

**THE FOREIGN
ASSISTANCE
PROGRAM**

**ANNUAL REPORT TO THE CONGRESS
FISCAL YEAR 1971**

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PRESIDENT'S LETTER OF TRANSMITTAL

To the Congress of the United States:

The fiscal 1971 Annual Report on the Foreign Assistance Program, which I transmit herewith, contains much hopeful news.

- The continuing success of the Green Revolution was evident in record crops of food grains, moving such countries as India, Pakistan, Turkey, and Indonesia steadily closer to a goal of self-sufficiency in basic foodstuffs and giving hope to others that this goal, considered inconceivable a few short years ago, can now be attained.
- Modern technologies in education are being explored with a view toward reducing the heavy cost of education, expanding its availability and improving its quality.
- Pilot projects for improving the delivery of health services in remote rural areas offer great promise.
- Support provided by the Agency for International Development for population-related efforts rose to a record \$95.9 million, as developing countries, recognizing the heavy burden of high population growth rates, intensified their programs to achieve effective family planning.
- Developing nations showed increasing awareness of the environmental impact of proposed projects in their national planning process.

During the past fiscal year, the United States Government provided \$3.4 billion in economic assistance to the less developed world. This aid took a variety of forms—technical assistance, development loans, financial grants, concessional sales of agricultural products, emergency relief, and contributions to international lending institutions as well as to the United Nations Development Program, and other UN-related activities. Just over half the total—\$1.9 billion—was authorized by the Foreign Assistance Act and administered by the Agency for International Development. This report is essentially concerned with these programs.

Viewed in the perspective of the past decade, the less developed nations have made excellent progress. Their annual rate of economic expansion—averaging about 5.6 percent—exceeded even the five percent target projected by the United Nations for the Decade of Development that ended in 1970, reaching a level of more than six percent per year in

~~the last years of the decade. This pace is more rapid than the growth rate of the United States at comparable stages of its development.~~

A major factor contributing to this record growth has been the increasing availability to lower income countries of external assistance from many sources. The United States can take pride in its role as an innovator and sustainer of this pattern of cooperation.

During the same ten years, the lower income countries also amassed a variety of other important resources for growth. Their technical and managerial experts have grown in number and experience, acquiring greater confidence in their ability to perceive national needs and to design and execute national development strategy. As the lower income nations have gained greater perspective and greater understanding of their own problems, they have been formulating more of their own development plans and organizing more of their own resources.

Other developments that must be taken into account in planning United States aid programs include the growth of new centers of economic and political power, the rapid pace of social and political change, and the increasing emphasis on man's relationship with his environment. Perhaps most significantly, there has been a substantial increase in the aid contributions of other nations and in the role of international lending institutions. Whereas a decade or so ago the United States was the predominant source of development resources and guidance, other industrialized nations and international lending institutions have since expanded both their contributions and their administrative capabilities. Today the United States is the foremost of donor nations in absolute terms, but the other industrialized nations have increased their participation to the extent that in many cases they are contributing a greater percentage of their total resources to development assistance than is the United States.

We have been working to adjust our aid programs to all these new conditions. A number of important reforms were embodied in two pieces of draft legislation submitted to the Congress in April 1971. We hope that those proposals will provide a basis for a discussion with the Congress of ways in which we can structure our programs to increase their effectiveness.

While the Congress has been considering these proposed reforms, the Agency for International Development has moved ahead with steps to increase the effectiveness and efficiency of its operations within the constraints of existing legislation. These initiatives have included:

- Separation of economic supporting assistance activities from development programs within the AID structure;
- Reduction of AID's American staff by an additional six percent, reflecting a total reduction of nearly one-quarter over the past three years and bringing total AID personnel to the lowest level in the Agency's history;

- Substantial simplification of AID procurement policies and procedures;
- Substantial progress in concentrating technical assistance programs in priority sectors of agriculture, education, population, and health;
- Steps toward centralizing overseas lending operations in Washington.

While we look back with satisfaction at our accomplishments in the past and while we plan for further changes to help meet new challenges, we remain aware that the problems of development are stubbornly complex and that the solutions to some of them are still beyond our grasp. Yet each year's experience gives us new insights and firmer hope. And each year's experience also confirms two fundamental facts of development: (1) what the recipient country does to stimulate and accelerate its own growth is ultimately of greater value than anything we do or are able to do; and (2) a measure of help from the United States can be the vital factor in assuring steady progress toward development.

I believe most earnestly that the developed nations of the world cannot long prosper in a world dominated by poverty and that improvement in the quality of life for all peoples enhances the prospects of peace for all people.

A handwritten signature in cursive script, reading "Richard Nixon".

THE WHITE HOUSE

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INTRODUCTION

Under the authority of the Foreign Assistance Act of 1961, the United States provides technical and financial assistance to less developed countries. There are two primary objectives of this aid—to help the developing countries achieve self-sustaining economic growth and to support the economies of our allies which are encountering major security or political problems.

In an era when some parts of the world have achieved remarkable affluence and have mastered a highly sophisticated technology, two-thirds of the world's population still lives in conditions of poverty, ignorance, disease, and hunger. At the same time, these people and their nations are faced with the problems of rapid population growth, sharply increasing rates of urbanization, political instability, and natural ravages. In the longer run, continuation of these conditions would be intolerable to the United States — in political, economic, and moral terms. And the objectives of programs mounted under the Foreign Assistance Act are to help these nations to overcome the difficulties of transforming their societies.

In spite of the problems, the economic situation of the less developed world is improving. And, as set forth hereafter, we believe the contributions of the United States Government to these processes of growth and development are helping therein.

This report discusses the programs and priorities of the Agency for International Development (AID) as of the end of fiscal 1971. During fiscal 1972, a number of policy changes were undertaken, which are described in AID's Congressional Presentation for that year.

~~FUNDS COMMITTED, FISCAL YEAR 1971~~

In fiscal year 1971, commitments by the Agency for International Development for economic assistance to low income countries totaled \$1.86 billion. This was \$16.1 million below the fiscal 1970 total. AID commitments in fiscal 1970 and 1971 by major funding category were as follows:

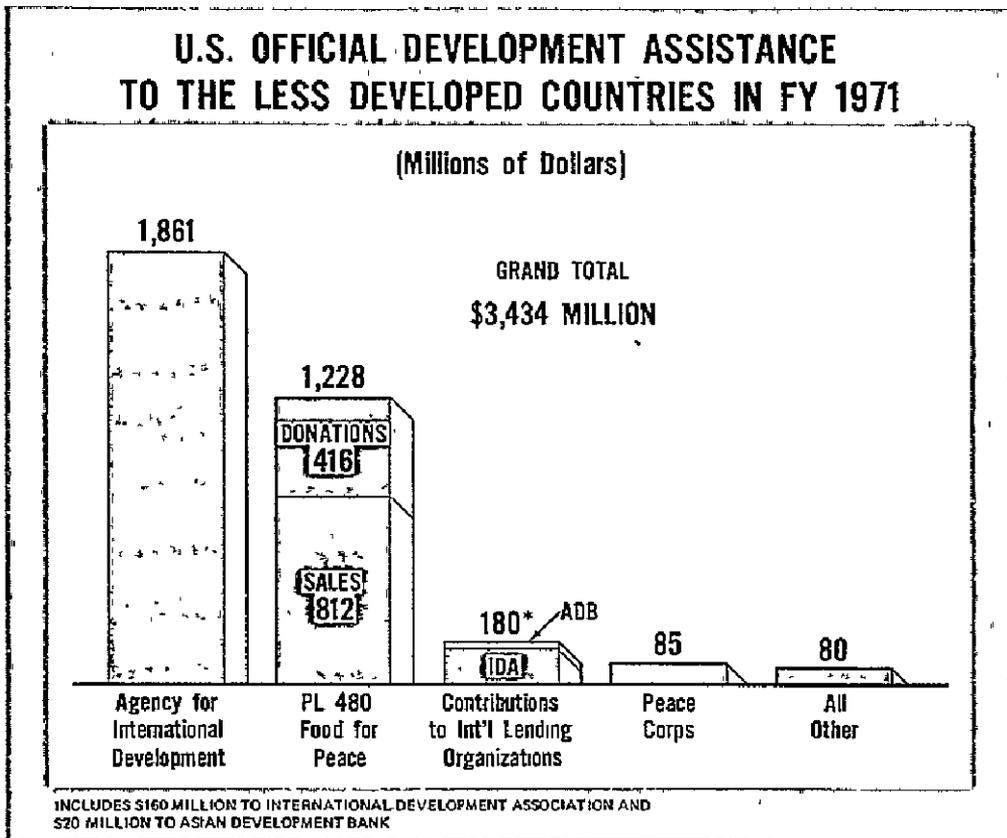
	<i>(Millions of Dollars)</i>	
	FY 1970	FY 1971
Development and Alliance for Progress Loans (including Population Grants)	863.6	789.2
Technical Assistance	371.2	377.9
Bilateral:		
Worldwide	180.6	179.2
Alliance for Progress	85.6	87.9
Multilateral Organizations	105.0	110.9
Supporting Assistance	518.1	573.0
Vietnam	361.2	384.1
Other	157.0	188.8
Contingency Fund	21.0	26.2
Administrative Expenses	67.7	68.1
Other	35.2	26.3
Total	\$1,876.7	\$1,860.7

Total U. S. economic assistance to the developing nations is much greater than that directly administered by AID and includes contributions to international lending institutions, the Peace Corps, and Food for Peace programs. AID commitments combined with those of economic assistance not included in the Foreign Assistance Act totaled \$3.4 billion.*

*The U.S. Export-Import Bank's long-term loans to promote U.S. exports to less developed areas of the world totaled approximately \$600 million in fiscal 1970 and \$669 million in fiscal 1971. These loans, however, were at near commercial interest rates and were usually of medium maturity and, therefore, not included as foreign assistance.

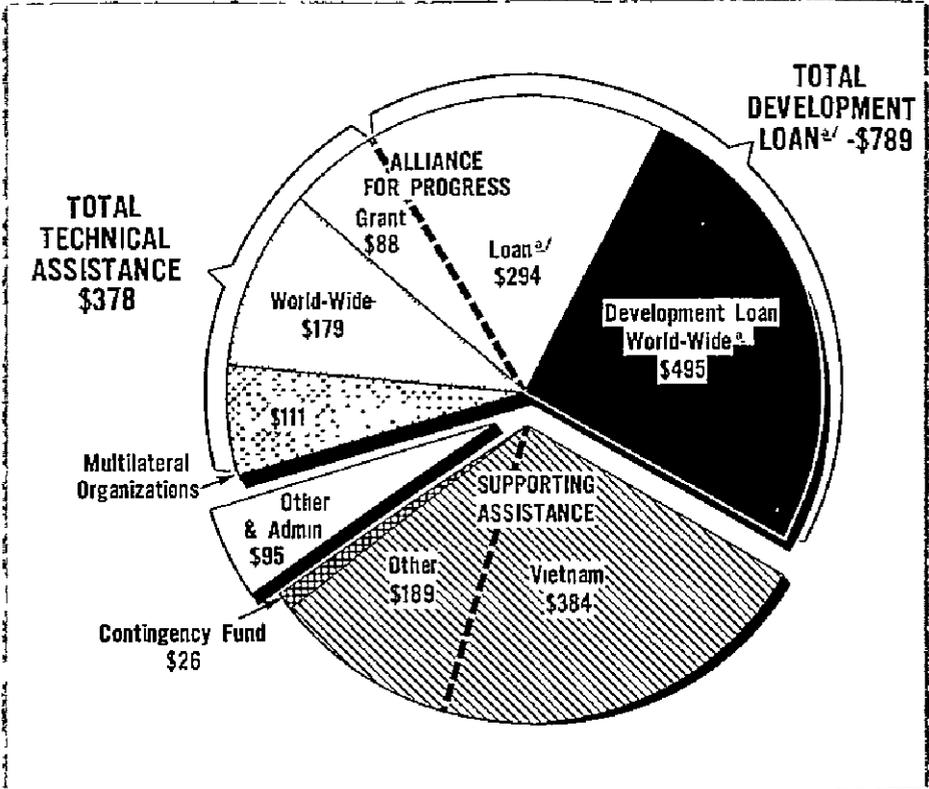
Commitments in these additional categories were as follows:

	<i>(Millions of Dollars)</i>	
	FY 1970	FY 1971
Food for Peace	1,125	1,228
Inter-American Development Bank	300	---
International Development Association	160	160
Peace Corps	91	85
Asian Development Bank	20	20
Other	81	80
Total	<u>\$1,777</u>	<u>\$1,573</u>



FY 1971 AID PROGRAM BY APPROPRIATION CATEGORY

(Millions of Dollars)



TOTAL \$1,861 MILLION

^{a/} INCLUDING GRANTS FOR POPULATION PROGRAMS — \$77 MILLION FROM WORLD-WIDE DEVELOPMENT LOAN AND \$15 MILLION FROM ALLIANCE FOR PROGRESS LOAN FUNDS.

I. AID APPROPRIATION CATEGORIES

Development and Alliance for Progress Loans in fiscal 1971 amounted to \$696.4 million, a decrease of \$110.3 million from fiscal 1970. The reduction occurred largely because of the conflict in South Asia and the cutback in loans to Pakistan.

Supporting Assistance amounted to \$573 million, an increase of \$54.9 million from the preceding year. This increase occurred primarily because of the new program in the Khmer Republic (Cambodia).

Technical Assistance totaled \$377.9 million in fiscal 1971, an increase of \$6.7 million from fiscal 1970, almost entirely in the International Organizations category.

Obligations from the Contingency Fund totaled \$26.2 million to meet unexpected requirements for assistance. The figure represented an increase of about \$5.3 million over fiscal 1970.

DEVELOPMENT LOANS

There are three types of Development Loans. Project loans finance specific undertakings, such as roads, dams, and irrigation systems. Program loans finance U. S. goods such as machinery, raw materials, and spare parts and are usually associated with fiscal, monetary, or import reforms or with other self-help steps affecting the overall economy. Sector loans closely integrate capital and technical aid to spur the development of a particular sector in a country, such as agriculture or education.

In fiscal 1971, 61 loans totaling \$696 million were authorized. These included 31 Development Loans to selected countries in East Asia, Africa, and the Near East and South Asia, amounting to \$464 million. Also included were 30 Alliance for Progress Loans to the countries of Latin America, amounting to \$232 million.

Nine of the 61 loans were program loans used to finance the import of U. S. commodities and capital goods for general use; eight were sector loans for agriculture, education, urban development, and transportation, and 44 were for projects, including two-step loans to intermediate credit institutions and one loan for feasibility studies. AID program loans in 1971 totaled \$316 million and sector loans totaled \$111 million. Project loans amounted to \$269 million.

Major Borrowers

Seventy-five percent of all loans was concentrated in India, Colombia, Indonesia, Brazil, Korea, and Turkey. The remaining 25 percent was committed to the Philippines and 18 countries and regional organizations in Latin America and Africa.

Program Loans

As in past years, India received a major part of the regular program loan funds committed—\$190 million, or 60 percent of the total. Turkey received \$50 million, Indonesia \$30 million, and Ecuador, Morocco, and Tunisia \$10 million each.

Sector Loans

Sector loans to assist development in particular economic sectors totaled \$111 million, with Colombia receiving the largest share — \$77 million for its agriculture, education, and urban sectors. Other sector loans were made to the transportation sector in Zaire, \$12 million; the education sector in the Dominican Republic, \$11 million; and the agriculture sector in Ethiopia, \$5 million, and Africa's Entente States,* \$6 million.

Project Loans

Forty-four loan commitments for specific projects were made during fiscal year 1971. Six of these, amounting to more than \$68 million, were in agriculture. Eleven more in health and education totaled \$30 million. Thirteen loans with an overall value of \$103 million were committed in the field of power and transportation, and five loans totaling \$33 million were for private enterprise promotion. The remaining \$35 million included loans for housing, water supply improvements, community and municipal development, and fertilizer plant expansion.

TECHNICAL ASSISTANCE

Technical Assistance commitments for fiscal year 1971 totaled \$377.9 million, an increase of \$6.7 million over commitments in fiscal 1970. Of this total, \$267 million was committed to bilateral programs and \$110.9 million was provided for Technical Assistance administered by multilateral organizations. Bilateral programs were increased only \$843 thousand over fiscal 1970, the majority of the increase deriving from a larger

*Dahomey, Togo, Ivory Coast, Upper Volta, Niger.

contribution to International Organizations. This reflects the policy of increasing U. S. support to multilateral organizations in order to strengthen their capability to administer technical assistance programs overseas.

AID technical assistance activities in fiscal 1971 stressed research, particularly in population matters. Programs providing advisory assistance in agriculture, health, nutrition, population, education, industrial development, science and technology, and urban problems were also an integral part of the total technical assistance strategy.

SUPPORTING ASSISTANCE

The function of Supporting Assistance is to promote economic or political stability in those nations which are encountering major security problems. Eight countries received such assistance totalling \$573 million in fiscal 1971. Vietnam accounted for two thirds of the total.

The Vietnam Supporting Assistance program amounted to \$384.1 million. The second largest program consisted of \$70 million granted to the Khmer Republic (Cambodia) to offset economic dislocations caused by armed conflict. Most of the remaining Supporting Assistance was committed to Laos, Thailand, and Nigeria, with Nigeria receiving a program loan of \$15 million.

CONTINGENCY FUND

In fiscal 1971, a total of \$26.2 million from the Contingency Fund was committed to meet requirements that were not anticipated at the time of the annual budget request. Most of these requirements were for emergency disaster relief. The major uses included \$13.5 million for relief following the civil war in Pakistan, including help for Pakistani refugees in India; \$4.2 million for Jordan, to assist in the aftermath of the civil strife there; \$675 thousand for floods in Romania; \$258 thousand to the Philippines for relief from three major typhoons and floods; \$260 thousand for Malaysian floods; and \$225 thousand for an earthquake in Turkey. The remaining amounts were used for relief from floods, earthquakes, typhoons, and cholera epidemics.

