

**THE FOREIGN  
ASSISTANCE  
PROGRAM**

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**ANNUAL REPORT TO THE CONGRESS  
FISCAL YEAR 1970**

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Some of the economic aid program figures in this report for fiscal year 1970, including statistical data in the appendices, are preliminary and subject to minor revision when final data become available.

## PRESIDENT'S LETTER OF TRANSMITTAL

*To the Congress of the United States:*

Since my March 1970 Report on Foreign Assistance, I have proposed to the Congress a major transformation in the policy directions and organizational structure of this important program.

The proposals are made necessary by the dramatic changes which have taken place over recent years in the conditions that surround and influence development assistance:

- The lower income countries themselves have made impressive progress and gained experience which makes it possible for them to stand at the center of the development process;
- The other industrialized nations can now afford to provide major assistance to the poorer nations, and most of them now have substantial and expanding programs in this field;
- A number of international development institutions now possess a capability to help match the efforts of the recipient countries themselves with the most effective possible blend of assistance from donor nations;
- The private sector has become increasingly active and effective in channeling investments in a fashion to stimulate growth in the lower income countries.

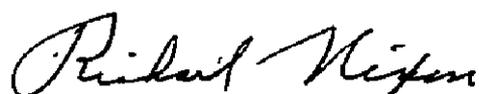
The Annual Report on the Foreign Assistance Program for Fiscal Year 1970, which I transmit herewith, covers a period in which we undertook to formulate and present to Congress a more effective foreign assistance program tailored to the needs of the 70's. But it was also a period in which our present foreign assistance program helped lower income nations to achieve a number of gratifying successes:

- India harvested the largest food grain crop in its history and was able to reduce food grain imports 50 percent below the previous year's level;
- Thailand approved voluntary family planning as a national policy, and Ghana adopted a major population program;
- West Pakistan produced enough wheat not only to meet its own needs but to allow shipments of wheat to East Pakistan;
- Domestic savings in Turkey, encouraged by an effective fiscal policy, rose to 18 percent of that country's gross national product and financed 91 percent of its fixed investment;

—Ten million school-age children in Brazil each day received nutritious lunches which included U.S. foodstuffs.

In the important field of technical assistance, the Agency for International Development focused its efforts increasingly on a limited number of key problems. Among these were the "second-generation" problems resulting from the "Green Revolution." Dramatically increased agricultural yields and new technology have in some instances contributed to shortages of facilities for storage, shipment and marketing and to rural unemployment. AID sought to assist in solving these problems in order to insure the ongoing success of this significant "Revolution." It also sponsored new research in important areas such as food production and family planning. A total of \$75 million was provided for the conduct of population programs, a rise of 64 percent over the previous year.

I am proud that our present foreign assistance program has achieved important successes in a field in which quick and dramatic successes are few. Development assistance, however slow its results, is an important means of cooperating with the lower income nations to help them solve their most critical problems—those of improving the quality of life of their citizens. By creating a community of nations working together to solve the problems of humanity rather than adding to them, through war and civil strife, it clearly serves a major national interest. Our new program will be designed to meet the new needs of a new decade and thereby permit us to pursue that interest more effectively, in a way which insures our being increasingly responsive to the needs of the peoples of the developing world. It will, I believe, be recognized by our people as a proud American investment in the future of all mankind, and therefore in a better world for future generations of Americans.



THE WHITE HOUSE  
February 1971

## TABLE OF CONTENTS

	Page
INTRODUCTION.....	1
I. AID APPROPRIATION CATEGORIES.....	3
Development Loans.....	4
Technical Assistance.....	5
Supporting Assistance and the Contingency Fund.....	6
American Schools and Hospitals Abroad.....	6
II. ECONOMIC ASSISTANCE PROGRAM.....	8
The Role of Technical Assistance.....	11
Food and Agriculture.....	12
Population.....	14
Education.....	15
Health.....	16
Food For Peace.....	17
Private Resources.....	17
Private Overseas Programs.....	21
Management Progress.....	25
III. NEAR EAST AND SOUTH ASIA.....	28
IV. LATIN AMERICA.....	31
V. EAST ASIA.....	35
VI. AFRICA.....	40
VII. VIETNAM.....	44
VIII. CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS.....	46
IX. MILITARY ASSISTANCE PROGRAM.....	48

## APPENDICES

AID Commitments by Region and Appropriation Category..	53
AID Commitments in the Near East and South Asia.....	54
Development Loan Authorizations in the Near East and South Asia.....	54
AID Commitments in Latin America.....	56
Development Loan Authorizations in Latin America.....	57
AID Commitments in East Asia.....	63
Development Loan Authorizations in East Asia.....	63
AID Commitments in Africa.....	65
Development Loan Authorizations in Africa.....	66

Countries or Areas with Investment Insurance and Guaranty Agreements.....	Page
Specific Risk Insurance Program.....	68
Investment Survey Program Activity.....	71
Foreign Currency (Cooley) Loans Authorized in fiscal year 1970.....	71
Outshipments of Excess Federal Property.....	72
Organizations Registered with the Advisory Committee on Voluntary Foreign Aid and Receiving AID Ocean Freight Payments.....	74
Foreign Disasters and Emergency Relief Expenditures.....	74
Military Assistance Program.....	75
Statement on Nondiscrimination and Freedom of Navigation.....	77
Advisory Committees.....	77

### CHARTS

Fiscal Year 1970 AID Program by Appropriation Category.....	3
AID Concentrates Its Program.....	9
Food and Population Trends.....	13
AID Population Programs.....	15
AID Investment Insurance Program.....	19
AID Expenditures in the United States and Abroad.....	21
AID-Financed Purchases of U.S. Commodities.....	24
Fiscal Year 1970 AID Program by Region.....	28

## INTRODUCTION

The Agency for International Development committed a total of \$1.88 billion in economic assistance during fiscal 1970.

AID commitments<sup>1</sup> for fiscal 1970 by major funding category were as follows:

	<i>Millions</i>
Development and Alliance for Progress Loans.....	<sup>1</sup> \$863.6
Technical Assistance.....	371.2
Bilateral:	
Worldwide .....	\$180.6
Alliance for Progress.....	85.6
Multilateral Organizations.....	105.0
Supporting Assistance.....	518.1
Vietnam .....	<sup>2</sup> \$361.2
Other .....	157.0
Contingency Fund.....	21.0
Administrative Expenses.....	<sup>3</sup> \$7.6
Other .....	<sup>4</sup> \$4.0
Total .....	1, 876.7

<sup>1</sup> Includes grants for population programs financed from loan funds.

<sup>2</sup> Comprised of:

\$354.4 million Vietnam economic assistance;

\$6.7 million expanded program support (Washington).

<sup>3</sup> Includes \$58.8 million for AID administrative expenses, \$4.7 million expanded administrative support for Vietnam, and \$4 million for Department of State administrative expenses

<sup>4</sup> Includes \$26.5 million for American Schools and Hospitals Abroad and \$7.5 million for Indus Basin Development.

Total U.S. assistance commitments—AID commitments combined with those of economic assistance not included in the Foreign Assistance Act—totaled \$3.7 billion.

Commitments in these additional aid categories were as follows:

	<i>Millions</i>
Food For Peace.....	\$1, 190.6
Inter-American Development Bank.....	<sup>1</sup> 300.0
International Development Association.....	160.0
Peace Corps.....	90.8
Asian Development Bank.....	20.0
Other .....	95.4
Total .....	<sup>2</sup> 1, 856.8

<sup>1</sup> Excludes \$205.9 million U.S. subscription to the callable capital of the Inter-American Development Bank. U.S. subscriptions of callable capital are not considered foreign aid expenditures since the funds are kept in the U.S. Treasury to back up bank bonds and are not expected to be spent

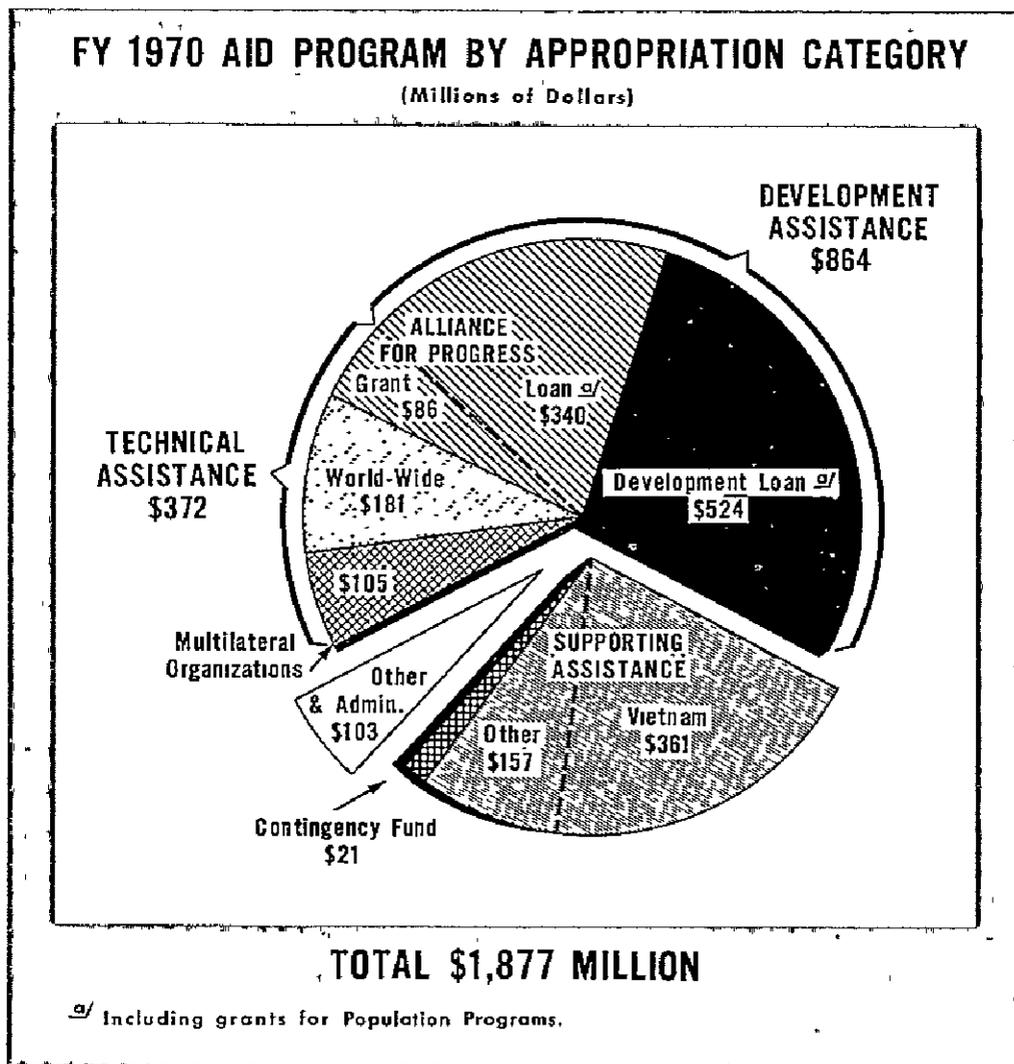
<sup>2</sup> The U.S. Export-Import Bank's long-term loans in fiscal 1970 totaled approximately \$615 million to promote U.S. exports to less developed areas of the world. These loans, however, were at or near commercial interest rates and were usually of medium maturity and, therefore, not included as foreign assistance.

<sup>1</sup> Some of the fiscal 1970 figures are preliminary; all fiscal 1969 figures have been made comparable with those of fiscal 1970.

# I. AID APPROPRIATION CATEGORIES

Development and Alliance for Progress Loans amounted to \$863.6 million and accounted for almost half of AID funding. The increase of funding in this category represented three-quarters of the total aid increase.

Supporting Assistance amounted to \$518 million, an increase of \$34.4 million from the preceding year.<sup>1</sup> This increase occurred in large part because of higher commitments in Vietnam, where the requirements for the Commercial Import Program were significantly greater than in fiscal 1969.



<sup>1</sup> Fiscal 1969 total is adjusted for comparability to include contributions to the UN Relief and Works Agency and the UN Force in Cyprus.

Technical Assistance totaled \$371 million in fiscal 1970, an increase of \$11.3 million from fiscal 1969, largely in the Multilateral Organizations category.

Through the Contingency Fund, \$21 million (excluding \$6.7 million in transfers to other U.S. Government agencies) was provided to meet unexpected requirements for assistance, an increase of about \$7 million over fiscal 1969.

## DEVELOPMENT LOANS

Development Loans provide low-income countries with the commodities and technical services necessary for such facilities as schools, clinics, irrigation works and roads. They finance the imports of fertilizer, farm and industrial equipment, raw materials and spare parts needed for agricultural and industrial development.

In addition, Development Loans are AID's primary means of encouraging borrowing countries to take the self-help steps needed for their own development. Development Loans have been provided to countries which have liberalized import restrictions, increased tax collections, allocated more of their budgets to agriculture or education, taken specified steps to reduce inflation, or undertaken other actions designed to help them make faster development progress.

Development Loans are of three types—project loans, program loans, and sector loans.

- Project loans finance a specific undertaking such as a fertilizer plant, a power dam, or a road.
- Program loans finance U.S. goods such as fertilizer, machinery, raw materials, and spare parts needed for industrial and agricultural development, and are usually associated with fiscal, monetary, or import reforms or with other self-help steps affecting the overall economy.
- Sector loans are a type of Development Loan assistance used in recent years which closely integrates capital and technical aid to spur the development of a particular sector in a country, such as agriculture or education.

AID authorized 57 loans in fiscal year 1970, totaling nearly \$807 million.<sup>1</sup> Included were 28 Development Loans to selected countries in East Asia, Africa, the Near East, and South Asia which amounted to \$487 million and 29 Alliance for Progress Loans to the countries of Central and South America amounting to \$319 million.

Of the 57 loans, 16 were program loans (including six sector loans) used to finance the import of U.S. commodities and capital goods for general use and 41 were for projects, including two-step loans to inter-

<sup>1</sup> Includes loans for regional and country programs only. The \$56.4 million difference between the amount of the loans authorized and the total commitments from Development Loan and Alliance for Progress Development Loan accounts arises because that amount was used from those accounts on a grant basis for population programs under Title X of the Foreign Assistance Act.

mediate credit institutions and loans for feasibility studies. AID program loans in 1970 totaled \$499 million (including \$101 million in sector loans). Project and other loans amounted to \$308 million.

### *Major Borrowers*

Over 80 percent of all loans were concentrated in India, Pakistan, Brazil, Colombia, Indonesia, Turkey; and Central America. The remaining 20 percent was spread among 17 countries and regional organizations. With the exception of Korea, these other borrowers were all in either Latin America or Africa.

### *Program Loans*

As in past years, India and Pakistan absorbed a major part of the regular program loan funds committed. India received \$180 million—45 percent of the total. Commitments to Pakistan amounted to \$103 million—26 percent of the total. Turkey and Colombia received \$40 million each, Ghana \$15 million and Korea and Tunisia \$10 million each.

Sector loans totaled \$101 million, with Brazil receiving by far the largest share—\$50 million for the educational sector. Sector loans authorized for Colombia totaled \$30 million, equally divided between the educational sector and the agricultural sector. A loan of \$8 million in the transportation sector was provided for the Congo (Kinshasa), and Morocco and Ethiopia received \$8 and \$5 million respectively for development of their agricultural sectors.

### *Project Loans*

Forty-one loans were authorized for specific projects during fiscal 1970. Eleven of these totaling over \$67 million were in the fields of food and agriculture. Seven project loans, totaling \$69 million, were also used extensively to promote the growth of private enterprise activities. Six loans with an overall value of more than \$71 million were committed to development of industry and related activities. There were five loans each in the fields of power and transportation, four in education and one each in housing, community development, and health and sanitation.

## TECHNICAL ASSISTANCE

Technical Assistance commitments for bilateral programs in fiscal 1970 were \$266 million. In addition, \$105 million was provided for Technical Assistance administered by Multilateral Organizations, an appropriation category used for the first time in fiscal 1970. The total of \$371 million for Technical Assistance was \$11.3 million higher than comparable commitments the previous year.

## *Training Programs*

An important element of Technical Assistance is training in the United States or other countries for scientists, administrators, technicians, and teachers from developing countries. Through this "participant training" program, American technical and managerial skills, innovative approaches, and modernizing attitudes are shared with the developing nations which send qualified men and women to the United States or to other countries for specialized training.

Participants are enrolled in universities, receive observational and on-the-job training, and participate in various job-related activities.

More than 10,000 were trained in the United States in fiscal 1970; two-fifths came from Asia, about one-fourth from Africa, and more than one-third from Latin America. Over half of these persons attended universities and colleges. As of June 30, 1970, there were approximately 6,000 participants from 80 countries in about 500 institutions in the 50 States plus the District of Columbia and Puerto Rico. About 85 percent of the returned participants are engaged in development projects and activities in their countries. The average cost of training per participant in recent years has been just under \$3,000, the average length of stay just under 6 months.

## SUPPORTING ASSISTANCE AND THE CONTINGENCY FUND

Seven countries received Supporting Assistance in fiscal 1970, compared to 10 the year before.

The largest single commitment was for Vietnam, which received \$361 million or 70 percent of all Supporting Assistance obligations. Korea, Laos, Thailand, and Nigeria received most of the remainder.

Contingency Fund commitments were just under \$21 million. Major Contingency Fund uses were for relief and rehabilitation to Peru following the disastrous earthquake of May 1970, to Tunisia for flood damages and to Nigeria for the international postwar relief effort.

## AMERICAN SCHOOLS AND HOSPITALS ABROAD

Section 214 of the Foreign Assistance Act authorizes the President to furnish assistance to schools, libraries, and hospital centers for medical, education, and research outside the United States when these institutions are founded or sponsored by U.S. citizens and meet various legislative and administrative criteria.

AID provides assistance to institutions to strengthen their capacity to contribute to the economic and social development of countries and regions in which they are located. Each has been accepted by the Government of the country where it is located as an important contributor to educational needs.

In fiscal 1970, commitments for American schools and hospitals abroad were up \$13 million to a total of \$28 million. This included funding the final increment in construction of the medical complex at the American University of Beirut.

This university is one of the AID-assisted institutions which serve as education centers for their entire region. The American University of Beirut, for instance, attracts students from all over the Middle East and from Africa as well. The excellent facilities of the American University of Beirut are used by AID for overseas training programs which are often more relevant to students' needs than U.S. training, while at the same time providing U.S. curricula and methods of instruction.

## II. ECONOMIC ASSISTANCE PROGRAM

Self-sustaining growth in the low-income countries is the ultimate objective of the foreign assistance program. A less long-range goal is the phasing out of bilateral U.S. aid when it is no longer required for their sustained growth. A realistic appraisal of past patterns and future prospects indicates good potential for accelerating the movement toward these objectives.

