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CAPITAL ASSISTANCE PAPER

Proposal and Recommendations
For the Review of the
Development Loan Committee

EL SALVADOR - AMERICAN SCHOOL

AID-DLC/P-482

UNCLASSIFIED

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
Washington, D.C. 20523

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AID-DLC/P-482
October 26, 1966

MEMORANDUM FOR THE DEVELOPMENT LOAN COMMITTEE

SUBJECT: El Salvador - The American School

Attached for your review are the recommendations for authoization of a loan in an amount not to exceed $600,000 to the American School ("Borrower") to assist in financing part of the capital requirements of a long term development plan which will increase Borrower's role as a model institution in San Salvador.

If no request for a meeting of the DLSC is received by close of business on Friday, November 4, 1966, from any member or observer of the DLSC, it will be assumed that there are no objections to authorization of the proposed loan.

Rachel C. Rogers
Assistant Secretary
Development Loan Committee

Attachments:
Summary and Recommendations
Project Analysis
Annexes A-F

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October 26, 1966
Revised January 9, 1967

EL SALVADOR - AMERICAN SCHOOL

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EL SALVADOR - AMERICAN SCHOOL LOAN

SUMMARY AND RECOMMENDATIONS

1. APPLICANT: The American School of San Salvador, El Salvador (Escuela Americana) a private, non-profit educational association, operating a school from Kindergarten through Grade 12.

2. LOAN AMOUNT: Not to exceed $600,000

3. TOTAL COST OF PROJECT: This project is part of a $1,357,000 15-year high school expansion program for construction and acquisition of fixed assets. In the total 15-year program, the proposed A. I. D. loan will provide 44.2% of the financing. The total 15-year program cost is broken down as follows:

A.	1957-63 Phases I-V Financed by Borrower	$ 223,000
B.	1966-68 Phase VI - "The Project"	
	Financed by A. I. D. Loan	600,000
	Financed by Borrower	109,000
C.	1968-70 Phase VII Financed by Borrower	425,000
		$ 1,357,000

Estimated cost of the Project (which is Phase VI of the 15-year program) over a three year disbursement period is expressed in U. S. dollars as follows:

Financed by A. I. D. Loan

U. S. Dollar Costs (100%)	$ 202,000	29%
Local Currency Costs (78.5%)	$ 398,000	56%
	$ 600,000	85%

Financed by Borrower

Local Currency Costs (21.5%)	$ 109,000	15%
TOTAL	$ 709,000	100%

4. DESCRIPTION OF ACTIVITY: The Project will assist in the financing of construction and equipment for two buildings at the elementary school location (1) a two-level high school building to house eleven classrooms, laboratory facilities, a library, administrative offices, teachers' lounge, kitchen and cafeteria, and (2) an auditorium with two music rooms.

5. PURPOSE OF ACTIVITY: The project will provide a much needed consolidation of all of the School's activities at one location, expand its capacity by 300 students by creating additional classroom facilities, improve operating efficiency by elimination of some duplication of administrative and science facilities, and upgrade the quality of instruction of this integral part of the Salvadoran school system.

6. BACKGROUND OF ACTIVITY: The American School officials first discussed with A.I.D. in early 1964 a possible loan for construction. On June 1, 1964, an application for $503,000 was submitted; on January 4, 1965, a revised application was submitted for $1,015,872 for construction of high school buildings, auditorium, athletic facilities, debt refinancing from the loan request. The Intensive Review was delayed while awaiting the American School submission of a revised and acceptable application, which was received March 4, 1966, and amended by various documents until the end of July 1966.

7. ALTERNATE FINANCING: There is no long-term, local financing available for this Project. The Eximbank expressed no interest due to the loan terms and high local cost component. The IBRD and IDB have indicated they are not interested in this project. This project was never presented to the American School Committee for their consideration as the American School Committee awards funds to member schools for small purchases, i.e. laboratory equipment, etc., but is not involved in the evaluation of applications for large expansion programs of the nature under consideration.

8. COUNTRY TEAM COMMENTS: The Country Team strongly supports this project as a significant contribution towards the Salvadoran educational system. The Ministry of Education and the National Planning Council of the GOES have expressed keen interest in the successful implementation of this project as a part of the private enterprise contribution to the improvement of the secondary educational system envisioned in the GOES Five-Year Development Plan.

9. STATUTORY CRITERIA: All statutory criteria have been met or will be met.

10. ISSUES: (a) The interest rate and repayment period, (b) amount of self-help contribution, (c) the role of the American School in El Salvador's development, (d) its function as a major instrument for the training of future leaders of El Salvador.

11. RECOMMENDATIONS: Authorization of a loan to the American School for an amount not to exceed $600,000 according to the following terms and conditions:

A. Interest and Payment Terms: The Borrower shall repay the loan to A.I.D. in United States Dollars within twenty-five (25) years from the date of first disbursement under the loan, including a grace period of not to exceed five (5) years. The Borrower shall pay to A.I.D. in United States Dollars on the disbursed balance of the loan interest of two (2) percent per annum during the grace period and three and one-half ($3\frac{1}{2}$) percent thereafter.

1. The "two step" option (40-year term, 10-year grace, one (1) percent interest during grace period and two and one-half ($2\frac{1}{2}$) percent thereafter) will be offered to the Government of El Salvador.

B. Other Terms and Conditions:

1. Prior to first disbursement, the School shall submit for A.I.D.'s approval, plans for

   (a) Improving the quality of staff, recruitment and retention of superior teachers.

   (b) Increasing the role of the School as a model school for demonstration of American educational methods, including plans to increase the number of Normal School teacher trainees who intern in the School.

2. The School will covenant to sell or otherwise dispose of the land now occupied by the high school at the earliest practicable date, using the proceeds to buy land for athletic facilities, construct the proposed athletic facilities and to apply any remaining balance to a scholarship fund to provide scholarships in the high school for public elementary school graduates and to provide scholarships in the elementary school.

3. The School will increase its scholarships from the present 24 to a total of 35 by school year 1967 and to 50 by school year 1968, with the financing to come from private donations or operating budget.

4. The loan shall be secured by a mortgage or fidecomiso acceptable to A.I.D.

5. The loan will be subject to such other terms and conditions as A.I.D. may deem advisable.

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PROJECT COMMITTEE

Capital Development Office	: Carlos F. Borja, Jr. : Theodore T. Foley
Program	: Richard Herr
Educational Advisor	: Dr. Melvin Gruwell, Dean : Tulane University Consultant
ROCAP	: Edwin J. Peterson : Architect/Engineer
	: Jean Artaud:ROCAP/CD
Legal Advisor	: William Skidmore: ROCAP/GC : with submission to AID/W-GC/LA : for clearance of authorization

Drafted:TFoley/RSingleton/MGruwell

SECTION I - HISTORY AND BACKGROUND

A. The Borrower

1. The School: The American School (Escuela Americana) is a private, non-political, non-profit association in San Salvador providing United States type education from kindergarten through high school for a student body of 950. Membership in the Association is limited to parents of children enrolled in the school and a few holders of bonds issued by the American High School prior to the 1964 merger. The ordinary business of the School is conducted by a Board of Directors (who must be parents of children enrolled in the School) elected by the Association. The Association is a legal entity with authority to borrow money. (It is the opinion of the Regional Attorney that the Association is a qualified borrower.) (See Annex B, Exhibits 1 and 2, for charter of School and Board of Directors.) The school is managed by its Board of Directors; two of the ten directors are members of the Country Team.

2. History: The American School was founded in 1946 to provide kindergarten and elementary school instruction. Its original enrollment consisted of 33 students. The American High School was founded in 1957 as a separate school for grades 9 through 12. Its present location is about one mile from the elementary school site. In 1964, the Government of El Salvador approved the merger of the two schools into one American School. A new, single Board of Directors was elected, and the School now operates all grades from Kindergarten through Grade 12 with an enrollment of 950 students, 66% of whom are Salvadorans.

3. Accreditation: Since the School's founding in 1946, the elementary course of study in Spanish has been officially recognized as equivalent to the official courses of study in the national schools of El Salvador and the American School has been officially authorized by the Ministry of Education to award certificates of promotion.

In 1962, the Ministry of Education issued a decree recognizing the American High School diploma as equivalent to the Bachillerato which is awarded at the completion of secondary education in the national school system (11th grade in El Salvador). It is believed that no other American School in Latin America has been given this type of recognition.

The American School is a member in good standing of the Southern Association of Colleges and Schools. Its high school program has been accredited by the Southern Association since 1962. (See Annex B, Exhibit 3.)

The Elementary School program is enrolled with the Southern Association's Cooperative Program for Elementary Education. The American School has not yet applied for accreditation for its elementary program, but plans to do so soon.

4. Faculty and Administration: The School is administered by an American Headmaster, assisted by two Salvadoran Vice-Principals. The 43 member full-time teaching faculty is composed of Salvadorans, Americans and of other nationalities. The American School has a very low turnover of teachers in spite of the low salaries for the Americans, as indicated by the table below:

1966 School Year

Years with American School	American	Salvadoran	Other	Total
First Year	2	2	-	4
1-4 Years	8	8	2	18
5 or More Years	6	13	2	21

With financing by State Department grants, the American School in each of the four years 1960-1963 sent three different Salvadoran teachers of their staff to the United States for a ten-week period to observe teaching methods and practices used in the United States. These Salvadoran teachers are still with the School.

While training of Salvadoran teachers and administrators is not central to the loan proposal, the commitment of the school administration to assist in training Salvadoran teachers and administrators represents a direct contribution to the development process.

5. Curriculum: From Kindergarten through the sixth grade, three hours a day of standard American curriculum are given in English by American teachers and three hours a day of official Salvadoran courses in Spanish by Salvadoran teachers. The Spanish courses, which are required by the School's charter, have been officially recognized since the founding as equivalent to the official course of study in the Salvadoran national schools. Except for math, there is little or no overlapping of instruction.

From the seventh through the twelfth grade, the United States curriculum in English is offered for those preparing for college. However, every student is required to take one course each year, taught by Salvadoran teachers. Both college preparatory and commercial courses are offered in the high school.

6. The Student Body: The student body of 950 in the 1965 school year was composed of 66% Salvadorans, 22% Americans, and 12% representing 20 other nationalities. The student body is drawn from all economic levels of the community, although the tuition limits it primarily to the upper class. Three of the last four Presidents of El Salvador have enrolled their children in the American School. In addition to the current President of El Salvador, among those parents sending their children to the School in 1965-66 are included the Minister of the Interior, the Minister of Public Health, the Executive Secretary of the Salvadoran Economic Planning Council, the Director of Telecommunications, the Director of Police.

However, the School strives for a representative cross section of students. In addition to the 24 scholarships given each year, some 225 parents pay their tuition by instalments (See Annex B, Exhibit 9).

The expansion will result in an increase in the student body from the present 950 students to 1248 and permit the current favorable balance of United States and Salvadoran students to be maintained.

7. Role of Educational Laboratory: The Charter of the Schools states: ". . . it is very expedient to authorize the establishment of a model school to demonstrate the theory and practice of education in the United States."

In line with the above, the School has engaged in the following:

(a) Between 1960 and 1963, the American School sent 12 of its Salvadoran teachers to the United States for a ten-week period to observe teaching in the U. S. schools. Upon return several gave talks to groups of local teachers on their experiences and impressions.

(b) The Minister of Education sent one of his top supervisors to the American School during the present school year for seven weeks to observe teaching methods and programs.

(c) The Headmaster has conferred with the Minister of Education many times and recently advised him on the introduction into the national school system of the modern mathematics curriculum taught in the United States and which is now being taught in grades 4-12 at the American School. The Headmaster has given the Minister of Education a set of modern mathematic books, including grades 7-12 which had been translated into Spanish. He has participated in discussion at the Centro Cultural and has worked with supervisors from the Escuela Normal Superior on method and course of study content.

(d) The American School has extended a standing invitation to the Escuela Normal and the Escuela Normal Superior de El Salvador and other normal schools for their students and teachers to visit the

School at any time to observe classes and teaching methods. Escuela Normal teachers have reacted favorably to this opportunity and have already begun to take advantage by attending classes. The American School at present is of much less utility as a demonstration school than it will be after expansion and improvements which the loan will make possible. Laboratory equipment, to mention only one important aspect, is inadequate at present for demonstration purposes. It is believed that the new loan will permit the American School to serve as a highly effective educational demonstration institution, particularly in view of its projected utilization as a training center for Normal School interns.

(e) The American School has developed a complete set of record forms needed by a well-organized school and samples have been requested and given to many Salvadoran educators who have visited the School.

8. Scholarships: The American School has sought to extend financial assistance for Salvadoran pupils whose parents could not otherwise afford the tuition. For the school year 1965-66, 24 scholarships were given to pupils--11 for high school and 13 for elementary school. Fifteen of the scholarships were financed by grants from the State Department. The remainder were financed by companies operating in El Salvador and by interest earned on the Escuela Americana Scholarship Fund ($8,400 of donations by parents and friends of the school).

The financial assistance is awarded to Salvadoran children on the basis of ability and need. The final selection is made by the Board of Directors on the basis of a qualifying examination given to the prospective recipients of the support.

As a condition for the A.I.D. loan, the Board of Directors has agreed to develop a special financial assistance program to attain an enrollment at the high school level to assure an enrollment representative of a cross section of the El Salvadoran population.

As part of this program, the School will set aside surplus funds from the sale of land (proceeds from the sale of land will initially be applied to the financing of athletic facilities) to establish additional scholarships.

9. Tuition: The present tuition rate was set by the Board of Directors in 1964, and represents a substantial increase over previous rates. The new tuition was designed to cover all operating expenses at each grade.

Tuition (Includes Textbooks) Per Year

	Old	New
Kindergarten	$200	$270
Grades 1 & 2	$240	$300
Grades 3, 4 & 5	$240	$310
Grades 6	$260	$310
Grades 7 & 8	$304	$400

Since the high school grades 9-12) were not operating at a loss in 1964, the tuition remained the same at $660.

In addition to the tuition, if the parent does not purchase a $200 school bond which pays 6% interest, he must pay $18 to the construction fund for each child. There is a $56 annual fee for those children riding the school buses.

The School feels that a further tuition increase at this time would be met with strong resistance. In comparison with charges in comparable Salvadoran schools, the rate now is quite high.

10. Previous U. S. Assistance: Since 1950, the State Department and A. I. D. have made various grants totalling $275,200 for salary supplementation, scholarships, educational materials and the purchase of land and construction of the 4-room junior high building. In addition the American Embassy donated in 1960 the land where the high school is now located. (See Annex D Exhibit 8).

SECTION II - EDUCATIONAL ANALYSIS

In view of the fact that the present elementary school facility, with minor remodeling, is adequate for the present and projected school enrollment for grades kindergarten - eighth (two additional classrooms will be needed for the grades 7-8), this analysis will focus on the educational and physical requirements of grades 9-12 and selected components that influence the total school operation. The School already has more applications for admission than student spaces in some grades and exercises certain desirable selection and admission procedures; these procedures should continue.

The present secondary school facilities will be replaced. Other than recognizing the fact that the land represents a very valuable asset, no discussion regarding that unit is required.

It is, however, important from an educational point of view that the two school units (high school and elementary) be placed at one location, with one administration, the program of studies articulated grades K- 12th, and that student promotion from grade to grade be as smooth and efficient as possible.

A. Administration: The Board of Directors represents both El Salvadoran and United States interests. The members devote considerable time and energy as a board in directing the affairs of the school. They have employed an administrative staff and delegate to this staff the functions relating to the educational program and the routine day-to-day functions of administration such as collecting funds, accounting, purchasing, pupil transportation, food services and nursing services.

The administrative functions of the school are more involved than would be the case of a similar school in the United States. The American School collects its own funds and has an accounting staff. It provides extensive health services due to the limited services otherwise available to many students of the school. In order to provide for these services for both the elementary and high school units it is necessary to expand the facilities along the lines contemplated.

B. Staff: The teacher-pupil ratio in the elementary school is

ideal. The teacher-pupil ratio in the high school is such that more students could be handled without adding staff members. In effecting the proposed change-over from two sites to one site and one coordinated unit, no added staff members would be required.

The teaching staff is the heart of any school system. With respect to the academic achievement of the staff members (earned degrees), the staff of the School ranks first among all institutions in El Salvador. All teachers have either completed a "titulo" at the Superior Normal School, or other normal schools or hold B.A. or M.A. degrees from American colleges or universities. Fourteen hold valid teaching certificates in a state in the United States. For the most part they are teaching in academic areas of preparation.

The number of years of classroom teaching is also impressive, ranging from less than one year to 32 years. The median being eight and the median number of years in the present position being 4½ years.

Training and experience are valid measures, however, only when the person has the opportunity to perform in a given situation. Due to limited facilities and the [illegible] of staff improvement, the teaching performance [illegible] is at best - fair. The performance [illegible] in view of the rigid academic training [illegible] to American universities.

C. Instruction: The program of instruction at the elementary level is strong. [illegible] level. Part of this will be solved when the new [illegible] available. However, facilities only provide the [illegible] quality of instruction [illegible] the staff members. As previously indicated [illegible] good. The greatest differentiation between the [illegible] and the high school, with the primary staff [illegible]

A number of years ago, the Southern Association of Colleges and Schools accepted the responsibility of [illegible] the continental limits of the United States. [illegible] Cooperative Board setting certain criteria for [illegible] these schools, taking into account [illegible] a school in a foreign country. The American School was inspected by a team of educators representing the Southern Association and as a result, accreditation was granted. The [illegible] is a member in good

standing of the Association and its Cooperative Programs Board.

Other action taken by the School for improvement include:

1. A working agreement with Michigan State University within the Association of American Schools of Central America to provide [illegible] etc., for staff members;

2. An educational exchange program under the sponsorship of Overseas Schools of the State Department between the American School and the School Department of the City of Boston to evaluate and up grade the educational program;

3. A new salary schedule for teachers that is competitive with smaller school systems in the United States will go into effect beginning with the school year 1967; and

4. Provision of recent texts and other teaching aids for the [illegible]

These actions, in and of themselves, are important and represent [illegible]. They are designed to assist in securing and retaining a [illegible] staff and in guaranteeing better classroom instruction. While [illegible] are isolated actions and as yet have not produced as many improvements as had been anticipated, much of the problem is the recency [illegible] actions do speak well of the Board's intent.

[illegible] The Board of Directors submitted to USAID/El Salvador [illegible] which they do not intend to provide facilities. This is shown in the following table. Additional data on [illegible] is shown in Annex B Exhibit 5.

Facilities Ceiling Anticipated by Board of Directors

[illegible]	No. of Sections	No. of Students	Totals by Admission Division
[illegible]	3	108	108
[illegible]	4	120	
[illegible]	4	120	
[illegible]	4	120	
[illegible]	4	120	
[illegible]	4	120	
[illegible]	4	120	720
7	3	90	

Grade	No. of Sections	No. of Students	Totals by Admission Division
8	3	90	
9	2	60	240
10	2	60	
11.	2	60	
12	2	60	180
Grand Total	41	1248	1248

There are 950 students presently enrolled in the same number of grades at the American School. This includes 25 commercial students who are carried as special students at the high school level. The projected enrollment for 1972 indicates a total of 1178 students including 50 special commercial students.

Annex B Exhibit 6 shows the present (1966) enrollment at the American School.

Grade	No. of Sections	No. of Students	Totals by Admission Division
Kindergarten	4	106	106
1	4	116	
2	4	116	
3	4	117	
4	4	116	
5	3	87	
6	3	84	636
7	2	51	
8	2	37	
9	1	26	114
10	1	28	
11	1	21	
12	1	20	69
Special (Comm'l.)	1	25	25
Grand Totals	35	950	950

The data reveal that, with existing facilities, the holding power of the high school sections is not strong. This is clearly reflected by the drop from an average of over 100 students in the first six grades to approximately twenty in the two top grades.

It becomes obvious that for the Board of Directors to reach and tain its "Enrollment Ceiling" of 1248 students within a reasonable , it must take strong measures to overcome the problems indicated he enrollment data.

In meeting the objectives of the school (model school, etc.) providing for the program of studies required in meeting these ctives and providing facilities to handle all the school fuc- ns (instruction, administration, transportation, accounting, etc.) building plans are basically sound from the standpoint of educa- nal needs.