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.

In fiscal 1971, commitments for American schools and hospitals abroad were \$13.4 million.

II. ECONOMIC ASSISTANCE PROGRAM

The experience of the past decade has confirmed that the burden of development rests upon each developing country. The resources—be they financial or technical—made available by the United States and other donors may accelerate the development process, but they can only supplement the efforts of the recipients.

Obvious measurements of progress such as increases in gross national product do not necessarily reflect adequate or balanced development progress, although there undoubtedly is a correlation between high growth rates and sound policies. During fiscal 1971, there were a number of examples of monetary, agricultural, trade, and family planning policies among aid recipients which contributed significantly to economic development.

In economic reform:

- Brazil and Colombia continued their policies of exchange rate devaluation which have helped to stimulate accelerating export growth and curb domestic inflation.
- In Vietnam, new exchange rate policies reduced retail price inflation from 25 percent in the first half of 1970 to only a few percentage points in the latter half of that year and the first half of calendar 1971.

In agriculture:

- Techniques successfully employed to achieve rice self-sufficiency in the Philippines were applied to other crops through the fuller dissemination of advanced cultivation and marketing techniques and expanded utilization of newly-constructed distribution facilities.
- Food grain production continued to reflect the technological breakthrough in the Indian agriculture sector which resulted from the Indian Government's shift in investment priorities in favor of agriculture.
- In Paraguay, AID technical advisors and credit assistance were responsible in part for crop increases of 33 percent in wheat, 73 percent in soybeans, and 13 percent in rice from 1969 to 1970. Plans for the doubling of output in these staples by 1975 are ahead of schedule.

In human resources:

- Kenya began an AID-assisted drive to slow the pace of rural-to-urban migration.
- Indonesia established a National Family Planning Coordination Board. The goal is reduction of the population growth rate from 2.6 percent to two percent by 1976.

Experience has proven that concentration on key development problems is essential to achieve significant results. AID's Technical Assistance Bureau has launched a process of identifying key problem areas in development which will lead to a more concentrated research effort on the Agency's part. In addition, AID has undertaken a comprehensive review of its technical assistance programs in order to phase out activities peripheral to the main focus of concern. AID's technical assistance programs were concentrated in the following sectors:

Food and Agriculture	31%
Education	25%
Health and Population	10%

Experience has also shown the need to share the aid burden with other nations, a process which has evolved quite favorably during the past ten years. Thus, in 1960, the total net flow of official development assistance from the industrialized nations was \$4.7 billion, of which the United States supplied \$2.7 billion or about 57 percent. In 1970, the total flow had reached \$6.8 billion, of which the United States provided \$3.1 billion or 45 percent.

THE ROLE OF TECHNICAL ASSISTANCE

AID's programs of technical assistance during fiscal 1971 were concentrated on food production, population problems, health, and education. Identification by the Technical Assistance Bureau of 15 key problem areas in development involved a series of concentrated studies on means to remove obstructions to development within particular areas. The studies initially will help to guide AID research efforts. Results have included launching pilot programs to make health facilities more widely available at the grass roots level, as well as research and pilot studies on educational technology, non-formal education, and sector manager development.

The continuing success of the Green Revolution in countries grappling with chronic food shortages was evident in the higher production of food grains. AID's support of programs applying modern farm technology to high-yield varieties of wheat, rice, corn, and other grains included assistance in solving problems created by increased food production. Significant progress was made in advancing the idea of a

~~global agricultural research network in cooperation with the World Bank and other organizations which provide foreign assistance.~~

AID population assistance planners noted continuing favorable developments and trends in family planning programs. Commitments for population programs reached a record high, and AID-financed research included investigations into prostaglandins, potentially promising chemical preparations for use in fertility control.

In the field of education, the Agency's country programs reflected an awareness of the need for innovations which would, for example, reduce educational costs and make instruction more responsive to each nation's needs.

In response to the National Environmental Policy Act of 1970, AID established a committee to shape policies to help solve environmental problems in the developing countries. AID's environmental program in fiscal 1971 included the initiation of case studies in a number of countries. New guidelines for capital projects were also devised.

In accordance with Section 220 of the Foreign Assistance Act, AID increased its communications technology program by committing \$14 million to 24 projects in fiscal 1971, compared to \$4.5 million for 14 projects in fiscal 1970.

The Agency also encouraged use of U. S. minority institutions as contractors in overseas technical assistance activities.

FOOD AND AGRICULTURE

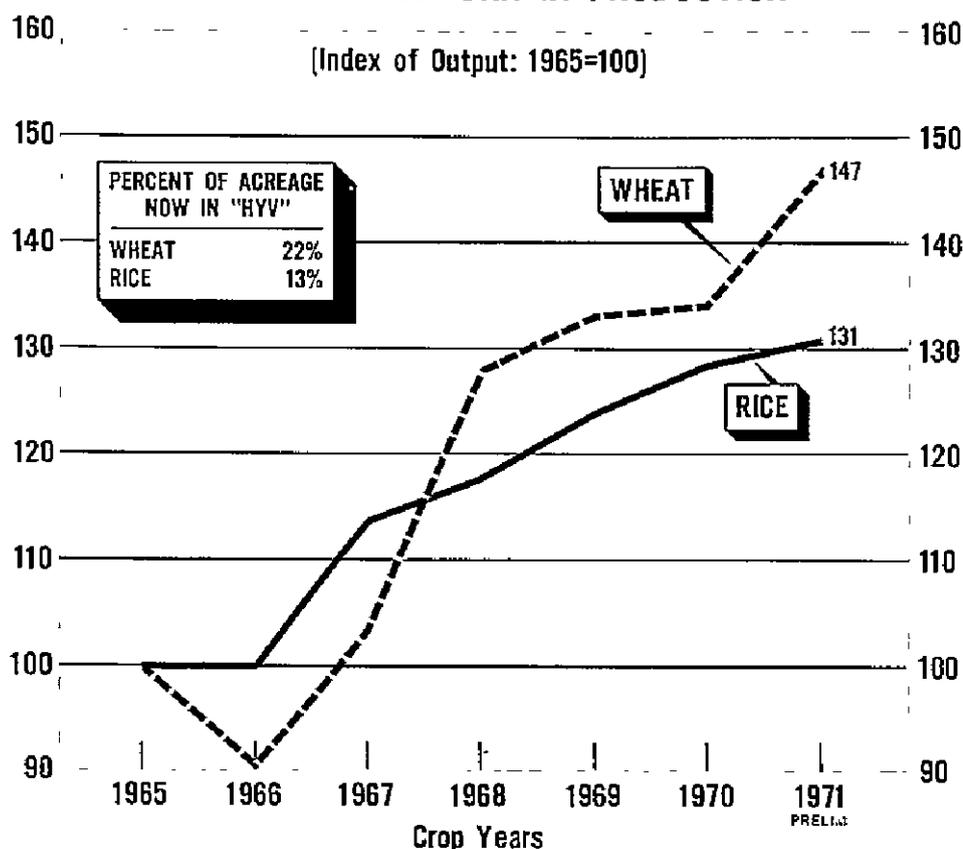
Finding ways to bring into production the vast, unused land and water resources of the developing countries and applying modern technology for producing more food were principal technical assistance efforts in 1971.

A total of 44 million acres in developing countries was planted in high-yield food grains during crop year 1971 as use of the new grains continued to spread.

Although India accounted for more than half of the area planted in high-yield varieties, the acreage also was increased in several other countries in Asia, North Africa, and Latin America. The total acreage in the new varieties throughout the world represented 25 percent of the total wheat acreage in the developing countries and about 10 percent of the total rice acreage of these countries.

The new seeds and modern farming technology brought spectacular increases in production. India's wheat production in 1971 was 16 percent higher than in the previous year and 75 percent above the average of the previous decade; Pakistan's was 32 percent above the 1961-1970 level, and Turkey's 30 percent higher. The new high-yield rice grains have been planted extensively in West Pakistan (now Pakistan) with the result that

HIGH-YIELDING GRAIN VARIETIES CAUSE SHARP UPTURN IN PRODUCTION*



*DATA ON WHEAT PRODUCTION AND ACREAGE FROM 14 LESS DEVELOPED COUNTRIES, AND ON RICE PRODUCTION AND ACREAGE FROM 12 LESS DEVELOPED COUNTRIES WHERE THE NEW "MIRACLE GRAINS" HAVE BEEN INTRODUCED

1971 rice production in this area was 53 percent above the 1961-1970 average.

Increases in India's wheat and rice production during the last four years were the major factors in the decline in food grain import requirements from 10 million metric tons annually to about four million metric tons. In the Philippines, where rice imports averaged 350 thousand metric tons annually from 1963 to 1968, farmers for the third straight year grew enough to meet all domestic requirements.

In addition, AID is seeking solutions to "second generation" problems created by the successes of the Green Revolution. These include rural unemployment and shortages of facilities for storage, shipment, and marketing.

Increasing agricultural productivity in the less developed nations requires a constant flow of new agricultural technology. To increase that flow, a research network linking the scientific competence of the developed countries with research institutions of the less developed world is essential.

While some of the more advanced low income countries have developed research institutions and trained cadres of capable young scientists, the need for training and organizational advice continues.

AID's contributions to the international research centers have helped them to expand their advisory and training ties with the developing countries and with the science and research networks of U. S. universities. These efforts are carrying technology of the Green Revolution into additional countries through research and training programs within the countries themselves.

The following centers received assistance by AID in fiscal 1971:

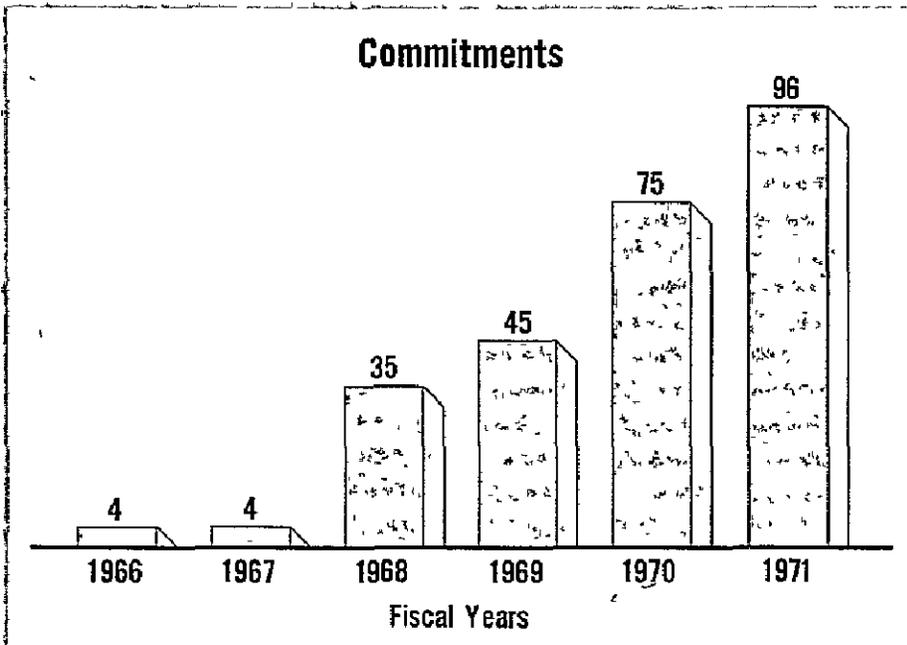
- The International Center for Wheat and Maize (CIMMYT) in Mexico, where high-yield wheat varieties originated, has expanded wheat and corn research activities into the Near East, North Africa, and Latin America. The Center is also studying potato production.
- The Inter-American Center for Tropical Agriculture (CIAT) in Colombia was opened recently and is concentrating on livestock and problems in tropical foods other than rice and wheat.
- The International Rice Research Institute (IRRI) in the Philippines, which made the breakthrough on high-yield rice, is continuing research on new problems with rice and is also studying crops which can be used in rotational systems with rice.
- The International Institute of Tropical Africa (IITA) in Nigeria is studying tropical soils, tropical crop management, cereals, and root and tuber crops for cultivation in the tropics.

The establishment of a Consultative Group on International Research (together with a Technical Advisory Committee) under the leadership of the World Bank, the United Nations Development Program, and the Food and Agriculture Organization promises strong and continuing action in the agricultural sector. In fiscal 1971, AID participated in the activities of this organization.

AID has indicated agreement in principle to expand U. S. contributions to support international research centers up to 25 percent of additional capital and future operating expenses—the U. S. contributions not to exceed \$7 million annually. The four international research centers already in operation received \$2.6 million from AID in fiscal 1971. About \$12 million was committed during fiscal 1971 for AID's agricultural research program.

A.I.D. POPULATION PROGRAMS

(Millions of Dollars)



POPULATION

From an initial commitment of \$4.4 million in fiscal 1967, AID support for family planning efforts rose to a record \$95.9 million in 1971.

Forty-four percent of this assistance was earmarked for bilateral country and/or regional assistance in 38 countries. Korea, Chile, and Costa Rica were among the developing nations showing favorable trends toward reducing birth rates.

AID's support in this field strengthened and extended efforts to:

- find better means of fertility control;
- improve systems for delivering family planning services;
- obtain more reliable demographic and social data;
- spread the family planning message through effective channels of information, education, and communications;
- develop adequate population policy and improved understanding of population dynamics;
- increase the capabilities of U. S. and developing country institutions in the population field.

~~In Latin America, national health ministries received help with maternal and child health programs and population dynamics through the AID-assisted Pan American Health Organization. African universities received AID assistance in establishing centers for teaching population dynamics on an interdisciplinary basis. Family planning centers in Korea and the Philippines' and Indonesia's health, education, and manpower programs were also assisted.~~

A total of about \$53 million was committed for centrally-funded activities in fiscal 1971, including \$29.1 million in technical service grants and contracts and about \$7.2 million for research.

In the search for greater safety, reliability, and ease of administration for contraceptives, fatty-acid compounds called prostaglandins are undergoing extensive testing in the United States and overseas with AID financing. In a related effort, the University of North Carolina received a \$3 million grant to develop a clinical network for evaluation of the safety, effectiveness, and acceptance of a variety of contraceptive methods in different countries and cultures.

Other grants during fiscal 1971 included:

- \$5 million to the International Planned Parenthood Association to strengthen its support of family planning associations and affiliates in developing countries which dispense contraceptives and equipment;
- \$5 million to enable Harvard University and the University of Hawaii to expand family planning training, research, and public and advisory services and to finance agreements with Johns Hopkins University and the Universities of Michigan and North Carolina for a variety of special services;
- \$2 million to the Pathfinder Fund to increase its capacity to make small grants to selected countries to initiate and support family planning activities.

ENVIRONMENT

Since much of the work of development involves the environment, it is AID's policy to consider the possible effects of proposed projects on the environment.

In fiscal 1971, the Agency received an increasing number of requests for technical assistance to help the developing nations solve their environmental problems.

Within AID, the Administrator established a Committee on Environment and Development (COED) to fulfill AID's specific responsibilities under the National Environmental Policy Act.

Basic instructions were issued to AID missions on the environmental aspects of U.S.-assisted capital projects and the procurement and use of AID-financed pesticides. These require that social and environmental costs be assessed in project feasibility studies and that recipient countries be aware of application methods, potential hazards, and alternatives prior to pesticide procurement.

Procedures for AID environmental review of the capital projects assistance program are designed to insure that scientific and technical data and analysis are collected for environmental assessment of projects; to evaluate project alternatives and safeguards, including costs; and to take these into account when designing and reviewing the project's total costs and benefits.

AID participated in discussions on environmental policies, procedures, and plans with representatives of the World Bank, Inter-American Development Bank, United Nations Development Program, and other development institutions in preparation for the June 1972 U. N. Conference on the Human Environment in Stockholm.

New activities during fiscal 1971 in environmental education, training, and research included:

- Initiation of a series of case studies under AID contract by the Smithsonian Institution related to the rapid urbanization of Seoul, Korea, the ecological impact of the Volta Dam in Ghana, wildlife management in East Africa, construction of a highway through a wilderness area, and offshore oil and gas development;
- Seminars on weed control methods in Brazil, Paraguay, Bolivia, and Peru and the engineering aspects of schistosomiasis control in Africa;
- Plans for a Central American regional environmental seminar, a workshop on the role of water in man's life in India, and a rural development seminar on crop protection and pest management to be held in Bangkok;
- Preparation and distribution of educational and technical publications in the environment field.

Requests by developing countries for technical experts and environmental consultants also increased. AID pesticide experts were sent to Ecuador, Nicaragua, Colombia, and Guatemala. Additional technical aid on pest and disease management became available through a contract with the University of California to survey pesticide problems, provide consultants to advise AID and developing countries, and develop educational and training materials.

In the research field, a contract was awarded to the University of Notre Dame to study the feasibility of genetic control of *Aedes aegypti*

mosquitoes in East Africa as an environmentally-safe substitute for traditional chemical control methods.

EDUCATION

AID continued to assist the less developed countries in efforts to relate their educational systems to their requirements for trained manpower.

In fiscal 1971, the level of educational development varied widely among the developing nations. Nepal, for example, is now planning its first entry into agricultural education at the collegiate level. In contrast, Korea, with a large and diverse educational system, is reviewing its activities to achieve a more modern and innovative educational structure. Several countries, such as El Salvador, Brazil, and India, are now applying technology or planning its application to educational development.