- Over the last 10 years the less-developed nations together more than met the target set by the United Nations of five percent annual growth in GNP.
- Iran and Taiwan, ex-AID recipients, have both virtually achieved self-sustaining growth, with annual GNP increases of about 10 percent.
- Turkey, Venezuela, and Costa Rica are likely to achieve self-sustaining growth within several years.
- The rate of growth in Korea was an exceptional 15.5 percent in 1969.
- Brazil has also made excellent progress and is now growing at a rate of over seven percent a year.

### *Concentrating Aid*

To use limited funds most effectively, AID in fiscal 1970 continued to restrict the bulk of its assistance to relatively few countries.

In 1970—as in the previous year—87 percent of all AID assistance to nations went to 15 countries and 93 percent of the amount committed for Supporting Assistance was concentrated in three nations.

### *The Importance of Self-Help*

In allocating development assistance, AID weighs not only the solid signs of progress represented, for instance, by the growth charts, but also the potential for growth which results from sound policies and appropriate investments by low-income countries.

The following are examples of monetary, fiscal and trade policies, programs and results which AID found to be important contributions to the potential for growth:

- Due to steadily improving fiscal policy, domestic savings in Turkey rose to 18 percent of GNP and financed 91 percent of fixed

# CONCENTRATION OF COUNTRY PROGRAMS

## TOTAL PROGRAMS

15 COUNTRIES

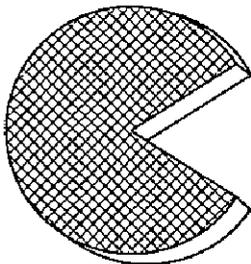


**87%**  
OF FY '70  
COUNTRY  
PROGRAMS

BRAZIL	KOREA
CHILE	LAOS
COLOMBIA	NIGERIA
COSTA RICA	PAKISTAN
ECUADOR	THAILAND
GUATEMALA	TURKEY
INDIA	VIETNAM
INDONESIA	

## DEVELOPMENT LOANS

9 COUNTRIES

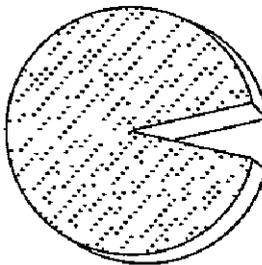


**82%**  
OF FY '70  
COUNTRY  
PROGRAMS

BRAZIL	INDONESIA
COLOMBIA	KOREA
ECUADOR	PAKISTAN
GUATEMALA	TURKEY
INDIA	

## SUPPORTING ASSISTANCE

3 COUNTRIES



**93%**  
OF FY '70  
COUNTRY  
PROGRAMS

VIETNAM
LAOS
NIGERIA

investment. In 1963 domestic savings were only 12 percent of GNP and financed only 73 percent of fixed investments;

- Ghana continued its economic stabilization under guidelines recommended by the International Monetary Fund and undertook preparations for a series of economic policy reforms, including selective import liberalization along with a more appropriate tariff and import surcharge structure;
- Central America took a significant forward step in economic policy with the approval and implementation of the Central American Monetary Stabilization Agreement by all five members of the

Central American Common Market. The Agreement creates a fund to provide mutual balance-of-payments assistance on the basis of limited pooling of members' exchange reserves and external resources such as those that will be provided by a \$10 million AID loan. The fund will also serve to harmonize monetary and exchange policies as a step toward monetary union. Creation of the fund is an unusually promising Central American initiative since it is a cooperative step that was taken in spite of the seriously disrupted political and economic situation in Central America following the outbreak of hostilities between El Salvador and Honduras in mid-1969;

- Indonesia continued to follow the austere monetary and fiscal policies which led it from rampant inflation to successful economic stabilization and now to rehabilitation. In calendar 1969 the rise in the price index was held to 10 percent; domestic revenues were up 60 percent; the development budget more than doubled; and private foreign investment was approved at a rate triple that of the previous year. The increasing percentage of imports devoted to capital goods and raw materials is further evidence of the advance from stabilization to development, which was highlighted by the initiation of a wide range of development activities in Indonesia's Five-Year Plan.

In the fields of agricultural production and nutrition, these were some of the encouraging results:

- India continued to increase fertilizer consumption, reported five percent annual growth in the agriculture sector and harvested the largest foodgrain crop in its history—almost 100 million tons—which permitted foodgrain imports to be cut by half the level of 1968;
- India also promulgated the first National Nutrition Strategy in the history of development planning. The strategy sets nutritional targets for the Indian population and outlines a plan of action to improve nutrition through food research, genetic enrichment of cereal proteins, feeding programs for preschool children and pregnant and nursing mothers, nutrition education, development of unconventional protein foods, and food fortification. The issuance of the strategy follows several years of successful pilot work in nutrition programs supported by AID;
- Costa Rica continued its excellent agricultural development program through increased services to farmers, involving institutional integration, expansion and improvement of agricultural education and research capabilities, improved availability of agricultural credit, increasing the impact of agricultural cooperatives, improving the marketing of agricultural commodities, and grant-

ing titles to farmers now occupying some 1.6 million acres of untitled land;

—West Pakistan grew enough wheat to begin shipments to East Pakistan.

There were also significant advances in the vital population field, including the following:

—Ghana adopted a far-reaching population control program with strong governmental backing. The program envisages nationwide delivery of information and supplies for family planning in the context of general preventative health services and will make full use of external aid from various institutional and national donors;

—Thailand approved voluntary family planning as a national policy. This marks a significant step forward in the development of Thailand's population policy. The Ministry of Health extended the family health project (family planning and other health services) to all Thai provinces, and the Ministry of Education designed a pilot project to disseminate family planning and health information through an adult literacy program.

## THE ROLE OF TECHNICAL ASSISTANCE

The administration's determination to stress the developmental role of Technical Assistance and to improve its quality resulted in several initiatives in fiscal year 1970.

Prominent among them was establishment of the Bureau of Technical Assistance as a major AID component with specific responsibility for finding better ways of inducing constructive change in developing countries. It works largely with the regional bureaus which back up the overseas missions.

These were some of the objectives to which the Technical Assistance Bureau addressed new efforts in fiscal 1970:

—Focusing assistance efforts increasingly on a limited number of key problems impeding development, an approach that makes the most of available resources while increasing the likelihood of solution. In agriculture, for example, capability in agricultural economics, research capacity linked to a global research network, water and tropical soils management, crops higher in protein and livestock production were assigned priority attention;

—Strengthening professional services available to field missions and through them to developing countries. This means not only finding more organizations with such capability but giving both encouragement and money support to those that seek to acquire it. New in fiscal 1970 was an Institutional Development Agreement designed to improve relations with colleges and universities and to formalize new understandings reflecting mutual interest in development problems. Under such agreements AID funds finance

long-term cooperative liaison between U.S. educational and research institutions and new or existing counterparts in the developing world. In addition, grants of over \$4 million went to eight universities in fiscal 1970 to strengthen competence in such priority fields as agricultural economics, tropical soils science, aquaculture, educational systems, and economic policy;

—Sponsoring research, widening the U.S. institutional base for it and improving coordination with comparable efforts in other countries. New research projects approved in fiscal 1970 gave primary emphasis to family planning, agriculture, economics, and the study of the role of democratic institutions in development (Title IX). The total cost of the 11 new projects is \$8 million.

### *Enlisting the Scientific Community*

U.S. scientific and technological resources were more closely tied to development assistance programs in other related ways. Specifically, existing arrangements with the National Academy of Sciences and the National Academy of Engineering were expanded to help AID help developing countries to use advanced nations' technologies and evolve their own. An important similar step was agreement with the Smithsonian Institution for assistance in analysis of environmental aspects of AID-supported development projects. AID also entered its first contractual relationship with the National Aeronautics and Space Administration in an effort to apply technologies acquired in the space program to developing country problems.

Such forward-looking actions by the new bureau accompanied continued administration of existing programs by regional bureaus as well as central staffs. As in all recent years, emphasis was on the inextricably linked problems of growing sufficient food and of slowing population rates.

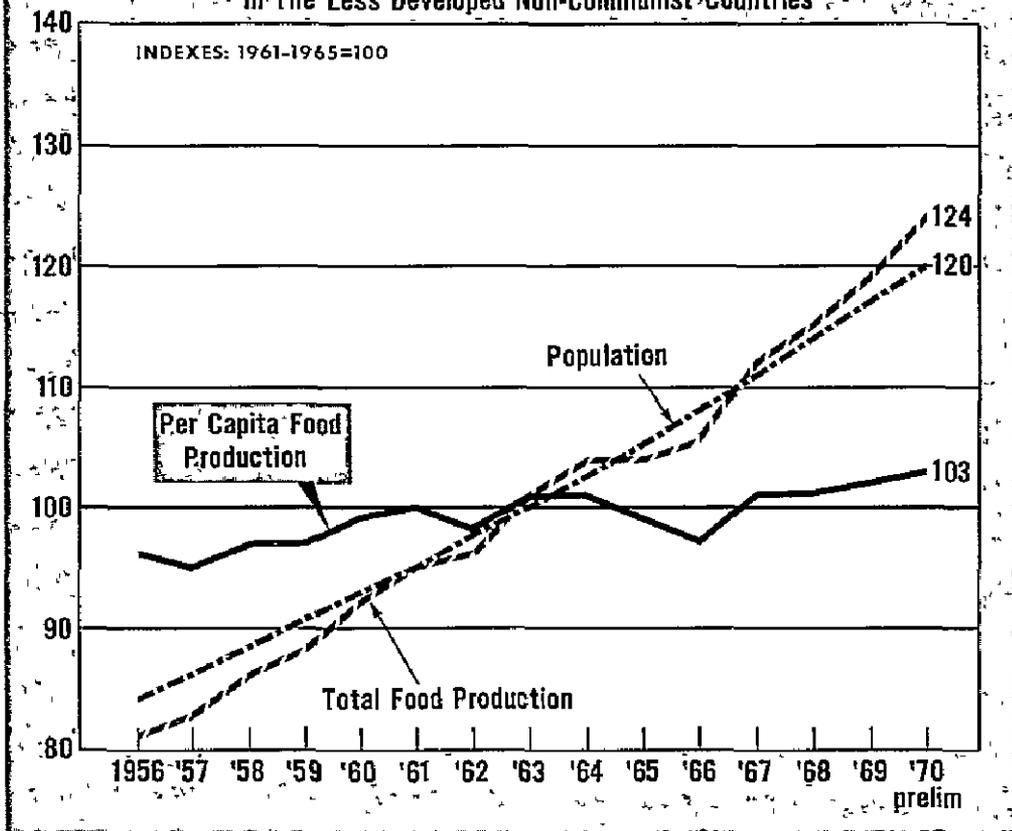
## FOOD AND AGRICULTURE

During fiscal year 1970 the momentum of the "Green Revolution" continued to add to the overall food supply of the developing world. Yet the benefits of successful AID-supported campaigns to use new high-yielding seed varieties in properly phased combination with water, fertilizer, pesticides, etc., remained largely confined to the Philippines, Vietnam, India, and Pakistan.

Within these countries, moreover, benefits are by no means equitably distributed. And many other countries, particularly in Africa and Latin America, have scarcely experienced the "Green Revolution" at all. Nevertheless, the food production break-throughs of the sixties are providing time in which to balance the food and population equation.

## FOOD AND POPULATION TRENDS

In The Less-Developed Non-Communist Countries



Some of the dimensions of that task are suggested by the fact that relatively little crop land in developing countries is being planted to the new high-yielding cereal varieties and that on a per capita basis, because of population growth, there has been no significant increase in food output. To meet needs of the next 10 years, food production in the developing countries must rise at a rate of about four percent annually which is one percentage point higher than in the decade just past.

The successes of the "Green Revolution" have, however, raised problems such as increased rural unemployment and shortages of facilities for storage, shipment, and marketing. AID is actively seeking solutions to such problems. Nutritional deficiencies—notably in protein—in diets of three-fifths of the people in developing countries, remain serious. The effects of such conditions on the adult health and capacity of children who survive are frequently devastating in both human and developmental terms.

Research to breed varieties of cereal crops that have higher protein content, to improve grain-legume crops (dried peas, beans, lentils, etc.), both quantitatively and qualitatively, and to increase availability of animal protein received strong AID support in an effort to close the protein gap through normal farm practices.

At the same time AID continued to finance research in the fortification of food staples, for example, in Tunisia, Thailand, and Guatemala, where the results of fortifying wheat, rice, and corn are being investigated. The Tunisian project has reached the field testing stage; the Thailand study is in the pilot phase, and the Guatemalan effort is currently concerned with a suitable method for adding the fortifying material. The final phase of both the Thailand and Guatemalan studies will also be large scale field tests.

The effect on protein utilization of fortifying wheat with lysine under conditions of insufficient calorie intake is being studied at the Massachusetts Institute of Technology with AID assistance. The same group of nutritionists is trying to determine if a protein supplement such as milk may have greater nutritional impact if fed two hours prior to school lunches rather than with them.

AID committed \$367 million to agriculture in fiscal 1970 compared to \$415 million the previous year.

## POPULATION

AID support for population programs increased to \$74.6 million in fiscal 1970 from \$45.4 million in fiscal 1969, a rise of 64 percent.

Besides direct aid to programs in 31 countries, assistance was provided in the form of grants to private and international organizations or for projects that involved groups of countries or were carried on in the United States. Nearly \$40 million of the fiscal 1970 total support was provided on a bilateral basis to governments concerned. Funds for both technical and behavioral research related to population, in addition to funds used as part of specific country or regional programs, rose in fiscal 1970 to over \$7 million, much of it devoted to developing new and improved contraceptives. For example, the Salk Foundation and the Worcester Foundation for Experimental Biology received grants of \$2 and \$3 million respectively for studies on chemical factors which show promise in fertility control.

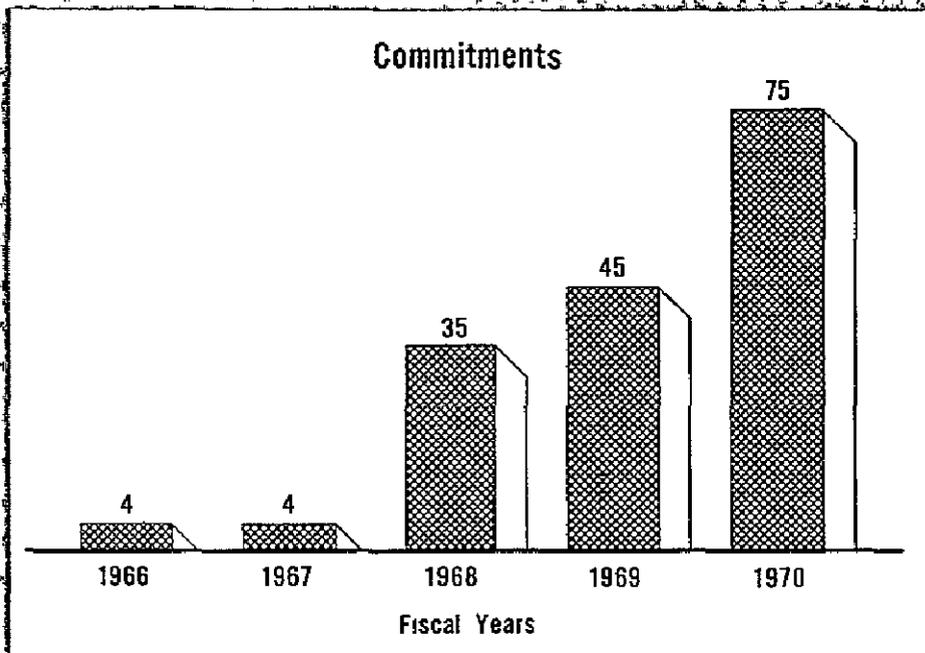
During the fiscal year some \$9.5 million in contraceptives of types approved by the Food and Drug Administration were provided to government and private organization programs. Other projects sought improvement in analysis, evaluation, and design of population policies and programs; to develop better information, communication, and education programs in support of family planning; and to provide training in population work.

Typical of ways in which AID grants supplemented resources of private and international organizations in assisting family planning were:

—Assistance of \$7.3 million to the International Planned Parenthood Federation to help finance advisory services, financial sup-

## A.I.D. POPULATION PROGRAMS

(Millions of Dollars)



port and commodities, including contraceptives, for affiliates in some 50 countries;

- A \$4 million contribution to the United Nations Fund for Population Activities for research, training, and support for member countries' programs. Of this amount, \$3 million is available to match contributions of other nations;
- Nearly \$3 million allocated to Johns Hopkins University and the Universities of North Carolina and Michigan to establish fellowship programs for population work overseas in public and private institutions;
- Grants of \$2.7 million to the Population Council for expansion of family planning programs in Asia, for continuation of its research, and for its postpartum information and service activities.

Other AID assistance in the field included study of reasons why women stopped using contraceptives, the relationships of public health services to acceptance of family planning in India and Ghana, and comparative abortion and fertility studies in Latin America.

## EDUCATION

AID provided \$87 million during fiscal 1970 for education programs in developing nations. Besides stepping up assistance that strengthened educational planning and encouraged innovation, it placed greater

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emphasis on educational technology, informal or out-of-school learning and more effective ways of financing school systems.

At the same time, support was provided for marked expansion of educational facilities and greater availability of materials in particular assisted countries. India, Colombia, and Vietnam received special help in classroom construction. Major textbook production programs were under way in Brazil, Ethiopia, Vietnam, Chile, Thailand, and Nepal. Regional centers that provide instruction in science and mathematics, agricultural education, engineering and English as a foreign language were expanding. Library development assistance was on the rise.

Several million students below college level were enrolled during fiscal 1970 in schools receiving some kind of AID support. In the same period more than 70,000 teachers completed pre-service training with AID help and 118,000 were provided in-service courses. At the college level more than 800,000 were attending AID-assisted institutions. Some 22 million textbooks were distributed with the help of AID financing, and more than 12,000 classrooms were built.

An example of how AID nourishes educational innovation is assistance to scientific evaluation of El Salvador's pioneering television-based curriculum reform. Similarly, AID supports the search for ways of applying new technologies to education and of using new developments in communications, including satellites.

During fiscal 1970, AID contributed \$15.3 million to American-sponsored schools abroad, chiefly in the Near East through the American Schools and Hospitals Abroad Program. Approximately 80 percent of the funds was marked for new construction and the balance for scholarships, faculty salaries and operating expenses. Other contributions went to educational programs of such multinational organizations as the United Nations Development Program, the U.N. Children's Fund, and the U.N. Relief and Works Agency.