It is estimated that the administrative staff will comprise the following in 1972:

1 Director
2 Sub-Directors
6 Secretaries
1 Business Manager
1 Auditor
2 Bookkeepers
2 Principals

Note: Staff at present is the same as anticipated for 1972 except for the two principals to be added.

It is anticipated that 485 students and teachers will be served by the cafeteria in 1972, as against an ultimate estimated capacity of 555. The school nurse will serve an estimated 44 students and faculty per day. Facilities planned for the cafeteria, health services, administrative functions, teachers' lounge, laboratories and classroom space are within reason.

Of the three laboratories planned, two would be scientific (Chemistry, physics, etc.) and one would be a commercial studies laboratory.

F. Success of Graduates. Graduates and transfer students have been reasonably successful in their new scholastic units. Not all graduates of the high school continue in higher education. This is not different from the high schools in the United States. The graduating class of July, 1964 consisted of 31 students. Twenty-four entered 19 colleges in the United States, El Salvador and England. The graduating class of July, 1965 consisted of twenty

students. The eight college preparatory students were accepted by colleges in the United States. Of the twelve in commercial program, ten have employment in San Salvador and two are married.

As in the United States, success in college depends almost entirely upon the individual and his desire. Graduates of the School who have a keen desire and are highly motivated are successful in college as evidenced by the fact that graduates have done well at Harvard, Yale, Princeton, Oberlin, Tulane and Georgetown to name a few.

SECTION III - ENGINEERING ANALYSIS

A. General Description of Project

Preliminary plans, specifications and cost estimates for the two buildings have been prepared under the supervision of the Resident Manager of TAMS (International Consulting Engineers), who is a member of the School Board of Directors. He has been assisted in preparation of this material by Architect/Engineers Mario Alvarez Alvarez (also a member of the Board), Renato Romero and Rafael A. Cordero. All served on an unremunerated volunteer basis.

The architectural and engineering conception of the American School is a logical, functional and economic solution of the project program of the School and is consistent with modern school design while harmonizing with the style of buildings in the San Benito area.

The structural system used is of reinforced concrete and structural sttel designed to resist the seismic forces found in this area.

The orientation of the classroom structures affords the maximum use of natural light and ventilation.

The work to be financed under this loan consists of two buildings; a two-story structure with classrooms, laboratories, library, administrative offices and an auditorium seating 750. The classroom building will be located adjacent to the existing junior high school wing and will have a separate entrance with access to a street on the north, and off street parking for about 40 cars. Construction is of reinforced concrete frame floor and roof slabs with masonry filler walls and partitions. Seven senior-junior high school classrooms, laboratory facilities and library will be on the upper level with the four junior high school classrooms, administration area, teachers' lounge, kitchen and cafeteria on the lower floor.

The auditorium site is next to the present grade school facing Av. La Capilla. It will be connected to the elementary school by a covered passage and will have a separate access from the Junior-Senior High School by means of a walkway to the west of the elementary school. The auditorium is located to serve both junior-senior high school and grade school and will be readily accessible to the public from Boulevard del Hipodromo. Limited off street parking will be provided next to the auditorium, however, enough street parking is available close by to take care of the auditorium patrons. The auditorium will have a total seating capacity of 750. The space alloca-

tion in the auditorium will be such that it can be used as a multi-purpose facility. Construction will be reinforced concrete columns and masonry filler walls, and steel truss roof. The stage will be equipped for dramatic productions as well as motion picture projection. Two music rooms will be located on the ground floor adjacent to the elementary school.

Cost of the two buildings, equipment and contingencies is estimated at a total of $709,000 of which $202,000 is foreign exchange and $507,000 local currency (see detailed cost breakdown Annex C Exhibit 2).

B. Engineering Plan

1. Technical Feasibility

In an official document submitted by the Board of Directors of the American School to the U. S. A. I. D. Mission, the Board stated that they were building for an ultimate capacity of 1248 students, grades K-12. Grades K-6 would have approximately 828 students; grades 7-9, 240; and grades 10-12, 180.

The present primary school is adequate to accommodate the additional primary students. The existing primary school auditorium with a maximum seating capacity of 350 and a small stage is too small even for its present use and will be converted into a much needed library and other facilities for the primary grades. The new auditorium seating 750 with an adequate stage will accommodate all major school functions requiring that type of facility and community activities. However, at graduations, as many as 1500 can be expected and other arrangements will be made to accommodate pupils, parents, and friends. A gymnasium is being planned as a future expansion to be financed by the School. This could accommodate such gatherings.

The necessary financial and technical planning for the project has been completed and reasonably firm cost estimates have been developed. A ROCAP architect/engineer reviewed and approved the project as meeting the requirements of Section 611 of the Foreign Assistance Act as amended. He made a thorough review in El Salvador of the cost estimates and feasibility studies and a critical review of the preliminary plans and specifications.

2. Engineering Plan for Project Implementation

The Board of Directors of the American School will have the responsibility for overall direction of the project. The Board proposes to appoint the firm of Architect/Engineer Renato Romero to complete construction plans and specifications and to supervise construction of the high school building and, the firm of Architect/Engineer Rafael A. Cordero to perform these services for construction of the auditorium.

A review of the backgrounds and experience records of the professional members of these firms indicates that they are qualified to design and supervise construction of the project.

Based upon the successful record, technical and professional qualifications of these firms, it is believed to be in the best interest of the school that they be engaged as architects. The contracts, final plans and specifications which they develop will be submitted for prior A.I.D. approval.

The American School will obtain bids for construction on a competitive basis and award contracts. The School anticipates no shortage of material, skilled and unskilled labor at the construction site. Power, water and sewerage is available at the site. The two buildings will be scheduled for construction simultaneously so that contractors can bid on both. School equipment included in the loan will be purchased directly and will not be part of the construction contract. There are at present many local contractors capable of handling this work, however, prequalification procedure will be used and only those selected on this basis will be invited to bid. Bidding will be open to qualified U. S. and Central American contractors or combination of the two. A lump sum bid will be solicited for each building separately or both together.

3. Monitoring of Engineering and Construction

A ROCAP Architect/Engineer and a ROCAP General Engineer, will have the overriding responsibility for the monitorning of the construction phase of this project. ROCAP Engineers are available to the Mission on an as-needed basis. In addition, the Mission expects to have its own Resident Engineer on a full-time basis in January, 1967. These Engineers are men of considerable proven experience in similar construction projects in many Latin American countries.

4. Maintenance

Consolidation of the high school at the primary school site will facilitate maintenance. Periodic inspections of the existing buildings owned and operated by the American School indicate that the institution has an effective maintenance system. An increase of two people (at annual cost of $1,500) in present janitorial staff is planned and the present high maintenance standard should be continued.

SECTION IV - ECONOMIC ANALYSIS

A. Project's Place in El Salvador's Development Program and U. S. Assistance Strategy: This project is included in Goal IV of the FY 1967 Country Assistance Program, "Human Resources Development." The activity target is to improve and expand the American School in San Salvador as a demonstration center of American education in El Salvador and increase its contribution to the Salvadoran educational system.

As stated elsewhere this is recognized by the Ministry of Education and the National Planning Council of the GOES who have shown keen interest in the implementation of this project as a part of the private enterprise contribution to the improvement of the secondary educational system. The GOES' Five-Year Development Plan places important emphasis on the upgrading of the secondary school system.

B. Contribution to Economic Development of El Salvador: As a prerequisite for economic development, investment in education is one of the principal forms of productive investment that enables a modern society to grow. One of the serious limitations to socio-economic growth in El Salvador is its deficiency in the human resources component due to the shortage of trained and educated people, particularly at the secondary school level who are capable of middle-level technical or supervisory occupations or undertaking further education at the university level. Expansion of secondary education has been identified by the GOES' Five-Year Plan, in A.I.D. programming, and by a special IBRD/UNESCO educational planning mission (May 1965) as a highest priority need in the educational sector.

The implementation of this loan project will promote Salvadoran development in general and Salvadoran educational progress in particular by (1) strengthening the American School's ability to carry out a program by which Salvadoran educators can observe the modern educational practices and philosophy used by the American School; (2) establishing a program under which Salvadoran Norman School teacher-trainees will intern in the American School; (3) preparing more graduates with qualifications requisite for entering the U. S. universities and thereby attempting to stimulate current and future leaders toward modernizing El Salvador; (4) serving as a lever to elicit more local private sources to increase their contribution to Salvadoran educational development.

The students of the Superior Normal School and other Salvadoran teacher-training institutions do not have available to them a demonstration teacher-training program in modern methods or curriculum comparable to such facilities in the United States. The American School will be in a position to make such a center available to Salvadoran educators both for practical and theoretical training techniques. The Salvadorans have already agreed to participate in such teacher training program developed in conjunction with an expanded and refurbished American School since they clearly recognized that this project offers the Salvadoran educational community a unique opportunity in the field of education unavailable to most under-developed countries.

Since the majority of students attending the American School (approximately 66%) are Salvadorans from the expanding and influential middle class, this proposed model American School offers two other advantages consonant with U. S. political and economic objectives. It would insure an ever increasing number of Salvadorans equipped to pursue technical disciplines in U. S. colleges and universities. It would also help to alleviate the severe shortages of adequately trained Salvadorans which will be required in the decade ahead to provide the absorptive capacity El Salvador needs to continue her economic progress. Simultaneously, The American School would strengthen and expand its Salvadoran graduates' understanding of American practices and institutions.

Finally, the proposed loan will help to increase the immediate Salvadoran contribution to educational development in the form of the self-help required by the terms of the proposed loan which involves raising funds for land and refinancing current debt, raising tuition and increasing scholarships.

The American School will provide an influential impetus to the educational system by serving as a model school and by introducing

new ideas in education. El Salvador's expanding population and developing economy insure a continuing and increasing demand for the services provided by the American School.

C. Impact on El Salvador's Balance of Payments Problem: The economic benefits deriving from this project are long range and cannot be readily quantified into a measureable financial sum. However, the project will contribute a modest strengthening to the internal economy effected by the development of a larger number of middle management personnel as a key component to provide well trained leadership to implement the necessary development of the country. The availability of an increased well trained leadership group for economic development may be expected to result in a long range increase in exports, particularly non-traditional exports, thus assisting in bettering El Salvador's long range balance of payments position.

D. Economic Soundness: This project committee considers this loan as economically sound in its emphasis upon assisting long range growth plans and programs designed to develop El Salvador's economic resources, to increase its productive capabilities, and improve the general level of living of the people.

SECTION V - FINANCIAL ANALYSIS

A. Total Financial Requirements

The estimated cost of the three-year Project for the construction and equipment of two buildings at the present elementary school location including (1) a two-level high school building to house eleven classrooms, laboratory facilities, a library, administrative offices, teacher's lounge, kitchen and cafeteria, and (2) an auditorium with two music rooms, is the equivalent of $709,000, of which the U. S. dollar component is estimated at $202,000 (for imported fixtures and equipment). 100% of the U. S. dollar cost of the Project will be funded by the A.I.D. loan. Of the local currency component, 78.5% will be contributed by the A.I.D. loan and 21.5% by the Borrower, as demonstrated below (expressed in U. S. dollars):

Financed by A.I.D. Loan:

U. S. Dollar Costs (100%)	$202,000	29%
Local Currency Costs (78.5%)	398,000	56%
	$600,000	85%

Financed by Borrower:

Local Currency Costs (21.5%)	$109,000	15%
TOTAL	$709,000	100%

For details, see Annex D, Exhibit 1.

In the total 15-year program, the proposed A.I.D. loan will provide 44.2% of the financing. However, in this Project (as is shown in Summary & Recommendations, item 3, second paragraph) A.I.D. will be financing 85% of the Project. The 15% school resources ($109,000) are divided into $12,000 cash from operating revenues, $37,000 in the form of land for the auditorium at the grade school site, and land valued at $60,000 at the new high school site. The latter was originally acquired with funds obtained from the U. S. Government in the form of a grant made in 1963.

Implementation of the Project will make it possible for the School to generate the local currency for the execution of Phase VII of its Program which is estimated to cost the equivalent of $425,000. The Project will enable the School to generate enough funds to make a $534,000 contribution to the total local currency component of the two projects needed to complete its 15-year expansion plan, and bring the School's local currency component contribution up to 57.3% and A.I.D.'s to 42.7% of the costs of completing the Program.

B. Borrower's Financial Status and Financial Position

1. Corporate Organization of Borrower

The American School is a private non-profit educational association established in El Salvador in 1946 and authorized under the laws of the Republic of El Salvador by Decree 17, dated November 19, 1946. A subsequent decree issued in 1962 recognizes the American High School diploma as being equivalent to the "Bachillerato," which is awarded at the completion of secondary education by the national school system. It is recognized and authorized by the Ministry of Education. (See Annex B, Exhibit 1, and Annex D, Exhibit 7.) The school operates as a part of the Salvadoran Government's educational system under the private sector administration of its Board of Directors (elected from among the parents of pupils), with its curricula staff and operations supervised by the Ministry of Education. The American School is authorized to employ the plan of studies and educational systems employed in the United States, adapted to local needs; to carry on instruction in the English language, with the exception of certain required courses which must be taught also in the Spanish language.

2. Borrower's Sources of Funds

Net operating income (excluding donations) of the American School produces 85.2% of its total income as indicated by its recent financial statements. Most of this net operating income (83.4%) is obtained from tuitions. The balance of net operating income is derived from a Construction Fund Fee of $18 per year per child and transportation fees. Income from other than operations consists mostly of donations. Over the past four years three-fourths of the donations received have been State Department and A.I.D. grants.

With respect to the issue involving the amount of self-help contribution (b. ii), the principal Salvadoran contribution has been delineated previously (p. 16). This included a program for teacher-intern training as well as an American oriented education for an increasing number of Salvadoran students. Apart from this considerable element of self-help, the American School is unable to provide additional financial contributions due to its very limited resources elucidated in the Cash Flow Table (Annex D, Exhibit 3).

3. Borrower's [illegible]

An exa[illegible] American School [illegible] This is a cons[illegible] are carried at [illegible] estimated mark[illegible]

When the [illegible] completed and the [illegible] the site of the [illegible] buildings which th[illegible] disposable asset [illegible] Phase VII of the [illegible] contemplates acqui[illegible] school, and installation of [illegible]

A certified [illegible] land is not available. [illegible] School Board (which includes [illegible] to have approximately [illegible] valuation of $150,000 [illegible] sheet.

4. Borrower's Present Indebtedness

a. Short Term: The [illegible] financed its annual [illegible] London and Montreal [illegible] year, the American [illegible] up a new overdraft [illegible] position. The overdraft [illegible] America in lieu of [illegible] increase of 1964, the financial [illegible] steadily improved [illegible] recourse to overdraft facilities, [illegible] Bank of London and Montreal [illegible] financial statements. [illegible] school are represented by $4,[illegible] 1961, and $7,800 of Series B [illegible] not been presented for redemption. [illegible] stopped at maturity.

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b. Long Term: Outstanding long-term indebtedness as of April 30, 1966, was $94,904. This consists of:

Bonds - Series C 6s71	$30,400	
Series B (1963) 6s69	$28,200	$58,600
Mortgages with National Mortgage Bank		
No. 105 7s70	$ 7,575	
No. 139 7s74	$15,965	
No. 338 8s78	$12,764	$36,304
		$94,904

The bond issues are medium-term borrowings which were offered to the members of the Association as an alternative to their paying the annual construction fee along with their tuitions. Proceeds from the bond sales were used to assist the School in (1) retiring its long-term debt, and in (2) eliminating the School's need to resort to costly overdraft financing, so as to strengthen the School's financial structure enough for it to be able to solicit external financing for the high school. Since late 1966, the construction fees have been segregated into a construction fund to provide the School's contribution to the high school construction. The medium-term bond borrowings were made at 6% interest instead of soliciting additional Bank of London and Central overdrafts which cost 9% interest. The bond borrowings will be retired in 1969 and 1971, the retirement of these bonds is provided for in the cash flow, and will relieve the School of these obligations thereby releasing cash needed for payment of the A.I.D. loan amortization which commences in 1972.

5. Terms and Interest Rate of A.I.D. Loan

The loan requested from A.I.D. is for the construction of substantial capital assets which the school cannot finance from current operational income, or raise by subscription from its members. Given alternative opportunities for use of capital in El Salvador, funds in the amount required for this purpose would not be available in the market on terms appropriate to the School's financial capability. For such a borrowing to be feasible to the School, it must be at a low enough interest rate and long enough amortization schedule to be reasonably repayable, as projected by the cash flow. For these reasons the twenty-five (25)-year repayment period, which will include a grace period not to exceed five (5) years, and the interest rate of two (2) percent per annum during the grace period and three and one-half ($3\frac{1}{2}$) percent thereafter appears appropriate.

6. Borrower's 15-Year Expansion Program

The School Board informs US AID that it began to see its construction activity as a 15-year Program during its review of long-term school needs approximately in 1962 when it was becoming apparent that (a) the existing high school temporary building facilities were inadequate and would have to be replaced with larger and more suitable quarters, (b) the high school location, a mile away from the grade school and administration facilities, was undesirable and uneconomic from a management standpoint. In this sense, the "15-year Program" is some five years retroactive. During the years immediately prior to and during the presentation of the application, the "program" was clarified and revised a number of times until it became the Program as presented in the loan paper. We believe there is ample precedent both in the United States and abroad to state that plans as originally formulated frequently prove inadequate and must be reformulated on the basis of experience and in the light of revised estimates of requirements.

In the Summary and Recommendation it was noted that this $709,000 Project is a part of the much larger American School 15-year expansion Program. The total Program provides for a $1,357,000 15-year expansion and modernization construction schedule in which the proposed Project is represented as Phase VI.

The United States Government does not have a 15-year plan for support of the School's operations, but considers the School's needs on a yearly basis of merit, priority and availability of State and A.I.D. funds for such purposes. It can be observed from the cash flow prepared by the School that the Board of Directors have made no provisions for funds from United States Government grants beyond those presently committed for FY 1967. If future grants are merited and approved, the operational income of the School would be correspondingly increased. Past United States Government financial support of the School is shown in Annex D, Exhibit 9, and consisted of salary supplements, educational materials and scholarships, etc. (except for the 1963 land and construction grants).

This 15-year Program is shown in Annex D, Exhibit 2. No additional

financing is anticipated to complete this Program. Cash Flow 1966-1972 is shown in Annex D, Exhibit 3.

(Condensed Balance Sheets and Income and Expense statements for the years 1962-63-64-65-66 are shown as Annex D Exhibits 4 and 5).

C. Guaranty

For political reasons the Project Committee considers that it would be unwise to request a guaranty of payment of the loan from the GOES. Under El Salvador's constitution such a guaranty would have to be approved by two-thirds of the National Assembly (Congress), which we believe impossible to secure for a private institution.

The American School has been unable to obtain a guaranty from any private Salvadoran financial institution or individual.

The American School has obtained a Salvadoran legal opinion stating that no difficulty is foreseen in obtaining a GOES guaranty with regard to the convertibility of the dollars that would be destined to the payment of this indebtedness and of the authorization to remit payments of interest and amortization of the principal. (Annex D, Exhibit 6).

The American School Board has indicated that it would be willing to place all of its present unencumbered realty and future realty in a trust for the benefit of A.I.D. as guaranty of payment. While it is unlikely that A.I.D. would undertake to foreclose mortgage on the American School property to provide funds for payment of interest and/or principal on the loan, creation of a secured interest will give A.I.D. a priority over other creditors and should give it a stronger voice in the affairs of the school. Consequently it is recommended that a satisfactory mortgage or fidecomisco be made a condition of the loan.

The loan agreement will contain a provision that, after the end of the grace period, the American School will create a maintenance of value reserve fund to which it will make yearly deposits of local currency equal to one and one-half percent (1 1/2%) of the outstanding principal of the loan until the reserve equals the local currency equivalent of the amount of principal and interest due for the succeeding year. The Borrower will be authorized to use this reserve fund to acquire U. S. dollars with which to pay A. I. D. if the Salvadoran colon depreciates in value. The Salvadoran colon has remained steady at 2. 5 colones to one U. S. dollar since 1934 and there is no present indication that a devaluation is likely.