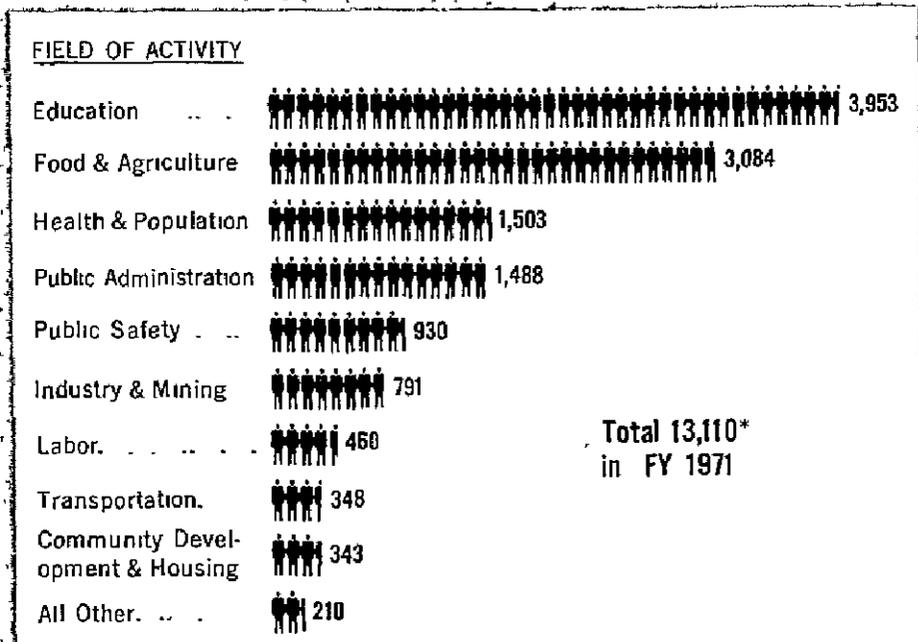
- For El Salvador's television education system—embracing the seventh, eighth, and ninth grades in 275 schools—AID has provided a research and evaluation team, equipment and advisors for curriculum revision, production, engineering, preparation of materials, and training and use of teachers. Loans have been made for expanding the system and building schools.
- An AID-assisted center at Florida State University has initiated studies to determine a broad systems approach to the use of educational technology in developing countries to bring down the costs of education and improve educational quality.

Recent trends include the increasing recognition of the importance of regional educational efforts by developing countries and their growing awareness of both the present and future dimensions of educational and human resource development problems. There is growing interest in such fields of activity as improvement in planning, management, and administration of education; exploration of the potential of educational technology; and out-of-school educational endeavors.

PARTICIPANT TRAINING PROGRAM

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 program, American technical and managerial skills and innovative approaches are shared with the developing nations which send qualified men and women to the United States or to other developed countries for specialized training.

A.I.D. PARTICIPANTS IN TRAINING



*9,525 IN THE U.S. AND 3,585 IN OTHER COUNTRIES

Participants are enrolled in universities in the United States and other countries for observational and on-the-job training in addition to academic study and participation in various job-related activities.

From fiscal 1944 through fiscal 1971, about 122 thousand people arrived in this country for such training under the auspices of the U. S. foreignaid program. Nearly 33 thousand arrived during the same period in other countries for similar, usually shorter, training programs. For the most part these were people under 35 years old, coming into positions of leadership in such fields as education, agriculture, health, industry, labor, and public administration. During fiscal 1971, 865 participants were trained in population studies and family planning in the United States and elsewhere.

More than 13 thousand participants from 87 developing countries were trained in the United States and other countries in fiscal 1971. Half of these came from Asia, about one-sixth from Africa, and more than a third from Latin America. Almost half of these persons attended over 400 universities and colleges 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 about \$3,000.

HEALTH

During fiscal 1971, AID concentrated its health programs in the inter-related areas of population and family planning, disease control and eradication, environmental health, and nutrition. These programs were coordinated with the activities of international organizations—including the World Health Organization (WHO), Pan American Health Organization, and the United Nations.

AID committed over \$70 million for health programs above and beyond the amounts provided for population and family planning.

A new project on health delivery systems has as its goal testing and evaluating simple delivery systems in four study areas in different developing countries. A primary focus in these study areas is on reaching with improved services at least two-thirds of the women of reproductive age and children under five years of age.

In some areas less than 10 percent of the target groups now have access to any form of modern health facilities. It is planned that each field-testing study area will encompass a population of approximately a million people.

The worldwide cholera pandemic extended explosively from East Asia and the Near East into Africa in late 1970. AID provided emergency assistance in the form of 10 million milliliters of cholera vaccine, drugs, syringes, and needles through WHO, as well as direct assistance through several AID missions.

In addition, a grant of \$200 thousand of Contingency Funds was made to WHO for the purchase of cholera vaccine in Europe. A Cholera Task Force was established within the Agency to mobilize resources and coordinate with WHO on emergency measures to combat cholera in threatened areas and to develop a long-range AID strategy for the prevention, control, and surveillance of cholera in developing countries.

Support to malaria eradication programs was provided in 17 countries. Of a population of 783 million in these malarious areas, 310 million now live where the disease has been eradicated, 193 million where its transmission has been stopped, and 280 million where some protection is afforded.

Studies on emergency measures for the control of schistosomiasis, a debilitating and often deadly tropical disease, were completed during the year.

Training of personnel in the developing countries to design, operate, and maintain water and sewerage systems continued.

As a result of attempts to develop new approaches to control and eradicate epidemic and endemic disease, a study of infancy and childhood death introduced new criteria for measuring the levels of health in the developing countries.

Five research projects supported by AID continued to make progress in improvement of the techniques of malaria eradication and in the

development of supplementary or alternative methods of malaria control or eradication.

RESEARCH

Major goals of AID's research efforts are to concentrate U. S. competence on critical problems of development and to encourage greater participation by researchers and institutions in the developing countries. To reach these goals, AID in fiscal 1971 began reshaping its research program. Planning stressed:

- development of strategies to govern research activities in each major field such as agriculture and family planning;
- concentration of new research projects on selected major development problems;
- development of international research networks, including U. S. and developing country institutions, to work on selected major development problems.

As part of the reshaping of research, a special review panel, including non-government researchers and scientists, focused on ways for developing countries to make best use of research results.

In fiscal 1971, 17 new research projects totaling \$7.7 million were approved following review by the Administrator's Research Advisory Committee. The addition of the new projects brought to 142 the number of projects initiated since the research program began in 1962. The research has been done by 28 U. S. universities, 15 research institutions and the Departments of Agriculture, Interior, and Health, Education and Welfare.

Five new grants totaling \$4.7 million were made in fiscal 1971 to 11 U.S. academic institutions to strengthen their capacity to develop and carry out programs concerned with the economic and social development of the less developed countries.

IMPLEMENTATION OF TITLE IX

Title IX of the Foreign Assistance Act calls for encouragement of popular participation in the development process and support for institutions which broaden such participation. During fiscal 1971, AID financed research into the interaction of social, political, and economic factors in specific developing countries and functional areas. Training was provided mid-career AID officers in economic and political analysis and programming at the Fletcher School of Law and Diplomacy in Medford, Massachusetts.

Contract studies were completed on the feasibility of aiding low income countries in legislative technology and civic institutions. As a

result a grant was made to the State University of New York at Albany for training in the legislative area. Another grant went to a consortium of the Universities of Iowa and Hawaii and Duke University to compare the roles of legislatures in less developed countries. A study was begun on the relationship between law and development. Rice University received a contract for research on income distribution and development.

Also in fiscal 1971, AID started to prepare social criteria to be used in the planning and review of development assistance projects. Reports were completed and issued on land reform experience in 30 countries, and a review of cooperative movement experience in developing countries was initiated. AID support for voluntary organization and local government programs continued. New activities in developing countries receiving AID support included a pilot land reform project in the Philippines, a rural leadership training project in Guatemala, and a training program for local officials in Brazil.

FOOD FOR PEACE

Agricultural commodities valued at \$1.2 billion in the world market were sold or donated to developing countries under Public Law 480 in fiscal 1971. This was a slight increase over the previous year.

Concessional commodity sales, under Title I of PL 480, accounted for more than \$800 million of the total. Long-term credit sales for dollars and convertible local currency accounted for the bulk of the agreements. Sales for foreign currencies, which were to be phased out by the end of calendar 1971 in accordance with the law, made up the remainder. The six major recipients were Vietnam, Indonesia, Korea, India, Pakistan, and Israel. Commodities shipped included wheat, feed grains, rice, vegetable oil, cotton, tobacco, tallow, cotton products, and milk products.

Donations under Title II totaled nearly \$425 million: roughly \$300 million in commodities and some \$125 million in freight costs. About \$150 million worth of the commodities were supplied to American non-profit voluntary agencies, such as CARE, Church World Services, and Catholic Relief Services for distribution abroad. Agricultural commodities were also made available under Title II through bilateral agreements and through the U.S. contribution to the joint UN/Food and Agricultural Organization World Food Program for use in emergency relief and economic development projects. U.S. commodity contributions to the multilateral World Food Program have increased over the past few years as greater emphasis has been placed on channeling foreign assistance through multilateral institutions. U.S. agricultural commodity shipments through the World Food Program rose from \$38 million in fiscal 1970 to nearly \$52 million in 1971.

AID has accorded top priority to improving nutrition and health of pre-school and school age children and to self-help economic and

community development projects. The six largest recipients of Title II assistance were India (\$82 million), Pakistan (\$27 million), Vietnam (\$26 million), Morocco (\$25 million), Tunisia (\$23 million), and Korea (\$22 million).

PRIVATE OVERSEAS PROGRAMS

The operations of the Office for Private Overseas Programs continued during fiscal 1971 to encourage qualified U.S. private technical assistance organizations. This office 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 serving as the Agency's central point of contact with U.S. private organizations. Private organizations have brought flexibility, high motivation, and substantial private resources to bear on urgent development problems.

Increasingly, AID support of private organizations is taking the form of partial grant support of privately-managed programs, as well as the more traditional procedure of contracting for technical assistance expertise.

Efforts were made in fiscal 1971 to develop grants designed to encourage private groups to develop types of activities which can continue without further reliance on AID grant support. Only those organizations whose programs meet recognized development needs are considered.

Private Development Programs

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

- The International Executive Service Corps (IESC) provided 520 executive volunteers for short-term assistance to local businesses in 39 countries. In the seven years of this program, 2,156 projects have been completed. During 1971, private support increased to 44 percent of total program costs, representing a new high in the trend toward greater private support. More than 100 locally-owned overseas businesses joined 200 U.S. businesses in contributing funds for IESC operations.
- Volunteers for International Technical Assistance (VITA) responded by mail to more than 200 technical inquiries a month from overseas. It helped establish a new technical-information organization, VITA-DOMINICANA, in the Dominican Republic and has laid the groundwork for several more in Latin America. VITA received wide support from the American business community and foundations.

The Asia Foundation assisted institutions, individuals, and many private Asia organizations in the fields of education, law, public administration, library development, technical training, and with projects of Asian regional interest. Its "Books for Asian Students Program" received more than 500 thousand texts donated by American publishers, schools, and universities for selective distribution to Asian institutions by Foundation representatives.

Cooperative Development Programs

American cooperatives were more directly involved in 1971 than in any previous year in cooperative projects overseas, through both AID and multilateral assistance programs. While cooperatives serve people in all walks of life, AID's assistance continued to be focused on agricultural and rural development cooperatives.

- Technical assistance and training valued at over \$3.5 million were provided for 71 projects involving 129 consultants and technicians in 27 countries, under worldwide contracts. In addition, a grant was made to five organizations: Agricultural Cooperative Development International, Cooperative League of the U.S.A., Credit Union National Association, Inc., National Rural Electric Cooperative Association, and Volunteer Development Corps.
- In India three contracts were signed authorizing the initiation of construction of a \$122.6 million fertilizer cooperative. The project is financed by AID loans totalling \$21 million, a \$16.8 million United Kingdom loan, with \$84 million from the cooperatives and Government of India. This cooperative will be the largest fertilizer manufacturing and distributing complex in India when operative in 1974. Distribution of fertilizer will be made through 30 thousand local cooperatives. U.S. cooperatives have donated \$1 million for technical and management assistance. Support is provided through the Cooperative Fertilizer International, a non-profit organization of more than 20 U.S. cooperatives, including the Cooperative League of the U.S.A. and Agricultural Cooperative Development International.
- In the Philippines, AID loans for rural electric cooperatives which the National Rural Electric Cooperative Association helped to develop between 1964 and 1971 amounted to \$44.4 million, matched by \$16.2 million in local funds. The Philippine Government, AID, and the National Rural Electric Cooperative Association are developing plans for a national rural electric cooperative program. This \$100 million program may, on approval, include up to \$30 million in AID loans. Two new rural electric projects are already being developed as forerunners to this national electrification program.
- Supported by U.S cooperatives and an AID grant, the Volunteer

Development Corps began operating in 1971, recruiting volunteers from U.S. cooperatives for special short-term technical and management services. Assistance was provided for cooperatives in Jamaica, Zaire, Ethiopia, and Chile. Volunteers are available for a number of other requests by cooperatives, which are now being reviewed.

- In Africa the Credit Union National Association with support from AID and U.S. credit unions has strengthened the African Cooperative Savings and Credit Association, organized to provide training, organization, and management assistance for credit unions. The multi-national organization is supported by private and public funds from six countries. Its services are now furnished to credit unions in 12 countries.
- U.S. cooperatives are continuing to study ways of assisting overseas cooperatives through the action of the Advisory Committee on Overseas Cooperative Development, which in 1971 sponsored the publication of a study, "Farm Cooperatives in Developing Countries." The Committee supported independent studies to determine the feasibility of increasing trade between U.S. and foreign cooperatives and is seeking ways to provide needed technical assistance and credit to small farmers in developing countries.

Voluntary Agencies Programs

The 82 U.S. voluntary agencies registered with AID's Advisory Committee on Voluntary Foreign Aid continued to emphasize long-range technical assistance programs while conducting relief activities. Fiscal 1971 marked the twenty-fifth anniversary of the Advisory Committee.

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 129 countries.

In fiscal 1971, AID obligated almost \$5 million to finance the cost of shipments by 35 registered agencies and the American National Red Cross.

Registered agencies are also eligible to receive Government-owned agricultural commodities under the Food for Peace program, and are reimbursed 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 1971, two agencies received incentive grants to carry on five 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

The Disaster Relief Division of AID coordinates the response to foreign disaster relief requests. Since 1965, the United States has provided disaster aid on an average of 50 times each year. During fiscal 1971, the U.S. Government made contributions valued at \$107 million for 49 disasters affecting 23 million people in 39 countries. Of this total U.S. contribution, \$44.4 million, including local currencies, came from AID.

More and more governments and international organizations are recognizing the desirability of a multilateral approach to disaster relief. The United States is encouraging this trend. The United Nations is considering how it can expand its role in foreign disaster relief. At the request of Pakistan, the UN agreed to coordinate international relief to East Pakistan (now Bangladesh) made necessary by the cyclone of November 1970, and civil strife which subsequently erupted in the spring of 1971.

MANAGEMENT PROGRESS

Primary focus during fiscal 1971 was on developing new techniques for evaluating and programming technical assistance projects. These projects—in such areas as agriculture, education, health, and family planning—account for about two-thirds of all AID-financed projects, 70 percent of the Agency's personnel, and 28 percent of its dollar outlays.

The new techniques involve:

- clear definition of project goals, purpose, inputs, and outputs in objectively measured terms;
- evaluation of alternative means and resources for accomplishing project objectives;
- use of indicators for measuring progress against stated objectives and goals; and
- identification and analysis of the assumptions upon which each project is based.

Although the steps involved in this new system have customarily been present in the project management process, this is the first time that they have been standardized as analytical tools for Agency-wide application. Responses from AID's overseas missions indicate that a significant number of project designs have already been revised to provide more specific targets and to achieve a more realistic relationship

between U.S. foreign assistance resources and the development problems of AID-assisted countries.

Procurement Procedures

An *ad hoc* AID working group was established temporarily to review the detailed recommendations of a major study of worldwide procurement policies and procedures in the U.S. foreign assistance program, secure policy decisions, and monitor implementation of the recommendations approved. As a result, the program for small business participation in foreign assistance was substantially improved, a new pharmaceutical price review system developed, and outmoded commodity marking requirements largely eliminated. The group also liberalized rules on defining components, sales agents' commissions, minimum transaction value, marine insurance and ocean freight financing, and determination of the availability of U.S. vessels for shipments.

Benefits from the recommendations by the working group include reduced frustration for businessmen using AID financing, speedier and less complicated procurement transactions, and reduction of direct U.S. Government intervention in commercial transactions. In addition, a reduction in AID administrative costs is anticipated as a result of these simplified policies and procedures.

Organizational and Operational Improvements

AID's new Revised Automated Manpower and Personnel System (RAMPS) became fully operational in fiscal 1971. It incorporates modern information retrieval techniques and devices.

The new Auditor General Information System will provide an inventory of worldwide audit findings, workload, and key information taken from both internal and external audits and investigations of Agency practices. This system will be the basis for audit planning, and will permit early identification of significant trends of concentrations of deficiencies. The system is scheduled to become operational early in fiscal 1972.

Preliminary work has begun on the design of an integrated accounting-reporting-performance measurement system for administrative costs. Pilot projects are underway in two Washington operations: data systems and staff training programs.

Staffing Patterns

AID more than met Office of Management and Budget direct hire employment targets for fiscal 1971. The Agency reduced its full time permanent employment by a total of 929 — 531 more than was required under the fiscal 1971 targets. Net unprogrammed dollar savings

are estimated at \$2.5 million. An additional savings of \$454 thousand in dollar equivalents is estimated for reductions in foreign national employees, where the target was exceeded by 303.

