5. 141
	<hr/>
	52. 187
	<hr/>
MAP Assets Applied <sup>3</sup> .....	- 21. 398
	<hr/>
Total.....	600. 812

<sup>1</sup> Amount authorized, budgeted and programmed.

<sup>2</sup> Included in area programs.

<sup>3</sup> The minus figure represents previously funded assets available without cost to the fiscal 1968 MAPs which were applied to country programs throughout fiscal 1968.

## 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 in fiscal 1968. 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 in June 1967 and remained closed at the end of fiscal 1968. 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 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; David Rockefeller, president, Chase Manhattan Bank; 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, Professor Edward S. Mason, Department of Economics, Harvard University; Vincent M. Barnett, president, Colgate University; David E. Bell, vice president, Ford Foundation; Professor Hollis B. Chenery, Center for International Affairs, Harvard University; Professor Emile Despres, director, Research Center in Economics, Stanford University; Kermit Gordon, president, Brookings Institution; Professor Carl Kaysen, director, Institute for Advanced Study, Princeton, N.J.; Professor Lucian W. Pye, Department of Economics and Social Science, Massachusetts Institute of Technology; Professor Gustav Ranis, Director, Economic Growth Center; Professor Theodore W. Schultz, Department of Economics, University of Chicago.

### *International Private Investment Advisory Council*

Makes recommendations to the Administrator with respect to aspects of programs and activities in which private enterprise can play a contributing role, and acts as liaison for the Administrator to involve specific private enterprises in such programs and activities.

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; Clinton Morrison, vice president, U.S. Chamber of Commerce; Christopher H. Phillips, president, U.S. Council of the International Chamber of Commerce.

## *Advisory Committee on AID-University Relations*

Fills a need for representation by the academic community in its relations with AID in carrying on technical assistance projects in the developing nations.

Members: Chairman, Dr. John T. Caldwell, chancellor, North Carolina State University at Raleigh, Chairman, International Affairs Committee, National Association of State Universities and Land-Grant Colleges, and Chairman, Commission on International Education, American Council on Education; Dr. James P. Cornette, president, West Texas State University; Dr. Calvert N. Ellis, president, Juniata College, and chairman, Association of American Colleges; Dr. John A. Hannah, president, Michigan State University; Dr. David D. Henry, president, University of Illinois, and president, Association of American Universities; Dr. James H. Jensen, president, Oregon State University; Dr. Grayson L. Kirk, former president, Columbia University; Charles P. McCurdy, Jr., executive secretary, Association of American Universities; Dr. G. Tyler Miller, president, Madison College, and president, American Association of State Colleges and Universities; Allan W. Ostar, executive director, American Association of State Colleges and Universities; 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. Sharvy G. Umbeck, president, Knox College, and chairman, American Council on Education; Dr. Richard D. Weigle, president, St. John's College; Dr. Herman B. Wells, chancellor, Indiana University, and chairman, Education and World Affairs; Dr. W. Clark Wescoe, chancellor, University of Kansas, and president, National Association of State Universities and Land-Grant Colleges; Dr. Logan Wilson, president, American Council on Education; Dr. O. Meredith Wilson, director, Center for Advanced Studies in the Behavioral Sciences, 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 Government Relations, 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; Vice chairman, Miss Margaret Hickey, public affairs editor, Ladies Home Journal; Dr. Gordon M. Cairns, dean, School of Agriculture, University of Maryland; Ugo Carusi, retired government official; John B. Faegre, Jr., attorney at law; Dr. Adelaide C. Hill, Boston University.

Also, George N. Lund, former president, First National Bank, Reserve, Montana; Dr. Raymond F. McCoy, dean, Graduate School, Xavier University; Elmore R. Torn, economist; Edward M. M. Warburg, member N.Y. State Board of Regents; Mrs. Martha E. Andrews, civic leader.