The American School's management is conservative and its credit

rating is good. Its efficient use of the 1963 grant from the U. S. Government is praiseworthy. (See Audit Report included as Annex D, Exhibit 7).

The Project Committee and the Country Team recommend that this dollar repayable loan be made to the private educational institution, the American School although no guaranty of payment is available from the host government or from private financial institutions. The practical security of the loan will be the fact that a respected group of Salvadoran and American Businessmen and Country Team members have associated themselves with the American School's development program and can be expected to direct and manage the institution so that it will be able to repay the loan.

D. Repayment Prospect

Reasonable prospects for repayment of the loan are determined to exist. The Borrower should be able to meet its dollar debt service payments from operating income and remit these to A. I. D. Although devaluation of the Colon does not appear likely at this time, if it were to take place, the American School should, within a year, be able to adjust its tuitions upward to compensate, and, during that year, maintain payments to A. I. D. from its maintenance of value reserve.

E. Other Free World Financing Available

As previously indicated, neither EXIM, IBRD nor IDB are prepared at this time to extend the necessary financing. It has been determined that private financing, including Salvadoran commercial bank financing, is not presently available, nor seems likely in the foreseeable future. GOES financing is not available to this private sector educational institution.

SECTION VI - IMPACT ON U.S. ECONOMY

This project complements and does not compete with U. S. enterprise. It should provide a small indirect beneficial effect upon the U. S. economy. The U. S. national interest in this project lies in the long-range potential effects of improved secondary educational facilities in El Salvador which establish the basis for expanded trade between El Salvador and the United States, and, concurrently provide an increasing base for commercial trade and both private and public administration by raising the level of competency in the growing middle class.

Many of the American School's Salvadoran graduates go on to colleges and universities in the United States. With the expanded enrollment and facilities made possible by this loan, the beneficial effects of this education will be increased as returned American School/U.S. university graduates take their place in the Salvadoran business and government community.

All goods and services financed by this loan must have their source of origin in the United States, El Salvador, or the Central American Common Market. The direct U. S. dollar component to be utilized in the procurement of goods and services will be financed through the Letter of Commitment procedures. The Special Letter of Credit technique will be utilized to assure purchase of U. S. goods and services from the dollars which are used to finance local currency costs.

SECTION VII - ISSUES

The issues raised have been discussed in detail in the loan paper, as follows:

(a) The interest rate and repayment period (Page 19 a)

(b) Amount of self-help contribution (Page 18 a)

(c) The role of the American School in El Salvador's development (Pages 16 - 17)

(d) Its function as a major instrument for the training of future leaders of El Salvador (Pages 16 and 19 a)

SECTION VIII - CONDITIONS AND COVENANTS

In addition to the usual conditions and covenants, the following will be included in the Loan Agreement:

A. Conditions Precedent

1. Evidence of arrangements for the services of architect/engineer(s) satisfactory to A.I.D. to perform the engineering, prepare the final plans, specifications and contract documents, assist in the bidding and award procedures, supervise construction, certify that the work is being done according to the approved plans and specifications and that payments are correct.

2. Plans, acceptable to A.I.D., for:

a. Improving the quality of staff, recruitment and retention of school teachers.

b. Increasing the role of the School as a model school for demonstration of American School methods, including a promise to undertake the training of more normal school student teachers.

c. Improving the course of instruction.

3. Evidence of registry of the loan with the Ministry of Economy and a statement on availability of U. S. dollars for payment of interest and principal.

4. Evidence of an option to purchase suitable land for athletic facilities, or other evidence, satisfactory to A.I.D., demonstrating the intent of the School to purchase specific adequate land for this purpose.

5. A satisfactory mortgage, fidecomiso, or other security device as security of this loan.

B. Covenants

1. The Borrower shall covenant to acquire satisfactory land for athletic facilities at the earliest practicable date, and to construct upon it the athletic facilities contemplated in Phase VII of its 15-year expansion program. Phase VII of the 15-year expansion program now contemplates that this would be made possible by the sale or other disposition of the 7.9 acres of land now occupied by the high school and that any remaining balance of proceeds from this transaction would be put into a fund for elementary school scholarships

for children who otherwise could not afford to attend the school and for scholarships in the high school for graduates of public elementary schools. Timing of the actual sale cannot now be determined, but it is planned that this would take place within approximately six months after the high school students had been physically moved from their present location to the new facilities provided for by the A.I.D. loan.

2. The Borrower shall agree to increase the number of annual scholarships to a total of 35 by school year 1967 and to 50 by school year 1968 (with financing to come from private donations or the School's operating budget and surplus funds from sale of land).

3. The Borrower shall agree to incur no additional medium or long-term indebtedness or to dispose of real property without prior A.I.D. approval in writing.

4. The Borrower shall agree to maintain and operate the School's facilities financed hereunder, as well as those not so financed but within the School's properties for which the Borrower is responsible.

SECTION IX - IMPLEMENTATION PLAN

The Board of Directors of the American School Association of San Salvador has the primary responsibility for the implement ation of the loan. The primary responsibility of fulfilling A. I. D. 's part of the implementation function rests with the US AID/El Salvador, assisted by ROCAP and AID/W personnel as appropriate, and within the following general criteria.

Under the terms of the loan A. I. D. will finance not to exceed $600,000 of the construction and equipment cost of a high school building and an auditorium to be built on land owned by the American School.

Loan funds may be used for the U. S. dollar foreign exchange costs (estimated at $202,000) and for local currency costs of the Project.

A. Actions Prior to Execution of Loan Agreement:

1. Drafting of the Loan Agreement and basic Implementation Letter by US AID/El Salvador and ROCAP, within 30 days after loan authorization.

2. Negotiation, approval and signature of the Loan Agreement by the duly authorized President of the Board of Directors of the American School Association, which could be effected 30 days after receipt of draft Loan Authorization.

B. Meeting Conditions Precedent:

It is estimated that the Conditions Precedent to First Disbursement can be met within 60 days after execution of the Loan Agreement. The first advance of funds may be expected about one month thereafter.

C. Technical Assistance:

A team of education advisors from the Boston School System visited the American School during the summer of 1966 and their work should serve as a basis for preparation of the plans for upgrading the quality of instruction and teaching staff and increasing the role of the school as a model for American teaching techniques. USAID, ROCAP and other educational and engineering advisors will be made available to the school as appropriate.

D. Disbursement of the Loan:

Letters of Commitment will be used to pay the foreign exchange costs of the Project. It is estimated that the colones necessary for financing the local currency costs of the Project will be obtained from the Banco Central through the Special Letter of Credit mechanism.

Local currency component of the loan will be disbursed by US AID/ES in a series of advances, with appropriate documentation of expenditures returned to US AID/ES for review and acceptance. It is estimated that the loan will be completely disbursed, as needed, within three years after execution of the loan agreement. An estimated AID/American School cumulative disbursement schedule is indicated in the Cash Flow shown as Annex D, Exhibit 3.

E. Control, Monitoring and Reporting:

1. Fiscal: Fiscal control of loan funds will be the responsibility of the US AID/ES Controller who will supplement his review of the documents with occasional spot checks of the American School procedures, as appropriate. Until the loan is repaid in full, an audited annual report of the financial condition of the American School should be submitted to USAID/ES. The Controller will also call upon the ROCAP auditing staff for assistance, if needed.

In order to provide the American School, with working funds for this Project, it is contemplated that, after the necessary conditions precedent to disbursement have been met, and, upon written request of the American School and approval of the US AID/ES Director, an advance disbursement of colones would be made.

At the end of each month after the initial advance disbursement, the American School would submit to the US AID/ES Controller documentation evidencing expenditures incurred by the American School against the initial advance and certified by the Architect/Engineer retained by the American School for final design of the Project, supervision of construction and installation of equipment.

USAID/ES, upon approval of documentation, would replenish the initial advance as a revolving fund, with the total amount of the expenditures incurred. At the termination of the Project, the American School would be required to account for the full revolving fund.

2. Technical

Technical monitoring of the project will be the responsibility of the US AID/ES General Engineer, assisted by the ROCAP Chief Engineer.

The American School will contract architect(s), satisfactory to A. I. D., who will (1) prepare the final plans for the high school building and the auditorium, (2) prepare bid packages, (3) review bids and recommend selection of the contractor(s) and, (4) supervise the construction and certify recommended construction contractor payments. The US AID/ES General Engineer will review and approve purchase orders for imported equipment.

The pre-qualification procedure will be used in selection of prospective construction contract bidders, and only those selected on this basis will be invited to bid. A lump sum bid will be solicited for each building separately or both together. Construction contractors may be from the United States, El Salvador or Central American Common Market countries.

3. Reporting:

Periodic progress reports will be submitted to US AID/ES by the American School, and will be forwarded to AID/W by the US AID/ES Capital Development Officer. Evaluation of the American School's reports and compilation of supplementary reports will be the responsibility of the US AID/ES Capital Development Officer, assisted by the US AID/ES General Engineer and Controller.

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EL ALVARENGA - AMERICAN SCHOOL

CHECK LIST OF STATUTORY CRITERIA (ALLIANCE FOR PROGRESS)

(FAA - Foreign Assistance Act of 1961, as amended by the Foreign Assistance Act of 1965.)
(App. - Foreign Assistance and Related Agencies Appropriations Act, 1966.)

1. FAA Section 102. Precautions that have been or are being taken to assure that loan proceeds are not diverted to short-term emergency purposes (such as budgetary, balance of payments or military purposes) or any other purpose not [illegible] the country's long-range economic development.

This loan is to a private entity to whom disbursements will be made for project purposes as needed.

2. FAA Section 112. Information on measures taken to utilize United States Government excess personal property in lieu of the procurement of new items.

Language will be included in the loan agreement to require use of U.S.-owned excess property as feasible.

3. FAA Section 109. Information whether the country permits, or fails to take adequate measures to prevent, the damage or destruction by mob action of United States property.

There is no evidence that the Government of El Salvador has permitted, or has failed to take adequate measures to prevent such damage or destruction.

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FAA Section 201(d). Information and conclusion on legality (under laws of country and United States) and reasonableness of lending and relending terms of the loan.

The terms of the loan are reasonable and are within the limits established by this Section. (Section V.)

FAA Section 251(a). Manner in which loan will promote country's economic development and contribute to the welfare of its people.
This loan financed project will promote the country's economic development and contribute to the welfare of its people by improving a model school which will upgrade the quality of instruction in the secondary educational field.
(Section I and IV)

FAA Section 251(b)(1). Extent to which country is adhering to the principles of the Act of Bogota and Charter of Punta del Este and is showing a responsiveness to the vital economic, political, and social concerns of its people, and extent to which country has demonstrated a clear determination to take effective self-help measures.
Account has been taken of El Salvador's adherence to the principles of the Act of Bogotá and Charter of Punta del Este and is showing a responsiveness to the vital economic, political and social concerns of its people. The GOES' authorization of the American School as a part of its school system, and, the school's self-help measures over past years, as well as those proposed in this project, are considered by AID to demonstrate a clear determination of sufficient self-help measures.

FAA Section 251(b)(2). Information and conclusion on activity's economic and technical soundness.
This project has been reviewed by educational consultants and they consider it completely feasible. A competent architectural firm will supervise construction work.
(Section I, III and IV)

FAA Section 251(b)(3). Information and conclusion on activity's relationship to and consistency with other development activities, and its contribution to realizable long-range objectives.
This activity is related to and consistent with the GOES' long-range objectives as a part of the private enterprise contribution to the improvement of secondary educational system envisioned in the GOES' Five Year Development Plan.
(Section I and V)

9. FAA Section 251(b)(4). Information and conclusion on possible effects on U. S. economy, with special reference to areas of substantial labor surplus.

There will be no effect on U. S. economy. The project does not include development of production capacity but facilities for development of educational capacity.

10. FAA Section 251(b). Information and conclusion on availability of financing from other Free World sources, including private sources within the United States.

The school has made efforts to find funds elsewhere but funds for charitable purposes are very limited. No other sources of funds are available.

11. FAA Section 251(b). Information and conclusion on capacity of the country to repay the loan.

The country's dollar position warrants a conclusion that dollars will be available for conversion as needed for repayment.
It appears reasonably certain that the Borrower will be capable of repaying the loan.
(Section IV and V).

12. FAA Section 251(b). Information and conclusion on country's efforts to repatriate capital invested in other countries by its own citizens.

The GOES has consistently followed policies that encourage the repatriation of capital invested in other countries by its own citizens.

13. FAA Section 251(b). Information and conclusion on reasonable prospects of repayment.

Analysis of Borrower's cash flow indicates reasonable prospects of repayment.
(Annex D Exhibit 3)

14. FAA Section 251(e). Information and conclusion on availability of an application together with sufficient information and assurances to indicate reasonably that funds will be used in an economically and technically sound manner.

USAID and the Borrower have developed this project over many months. There is substantial understanding on both sides of the respective intentions.
(Sections I, III and V).

15. FAA Section 251(g). Information and conclusion on use of loan to assist in promoting the cooperative movement in Latin America.

NOT APPLICABLE.

16. FAA Section 252(a). Total amount of money under loan which is going directly to private enterprise, is going to intermediate credit institutions or other borrowers for use by private enterprise, is being used to finance imports from private sources, or is otherwise being used to finance procurements from private sources.

All procurement will be from private sources unless some U. S. surplus property is available and the benefit of the project will be to a private school.

17. FAA Section 601(a). Information and conclusions whether loan will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture, and commerce; and (f) strengthen free labor unions.

NOT APPLICABLE.

18. FAA Section 601(b). **Information and conclusion on how the loan will encourage U. S. private trade and investment abroad and how it will encourage private U. S. participation in foreign assistance programs (including U. S. private trade channels and the services of U. S. private enterprise).**

To some extent the availability of good school facilities in El Salvador will encourage U. S. business to locate there.

19. FAA Section 601(d). **Conclusion and supporting information on compliance with the Congressional policy that engineering and professional services of U. S. firms and their affiliates are to be used in connection with capital projects to the maximum extent consistent with the national interest.**

The school will use the services of the same architects it used to make the preliminary plans. ROCAP/Engineering has pre-qualified these architects as qualified to design and supervise construction of the project.

20. FAA Section 602. **Information and conclusions whether loan will permit American small business to participate equitably in the furnishing of goods and services financed by it.**

Small business notification procedures will be applicable to all procurement in accordance with standard A.I.D. procurement policy.

21. FAA Section 604(a), App. Section 108. **Compliance with restriction of commodity procurement to United States except as otherwise determined by the President and subject to statutory reporting requirements.**

Commodities may be procured in the United States or from any member country of the Central American Common Market; statutory reporting requirements will be met.

22. FAA Section 604(b). Compliance with bulk commodity procurement restriction to prices no higher than the market price prevailing in the United States at time of purchase.

NOT APPLICABLE.

23. FAA Section 604(d). Compliance with requirement that marine insurance be purchased on commodities if the host country discriminates, and that such insurance be placed in the United States.

Marine insurance will be procured in the United States if any is to be procured.
(Section VI)

24. FAA Section 611(a)(1). Information and conclusion on availability of engineering, financial, and other plans necessary to carry out the assistance and of a reasonably firm estimate of the cost of the assistance to the United States.
A reasonably firm cost estimate has been prepared. Final plans and cost estimates will be prepared as a condition precedent to disbursement for any other than engineering services.
(Section VII)

25. FAA Section 611(a)(2). Necessary legislative action required within recipient country and basis for reasonable anticipation such action will be completed in time to permit orderly accomplishment of purposes of loan.

None necessary.

26. FAA Section 611(b), App. Section 101. If water or water-related land resource construction project or program, information and conclusion on benefit-cost computation.

NOT APPLICABLE.

27. FAA Section 611(c). Compliance with requirement that contracts for construction be let on competitive basis to maximum extent practicable.
Construction contracts will be let on a competitive basis.

28. FAA Sections 612(b) and 636(h). Appropriate steps that have been taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services and foreign currencies owned by the United States are utilized to meet the cost of contractual and other services.
This project is financed largely with U. S. loan resources. Other elements which we would not finance, such as athletic facilities, are being financed by the school.
(Section V).

29. FAA Section 619. Compliance with requirement that assistance to newly independent countries be furnished through multilateral organizations or plans to maximum extent appropriate.

NOT APPLICABLE.

30. FAA Section 620(a), App. Section 107(a). Compliance with prohibitions against assistance to Cuba and any country (a) which furnishes assistance to Cuba or failed to take appropriate steps by February 14, 1964, to prevent ships or aircraft under its registry from carrying equipment, materials, or supplies from or to Cuba; or (b) which sells, furnishes or permits any ships under its registry from carrying items of primary strategic significance, or items of economic assistance to Cuba.

El Salvador has taken appropriate steps along with other Central American countries.

31. FAA Section 620(b). If assistance to the government of a country, existence of determination it is not controlled by the international Communist movement.

Not assistance to government.

32. FAA Section 620(c). If assistance to the government of a country, existence of indebtedness to a U. S. citizen for goods or services furnished or ordered where such citizen has exhausted available legal remedies or where the debt is not denied or contested by such government or the indebtedness arises under an unconditional guaranty given by such government.

Not assistance to government.

33. FAA Section 620(d). If assistance for any productive enterprise which will compete in the United States with U. S. enterprise, existence of agreement by the recipient country to prevent export to the United States of more than 20% of the enterprise's annual production during the life of the loan.

Not assistance for productive enterprise.

34. FAA Section 620(e)(1). If assistance to the government of a country, extent to which it (including government agencies or sub-divisions) has, after January 1, 1962, taken steps to repudiate or nullify contracts or taken any action which has the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property of U. S. citizens or entities beneficially owned by them without taking appropriate steps to discharge its obligations.

Not assistance to government.

35. FAA Section 620(f); App. Section 109. Compliance with prohibitions against assistance to any Communist country.

El Salvador does not provide assistance to any communist countries.

36. FAA Section 620(g). Compliance with prohibition against use of assistance to compensate owners for expropriated or nationalized property.

NOT APPLICABLE

37. FAA Section 620(h). Compliance with regulations and procedures adopted to insure against use of assistance in a manner which, contrary to the best interest of the United States, promotes or assists the foreign aid projects or activities of the Communist-bloc countries.

This project is not in any way related to any bloc projects.

38. FAA Section 620(i). Existence of determination that the country is engaging in or preparing for aggressive military efforts.

The President has not determined that the GOES is engaging in or preparing for agressive military efforts.

39. FAA Section 620(k). If construction of productive enterprise where aggregate value of assistance to be furnished by United States will exceed $100 million, identification of statutory authority.

Aggregate assistance will not exceed $100,000.000.

40. FAA Section 620(l). Compliance with prohibition against assistance after December 31, 1966, for the government of a country which fails to institute investment guaranty program.

This is not assistance for the Government.

41. FAA Section 620(n); App. 107(b). Compliance with prohibition against assistance to countries which traffic or permit trafficking with North Vietnam.

El Salvador is not trafficking with North Viet Nam.

42. FAA Section 620(o). If country has seized, or imposed any penalty or sanction against, any U. S. fishing vessel on account of its fishing activities in international waters, information on the consideration which has been given to excluding the country from assistance.

The GOES has not seized, or imposed any penalty or sanction against any U. S. fishing vessel on account of its fishing activities in international waters.

43. FAA Section 621. Information and conclusion on how the loan in providing technical assistance will utilize to the fullest extent practicable goods and professional and other services from private enterprise on a contract basis. If the facilities of other Federal agencies will be utilized, information and conclusion on whether they are particularly suitable, are not competitive with private enterprise, and can be made available without undue interference with domestic programs.

All services will be from private sources and, except for architectural services, will be on a competitive basis.

44. App. (Section Unnumbered). Use of funds to carry out FAA Section 205, which pertains to IDA.

NOT APPLICABLE.

45. App. Section 102. Compliance with requirement that payments in excess of $25,000 for architectural and engineering services on any one project be reported to Congress.

Payments in excess of $25,000 will be reported to Congress as required.

46. App. Section 104. Compliance with bar against funds to pay pensions, etc., for military personnel.

No funds will be used to pay any government obligation.

47. App. Section 106. If country attempts to create distinctions because of their race or religion among Americans in granting personal or commercial access or other rights otherwise available to U. S. citizens generally, application which will be made in negotiations of contrary principles as expressed by Congress.