Cost Savings

The following are a few examples of cost savings made during fiscal 1971:

- \$561,238 was saved by shipping 77 thousand tons of sorghum to Senegal in bulk, rather than pre-bagged. The grain is now bagged at the point of arrival for transportation to six African countries. Bulk shipments will be used for all future shipment of sorghum to Senegal.
- A reduction of \$40 thousand was realized by changing policy regarding shipment of personal baggage to the Far East and Caribbean for Foreign Service employees and their dependents. It was determined that packaging for air shipments to these areas costs less than packaging for sea shipment. Therefore, all shipments are made by air. This has resulted in reduced administrative costs, since preparation of forms for shipments is no longer necessary.
- By transferring responsibility for administration of Bolivian-owned counterpart funds to the Bolivian government, AID was able to save \$27 thousand in U. S. staff salaries.

Excess Property

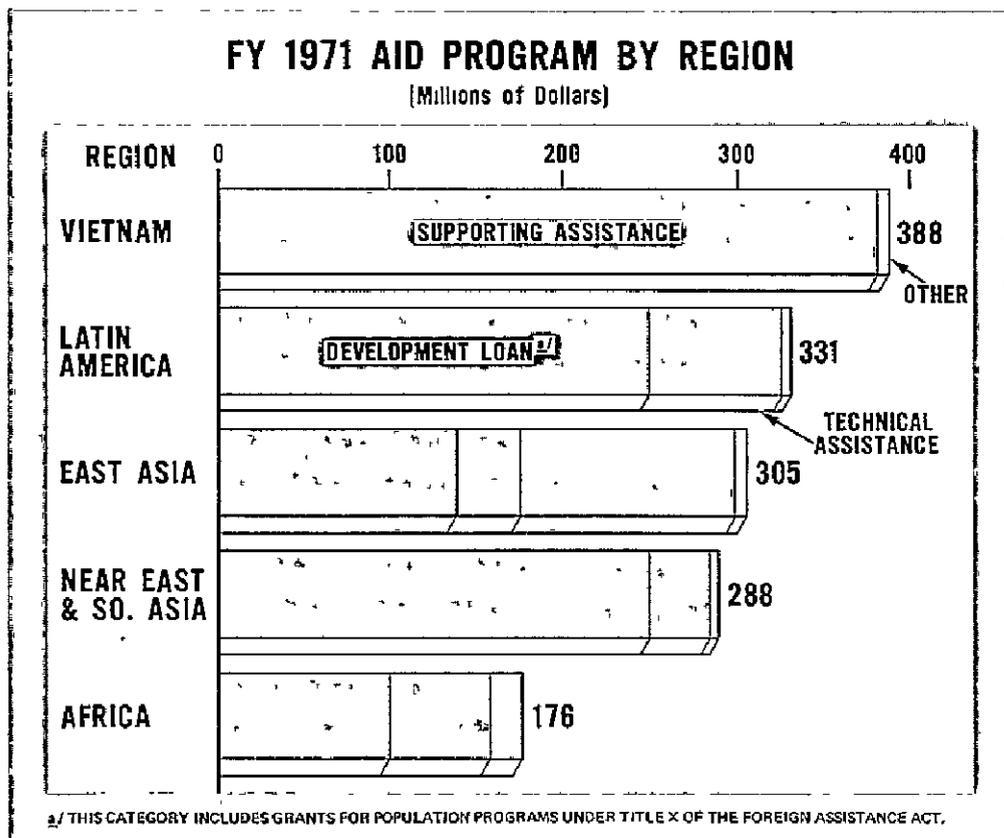
Section 608 of the Foreign Assistance Act authorized AID to acquire U. S. Government-owned excess property, in advance of known need, for use in programs for less developed countries. Under this authority in fiscal 1971, AID provided equipment with an original value of \$7.2 million. The cost to AID was approximately \$1.8 million for rehabilitation and storage of such equipment at domestic and overseas marshaling sites.

III. NEAR EAST AND SOUTH ASIA

AID committed \$288 million for the Near East and South Asia during fiscal 1971 as compared to \$405 million in fiscal 1970. This decrease of \$117 million was due largely to the suspension of development lending to Pakistan. The total, by appropriation category, was comprised of \$246 million for Development Loans, \$30.7 million for Technical Assistance, and \$5 million for Supporting Assistance, as well as \$6.6 million for population programs authorized under Title X of the Foreign Assistance Act.

Development Loans and Technical Assistance

Development Loans in fiscal 1971 totaled \$246 million, down \$105 million from fiscal 1970. The entire amount was committed to India (\$196 million) and Turkey (\$50 million), virtually all of it for the financing of imports of raw materials, spare parts, supplies, and machinery required to sustain agricultural and industrial production. The total includes a loan of \$6 million to India, supplementing a \$15 million loan



~~authorized in 1969 to help finance construction of the Indian Farmers Fertilizer Cooperative, Ltd., a major manufacturing enterprise undertaken with the participation of U. S. cooperatives. When completed, the complex will narrow the gap between India's production and consumption of food by providing annually 400 thousand nutrient tons of fertilizers containing nitrogen, phosphate and potash — the three principal plant foods.~~

Technical Assistance commitments in fiscal 1971 totaled \$30.7 million, about the same level as the previous year. \$26.2 million of this amount financed technological, professional, and other training in the United States and at the American University of Beirut for over two thousand participants from countries in the Near East and South Asia region.

For the most part, Technical Assistance activity was concentrated in the agriculture and education sectors, and primarily in India and Afghanistan. In the agriculture sector, emphasis was on the designing of more effective research, the application of better water use practices, and the development of improved agricultural marketing and distribution systems, all in response to problems made urgent by progress in the Green Revolution. The education sector focus was on improving the quality of elementary school curriculum, bringing concepts of science and mathematics into the secondary schools, and strengthening new institutions of higher education.

Progress in India

India's food grain production continued its upward trend, reaching a record high of 104 million tons, five percent above the 1969 yield. Real national income rose about five percent in 1970, slightly less than the rate of increase in previous years, due in part to a slump in steel and steel-related industries, which offset gains in investment and output in small-scale industries. However, the most noteworthy aspect of Indian development was the attention given by India's programmers to population planning, employment, and education.

Factors contributing to the prospects for India's economic and social improvement in fiscal 1971 included the confidence engendered by the new government elected in March 1971, the vigorous public concern for human resource programs, and the experience of continuing success with use of the new grain varieties.

The family planning program in India was marked by strong initiatives taken by the national and state governments. Indians continued to experiment successfully with incentives designed to promote birth control. In one district where 21 percent of the married men had already undergone simple and painless sterilization operations, a new and intensive family planning festival was organized to attract other men to accept sterilization. Throughout India, sales of condoms, mostly through commercial channels, continued to double.

Pakistan

In Pakistan a number of significant developments took place under the Technical Assistance and Family Planning programs. In East Pakistan (now Bangladesh), yields from 200 thousand acres planted with the new variety rice ranged from 3,300-4,200 pounds per acre.

As a consequence of this success, acreage planted with this variety was increased to nearly a million. These high yields are believed to have helped avert famine in many areas of East Pakistan following the cyclone and tidal wave that devastated the coastal areas in the second quarter of the fiscal year.

Under the Family Planning Program, it was demonstrated by means of a pilot project carried out in Sialkot that family planning services based on the use of conventional as well as oral contraceptives, and utilizing non-medical personnel, can be effectively provided outside the normal clinical health structure. This approach is now being tested on a wider scale.

Turkey

The devaluation of Turkish currency in August 1970 led to a slow-down in industrial production, resulting in a decline in GNP growth rate to 5.6 percent from the steady annual rate of between six and seven percent typical for most of the 1960s. Nevertheless, as positive effects of the devaluation materialized, Turkey's prospects looked favorable.

The main growth sectors in fiscal 1971 were housing construction, government services, trade, and transportation. In the agriculture sector, new high-yield wheat planting expanded to 1.9 million acres in crop year 1970, as compared to 418 thousand acres in 1967.

Afghanistan

In Afghanistan, FY 1971 was the jumping off point for a sharp increase in the use of fertilizer—from 5,170 to 11,206 tons. Also in fiscal year 1971, family planning services were established by the Minister of Public Health in the Government's maternal and rural public health clinics.

In elementary and secondary education, our main effort was concentrated on curriculum reform and modernization of traditional training methods. Twenty five new text books were completed in 1971, and 550 teachers attended workshops conducted by U.S. and Afghan educators on the use of the new textbooks and on teacher training manuals. U.S. assistance to the Faculty of Education at Kabul University was completed in June 1971, and the Faculty is now fully staffed with Afghan professors.

In fiscal 1971, the incidence of malaria in Nepal registered less than three thousand cases, down from three million cases prior to the initiation of the Malaria Eradication Program, backed by AID over the years with \$6.5 million in funds.

The family planning program focussed on training and organization of seminars for Nepal's potential decision makers. AID support also enabled Nepal to open 24 additional Family Planning/Maternal and Child Health Clinics, bringing the total to 86 centers in 30 districts.

In agriculture, AID continued to assist Nepal in the development of five field research stations to test new varieties of rice, experiment with irrigated agriculture, and to provide training in research methods to members of the Department of Agriculture. Agricultural production rose in fiscal 1971, reflecting wider acceptance to improved seed varieties and fertilizers.

IV. LATIN AMERICA

Commitments to Latin America for fiscal year 1971 totaled \$331 million: \$248 million for Alliance for Progress loans (including \$15 million for population grants); \$80.6 million for Technical Assistance and \$218 million for Supporting Assistance. This compares to fiscal 1970 commitments of \$442 million: \$319 million for Alliance loans; \$11 million for population grants; \$80 million for Technical Assistance; \$2 million for Supporting Assistance; and \$9.3 million from the Contingency Fund.

Alliance for Progress: Ten Years Old

Fiscal 1971 marked the 10th year of the Alliance for Progress. The first decade of the Alliance was marked by creation of physical, institutional, and technical infrastructure on which further development can be based. Latin American development officials have demonstrated heightened awareness of social needs and greater ability and willingness to identify problems. U.S.-assisted countries of the region have invested heavily in their own development — some 90 percent of all public and private investment over the past decade has been financed by the Latin Americans themselves.

Multilateral Framework

Through the mechanism of the Inter-American Committee on the Alliance for Progress (CIAP), bilateral programs have been carried out within a multilateral framework of consultation and cooperation.

The annual CIAP review of each country's development plans provides a consultative forum in which the members including donors — the International Bank for Reconstruction and Development (IBRD), the Inter-American Development Bank (IDB), the Organization of American States (OAS), the United Nations, and bilateral donors, including the United States — can discuss and consider development programs.

A U.S. grant in fiscal 1970 to strengthen CIAP's secretarial staff has been effectively used to improve preparatory work for country reviews, improve follow-up procedures, and strengthen the inter-agency consultative system.

CIAP has completed six annual economic studies of each Latin American country. The amounts, types, sectors, and country emphasis of AID programs in fiscal 1971 all reflected the CIAP analysis of country problems and performance as well as assistance from other

donors. And in 1971, for the first time, U.S. economic policies affecting other nations were also reviewed. The U.S. balance of payments, trade policy, and financial cooperation in Latin America were considered.

AID continued to be a principal foreign lending agency for programs of institution building in agriculture and education, which are geared to strengthen the human, rather than physical infrastructure. Physical infrastructure is addressed in IDB and IBRD programs directed toward improving transportation, communications, and power.

The sector loan, which was developed primarily for Latin American programs, accounted for about 38 percent of all AID loan commitments to the region. This type of loan provides resources needed to help a government carry out an integrated program in a specific field such as education or agriculture and by its size and nature, provides more incentive than does a project loan for major fundamental policy changes by the recipient government. In designing the sector loans, analyses of the needs and priorities of the assisted country are undertaken jointly by AID and Latin American governments.

Economic Growth

Calendar 1970 was the third consecutive year in which the average per capita gross national product has increased more than three percent in Latin America. During the past year the per capita GNP ranged from a decrease of 1.1 percent in Honduras to an increase of 6.5 percent in Brazil and 5.4 percent in Ecuador.

Per capita incomes averaged \$522, ranging from \$197 in Bolivia to \$1,061 in Argentina, \$921 in Venezuela, and \$819 in Uruguay.

Internal Migration

Urban problems are increasing throughout Latin America. Migration of large numbers of people from the rural areas to the large cities continues to swell urban slum areas lacking water, sanitation, schools, and other public facilities. Urban unemployment has become recognized as a major problem in recent years. It is estimated that 25 percent or more of the labor force is unemployed or underemployed. Various programs are now underway to deal with the urban problem. The first urban sector loan by AID — a \$29 million loan to Colombia — was committed to help direct some of the migration away from Colombia's four major cities by creating jobs in the smaller cities, and to improve public services to low income groups in the large cities.

Agriculture and Rural Development

Several countries in the region had significant increases in food and other agricultural production. In calendar 1970, food production rose

13 percent in Costa Rica, five percent in El Salvador, and 12 percent in Uruguay. Agricultural production increased 11 percent in Ecuador and nine percent in Chile.

The Dominican Republic, which formerly had to import as much as 22 thousand metric tons of rice a year, became self-sufficient in rice during fiscal 1971. Production of this basic food was 78 percent higher than in 1963, when AID began helping to improve the crop.

Rural living conditions in Latin America still are generally primitive, and efforts to provide education, health, and sanitation facilities fall short of meeting basic needs. Potable water is available to only 16 percent of the rural population. In urban areas, potable water is available to 70 percent.

Project loans were committed to Brazil in fiscal 1971 for rural road construction and agricultural marketing facilities and to Guatemala and Nicaragua for rural electrification. Loans for feeder-road construction were committed to Jamaica and Nicaragua.

An agricultural sector loan to complement the urban sector loan was made to Colombia. This loan for \$28 million was designed to increase agricultural production (for both domestic and export needs) as well as to increase agricultural employment and the productivity of the small farmer.

Education

New educational systems, procedures, and technology are being explored with AID assistance. New techniques and management are needed to lower the prohibitive cost of traditional education. Experimentation with instructional TV at the junior high school level in El Salvador, funded by AID, shows promise of being highly successful.

Education sector loans were made to Colombia (\$20 million) and to the Dominican Republic (\$10.9 million) in fiscal 1971.

During the last decade primary school enrollment in the region rose 72 percent, and more than 275 thousand classrooms were built. But an increase of 32 percent in the population, five to 14 years of age, during the same period left unchanged the 25 million school age children not enrolled in school. The proportion of children not in school, however, decreased during the period.

Financial Institutions

Project loans to encourage and create financial institutions which will attract local private capital into developmental channels were made to:

- Brazil, \$15 million for capital market development;
- Jamaica, \$10 million to develop a central mortgage banking and mortgage marketing institution;

- ~~– Panama, \$1.9 million to provide capital to the Federation of Credit Unions;~~
- Paraguay, \$2 million to provide seed capital for establishment of a central savings and loan bank.

V. EAST ASIA

AID commitments for East Asia, excluding Vietnam, totaled \$305 million in fiscal 1971, \$114 million more than in 1970.

Supporting Assistance commitments for Laos, Thailand, and the Khmer Republic (Cambodia) in fiscal 1971 were \$129 million — \$56 million more than in 1970.

A total of \$126 million was committed in Development Loans as compared to \$71 million in fiscal 1970. Indonesia received \$71 million, Korea \$55 million, and the Philippines \$376 thousand.

Obligations for Technical Assistance totaled \$36 million—\$2 million less than in 1970. Population programs totaled \$13 million; Contingency Funds totaling \$1.5 were also obligated.

Significant progress during fiscal 1971 included:

- For the second consecutive year, inflation in Indonesia was held below 10 percent. Export earnings rose by about 18 percent and domestic revenues increased 40 percent over the previous year.
- The Korean economy continued its high rate of growth, increasing in real terms by 9.7 percent.
- The number of persons accepting some form of family planning in the Philippines increased from 9,500 per month in January 1970 to 27 thousand by December 1970.

The Khmer Republic (Cambodia)

In March 1971, a U.S. aid program to the Khmer Republic (Cambodia) was initiated with a \$20 million Supporting Assistance grant agreement and a \$8.5 million PL 480 agreement. The \$20 million grant was to reimburse the Government of the Khmer Republic as it incurred foreign exchange costs in the purchase of a limited number of urgently needed commodities available either in the United States or in developing countries in the region. Under the PL 480, Title I, sales agreement, wheat flour, raw cotton, cotton yarn, vegetable oil, and tobacco were sold for local currency, 80 percent of which was granted to the Government of the Khmer Republic for budget support. The regular fiscal 1971 Commodity Import Program of \$50 million—signed in May 1971—financed, from U.S. sources and from nearby developing countries where U.S. sources were not flexible, such imports as petroleum products, iron and steel, chemicals, paper machinery, transportation and construction equipment, and industrial raw materials.

U.S. economic assistance is designed to offset declines in export earnings as well as local production because enemy disruption of industry and transport deprives the country of normal export earnings

and causes a decline in domestic production. Exports in 1971 were expected to be less than \$10 million compared to the normal pre-war level of some \$90 million. Serious reductions in real resource levels and resultant deterioration of living standards would otherwise undermine political stability. The Commodity Import Program also generated local currency which was used for support of the Khmer Government's budget. The budget had more than doubled during the previous two years due to expanding military expenditures.

Price inflation in the first year of hostilities (over 100 percent) caused by commodity shortages, dislocations in distribution, and increased urbanization caused hardship, particularly among the urban population of the Khmer Republic. However, traditional conservative spending patterns and the availability of U.S. economic aid, an adequate supply of locally produced food and most other staples helped curb runaway inflation.

Indonesia

During fiscal 1971, the United States continued to support Indonesia's stabilization and development within the framework of the Intergovernmental Group on Indonesia, comprising 10 donor nations, the World Bank, the International Monetary Fund, and the Asian Development Bank. As its share of the total requirements, the United States agreed to provide one-third (approximately \$125 million) of the non-food bilateral aid and a "fair share" of the food aid over the period of the Indonesia fiscal year.