## HEALTH

AID committed \$178 million to health programs during fiscal 1970 in support of bilateral efforts and in contributions to the World Health Organization, Pan American Health Organization, and the United Nations Children's Fund.

Support to malaria eradication programs was provided in 18 countries under bilateral agreements. Of a population of 752 million in malarious areas, 256 million now live where the disease has been eradicated, 189 million where its transmission has been stopped and 288 million where some protection is afforded.

Measles control and smallpox eradication programs covered 20 countries in Central and West Africa. In those areas more than 105

million people have been vaccinated against smallpox and 17 million children vaccinated against measles. In the environmental health area, the management, operation and maintenance of water and sewerage systems continued to be emphasized.

Research projects have developed new approaches to control and eradication of epidemic and endemic disease. Important work on immunization techniques for prevention of malaria neared completion while a study of infancy and childhood death, which already has influenced thinking and planning of health officials, was continued.

## FOOD FOR PEACE

In fiscal 1970, agricultural commodities valued at \$1.2 billion were sold or donated to developing countries under Public Law 480.

Long-term credit sales accounted for about \$724 million of the total. Nearly two-thirds of all the sales were for dollars and convertible local currency. The remaining one-third were sales for foreign currencies. Donations, including cost of freight, under Title II, totaled nearly \$467 million. This included \$224 million of agricultural commodities to American nonprofit voluntary agencies, such as CARE, Church World Services, and Catholic Relief Services, for distribution abroad and \$243 million to foreign governments and the United Nations World Food Program for use in emergency relief and economic development projects.

## PRIVATE RESOURCES

The foreign assistance legislation enacted in December 1969 provides for an Overseas Private Investment Corporation (OPIC) to carry forward the investment incentive programs formerly administered by the Office of Private Resources in AID. OPIC was not formally inaugurated during fiscal 1970, as its board of directors, president and executive vice president had not yet been appointed. However, by Presidential determination, AID's Office of Private Resources administered the OPIC programs pending the Corporation's establishment.

### *Preinvestment Assistance*

The charter of the Overseas Private Investment Corporation permits an expanded and flexible approach toward meeting investors' preinvestment and project development needs. It is expected that OPIC will develop new programs and approaches tailored to specific OPIC objectives and priorities encouraging the U.S. investment in productive developmental projects.

One of the programs which AID has been conducting and which is being phased out is Surveys of Investment Opportunities. Under this program, AID reimburses a company for up to half its costs if, after surveying a potential investment opportunity, the company decides

not to invest and submits an acceptable study report. AID then makes the report available to other prospective investors. If the company makes the investment, it bears all the expenses of the survey and retains its results.

In fiscal 1970, AID approved 11 survey contracts with U.S. investors. Six positive decisions to invest resulted from completed surveys—two in the high priority areas of agribusiness.

This brings to more than \$104 million the cumulative total of investments made or firmly planned as a result of 51 surveys completed since the inception of the program in fiscal 1962. Fourteen previously approved surveys are still under way.

AID helped two more companies investigate production and marketing of high protein food and beverage products. Three of 10 companies with earlier contracts in this field have gone forward with or committed new investments. Four others have been terminated for lack of investment opportunity. The remaining studies continued.

For the first time, AID shared costs of initiating a pilot plant which will test the opportunities for making a protein food product from locally available raw materials.

In 1970 AID continued its arrangement with the Agribusiness Council, a nonprofit membership association of U.S. companies in the field of agribusiness. Under the agreement the Council shares with selected U.S. agribusiness firms the costs of studying opportunities to invest capital and management skills in food processing, storage, distribution and marketing projects in developing countries. This is an experimental program to strengthen the Council's own efforts in increasing investment in agribusiness in these countries. Participating U.S. companies must have substantial successful commercial experience, preferably overseas, in owning and operating the kind of business opportunities to be surveyed.

AID continued to work directly with U.S. companies to establish large scale integrated agricultural projects in Africa. Thirty-two survey teams have conducted 37 large-unit agriculture studies, nine of which have already moved toward actual investments.

AID's financial institution incentive program in Africa continued, with a group of investment houses and a subsidiary of a commercial bank under contract to locate specific investment opportunities and promote them among American investors. Seventy-four opportunities have been chosen for promotions and four investment projects have resulted to date.

### *Investment Insurance*

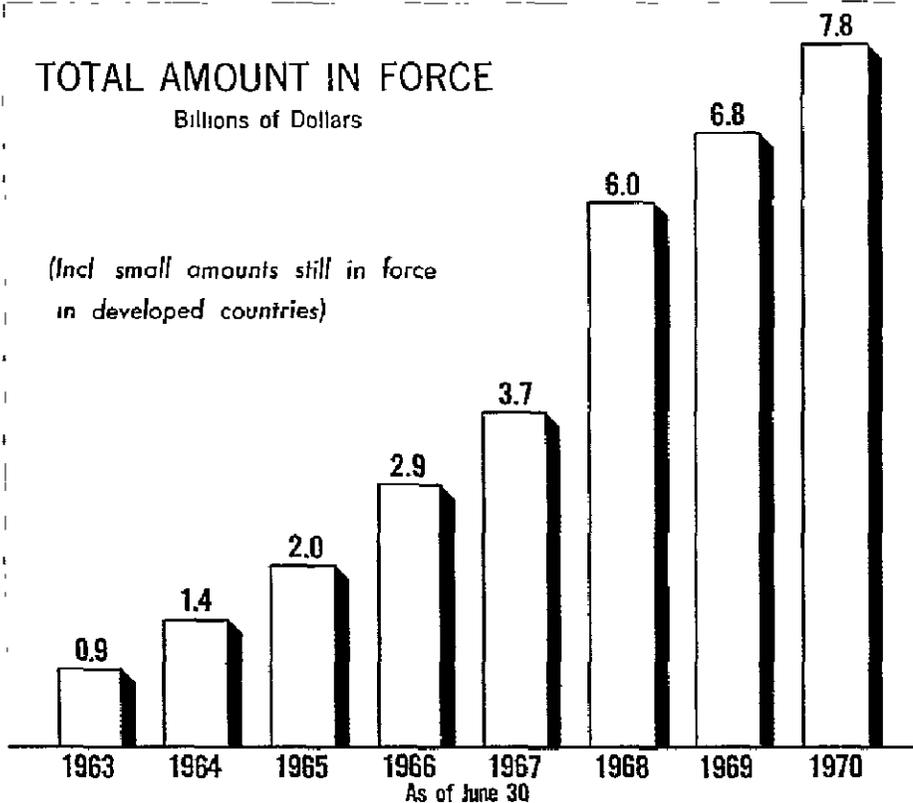
Both OPIC legislation and prior legislation authorizes issuance of insurance on new investment against political risks of expropriation, war or insurrection and inconvertibility.

## AID INVESTMENT INSURANCE PROGRAM

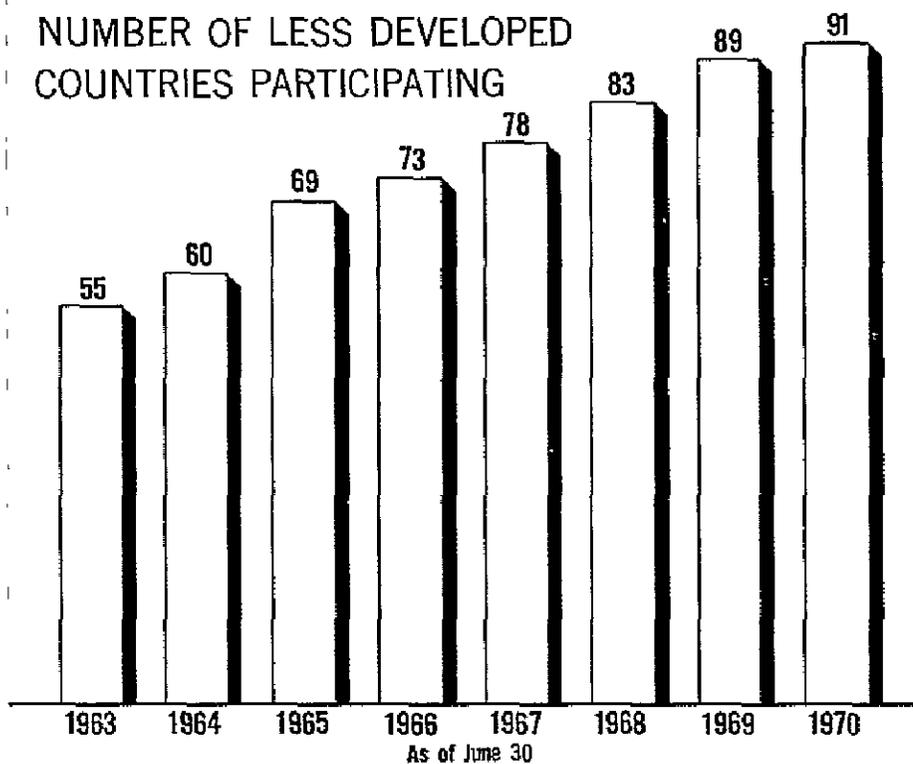
### TOTAL AMOUNT IN FORCE

Billions of Dollars

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



### NUMBER OF LESS DEVELOPED COUNTRIES PARTICIPATING



In fiscal 1970, 433 coverages were written providing a total outstanding coverage of \$1.4 billion. (For each investment separate coverages are written to cover individual risks.) The insurance written in fiscal 1970 encouraged U.S. investment totaling \$580 million. Total coverage issued in the past three fiscal years was \$5.8 billion. This brings to \$7.8 billion the total outstanding coverage. Through fiscal 1970, investment guaranty agreements had been concluded with 91 less-developed countries and areas.

Gross income from insurance fees was \$21.7 million, an increase of almost \$2 million over 1969; the cumulative total collected was over \$99 million. These funds are held in reserve against possible future claims, and, as authorized by the Congress, to pay administrative costs of the insurance and guaranty programs.

The insured investments were made in 155 projects located in 39 different countries. Thirty-three of these projects were related to food and agriculture, for growing, processing, or supplies and equipment. The projects fell in the following categories:

Agriculture, forestry, and fisheries.....	15
Mining (metals, minerals, crude petroleum, gas).....	10
Contract construction (highways, bridges, etc.).....	4
Manufacturing (17 separate types of products).....	94
Transportation services.....	7
Wholesale and retail stores.....	4
Finance and insurance.....	13
Services (hotels, rentals, engineering, etc.).....	8

### *Investment Financing*

Extended risk guaranties cover long-term loans from U.S. lending institutions to private borrowers in the less developed countries. The coverage guarantees repayment to the lender if the borrower is unable to repay the loan. Loan guaranties are authorized after a careful review of each project. The review includes an appraisal of the ability of the project to repay the loan and the contribution the project will make to local economic and social development.

AID may guarantee full repayment of loans from U.S. lenders up to 75 percent of the project cost. An annual fee of 1.75 percent on the outstanding amount is charged for these guaranties.

Authorizations and contracts for three loan guaranties totaling \$97 million were completed in fiscal 1970 and an earlier authorization was increased by \$311,000.

The four projects included the construction and operation of a 316 megawatt thermal power plant and 50,000 barrel-per-day crude oil topping plant near Inchon, Korea; a 100-bed private hospital in Tegucigalpa, Honduras; financing a leasing operation for capital equipment to industrial enterprises in several countries of Africa; and the construction and operation of copper extractive and concentrative facilities in Irian, Indonesia.

The \$179 million of extended risk guaranties executed since the program began in 1962 have assisted projects with a total capitalization of over \$600 million. One guaranteed project failed during fiscal 1970 and claims totaling \$5.4 million were paid.

### *Local Currency Loans*

In fiscal 1970 AID approved the dollar equivalent of \$16 million in local currency loans in four countries. The loans were for 16 development projects of U.S. firms and their foreign affiliates or foreign firms using U.S. agricultural products.

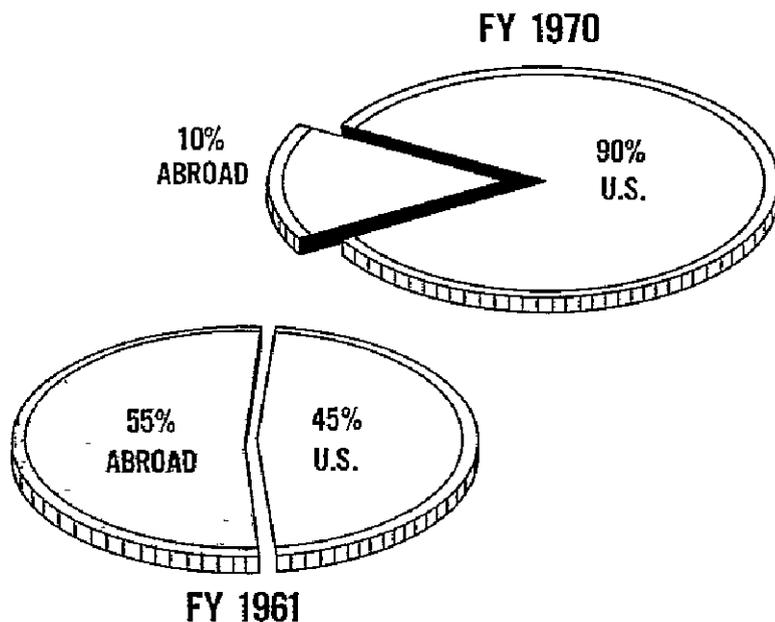
Projects included a tractor manufacturing plant, a refractories plant, a steel products plant, a fertilizer plant, and a refrigeration equipment facility in India. In Korea the projects included poultry farming, high protein food manufacture, production of liquid petroleum gas, and a paper products facility. Local currency loans for the Near East and South Asia alone were valued at nearly \$14 million, by far the largest amount in any region. The largest loan to any project was the equivalent of nearly \$5 million to Escort Tractors, Ltd., for a plant to manufacture tractors and other related machinery in India.

## PRIVATE OVERSEAS PROGRAMS

The partnership between AID and U.S. private organizations carrying out technical assistance programs in the less developed coun-

### AID EXPENDITURES—IN THE U.S. AND ABROAD

FY 1961 AND 1970



tries continued to expand during fiscal 1970. AID support took the form of contract as well as partial grant support of privately managed programs. Private organizations have brought not only an added measure of flexibility, but also high motivation and substantial private resources to bear on urgent development problems.

The formation of the Office of Private Overseas Programs is further indication of the trend within AID to encourage U.S. private technical assistance organizations to undertake expanded development assistance programs. This office, created in April 1970, is responsible for providing leadership in expanding AID's relationships with the U.S. private, nonprofit, technical assistance community (exclusive of universities and labor unions), promoting maximum private participation in overseas development, and is the Agency's central point of contact with U.S. private organizations.

### *Private Development Programs*

Traditionally AID has contracted for technical assistance expertise from the private sector for specific overseas development tasks. Increasingly, however, AID has concentrated on encouraging the expansion of privately programmed technical assistance efforts by using public funds to increase the total flow of U.S. resources, public and private.

Among partially grant-funded private programs during the year were these:

- The International Executive Service Corps provided 522 executive volunteers for short term assistance to local businesses in 32 countries;
- The Council for International Progress in Management provided training and supported development of local management institutions;
- Volunteers for International Technical Assistance provided technical and scientific information and advice in response to 2,500 inquiries;
- Asia Foundation assisted institutions and individuals in nine countries in the fields of education, law, public administration, library development, science, technical training, rural development, and with projects of Asian regional interest.

### *Cooperative Development Programs*

AID's cooperative development program during 1970 emphasized self-help programs involving large numbers of people, primarily in the agricultural production field.

Technical assistance and training valued at over \$5 million were provided for 55 projects involving 227 consultants and technicians in 29 countries under contracts in six organizations: Agricultural Cooperative Development International, Cooperative League of the U.S.A., CUNA International, Inc., Foundation for Cooperative Housing, Na-

tional League of Insured Savings Associations, and National Rural Electric Cooperative Association. Special training was furnished to foreign participants by the International Cooperative Training Center at the University of Wisconsin.

Encouraged by support from the Advisory Committee on Overseas Cooperative Development, AID approved a \$100,000 grant in 1970 to the Volunteer Development Corps, created to recruit volunteers to provide special short-term technical and management services to cooperatives in developing countries.

There was an increase in multinational support for cooperative programs in the developing countries. In Latin America, AID provided support to the Organization of the Cooperatives of America. U.S. assistance helped develop management skills and local leadership for the purposes of:

- Mobilizing local capital;
- Building cooperatives in the fields of agricultural supply, credit, production, storage and marketing;
- Establishing or strengthening national and international cooperative federations;
- Directly assisting in rural electrification, savings and loan associations and cooperative housing.

In India development has begun on five large pilot co-op projects in cooperation with the Indian Rural Electric Corporation and state electricity boards designed to furnish power for 18,000 irrigation pumps and service to 85,000 families.

Progress continues on the \$112 million Indian fertilizer cooperative production and marketing system, for which a group of United States cooperatives is providing \$1 million for technical assistance. This enterprise is being jointly developed by Indian and United States cooperatives with the support of the Indian Government and AID.

### *Voluntary Agencies Programs*

In addition to relief activities, the 82 U.S. voluntary agencies registered with AID's Advisory Committee on Voluntary Foreign Aid continued to emphasize long-range technical assistance programs.