It appears reasonably certain that the GOES will not attempt to create distinctions because of their race or religion among Americans in granting personal or commercial access or other rights otherwise available to U. S. citizens generally.

48. App. Section 111. Compliance with existing requirements for security clearance of personnel.

All U. S. personnel to be financed will be cleared as required.

49. App. Section 112. Compliance with requirement for approval of contractors and contract terms for capital projects.

All contracts for construction will be approved by USAID.

50. App. Section 114. Compliance with bar against use of funds to pay assessments, etc., of U.N. member.

Funds will not be available to Government.

51. App. Section 115. Compliance with regulations on employment of U.S. and local personnel for funds obligated after April 30, 1964, (Regulation 7).

The loan agreement will reflect this requirement but it is most unlikely that on a project of this size there will be any Reg. 7 problem.

52. App. Section 401. Compliance with bar against use of funds for publicity or propaganda purposes within United States not heretofore authorized by Congress.

No funds will be used for publicity purposes within the U. S.

EL SALVADOR--AMERICAN SCHOOL

ADDENDUM TO STATUTORY CRITERIA

1. FAA Section 251(b)(5). Information and conclusion as to the degree to which the recipient country is making progress towards respect for the rule of law, freedom of expression and of the press, and recognition of the importance of individual freedeom, initiative, and private enterprise.

   This activity will promote the Borrower's progress in recognition of the importance of individual freedom, initiative and private enterprise and will assist in making progress towards respect for the rule of law, freedom of expression and of the press.

2. FAA Section 251(b)(6). Information and conclusion on the degree to which the recipient country is taking steps to improve its climate for private investment.

   Available evidence indicates that the GOES is pursuing policies reasonably calculated to improve its climate for private investment.

3. FAA Section 251(b)(7). Information and conclusion on whether activity will contribute to the achievement of self-sustaining growth.

   This activity has a basic significance for all Borrower's development activities which are aimed at achieving self-sustaining growth.

4. FAA Section 251(b)(8). Information and conclusion on extent to which activity will contribute to the economic and political integration of Latin America.

   To the extent that higher quality education and a working knowledge of English on the part of El Salvadorian citizens contributes to the economic and political integration of Latin America, this activity will stimulate such contribution.

5. FAA Section 251(h). Information and conclusion on whether activity is consistent with the findings and recommendations of the Inter-American Committee for the Alliance for Progress in its annual review of the national development activities.

It is a loan to a private school.

6. FAA Section 281. Information and conclusion on how activity will contribute to assuring the maximum participation in the task of economic development on the part of the developing countries through encouragement of democratic private and local governmental institutions.

Not applicable.

7. FAA Section 604(e). Compliance with requirement that funds not be used for procurement of any agricultural commodity or product thereof outside the United States when the domestic price of such commodity is less than parity.

No agricultural commodities will be procured with the proceeds of this loan.

8. FAA Section 620(i) (amended). Existence of determination that the country is engaging in or preparing for aggressive military efforts or has been or is officially represented at any international conference which includes the planning of activities involving insurrection or subversion.

The President has not determined that the Borrower is engaging in or preparing for aggressive military efforts or is being officially represented at any international conference which includes the planning of such activities.

9. FAA Section 620(q). Compliance with prohibition against assistance to countries which are in default during a period in excess of six calendar months in payment to the United States of principal or interest on any loan made to such country under the act.

The Borrower is not in default of any principal or interest on any loan made to it under the Act.

EDUCATIONAL DATA

REPUBLIC OF EL SALVADOR - CENTRAL AMERICA 3661

D I A R I O O F I C I A L

Director: Br. Ricardo Augusto Lima
Administrator: Francisco Aquino R.

VOLUME No. 141 San Salvador, Tuesday, November 19, 1946 NUMBER 255

MINISTRY OF CULTURE
DIVISION OF PUBLIC EDUCATION

THE ESCUELA AMERICANA IS FOUNDED WITH THE TECHNICAL ADVICE OF THE INTERAMERICAN EDUCATIONAL FOUNDATION AND WITH THE COOPERATION OF THE MINISTRY OF CULTURE

Decree No. 17

The Executive Power of the Republic of El Salvador,

WHEREAS:

1-Since: In accordance with the agreement executed on the 9th of June 1945 between the Republic of El Salvador and the Inter-American Educational Foundation, Incorporated published in the Official Journal, number 162 of July 25 of the same year, Volume 139, there is being developed in the country a Cooperative Educational Program to promote better Interamerican understanding by means of an interchange of educators, ideas, and educational methods between El Salvador and the United States of North America; and

2-Since: In conformity with this Program it is very expedient to authorize the establishment of a model school to demonstrate the theory and practice of education in the United States, where a selected nucleous of Salvadorean teachers could be trained, and which would serve as a unifying influence between the educational systems of El Salvador and the United States;

THEREFORE:

By virtue of a favorable report from the Ministry of Culture

in accordance with the constitutional powers vested therein,

IT IS DECREED THAT:

Art. 1 - The Escuela Americana, founded under the patronage of the American School Association, a private society located in this capital, with the technical advice of the Interamerican Educational Foundation and the cooperation of the Ministry of Culture, is authorized to begin operations effective as of February of the current year.

Art. 2 - The Course of Studies carried on in the Primary Section of this school is approved and declared to be equal to the Official Course of Studies of "Educación Primaria", on the basis of certificates of promotion.

Art. 3 - The aforementioned Escuela is authorized to initiate the plan of studies and the educational systems employed in the United States adapted so that there could be an interchange of students with authorized national schools both public and private in the manner stipulated in the preceeding Article.

Art. 4 - The Escuela Americana is authorized to carry on instruction in the English language with the exception of History, Geography, National Civics and the National Language, which must be taught by Spanish or Salvadorean teachers.

Art. 5 - The number of teachers and the internal regulations of the Escuela Americana shall be submitted for the approval of the Ministry of Culture.

Art. 6 - This Decree shall be legally in force from the date of its publication in the Official Journal.

Given in the Palace, San Salvador, on the 28th day of the month of October in the year one thousand nine hundred and sixty six.

MAXIMO CHAVARRIA C.,
Constitutional President

R. CASTRO,
Minister of Culture

BOARD OF DIRECTORS, 1965-66

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Ing. Sexton A. Ollin	Member	U.S.	Engineer Consultant, TAMS.

HEADMASTER

Mr. John P. Maloney Headmaster U. S.
Degrees: AB-AM Boston College 1925-26

32 years experience as teacher and Principal in the Boston Public Schools.
Principal Emeritus Boston Public Schools since 1958
Lecturer: State Teachers' College (Boston);
Rhode Island College of Education; Rutgers University,
Lecturer and Consultant for School systems in the Boston area in Mathematics and School Administration.
Co-founder Elementary Teacher Workshop for the Boston Public Schools.
Director, Curriculum Center for Arithmetic for the Boston Public Schools, 1950-58
Headmaster, American School, El Salvador, 1958 - present.

Vor dem Beschriften Zwischenblatt herausnehmen! Nach dem Beschriften in dieser Perforation zerreissen!
Oberkante Abzugpapier
Obere Schreibgrenze

Excerpt from Memorandum of January 17, 1966 From Raymond Wilson, Executive Secretary of the Southern Association of Colleges and Schools.

This memorandum reaffirmed that the American School's secondary school program was accredited and added:

> "The Committee on Latin American Relations of the Southern Association, after careful consideration of the Annual Report, has asked that Escuela Americana be commended for its continued efforts directed toward school improvement and congratulated for being able to complete arrangements with officials in the Boston Schools for consultative help. Other improvements, such as being able to secure audio-visual materials and demonstration models, the installation of cumulative records, the addition of new courses, and projection of plans for additional building also have been noted."

THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

United States Embassy
San Salvador, El Salvador
March 17, 1966

Mr. Sexton Olin
Manager
Tippetts-Abbett-McCarthy Stratton
2a Avenida Norte 129
San Salvador, El Salvador, C. A.

Dear Tony:

The United States Information Service in El Salvador is greatly interested in the plans for constructing an auditorium at the Escuela Americana, in connection with the construction of new high school facilities, on which I understand you are advising. Our official concern is justified by the potential utility of a proper auditorium in the fulfillment of our country objectives both under our own legislation and under our responsibility for administering certain programs of the Department of State.

Department of State airgram No. CA-7417 of January 22, 1965, referred to American-sponsored schools abroad as potential community centers, suggesting that they might serve for evening cultural presentations, be used by local youth groups, etc.

There are U. S. and Salvadoran organizations here which would welcome such an auditorium and would use it. They would thereby bring Salvadorans into contact with the American School and the people in it, to the furtherance of objectives of our government.

For example, the Asociación Pro-Arte de El Salvador would use the auditorium. The only organization in the country capable of mounting regular artistic performances by visiting artists, it lacks a locale of its own. USIS assists the Association in spronsoring American artists, and through its public relations facilities it is able to bring out audiences numbering several hundred. If the school auditorium were good and could be used, we could probably

get audiences of 500 without undue effort.

A drama group is again taking form in San Salvador. It has been dormant for some years, but is now showing considerable resurgence. Previously it gave plays or readings as often as once a fortnight, and there is reasons to believe that this level of activity may be reached again. It was under the wing of the Centro El Salvador-Estados Unidos, but the Centro has no stage or auditorium facilities whatever, and an American School auditorium would be ideal. Americans, Salvadorans, and persons of third nationalities are now studying plays to be given, and audiences of several hundred may again be anticipated, past experience having shown that the Centro, inadequate though it is, could readily be filled to capacity. The group will use mostly American plays, in English and/or translation, thus fulfilling certain USIS objectives for the country.

American lecturers do not have a suitable forum in San Salvador. For example, as this is written I am planning for a lecture by Prof. O. H. Brownlee, of the University of Minnesota, who is to be here for four days next week on a grant from the Department of State. We have only the Centro El Salvador-Estados Unidos as a place for the lecture, and, if we repeat the experience we had last year with Harvard's history Prof. Frank Freidel, we will have to turn away scores of interested Salvadorans at the door for lack of space. The American School auditorium would enable us to encourage and accept the attendance of all who want to hear such lectures, and they number in the hundreds--mostly people who have studied in the United States.

Similarly, we could accept more performing groups offered under the Cultural Presentation Program of the Department of State if we had such an Auditorium available. As it is now, we rarely have them.

There are numerous Salvadoran organizations which lack a locale of their own who could use the auditorium for their programs. Some are binational, such as the Salvador-Israel cultural organization; others are uninational, ranging from trade unions to garden clubs, Scouts to University groups. Every use of the auditorium by such a group would expose it to the American School. (It would also expose the group to USIS information media, as we would, with no difficulty, I am sure, obtain in the lobby a glassed-in display area for our posters, photos, announcements of coming events under

our sponsorship, etc.)

With the passage of time, the fruit of Salvadoran efforts to raise the educational level of the country with the help of the U. S., UNESCO, the OAS, ODECA, CSUCA, etc., are going to increase the number of Salvadorans taking part in cultural activities.

Given maximum public audiences now likely to use the place, and projecting an increment over the next 20 or 30 years, an auditorium with a seating capacity of 800 or so would in my opinion be none too large.

Sincerely,

Richard M. Hughes
Acting Public Affairs Officer

PRESENT AND PROJECTED ENROLLMENTS
AMERICAN SCHOOL

	1966 Actual	1967	1968	1969	1970	1971	1972
K	106	108	108	108	108	108	108
1	116	120	120	120	120	120	120
2	116	120	120	120	120	120	120
3	117	120	120	120	120	120	120
4	116	120	120	120	120	120	120
5	87	120	120	120	120	120	120
6	84	90	120	120	120	120	120
7	51	60	60	80	80	80	80
8	37	50	60	60	80	80	80
9	26	20	30	40	40	50	55
10	20	26	20	30	40	40	50
11	21	28	26	20	30	40	40
12	20	21	28	26	20	30	40
Commercial 9-12	25	28	28	50	75	75	75
TOTAL	950	1031	1080	1134	1193	1223	1248

ENROLLMENT OF AMERICAN SCHOOL

GRADE	1964-1965 Salvadorans	Americans	Others	Total	1965-1966 (As of March, 1966)
K	65 (70%)	17 (18%)	11 (12%)	93	106
1	93 (80%)	16 (14%)	7 (6%)	116	116
2	74 (64%)	27 (23%)	14 (13%)	115	116
3	74 (70%)	13 (12%)	18 (18%)	105	117
4	62 (67%)	23 (25%)	7 (8%)	92	116
5	58 (65%)	16 (21%)	11 (14%)	77	87
6	48 (69%)	7 (10%)	15 (21%)	70	84
7	22 (63%)	7 (20%)	6 (17%)	35	51
8	27 (61%)	10 (23%)	7 (16%	44	37
9	21 (49%)	16 (37%)	6 (14%)	43	28
10	11 (46%)	9 (37%)	4 (17%)	24	32
11	8 (35%)	12 (52%)	3 (13%)	23	30
12	16 (80%)	4 (20%)	0 (0%)	20	30
TOTAL	571 (66%)	177 (22%)	109 (12%)	857	950

TOTAL ENROLLMENT

1966	950	(elementary and high school)
1965	857	"
1964	843	"
1963	684	(elementary only)
1962	683	"
1961	655	"
1960	620	"
1959	536	"
1958	444	"
1946	33	"

ENROLLMENT BY NATIONALITIES
(1965 School Year)

Nationality	No. In School		Nationality	No. In School
Salvadoran	571	(66%)	Swiss	3
U.S. Citizen	185	(22%) *	Swedish	3
Japanese	13		Panamanian	3
Cuban	12		Norwegian	2
Guatemalan	10		Spaniard	2
German	9		Columbian	2
Mexican	9		Brazilian	2
French	8		Italian	1
Dutch	7		Jamaican	2
British	7		Paraguayan	1
Costa Rican	4		Ecuatorian	1

* All other nationalities: 12%

TOTAL: 857

SOME OCCUPATIONS OF AMERICAN SCHOOL PARENTS - 1965

Commerce	120	Professors	7
Engineers	52	Army of El Salvador	7
Doctors of Medicine	53	Druggists	6
Farmers	35	Entomologists	6
Lawyers	32	Housewives	6
Managers of Companies	31	High Officials GOES	5
Industry	23	U. S. Air Force	5
Diplomats (Non-U.S.)	20	Contractors	5
Accountants	16	Architects	5
U.S.Army	15	Dentists	5
Economists	12	Aviators	4
U.S. State Department	13	United Nations	4
A. I. D.	10	Publishers	4

ESCUELA AMERICANA - SAN SALVADOR, EL SALVADOR, C. A.

SUMMARY OF CLASSROOM AND LABORATORY SPACE NEEDED -BASED ON 1972 PROJECTION DATED JUNE 27, 1966.

(Projected enrollment Grades VII-XII - 415 pupils)

GRADE	No. SECTIONS	CLASSROOM PERIODS	SCIENCE PERIODS	LABORATORY PERIODS
VII	3	81	12	
VIII	3	81	12	
IX	2	57	10	
X	2	49	10	8
XI	2	49	10	8
XII (A)	1	22	5	4 Physics
XII (B)	1	26		
Commercial	3	98		
TOTALS	17	463	59	20

PROPOSED CONSTRUCTION

I - a) 12½ classrooms
b) 1½ laboratories: (1 Chemistry-Biology-General Science) -½ (1 classroom-Physics Laboratory).

II - Now In Operation - (Previous Construction)

a) 3 classrooms
b) 1 laboratory (General Science)

TOTAL CONSTRUCTION (Previous and Proposed)

III- a) 15½ classrooms
b) 2½ laboratories

TOTAL...18 Units

ESCUELA AMERICANA - SAN SALVADOR, EL SALVADOR, C. A.

SUMMARY OF OCCUPANCY BASED ON PERIODS OF USE

	CLASS-ROOMS	LABORA-TORIES
I. Total number of classrooms	15.½	2.½
II. Capacity in Period of Occupancy (35 per week)	542.5	87.5
III. Projected Occupancy in Periods	463.0	79.0
IV. Percent of Occupancy	85%	90%

ESCUELA AMERICANA - SAN SALVADOR, EL SALVADOR, C. A.

ERIODS OF CLASSROOM OCCUPANCY GRADES VII - IX BASED ON 1972 PROJECTION DATED JUNE 27, 1966

SUBJECT	GRADE VII PERIODS	3 SECTIONS	SUBJECT	GRADE VIII PERIODS	3 SECTIONS	SUBJECT	GRADE IX PERIODS	2 SECTIONS
ENGLISH	7	21	ENGLISH	7	21	ENGLISH	7	14
MATH	5	15	MATH	5	15	ALGEBRA I	5	10
SPANISH	5	15	SPANISH	5	15	SPANISH	5	10
SOCIAL STUDIES	6	18	SOCIAL STUDIES	6	18	CIVICS	5	10
GENERAL SCIENCE	4	12	GENERAL SCIENCE	4	12	GENERAL SCIENCE	5	10
ART	2	6	ART	2	6	STUDY	4	8
STUDY	2	6	STUDY	2	6			
*MUSIC	1	* 3	*MUSIC	1	*3	*MUSIC	1	*2
*PHYS.ED.	2	* 6	*PHYS.ED	2	*6	*PHYS.ED.	2	*4
*ASSEMBLY	1	* 1	*ASSEMBLY	1	*1	*ASSEMBLY	1	*1
TOTALS	35	+ 93	TOTALS	35	+ 93	TOTALS	35	+ 62

* Taken in other areas-not counted in totals

GRADE VII		GRADE VIII		GRADE IX	
+ Classroom Periods	81	+ Classroom Periods	81	+ Classroom Periods	52
General Science	12	General Science	12	General Science	10
				Elective-French	5

ESCUELA AMERICANA - SAN SALVADOR, EL SALVADOR, C. A.

PERIODS OF CLASSROOM OCCUPANCY GRADES X - XI BASED ON 1972 PROJECTION DATED JUNE 27, 1966

GRADE X SUBJECT	PERIODS	2 SECTIONS
ENGLISH	7	14
GEOMETRY	5	10
SPANISH	5	10
WORLD HISTORY	5	10
BIOLOGY	5	10
BIOLOGY LABORATORY	4	8
*PHYS. ED.	2	44
*MUSIC	1	*2
*ASSEMBLY	1	*1
TOTALS	35	-+- 62

GRADE XI SUBJECT	PERIODS	2 SECTIONS
ENGLISH	5	10
ALGEBRA II	5	10
SPANISH	5	10
U.S. HISTORY	5	10
CHEMISTRY	5	10
CHEMISTRY LABORATORY	4	8
STUDY	2	4
*PHYS. ED.	2	*4
*MUSIC	1	*2
*ASSEMBLY	1	*1
	35	-+- 62

* Taken in other areas-not counted in totals

GRADE X

-+- Classroom Periods 44
Biology 10
Biology Laboratory 8
Elective-French 5

GRADE XI

-+- Classroom Periods 44
Chemistry 10
Chemistry Lab. 8
Elective-French 5

ESCUELA AMERICANA - SAN SALVADOR, EL SALVADOR, C. A.

PERIODS OF CLASSROOM OCCUPANCY GRADE XII-SECTIONS A, B BASED ON 1972 PROJECTION DATED JUNE 27, 1966

GRADE XII: ELECTIVE MATH-PHYSICS		GRADE XII: ELECTIVE TYPING	
ENGLISH	5	ENGLISH	5
ADVANCED MATHEMATICS	5	STUDY	5
SPANISH	5	SPANISH	5
PROBLEMS OF DEMOCRACY	5	PROBLEMS OF DEMOCRACY	5
PHYSICS	5	STUDY	6
STUDY	2	TYPING	5
*PHYS. ED	2	*PHYS. ED.	2
*MUSIC	1	*MUSIC	1
*ASSEMBLY	1	*ASSEMBLY	1
PHYSICS LABORATORY	1		
TOTALS	35	TOTALS	36

(Classroom periods: (taken in other areas: not counted in totals)

Section A - 22
Physics - 5
Phys. Ed. - 2

Section B - 26
Typing 5

ESCUELA AMERICANA - SAN SALVADOR, EL SALVADOR, C. A.
BUSINESS COURSE - BILINGUAL SECRETARIES - BASED ON 1972 PROJECTION DATED JUNE 27, 1966.