The past year was one of solid economic accomplishment for Indonesia. As a result of continued adherence to a policy of fiscal and monetary discipline, together with the availability of substantial foreign assistance, Indonesia was able to increase the momentum of its rehabilitation and development program while continuing to maintain financial stability. For the second consecutive year, inflation was held below 10 percent. Basic monetary reforms were introduced, greatly simplifying the foreign exchange system without disturbing domestic price levels. Export earnings rose by about 18 percent despite falling prices for rubber, Indonesia's major non-oil export. With an increase in domestic revenue of more than 40 percent over the previous year, the Government of Indonesia was able to finance approximately one half of its development budget from surpluses in the current budget, a proportion which has risen steadily in the past few years. Consistent with the Indonesian Development Plan's emphasis on food production, significant progress was made in fiscal 1971 with the implementation of a new price support system for rice and the introduction of a revamped program for intensified production of rice. Estimates indicate that rice production increased by nearly 15 percent during the first two years of the Plan.

AID provided \$70.7 million in fiscal 1971 for development loans - \$30 million for the import of essential raw materials, vehicles and equipment; \$19.7 million for the construction of an electric power plant; and \$21 million for the improvement of power transmission and distribution facilities. Under the Food for Peace Program, credits of nearly \$88 million were made available to Indonesia for the purchase of U.S. agricultural commodities and approximately \$8 million in grant commodities was provided for food-for-work and voluntary agency programs. In addition, AID provided grants totaling about \$6 million for technical assistance in the fields of agricultural production, education and research; geological mapping; and to train Indonesians in the United States and other countries. Indonesia also received a \$1.8 million grant for a family planning project.

Korea

The Korean economy continued its high rate of growth in fiscal 1971, increasing in real terms by 9.7 percent. Industrial production rose 17 percent and exports increased 34 percent to the level of \$835 million. Total AID assistance for 1971 was \$60.6 million.

The largest portion of AID assistance consisted of \$55 million in development loans. Of this amount \$35 million was utilized for a rice loan program; \$14 million for agricultural credit; and \$6 million for the establishment of the Korean Advanced Institute of Science.

Technical assistance consisted of \$4 million in fiscal 1971. Industrial and agricultural development, education, economic planning, public administration, water resources, and promotion of private enterprise were supported by these funds.

Family planning programs received the remainder of the AID commitment, with \$1.7 million obligated during fiscal 1971. Family planning assistance has helped the Koreans to decrease their population growth rate from 2.9 percent to 2.2 percent in a decade.

Laos

AID commitments to Laos again were aimed at controlling inflationary pressures caused by war and helping the Lao Government provide essential services. Commitments - all grant - totaling approximately \$49 million in fiscal 1971, consisted of \$41.5 million in Supporting Assistance, \$6.6 million in Technical Assistance, and \$900 thousand in Population Grants.

AID obligated \$16.1 million to the Foreign Exchange Operations Fund. Operations of the Fund provide foreign exchange for imports. Other contributors to the Fund are Australia, France, Japan, and the United Kingdom.

Aiding refugees and increasing agricultural production - aiming particularly at Lao self-sufficiency in rice by the mid-1970s - remained

~~major AID undertakings.~~ AID also continued to help the Lao Government maintain essential roads, develop its rural institutions and its educational, public health, and public safety systems, and improve its public administration capacity.

Philippines

AID's participation in rural development in the Philippines has focused on increasing agriculture production, improving government administration at the provincial level, and expanding infrastructure. Particular attention has been given to further expanding acreage planted to new high-yield varieties of rice and corn; to promoting agriculture diversification through the introduction of new crops, such as sorghum and soybeans, and through the promotion of livestock, poultry, and inland fisheries enterprises; and to strengthening the capacity of the individual farmer through improved rural credit, cooperative, and extension programs. AID has supported the establishment of Provincial Development Councils as planning bodies for the governors of twelve provinces in the Philippines and has provided excess U.S. military property and equipment for provincial motor pools. In addition, AID has contributed to the expansion and rehabilitation of irrigation systems, and financed feasibility studies for municipal water systems, electrical power networks, and rural electric cooperatives. Physical installations in two pilot rural electrification cooperatives supported by AID funds neared completion. A special contribution of \$1.5 million from AID's Contingency Fund was provided to replace or repair schools destroyed or seriously damaged by a series of severe typhoons that hit the Philippines in the fall of 1970.

Over 650 family planning clinics providing services to Philippine women received AID assistance. The previous year's figure was 270. The number of persons accepting some form of birth control is growing steadily and projections anticipate a reduction in the population growth rate from the current rate of 3.4 percent per year to 2.5 percent by 1978.

In the field of public safety, technical assistance is being directed toward the establishment of 10 police training facilities, a nationwide communications network, and a national records and identification system.

Thailand

AID assistance to Thailand during fiscal 1971 gave first priority to rural development and police efforts to provide greater incentives and security for insurgent-threatened north and northeast areas of the country. In addition to this continuing thrust, special emphasis was placed on programs in agriculture, education, private sector development, and population planning.

Fiscal 1971 was the last year of funding for projects involving air transport support services, water resource feasibility studies, and regional planning.

Regional Programs

During fiscal 1971, AID, together with other donors, assisted the Mekong Committee in carrying out selected investigations to further the development of the Lower Mekong Basin. Specifically, AID financed studies of waterborne diseases, flood control, geologic investigations, and social aspects of basin development. In addition, AID participated with other donors in providing funds for the first phase of the effort by the International Bank for Reconstruction and Development to establish a program of pilot projects in using the Basin's water resources.

AID committed \$273 thousand in fiscal 1971 for feasibility studies of regional transportation and communications projects proposed by Southeast Asian countries.

The Population Council, Inc., received \$840 thousand from AID for research and international training. The East-West Center continued its research and training program on population with a \$1 million grant from the Agency.

Regional education programs were sponsored by nations of the Southeast Asian Ministers of Education Organization (SEAMEO). In fiscal 1971, six regional centers were engaged in developmental activities including English language, science and mathematics, teacher training, graduate training, and research in agriculture, medicine, biology, and educational innovation. A total of \$1.9 million was obligated by AID for the SEAMEO program.

The Asian Institute of Technology completed final plans for construction of its new campus, and AID contributed \$1.3 million toward the first phase of the construction of a new site in Bangkok.

During fiscal 1971, 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 \$649 thousand grant from AID.

The Asian-American Free Labor Institute conducts union development programs in various Asian countries, participant training both in Asia and the United States, as well as such specialized courses as union leadership and administration, and skills training. In fiscal 1971, AID committed \$660 thousand for the Institute. Assistance was also provided for continuation of the training programs of the Asian Labor Education Center in the Philippines.

VI. AFRICA

Assistance to Africa during fiscal 1971 was administered through four regional programs and 10 regular bilateral programs. The Africa-wide program and subregional programs for Central and West Africa, East Africa, and Southern Africa included projects involving more than one African country as well as multidonor projects. Bilateral country programs assisted Ethiopia, Ghana, Kenya, Liberia, Morocco, Nigeria, Tanzania, Tunisia, Uganda, and Zaire.

Commitments to Africa in fiscal 1971 totaled \$176 million. This was an increase of \$21 million over the previous year. Development Loans amounted to \$92 million, Technical Assistance \$58 million, and Supporting Assistance \$18 million. Grants for population programs financed from Development Loan funds totaled \$8 million.

Development Loans

AID loan commitments to African countries in fiscal 1971 were up \$27 million over the previous year. Assistance reflected continued concentration on agriculture and transportation, consistent with AID's strategy of focusing on programs to assist low income countries in coping with critical development bottlenecks.

To aid agriculture, five loans were made, including \$6 million to facilitate establishment of a livestock common market for the Entente States: Dahomey, Togo, Ivory Coast, Upper Volta, and Niger. Two loans totaling \$6.3 million were committed for Ethiopia, \$800 thousand for the tsetse fly eradication program in Tanzania, and \$2.2 million for Africa Regional programs.

AID assistance in transportation totaled \$22.1 million, including further financing of construction to complete the Tan-Zam Highway, improvement of highway and water transportation in Zaire, and a road project in Nigeria.

AID also financed projects totaling \$8.2 million in malaria eradication in Ethiopia and water supply in Morocco and Nigeria, financed an education project for university expansion in Ethiopia, and provided a \$6.5 million loan for a pipe line as part of a multidonor international development of a copper/nickel mining complex for Africa Regional.

Loans provided general program assistance totaling \$36 million for the promotion of economic development for Ghana, Morocco, and Tunisia.

Technical Assistance

Technical Assistance commitments, up \$1 million in fiscal 1971, focused increasingly on a limited number of key development problems which the recipient countries have identified and in which the United States has special competence. In agriculture, AID emphasized gains in crop and livestock production to produce food crops and market products and increase revenues for the farmers, who constitute the vast majority of African populations. In education, as the institution-building activities of the 1960s neared completion, the primary goal was to increase the capabilities of African governments to manage their development efforts and to train their people in the skills that are needed to replace foreign experts. Two major and successful health programs were aimed at control of malaria, measles, and smallpox. The importance of family planning was demonstrated through maternal and child health programs and demographic studies and training.

Agriculture

In fiscal 1971, agriculture continued to receive emphasis, with projects in such areas as food crop and livestock production, storage and distribution, management, research, education, and extension services.

Among other projects, AID continued support for the multidonor International Institute of Tropical Agriculture, a regional agricultural research center based in Ibadan, Nigeria. Programs introducing new varieties of dwarf wheat in North Africa continued to demonstrate higher yields. In Central Africa, AID projects were underway or were initiated to facilitate sustained grain, poultry, and livestock production and distribution. An innovative livestock project initiated in West Africa will assist the five countries of the Entente States which have jointly formed a Livestock Community. This Community will prepare agreements covering customs duties, health standards, cattle grading, and other matters for approval by its member countries. At the same time, funds generated by the sale of U.S. commodities imported under an AID loan will be allocated by the Community to finance the building of feed and water points and inspection stations.

Educational and extension service projects were assisted in several African countries to help introduce the use of improved agricultural materials and techniques adapted to the African situation.

Education and Manpower Training

The program in education and training is designed to help Africans achieve the capability to manage their own growth. In the 1960s, AID concentrated on institution building and the training of administrative and management personnel for the institutions. Activities now include

more middle-level staff training, curriculum modernization and increased sponsorship of university-level education for Africans at African institutions. For example, regional projects in the development of primary level mathematics and science curriculum provide materials and techniques to cover such subjects as elementary soil science, physiology, botany, and mechanical physics. A scholarship program supports students following courses of study that are not available in their own countries but are being offered at universities in other African countries.

Other projects include public administration and management training in all 10 bilateral program countries, and organizational assistance for ministries in these countries and for such international bodies as the Economic Commission for Africa and the Entente Council.

Population and Health

Official recognition of the problems that rapid population growth present to development is growing in Africa. AID response to this concern has been through demographic surveys to analyze local situations and through projects training African medical personnel in maternal and child health care practices. The Agency provided planning information and services as well as information on nutrition, hygiene, and sanitation.

The AID project of mass smallpox and measles immunization in 20 Central and West African countries was nearly completed in fiscal 1971, as responsibilities shifted to African ministries and regional organizations. Almost 122 million smallpox and over 20 million measles vaccinations have been performed since January 1967. U.S. support was concentrated on helping the World Health Organization achieve its goal of worldwide smallpox eradication. Prior to 1968, the region had the highest incidence of smallpox in the world, with cases estimated by the World Health Organization at over 100 thousand in 1967. As a result of this program, however, no cases of smallpox have been reported in the 20-country region since May 1970.

Supporting Assistance

Fiscal 1971 Supporting Assistance funds of \$18 million — of which \$15 million was on a loan basis — were committed mainly for reconstruction activities in Nigeria where the civil war had ended in January 1970. A grant of \$220 thousand was also made to support a program of secondary education for refugees from various countries and territories of southern Africa.

By the summer of 1970, the threat of widespread starvation and disease in Nigeria had been averted and AID emphasis shifted from emergency relief operations to more substantive rehabilitation efforts.

High priority was given to restoration of the badly deteriorated transportation infrastructure, medical services and facilities, rebuilding schools, and direct support to reestablish agricultural crops in the war areas. U.S. assistance was granted in conjunction with that of private American voluntary agencies, international organizations such as UNICEF, the International Committee of the Red Cross, the League of Red Cross Societies, and the World Food Program. During fiscal 1971 the Nigerian Federal Ministry of Economic Development and Reconstruction was responsible for coordinating rehabilitation and reconstruction operations.

VII. VIETNAM

AID's program in Vietnam was increased in fiscal 1971 by about six percent over 1970 in an effort to maintain relative price stability and at the same time assist the acceleration of the Vietnamization program. Part of the need for additional resources stemmed from the loss of foreign exchange earnings by Vietnam as the withdrawal of U.S. troops proceeded.

Achieving these goals required more than the \$366 million first requested of Congress. A supplemental appropriation request for Supporting Assistance was approved by the Congress, enabling AID to increase its Vietnam program by \$22 million to a total of \$388 million. The bulk of the increase, along with funds shifted from other parts of the program, was utilized in the Commercial Import Program which rose by \$27 million from \$239 million in fiscal 1970 to \$266 million in 1971. The Land Reform Program was augmented by \$15 million, but the remainder of the project programs dropped by \$22 million to \$96 million, the lowest point since 1965. The reduction in the project program resulted mainly from a reduced need for U.S. advisory services.

The Land-to-the-Tiller Program proceeded during fiscal 1971 with the transfer of approximately 560 thousand acres of land to nearly 185 thousand tenant farmers. Under this law, tenanted ricelands are granted free of any charge to their tillers, with the former land owners compensated by the Government of Vietnam. It will virtually abolish tenancy of ricelands in Vietnam. During the year, the Government of Vietnam also initiated a land reform program for the Montagnards. Titles were granted to 18 thousand Montagnard families for over 110 thousand acres of public domain lands they had been cultivating.

During the year, 600 thousand refugees returned to their villages. At the same time 135 thousand persons were newly registered as refugees, a slight increase over the 115 thousand total for the previous year.

Import and domestic taxes, which produced about 81 percent of the national revenue in 1970, rose to 121.8 billion piasters compared to 86.1 billion piasters in 1969. Tax administration has been improved and new tax legislation is pending.

The harvest of more than 5.7 million tons of rice was the largest on record in Vietnam. A chief factor in this increased production was the planting of over a million acres with the improved varieties.

The Vietnamese Government's plan to utilize indigenous medical personnel more effectively continued to provide the basis for improving patient care and for the steady withdrawal of U.S. medical specialists. A military/civilian joint utilization program provided for the assignment

of nearly 1,500 military medical personnel, including over 200 physicians, to full-time duty in Ministry of Health civilian hospitals.

Other highlights were:

- Second elections for three-year terms were held for 1,119 village councils and 4,116 hamlet chiefs.
- Free trade union development was advanced through assistance provided by the AFL-CIO Asian-American Free Labor Institute. Approximately 3,600 Vietnamese trade union leaders were trained to help improve the quality of leadership and increase the number of leaders. Technical assistance also went toward establishing tenant farmers' marketing and supply cooperatives.
- In addressing corruption problems arising from smuggling and illicit narcotics, the Government of Vietnam replaced 10 of its key customs officials and requested additional AID advisors which were provided.
- The number of Agricultural Development Bank loans increased from 90 thousand to 116 thousand and the amount of loans increased about 45 percent. The Asian Development Bank helped establish six rural banks and has extended a line of cheap production credit to many villages in Vietnam.
- AID continued to provide significant support to the training of Vietnamese medical personnel, an effort which has more than doubled the output of graduate physicians and nurses since 1965.
- Enrollment increased rapidly in elementary, secondary, and higher education. An estimated 88 percent of the children of elementary school age are expected to enroll in the 1971-72 school year.
- Two thousand housing units were completed and turned over for use by families that were made homeless in Saigon as a result of the 1968 Tet offensive by the Viet Cong.

VIII. CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

U.S. voluntary contributions from AID appropriations to international organizations and programs during fiscal year 1971 totaled \$152 million. This was about \$22 million more than in fiscal year 1970.

The United Nations Development Program (UNDP), the largest multilateral program of pre-investment activities and technical assistance, continued to be the largest recipient of U.S. contributions to international organizations. The U.S. contribution in fiscal year 1971 was \$86.3 million, the same as that provided in 1970. This amount represented 34 percent of the total contributions to the UNDP. Projects in agriculture, education, transportation, resources exploration, disease eradication, and other fields composed the major part of the UNDP's program. Special efforts are being made to meet the needs of the least developed countries. In fiscal year 1971, the UNDP took initial steps to implement a system of country programming closely coordinated with the recipient country's own national development plans.

The United States provided \$11.9 million to the Indus Basin Development Fund in fiscal 1971, \$7 million of this on a loan basis. This project is designed to remove a critical source of friction between India and Pakistan by ensuring an equitable division of the waters of the Indus Basin. It is supplementing irrigation and helping provide arable land for over 50 million people in both countries.