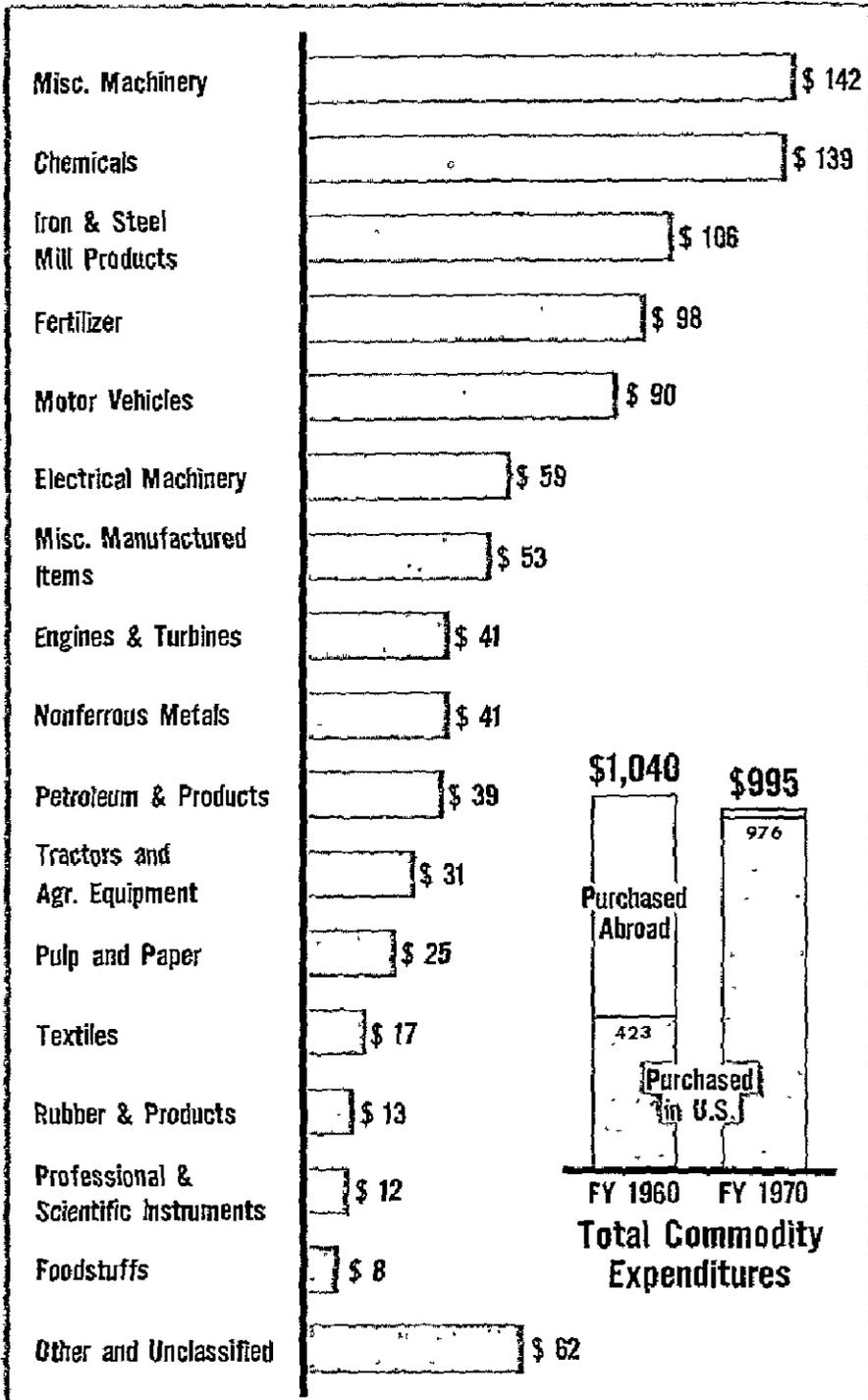
Registration with the Committee enables these accredited agencies to apply for reimbursement of freight costs on overseas shipments of privately donated medicines, clothing, food, hospital equipment, agricultural tools, and machinery sent in support of their approved programs in some 95 countries.

In fiscal 1970, AID obligated over \$6 million for shipments by 35 registered agencies and the American National Red Cross. Of the total, \$1 million was for shipments to Nigeria, and \$300,000 was for shipments to Laos and elsewhere in Southeast Asia.

Registered agencies are also eligible to receive government agricultural commodities under the Food for Peace program and are reim-

# AID-FINANCED PURCHASES OF U.S. COMMODITIES

FY 1970 — Millions of Dollars



bursed for shipping costs on such commodities with funds transferred from the Department of Agriculture. In addition, these agencies are eligible to participate in the U.S. Government's excess property program.

During fiscal 1970, three agencies received incentive grants to carry on 11 nutritional programs around the world.

Many other U.S. nonprofit organizations, including foundations and missionary groups, are involved in overseas programs and projects. Some 500, with various types of technical assistance programs, are listed and their projects described in several directories published by the Technical Assistance Information Clearing House which is supported under a contract with AID.

### *Disaster Relief Programs*

AID expenditures for disaster relief during fiscal 1970 totaled about \$15 million. Contributions of Public Law 480 commodities for disaster relief were valued at approximately \$22 million, including ocean freight charges. The United States provided assistance to an estimated 5.7 million victims of 51 foreign disasters. Assistance was provided 15 times in Africa, 22 in Latin America, five in East Asia, seven in the Near East and South Asia and twice in Europe.

## MANAGEMENT PROGRESS

During fiscal 1970 a special study group completed a review of AID project management in selected overseas missions. Its report has resulted in specific assignments to various Washington staff offices, regional bureaus and overseas missions for improving project management operations. Expected improvements include:

- Clarification of operating responsibilities and tightening of project monitoring and execution, including the designation of project managers in the field and backstop project support officers in Washington;
- Development of handbooks and training programs for project managers, simplification of AID instructions relating to project management and increased responsiveness to audit findings.

### *Auditor General*

In June 1970 AID completed over a year of operation under the new Auditor General concept, which separated auditing from the operational areas, and created a centralized organization for audit and related functions. Some of the achievements of the Auditor General in the first year included:

- The overseas mission audit cycle was reduced from an average of 40 or more months to an average of 24 months;

- Stepped-up monitoring of actions taken on audit recommendations resulted in a 27 percent reduction in the number of pending audit recommendations;
- Average time required to respond to inquiries has been significantly reduced. For example, the average time to reply to the Government Accounting Office has been reduced from 108 days in fiscal 1969 to 55 days in fiscal 1970;
- Nine area audit offices have been created overseas by removing the audit function from the missions and making field auditing an independent operation.

### *Excess Property*

During fiscal 1970, AID's Excess Property Program was completely restructured to achieve central control over excess property management. The AID Logistics Service Center, established at New Cumberland Army Depot, Pennsylvania, acts as AID's central control point for worldwide excess property operations, including all acquisition, rehabilitation and transportation. The Center uses the sophisticated logistical, communications and data systems of the General Services Administration and the Department of Defense. The Center may tap the worldwide excess property resources of those two agencies if AID's inventory does not include a requested item. Missions, which were reporting their excess property requirements to five regional centers, now deal directly with this centralized service. In addition the Office of Government Property Resources has published a handbook entitled "Guidelines for In-Country Management of Excess Property" to keep mission managers informed about good overseas excess property management.

Section 608 of the Foreign Assistance Act authorizes AID to acquire U.S. Government-owned excess property, in advance of known need, for use in programs for less-developed countries. Under this authority in fiscal 1970 AID provided equipment with an original value of \$7.5 million. The cost to AID was approximately \$1.8 million for rehabilitation and storage of such equipment at domestic and overseas marshaling sites.

### *Organizational and Operational Improvements*

New offices created in fiscal 1970 will centralize and coordinate certain programs:

- The Office of Housing will provide centralized direction to AID's worldwide housing guarantee program;
- The Export Development Assistance Office will mobilize action by the private sector aimed at stimulating exports by less developed countries;
- A Financial Analysis and Review Staff under the Controller will conduct preauthorization audits of selected capital assistance projects where the cost is estimated in excess of \$1 million.

AID's computer was replaced by an IBM 360/50. The new computer will substantially improve the Agency's data processing capabilities by providing for increased use of teleprocessing, multiprograming and remote terminal devices.

### *Cost Savings*

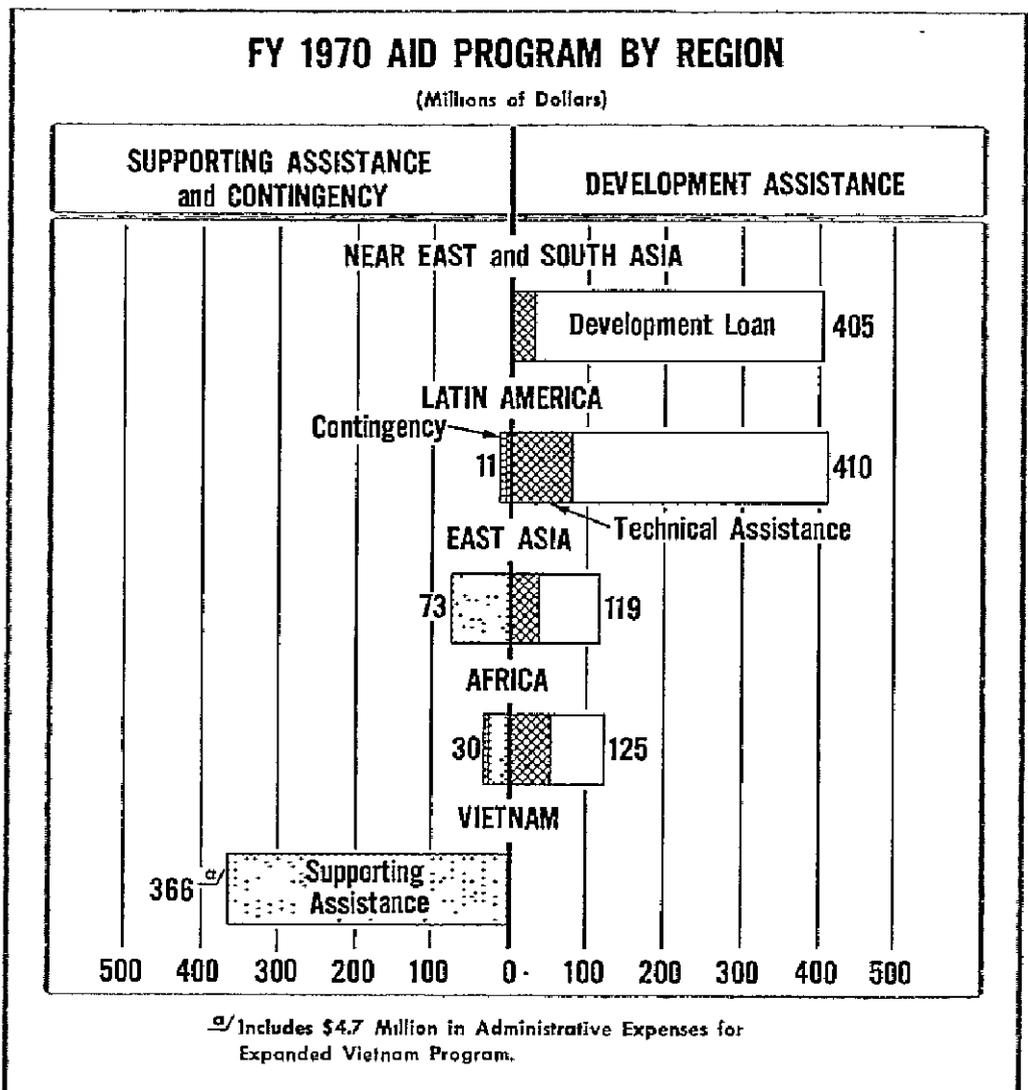
The following are a few examples of cost savings made during fiscal 1970:

- Savings of \$119,725 by the Office of International Training by substituting Postal Union Surface Mail for books and materials shipping contract (\$90,000) and by limiting participant travel allowances to attend the Midwinter Leadership Training Conference (\$29,725);
- Savings of \$2.2 million by the Office of Procurement by negotiating a reduction in ocean freight rates to Saigon;
- Savings of \$3.5 million by the Africa Bureau by renegotiation of construction contracts in Tanzania, Nigeria and Ethiopia;
- Savings of \$181,000 by the Office of Procurement by devising a new method of loading Nigerian relief Jeeps into DC 8063F cargo jets. AID was able to fly 50 jeeps to Nigeria in two plane-loads, rather than using the nine plane-loads estimated by the competitive airlines;
- Savings of \$75,000 by the Office of Private Overseas Programs through the regional Disaster Relief Depot Reserve set up for the Latin American region in Panama. By using a central depot stocked with standard disaster relief items, Latin American countries may now receive relief supplies within 12 to 36 hours of a disaster, compared to the previous average of 72 to 168 hours for delivery from the United States. Estimated cumulative savings for 1968 and 1969 were \$150,000.

### III. NEAR EAST AND SOUTH ASIA

Commitments for the Near East and South Asia Region during fiscal 1970 totaled \$405 million compared to \$373 million in fiscal 1969 and \$533 million in 1968. The increase in 1970 over the previous year was divided between Pakistan for program loans and India for population activities.

Lagging industry, coupled with unemployment, left governments unable to finance important programs in family planning, education



and public and rural works. Advances in these areas are essential to the long-range success of modernization.

### *Advances Made in 1970*

In agriculture the signs of change continued to be encouraging. Improved seeds, pesticides and fertilizers—distributed through the private sector—enabled West Pakistan to attain food grain self-sufficiency and provide a small surplus to grain-deficient East Pakistan. India harvested its largest annual food grain crop—about 100 million tons—permitting food grain imports to be cut to one-half the level of fiscal 1968.

Increases in farm production stimulated growth of manufactures related to agriculture. A small city in Pakistan, for example, has become the hub of a booming industry producing small diesel engines for use in tubewell irrigation. Only half of the 105 small firms engaged in this manufacture existed as late as six years ago. In the Indian state of Punjab increased agricultural production has led to a boom in production of agricultural equipment and small industry in general.

### *Family Planning in India*

Fiscal 1970 was a year of new directions in family planning. A United Nations evaluation of the Indian program provided the framework for discussions between the Indian Government and the consortium members, including the United States, on how to improve family planning services. Agreement was reached that the Indian program needed administrative reform, especially in financial management and personnel practices, and it needed to expand much faster in order to reach significant numbers of young couples in rural India. The Indian Government agreed to press forward with administrative reforms, and the donor countries indicated their willingness to offset the budgetary strain of an expanded family planning program by providing additional aid to supply more of India's foreign exchange requirements. AID made a \$20 million foreign exchange grant in 1970 to India for this purpose.

The Indian effort in family planning is aimed at a goal of reducing the birth rate 40 percent in this decade. India has assigned a higher priority to population matters than any other development sector. Budgets for family planning increased from the equivalent of less than \$2 million in 1963-64 to \$56 million in 1969-70. Under the Fourth 5-year Plan, which began in 1969, family planning expenditures were expected to increase four-fold.

Although many problems remain, India's accomplishments in family planning are impressive. For example:

- Thirty-four thousand rural family planning centers and sub-centers are now in operation in addition to 800 mobile units for sterilization and insertions of intrauterine devices (IUDs) ;

—More than seven million sterilizations have been performed and more than 3.3 million IUDs inserted since 1965. Monthly sales of condoms tripled from about three to nine million since the start of subsidized commercial distribution in 1968.

### *Increases in Gross National Product*

Turkey, India and Pakistan registered GNP growth rates of 6.8, 6.6 and 5.3 percent respectively. The vigorous growth of the Turkish economy was fueled by domestic savings which financed 91 percent of all fixed investment. This foreshadows the end of Turkey's need for concessional aid. The Indian performance was markedly better than the average annual rate of 4.4 percent achieved during the years 1965-69. Pakistan, on the other hand, slipped slightly from its good economic performance of the past few years, reflecting the political uncertainties of 1969.

### *Development Loans and Technical Assistance*

Development loans\* in fiscal 1970 totaled \$350.8 million compared to \$335.8 million in 1969. Loans for capital projects were 7.4 percent of the total, a slight rise over the previous year.

The \$30.8 million obligated in fiscal 1970 for technical assistance funds for the Near East and South Asia represents a decline of \$1.7 million from the previous year. Excluding mission support costs, the major portion—56 percent—financed projects in agriculture and education. Two Indian institutions, nearing the end of AID's help, can be cited as major successes in technical assistance—the Agricultural University of the Punjab and the India Institute of Technology at Kanpur. Both are providing quality education and research to meet India's development problems.

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\*Excluding population program grants from development loan funds.

## IV. LATIN AMERICA

In October 1969 before the Inter-American Press Association, President Nixon reaffirmed our "special relationship" with Latin America, and defined the principles of a new U.S. policy of action in the Americas:

- A firm commitment to the inter-American system;
- The growth of a mature partnership based on mutual respect and responsibility within the community of independent American nations;
- A firm commitment to continued U.S. assistance to hemisphere development;
- A conviction that assistance is most effectively provided within a multilateral framework in support of Latin American initiatives;
- A dedication to improving the quality of life of all peoples in the Americas.

The President proposed a number of specific steps to implement this partnership:

- A liberal, worldwide system of generalized tariff preferences for manufacturers and semimanufacturers from all developing countries;
- Modification of assistance procedures—such as regional "untying" of loans—to reduce the administrative burden on countries receiving foreign aid, increase efficiency of assistance procedures, encourage inter-American trade and Latin American production and make some commodities purchased under U.S. aid less expensive.

President Nixon also identified creation of "an effective multilateral framework for bilateral assistance" as a major element of his Latin American policy.

Following consultations with officials of Latin American countries, the United States announced at a meeting of the Inter-American Economic and Social Council at Caracas in February 1970 a series of initiatives to carry out this policy:

- Three million dollars to strengthen the technical staff of the Inter-American Committee for the Alliance for Progress (CIAP). The object is to assure that CIAP develops the technical and staff capabilities to manage the new and expanded functions which enlarged multilateral responsibilities imply. AID provided \$1 million of this amount in fiscal 1970;

- Up to \$5 million to CIAP to finance regional and country studies of policy and institutional changes required for strengthening capital markets. Some \$2 million was committed by AID in fiscal year 1970 for this initiative;
- A total of \$15 million to the Inter-American Development Bank (IDB) and CIAP to establish a special fund for identifying and preparing sound development project proposals for international financing.

### *Latin American Progress*

Despite rising pressures for increased public expenditures, governments have been turning increasingly to policies of budgetary constraint. Realistic exchange rates have been established. There is considerable and growing evidence that Latin America is demonstrating the institutional and policy competence required for significant development activity.

Energetic stabilization measures, for instance, are having considerable impact in Brazil and Colombia where annual inflation rates—recently as high as 92 percent and 18 percent respectively—declined to 23 percent in Brazil and 6 percent in Colombia during 1969.

In Central America the Common Market survived with some dislocations despite the conflict between El Salvador and Honduras. Most national economies recovered substantially, and inter-regional trade even showed a modest increase in fiscal 1970.

Most Latin American countries are planning and pursuing programs to modernize the rural sector which comprises about half of the total population of the area. Price controls on agricultural produce, instituted to benefit the urban consumer, have been replaced by pricing policies which will aid the rural producer and stimulate agricultural exports. Industrial infrastructure has expanded at a rapid rate with power, transportation and credit facilities being opened in many new areas of Latin America.