GRADE IX		GRADE X		GRADE XI		GRADE XII	
*English (Special)	10	*English (Special	10	* *Business English I	5	**Business English II	5
Business Spanish	5	Business Spanish	5	English Bkkq. I	5	English Bkkq.II	5
Typing I	5	Typing II	5	Off.Pract. Filing	5	Machines (Aut.)	5
Spanish Short. I	5	Spanish Short.II	5	English Short. I	5	English BHort.II	5
+Phys. Ed.	2	+Phys. Ed.	2	Business Math.	5	Economics	5
+Music	1	+Music	1	+Music	1	+Phys. Ed.	2
Study	6	Study	6	+Phys. Ed.	2	+Music	1
+Assembly	1	+Assembly	1	+Assembly	1	+Assembly	1
				Study	6	Study	6
TOTAL	35	TOTAL	35	TOTAL	35	TOTAL	35

* Special English course for students coming from local schools to Grade IX.

** Students with adequate knowledge of English and Spanish at Grade IX level may complete course in three (3) years.

+Phys. Education, Music and Assembly not counted in total of space needed.

Three (3) Sections Commercial

Course may be completed in three (3) or four (4) years depending on fluency in English and Spanish at Grade IX level.

Total periods, Commercial class	105	
Taken in other areas	12	93 = Needed
Senior Elective Typing		5
		98 = Total Needed.

E S C U E L A A M E R I C A N A
San Salvador
El Salvador, C. A.

MINISTRY OF EDUCATION

68295

On the occasion of the closing of the school year 1964 of the Escuela Americana, the undersigned Minister of Education of the Republic of El Salvador, wishes to express his warmest congratulations and approval for all that this Educational Center has accomplished; and his deepest appreciation for its contribution to the national culture.

SAN SALVADOR, twenty-ninth of October one thousand nine hundred sixty-four.

ERNESTO REVELO BORJA

ESCUELA AMERICANA
San Salvador, El Salvador, C. A.

LIST OF SUBJECTS

SEVENTH AND EIGHTH GRADES

English
- Grammar-Composition
- Literature
- Spelling

Mathematics
Spanish
U. S. History
Geography
General Science
Music
Art
Physical Education

NINTH GRADE - ACADEMIC

English I
Spanish I
Civics
General Science
Algebra I
Physical Education
Music

TENTH GRADE - ACADEMIC

English II
Spanish II
World History
Biology
Geometry
Physical Education
Music

E L E C T I V E:

French I

ELEVENTH GRADE - ACADEMIC

English III
Spanish III
U. S. History
Algebra II
Chemistry
Physical Education
Music

E L E C T I V E:

French II

TWELFTH GRADE - ACADEMIC

English IV
Spanish IV
Problems of Democracy
Physical Education
Music

E L E C T I V E S:

French III
Physics
Senior Mathematics
Typing I
*Ciencias Sociales

NINTH GRADE - BUSINESS COURSE

English
Business Spanish
Typing I
Spanish Shorthand I
Physical Education
Music

TENTH GRADE - BUSINESS COURSE

English
Spanish
Typing II
Spanish Shorthand II
Physical Education
Music

ELEVENTH GRADE - BUSINESS COURSE

Business English I
English Bookkeeping I
Office Practice - Filing
English Shorthand I
**Business Mathematics
Physical Education
Music

TWELFTH GRADE - BUSINESS COURSE

Business English II
English Bookkeeping II
***Machines - Automation
English Shorthand II
Economics
Physical Education
Music

* Ciencias Sociales, is required for those planning to attend th National University.

OPTIONS FOR ENTRANCE TO A BUSINESS COLLEGE

** One year of U. S. History in place of Business Mathematics.

*** One year Science (General Science, Biology or Chemistry) in place of Machines - Automation.

Algebra and Geometry may be elected by graduates of elementary section-Escuela Americanaor transferees from U. S. Schools.

ESCUELA AMERICANA
San Salvador, El Salvador, C. A.

FACULTY SALARY SCHEDULE FOR 1966-1967

Bachelor's:

ELEMENTARY-ENGLISH OLD	ELEMENTARY-ENGLISH NEW	ELEMENTARY-SPANISH OLD	ELEMENTARY-SPANISH NEW
1. $4,000.00	1. $4,500.00	1. $1,440.00	1. $1,728.00
2. 4,300.00	2. 4,800.00	2. 1,584.00	2. 1,872.00
3. 4,600.00	3. 5,100.00	3. 1,728.00	3. 2,016.00
4. 5,000.00	4. 5,400.00	4. 1,872.00	4. 2,160.00
	5. 5,700.00	5. 2,016.00	5. 2,304.00
	6. 6,000.00	6. 2,160.00	6. 2,448.00
		7. 2,304.00	7. 2,592.00

Masters:

1. $4,300.00	1. $4,800.00
2. 4,600.00	2. 5,100.00
3. 4,900.00	3. 5,400.00
4. 5,300.00	4. 5,700.00
	5. 6,000.00
	6. 6,300.00

HIGH SCHOOL

Bachelor's:

OLD SCHEDULE	NEW SCHEDULE
1. $4,500.00	1. $5,000.00
2. 5,000.00	2. 5,300.00
3. $100.00 additional each year of service.	3. 5,600.00
	4. 5,900.00
	5. 6,200.00
	6. 6,500.00
	7. 7,000.00
	8. 7,500.00
	9. 8,000.00
	10. 8,500.00
	11. 9,000.00

HIGH SCHOOL (Cont.)

	OLD SCHEDULE	NEW SCHEDULE
Masters:	1. $5,000.00	1. $5,300.00
	2. $100.00 additional for each year of service.	2. 5,600.00
		3. 5,900.00
		4. 6,200.00
		5. 6,500.00
		6. 6,800.00
		7. 7,300.00
		8. 7,800.00
		9. 8,300.00
		10. 8,800.00
		11. 9,300.00

(1) The school-to-school program between the City of Boston and the Escuela Americana is now providing academic training for Escuela Americana teachers and this program will increase its activities as time goes on. Three teachers will spend two months in the Boston school system during November--January, 1966-67. A training program in cooperation with Michigan State University has been in operation for several years.

(2) School pays Salvadorean social security for teachers. Teachers working for at least 18 months at the Escuela Americana are exempt from U. S. taxes on salaries.

(3) School carries accident insurance on all teachers for accidents happening during working hours.

(4) Flight fares are paid for teachers to El Salvador from point of origin. Return fares paid at end of two year contract. If teacher continues working for more than two years, $200.00 is paid in lieu of transportation at the end of each succeeding year.

(5) School pays one-half cost of membership in local club chosen by teacher. Christmas bonus is also paid each year teacher works.

ESCUELA AMERICANA, SAN SALVADOR, EL SALVADOR, CENTRAL AMERICA
USE OF PROPOSED AUDITORIUM

1. Weekly Assembly - Grades I-III (360 pupils)

2. Weekly Assembly - Grades IV-VI (360 pupils)

3. Weekly Assembly - Grades VII-XII (350 pupils)

4. Daily Music Classes:

	8-9.00	9.02--9.55	10.14--11	11.02--11.50	2-2.40 2.42-3.20	3.22--3.52
MONDAY	3 A y B girls	5 A y B girls	5C y 6C girls	7A	High School	8 A y B girls
TUESDAY	3 A y B boys	5 A y B boys	5C y 6C boys	7B	High School	
WEDNESDAY		4 A y B girls	6 A y B girls	7B	High School	8 A y B boys
THURSDAY	3 C y D girls	4 A y B boys	6 A y B boys	8B	High School	
FRIDAY	3 C y D boys	4 C y D girls	4 C y D boys	8A	High School	7A

5. In grades VII-XII certain areas such as Guidance, Good Citizenship, Current Events, etc. will be taught in larger groups than is possible with the presentinadequate auditorium which will make the program more flexible and provide more teacher time for special small study groups. This will require the use of the auditorium for at least ten and probably as much as fifteen periods per week with from fifty to one hundred students participating.

6. Resource people from the community will be invited to address the Junior High-High School students at least once and possibly twice a month. Lack of an auditorium in the present high school preclude taking advantage of the skills of these resource people.

7. The P.T.A. will use the auditorium for lectures from authorities in areas in which the P.T.A. is interested. These meetings are now held in the present auditorim at least once a month and are attended by from fifty to two hundred and fifty parents. These lectures are given by authorities on child Psychology, Archeology, Gardening, History of Central America, etc.

8. The General Meetings of the American School Association are held in the auditorim twice a year. From two hundred to four hundred parents attend these meetings.

9. The P.T.A. conducts special events throughout the year such as style shows, the School Fair, etc. for which the present audtiorium is inadequate.

10. There are many educational moving pictures which can be shown to large groups of two hundred or more which are not available now to the students because of lack of a suitable auditorium. Such films would be shown at least once a week.

11. With auditorium space available some techniques in team teaching will be developed. According to the extent of the team teaching the auditorium would be used at least once a day for groups up to one hundred.

12. Of course graduations will be held in the auditorium some of which are attended by from four to five hundred parents. These are presently held out-doors.

13. Local groups such as Cultural groups, acting groups, Boy Scouts, Girl Scouts, Scout Leader groups, etc. are continually asking for the use of our present small auditorium.

14. The present Hight School lacks an auditorium for the Drama Club, Music groups, Debaters, etc. who would use the auditorium regularly during the week and present productions several times in the evening during the school year.

With a suitable auditorium far more community participation in cultural activities would no doubt take place making a great deal of use of the auditorium in the evening hours.

ENGINEERING DATA

Elementary School Site: The kindergarten, elementary school and junior high school are located on 9.9 acres at the end of a short street in the pleasant, middle-class San Benito Residential area. The kindergarten has two large classrooms; the elementary school (grades 1-6) has 23 classrooms, and the junior high school (grades 7-8) has 4 classrooms. There are administrative offices, a library (large converted classroom with 6-7,000 books), a music room, and art room, two rooms for special English and Spanish classes, a teacher's lounge and a small auditorium with a seating capacity of about 350. The auditorium is just a large room, with folding metal chairs and a small raised stage at one end. It has a poor loud speaker system, no movie projector, a few stage lights, and is quite open and noisy as the back opens onto the School's main corridor and the entrances are without doors. Inadequate as it is by American standards, it still is about the best available, excluding the commercial movie houses. It is frequently used (50 or more times a year) by the community for non-school sponsored events, for which the school makes a nominal charge.

The playground area of about 3 acres has minimum playground equipment and an outdoor, concrete floored basketball court. There are no kitchen or cafeteria facilities. About 700 children return home for lunch; the remainder eat lunches brought from home under a sheltered outdoor dining area composed of a few tables and benches.

High School Site: The high school is located about one mile from the elementary school on 7.9 acres of land in a fast growing commercial section of the city. It has five classrooms, library room with 5,000 books, one science lab, one commercial classroom with 15 typewriters and two small administrative offices in two prefabricated buildings. It has no dining facilities and the students eat in the classrooms or on tables set up in the corridor. It's athletic facilities consist of an open field equipped with an outdoor basketball court, with a concrete floor, goal posts and nets for soccer, softball and some track are played on the field.

The school owns one bus and rents 6 other buses. About one half of the children ride the buses, which make five trips a day; morning, round-trip at lunch, evening and a 5 p.m. run for those students who stay after classes are finished.

AMERICAN SCHOOL
HIGH SCHOOL
ENGINEER'S COST ESTIMATES

Item	Quantity	Unit Price (Colones)	Sub-Total (Colones)	Total US$	Est. Value Imported Materials US$
1-Preliminary Work			5,000.00	2,000.00	
Clearing					
Shop & storeroom					
Survey layout					
2-Excavation	873.50 M3	2.00 M3	1,747.00	698.80	
3-Concrete					
Footings	184.50 M3	150.00 M3	27,675.00		
Tie Beams	135.50 M3	150.00 M3	20,325.00		
Spacer Beams	30.00 M3	125.00 M3	3,750.00		
Columns	195.00 M3	200.00 M3	39,000.00		
Flat Slabs	20.00 M3	50.00 M3	1,000.00		
Ribbed Floors	5,021.00 M2	55.00 M2	276,155.00		
Stairways	8.00 M3	250.00 M3	2,000.00		
			369,905.00	147,962.00	20,800.00
4-Walls					
Concrete block	2,530.00 M2	16.00 M2	40,480.00		
Louvres	47.00 M2	50.00 M2	2,350.00		
			42,830.00	17,132.00	2,400.00

Conversion rate: 2.5 Colones equals $1.00 U.S. dollar

Item	Quantity	Unit Price (Colones)	Sub-Total (Colones)	Total US$	Est. Value Imported Materials US$
5-Plaster Finishes					
Slabs	5,021.00 M2	5.25 M2	26,360.00		
Columns	772.00 M2	5.25 M2	4,053.00		
Column corners	1,850.00 M	0.40 M	740.00		
Walls	601.90 M2	5.25 M2	3,159.97		
			34,312.97	13,725.19	
6-Floor Finishes					
Cement tile 10" x 10"	4,825.40 M2	9.00 M2	43,428.60		
Baseboard 4"x10"	1,036.50 M	2.25 M	2,332.12		
			45,760.72	18,304.29	
7-Glazed Tile Tile 4½" x 4½"	224.00 M2	32.00 M2	7,168.00	2,867.20	
8-Doors and Windows-Aluminum & Glass	640.60 M2	40.00 M2	25,624.00	10,249.60	5,680.00
9-Wooden Doors (incl.	93	110.00 ea.	10,230.00		
refrigerator door	1	1000.00	1,000.00		
			11,230.00	4,492.00	1,600.00
10-Toilet Partitions and Doors	38	150.00 ea.	5,700.00	2,280.00	1,040.00
11-Closets	4	300.00 ea.	1,200.00	430.00	
12-Plumbing-Installation Sanitary Fixtures (including water and sewerlines) Downspouts	88	250.00 ea.	23,800.00	9,520	5,600.00

Conversion rate: 2.5 Colones equals $1.00 U.S. Dollar

Item	Quantity	Unit Price (Colones)	Sub-Total (Colones)	Total US$	Est. Value Imported Materials US$
13-Electric Installation Complete			¢28,000.00	51,200.00	21,200.00
14-Railings					
Library Terrace	65.50 M	50.00 M	3,275.00		
Stairways	52.80 M	50.00 M	2,640.00		
Balconies	153.50 M	50.00 M	7,675.00		
			13,590.00	5,436.00	400.00
15-Painting	10,082.00 M2	1.50 M2	15,123.00	6,049.20	800.00
16-Built-Up Roofing	2,851.75 M2	10.00 M2	28,517.50	11,407.00	4,000.00
17-Pavement					
Parking Area	1,919.00 M2	9.00 M2	17,271.00		
Sidewalks	343.50 M2	9.00 M2	3,091.50		
			20,362.50	8,145.00	
18-Grassing	3,687.00 M2	2.50 M2	9,217.50	3,687.00	
19-Refrigerator Room	45.00 M2	90.00 M2	4,050.00	1,620.00	480.00
			¢793,138.19	US$ 317,255.28	US$64,000.00

Conversion rate: 2.5 Colones equals $1.00 U.S. Dollar

AMERICAN SCHOOL
AUDITORIUM
ENGINEERS COST ESTIMATES

ITEM	Quantity	Colones Unit Price	Colones Subtotal	Total in US $	Est. value Imported materials US $
Preliminary Work					
1. - Clearing					
Shop & Storeroom					
Survey Layout	L. S.		₡ 3,500.00	$ 1,400.00	-.-
2. - Excavation	545.60M3	₡ 2.00/M3	1,091.20	436.48	-.-
3. - Concrete					
Footings	82.50M3	150.00/M3	12,375.00		
Tie Beams	85.60M3	150.00/M3	12,840.00		
Spacer Beams	28.08M3	125.00/M3	3,510.00		
Columns	111.60M3	200.00/M3	22,320.00		
Floor slabs	900.00M3	50.00/M3	45,000.00		
Stairways	7.00M3	200.00/M3	1,400.00	38,978.00	5,200.00
			₡ 97,445.00		
4. - Walls					
Brick	3,290.00M2	16.00/M2	52,640.00		
Louvres	40.00M2	60.00/M2	2,400.00		
Acoustic Facing	300.00M2	9.50/M2	2,850.00	$ 23,156.00	3,240.00
			₡ 57,890.00		

Conversion rate: 2.5 Colones equals $1.00 U.S. dollar

(Continued)

UNCLASSIFIED

ITEM	Quantity	Colones Unit Price	Colones Subtotal	Total U.[illegible]	Est. value Imported materials US$
5. Plaster Finishes					
Slabs	400.00M2	₡ 5.25/M2	₡ 2,100.00		
Columns	500.00M2	5.[illegible]/M2	2,625.00		
Walls	825.00M2	5.[illegible]/M2	4,331.25	$ [illegible]	
6. Floor Finishes					
Cement Tile	2,600.00M2	[illegible]	23,400.00		
Baseboard	820.[illegible]	[illegible]	1,865.00	10,063.[illegible]	
			25,265.00		
7. Glazed Tile 4½x4½"	1[illegible].00M2	22.00/M2	[illegible]	[illegible].72	1,320
8. Aluminum Door & Window Frames	10[illegible].00M2	48.[illegible]/M2	[illegible]	[illegible]	[illegible]
9. Wooden Doors	[illegible]	110.00/[illegible]	[illegible]	520.00	
10. Toilet Partitions & Doors	13	110.00/[illegible]	[illegible]	720.00	[illegible]
11. Plumbing Installation	30	[illegible]	[illegible]		
Sanitary fixtures (including water & sewer Lines)					
Downspouts		13.[illegible]/[illegible]		[illegible]	

Conversion rate: 2.5 Colones equ[illegible]

UNCLASSIFIED

ITEM	Quantity	Colones Unit Price	Colones Subtotal	Total U. S. $	Est. value Imported materials US$
12. Roof Structural Framing, Corrugated metal roof, & gutters					
Auditorium	924.00M2	₡ 16.00/M2	₡ 14,784.00		
Music rooms	384.00M2	12.00/M2	4,608.00	$ 7,756.80	$ 3,060
			19,392.00		
13. Railings	80.00ML	50.00/ML	400.00	160.00	40
14. Painting	5,325.00M2	1.50/M2	7,987.50	3,195.00	440
15. Built-up Roofing	140.00M2	10.00M2	1,400.00	560.00	200
16. Acoustic Ceiling	860.00M2	14.50/M2	12,470.00	4,988.00	3,200
17. Electric Installation Complete	L. S.		90.500.00	36,200.00	14,800
18. Grassing	140.00M2	2.50/M2	350.00	140.00	-.-
		TOTALS	₡349,123.75	139,649.50	$ 35,000

Conversion rate: 2.5 Colones equals $1.00 U.S. Dollar

AMERICAN SCHOOL

SUMMARY OF FURNISHINGS AND EQUIPMENT

General Furnishings	$ 30,611.80
Library Equipment	6,594.05
Cafeteria Equipment	17,000.00
Laboratory Equipment	10,419.00
Auditorium Equipment	17,499.00
	$ 82,123.85

(No local costs are included in this list)