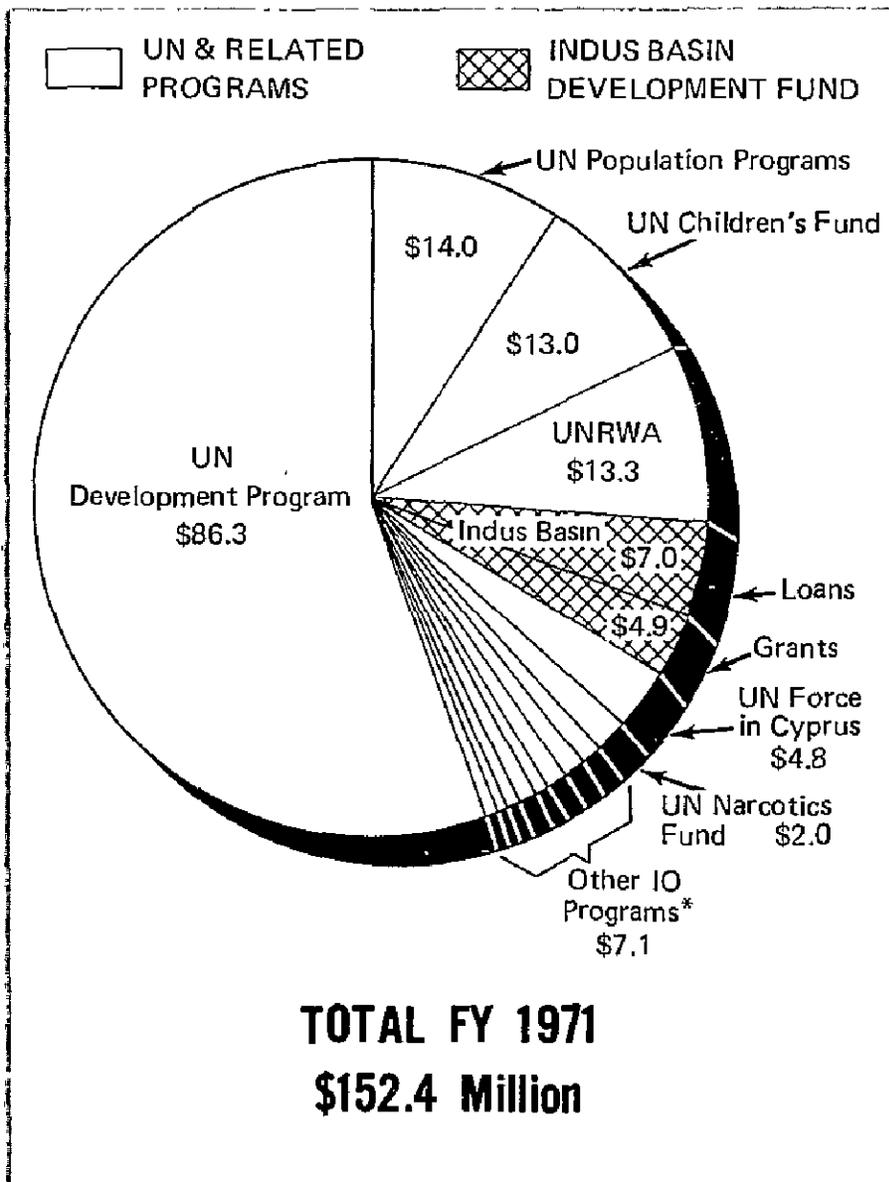
As in the previous year, the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) received \$13.3 million under the AID Supporting Assistance appropriation, plus a \$1 million contribution for vocational training, and \$8.9 million in agricultural commodities under the Food for Peace Program.

The U.S. contribution under the Foreign Assistance Act to the UN Children's Fund (UNICEF) totaled \$13 million in fiscal 1971, the same as in fiscal 1970 and 1969. UNICEF also received \$5.4 million in agricultural commodities under the Food for Peace Program compared to \$10.4 million in fiscal 1970. UNICEF assistance is currently going to 112 countries and territories for health services, nutrition, education, vocational training, family and child welfare services, and emergency aid. The U.S. contribution amounted to approximately 40 percent of all contributions.

U.S. initiative has led to the rapid expansion of UN population and family planning activities. The United States, under the authority of Title X of the Foreign Assistance Act, contributed \$14 million to the UN Fund for Population Activities in fiscal year 1971 compared to \$4

VOLUNTARY CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS & PROGRAMS DURING FY 1971

(Millions of Dollars)



***INCLUDES THE FOLLOWING:**

- International Atomic Energy Agency — \$1.5
- UN/FAO, World Food Program — \$1.5
- World Meteorological Organization — \$1.5
- UNRWA Arab Refugee Training — \$1.0
- Special Contribution for Vietnam — \$0.95
- UN Institute for Training & Research — \$0.4
- WHO Medical Research — \$0.15
- International Secretariat for Voluntary Services — \$0.07

million in fiscal 1970 and \$2.5 million in fiscal 1969. The U.S. proportion of pledges to the Fund has declined from over 80 percent before 1970 to about 50 percent in 1971. The United States hopes this percentage can be further reduced to 40 percent in the near future.

The United States contributed \$2 million to the UN Fund for Drug Abuse Control which was established in 1971 as the result of another U.S. initiative.

U.S. contributions from AID appropriations to nine other international organizations and programs totaled \$12 million. The largest were \$4.8 million (Supporting Assistance) to the UN Force in Cyprus, \$1.5 million to the UN World Food Program, \$1.5 million to the World Meteorological Organization, and \$1.2 million to the International Atomic Energy Agency.

IX. MILITARY ASSISTANCE AND SALES PROGRAM

Assistance under the Military Assistance Program (MAP) was provided to 46 countries (training only to 19 of them) in fiscal year 1971, supplementing indigenous security programs. Total military grant aid for fiscal 1971 amounted to \$792.3 million, consisting of \$350 million in new obligational authority, a \$340 million supplemental appropriation approved in January 1971, and recoupments, reimbursements, reappropriations, and transfers totaling \$102.3 million.

After the initial request to the Congress for fiscal 1971 MAP funds, several developments occurred, the most notable being the military developments in the Khmer Republic (Cambodia), which dictated major modifications in the program. The supplemental appropriation provided additional funds necessary to assist the Cambodians and others to preserve their independence.

More than 80 percent of the worldwide Military Assistance Program for fiscal 1971 was allocated to seven countries along the periphery of communist-ruled nations. Military assistance to Vietnam, Laos, and Thailand has not been financed under the Foreign Assistance Act. Military equipment and training furnished to these countries as grant aid in fiscal 1971 amounted to almost \$647 million. The remainder, slightly more than \$145 million, was utilized to improve the internal security and national defense capabilities of 39 nations and for related administrative costs.

The table below indicates the distribution of fiscal 1971 military assistance funds. On a regional basis, more than 65 percent of the total available funds were allocated to East Asia.

<i>Region</i>	<i>Percentage of program</i>
East Asia	66.6
Near East and South Asia	20.4
Africa	2.3
Europe	3.3
Latin America	2.0
Non-regional	5.4

To enable certain East Asian nations to cope with external aggression and externally supported insurgency, and to promote their stable development, grant military assistance totaling \$527.4 million was provided to East Asian countries in fiscal 1971. Aid in the form of equipment, training, and related support was provided to Korea, the Khmer Republic, the Republic of China, the Philippines, and Indonesia under the Military Assistance Program.

With the fiscal 1971 supplemental appropriation, we were able to initiate a five-year balanced force modernization program for Korea. The program was designed to develop further Korean combat effectiveness and improve the country's ability to counter land and sea infiltration by North Korea.

The small military assistance program initiated by Presidential Determination for the Khmer Republic was expanded with the assent of Congress through the supplemental authorization and appropriation. Thus, the Khmer Republic was able to mobilize its forces and resist North Vietnamese and Viet Cong aggression. The Khmer Republic's defense of its own neutrality and territorial integrity is helping to assure continuation of the Vietnamization process and the withdrawal of U.S. troops from Vietnam.

The Republic of China continued to increase budgetary support for its armed forces, including increased cash and credit purchases from the United States, as part of its plans for force reorganization and modernization. Indigenous maintenance, repair, and limited manufacturing capabilities for military equipment and supplies also continued to expand.

As support for operating and maintenance costs phased out, military assistance for the Philippines increasingly provided for improvement in mobility and coastal capabilities against threats to internal security. In addition, economic development was stimulated through the introduction of equipment with both military and civilian uses.

The fiscal 1971 military assistance program for Indonesia continued to emphasize support of civil rehabilitation efforts by the country's armed forces.

Near East and South Asia

The United States has a continuing and important security interest in large parts of this area, particularly in the eastern Mediterranean. Grant military assistance to countries in the Near East and South Asia amounted to \$161.5 million in fiscal 1971.

Our military assistance programs to Greece and Turkey support U.S. and NATO objectives and contribute importantly to the strength of NATO's southeastern flank. Both countries depend on external

assistance, in one form or another, for the maintenance of their NATO committed forces. In September 1970, the United States announced that it would resume normal military shipments to Greece. (Following the coup of April 1970, the United States had suspended the delivery to Greece of selected major end items under grant assistance.) The decision to resume shipments was based wholly on security considerations. The United States is gradually shifting security assistance for Greece from MAP grant materiel aid to a combination of grant and cash and credit sales. In fiscal 1971, the Turkish economy was not yet strong enough to permit the substitution of credit for grant assistance and a substantial grant program continued.

The United States was able to terminate the MAP grant materiel program to Iran in fiscal 1969. Iran now purchases much of its military equipment from the United States. Military assistance is now limited to MAP training. In fiscal 1971, credit sales for military equipment to Iran were financed through the Export-Import Bank rather than with Foreign Military Sales credit or guaranties.

In the Middle East the United States has had one fundamental objective—to contribute to the effort to get Arabs and Israelis to negotiate a settlement of their long-standing dispute. In fiscal 1971, the United States pursued this goal through intensive diplomatic activity. A cease-fire, which was promoted through a U.S. initiative, went into effect in August 1970 and endured throughout the year. Nevertheless, increased Soviet assistance to the United Arab Republic made it necessary for the United States to provide substantial military assistance to Israel. President Nixon had made it abundantly clear that he intends to preserve the arms balance in the area. Moreover, in the fall of 1970, the Government of Jordan was seriously threatened by armed hostilities within the country and invasion from without. The United States acted swiftly to provide military assistance to the Jordanian Government to enable it to maintain internal stability and to defend itself against external aggression.

Military assistance programs for both India and Pakistan have been curtailed since 1965—limited to MAP training in the United States, cash and credit sales of non-lethal end items, as well as sales of spare parts for lethal and non-lethal end items previously supplied by the United States. With the outbreak of fighting in East Pakistan (now Bangladesh) on March 25, 1971, the United States took certain interim actions with regard to the supply of military equipment to Pakistan, such as suspending the issuance of new licenses and renewals of expired licenses for items on the munitions control list, and holding in abeyance any action on the one-time exception arms supply offer announced last October. Our military supply policy to Pakistan has been kept under review.

Europe

Military assistance totaling approximately \$26 million was provided to Spain and Portugal in fiscal 1971. Some \$25 million was provided to Spain to complete a \$50 million U.S. commitment in connection with a prior two-year extension of the United States-Spanish Defense Agreement. Portugal received \$1 million to provide training and spare parts for her NATO-committed forces. Though no new base rights agreements were negotiated in fiscal 1971, new agreements were under discussion and it is anticipated that the United States will continue to have unrestricted use of its bases in Spain and the Portuguese-controlled Azores.

Africa

The fiscal 1971 grant military assistance program for Africa totaled \$18.6 million. Of this amount approximately \$17.4 million in equipment and training was provided to four countries to help improve their limited security capabilities. Grant aid to Zaire was limited to training only. Ethiopia received support primarily for previously provided equipment as well as for training. Grant aid to Liberia was provided mainly for the maintenance and replacement of equipment on hand. The program for Tunisia was designed to help increase its self-defense capabilities. In addition, limited training programs including orientation visits were also provided to Morocco, Ghana, Mali, and Nigeria. The combined military sales, including credit guarantees and grant materiel programs to African countries, exclusive of training, totaled approximately \$50.2 million, after a Presidential Determination, pursuant to Section 33(c) of the Foreign Military Sales Act, waived the annual legislative ceiling on grant military assistance and sales of \$40 million.

Latin America

The fiscal 1971 grant military assistance program for Latin America totaled \$15.7 million to provide equipment and training for internal security and civic action to 17 countries, six of which received training only. This total was \$3.1 million less than the previous year. Grant military assistance was aimed at improving the internal security capabilities of Latin American forces so they could maintain the climate of security and stability required for social and economic development. Latin American military assistance programs also continued to support civic action activities and to help encourage regional cooperation.

Of the almost \$16 million in grant military assistance provided to Latin America in fiscal 1971 for materiel and services, nearly \$10 million was for training. Foreign military cash sales estimated at \$75 million and credit sales of almost \$51 million brought the grant aid and sales total for Latin America, except training, to approximately \$131 million.

In fiscal 1971, the Department of Defense employed a worldwide logistics system to identify excess and long supply assets and to match them against valid requirements of countries eligible to receive military assistance. Equipment identified in this manner and no longer needed by U.S. forces was transferred to foreign governments without reimbursement to the military departments. If not used to meet the valid needs of foreign countries, this equipment would have been scrapped and useful defense assets would have been wasted. Depending on the recipient nation's resources, the cost related to the repair and shipping of this materiel were borne either by the recipient foreign government or funded from MAP appropriations.

The original acquisition cost of materiel allocated to foreign countries under this program in fiscal 1971 was \$361.5 million. The value of the equipment distributed under this program was in accord with a limitation (\$100 million "legal value" determined as one-third of the acquisition value) placed on the Defense Department by the Congress (Section 8, P.L. 91-672, Foreign Military Sales Act, as Amended). Since the estimated "legal value" of excess defense articles programmed in fiscal 1971 exceeded the \$100 million ceiling set by Congress, a suspense account with a \$20.5 million reserve was established in accordance with the statute to cover the additional allocation.

Military Assistance Program Deliveries

Delivery of military equipment and supplies as grant aid under the Military Assistance Program for fiscal 1971 and previous years was estimated at approximately \$500 million during fiscal 1971. Estimated deliveries to East Asian countries, primarily to Korea, the Republic of China, and the Philippines, amounted to approximately \$287 million, or more than 50 percent of the total deliveries. Substantial deliveries were also made to Turkey, Greece, and Ethiopia, as well as small deliveries to Latin American countries.

Military Assistance Program Training

Fiscal 1971 MAP funds available for military student training purposes amounted to almost \$19.7 million. With these funds, 4,040 foreign military personnel were trained in the United States and 6,325 overseas—a higher total than last year.

The fiscal 1971 MAP training program continued to operate under a restriction incorporated into the Foreign Assistance Act of 1969. Section 510 of the Act 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.~~

The types of courses offered under the MAP training program—in English and other languages—included flight, operations, maintenance, communications/electronics, logistics, administration, professional, orientation, and missile training.

APPENDICES

AID Commitments in Fiscal Year 1971 by Region and Appropriation Category

[Millions of Dollars]

Region	Appropriation Category								
	Total	Development and Alliance for Progress Loans			Supporting Assistance	Technical Assistance			Other
		Total	Loans	Grants for Population Programs ¹		Worldwide and Alliance for Progress	Multilateral Organizations	Contingency Fund	
Grand Total	1,860.7 ²	789.2	696.4	92.1	573.0 ³	267.0	110.9	26.2	94.4
Regional and country programs	1,488.2	738.7	696.4	42.3	539.0	205.4	.....	1.5	3.6
Near East and South Asia . .	288.3	252.6	246.0	6.6	5.0	30.7	.....	.....	.....
Latin America	331.2	247.7 ⁴	232.5	15.2	2.8	80.6 ⁴	.....	.....	.....
Vietnam	387.7	.....	.....	.....	384.1	.....	.....	.....	3.6
East Asia	304.9	138.8	126.1	12.7	128.7	36.0	.....	1.5	.....
Africa	176.1	99.6	91.8	7.8	18.4	58.1	.....	.....	.....
Nonregional	372.5	50.5 ⁵	0.7	49.8	34.0	61.6	110.9	24.7	90.8

¹Population programs under Title X of the Foreign Assistance Act.

²Excludes \$67.3 million in reimbursements by the Department of Defense for Vietnam programs.

³Includes \$0.2 million for population programs for Vietnam.

⁴Excludes Alliance for Progress funds used for and reported with non-regional programs as follows: \$35.7 million Alliance for Progress loan, and \$7.3 million Alliance for Progress Technical Assistance grant.

⁵Includes grants from loan funds for the Inspector General, Foreign Assistance Program, of \$0.7 million, not separately shown.

*AID Commitments in the Near East and South Asia
During Fiscal Year 1971*

[Thousands of dollars]

Country	Appropriation Category				
	Total	Development Loan		Supporting Assistance	Technical Assistance
		Loans	Grants for Population Programs ¹		
Total	288,287	246,000	6,591	5,000	30,697
Afghanistan	8,766	.....	1,740	.....	7,026
India	205,917	196,000	540	.....	9,378
Jordan	6,000	.....	.....	5,000	1,000
Nepal	2,587	.....	706	.....	1,881
Pakistan	7,095	.....	2,078	.....	5,017
Turkey	53,602	50,000	78	.....	3,524
CENTO	445	.....	40	.....	405
Regional	3,874	.....	1,409	.....	2,466

¹Population programs under Title X of the Foreign Assistance Act.

AID Development Loan Authorizations, Fiscal Year 1971, 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: \$190 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.

To finance imports, such as iron and steel products, fertilizer, chemical raw materials, spare parts and manufactured components to increase agricultural and industrial production.

Government of India: \$6 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter. Borrower: 15 years; interest at 8-1/2 percent, with 4-1/2 percent during grace period.

Supplemental funds for construction of cooperative fertilizer plant. Joint financing by United States (\$21 million) and United Kingdom (\$16.8 million).

AID-Development Loan Authorizations, Fiscal Year 1971, Near East and South Asia—Continued

Borrower—Amount—Terms	Purpose
<i>TURKEY</i>	
Government of Turkey: \$25 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To finance general commodity imports such as capital goods, spare parts and raw materials needed for development program.
Government of Turkey: \$25 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	Supplemental financing of general commodity imports to support Turkey's devaluation and monetary reform negotiated with the International Monetary Fund.