Specific examples of Latin American policies and programs aimed at intensified development follow:

#### *Chile*

- From 1967 to 1969 with the assistance of AID sector loans, an average of about one new school was completed per working day. From 1964 to 1969 the number of school-age children attending classes increased about 35 percent;

#### *Dominican Republic*

- From 1963 to 1969 rice production increased by 65 percent and the country is now self-sufficient in this important staple;

#### *Brazil*

- Each day 10 million school-age children in 96,000 schools in 4,000 towns and villages are now receiving nutritious lunches. The

- Brazilian Government already provides the vast majority of the foodstuffs, but U.S. foodstuffs are an important supplement;
- With some loan financing from AID a revolving loan fund of \$141 million (over the period 1964–70) for the purpose of community water and sewerage systems was set up in the National Housing Bank for use by qualified medium size municipalities serving over six million people. This fund is stimulating self-help construction, the adoption of major reforms in management, personnel training and financial responsibility;
  - Over 23,000 library kits containing 350 books each, and teacher's guides for use of the books were provided for the first time to 10 million Brazilian school children;
  - Some 5,000 new primary classrooms were built, equipped, and teachers trained for them under the government's energetic education reform program assisted by AID sector loans;
  - In 1969 over 20,000 campesinos were granted land titles and over 35,000 were to receive them in 1970 under the AID-assisted agrarian reform program.

### *AID Program Concentration*

In fiscal 1970 U.S. economic aid funds for Latin American programs were provided largely through the multilateral channels of the World Bank and the Inter-American Development Bank. These two banks together lent more than three times as much to the hemisphere as the United States committed directly through AID in fiscal 1970. AID funds were concentrated on activities which had already marked the Agency as the "bank of last resort" for innovative and institution building programs, particularly in the education and agriculture sectors. More than 40 percent (\$179 million) of AID's total program of \$422 million was provided for grants and loans in agriculture and education. In addition, Alliance for Progress loan funds totaling \$11 million were used in the region for grants for population programs—a six percent increase over fiscal 1969.

Extensive discussions during fiscal 1970 with the Latin American partners of the United States developed new program emphases in export promotion, capital markets, tourism and science and technology. President Nixon pledged \$85 million in assistance for these areas of emphasis over the next several years.

Of AID commitments to the region totaling \$422 million, programs in Brazil, Colombia and Central America accounted for 65 percent. The Alliance for Progress loan program (including \$11 million for population grants) totaled \$330 million—78 percent of all AID funds provided to the region. Loan obligations to Brazil totaled \$75 million, to Columbia \$72 million and to Central America (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and the Regional Office of Central America and Panama), \$95 million.

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## V. EAST ASIA

In fiscal 1970 AID commitments for East Asia totaled \$192 million, \$21 million less than was committed in 1969.

AID's supporting assistance commitments to East Asia in fiscal 1970 were \$73 million—\$14 million less than the previous year. Recipients were Laos, Thailand and Korea.

Development loans amounted to \$71 million as compared to \$70 million in fiscal 1969. Indonesia received \$51 million and Korea \$20 million.

Technical assistance obligations totaled \$38 million—\$6 million less than in 1969.

Significant progress during fiscal 1970 include:

- Continuation of Korea's rapid economic growth, with the country recording a 16 percent increase in gross national product as compared to 13 percent the previous year;
- A 90 percent reduction in Indonesia's rate of inflation. A wide range of development activities was initiated with assistance from AID and other donors;
- Expansion of family planning programs, with AID assistance of \$9 million—a \$1 million increase from the previous year.

### *Indonesia*

During fiscal 1970 the United States continued its efforts to assist Indonesia's economic recovery and development program within the multilateral framework of the 10-nation Intergovernmental Group on Indonesia. As its share of aid for Indonesia, the United States agreed to make available \$125 million of a total \$375 million required for nonfood aid and a "fair share" of the \$140 million estimated needs in food aid for the 15-month period beginning January 1970. These amounts would be provided from both fiscal 1970 and 1971 funds.

Indonesia's good economic performance during the past year resulted from the country's simultaneously adhering to stabilization policies while initiating a wide range of development activities. Prices increased by 10 percent last year compared to 125 percent in the previous year; exports rose 12 percent, and total domestic revenues increased 60 percent over the previous year. More than 20 percent of Indonesia's 1969-70 development budget expenditures were met from domestic revenues, with foreign aid financing the remainder.

April 1969 marked the beginning of Indonesia's new Five-Year Development Plan. The plan gives priority to food production, rehabilitation of infrastructure (power, transportation, communications) and the development of exports and industries. A most significant step taken last year was formal adoption of a rice price policy intended to give farmers sufficient incentive to use fertilizer, pesticides and new seed varieties while at the same time stabilizing rice prices for urban consumers.

AID provided \$52 million in fiscal 1970 for project loans—\$20 million to help finance expansion of a fertilizer plant, more than \$30 million for two electric power rehabilitation projects and \$800,000 for a highway engineering design. Also, under the Food For Peace program, credits of nearly \$124 million were made available to Indonesia for the purchase of U.S. agricultural commodities.

Technical assistance amounting to more than \$4 million was provided in food production, agricultural education, geological surveying and training of Indonesians in the United States and other countries.

### *Korea*

The Korean economy grew in real terms by 16 percent in 1969 as compared to 13 percent in 1968. Industrial production increased 21 percent and exports rose 37 percent to the level of \$622 million. AID assistance, playing a decreasing role, dropped from \$45 million in fiscal 1969 to \$35 million in 1970.

Major AID contributions to Korean economic growth in fiscal 1970 included:

- Development loans of \$20 million : \$10 million for agriculture and \$10 million to finance the import of machinery, equipment and spare parts needed to meet Korea's second 5-year plan industrial targets;
- Technical assistance of \$4 million for projects in agriculture, industry, transportation, banking, public administration, water resources and promotion of private enterprise;
- Supporting assistance of \$10 million for commodity imports from the United States;
- Family planning assistance of \$900,000. Korea has a very successful family planning program, which has resulted in the decrease in population growth from 2.9 percent in 1962 to the present level of 2.2 percent.

### *Laos*

AID assistance to Laos concentrated on the control of war-generated inflationary pressures and helping the Lao Government provide essential services. The fiscal 1970 program totaled approximately \$52 million.

AID committed \$16.6 million to the Foreign Exchange Operations Fund. With additional foreign exchange contributed by Australia, France, Japan and the United Kingdom, the fund buys local currency, which is retired from circulation either permanently or for limited periods. Thus the fund both restrains prices and provides foreign exchange for imports.

Increasing agricultural production—aiming at Laos self-sufficiency in rice and other major foods by the mid-1970s—remained a major AID undertaking. AID also continued to assist the Lao Government to maintain essential roads and to develop small industry, public safety and its public administration capacity. Approximately \$1 million was devoted to maternal and child health care and family planning.

### *The Philippines*

Focusing primarily on population, rural development and public safety programs, AID provided \$9 million to the Philippines in fiscal 1970.

The population growth rate in the Philippines is high—3.5 percent. A growing awareness of the significance of the problem and its deterrent effects on economic and social development was reflected in President Marco's endorsement of his Population Commission's far-reaching public policy recommendation. Opposition to expanded population and family planning activities has been minimal and has not slowed the program. AID is supporting some 30 different institutions or programs engaged in population research, training services and information and education activities. Over 270 family planning clinics providing services to Philippine women are receiving AID assistance. The number of persons accepting some form of birth control is growing steadily and present projections anticipate a reduction in the population growth rate to 3.2 percent by 1975. More than 2,300 medical, paramedical and other personnel have received training in family planning.

AID's participation in rural development has emphasized expanded planting of newly developed high yielding rice strains, agriculture diversification, marketing and handling problems, and strengthening agricultural supportive institutions and infrastructure such as rural credit, farmers cooperatives, agriculture extension service, agriculture research facilities, rodent control and irrigation facilities. In addition, increased emphasis has been placed on rural electrification and electrical power development.

In the field of public safety, Technical Assistance is being directed toward the establishment of police training facilities, a nationwide communications network and a national records and identification system.

## *Thailand*

In fiscal 1970 AID continued to provide assistance designed to help the Thai Government deal with an insurgency threat in the north and northeast. Approximately \$27 million was committed in fiscal 1970, about \$9 million less than in 1969. As in previous years, a major portion of the program was provided to the Thai National Police to assist in extending and improving the quality of the police presence in the security-sensitive areas. Rural development activities in the north and northeast also received a substantial allocation of last year's program resources, with particular emphasis on rural roads and agricultural extension and research.

After years of discussion, the Thai Government officially announced a policy in support of a family planning program in March 1970. Fiscal 1970 was the last year of funding for projects aimed at eradicating malaria and providing potable water.

## *Regional Program*

During fiscal 1970 AID committed funds for regional development of the Mekong Basin, transportation, population research and training, education and health.

AID and other donors to the Mekong Basin program have funded investigations of irrigation, flood control, tributary hydrology, aquatic plant growth and other areas of interest to the overall development of the basin. Stage I of a study for the Pa Mong Dam has been completed, and the United States is providing one-half of the funding for the first phase of the Nam Ngum Dam in Laos which is scheduled to be completed in 1972.

Major findings and project recommendations of the Regional Transportation Survey being conducted by the Asian Development Bank, a study sponsored in part by AID, are expected to become available soon. The United States provided \$570,000 in fiscal 1970 for four feasibility studies of regional transportation and communications projects proposed by Southeast Asian countries.

The Population Council, Inc., received \$600,000 from AID to carry on its program of research and international training activities. The East-West Center continued its research and training program on family planning and population under a fiscal year 1969 grant.

Progress in regional education programs is continuing under the sponsorship of nations represented in the Southeast Asian Ministers of Education Organization (SEAMEO). Six regional centers are engaged in developmental activities including English language, science and mathematics teacher training, graduate training and research in agriculture, medicine, biology and educational innovation. In fiscal 1970, \$3 million was obligated by AID for the SEAMEO program.

The Asian Institute of Technology is completing final plans for construction of its new campus. During the past year AID provided \$1.6 million toward the first phase of the construction at a new site in Bangkok.

A grant of \$300,000 was made to the Asian Institute of Management in Manila for equipment costs as a single year contribution.

The Southeast Asian Treaty Organization Cholera Research Program, administered by the National Institutes of Health with support from the United States and other countries, received a \$673,000 grant from AID during fiscal 1970.

The program of the Asian-American Free Labor Institute was continued with a commitment of \$373,000. The Institute conducts union development programs in various Asian countries, participant training both in Asia and the United States and specialized courses in union leadership and administration, skills training, etc. Assistance was also provided for continuation of the training programs of the Asian Labor Education Center in the Philippines.

## VI. AFRICA

AID committed \$155 million in assistance to Africa in fiscal 1970. Development loans amounted to almost \$65 million,<sup>1</sup> technical assistance \$57 million, supporting assistance \$26 million and contingency fund \$4 million. Grants for population programs financed from development loan funds totaled \$2.7 million.

The emphasis on regional activities was reflected in the fact that the three Africa regional programs accounted for almost \$28 million. For the fourth year in a row it was AID's largest program in Africa.

### *Supporting Assistance and Contingency Fund*

More than \$25 million in supporting assistance funds was applied by AID to the large U.S. relief efforts in Nigeria.<sup>2</sup> Contingency funds totaling \$2 million were used as supporting assistance for flood relief in Tunisia. Refugee education in southern Africa was also financed with supporting assistance.

### *Development Loans*

AID loans to African countries in fiscal 1970 reflected increased concentration on agriculture. The loan total of \$65 million included over \$18 million in five separate loans related to agriculture for Ethiopia, Morocco, Tanzania and the multinational Coffee Diversification Fund. By contrast, in 1969 only one loan of \$5 million was made in the agriculture sector.

Transportation project and sector loans totaling \$16 million were made to finance further construction on the TanZam Highway, Ethiopian highway equipment repair facilities, the Trans-Cameroon Railroad and improvement of the transportation system of the Congo (Kinshasa).

General program assistance in the form of loans for the promotion of economic development was provided for Ghana and Tunisia. A portion of the loan to Tunisia was made available for reconstruction and rehabilitation following the 1969 flood disaster.

Other AID loans were made to support the Kenya National Youth Service and to expand the facilities for teacher training in Nigeria.

<sup>1</sup> Excluding population program grants from development loan funds.

<sup>2</sup> An additional \$2 million in contingency funds was committed to the United Nations Children's Fund (UNICEF) for Nigerian relief.

### *Technical Assistance*

Technical assistance programs continued to be directed toward agriculture and human resources.

- Agricultural research, production and managerial training programs received increased emphasis in fiscal 1970.
- Improvement of manpower training in African institutions was continued through educational programs for African planners, producers and teachers.
- AID assistance in health and population increased in response to the growing African interest in improving the quality of life. The major effort to control measles and eradicate smallpox in the Central and Western African countries was successfully continued for the fourth year.
- Self-help funds were provided for tools and supplies to local volunteer labor groups having the need and desire to participate in community endeavors such as development of village water systems; construction of rural health and maternity centers, classrooms and farmers' training centers; and improvement of rural roads. The provision of self-help funds was particularly valuable in 22 smaller countries of Africa not participating in regular bilateral programs.

### *Agriculture*

A large share of the fiscal 1970 AID program in Africa was for activities in the agricultural sector, including research, food production, marketing, management, extension services and education.

Among other projects, AID supported the International Institute of Tropical Agriculture (IITA), established in 1967 in cooperation with the Nigerian Government. IITA is undertaking to develop improved crop varieties and soil and crop management practices for sustained economic production in tropical Africa. Laboratory and field research is combined with active communication among African agriculturalists to ensure that research is related to current agricultural problems.

In Tanzania a new agriculture project was initiated in seed multiplication and distribution to meet the goals of increased food grain production. Among the Masai peoples a project was begun to improve range management, animal production and marketing practices. Cereals, poultry and livestock development projects continue as major AID efforts in Eastern, Central and Western Africa to help meet health and nutritional goals and to increase incomes of farm families.

Agricultural education and extension services were assisted in all the regions of Africa to help meet the growing needs for trained professional manpower and to help communicate agricultural research recommendations to the food and fiber producers.

## *Education*

Teacher training and curriculum improvement continue to be areas of priority for AID in Africa. In an AID-assisted project in Kenya, radio and correspondence courses for teachers and former secondary school students are proving effective in upgrading education at low per-pupil costs.

To help overcome the shortage of qualified teachers in the six northern states of Nigeria, AID is assisting with the development of a multipurpose teacher training college through a contract with Ohio University. The college prepares primary school teachers and teacher-education personnel for other teacher training colleges. In addition, the college conducts in-service programs to upgrade teachers already instructing in Nigerian classrooms. Over 5,000 teachers have so far participated in such programs.

## *Population and Health*

Population activities were supported by \$2.7 million of development loan grant funds. Grants to the Pathfinder Fund and the Population Council have made it possible to increase the family planning aspects of maternal and child health programs in an increasing number of African countries.

A new maternal and child health project was initiated in fiscal 1970 to strengthen family planning instruction and training in maternal and child health clinics in Uganda.

AID is assisting the Government of Ghana in a comprehensive rural family care and training program. A pilot activity was begun to collect basic population data and to expand health education activities including family planning, infant and child care, nutrition, home hygiene and sanitation. Medical students, physicians and paramedical personnel of the Ghana Medical School are being trained in family planning.

The AID-assisted mass immunization program is aimed at eradicating smallpox and controlling measles in 20 West and Central African countries. From January 1967 through June 1970 over 115 million persons were vaccinated for smallpox, including more than 19 million children who also received anti-measles inoculations. In fiscal 1970 smallpox vaccinations totaled more than 26 million and measles immunizations over 4.5 million.

## *Promotion of Investments*

AID has continued its modest but effective program to stimulate U.S. private investment in Africa. Following a series of feasibility studies undertaken by agricultural and food producing firms, two investment projects, in fruit packing and shrimp packing, were successfully completed in fiscal 1970. To date U.S. investments totaling about \$9 million have been made in Africa in the foods field.

Under a similar investment program the Greyhound Corp. is engaged in the establishment of a bus transportation system in Nigeria. Actual investments so far total more than \$18 million.

AID's Office of Private Resources issued an extended risk guaranty on a \$6 million loan and on 50 percent of a \$1 million investment by Prudential Life Insurance Co. in the TAW International Leasing Corp. TAW will engage in the leasing of capital equipment to African entrepreneurs in the private sector. The practice of financing capital equipment through leasing, perfected in the United States, is a new departure in capital-short Africa.

### *Nigerian Relief*

The U.S. Government committed over \$51 million in fiscal 1970, administered by AID, for civilian relief to both sides of the Nigerian civil war. Of the total, AID itself approved more than \$28 million. Foodstuffs (Food For Peace) accounted for the other \$23 million.

Of the \$51 million, \$42 million was for emergency relief and rehabilitation after the civil war ended in January.

Included in this \$42 million figure was \$16 million for Food For Peace, Title II foodstuffs, \$2 million each to the League of Red Cross Societies and the International Committee of the Red Cross for support of the massive feeding and medical program for three million people undertaken by the Nigerian Red Cross, \$4 million for Funds-in-Trust to UNICEF for its postwar program. More than \$18 million was approved for relief and rehabilitation supplies, equipment and supporting activities for the Nigerian Federal Military Government.

On January 19, four days after the signing of the armistice that ended the Nigerian Civil War, the Nigerian Government requested U.S. assistance of 50 jeeps, 50 generators, four packaged disaster hospitals, 10,000 blankets and 10,000 hurricane lamps. To fulfill this request AID on January 22 started a commercially chartered airlift augmented three days later by an AID-financed Department of Defense airlift of additional urgently needed items including portable air control towers and beacons, telecommunication and automotive equipment and construction tools.

AID continued its support for rehabilitation activities in agriculture, education, health and public works. When the war ended, these activities were expanded to include the restoration of port facilities and roads, bridges and public facilities in the war-damaged states.

By June 30 the war-affected states were reverting to normal conditions. The number of people receiving food and medical assistance had decreased from 3.5 million at the height of the relief program in March to some 350,000 in June. Mass starvation and disease of epidemic proportion had been averted. Significant progress had been made to restore facilities and services and economic activity in the war-damaged areas.

## VII. VIETNAM

Largely as a result of Vietnamization, the requirements for economic aid for Vietnam increased about 20 percent in fiscal 1970 over the preceding year. Commitments increased from \$305 million in fiscal 1969 to \$366 million in 1970. The entire increase is attributable to the Commercial Import Program (CIP). This program helps finance the imports needed to combat the war-induced inflation. It supplies the economy with raw materials for industry, machinery and equipment, fertilizer and other agricultural requirements, as well as essential consumer goods. AID provided \$238 million for the CIP in fiscal 1970, compared to \$130 million in 1969.

Commitments for Vietnam's project program, however, declined by approximately \$47 million. The attainment of the final stage of several engineering projects permitted a significant reduction in AID's contribution to the public works program while in the logistics area AID funding was considerably lower than in fiscal 1969, largely because of the ability of the Government of Vietnam to assume greater responsibility. No new funds were used for the Land Reform program in 1970 in view of the delay in passage of Vietnam's new Land Reform legislation. Furthermore, the expansion of facilities under the elementary education program had virtually reached its goal in 1969, and a large number of refugees left the refugee rolls during the past year, so that the requirements for AID funding in both these activities were substantially reduced.