GENERAL FURNISHINGS

		QUANTITY	EST. PRICE EACH	EST. TOTAL PRICE
1.	Filing Cabinet, 4 drawer, legal size	8	$ 80.00	$ 160.00
2.	Side Chairs with arms	3	35.00	105.00
3.	Teacher's chairs	30	15.00	450.00
4.	Secretarial desks - 60"x30"	2	150.00	300.00
5.	Secretarial Chairs	5	30.00	150.00
6.	Administrator metal desk	1	190.00	190.00
7.	Teacher's desks	11	105.00	1,155.00
8.	Teacher's metal desk	1	120.00	120.00
9.	Corrugated steel basket	28	3.00	84.00
10.	Steel storage cabinet	2	60.00	120.00
11.	Wardrobe cabinet	1	55.00	55.00
12.	Counter high storage cabinets	2	45.00	90.00
13.	Electric typewriters	4	300.00	1,200.00
14.	Long carriage typewriter electric	1	375.00	375.00
	Long carriage typewriter	1	280.00	280.00
15.	All purpose tables	2	50.00	100.00
16.	Stencil duplicator machine	1	100.00	100.00
17.	Duplicator cabinet	1	50.00	50.00
18.	Electric memeo machine	1	300.00	300.00
19.	Conference table	1	300.00	300.00
20.	I. B. M. Radio clock system	1		2,500.00
21.	Public Address system including auditorium	1		3,000.00
22.	Telephone-Secretarial	1	400.00	400.00
23.	Steel cots with mattress	2	50.00	100.00
24.	Rotary-Index	1	20.00	20.00
25.	Step on receptacle with removable liner	1	7.00	7.00
26.	Steel card units on bases	2	50.00	100.00
27.	Swible chairs	20	35.00	700.00
28.	School Health Scale	1	75.00	75.00
29.	Typewriter desk for students	6	45.00	270.00
30.	Typing-chairs-student-posture typewriters	6	18.00	108.00
31.	Calculator machines	2	400.00	800.00
32.	Adding-Listing machine	1	600.00	600.00
33.	Laboratory stool steel with back	2	6.50	13.00
34.	Plywood all-purpose chair	6	9.50	57.00
35.	First aid cabinet steel white	1	75.00	75.00
36.	Folding lunch tables	10	235.00	2,350.00
37.	Electric hand-dryers	18	25.00	450.00

		QUANTITY	EST. PRICE EACH	EST. TOTAL PRICE
38.	Pupils desks	196	$ 25.00	$ 4,900.00
39.	Flag poles and flags	4	100.00	400.00
40.	Lockers: 2 tier with comb lock	120		2,760.00
	Lockers: single tier	150		3,300.00
41.	Chalkboard for Mathematics Class-specially lined			215.00
42.	Cleaning machines (custodian)	2	70.00	140.00
43.	Paper towel dispensers	12	3.00	36.00
44.	Soap dispensers	12	4.15	49.80
45.	Toilet tissue dispensers	24	1.50	21.20
46.	Trash cans	8	5.10	40.80
47.	Electric water coolers	8	180.00	1,440.00
				$30,611.30

LABORATORY EQUIPMENT

1.	Standard teaching microscopes	30		4,000.00
2.	water bath, variable temperatures	1		16.50
3.	Electric incubators, table model	1		90.00
4.	Centrifuge, table model (small)	1		96.00
5.	Triple beam balances (O-Hans Cent-o-gram)	3		78.00
6.	Polyetrylene bottles of several sizes			20.00
7.	Pipettes 5 ml.	2 doz.		90.00
8.	Pipettes 1 ml.	5 doz.		75.00
9.	Separatory funnel 60 ml. each	12		52.00
10.	Aquarium, stand, pump, filter	1		111.00
11.	Sterilizer pressure cooker	1		38.00
12.	Vaccum pump	1		22.00
13.	Dessicator - 250 mm.	1		29.00
14.	Boxes of slides, non frosted for microscope	20		139.00
15.	Teaching aids models, of frog	1		67.50
16.	Petri dishes, for bacteriology work	Assorted sizes		39.00
17.	Sets of review sheets	2	12.00	24.00
18.	Test tubes of different sizes	Assorted sizes		30.00
19.	Beakers-250 cc.	Assorted sizes		10.00

	ITEM	QUANTITY	EST. PRICE EACH	EST. TOTAL PRICE
20.	Erlemayer flask, 125-250cc	Assorted sizes		$ 20.00
21.	Small green house	1		30.00
22.	Test tube racks (wire)	8		32.00
23.	Prepared Biological materials, Botanical and Zoo			50.00
24.	Chemical Laboratory table assembly	3	$ 450.00	1,350.00
25.	Hoods for chemistry laboratory	2	350.00	700.00
26.	Student tables for physics room	30	35.00	1,050.00
27.	Units of materials for Physics Program	10	180.00	1,800.00
28.	Stools for Science and Physics rooms	60	6.00	360.00
				$10,419.00

AUDITORIUM EQUIPMENT

1.	Auditorium chairs	750		13,600.00
2.	Footlights	12	7.00	84.00
3.	Piano	1		900.00
4.	Speaker stand	1		40.00
5.	Stage drapes			875.00
6.	Curtain and rigging			2,000.00
				$17,499.00

LIBRARY EQUIPMENT

1.	Library tables	14		1,738.30
2.	Library chairs	56		2,052.40
3.	Library book shelving-initial section	2	79.60	159.20
4.	Library book shelving-additional section	30	59.00	1,770.00
5.	Card catalog cabinet	1		100.45
6.	Periodical display and storage shelving units	2		418.05
7.	Dictionary stand with an adjustable shelf	1		187.55
8.	Book truck with rubber bumpers	1		167.50
				6,594.05

ITEM	QUANTITY	EST. PRICE EACH	EST. TOTAL PRICE
CAFETERIA EQUIPMENT			
1. Stoves, refrigerator, freezer, etc.			14,000.00
2. Soda Fountain			3,000.00
			17,000.00
		GRAND TOTAL	$82,123.85

AMERICAN SCHOOL
EXPANSION PROGRAM - ESTIMATED ANNUAL EXPENDITURES
(in 000's of U.S. dollars)

15-Year Expansion Plan	1966	1967	1968	1969	1970	Total
Phase VI - High School and Auditorium						
A.I.D. Loan						
Local Currency	18	311	69			398
U.S. Dollars	-	202	-			202
Total Loan	18	513	69			600
American School Financing						
Local Currency	3	6	3			12
Land Contribution	97					97
TOTAL Phase VI	118	519	72			709
Phase VII - Athletic Facilities						
American School Financing						
Land Acquisition				150		150
Construction and Equipment				80	195	275
Total Phase VII				230	195	425
GRAND TOTAL	118	519	72	230	195	1134

ESTIMATED WORK SCHEDULE

(FIGURES IN BOXES INDICATE THOUSANDS OF DOLLARS)

	1966	1967	1968	1969	1970
PHASE VI - HIGH SCHOOL & AUDITORIUM					
HIGH SCHOOL					
DESIGN	10				
CONSTR. & SUPER.		278	45		
EQMT. PURCHASE		10 71			
AUDITORIUM					
DESIGN	8				
CONSTR. & SUPER.		144	24		
EQMT. PURCHASE		2 20			
PHASE VII - ATHLETIC FACILITIES					
ATHLETIC FIELD					
LAND PURCHASE				150	
SITE DESIGN				2	
SITE IMPROV. & SUPER.				60	
GYMNASIUM					
DESIGN				5	
CONSTR. & SUPER.				13	39
POOL & OTHER FACILITIES					
DESIGN					4
CONSTR. & SUPER.					102
TOTALS	18	525	69		
LOAN	18	513	69		
SCHOOL FUNDS		12		230	195

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ANNEX C, Page 14 of 28
Exhibit 5, Page 1 of 1

AMERICAN SCHOOL BUILDING PROGRAM

OUTLINE SPECIFICATIONS

General Description

A. High School Building.

This is to be a two-story reinforced concrete structure supported on spread footings. Column and beam framing will carry the flat slabs of the second floor and roof. These slabs will be cast integrally with hollow concrete pans. Two-ply built up composition roofing will be used. Walls are to be concrete block masonry.

Concrete column and ceiling surfaces are to be plaster finished and floors and baseboards will be of colored cement tile. Office and library doors are to be glass with aluminum frames. Other doors will be steelclad. Windows will be of aluminum sash. Bathroom wainscots are to be covered with ceramic tile.

B. Auditorium

This building will have concrete columns on spread footings, with balcony and main roof supported by structural steel framing. The smaller flat roofs will be concrete cast integrally with hollow concrete pans. The main roof is to be undercoated galvanized corrugated metal. Concrete block or clay brick walls will be used.

A hung ceiling with acoustic material will be installed together with a decorative acoustic interior wall treatment. Other exposed concrete surfaces will be plaster finished. Floors and baseboards will be of colored concrete tile. Bathroom wainscots are to be covered with ceramic tile. Windows, louvres, and doors will have aluminum frames.

D. General

Design

The latest earthquake code design requirements will be followed. These are in line with those used in California and Mexico. Reinforced concrete design will be based on a compressive strength of 3,000#/square inch and comply with the requirements of the American Concrete Institute. Subsoil investigations will be made at the building sites to determine the

bearing capacity. However, the construction already made in this area indicate that foundation problems are unlikely.

Specifications

Special specifications will be prepared and notations made on the design drawings. However, work will comply with the latest San Salvador building requirements and in general, follow pertinent specifications of building codes of the west coast of the United States.

Galvanized iron water pipe, cast iron downspouts, cast iron and concrete sewer pipe, and galvanized metal conduit will be used.

Utilities

Water, sewer and electric power are available to both the high school and auditorium sites and are adequate to accommodate the additional demands.

MEMORANDUM

San Salvador, June 28, 1966

To: Mr. John P. Maloney, Principal
Escuela Americana
San Salvador, El Salvador, C. A.

From: Dr. John Tyrell,
Director of Science
Boston Public Schools, and

Edward A. Foley,
Chairman Science Department
Boston Public Schools

Subject: New High School
Science Laboratories

A - Laboratory Design

This laboratory complex was designed to conform with the area provided in the plans for the new high school. Alterations in the overall area earmarked for science have been avoided.

The Basic Plan provides for an integrated laboratory complex embracing two (2) laboratory areas or rooms, plus a combination preparation storage area or room in the center.

The overall dimensions provided by the plans are 124' x 32'. This area is organized as follows:

1) A science laboratory designed and equipped to permit competent instruction and pupil experiences in three disciplines: namely, Chemistry, Biology, and General Science. Class space is provided for 32 pupils, and work-stations are provided for 32 pupils.

2) Continuous with, but separated from both laboratories by walls, is located a combination preparation storage room 20' x 32'. This area will service both laboratories and all the science disciplines.

try. As is always the case, money and available space are very important factors.

Considering the enrollment of the school, the subject offerings and the number of periods in each of these subjects, two combination Laboratory-classrooms and one preparation-supply room provide the absolute minimum number of rooms that can be educationally defensible. These two laboratory-classrooms and one preparation-supply room will be suitable not only for the present but also for many years to come.

Use of these laboratories for a period of not less than twenty (20) years has been anticipated, both in the design and in the selective choice of equipment and apparatus. Provision has been made for additional equipment when, as and if, requirements not now capable of anticipation are made at some future time. No evidence is available to suggest that future needs may not adequately be satisfied by the design submitted.

It is the consensus among professional educators that the focus of general education for the ordinary student is toward the development of a scientific literacy in the citizen of tomorrow; that the prime concern is with techniques, curriculum, materials, and student experiences, which can be most effectively employed in guiding the student in his learning of the principal contributing ideas to scientific literacy.

To the end that these goals may be realized this plan is respectfully submitted.

3) A laboratory area 50' x 32' continuous with the area cited in item two (2) above and designed and equipped to permit instruction and pupil experiences in the physical sciences.

4) Both laboratory areas are designed to accommodate 32 pupils/class section in addition to 32 work stations. In addition each laboratory is equipped with a demonstration table designed to permit teacher demonstrations in the several science disciplines.

B - Reasons upon which design submitted are based.

1) Safety: Adequate space is provided to permit the type of pupil traffic flow peculiar to and necessary in the safe and proper conduct of modern secondary school pupil activities in science.

2) Exits: The legal minimum number of exits for safety are provided.

C - Utility

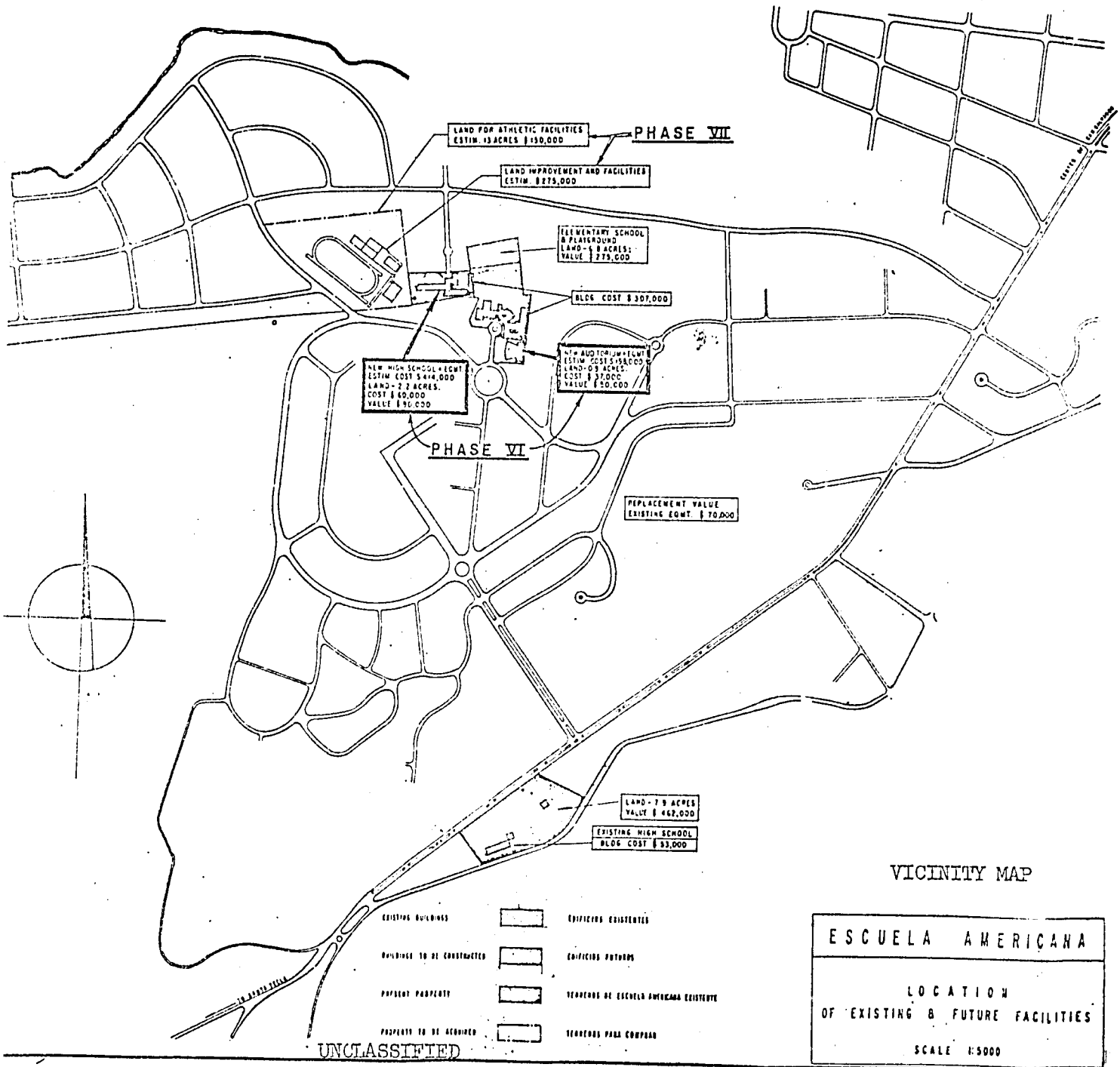
The triple-function Chemistry, Biology, General Science Laboratory area has been structured to provide basic equipment and material adequate to insure at least minimum academic preparation for college oriented pupils as well as for those pupils for whom secondary school is terminal education.

Provision has been made for adequate basic science training consistent with current requirements in accredited colleges.

The tri-partite structure of the Chemistry/Biology/General Science area permits triple utilization of all the laboratory furniture. Thus, it may reasonably be held that the cost of teaching any one science is 1/3 the total cost of the classroom/laboratory furniture. This economy in no way mitigates the effective educational experiences of pupils present or future.

D - Conclusions

1) Number of rooms: If money and available space were of no concern, a strong case could be presented for a separate room for each of the science areas: Biology, Physics, General Science and Chemis-



VICINITY MAP

ESCUELA AMERICANA

LOCATION
OF EXISTING & FUTURE FACILITIES

SCALE 1:5000

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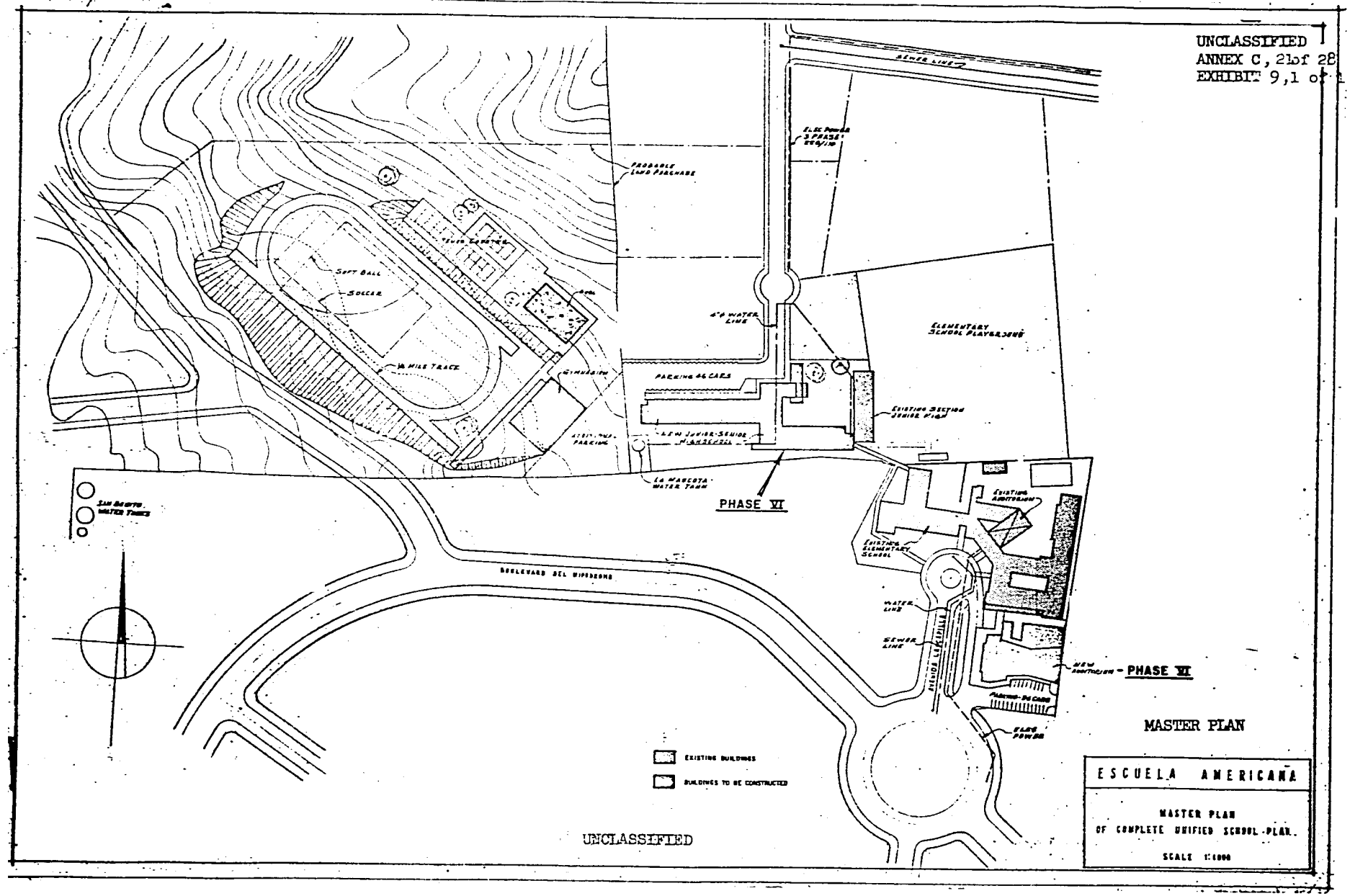