### *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, acting chief, Liaison Division, Office of Private Resources, AID; Charles Abrams, director, Institute of Urban Environment, Columbia University; Neal J. Hardy, deputy commissioner for rehabilitation, New York City Rent and Rehabilitation Administration; W. Evans Buchanan, past president, National Association of Home-Builders; Arthur H. Courshon, chairman of the board, Washington Federal Savings and Loan Association, Miami Beach, Florida; Raymond P. Harold, president and chairman of the board, Worcester Savings and Loan Association, Worcester, Mass.; Nathaniel S. Keith, urban renewal consultant, Washington, D.C.; Mrs. Anne Roberts, deputy regional administrator, Department of Housing and Urban Development, New York City, New York; Arthur Tonsmeire, Jr., president, First Federal Savings and Loan Association, Mobile, Alabama; Benjamin Turner, attorney and homebuilder, Coral Gables, Florida; William L. C. Wheaton, director, Institute of Urban and Regional Development, University of California.

Ex-officio members: Robert C. Weaver, secretary of Housing and Urban Development; 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 and Congress of Industrial Organizations; Joseph A. Beirne, president, Communications Workers of America; David Dubinsky, vice president, AFL-CIO; James A. Suffridge, president, Retail Clerks International Association; John J. Grogan, president, Industrial Union of Marine and Shipbuilding Workers of America; George M. Harrison, vice president, AFL-CIO, Brotherhood of Railway Clerks; P. L. Siemiller, president, International Association of Machinists and Aerospace Workers; Joseph D. Keenan, secretary, International Brotherhood of Electrical Workers; Lee W. Minton, president, Glass Bottle Blowers' Association of the United States and Canada.

Also, A. Philip Randolph, president, Brotherhood of Sleeping Car Porters; Paul Jennings, president, International Union of Electrical, Radio and Machine Workers; I. W. Abel, president, United Steelworkers of America; A. F. Grospron, president, Oil, Chemical and Atomic Workers International Union; William C. Doherty, Jr., administrator, American Institute for Free Labor Development; W. A. Boyle, president, United Mine Workers of America; Jay Lovestone, director, Department of International Affairs, AFL-CIO; Ernest S. Lee, assistant director, Department of International Affairs, AFL-CIO; Andrew C. McLellan, Inter-American representative, AFL-CIO; Irving Brown, executive director, African-American Labor Center; Harry Goldberg, representative, Department of International Affairs, AFL-CIO.

Also the following members:

#### *AID*

William S. Gaud, Administrator; James R. Fowler, Deputy Coordinator, Alliance for Progress; R. Peter Straus, Assistant Administrator, Bureau for Africa; John C. Bullitt, Assistant Administrator, Bureau for East Asia; James P. Grant, Assistant Administrator, Bureau for Vietnam.

#### *Department of State*

Covey T. Oliver, Assistant Secretary and U.S. Coordinator, Alliance for Progress; Joseph Palmer, Assistant Secretary, Bureau for African Affairs; William P. Bundy, Assistant Secretary, Bureau for East Asian and Pacific Affairs.

#### *Department of Labor*

W. Willard Wirtz, Secretary; George L. P. Weaver, Assistant Secretary for International Affairs.

## *Cooperative Advisory Committee*

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

Members: Chairman, ex-officio: Herbert Salzman, Assistant Administrator for Private Resources, AID; James F. Bent, president, Hartford Federal Savings; John B. Clarke, treasurer and chief business and financial officer, Howard University; Clyde T. Ellis, former general manager, National Rural Electric Cooperative Association; Leon Keyserling, economic consultant; Kenneth J. Marin, former president, Credit Union National Association; Raymond Miller, Public Relations Research, Inc.; Kenneth D. Naden, executive vice president, National Council of Farmer Cooperatives; Herschel D. Newsom, master, National Grange; Tony DeChant, president, National Farmers Union; Walter Reuther, president, International Union of United Automobile, Aerospace and Agricultural Implement Workers of America; Charles B. Shuman, president, American Farm Bureau Federation; Bishop Edward E. Swanstrom, executive director, Catholic Relief Services, National Catholic Welfare Conference; M. W. Thatcher, former president, National Federation of Grain Cooperatives; Stanley Dreyer, president, Cooperative League of the USA.