A new "Land-to-the-Tiller" law was promulgated on March 26, 1970. Implementation of the program began four months later. Under this law, the absentee landlord system of controlling ricelands will be eliminated by expropriation of tenanted lands, with the Government compensating former landowners and parceling out the land to the tenants. It is estimated that this will result in transfer of title within three years to over 500,000 farmers, involving more than 2.2 million acres of riceland.

One thousand villages held their second elections for village councils for 3-year terms. Provincial and municipal council elections were held for the first time.

During the year 600,000 refugees were resettled and 500,000 returned to their original hamlets. The number of new refugees decreased from over 250,000 during the previous year to slightly over 100,000.

Import and domestic taxes, which produce about 93 percent of the national revenue, rose to 57 billion piasters in the last half of fiscal 1970, compared to 39 billion during the same period in 1969. The tax collection system is being improved, and foreign exchange rates are being adjusted to a more realistic basis.

These were some of the highlights:

- Poultry production increased 15 percent and swine production 10 percent. Vaccines for livestock reached a production level of two million doses per month;
- The number of Agriculture Development Bank production loans increased from 70,000 to 90,000;
- The National Center for Plastic and Reconstruction Surgery, which has been operating on a temporary basis, was established as a permanent 50-bed facility with a supporting 120-bed convalescent unit and is now treating an average of 100 in-patients a month;
- Joint military and civilian use of hospitals was established at province level and is being expanded to district level. Joint use has doubled the number of doctors treating civilian patients;
- Elementary school enrollment continued to grow, reaching 2.3 million or 85 percent of elementary-age children. AID assistance in education is placing greater emphasis on teacher training, secondary and vocational education.

## VIII. CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

Totaling \$137 million, United States voluntary contributions from AID appropriations to international organizations and programs during fiscal year 1970 were about \$10 million less than in 1969.

The U.S. pledge of \$86 million to the United Nations Development Program (UNDP) was an increase of \$15 million from the previous year's pledge. The UNDP remained the largest recipient of U.S. contributions to international organizations under the Foreign Assistance Act. The U.S. portion amounted to 36 percent of the total UNDP contributions, well below the ceiling of 40 percent established by the Congress.

The U.S. furnished \$7.5 million for development of the Indus Basin. Eight other countries contribute to the Indus Basin Development Fund, which provides necessary supplemental irrigation to an area containing 50 million people in India and Pakistan.

The U.S. contribution to Palestine refugees through the UN Relief and Works Agency (UNRWA) in fiscal 1970, as in the previous year, amounted to \$22.2 million. Of this total, \$13.3 million was from the AID Supporting Assistance appropriation. The balance consists of flour and vegetable oils furnished under Public Law 480. In addition in fiscal 1970 the United States pledged a special contribution of \$1 million to UNRWA for vocational training.

The U.S. pledge to UNICEF remained at \$13 million, the same as 1969, and represented about 40 percent of total UNICEF pledges. UNICEF also received \$10.4 million in agricultural commodities under the Food For Peace program and administered \$4 million (\$2 million each from Supporting Assistance and Contingency Funds) in AID funds provided for Nigerian relief.

The U.S. pledge to the UN Force in Cyprus remained at \$6 million, the same level as in fiscal 1969.

The U.S. contributed \$1.3 million to the UN Food and Agriculture Organization's World Food Program, plus an additional \$48.5 million in commodities through Public Law 480.

With the expansion of UN operations in the population and family planning field, the U.S. provided \$4 million in fiscal 1970, under the

authority of Title X of the Foreign Assistance Act, as contrasted to \$2.5 million in fiscal 1969.

Further U.S. voluntary contributions totaling \$4.4 million were made to seven additional international programs. The largest were \$1.5 million to the World Meteorological Organization for the World Weather Watch and \$1.4 million to the International Atomic Energy Agency.

## IX. MILITARY ASSISTANCE PROGRAM

In fiscal 1970 both the will of the Congress and urgent domestic needs called for austerity in the Military Assistance Program (MAP). Accordingly, the amount of new obligational authority requested for the fiscal 1970 Military Assistance Program was maintained at \$375 million. The amount finally authorized and appropriated by the Congress for fiscal year 1970 was \$350 million.

The Congress directed that, of this amount, \$50 million shall be available only for the Republic of Korea.

Recoupments, reimbursements and reappropriations, when added to the \$350 million in new obligational authority appropriated by the Congress, brought total obligational authority for grant military assistance in fiscal year 1970 to \$390.6 million.

In compliance with the expressed sense of the Congress, Greece, Turkey, Korea and the Republic of China, each of which is confronted by a heavily armed communist neighbor, accounted for almost 70 percent of the total worldwide program for fiscal year 1970. This allocation of over \$266 million to the support of the almost 2 million men in the armed forces of these four key nations left a total of less than \$125 million available to strengthen the internal or external defense capabilities of 45 other nations with which the United States shares security interests.

The table below reflects a regional distribution of military assistance which was designed to promote priority national security objectives in the respective regions, and to insure maximum contribution to the protection of U.S. interests in those areas.

<i>Region</i>	<i>Percentage of program</i>
East Asia.....	48.1
Near East and South Asia.....	29.2
Africa.....	4.6
Europe.....	6.6
Latin America.....	4.8
Nonregional.....	6.7

### *East Asia*

Grant aid in the form of equipment, training and related support was provided to Korea, the Republic of China, the Philippines and Indonesia under the Military Assistance Program. Military assistance

to Laos, Thailand and Vietnam was funded by the Department of Defense budget. A small military assistance program for Cambodia was initiated pursuant to a Presidential Determination signed in May 1970.

Programs for Korea and the Republic of China were limited essentially to providing for operating and maintenance requirements, while those for Indonesia and the Philippines were designed to facilitate civic action and bolster internal security. The Republic of China continued its progressive shift from grant aid to credit sales.

In Korea, infiltrations and related incidents perpetrated by North Korea continued but at a reduced level compared to the preceding year. Korea maintained its contribution of approximately 50,000 troops in South Vietnam. The Philippines withdrew its Civil Action Group of about 1,500 military personnel from South Vietnam in December 1969 after 40 months of operation.

### *Near East and South Asia*

Grant military assistance to the Near East and South Asia area was concentrated as in the past on programs for Greece and Turkey. Reduced MAP appropriations, however, held these programs far below planning levels. Elsewhere in the area, programs were limited to modest amounts of training for Afghanistan, Ceylon, India, Pakistan, Iran, Jordan, Lebanon, Saudi Arabia and Nepal.

The suspension on deliveries of certain major items to Greece continued.

As part of the U.S. effort to achieve a peaceful solution to the Arab-Israeli conflict, export of U.S. defense articles and services continued to be made on a case-by-case basis following review of the implications of each transaction. The prohibition on deliveries to countries which broke diplomatic relations with the United States during the 1967 war remained in effect.

### *Africa*

Grant military assistance programs in Africa totaled \$18.1 million for the year (\$14.7 million for materiel and \$3.4 million for training), a reduction of 15 percent from the preceding year reflecting a continuing downward trend. As in the past, programs were keyed to improving internal security. The principal recipient was Ethiopia, where the United States maintains an important communications facility. Grant aid and sales to African countries totaled less than the legislative limit of \$40 million (exclusive of training) for all of Africa.

### *Europe*

Military assistance totaling approximately \$26 million was provided to Spain, Portugal and Austria in fiscal year 1970. In the case of Spain, \$25 million was programmed to meet the first half of a \$50 million U.S. commitment in connection with the two year extension of the United

States-Spanish Defense Agreement. The extension expires in September 1970. One million dollars was used to provide training and spare parts for Portugal's NATO-committed forces. Austria received a small amount of training assistance.

### *Latin America*

Since U.S. policy is to reduce grant military assistance to Latin American countries, the program level for fiscal 1970 was lower than that of the preceding year. The program was aimed primarily at improving the internal security capabilities of Latin American forces so that they could maintain the climate of security and stability required for social and economic development. In addition to this emphasis on internal security, the Latin American military assistance programs continued to support civic action activities, to encourage regional cooperation and to discourage unnecessary defense expenditures.

Grant military assistance to Latin America amounted to \$18.8 million, including \$10.8 million for materiel and services and \$8 million for training. Cash military sales of \$15.5 million brought the total of materiel grant aid and military sales to Latin America to slightly more than \$27 million, well within the legislative ceiling of \$75 million.

Military assistance to Honduras and El Salvador was suspended in July 1969 prior to the outbreak of the conflict between those two countries. With the cessation of hostilities and improvement of relations, limited assistance, primarily in training, was reinstated. Similarly, military assistance to Bolivia was suspended after a military coup in September 1969 and fully reinstated in March 1970 after relations had been normalized.

### *Long Supply and Excess Transfers*

In fiscal 1970 the full effect was felt of steps taken the preceding year to make best use of Department of Defense excess and long supply stocks to meet MAP requirements. A system was established to identify excess and long supply assets, which are transferred to foreign governments without reimbursement to the military departments, and to match them against approved MAP requirements. Any costs related to repair and shipping of these materials are borne by recipient foreign governments or funded from MAP appropriations.

Equipment transferred in this manner is no longer needed by U.S. forces. If not used to meet the valid needs of foreign countries, this equipment would be scrapped and valuable defense assets would be wasted.

The original acquisition cost of materials allocated to foreign countries under this program in fiscal 1970 was \$428 million. The actual value, however, currently is estimated at 30 percent of that figure.

### *Military Assistance Program Deliveries*

During fiscal 1970, delivery of military equipment and supplies as grant aid under the Military Assistance Program totaled approximately \$322 million. Deliveries to East Asian countries, including Korea, the Republic of China and the Philippines, amounted to approximately \$195 million, or about 61 percent of total deliveries. Substantial deliveries were made to Turkey, Ethiopia and Iran as well as small deliveries to Latin American countries.

### *MAP Training*

Fiscal 1970 MAP funds available for student training purposes amounted to almost \$19 million. With these funds, 4,794 foreign military personnel were trained in the United States and 3,953 overseas—a lower total than last year.

The reduction in military assistance training resulted from a new restriction incorporated into the Foreign Assistance Act of 1969. This provides that the number of foreign military students to be trained in the United States in any fiscal year, out of funds appropriated pursuant to the authority of that act, may not exceed a number equal to the number of foreign civilians brought to the United States under the Mutual Educational and Cultural Exchange Act of 1961 in the immediately preceding fiscal year. This limitation made it necessary to reduce substantially the number of foreign military trainees scheduled for training in the United States in fiscal 1970.

## APPENDICES

*AID Commitments in Fiscal Year 1970 by Region and Appropriation Category*

[Millions of Dollars]

Region	Appropriation Category								
	Total	Development and Alliance for Progress Loans			Supporting Assistance	Technical Assistance		Contingency Fund	Other
		Total	Loans	Grants for Population Programs <sup>1</sup>		Worldwide and Alliance for Progress	Multilateral Organizations		
Grand Total.....	<sup>2</sup> 1,876.7	863.6	807.2	56.4	<sup>3</sup> 518.1	266.2	105.0	21.0	102.9
Regional and country programs.....	1,539.0	852.8	806.7	46.1	461.7	206.6	-----	13.3	4.7
Near East and South Asia.....	404.7	374.0	350.8	23.2	-----	30.8	-----	-----	-----
Latin America.....	421.7	330.4	319.5	11.0	2.0	<sup>4</sup> 80.0	-----	9.3	-----
Vietnam.....	365.9	-----	-----	-----	361.2	-----	-----	-----	4.7
East Asia.....	191.5	80.7	71.4	9.3	72.5	38.3	-----	-----	-----
Africa.....	155.2	67.7	65.0	2.7	<sup>5</sup> 26.0	57.5	-----	<sup>5</sup> 4.0	-----
Nonregional.....	337.7	10.9	0.6	10.3	56.4	59.6	105.0	7.6	98.1

<sup>1</sup> Population programs under Title X of the Foreign Assistance Act.

<sup>2</sup> Excludes \$54.5 million in reimbursements by the Department of Defense for Vietnam programs.

<sup>3</sup> Includes \$18.2 million for population programs—Vietnam \$0.2 million and nonregional \$18 million.

<sup>4</sup> Excludes \$5.6 million in Alliance for Progress grants for program support of nonregional programs.

<sup>5</sup> Includes \$2 million Supporting Assistance and \$2 million Contingency Fund channeled through UNICEF.

*AID Commitments in the Near East and South Asia, Fiscal Year 1970*

[Thousands of Dollars]

Country	Appropriation Category			
	Total	Development Loan		Technical Assistance
Loans		Grants for Population Programs*		
Total.....	404, 748	350, 800	23, 186	30, 763
Afghanistan.....	6, 822		130	6, 692
India.....	223, 722	195, 000	20, 318	8, 404
Jordan.....	1, 470			1, 470
Nepal.....	2, 263		413	1, 850
Pakistan.....	123, 700	115, 800	2, 000	5, 900
Turkey.....	43, 284	40, 000		3, 284
CENTO.....	553		47	506
Regional.....	2, 935		278	2, 657

\*Population programs under title X of the Foreign Assistance Act.

*AID Development Loan Authorizations, Fiscal Year 1970, Near East and South Asia*

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

**INDIA**

Government of India: \$20 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter. To assist private sector industries to acquire capital equipment in expansion of plant capacity, establishment of new plants and the modernization of existing plants.

Government of India: \$160 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter. To assist in financing commodities, such as aircraft spare parts, iron and steel products, fertilizer and other raw materials to support increased agricultural and industrial production.

*AID Development Loan Authorizations, Fiscal Year 1970, Near East and South Asia—Continued*

Borrower—Amount—Terms	Purpose
<p>Indian Farmers Fertilizer Cooperative, Ltd.: \$15 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter. Borrower: 15 years at 8½ percent, with 4½ year grace period.</p>	<p>To assist in financing the dollar costs for purchase of equipment and services in the design and construction of modern petro-chemical fertilizer facilities.</p>
<p><b>PAKISTAN</b></p>	
<p>Government of Pakistan: \$103 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter (two loans).</p>	<p>To finance the import of general commodities including raw materials required for economic development in Pakistan.</p>
<p>Government of Pakistan: \$9.5 million; 40 years; interest at 2 percent during 10-year grace period; and 3 percent thereafter.</p>	<p>To finance foreign exchange costs for a team of U.S. consultants, training and commodities for expanding, improving and maintaining an efficient electric supply system to all classes of users in the Chittagong area.</p>
<p>Government of Pakistan: \$3.3 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.</p>	<p>To finance foreign exchange costs of consulting services training and commodities in support of the Department of Irrigation and Power in its effort to improve its management, operation and maintenance capabilities.</p>
<p><b>TURKEY</b></p>	
<p>Government of Turkey: \$40 million; interest at 2 percent during 10-year grace period and 3 percent thereafter.</p>	<p>To assist in financing part of Turkey's import of capital goods, spare parts and raw materials in support of its development program.</p>

*AID Commitments in Latin America, Fiscal Year 1970*

[Thousands of Dollars]

Country	Appropriation Category					Contingency Fund
	Total	Alliance for Progress Development Loans		Supporting Assistance	Technical Assistance	
		Loans	Grants for Population Programs <sup>1</sup>			
<b>Total</b> .....	421,736	319,468	10,956	1,980	80,001	9,332
Argentina.....	974				974	
Bolivia.....	2,970		145		2,825	
Brazil.....	88,003	75,024			12,979	
Chile.....	18,014	15,000	465		2,549	
Colombia.....	75,767	71,700	470		3,597	
Costa Rica.....	19,547	17,400	273		1,874	
Dominican Republic.....	5,175	1,750			3,425	
Ecuador.....	23,172	19,450	864		2,858	
El Salvador.....	10,280	7,800	518		1,962	
Guatemala.....	29,090	25,100	344	410	2,858	378
Guyana.....	1,258				1,258	
Haiti.....	1,589	<sup>2</sup> 19		1,570		
Honduras.....	5,454	2,700	499		2,255	
Jamaica.....	765		420		345	
Mexico.....	1,000					1,000
Nicaragua.....	2,331		594		1,737	
Panama.....	11,836	8,500	282		3,054	
Paraguay.....	7,126	4,625	332		2,169	
Peru.....	11,342		113		3,829	7,400
Uruguay.....	16,922	15,400			1,522	
Venezuela.....	1,093		118		975	
ROCAP.....	44,056	40,000	260		3,796	
<b>East Caribbean</b>						
Regional.....	10,099	10,000			99	
Regional.....	33,875	5,000	5,260		23,061	554
Organization of American States.....	10,246				9,692	554
Other.....	23,629	5,000	5,260		13,369	

<sup>1</sup> Population programs under Title X of the Foreign Assistance Act.

<sup>2</sup> Capitalized interest only.

*AID Development Loan Authorizations, Fiscal Year 1970, Latin America*

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

**BRAZIL**

Government of Brazil: \$25 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter. To assist in financing goods and services for urban sanitation projects in certain municipalities which meet specific self-help and eligibility criteria for such financing.

Government of Brazil: \$50 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter. To finance dollar and local currency costs of goods and services to assist the program of Ministry of Education and Culture for development of primary and secondary education.

**CHILE**

Corporacion de Fomento: \$15 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter. To assist in financing dollar costs of a subblending program to finance machinery for expanding Chilean plastics industry and technical assistance to be provided directly to borrower.

**COLOMBIA**

Government of Colombia: \$1.7 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter. To assist in financing dollar costs of expanding survey of mineral resources of Colombia, including participant training, services for field investigation, services for photogrammetry and photogeology and equipment and supplies.