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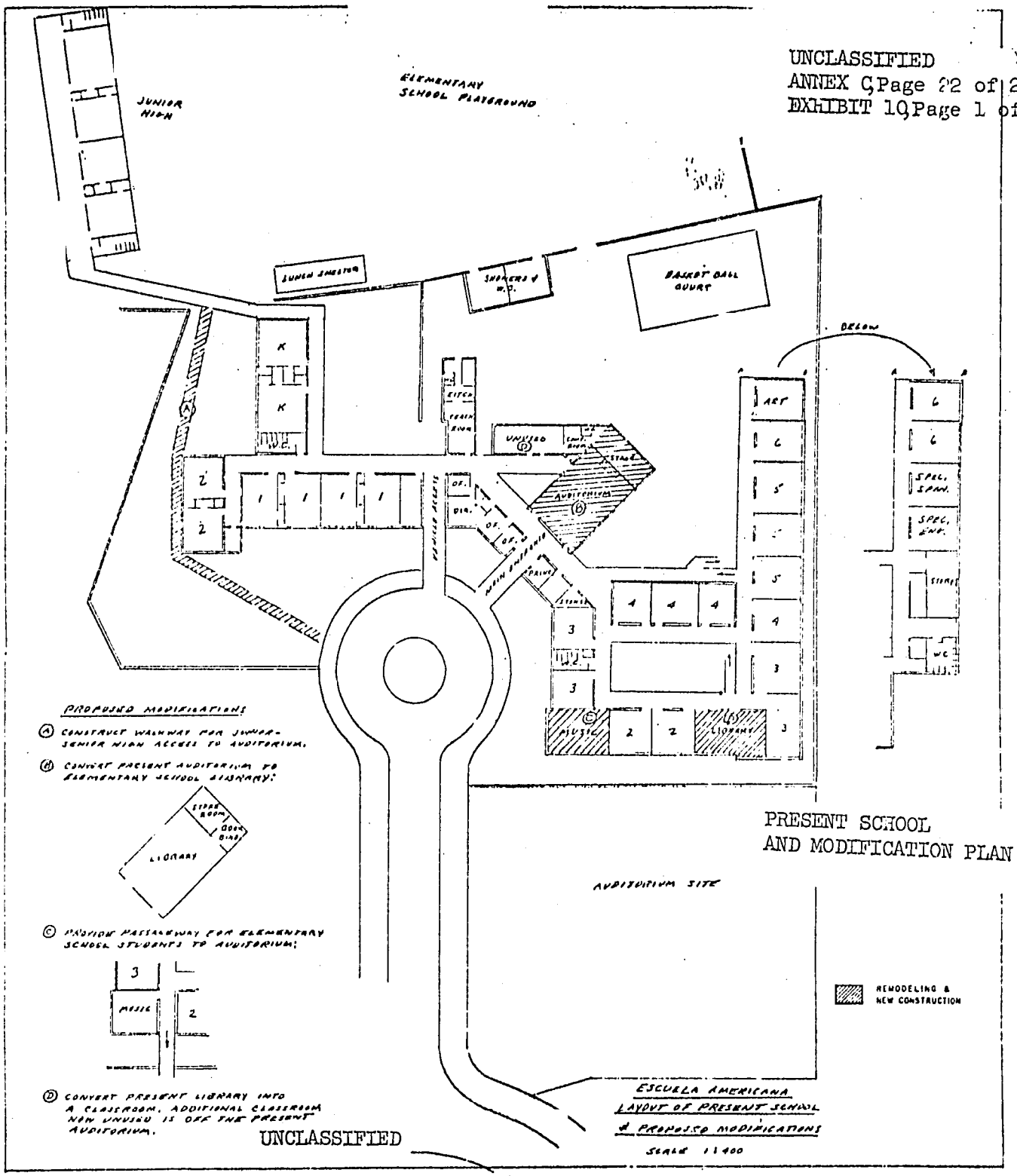

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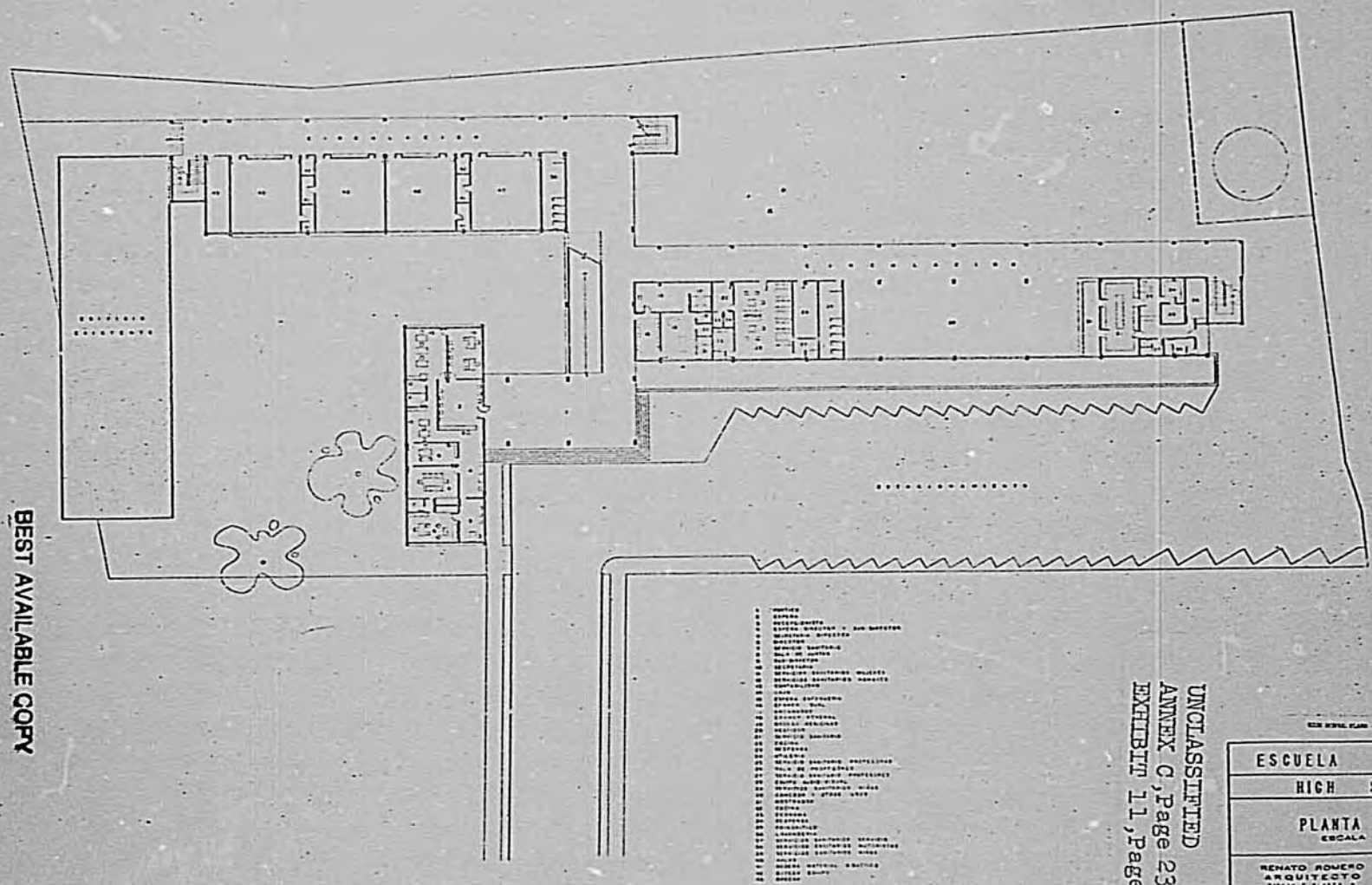
HIGH SCHOOL PLANS
GROUND FLOOR



ESCUELA AMERICANA	
HIGH SCHOOL	
PLANTA BAJA ESCALA 1:300	
RENATO ROMERO ARQUITECTO	A-4

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EXHIBIT 11, Page 1 of 1

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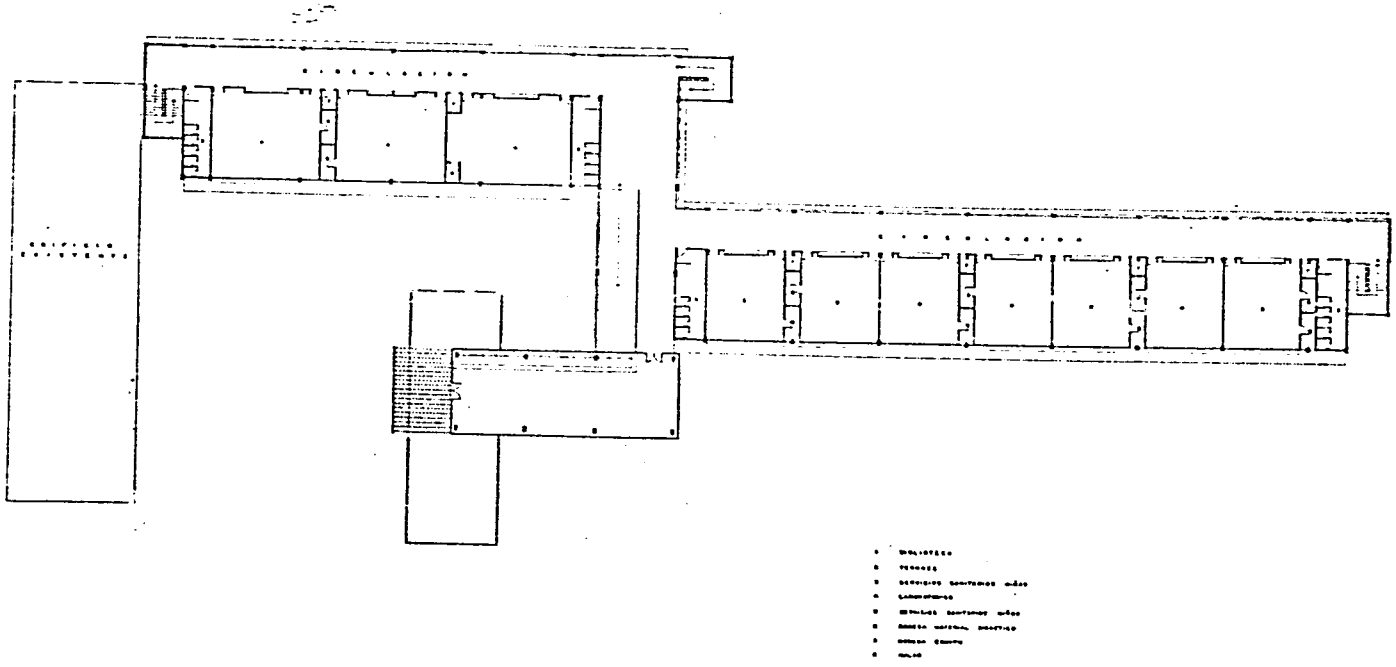
HIGH SCHOOL PLANS
SECOND FLOOR



ESCUELA AMERICANA	
HIGH SCHOOL	
PLANTA ALTA ESCALA 1:200	
RENATO ROMERO ARQUITECTO	A-5

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EXHIBIT 12, Page 1 of 1

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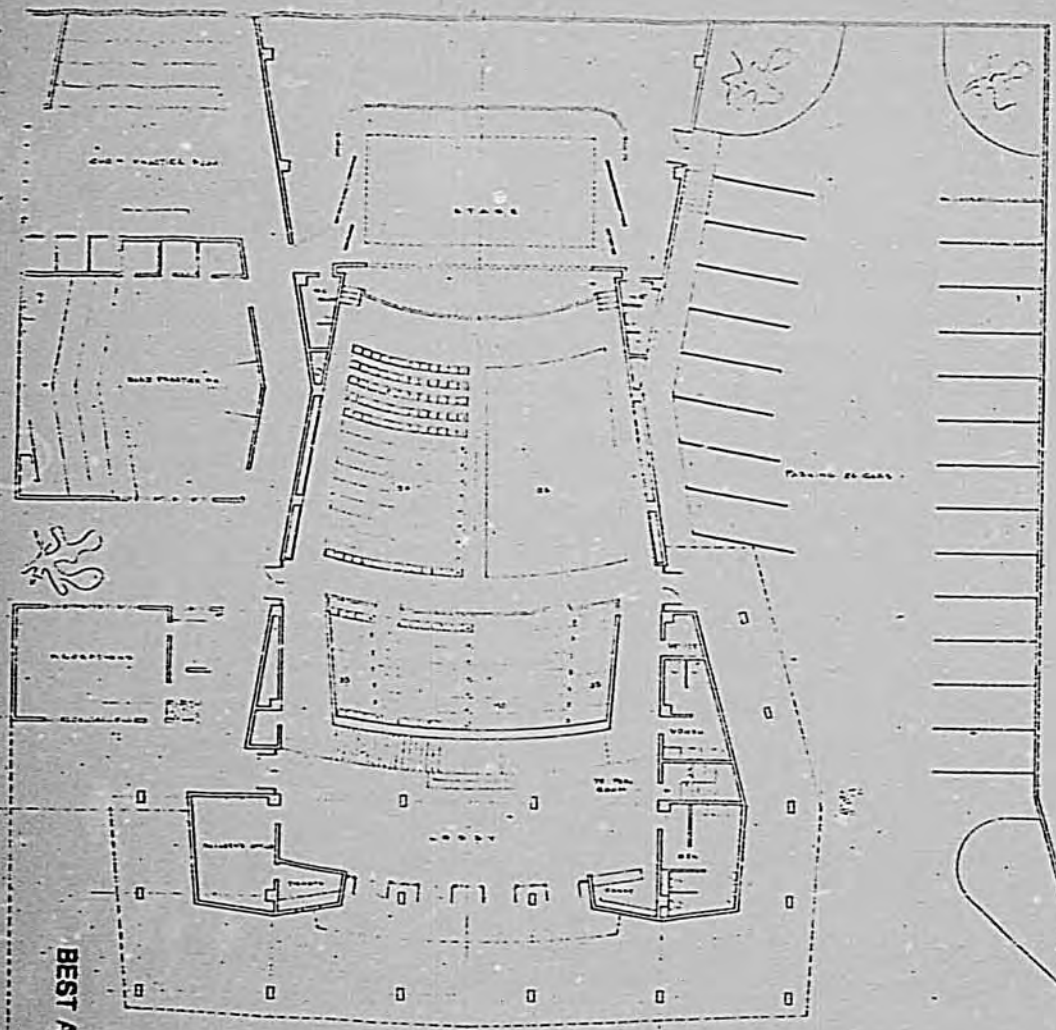
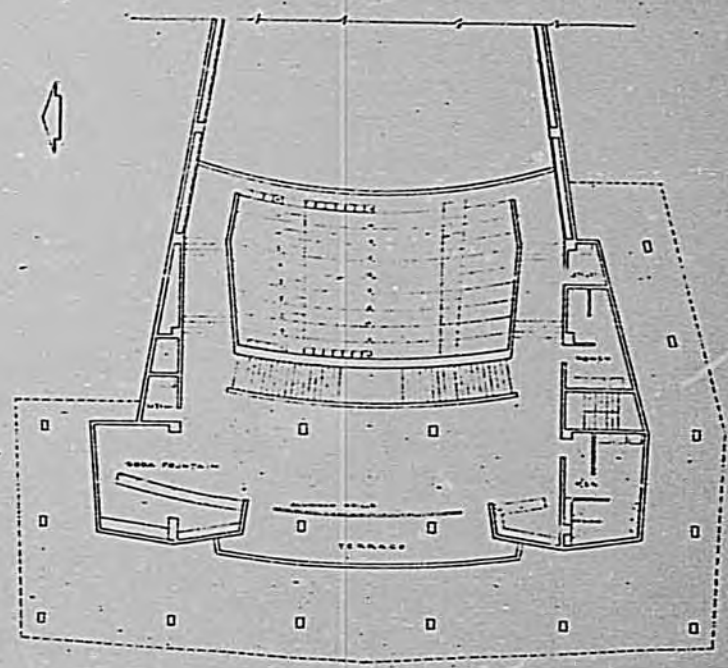
AUDITORIUM PLANS --GROUND FLOOR





AUDITORIUM PARA ESCUELA AMERICANA
SAN SALVADOR, APRIL 1966

R.A. COADEAR, ARQ.

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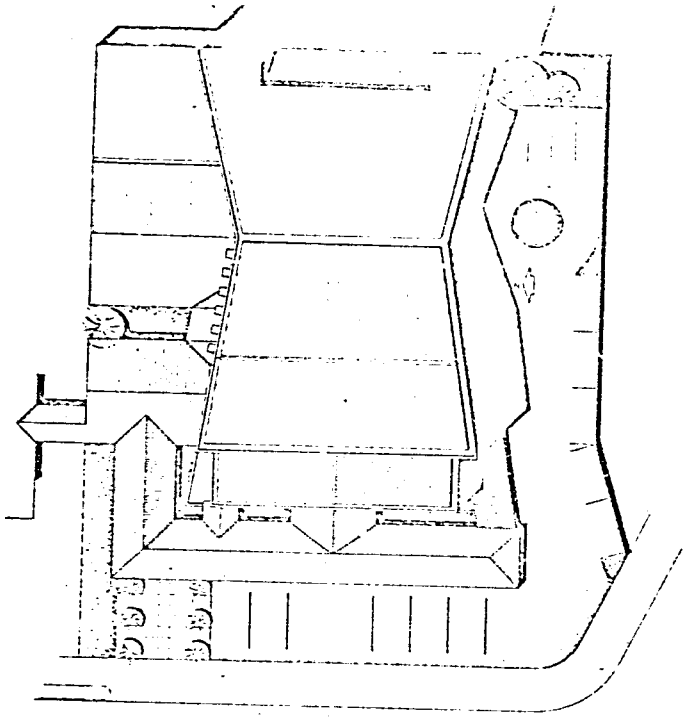
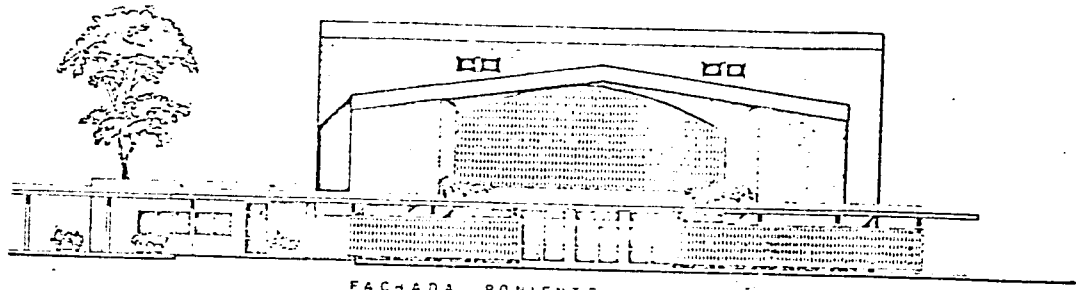
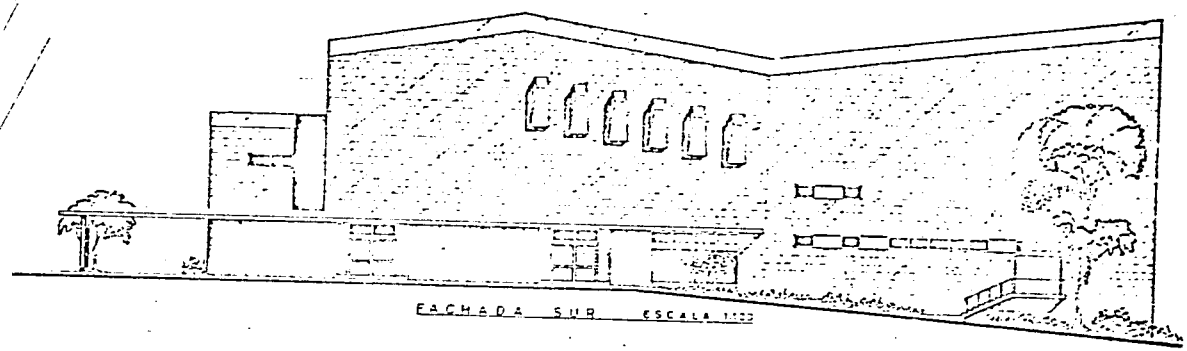