AID Commitments in Latin America During Fiscal Year 1971

[Thousands of Dollars]

Country	Appropriation Category					
	Total	Alliance for Progress Development Loans			Supporting Assistance	Technical Assistance
		Loans	Grants for Population Programs ¹	Grants for Population Programs ¹		
Total	331,150	232,460	15,245	2,827	80,618	
Argentina	509	.....	.....	.....	509
Bolivia	3,675	.....	335	.....	3,340
Brazil	79,379	67,500	.....	.....	11,879
Chile	1,510	.....	30	.....	1,480
Colombia	83,990	80,600	417	.....	2,973
Costa Rica	6,432	4,210	403	.....	1,819
Dominican Republic	13,472	10,900	.....	.....	2,572
Ecuador	15,346	10,750	1,281	.....	3,315
El Salvador	2,452	.....	439	.....	2,013
Guatemala	14,178	9,500	977	45	3,656	
Guyana	1,250	.....	.....	.....	1,250
Haiti	2,782	.....	.....	2,782	.....
Honduras	5,180	2,000	520	.....	2,660
Jamaica	20,937	20,000	580	.....	357
Nicaragua	12,477	9,900	397	.....	2,180
Panama	11,120	7,000 ²	670	.....	3,450
Paraguay	6,941	4,100	471	.....	2,370
Peru	6,888	3,000	350	.....	3,538
Uruguay	4,932	3,000	190	.....	1,742
Venezuela	975	.....	25	.....	950
ROCAP ³	3,534	.....	209	.....	3,325
East Caribbean						
Regional	8	.....	.....	.....	8
Regional	33,183	.....	7,951	.....	25,232
Organization of						
American States	12,594	.....	.....	.....	12,594
Other	20,589	.....	7,951	.....	12,638

¹Population programs under Title X of the Foreign Assistance Act.

²Includes \$100 thousand in anticipated capitalized interest.

³Regional Office for Central America and Panama.

AID-Development Loan Authorizations, Fiscal Year 1971, Latin America

Borrower—Amount—Terms	Purpose
All Development Loans are repaid in U.S. dollars to AID unless otherwise stated.	
BRAZIL	
Banco do Nordeste do Brasil, S.A: \$10 million; Two-Step Option; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter. Borrower: 20 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To increase the contribution of the Northeast's small and medium industry sector to the overall development of the region by strengthening institutions which provide financial and technical assistance to the sector. The loan provides a new source of medium term credit directed toward upgrading the level of management and technology employed in the sector.
Centrais Electricas Brasileiras, S. A.: \$2.5 million; Two-Step Option; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter. Borrower: 20 years; interest at 2 percent during 5-year grace period and 3 percent thereafter.	To develop the capabilities of Brazilian universities to provide graduate level training in power system engineering and electrical utility management and to provide for the transfer of U.S. technology and managerial expertise to the Brazilian power industry in management, engineering and operations.
Banco Central do Brasil: \$15 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter (GOB shall guarantee repayment).	To provide reasonably priced long-term financing to the private sector through development of Brazil's capital market instruments and institutions.
Banco Nacional de Desenvolvimento Economico: \$14 million; Two-Step Option; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter. Borrower: 20 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To help finance in the Northeast a program of construction, equipping and operation of wholesale markets in urban centers and rural assembly markets at major interior collection points. One of two loans for market development.

AID Development Loan Authorizations, Fiscal Year 1971, Latin America—Continued

Borrower—Amount—Terms	Purpose
Government of Brazil: \$1 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To finance technical assistance, training and equipment in the areas of wholesale market operation, retail food marketing, and rural market organization.
Banco Nacional de Desenvolvimento Economico: \$25 million; Two-Step Option; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter. Borrower: 15 years; interest at 2 percent during 5-year grace period and 3 percent thereafter.	For a program of sub-loans to state agencies and municipal consortia to finance: the construction of all-weather secondary roads linking agricultural areas and municipalities to Federal and State primary highway networks, the improvement of existing earth roads to minimum design standards for all-weather status, and the construction of penetration roads into areas of high agriculture potential.

COLOMBIA

Government of Colombia: \$20 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To assist Colombia's educational sector reform program by strengthening the Government's capabilities for expanding and improving educational opportunity in rural areas, increasing the number of high level technical and semiprofessional personnel, encouraging university integration, upgrading teacher training facilities, extending secondary education reform, and improving administration at national, regional, local and institutional levels.
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AID-Development-Loan Authorizations, Fiscal Year 1971, Latin America—Continued

Borrower—Amount—Terms	Purpose
Government of Colombia: \$29 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To assist a program in the urban sector designed to partially redirect rural-urban migration away from the four major Colombian cities through job creation and municipal infrastructure improvement in intermediate size cities, improve conditions in the four major cities through extension of basic infrastructure services to low-income areas, and improve local planning and administrative capacity.
Government of Colombia: \$28 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To support Colombian agricultural development programs designed to maintain agricultural sector growth at a level sufficient to meet domestic and export needs, to increase agricultural and agro-industry employment, and to increase productivity.
Government of Colombia: \$3.6 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To establish standardized property values on a national basis and to establish and maintain a centrally controlled property tax list for tax collection purposes.

COSTA RICA

Government of Costa Rica: \$3.6 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To provide funds for technical assistance and lending capital for sub-loans to municipalities for municipal markets, slaughterhouses, feeder roads and maintenance equipment, and small-scale electrification, irrigation and potable water projects.
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AID Development Loan Authorizations, Fiscal Year 1971, Latin America--Continued

Borrower--Amount--Terms	Purpose
Government of Costa Rica: \$610,000; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To assist the two-year final phase of a five-year plan for eradicating malaria by financing the continuation of efforts in spraying, mass drug treatment and blood sampling.
<i>DOMINICAN REPUBLIC</i>	
Government of the Dominican Republic: \$10.9 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To help improve the quality and increase the output of the primary and secondary educational system by upgrading the education level of teachers and professionals, improving teaching tools and methods, introducing experimentation and evaluation, and reorganizing the framework and management of the country's education system. (Sector loan.)
<i>ECUADOR</i>	
Government of Ecuador: \$10 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To help stabilize the balance of payments position and orderly pursuit of development goals by financing essential goods and related services in support of the country's investment programs.
Government of Ecuador: \$750,000; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To provide additional financing for the attack phase of the malaria eradication program.

AID Development-Loan Authorizations, Fiscal Year 1971, Latin America-Continued

Borrower—Amount—Terms	Purpose
<i>GUATEMALA</i>	
Government of Guatemala: \$2.5 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To improve health services in areas outside of the capital city through provision of training facilities for rural health technicians, expansion and improvement of the rural health post network and strengthening of the Ministry of Health's planning capabilities.
Government of Guatemala: \$7 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter. Borrower: 30 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To provide electric power essential to development of mechanized rural industry and improvement in the standard of living of heavily populated rural centers through construction of a transmission line to, and distribution facilities within, three Indian highland areas.
<i>HONDURAS</i>	
Government of Honduras: \$2 million; 40 years; interest at 2 percent during 20-year grace period and 3 percent thereafter.	To increase professional and managerial skills by expanding and developing the Honduran institution which provides financing to students for completion of their education. Loan funds will be utilized for sub-loans to students wishing to undertake or continue vocational or university level studies in Honduras or abroad.

AID Development Loan Authorizations, Fiscal Year 1971, Latin America—Continued

Borrower—Amount—Terms	Purpose
<i>JAMAICA</i>	
Jamaica Mortgage Bank: \$10 million; 30 years; interest at 2 percent during 5-year grace period and 3 percent thereafter (GOJ shall guarantee repayment).	To develop the Jamaican financial institution which will serve as a central mortgage banking and mortgage market institution with the function of providing a degree of liquidity for selected categories of residential mortgage investments, thereby generating internal resources for home mortgages in order to reduce the country's housing deficit.
Government of Jamaica: \$10 million; 30 years; interest at 2 percent during 5-year grace period and 3 percent thereafter.	To help finance the improvement of rural farm-to-market roads in order to reduce the cost of transportation of commodities from and to selected production areas.
<i>NICARAGUA</i>	
Government of Nicaragua: \$2.8 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To finance pre-feasibility and feasibility studies designed to identify high priority projects and provide support for loan applications to international or national lending agencies to obtain financing for the projects.
Empresa Nacional de Luz y Fuerza: \$4.3 million; Two-Step Option; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter. Borrower: 35 years; interest at 3 percent during 10-year grace period and thereafter.	To assist a continuing effort by the Government to electrify rural areas by providing equipment, materials, engineering services and technical assistance to rural electric cooperatives.

AID Development Loan Authorizations, Fiscal Year 1971, Latin America—Continued

Borrower—Amount—Terms	Purpose
<p>Government of Nicaragua: \$2.8 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.</p>	<p>To upgrade seven feeder roads totaling approximately 218 kilometers in various isolated areas in order to provide year-round access to markets and services for the population and its products.</p>
<p><i>PANAMA</i></p>	
<p>Instituto de Acuicultura y Alcantarillados Nacionales: \$5 million; Two-Step Option; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter. Borrower: 30 years; interest at 3-1/2 percent during 10-year grace period and thereafter.</p>	<p>To provide additional financing for completion of a new water supply system for Panama City necessary to supply increasing demands through growth and expansion up to projected 1990 demand levels.</p>
<p>Panama Federation of Credit Unions: \$1.9 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.</p>	<p>To provide capital to the Panama Federation of Credit Unions for sub-lending to member credit unions for agricultural, small business and supplementary working capital loans to individual members in order to expand and fortify the credit union movement.</p>
<p><i>PARAGUAY</i></p>	
<p>Government of Paraguay: \$2.1 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.</p>	<p>To provide seed capital for a central savings and loan bank which will provide a source of liquidity for savings and loan associations. Domestic savings will be mobilized to provide long-term credit to alleviate the housing shortage for middle income families. Technical assistance to the Housing Bank will be provided through allocation of \$100,000 from the loan for this purpose.</p>

AID Development Loan Authorizations, Fiscal Year 1971, Latin America—Continued

Borrower—Amount—Terms	Purpose
Government of Paraguay: \$2 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To provide seed capital for a municipal lending institution capable of providing financial and technical assistance to municipalities throughout the country for such projects as municipal markets and slaughterhouses, sanitary facilities, feeder roads construction, small-scale electrification projects, irrigation projects and potable water systems.
<i>PERU</i>	
Government of Peru: \$3 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To finance community development and reconstruction activities on a self-help basis in rural and urban areas affected by the earthquake of May 31, 1970. Funds will be made available to community groups for equipment, materials and other costs of sub-projects for housing, community infrastructure and small industries.
<i>URUGUAY</i>	
Corporacion Privada de Fomento, S. A. (CORPRIFO): \$3 million; Two-Step Option; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter. Borrower: 25 years; interest at 3 percent during 10-year grace period and 5 percent thereafter.	To assist in financing the local and U.S. dollar costs of carrying out a program of industrial and agricultural development in Uruguay.

AID-Commitments in East Asia During Fiscal Year 1971

[Thousands of Dollars]

Country	Appropriation Category					
	Total	Development Loans		Supporting Assistance	Technical Assistance	Contingency Fund
Loans		Grants for Population Programs ¹				
Total	304,915	126,076	12,682	128,662	35,995	1,500
Indonesia	78,507	70,700	1,759	.....	6,048	.....
Khmer Republic (Cambodia)	70,000	.....	.....	70,000	.....	.....
Korea	60,617	55,000	1,660	.....	3,957	.....
Laos	48,935	.....	925	41,450	6,560	.....
Philippines	11,089	376	5,000 ²	.....	4,213	1,500
Thailand	22,541	.....	1,395	16,996	4,150	.....
Regional	13,226	.....	1,943	216	11,067	.....

¹Population programs under Title X of the Foreign Assistance Act.

²Includes \$16 thousand in capitalized interest on a prior year loan.

AID Development Loan Authorizations, Fiscal Year 1971, 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: \$30 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.

To provide a portion of the foreign exchange required for imports of essential raw materials, spare parts, utility vehicles and equipment needed to rehabilitate and expand productive capacity within the new five-year development plan.

AID Development Loan Authorizations, Fiscal Year 1971, East Asia—
Continued

Borrower—Amount—Terms	Purpose
Government of Indonesia: \$19.7 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To help finance the foreign exchange costs of equipment, materials and services necessary for construction of a 100 megawatt steam generation power plant in Semarang, Central Java.
Government of Indonesia: \$21 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To help finance the foreign exchange costs of equipment, materials and services necessary for the installation and rehabilitation of electrical transmission and distribution facilities in Western Central Java.
<i>KOREA</i>	
Government of Korea: \$35 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To finance the foreign exchange cost of purchasing 200,000 metric tons of U.S. rice, including ocean transportation.
Government of Korea: \$14 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To help finance the local currency costs of agricultural credit for Korean farmers and farm cooperatives. In order to generate the required local currency, the dollar proceeds of the loan were used to purchase approximately 82,000 metric tons of U. S. rice and related ocean transportation.
Government of Korea: \$6 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To finance the foreign exchange costs of laboratory equipment and related materials, a complete library, and technical assistance necessary for the establishment of applied science and engineering in Seoul.

AID Development-Loan Authorizations, Fiscal Year 1971, East Asia—
Continued

Borrower—Amount—Terms	Purpose
<i>PHILIPPINES</i>	
Development Bank of the Philippines: \$130,000 (amendment to \$2 million loan authorized June 27, 1968); 25 years; interest at 3-1/2 percent throughout the life of the loan; 5-year grace period.	To help finance additional foreign exchange costs of machinery, equipment and related services for generation, transmission and distribution of electric power in Misamis Oriental.

AID Commitments in Africa During Fiscal Year 1971

[Thousands of Dollars]

Country	Appropriation Category				
	Total	Development Loans		Supporting Assistance	Technical Assistance
		Loans	Grants for Population Programs ¹		
Total	176,142	91,840	7,782	18,383	58,136
Botswana	63 ²	.....	4	.....	59
Burundi	189 ²	.....	62	.....	127
Cameroon	80 ²	.....	.....	.....	80
Central African Republic	100 ²	.....	.....	.....	100
Chad	130 ²	.....	.....	.....	130
Dahomey	127 ²	.....	27	.....	100
Ethiopia	20,380	14,900	30	.....	5,450
Gabon	50 ²	.....	.....	.....	50
Gambia	23 ²	.....	.....	.....	23
Ghana	18,580	16,040	643	.....	1,897
Guinea	63 ²	.....	.....	.....	63
Ivory Coast	25 ²	.....	.....	.....	25
Kenya	138 ²	.....	141	.....	1,997
Lesotho	37 ²	.....	.....	.....	37
Liberia	5,470	.....	222	.....	5,248
Malagasy Republic	90 ²	.....	.....	.....	90
Malawi	100 ²	.....	.....	.....	100
Mali	62 ²	.....	2	.....	60
Mauritania	15 ²	.....	.....	.....	15
Mauritius	52 ²	.....	2	.....	50
Morocco	12,289	10,800	89	.....	1,400
Niger	100 ²	.....	.....	.....	100
Nigeria	32,611	5,000	.....	18,163	9,448
Rwanda	25 ²	.....	.....	.....	25
Senegal	50 ²	.....	.....	.....	50
Sierra Leone	93 ²	.....	.....	.....	93
Somali Republic	283	.....	.....	.....	283
Swaziland	50 ²	.....	.....	.....	50
Tanzania	3,061	800	.....	.....	2,261
Togo	100 ²	.....	.....	.....	100
Tunisia	12,954	10,000	858	.....	2,096
Uganda	2,861	.....	100	.....	2,761
Upper Volta	98 ²	.....	.....	.....	98
Zaire	13,350	12,000	.....	.....	1,350
Zambia	10 ²	.....	.....	.....	10
Central & West Africa Regional	8,734	.....	.....	.....	8,734
East Africa-Regional	1,443	.....	.....	.....	1,443
Africa Regional	38,034	22,300	5,602	220	9,912
South Africa Regional	2,221	.....	.....	.....	2,221

¹Population programs under Title X of the Foreign Assistance Act.

²Received Self-Help only.

AID Development-Loan Authorizations, Fiscal Year 1971, Africa

Borrower—Amount—Terms

Purpose

All Development Loans are repaid in U.S. dollars to AID unless otherwise stated.