*AID Development Loan Authorizations, Fiscal Year 1970, Latin America—Continued*

Borrower—Amount—Terms	Purpose
<p>Government of Colombia: \$15 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.</p>	<p>To help continue and strengthen programs started under first education loan to achieve following objectives: extend opportunity for primary education and reduce dropout and repetition rate; accelerate secondary school reform; coordinate university development planning with national planning for economic and social development; and improve planning and policy-making capacity of Ministry of Education.</p>
<p>Government of Colombia: \$15 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.</p>	<p>To support the Agriculture Development Program with special emphasis on the needs of smaller farmers and key technical assistance and commodities.</p>
<p>Government of Colombia: \$40 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.</p>	<p>To assist in financing foreign exchange costs of essential imports and provide financing for development projects and programs.</p>
<p><b>COSTA RICA</b></p>	
<p>Banco Credito Agricola de Cartago: \$1 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter. (Government of Costa Rica shall guarantee repayment.)</p>	<p>To assist in financing dollar and local costs of affiliated savings and loan associations and procurement of technical assistance for borrower and associations.</p>
<p>Government of Costa Rica: \$16.4 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.</p>	<p>To assist in financing dollar and local costs of an agricultural development program including agricultural services, agricultural education, agricultural credit, cooperatives development, marketing land tenure and community organization.</p>

*AID Development Loan Authorizations, Fiscal Year 1970, Latin America--Continued*

Borrower—Amount—Terms	Purpose
<b>DOMINICAN REPUBLIC</b>	
<p>Foundation for Educational Credit: \$1.75 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.</p>	<p>To assist in financing dollar costs of a subloan program for study outside of Dominican Republic by qualified and needy Dominican students in priority fields where human resources required for development are lacking and dollar and local costs for survey of highest level manpower resources and technical assistance.</p>
<b>ECUADOR</b>	
<p>Government of Ecuador: \$3.6 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.</p>	<p>To assist in financing dollar and local costs of program for sale of agricultural land to campesino organizations and extension of production credit thereto.</p>
<p>Government of Ecuador: \$7.2 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.</p>	<p>To assist in financing dollar and local costs of agricultural development and diversification program: in particular a vegetable oil crop project, a cacao project, a marketing project and project administration.</p>
<p>Government of Ecuador: \$5.1 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.</p>	<p>To assist in financing dollar and local costs of borrower's program of financial and technical assistance to small enterprises.</p>
<p>Government of Ecuador: \$3.55 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.</p>	<p>To assist in financing dollar cost of procurement and installation of electrical generation, transmission and distribution equipment, and technical assistance. Local costs of technical assistance may also be financed.</p>

*AID Development Loan Authorizations, Fiscal Year 1970, Latin America—Continued*

Borrower—Amount—Terms	Purpose
<b>EL SALVADOR</b>	
Instituto Salvadoreño de Fomento Industrial (INSAFI): \$4.8 million; Two-Step Option; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter. Borrower: 25 years at 5 percent with 7 year grace period.	To assist in financing sub-loans by INSAFI for creation and expansion of productive enterprise.
Federación de Cooperativas de Ahorro y Crédito de El Salvador (Fedecases): \$2 million; Two-Step Option; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter. Borrower: 25 years; interest at 2 percent during 7-year grace period and 3 percent thereafter.	To finance dollar and local costs of assisting credit unions in development of self-sustaining private cooperative federation, and technical assistance.
Government of El Salvador: \$1 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To assist in financing dollar and local costs of general surveys, prefeasibility and feasibility studies related to agriculture sector.
<b>GUATEMALA</b>	
Instituto de Fomento Municipal: \$2.1 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter. (Government of Guatemala shall guarantee repayment.)	To establish a fund to assist in financing dollar and local costs of small public works projects and engineering services in small municipalities throughout Guatemala.
Government of Guatemala: \$23 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To assist in financing foreign exchange and local costs of rural development program, including basic grains improvement and agricultural diversification, for human resources and for improvement in handicrafts.

*AID Development Loan Authorizations, Fiscal Year 1970, Latin America—Continued*

Borrower—Amount—Terms	Purpose
<b>HONDURAS</b>	
Government of Honduras: \$2.7 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To assist in financing dollar and local costs of a rural land inventory and agricultural development.
<b>PANAMA</b>	
Government of Panama: \$8.5 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To assist in financing dollar and local costs of goods and services for implementation of first phase of National Plan for Education by improving quality of education, improving administration of the Ministry of Education and expansion of facilities for education.
<b>PARAGUAY</b>	
Administracion Nacional de Electricidad: \$425,000; Two-Step Option; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter. Borrower: 25 years at 5 percent with 5-year grace period.	To assist in financing dollar costs of the construction and installation of a central electric power station and distribution system in city of Pedro Juan Caballero.
Government of Paraguay: \$4.2 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To assist in financing dollar and local costs of equipment, material and services necessary for conduct of educational development program.

*AID Development Loan Authorizations, Fiscal Year 1970, Latin America—Continued*

Borrower—Amount—Terms	Purpose
<b>URUGUAY</b>	
Government of Uruguay: \$15 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To assist in financing dollar costs of goods and services of a private sector capital goods import program.
Bank of the Oriental Republic of Uruguay: \$400,000; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To finance increased dollar costs of improvements to Carrasco International Airport at Montevideo.
<b>REGIONAL</b>	
Caribbean Development Bank: \$10 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To assist in financing dollar and local costs of development lending program.
Diversification Fund of the International Coffee Organization: \$5 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To assist in financing foreign exchange and local costs of subloans to compulsory participants to stabilize International Coffee Agreement limits and to promote reallocation of resources excess to coffee production.
<b>ROCAP (Central America)</b>	
Central Banks of Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua: \$10 million; 25 years; interest at 2 percent during 5-year grace period and 3 percent thereafter.	To assist in establishing Central American Monetary Stabilization Fund (CAMSF) as an independent legal entity with clearly defined lending powers for loans to provide needed financial assistance to those member countries experiencing temporary balance of payments difficulties.

*AID Development Loan Authorizations, Fiscal Year 1970, Latin America—Continued*

Borrower—Amount—Terms	Purpose
Central American Bank for Economic Integration (CABEI): \$30 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To provide financing for development of nontraditional export industries in the Central American Common Market, for related export services and for tourism development.

*AID Commitments in East Asia, Fiscal Year 1970*

[Thousands of Dollars]

Country	Appropriation Category				
	Total	Development Loan			Technical Assistance
		Loans	Grants for Population Programs*	Supporting Assistance	
Total.....	191, 539	71, 400	9, 296	72, 528	38, 317
Indonesia.....	56, 219	51, 400	430	.....	4, 389
Korea.....	34, 955	20, 000	888	10, 000	4, 067
Laos.....	51, 941	.....	1, 112	43, 666	7, 163
Philippines.....	9, 046	.....	4, 948	.....	4, 098
Thailand.....	26, 545	.....	1, 295	18, 862	6, 388
Regional.....	12, 835	.....	623	.....	12, 212

\* Population programs under Title X of the Foreign Assistance Act.

*AID Development Loan Authorizations, Fiscal Year 1970, East Asia*

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

**INDONESIA**

Government of Indonesia: \$16.8 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To assist in financing the foreign exchange costs of equipment, materials and services necessary for the rehabilitation and operation of electric power facilities in Central Java.
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*AID Development Loan Authorizations, Fiscal Year 1970, East Asia—*  
Continued

Borrower—Amount—Terms	Purpose
<p>Government of Indonesia: \$20 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter. Borrower: 16½ years at 12 percent, with 4½-year grace period.</p>	<p>To assist in financing the foreign exchange costs of equipment, materials and services necessary for the construction of an ammonia/urea fertilizer plant in South Sumatra.</p>
<p>Government of Indonesia: \$800,000; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.</p>	<p>To assist in financing the foreign exchange costs of equipment, materials and services necessary for final design and preparation of detailed construction bid documents for a highway to link Djakarta and Bogor.</p>
<p>Government of Indonesia: \$13.8 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.</p>	<p>To assist in financing the foreign exchange costs of equipment, materials and services necessary for the rehabilitation and operation of electric power facilities in Medan, North Sumatra.</p>
<p><b>KOREA</b></p>	
<p>Republic of Korea; \$10 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.</p>	<p>To finance foreign exchange costs for importing commodities to promote economic development.</p>
<p>Republic of Korea: \$10 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.</p>	<p>To assist in financing the foreign exchange costs of materials, equipment and services necessary for the rearrangement and consolidation of paddy lands and the reclamation of upland areas in Korea.</p>

*AID Commitments in Africa, Fiscal Year 1970*

[Thousands of Dollars]

Country	Appropriation Category					Contingency Fund
	Total	Development Loans		Supporting Assistance	Technical Assistance	
		Loan	Grants for Population Programs <sup>1</sup>			
<b>Total</b> .....	155,171	64,990	2,663	26,042	57,475	4,000
Botswana.....	<sup>2</sup> 30				30	
Burundi.....	<sup>2</sup> 51				51	
Cameroon.....	<sup>2</sup> 100				100	
Central African Republic.....	<sup>2</sup> 100				100	
Chad.....	<sup>2</sup> 54				54	
Congo (Kinshasa).....	9,282	8,000			1,282	
Dahomey.....	<sup>2</sup> 101				101	
Ethiopia.....	15,571	10,600	1		4,970	
Gabon.....	<sup>2</sup> 25				25	
Gambia.....	<sup>2</sup> 25				25	
Ghana.....	17,652	15,000	790		1,862	
Guinea.....	<sup>2</sup> 75				75	
Ivory Coast.....	<sup>2</sup> 25				25	
Kenya.....	5,845	3,500	164		2,181	
Lesotho.....	<sup>2</sup> 12				12	
Liberia.....	4,934		294		4,640	
Malagasy Republic.....	<sup>2</sup> 110				110	
Malawi.....	<sup>2</sup> 50				50	
Mali.....	<sup>2</sup> 80				80	
Mauritius.....	<sup>2</sup> 80				80	
Morocco.....	10,294	8,000	170		2,124	
Niger.....	<sup>2</sup> 75				75	
Nigeria—Economic Development.....	11,163	1,700			9,463	
Nigeria—International Relief Effort.....	28,542			<sup>3</sup> 25,442	1,100	<sup>3</sup> 2,000
Rwanda.....	<sup>2</sup> 26				26	
Senegal.....	215				215	
Sierra Leone.....	<sup>2</sup> 100				100	
Somali Republic.....	2,221				2,221	
Swaziland.....	<sup>2</sup> 33				33	
Tanzania.....	3,019	1,000			2,019	
Togo.....	<sup>2</sup> 100				100	
Tunisia.....	14,645	10,090	665		1,890	2,000
Uganda.....	2,531		400		2,131	
Upper Volta.....	<sup>2</sup> 100				100	
Zambia.....	<sup>2</sup> 15				15	
Central & West-Africa Regional.....	7,465				7,465	
East Africa—Regional.....	4,470				4,470	
Africa Regional.....	15,954	7,100	179	600	8,075	

<sup>1</sup> Population programs under Title X of the Foreign Assistance Act.

<sup>2</sup> Received Self-Help only from Regional Technical Assistance funds.

<sup>3</sup> Includes \$2 million in Supporting Assistance and \$2 million in Contingency Funds channeled through UNICEF.

*AID Development Loan Authorizations, Fiscal Year 1970, Africa*

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

CONGO (KINSHASA)

Democratic Republic of the Congo: \$8 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To assist in financing the U.S. costs of commodities and related services needed to increase the effectiveness of two transport organizations—Office d'Exploitation des Transport and Voies Navigables. .
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ETHIOPIA

Imperial Ethiopian Government: \$3.5 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To assist in financing the foreign exchange costs of procuring shop tools, spare parts, and technical assistance needed by the Imperial Highway Authority for improving highway equipment repair capabilities.
Imperial Ethiopian Government: \$5 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To assist in the development of the agricultural sector by generating currency through the sale of commodities financed under this loan.
Imperial Ethiopian Government: \$2.1 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To assist in financing the foreign exchange costs of farm machinery and other facilities for the Shashemene Agricultural Project organization.

GHANA

Government of the Republic of Ghana: \$15 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To assist in financing the foreign exchange costs of commodities and commodity-related services to promote economic development.
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*AID Development Loan Authorization, Fiscal Year, 1970,  
Africa—Continued*

Borrower—Amount—Terms	Purpose
<b>KENYA</b>	
Government of Kenya: \$3.5 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To finance the U.S. costs of vehicles, heavy construction equipment, and land development programs of the National Youth Service.
<b>MOROCCO</b>	
Government of the Kingdom of Morocco: \$8 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To assure foreign exchange to finance U.S. commodities and equipment required for Morocco's agricultural development program in 1970 and 1971.
<b>NIGERIA</b>	
Federal Military Government of Nigeria: (amendment) \$1.7 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To assist in financing the foreign exchange and local currency costs of goods and services required to expand the facilities of nine government teacher training schools, and to equip four schools.
<b>TANZANIA</b>	
Government of the United Republic of Tanzania: \$1 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To finance the U.S. costs of commodities and equipment in support of the Masai Livestock Development Project and the Seed Multiplication and Distribution Project.
<b>TUNISIA</b>	
Government of the Republic of Tunisia: \$5 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To finance the foreign exchange costs of commodities and equipment essential to Tunisia's development program in early 1970.
Government of the Republic of Tunisia: (amendment) \$5 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To supplement above assistance to development program, with a portion available for reconstruction and rehabilitation following the 1969 flood disaster.

*AID Development Loan Authorizations, Fiscal Year 1970,  
Africa—Continued*

Borrower—Amount—Terms	Purpose
<b>REGIONAL/MULTIDONOR</b>	
Federal Republic of Cameroon: (amendment) \$2 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To assist in financing the U.S. costs of equipment, materials and services required to ex- tend the Transcameroon Railroad from Belabo to Ngaoundere.
Coffee Diversification Fund: \$2.5 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To assist in financing the foreign exchange and local currency costs of subloans to stabilize coffee production within International Coffee Agree- ment limits and to promote reallocation of resources ex- cess to coffee production.
Government of the United Re- public of Tanzania: (amend- ment) \$2.6 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To assist in financing the for- eign exchange and local cur- rency costs of engineering supervision and construction of 14 miles of road between Dar es Salaam and Morogoro, and U.S. costs of port access analysis and design.

*Countries or Areas With Investment Guaranty Agreements*

[June 30, 1970]

Convertibility	Expropriation	War, Revolution and Insurrection	Extended Risk Guaranties
Afghanistan.....	Afghanistan.....	Afghanistan (war only).	
Antigua.....	Antigua.....	Antigua.....	Antigua.
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.
Burundi.....	Burundi.....	Burundi.....	Burundi.
Cameroon.....	Cameroon.....	Cameroon.....	Cameroon.

See footnotes at end of table, p. 70.

*Countries or Areas With Investment Guaranty  
Agreements—Continued*

[June 30, 1970]

Convertibility	Expropriation	War, Revolution and Insurrection	Extended Risk Guaranties
Central African Rep.	Central African Rep.	Central African Rep.	Central African Rep.
Ceylon	Ceylon	Ceylon	Ceylon.
Chad	Chad	Chad	Chad.
Chile	Chile <sup>1</sup>	Chile <sup>1</sup>	Chile. <sup>1</sup>
China, Rep. of	China, Rep. of	China, Rep. of	China, Rep. of.
Colombia. <sup>1</sup>	Colombia. <sup>1</sup>	Colombia. <sup>1</sup>	Colombia. <sup>1</sup>
Congo (Brazzaville).	Congo (Brazzaville).	Congo (Brazzaville).	Congo (Brazzaville).
Congo (Kinshasa)	Congo (Kinshasa)	Congo (Kinshasa)	Congo (Kinshasa).
Costa Rica	Costa Rica	Costa Rica	Costa Rica.
Cyprus	Cyprus	Cyprus	Cyprus.
Dahomey	Dahomey	Dahomey	Dahomey.
Dominica	Dominica	Dominica	Dominica.
Dominican Republic	Dominican Republic.	Dominican Republic.	Dominican Republic.
Ecuador	Ecuador	Ecuador	Ecuador.
El Salvador	El Salvador <sup>1</sup>	El Salvador <sup>1</sup>	El Salvador <sup>1</sup> .
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	Guatemala		
Guinea	Guinea	Guinea	Guinea.
Guyana	Guyana	Guyana	Guyana.
Haiti	Haiti		
Honduras	Honduras	Honduras	Honduras.
India	India	India	India.
Indonesia	Indonesia	Indonesia	Indonesia.
Iran	Iran	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.

See footnotes at end of table p. 70.

*Countries or Areas With Investment Guaranty  
Agreements—Continued*

[June 30, 1970]

Convertibility	Expropriation	War, Revolution and Insurrection	Extended Risk Guaranties
Mauritania <sup>2</sup>	Mauritania <sup>2</sup>	Mauritania <sup>2</sup>	Mauritania <sup>2</sup>
Mauritius	Mauritius	Mauritius	Mauritius.
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 (war only).	
Paraguay	Paraguay	Paraguay	Paraguay.
Peru			
Philippines	Philippines	Philippines	Philippines.
Rwanda	Rwanda	Rwanda	Rwanda.
St. Christ.-Nevis- Ang.	St. Christ.-Nevis- Ang.	St. Christ.-Nevis- Ang.	St. Christ.- Nevis-Ang.
St. Lucia	St. Lucia	St. Lucia	St. Lucia.
Senegal	Senegal	Senegal	Senegal.
Sierra Leone	Sierra Leone	Sierra Leone	Sierra Leone.
Singapore	Singapore	Singapore	Singapore.
Somali Rep.	Somali Rep.	Somali Rep.	Somali Rep.
Sudan <sup>2</sup>	Sudan <sup>2</sup>	Sudan <sup>2</sup>	Sudan <sup>2</sup>
Swaziland	Swaziland	Swaziland	Swaziland.
Tanzania (excl. Zanzibar).	Tanzania (excl. Zanzibar)	Tanzania (excl. Zanzibar).	Tanzania (excl. Zanzibar).
Thailand	Thailand	Thailand	Thailand.
Togo	Togo	Togo	Togo.
Trinidad-Tobago	Trinidad-Tobago	Trinidad-Tobago	Trinidad-Topago
Tunisia	Tunisia	Tunisia	Tunisia.
Turkey	Turkey	Turkey	Turkey.
Uganda	Uganda	Uganda	Uganda.
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>
Upper Volta	Upper Volta	Upper Volta	Upper Volta.
Uruguay <sup>1</sup>	Uruguay <sup>1</sup>		
Venezuela	Venezuela	Venezuela	Venezuela.
Vietnam	Vietnam	Vietnam	Vietnam.
Western Samoa	Western Samoa	Western Samoa	Western Samoa.
Yugoslavia	Yugoslavia		
Zambia	Zambia	Zambia	Zambia.

<sup>1</sup> Agreement signed but not ratified; not in full force and effect.

<sup>2</sup> Program suspended due to severance of diplomatic relations.

Although economically developed countries are excluded from the Investment Insurance Program, insurance may be available for some of the less developed dependencies of France, the 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	1966.....	2,862
1962.....	796	1967.....	3,722
1963.....	1,187	1968.....	6,022
1964.....	1,360	1969.....	6,824
1965.....	1,976	1970.....	7,811

*AID Investment Survey Program Activity, Fiscal Years 1963-70*

	Surveys Authorized <sup>1</sup>	Maximum AID Obligation	Surveys Completed	Decisions to Invest <sup>2</sup>	Maximum Potential Investment <sup>2</sup>
1963.....	29	\$403,800	3	2	\$28,781,000
1964.....	58	701,300	18	6	16,788,000
1965.....	58	595,900	35	14	8,044,000
1966.....	59	1,139,700	42	12	19,858,000
1967.....	72	1,520,000	23	7	15,155,000
1968.....	33	539,437	23	6	9,680,000
1969.....	23	211,067	33	4	5,898,000
1970.....	11	217,751	27		

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

<sup>2</sup> By year of survey agreement.