## *The Interagency Police Group*

Advises and assists the Administrator in the coordination and leadership of U.S. police assistance programs.

Members: Chairman, Byron Engle, Director, Office of Public Safety, AID; Maj. Gen. William E. DuPuy, provost marshal of the U.S. Army; Joseph J. Casper, assistant director, Federal Bureau of Investigation; Howard Furnas, Department of State; Edward V. O'Connor, Central Intelligence Agency.

## *Advisory Committee on International Health*

Advises the Administrator on all AID policies to help meet the health manpower needs of the developing countries.

Members: Chairman, Dr. Ernest L. Stebbins, dean, School of Hygiene and Public Health, Johns Hopkins University; Dr. James P. Dixon, president, Antioch College; Dr. John A. D. Cooper, dean of sciences, Northwestern University; Dr. Albert W. Dent, president, Dillard University; Dr. Thomas H. Hunter, chancellor for medical affairs, University of Virginia School of Medicine; Dr. John Knutson, professor of preventive dentistry and public health, University of California; Dr. John A. Logan, president, Rose Polytechnic Institute; Dr. Robert Long, chairman, International Committee of the American Medical Association.

Also: Dr. Margaret Mead, professor of ethnology, American Museum of Natural History; Dr. Robert S. Morison, director, division of biological sciences, Cornell University; Dr. Margaret Shetland, dean, College of Nursing, Wayne State University; Dr. John M. Weir, director, medical and natural sciences, Rockefeller Foundation.

Ex-officio Member: Dr. Philip R. Lee, assistant secretary for health and scientific affairs, Department of Health, Education, and Welfare.

### *Development Loan Committee*

Under the direction of the 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 and President of the Export-Import Bank of Washington; John R. Petty, Assistant Secretary for International Affairs, Department 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, president, the Agricultural Development Council, Inc.; Dr. C. Arnold Anderson, director; Comparative Education Center, University of Chicago; Dr. Nyle C. Brady, director of research, New York State College of Agriculture, Cornell University; Dr. Emile Despres, visiting professor of international economics, Brookings Institution; Dr. Kurt W. Deuschle, chairman, Department of Community Medicine Medical School, University of Kentucky; Dr. James Hillier, vice president, RCA Laboratories; Francis Keppel, chairman, board of directors and president, General Learning Corporation; Dr. John D. Montgomery, professor of public administration, Harvard University.

Also: Dr. A. H. Moseman, the Agricultural Development Council, Inc.; Dr. Maurice L. Peterson, professor, Department of Agronomy, University of California; Dr. Roger Revelle, director, Center for Population Studies, Harvard School of Public Health; Dr. Vernon W. Ruttan, chairman, Department of Agricultural Economics, Institute of Agriculture, University of Minnesota; Dr. F. Joachim Weyl, special assistant to the president, National Academy of Sciences; Dr. Carroll L. Wilson, professor, 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 Company, Anthony L. Leone, vice chairman, assistant vice president, First National City Bank; John H. DeBenedictis, assistant treasurer, Chase Manhattan National Bank; James A. Harrington, assistant vice president, Bankers Trust Co.; Harold T. McGrath, assistant secretary, Manufacturers-Hanover Trust Company; William E. McGraw, assistant vice president, Morgan Guaranty Trust Company; Henry Reuter, assistant vice president, The Marine Midland Trust Co.; Richard J. Chu, Bank of America; Hendrik Schmidt, Bank of New York; Dominic A. Suplina, Chemical Bank, New York Trust Company.

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**THE FOREIGN ASSISTANCE PROGRAM  
ANNUAL REPORT TO THE CONGRESS - FY 1968**

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Rm. 424B  
NESAS/SA - Director