ETHIOPIA

- | | |
|---|--|
| Imperial Ethiopian Government:
(Amendment) \$4.9 million;
40 years; interest at 2 percent
during 10-year grace period
and 3 percent thereafter. | To finance the U. S. costs and a
portion of the local costs of
the Malaria Program for fiscal
1971, 1972 and 1973. |
| Imperial Ethiopian Government:
\$3.7 million; 40 years; inter-
est at 2 percent during the
10-year grace period and 3
percent thereafter. | To assist in financing the foreign
exchange and local costs of
goods and services required to
construct dormitories, a class-
room building and a cafe-
teria/auditorium for Haile
Selassie I university. |
| Imperial Ethiopian Government:
\$5 million; 40 years; interest
at 2 percent during the 10-
year grace period and 3 per-
cent thereafter. | To assist in increasing the flow of
local resources to the agricul-
tural sector and in expanding
the sector's absorptive capac-
ity. |
| Imperial Ethiopian Government:
\$1.3 million; 40 years; inter-
est at 2 percent during the
10-year grace period and 3
percent thereafter. | To assist in financing the foreign
exchange and a portion of the
local costs of fertilizer, farm
machinery, other production
inputs, storage facilities and
project vehicles and other
goods and services for use by
the Ada Agricultural Develop-
ment Project. |

GHANA

- | | |
|--|---|
| Government of Republic of
Ghana: \$16 million; 40 years;
interest at 2 percent during
10-year grace period and 3
percent thereafter. | To provide balance of payments
support for Ghana and, in
conjunction with assistance
from other donors, to help
meet the projected deficit of
\$89 million in 1971 and \$100
million in 1972. |
|--|---|

*AID Development Loan Authorizations, Fiscal Year 1971, Africa—
Continued*

Borrower—Amount—Terms	Purpose
<p>Government of the Republic of Ghana: (Amendment) \$40,000; interest at 2 percent during the 10-year grace period and 3 percent thereafter.</p>	<p>To provide additional financing of foreign exchange costs of commodities and related services to promote economic development.</p>
<i>MOROCCO</i>	
<p>Government of Morocco: \$10 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.</p>	<p>To provide funds for purchases of commodities and services by private and governmental agricultural, industrial and commercial sectors.</p>
<p>Government of Morocco: \$800,000; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.</p>	<p>To help finance the foreign exchange costs of final design and engineering services for the Kenitra-Rabat Casablanca Water Supply project.</p>
<i>NIGERIA</i>	
<p>Federal Military Government of Nigeria: (Amendment) \$2.5 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.</p>	<p>To provide additional funds for the completion of the Ibadan Water Supply project through assisting in financing construction of a water treatment and pumping plant.</p>
<p>Federal Military Government of Nigeria: (Amendment) \$2.5 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.</p>	<p>To provide additional funds to assist in financing the foreign exchange and local currency costs of the equipment, materials and services required to complete the Western Avenue-Agege Road project.</p>
<i>TANZANIA</i>	
<p>Government of the United Republic of Tanzania: \$800,000; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.</p>	<p>To help finance the foreign exchange cost of goods and services for the Tsetse Fly Eradication Program in Tanzania.</p>

AID-Development Loan Authorizations, Fiscal Year 1971, Africa—
Continued

Borrower—Amount—Terms	Purpose
<i>TUNISIA</i>	
Government of the Republic of Tunisia: \$10 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To finance the foreign exchange costs required to finance the importation of commodities needed in carrying out Tunisia's current four-year Development Plan.
<i>ZAIRE</i>	
Democratic Republic of the Congo (now Zaire): \$10 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To assist in developing transport planning and road maintenance capabilities requisite to a major program to rehabilitate its road network and to attract external financial assistance. (Sector loan.)
Democratic Republic of the Congo (now Zaire): \$2 million; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To finance commodities and related services needed to make two organizations in the transport sector of the Congo more effective. These funds supplement loans of \$8 million authorized in fiscal 1970 for same purpose.
<i>REGIONAL</i>	
Government of Botswana: \$6.5 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To finance foreign exchange and local currency costs for procurement of water pipe, valves, fittings and related commodities and services, to be utilized in the construction of the 50-mile water transmission line portion of an infrastructure project in support of a mining operation in Botswana.

AID Development Loan Authorizations, Fiscal Year 1971, Africa—
Continued

Borrower—Amount—Terms	Purpose
Entente Livestock Sector: \$6 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To help the Entente Fund Community establish a common market for meat and livestock. The common market will increase commercialization of livestock, thereby reducing projected shortfalls of consumable meat.
Government of Swaziland: \$2.2 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To help finance the foreign exchange and local currency costs of equipment, materials and technical assistance required for the development of agricultural areas, and local currency costs of subloans from intermediate credit institutions in Swaziland.
Government of the United Republic of Tanzania: \$3.8 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To help finance foreign exchange and local currency costs of supervisory and other engineering services and for construction of the Dar Port Access Road portion of the Tan-Zam Highway project.
Government of the United Republic of Tanzania: (Amendment) \$3.8 million; 40 years; interest at 2 percent during 10-year grace period and 3 percent thereafter.	To assist in completing the Tunduma-Iyayi section of the Tan-Zam Highway which is being financed with the assistance of AID loan of \$13 million.

Organizations Registered with the Advisory Committee on Voluntary Foreign Aid and Receiving AID Overseas Freight payments¹ in Fiscal Year 1971

American Friends Service Committee ¹	Iran Foundation ¹
American Health Education for African Development ¹	Lutheran World Relief ^{1 2}
American Jewish Joint Distribution Committee ^{1 2 3}	Medical Assistance Programs ^{1 3}
American-Korean Foundation ^{1 3}	Mennonite Central Committee ¹
American Mission to Greeks ¹	Mizrachi Women's Organization of America ¹
American National Red Cross ¹	Pan American Development Foundation
American ORT Federation ^{1 3}	People-to-People Health Foundation (Project HOPE) ^{1 2}
Assemblies of God, F.S.C. ¹	Dr. Jose P. Rizal and General Douglas MacArthur Memorial Foundation ^{1 3}
CARE Inc. ^{1 2}	Albert Schweitzer Fellowship ¹
Catholic Relief Services ^{1 2 3}	Seventh-day Adventist Welfare Service ^{1 2 3}
Church World Service ^{1 2}	Summer Institute of Linguistics ^{1 3}
Christian Reformed World Relief Committee ¹	Thomas A. Dooley Foundation ¹
Community Development Foundation ¹	United Israel Appeal ^{1 3}
Foster Parents Plan ¹	World Relief Commission of the National Association of Evangelicals ^{1 2}
Friends of the United States of Latin America ^{1 3}	World Vision Relief Organization ^{1 3}
Hadassah ^{1 2 3}	YMCA International Committee ¹
Heifer Project ¹	
Holt Adoption Program ¹	
International Educational Development ¹	
International Institute of Rural Reconstruction ¹	

¹AID obligated almost \$5 million to cover overseas freight for shipments on a world basis of supplies privately donated for the overseas work of these 35 registered voluntary agencies and the American National Red Cross (ANRC). Because of its special charter, the Red Cross, although not a registered agency, shares in the benefits of registration.

²Nine of the registered voluntary agencies participated in the Public Law 480 Food for Peace program. During fiscal 1971 AID administered \$45 million of U. S. Department of Agriculture funds.

³Twelve registered agencies had excess property determinations during fiscal 1971.

*Emergency Disaster Relief and Short-term Rehabilitation Expenditures
Fiscal Year 1971*

[Thousands of Dollars]

Region	AID Funds		Value of PL 480 Emergency Food Grants	Total Value of U.S. Government Assistance
	Contingency Funds - Worldwide Disaster Relief Program	Other AID Funds		
Africa	77	.....	13,265	13,342
Europe	692	.....	.....	692 ¹
Latin America	305	5	7,402	7,712
Near East & South Asia . . .	18,016	22,818 ⁴	39,289	80,103 ²
East Asia	518	1,500	2,397	4,415 ³
Worldwide Cholera	436	.....	.....	436
Total	20,044	24,323	62,333	106,700

Note: Value of contributions by U. S. voluntary organizations from their own resources for fiscal year 1971 is estimated at \$5 million.

¹Includes \$675,000 provided for fiscal 1970 Romania floods. Part of U. S. assistance for this disaster was obligated in fiscal 1970 and this portion in fiscal 1971.

²Majority of this amount was for cyclone relief in Pakistan and for assistance to displaced persons resulting from civil strife in East Pakistan and Jordan.

³Represents \$260,000 for flood relief in Malaysia with balance used for Philippines, stricken with a series of floods and typhoons in the fall of 1970.

⁴Most of this consists of U.S.-owned Pakistani rupees authorized for rehabilitation projects after the November cyclone.

AID Outshipments of Excess Federal Property

[Original Acquisition Cost in Millions of Dollars]¹

	Fiscal Year	Fiscal Year
	1970	1971
Near East and South Asia . .	3.1	1.3
East Asia	3.2	1.7
Vietnam . . . . .	.3	.8
Africa . . . . .	.4	2.4
Latin America . . . . .	.2	.9
Nonregional . . . . .	.3	.1
Total	7.5	7.2

¹U.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.

Military Assistance Program, Fiscal Year 1971

[Millions of Dollars]

East Asia:	
China, Republic of	20.0
Indonesia	16.8
Khmer, Republic of (Cambodia)	185.2
Korea	288.2
Malaysia . . . . .	.2
Philippines	17.0
Regional Costs	<u>.1</u>
East Asia Area	527.4
Near East and South Asia:	
Afghanistan . . . . .	.2
Ceylon	3.0
Greece	20.0
India . . . . .	.2
Iran	2.3
Jordan	30.2
Lebanon	5.1
Nepal	*
Pakistan . . . . .	.2
Saudi Arabia . . . . .	.7
Turkey	99.6
Regional Costs	<u>*</u>
NESA Area	161.4
Europe:	
Portugal	1.0
Spain	25.0
Regional Costs	<u>.1</u>
Europe Area	26.1
Africa:	
Ethiopia	12.0
Ghana . . . . .	.1
Liberia . . . . .	.5

Military Assistance Program, Fiscal Year 1971—Continued

[Millions of Dollars]

Africa (continued)

Morocco . . . . .	.8
Mali	*
Nigeria . . . . .	.2
Tunisia	4.5
Zaire . . . . .	.4
Regional Costs	* <hr/>
Africa Area	18.6

Latin America:

Argentina . . . . .	.5
Bolivia	1.8
Brazil . . . . .	.9
Chile . . . . .	.8
Colombia . . . . .	.9
Dominican Republic	1.3
Ecuador . . . . .	.4
El Salvador . . . . .	.4
Guatemala	2.6
Honduras . . . . .	.6
Mexico . . . . .	.1
Nicaragua . . . . .	.9
Panama . . . . .	.5
Paraguay	1.0
Peru . . . . .	.6
Uruguay	1.2
Venezuela	1.0
Regional Costs . . . . .	.3 <hr/>
Latin America area	15.7

Non Regional:

Administrative Expenses	17.3
Excess Defense Articles Reserve ¹	20.5
Other Non-Regional	5.3 <hr/>
Non-Regional Total	43.1

Total 792.3

NOTE:

* Less than \$50,000. Totals may not add due to rounding.

¹Section 8, PL-91-672, Reserve for Excess Defense Articles Exceeding \$100 million legal value.

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 1971. 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 1971. 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 aid programs with those of voluntary aid agencies. Registers U. S. voluntary, nonprofit agencies for foreign aid activities and approves their programs.

Members (fiscal year 1971): Chairman, Charles P. Taft, attorney; 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; Dr. Adelaide C. Hill, Director, Afro-American Studies Center, Boston University; Clifford R. Hope, Jr., attorney; Mrs. Martha E. Irvine, civic leader; George N. Lund, former President, First National Bank, Reserve, Montana; Dr. Raymond F. McCoy, Dean, Graduate School, Xavier University, Cincinnati; Edward M. M. Warburg, member, N. Y. State Board of Regents.

Development Loan Committee

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

Members (fiscal year 1971): 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 the United States; John R. Petty, Assistant Secretary of the Treasury for International Affairs; Robert McClellan, Assistant Secretary of Commerce for Domestic and International Business; Ernest Stern, Assistant Administrator, Bureau for Program and Policy Coordination, AID.

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 (fiscal year 1971): Chairman, Dr. Nyle C. Brady, Associate Dean, New York State College of Agriculture, Cornell University; Dr. C. Arnold Anderson, Director, Comparative Education Center, University of Chicago; Dr. Everett E. Hagen, Acting Director, Center for International Studies, Massachusetts Institute of Technology; Dr. Dudley Kirk, Professor of Demography, Food Research Institute, Stanford University; Dr. Alexander D. Langmuir, Visiting Professor of Epidemiology, Department of Preventive Medicine, Harvard Medical School; Dr. Forest E. Linder, Professor, School of Public Health, University of North Carolina; Dr. Malcolm H. Merrill, Director, Community Health Action Planning Service, American Public Health Association; Dr. Max Milner, Senior Food Technologist, UNICEF, United Nations; Dr. John D. Montgomery, Professor of Public Administration, Harvard University; Dr. Maurice L. Peterson, Professor, Department of Agronomy, University of California; Dr. Vernon W. Ruttan, Department of Agricultural and Applied Economics, University of Minnesota; Dr. Raymond Tanter, Associate Professor, Department of Political Science, University of Michigan; Dr. David Adams, President, Coastal Zone Research Corp.; Dr. Charles Frank, Professor of Economics and Institutional Affairs, Woodrow Wilson School of International Studies, Princeton University; Dr. Earl O. Heady, Curtiss Distinguished Professor of Economics, Executive Director of Center for Agriculture and Economic Development, Iowa State University; Dr. Herbert H. Kramer, Agriculture Experiment Station, Purdue University; Mr. Varnum D. Ludington, Vice President for Research, General Foods Corporation; Dr. Dean F. Peterson, Professor of Engineering and Dean, Engineering, Utah State University; Dr. Joseph B. Platt, President, Harvard Mudd College; *Dr. B. S. Schweigert, Chairman of Department and Professor, Department of Food Sciences and Technology, University of California; *Dr. Ralph Smuckler, Dean of International Programs, University of Michigan; Dr. Robert S. Whitney, Department of Agronomy, Colorado State University; Dr. Samuel M. Wishik, Director, International Institute for the Study of Human Reproduction, Columbia University; Dr. James Carter, Assistant Professor of Nutrition, Division of Nutrition, Vanderbilt University.

*Appointment pending.

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 (fiscal year 1971): Chairman, Dr. Ernest L. Stebbins, Dean, School of Hygiene and Public Health, Johns Hopkins University; Dr. James 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 of 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 (fiscal year 1971): Chairman, Dr. Henry Šebrell, 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, Merch 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.

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 (fiscal 1971): Dr. Joseph P. Cosand, President, St. Louis Junior College District, and Chairman, American Council on Education; Dr. Wilson H. Elkins, President, University of Maryland, and President, National Association of State Universities and Land-Grant Colleges; Dr. Arthur S. Flemming, President, MacAlester College, and former Chairman, American Council on Education; Dr. Luther H. Foster, President, Tuskegee Institute, and former Chairman, Association of American Colleges; Dr. Richard A. Harvill, President, University of Arizona, and former 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. Harrell Holmes, President, University of Northern Colorado, and President, American Association of State Colleges and Universities; Dr. Ralph K. Huitt, Executive Secretary, National Association of State Universities and Land-Grant Colleges; Mr. Vernon E. Jordan, Executive Director, United Negro College Fund; Mr. Charles P. McCurdy, Jr., Executive Secretary, Association of American Universities; Dr. Frederic W. Ness, President, Association of American Colleges; Mr. Allan W. Ostar, Executive Director, American Association of State Colleges and Universities; Dr. James A. Perkins, Chairman, International Council for Educational Development; Dr. Nathan M. Pusey, 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. Willis M. Tate, President, Southern Methodist University, and Chairman, Association of American Colleges; Dr. Logan Wilson, President, American Council on Education.

Observers: Dr. Frank Farner, Director, International Programs, American Association of State Colleges and Universities; Mr. Richard A. Humphrey, Director, Program Development, American Council on Education; Dr. Charles V. Kidd, Director, Council on Federal Relations; Dr. Paul Shaffer, Director, International Programs Office, National Association of State Universities and Land-Grant Colleges; Mr. Howard P. Wile, Executive Director, Committee on Governmental Relations, National Association of College and University Business Officers.

Labor Advisory Committee on Foreign Assistance

Advises the Administrator and AID on its labor programs, policies and problems.

Members--(fiscal year 1971): 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. Grospron, 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 M. McLellan, Inter-American Representative, Department of International Affairs, AFL-CIO; Harry Goldberg, International Affairs Representative, Department of International Affairs, AFL-CIO; Morris Paladino, Executive 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; Graham McKelvey, Director, National and International Affairs, United Mine Workers.

*American Institute of Certified Public
Accountants Committee on Relationships with
Agency for International Development*

Advises AID on principles and practices applicable and useful in professional public accounting and in government audits.

Members (fiscal year 1971): Chairman, Gerald A. Polansky, Touche Ross & Co.; Robert S. MacClure, Peat, Marwick, Mitchell & Co.; Jerry Kolb, Haskins & Sells; W. C. Ings, Arthur Young & Co.; Eugene H. Lott, Laventhol, Krekstein, Horwath & Horwath; John Sifton, Lybrand Ross Bros. & Montgomery; M. Hubler, American Institute of Certified Public Accountants.

Interagency Committee on Net Imports

Maintains the AID net import list of items not to be financed by AID and promotes maximum utilization of excess materials available from U. S. Strategic and Critical Stockpile.

Members (fiscal year 1971): AID — R. J. Torrey, Chairman; James W. Tribble; A. Bennett; J. Tannhauser; Virginia Hancock; J. V. Tibbutt; and Max Harway.

Other Members: Charley Denton, Department of Commerce; J. Gionfriddo, General Services Administration; Ed Gordon, Department of the Treasury; Otto A. Atzert, Department of Agriculture; T. Austin Ivory, Office of Management and Budget; and Donald F. Meyers, Department of State.

Subcommittee on AID Commodity Credit Corporation Matters (Subcommittee of Foreign Exchange Committee, an informal advisory committee to the Federal Reserve Bank of New York)

Advises on procedural and operational matters within the broad framework of AID Regulation 1 and the Letter of Commitment procedure.

Members (fiscal year 1971): Chairman, John H. DeBenedictis, Chase Manhattan Bank; Harold T. McGrath, Manufacturers Hanover Trust Company; Dominic A. Suplina, Chemical Bank of New York Trust Company; Ruben Verdes, Bank of New York; Alfio Cottone, Irving Trust Company; James A. Harrington, Bankers Trust Company; Alexander M. Gregory, Marine Midland Bank; Frank J. DeRosa, First National City Bank; Clinton W. DeMilt, Morgan Guaranty Trust Company; Thomas Cosenza, Bank of America.

Subcommittee for U. S. Government Agencies (Subcommittee of Western Committee on International Banking)

Advises on procedural and operational matters within the broad framework of AID Regulation 1 and the Letter of Commitment procedure.

Members (fiscal year 1971): Chairman, Donald W. Jardine, Wells Fargo Bank; David A. Cassinelli, Crocker-Citizen National Bank; C. Roks, United California Bank.

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ANNUAL REPORT TO THE CONGRESS - FY 1971**