*Foreign Currency (Cooley) Loans Authorized in Fiscal Year 1970*

[Values Expressed in Dollar Equivalents]

Country	Borrower	Amount	Purpose
<b>Latin America:</b>			
Bolivia.....	Sociedad Boliviana de Cemento SA.....	\$45,000	Expansion of cement plant.
Total Latin America.....		<u>45,000</u>	
<b>East Asia:</b>			
Korea.....	Sam Yung Oils & Fats Co. Ltd.....	352,609	Plant expansion.
	Cheil Poultry Enterprise Co.....	105,783	Poultry farm.
	Mukung HWA Oil & Fat Industrial Co. Inc.	245,614	Plant expansion.
	Korea High Protein Foods Inc.....	187,521	Plant construction.
	Honam Oil Refinery Co. Ltd.....	274,600	Production liquid petroleum gas.
	Yu Han-Kimberly.....	340,339	Production paper products.
	Sam HWA Mool San Co. Ltd.....	263,331	Expand feed facilities.
Total East Asia.....		<u>1,769,797</u>	

*Foreign Currency (Cooley) Loans Authorized in Fiscal Year 1970—Continued*

[Values Expressed in Dollar Equivalents]

Country	Borrower	Amount	Purpose
Africa:	None.		
Near East and South Asia:			
India.....	Otis Elevator (India), Ltd.....	658,000	Increase manufacturing capacity.
	Escort Tractors, Ltd.....	4,707,000	Manufacturing machinery.
	Kumardhub: Fireclay and Silica Works, Ltd..	1,579,000	Modernize refractories plant.
	Zuari Agro Chemicals, Ltd.....	3,553,000	Increase fertilizer complex.
	Acme Pig Iron & Centrifugal Pipe Works, Ltd.....	875,000	Production of steel products.
	Frick India, Ltd.....	263,158	Manufacture refrigeration equipment.
Pakistan.....	Union Carbide Pakistan, Ltd.....	1,483,000	Manufacture batteries.
	Squibb of Pakistan, Ltd.....	721,000	Pharmaceutical plant.
Total Near East and South Asia.		<u>13,839,158</u>	
Total all regions.....		<u>15,653,955</u>	

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

[Original Acquisition Cost in Millions of Dollars]

	Fiscal Year 1969	Fiscal Year 1970
Near East and South Asia-----	4.6	3.1
East Asia-----	3.0	3.2
Vietnam-----	2.4	.3
Africa-----	1.9	.4
Latin America-----	1.0	.2
Nonregional-----	.4	.3
Total-----	13.3	7.5

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

### *Organizations Registered with the Advisory Committee on Voluntary Foreign Aid and Receiving AID Overseas Freight Payments<sup>1</sup> in Fiscal Year 1970*

American Friends Service Committee <sup>1,2</sup> American Health Education for African Development <sup>1</sup> American Jewish Joint Distribution Committee <sup>1,3</sup> American Korean Foundation <sup>1</sup> American Mission to Greeks <sup>1</sup> American National Red Cross <sup>1,2,3</sup> American ORT Federation <sup>1</sup> American Relief for Poland <sup>3</sup> Assembly of God, F.S.C. <sup>1</sup> CARE, Inc. <sup>1,2,3</sup> Catholic Relief Services <sup>1,2,3,4,5</sup> Church World Service <sup>1,2,3</sup> Christian Reformed World Relief Committee <sup>1</sup> Community Development Foundation <sup>1</sup> Foster Parents' Plan <sup>1</sup> Friends of the U.S. Latin America <sup>1,5</sup> Hadassah <sup>1,3</sup> Heifer Project <sup>1</sup> International Educational Development <sup>1</sup>	International Institute of Rural Reconstruction <sup>1</sup> Iran Foundation <sup>1</sup> Lutheran World Relief <sup>1,2,3</sup> Medical Assistance Programs <sup>1</sup> Mennonite Central Committee <sup>1</sup> Mizrahi Women's Organization of America <sup>1</sup> Pan American Development Foundation <sup>1</sup> People-to-People Health Foundation (Project HOPE) <sup>1</sup> Dr. Jose P. Rizal and General Douglas MacArthur <sup>1</sup> Memorial Foundation Albert Schweitzer Fellowship <sup>1</sup> Seventh-Day Adventist Welfare Service <sup>1,2,3</sup> Summer Institute of Linguistics <sup>1</sup> Thomas A. Dooley Foundation <sup>1</sup> United Israel Appeal <sup>1</sup> World Relief Commission of the National Association of Evangelicals <sup>1,3</sup> World Vision Relief Organization <sup>1,4,5</sup> YMCA International Committee <sup>1</sup>
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<sup>1</sup> AID obligated over \$5 million to cover overseas freight for shipments on a world basis of supplies privately donated for the overseas work of these 36 registered voluntary agencies and the American National Red Cross (ANRC). Because of its special charter, the Red Cross, although not a registered agency, shares in the benefits of registration.

<sup>2</sup> An additional \$1.1 million was obligated in fiscal 1970 by the Africa Bureau to finance voluntary agency shipments to Nigeria.

<sup>3</sup> Nine of the registered voluntary agencies and the ANRC participated in the Public Law 480 Food for Peace program. During fiscal 1970, AID administered \$50 million of U.S. Department of Agriculture funds.

<sup>4</sup> \$300,000 was made available from the general Contingency Fund for operations in Laos and Southeast Asia.

<sup>5</sup> Three registered agencies had excess property determinations during fiscal 1970.

*Emergency Disaster Relief and Short-term Rehabilitation Expenditures,  
Fiscal Year 1970*

[Thousands of Dollars]

Region	U.S. Government			Voluntary Agencies	Total United States
	AID	Value of Public Law 480 Food Grants	Other		
Africa.....	1, 584	9, 483	-----	850	11, 917
Europe.....	<sup>1</sup> 425	<sup>1</sup> 2, 100	-----	217	2, 742
Latin America.....	12, 170	6, 837	-----	6, 819	25, 826
Near East and South Asia.....	228	1, 969	-----	524	2, 721
East Asia.....	380	2, 075	<sup>2</sup> 280	121	2, 856
<b>Total.....</b>	<b><sup>3</sup> 14, 787</b>	<b>22, 464</b>	<b>280</b>	<b>8, 531</b>	<b><sup>4</sup> 46, 062</b>

<sup>1</sup> Does not include \$675,000 in emergency relief and \$7.5 million in Public Law 480 grants and credits for Rumania floods committed in fiscal 1970 but not implemented until fiscal 1971.

<sup>2</sup> U.S. Military Assistance for which no reimbursement was requested from AID.

<sup>3</sup> Of the AID expenditures, \$5,871,000 came from the Contingency Fund; \$100,000 equivalent from Yugoslav dinars generated from Food For Peace sales and owned by the U.S.; \$8,316,000 from AID rehabilitation projects; and \$500,000 for contribution to OAS for Honduras and El Salvador during that Central American crisis.

<sup>4</sup> Of the \$46,062,000 total U.S. aid, \$22,811,000 was for the victims of the May 1970 Peru earthquake.

*Military Assistance Program, Fiscal Year 1970*

[Millions of Dollars]

East Asia :

Cambodia .....	8.900
China, Republic of.....	23.510
Philippines .....	15.960
Indonesia .....	5.768
Korea .....	133.005
Malaysia .....	.181
East Asia Area.....	.692
	<u>188.016</u>

Near East and South Asia :

Afghanistan .....	.195
Ceylon .....	.046
Greece .....	17.714
India .....	.073
Iran .....	2.813
Jordan .....	.216
Lebanon .....	.093
Nepal .....	.007
Pakistan .....	.181
Saudi Arabia.....	.594
Turkey .....	92.132
NESA Area.....	.017
	<u>114.081</u>

*Military Assistance Program, Fiscal Year 1970—Continued*

[Millions of Dollars]

<b>Latin America:</b>	
Argentina .....	0. 697
Bolivia .....	1. 465
Brazil .....	. 914
Chile .....	. 878
Colombia .....	2. 971
Dominican Republic.....	1. 963
Ecuador .....	1. 962
El Salvador.....	. 461
Guatemala .....	1. 203
Honduras .....	. 489
Mexico .....	. 096
Nicaragua .....	. 989
Panama .....	. 837
Paraguay .....	. 698
Peru .....	. 677
Uruguay .....	1. 396
Venezuela .....	. 835
Latin America Area.....	. 274
	<u>18. 805</u>
<b>Africa:</b>	
Congo.....	1. 768
Ethiopia.....	(1)
Ghana.....	(1)
Liberia.....	. 475
Libya.....	(1)
Mali.....	. 046
Morocco.....	(1)
Nigeria.....	(1)
Senegal.....	(1)
Tunisia.....	(1)
Africa Area.....	15. 780
	<u>18. 069</u>
<b>Europe:</b>	
Austria.....	. 004
Portugal.....	. 975
Spain.....	21. 999
Europe Area.....	. 094
	<u>26. 072</u>
<b>Nonregional:</b>	
Administrative Expenses.....	17. 950
Other Nonregional.....	8. 216
	<u>26. 166</u>
MAP Assets Applied <sup>2</sup> .....	. 613
Total.....	<u>300. 596</u>

<sup>1</sup> Included in area programs

<sup>2</sup> The minus figure represents previously funded assets available without cost to the fiscal 1970 MAP which were applied to country programs throughout fiscal 1970.

## NONDISCRIMINATION AND FREEDOM OF NAVIGATION

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

Government practices tending to discriminate against some 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 1970. 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 1967 and remained closed at the end of fiscal 1970. 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

#### *Advisory Committee on Voluntary Foreign Aid*

Established by the President in 1946 to succeed the War Relief Control Board in correlating government foreign assistance programs with those of voluntary aid agencies. Registers U.S. voluntary, non-profit agencies for foreign aid activities and approves their programs.

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

#### *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; Charles H. Smith, Jr., director, U.S. Chamber of Commerce; Willis Armstrong, president, U.S. Council of the International Chamber of Commerce.

*Advisory Committee on AID—University Relations*

Provides a forum in which mutual interests of the academic community and AID can be explored and advises the Administrator on the full range of policy matters relating to AID's encouragement of American universities in the foreign assistance program.

Members: Dr. Hilton C. Buley, president, Southern Connecticut State College and president, American Association of State Colleges and Universities; Dr. Arthur S. Flemming, president, Macalester College and chairman, American Council on Education; Dr. Luther H. Foster, president, Tuskegee Institute and chairman, Association of American Colleges; Sister M. Ann Ida Cannon, president, Mundelein College and former chairman, Association of American Colleges; Dr. Mason W. Gross, president Rutgers University and former chairman, American Council on Education; Dr. Fred H. Harrington, president, University of Wisconsin and former president, National Association of State Universities and Land-Grant Colleges; Dr. Richard A. Harvill, president, University of Arizona and president, National Association of State Universities and Land-Grant Colleges; Dr. David D. Henry, president, University of Illinois and former president, Association of American Universities; Dr. Ralph K. Huitt, executive secretary, National Association of State Universities and Land-Grant Colleges; Vernon E. Jordan, executive director, United Negro College Fund; Charles P. McCurdy, Jr., executive secretary, Association of American Universities; Dr. Frederic W. Ness, president, Association of American Colleges; Allan W. Ostar, executive director, American Association of State Colleges and Universities; Dr. Nathan M. Pusey, former president, Harvard University and president, Association of American Universities; Dr. Harold E. Sponberg, president, Eastern Michigan University and representative, Committee on International Affairs, American Association of State Colleges and Universities; Dr. Glen L. Taggart, president, Utah State University and chairman, International Affairs Committee, National Association of State Universities and Land-Grant Colleges; Dr. Herman B. Wells, chancellor, Indiana University and chairman, Education and World Affairs; Dr. Logan Wilson, president, American Council on Education.

Observers: Dr. Frank Farner, director, International Programs, American Association of State Colleges and Universities; Richard A. Humphrey, director, Program Development, American Council on Education; Dr. Charles V. Kidd, director, Council on Federal Relations, Association of American Universities; Dr. Paul Shaffer, direc-

tor, International Programs Office, National Association of State Universities and Land-Grant Colleges; Howard P. Wile, executive director, Committee on Governmental Relations, National Association of College and University Business Officers.

#### *Development Loan Committee*

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

Members: Chairman, John A. Hannah, AID Administrator; Philip H. Trezise, Assistant Secretary of State for Economic Affairs; Henry Kearns, Chairman of the Board of the Export-Import Bank of Washington; John R. Petty, Assistant Secretary of the Treasury for International Affairs; Robert McClelland, Acting Assistant Secretary of Commerce for Domestic and International Business; Ernest Stern, Assistant Administrator, Bureau for Program and Policy Coordination, AID.

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

Members: Chairman, John H. De Benedictis, second vice president, The Chase Manhattan Bank; vice chairman, Harold T. McGrath, assistant secretary, Manufacturers Hanover Trust Co.; Thomas Cosenza, assistant vice president, Bank of America; Clinton W. DeMilt, assistant vice president, Morgan Guaranty Trust Co.; Frank J. De Rosa, assistant vice president, First National City Bank; Alexander M. Gregory, assistant vice president, Marine Midland Grace Trust Co.; James A. Harrington, vice president, Bankers Trust Co.; Daniel P. O'Connell, vice president, Irving Trust Co.; Hendrik Schmidt, assistant vice president, Bank of New York; Dominic A. Suplina, assistant vice president, Chemical Bank.

#### *Advisory Committee on Research*

Advises the Administrator on research, the mobilization and direction of research groups toward Agency needs, and reviews and recommends specific research projects to the Administrator.

Members: Chairman, Dr. Nyle C. Brady, director of research, New York State College of Agriculture, Cornell University; Dr. C. Arnold Anderson, director, Comparative Education Center, University of Chicago; Dr. Everett E. Hagen, professor of economics, Center for International Studies, Massachusetts Institute of Technology; Dr. Dudley Kirk, professor of demography, Food Research Institute, Stanford University; Dr. Alexander D. Langmuir, chief, epidemiology program, National Communicable Disease Center, Department of Health, Education, and Welfare, Atlanta, Georgia; Dr. Forrest E.

Linder, professor, School of Public Health, University of North Carolina; Dr. Malcolm H. Merrill, director, Community Health, Action Planning Service, APHA, Western Regional Branch, San Francisco; Dr. Max Milner, senior food technologist, Food Conservation Division, UNICEF; Dr. John D. Montgomery, professor of public administration, Harvard University; Dr. A. H. Moseman, The Agricultural Development Council; Dr. Maurice L. Peterson, professor, Department of Agronomy, University of California; Dr. Roger Revelle, director, Harvard Center for Population Studies; Dr. Vernon W. Ruttan, chairman, Department of Agricultural Economics, Institute of Agriculture, University of Minnesota; Dr. Raymond Tanter, associate professor, Department of Political Science, University of Michigan; Dr. F. Joachim Weyl, dean of sciences and mathematics, Hunter College.

#### *Advisory Committee on International Health*

Advises the Administrator on all AID policies and programs relating to health manpower, and on programs of improving health conditions as a part of economic and social development.

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. Kelly M. West, professor and chairman, Department of Continuing Education, University of Oklahoma Medical Center; Dr. Thomas H. Hunter, chancellor for Medical Affairs, The 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; Dr. Margaret Mead, professor of Ethnology, American Museum of Natural History; Dr. Robert S. Jason, coordinator of Medical Center Designing and Planning, College of Medicine, Howard 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.

#### *Scientific and Technical Advisory Committee on Nutrition and Child Feeding*

Provides guidance on the Agency's nutrition and child feeding programs, with special reference to evaluating the scientific and technical aspects of proposed new programs.

Members: Chairman, Dr. Henry Sebrell, director, Institute of Nutrition Sciences, Columbia University; Professor William Darby, chairman, Department of Nutrition, Vanderbilt University; Professor Bernard Schweigert, chairman, Department of Food Science, Michigan State University; Dr. Eugene Howe, director, Merck Institute of Nutrition; Dr. Carl Kreiger, director of research, Campbell Soup Company; Dr. Harold Wilcke, vice president, Research and Development, Ralston Purina Company.

Ex-Officio Member: Dr. Martin Forman, director, Office of Nutrition, Technical Assistance Bureau, AID.

*Labor Advisory Committee on Foreign Assistance*

Advises the Administrator and AID on 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; James A. Suffridge, international president-emeritus, Retail Clerks International Association; Joseph D. Keenan, secretary, International Brotherhood of Electrical Workers; Lee W. Minton, president, Glass Bottle Blowers' Association of the United States and Canada; A. Philip Randolph, vice president, AFL-CIO; Paul Jennings, president, International Union of Electrical, Radio and Machine Workers.

Also: I.W. Abel, president, United Steelworkers of America; A.F. Gropiron, president, Oil Chemical and Atomic Workers International Union; W. A. Boyle, president, United Mine Workers of America; William C. Doherty, Jr., executive director, American Institute for Free Labor Development; Irving Brown, executive director, African-American Labor Center; 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, Department of International Affairs, AFL-CIO; Harry Goldberg, International Affairs Representative, Department of International Affairs, AFL-CIO; Gerald P. O'Keefe, director, Asian-American Free Labor Institute; Peter Fosco, president, Laborers' International Union of North America; John H. Lyons, president, International Association of Bridge and Structural Iron Workers; Floyd E. Smith, president, International Association of Machinists and Aerospace Workers; Louis Stulberg, president-general secretary, International Ladies' Garment Workers Union; Lane Kirkland, secretary-treasurer, AFL-CIO.

*Industry Fertilizer Advisory Committee*

Advises AID on problems and policies related to fertilizer production, marketing and distribution to the developing countries and assists the fertilizer industry in developing more effective capital and technical investment in the agriculture programs directed by AID.

Members: Chairman, W. M. Rohrer, W. R. Grace Company; Robert E. Ashcraft, Duval Corporation; James E. Crooks, First Mississippi Corporation; Dean Gidney, Potash Company of America; John Herrmann, Smith & Douglass; Paul F. Hoffman, Monsanto Company; L.S. Knaiecki, International Tennessee Corporation; S. T. Keel, International Mining & Mineral Company; G. R. Kennedy, American Cyanamid Company; T. W. Oliver, U.S. Steel Corporation; W. J. Turbeville, Jr., Continental Oil Company; J. E. Osguthorpe, AID.

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**THE FOREIGN ASSISTANCE PROGRAM  
ANNUAL REPORT TO THE CONGRESS - FY 1970**