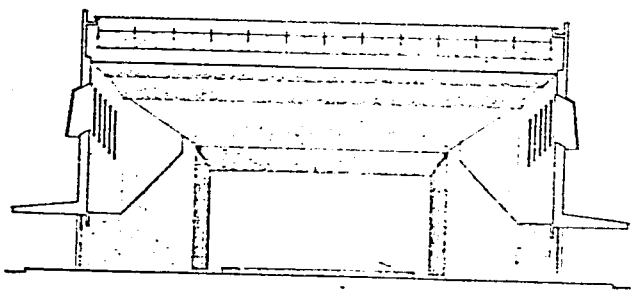
CONJUNTO



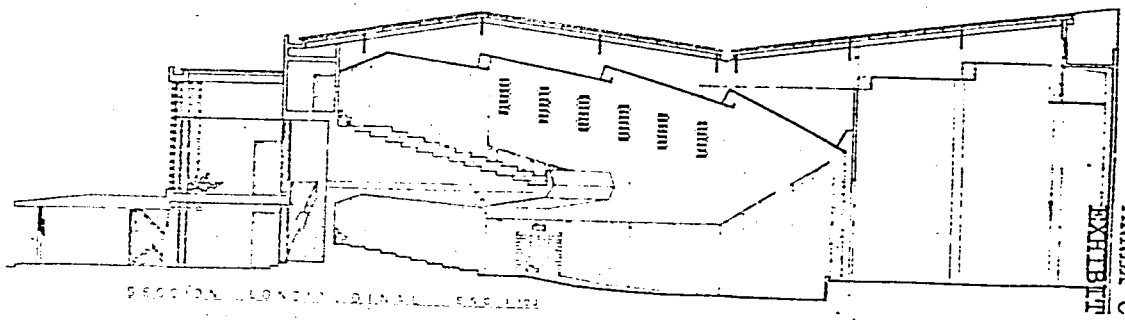
FACHADA PONIENTE ESCALA 1:100



FACHADA SUR ESCALA 1:100



SECCION TRANSVERSAL ESC 1:100



SECCION LONGITUDINAL ESC 1:100

AUDITORIUM PARA LA ESCUELA AMERICANA

AUDITORIUM PLANS - ELEVATIONS

ARQUITECTO RAFAEL A. CORDERO
SAN SALVADOR FEBRERO DE 1944

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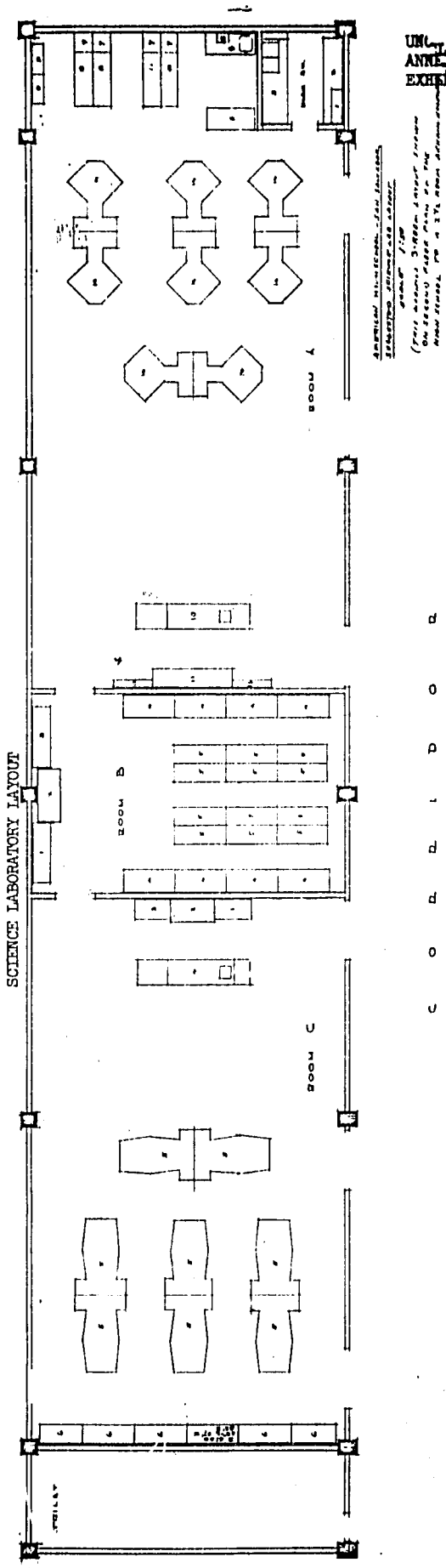

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FINANCIAL DATA
COST OF PROJECT

The American School, in order to consolidate at one location, expand the physical plant to meet increasing enrollment demands, and provide certain much needed facilities and services required of a well-rounded educational institution, has requested an A. I. D. loan of $600,000 to finance the construction and equipment of the Project (Phase VI of the School's long range program of expansion). The Project is estimated to cost $709,000, broken down as follows (in thousands of US$):

	U. S. $ Costs	Local Currency Costs (in US$)	Total
High School			
Land	--	60	60
Construction	64	269	333
Equipment	81	--	81
Auditorium			
Land	--	37	37
Construction	35	141	176
Equipment	22	--	22
			235
		Total	709

The proposed high school building is to include 11 classrooms three laboratories, a library for grades 7-12, kitchen and cafeteria for the entire school, teacher's lounge, and an administrative area. The auditorium is planned for a seating capacity of 750 and includes two music rooms. The school already owns the land on which the high school and auditorium would be built.

With the completion of this Project, the entire school would be consolidated at the location of the present elementary school (the high school now is one mile from the elementary school), and will increase its capacity by 300 students. For the first time, the American School would have a cafeteria and kitchen to serve hot lunches and provide a sanitary place to eat. Most elementary school children now return home by school bus for lunch. About 100-125 remain at school to eat cold lunches brought from home. The high school

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students eat in the hallway or in the classrooms of the present facilities.

The planned auditorium would provide the School with a place for assembly of large numbers of students, showing of educational films, etc. (the high school now has no auditorium). In addition, the School would be used as a meeting place and community center for activities of the Salvadoran/American community. The present elementary school, inadequate by American standards, even for the elementary school's needs, is used about 50 times a year for non-school sponsored activities. (See Annex B Exhibit 12)

In addition to the new construction, the American School would gain three classrooms in the elementary building by (a) converting the existing elementary school auditorium into the elementary school library and converting the present library space into two classrooms, and (b) using the present music room as an additional classroom. The school, however, would sell the present pre-fabricated high school buildings which contain five classrooms, one commercial room, one inadequate science laboratory, one small library, and a small administrative area.

Once the high school student body and faculty has been moved from its old location to the new facility provided by the Project, the School would finance the cost of land acquisition adjacent to the new high school and the installation of recreational facilities (gymnasium, swimming pool and other athletic facilities) by sale or exchange of the present high school land and property, currently estimated at a value of approximately $400,000. This would constitute execution of the final Phase VII of the School's 15-year Program of expansion and modernization. Valuation of the present high school land and property is not a certified appraisal, and, the costs of acquiring the needed adjacent land and facilities are preliminary estimates. However, as of 1966, the land for Phase VII is estimated to cost approximately the equivalent of $150,000 and the facilities $275,000, all, or substantially all, in local currency expenditures from funds generated by the School.

The recreational facilities would be used to provide the School a complete and proper physical education program and, for community activities authorized by the School.

MASTER PLAN

1. Long Range Plan

The present loan request is for the construction of a new high school building and auditorium, the sixth phase of a seven phase fifteen-year program begun in 1957 to provide a complete and adequate plant equipped to educate a school population of between 1,000 and 1,100 pupils. In recent years, the School has revised its maximum school population estimates upward to 1248 as the number of Americans moving to San Salvador has increased and the applications by Salvadorans to attend the school have greatly expanded. Before the beginning of the present program the school had bought land and constructed buildings costing $240,255.

PHASE I	1957:	High School founded. Private House used as school for three years.	
PHASE II	1958:	Four (4) new classrooms constructed at elementary location	$ 31,985
	1958:	December. Bought adjoining land for site for auditorium.	$ 36,643
PHASE III	1959:	Two (2) large Kindergarten rooms constructed.	$ 24,951
PHASE IV	1960:	Prefabricated structure of six (6) classrooms and office space constructed for High School on property donated by American Embassy	$ 43,647
	1960: 1961:	Four (4) new classrooms added to elementary school	$ 36,857
	1963:	One (1) classroom and Chemistry Laboratory added to the High School	$ 9,286
PHASE V	1963:	Four (4) Junior High School classrooms built	$ 40,000*
		TOTAL	$ 223,369

*A.I.D. Grant.

PHASE VI 1966: Construction of eleven (11) additional classrooms, Three (3) Laboratories, Cafeteria, Library and Administration Offices and Auditorium thereby consolidating all the facilities of the School at one location.

Estimated cost $709,000

PHASE VII 1968: In these years it is planned to complete the plant of the school by adding a gymnasium, playing fields and other installations for athletics. These installations are planned to be financed by the sale or exhange of the present site of the high school.

Estimated cost $425,000

2. Need for Consolidation

The expansion of the present Elementary School site to include the High School has many advantages. The Elementary School location is on high, desirable land without drainage problems in a very accessible and fully urbanized part of the city. It is located in a quiet residential area where traffic is at a minimum. The present Elementary School and the projected High School are located at the end of a deadend street and therefore, traffic hazards are automatically eliminated. This location is no more than 25 minutes away by school bus from any point of the city. The first four rooms of the Junior-Senior High School have already been constructed and have been in use for two school years. The school has a $60,000 investment in land which was bought for the express purpose of building the new high school in this location. The four rooms now in operation occupy a relatively small part of this land. Having both the High School and the Elementary School in adjacent locations would streamline school administration and would eliminate the duplication of administration offices, receiving rooms for books, supplies, etc., storerooms, maintenance personnel, night watchmen, and science laboratory facilities. Communication between the Director and the school teaching staff would be greatly simplified as much time is consumed in travelling between two locations and duplicating decisions in the administration of the policies of the Board of Directors.

MASTER PLAN

1. Long Range Plan

The present loan request is for the construction of a new high school building and auditorium, the sixth phase of a seven phase fifteen-year program ~~begun in 1957~~ to provide a complete and adequate plant equipped to educate a school population of between 1,000 and 1,100 pupils. ~~Since the program was initiated in 1957,~~ the rapid increase in enrollment due partly to the increasing numbers of Americans moving to San Salvador, has forced the School to revise its maximum school population estimate upward to 1248. Before the beginning of the present program the school had bought land and constructed buildings costing $240,255.

PHASE I	1957:	High School founded. Private House used as school for three years.	
PHASE II	1958:	Four (4) new classrooms constructed at elementary location	$ 31,985
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	1963:	One (1) classroom and Chemistry Laboratory added to the High School	$ 9,286
PHASE V	1963:	~~Land bought and~~ Four (4) Junior High School classrooms built.	60,000 * ~~$100,000*~~
		TOTAL	~~$283,009~~ 223,369

* AID
~~*State Department~~ Grant.

The School could make more effective use of the teaching staff in Grades 7 through 12 because teachers of the various subject areas could be used anywhere between Grade 7 through Grade 12 where under the present two school locations such subject area teachers can only be used either in Grade 7 and 8 or in grades 9 through 12. Two Vice-Principals and a business manager (new position) could superivise more effectively if the two schools were in a single location. Maintenance would be simplified since the School would have a single work group at one location to maintain the buildings and make ordinary repairs.

A further important advantage in using only the Elementary School site is that the school could sell the valuable capital asset of the land (7.9 acres) and buildings now being used by the High School. This land is in an excellent location, needs no improvement, and could be either sold or exchanged for some of the canefield land adjoining the Elementary School property. However, in order for the education of the High School students to continue without interruption the High School building must be constructed before any final disposition can be made of the present High School land and buildings.

3. Alternate Solutions

In lieu of the consolidation of the two schools at one location, the American School has considered: (i) maintain separate locations and develop adequate facilities at each; or (ii) move the two schools to a single new location.

(i) If the School should continue at the two locations, the high cost of duplication of services and drain on the time of the professional staff would continue. The School would not be able to obtain the flexibility of having all facilities at one location and could not operate at optimum efficiency. The School would still need additional classrooms and facilities to take care of increased enrollment so that construction would be necessary anyway. Both schools need kitchen and cafeteria facilities. Both schools need better athletic facilities. The high school needs an auditorium and the elementary school needs an improved one. This duplication of facilities that can be used by both schools would be very expensive, and would be much more expensive to maintain than common facilities. Finally, the School would be maintaining separate institutional identities. The high school facilities would remain on a more expensive

piece of land than it would occupy at the elementary site, thereby tying up more of the School's assets in real estate.

(ii) While there might be some advantages in moving the two schools to a completely new site, the disadvantages involved would be decisive in rejecting this possibility. The present site of the Elementary School is perhaps the most desirable site in San Salvador for the operation of an American School. The buildings of the Elementary School are of permanent brick and steel construction, are attractively designed but however, would be suitable only for use as school buildings. It would be almost impossible for a potential buyer to convert them to any other use. A new location would be extremely difficult to acquire since areas for building are at a premium in this city. Government and private housing authorities are constructing multifamily units wherever land is available and as a result of this demand the price of land has increased considerably. A section of land sufficient for the purpose involved in building a completely new school would be located at some distance from the city and the cost of improving such land for school use would be prohibitive. Also, a new problem in transportation would be created with an attendant rise in cost for the maintenance and operation of school buses. Since such a move would require a long period of time the question of housing the pupils of the two schools in the interim would be a very serious one since there is no structure available in the city which could house the school population even for a short period of time. If such quarters were available the cost of adapting them to school use and the rent involved would in a short time nullify any financial advantage which might accrue from the sale of the present school sites.

AMERICAN SCHOOL ASSOCIATION
CONDENSED CASH FLOW STATEMENT
1966 - 1972
(in hundreds of dollars)

	1966	1967	1968	1969	1970	1971	1972
INCOME							
Operations	404	386.3	409.3	427.5	463.8	510.0	536.8
Borrowings - AID Loan (1)	18.0	513.0	69.0				
Sale of Land (2)				230.0	230.0		
	422.7	899.3	478.3	657.5	693.8	510.0	536.8
DISBURSEMENTS							
Operations	304.4	356.1	395.2	403.9	418.8	455.7	472.3
Acquisition of Land				150.0(3)			
Construction & Equipment	18.0	513.0	69.0	80.0(3)	195.0(3)		
Repayment of Borrowings							
A. I. D. Loan					35.0(4)		30.0
Non-AID Borrowings	70.1	4.5	4.5	19.7	33.8	18.7	4.6
Interest on Borrowings							
A. I. D. Loan		2.9	11.1	12.0	12.0	12.0	20.7
Non-AID Borrowings	8.0	6.3	6.1	5.7	1.6	1.3	1.0
	400.5	882.8	485.9	671.3	696.2	487.7	528.6
Increase/Decrease in Cash	22.2	16.5	7.6	13.8	2.4	22.3	8.2
Cash Balance Beginning Year	0.7	22.9	39.4	31.8	18.0	15.6	37.9
Cash Balance End Year	22.9	39.4	31.8	18.0	15.6	37.9	46.1

(1) AID Loan of $600,000 25 years including 5-year period of grace, interest 2% grace period $3\frac{1}{2}$% thereafter.

(2) Contemplated sale or exchange of 7.9 acres of land occupied by old high school. Land estimated value $460,000. $425,000 of proceeds planned to be reinvested in land, buildings and equipment for athletic facilities adjacent to new high school. Balance of proceeds planned to apply to amortization of AID loan in addition to scheduled repayments.

(3) Land acquisition and athletic facility construction and equipment per estimates in School's expansion plan Phase VII.

(4) Balance of estimated funds derived from sale of old high school land.

AMERICAN SCHOOL ASSOCIATION
CONDENSED BALANCE SHEETS

1963 - 1966

	(Oct. 31, 1963)	(Oct. 31/64)	(Oct. 31/65)	(Apr. 30/66)
ASSETS				
Current Assets	2,130	9,645	5,051	141,983
Other Assets	738	22,992	32,120	44,885
Fixed Assets (net) (less reserve for depreciation)	205,266	699,344	705,336	704,906
Deferred Assets				3,216
	208,134	731,981	742,471	894,990
LIABILITIES				
Current Liabilities	26,975	176,519	101,779	58,973
Long Term Liabilities	29,600	91,417	93,224	94,905
Deferred Credits	22,157	33,308	53,716	207,600
Reserve for Bond Amortization		3,918	33,168	33,168
Capital	150,000	407,670	407,670	407,670
Surplus	20,598	19,149	52,914	92,674
	208,134	731,981	742,471	894,990

AMERICAN SCHOOL ASSOCIATION
CONDENSED INCOME AND EXPENSE STATEMENTS
1962 - 1966
(in U. S. Dollars)

	1962 Calendar 12 months	1963 Calendar 12 mos.	1964 Fiscal 1/64-10/64	1965 Fiscal 11/64-10/65	1966 Fiscal(partial) 11/65--4/66
INCOME					
Operating Income	240.087	255.170	292.710	347.049	177.413
Donations	4.270	90.991	52.691	16.844	11.947
Other Income	979	105	578	2.408	.197
	245.336	346.266	345.979	366.301	189.557
EXPENSE					
Operating Expenses	224.922	250.057	280.544	282.836	135.139
Debt Servicing	11.397	13.532	11.020	10.116	1.493
Depreciation	4.785	3.725	6.135	10.333	5.168
Other Expense	5.223	2.644	8.595		
	246.327	269.958	306.294	303.285	141.800
NET INCOME	991	76.308	39.685	63.016	47.757
Reserve for Debt Amortization	-.-	-.-	-.-	10.102	-.-
Capital Outlay	-.-	81.491	15.509	-.-	-.-
SURPLUS	991	5.133	24.176	52.914	47.757

Notes:

1. Tuition increase authorized in 1964 reflected in 1965 and later operating income.
2. 1963 USG grant for purchase of land, building and equipping of 4-classroom Junior High School building was received as donation $81.491 in 1963 and $18,509 in 1964. Disbursement recorded as capital outlay 1963-1964 totalling $97.000.

Dr. Alfredo Ortíz Mancía
Abogado y Notario
San Salvador, El Salvador, C. A.

February 18th, 1966

Mr. H. André Weismann
Agency for International
Development
San Salvador.

Dear Mr. Weismann:

In the desire of offering some cooperation in behalf of the American School's project of obtaining a loan for the construction of the new High School buildings, I am pleased to advise you that there is no difficulty in obtaining a guarantee from the Government with regard to the convertibility of the dollars that would be destined to the payment of any indebtedness which the American School might contract in favor of AID, provided that in accordance with the Exchange Control Law, authorization is requested in the first place, from the Ministry of Economy for the introduction into the country of the foreign exchange to which the loan refers and once this agreement has been obtained through said authorization, that vouchers of the entrance of the dollars into the country are presented to the Ministry in order that the loan may be registered as foreign capital at that Department of State. Once the above requisites have been fulfilled, the law grants the under noted privileges to foreign capital: a) right to earn interest on the loan, up to 10% of the capital invested, although in some cases, when necessary, it is possible to obtain authorization for an increase in the interest rate, and b) authorization to remit the agreed amounts to amortize the principal.

When the loan is for a term shorter than one year it may be registered at the Exchange Control Department of the Central Reserve Bank, but if it should be for a period of more than a year, this must be done at the Ministry of Economy, as stated above.

If the foregoing should offer some assistance in obtaining the loan requested by the American School, I would feel highly gratified,

since it is an organization formed by the parents of the children receiving their education at the School, and which enjoys a great deal of prestige and is held as one of the foremost educational centers for the formation of youngsters, aside from having excellent credit attained over more than twenty five years of operation.

I might add that the American School was born in 1947 with 26 students and today it has 950. Many of its alumni are now prominent professionals in many branches of the liberal careers and others are studying at different educational centers in the United States and Europe, where they are accepted without any difficulty whatsoever.

It is well to mention also that the American School performs a very high function from the point of view of the relations between the United States and El Salvador, working in close harmony with the American Embassy's wise diplomatic policy and helping to promote the knowledge of and stimulating the friendly feelings between both countries.

I take this opportunity to convey to you my best regards remain,

Yours very truly,

Dr. Alfredo Ortíz Mancía

AOM:eo

Dr. ALFREDO ORTIZ MANCIA
ABOGADO Y NOTARIO
SAN SALVADOR
EL SALVADOR, C. A.
TELEFONO 2002
CABLE: ALFORTMAN

September 22, 1966.

Mr. Theodore T Foley
Capital Development Officer
Agency for International Development
San Salvador.

Dear Mr. Foley:

In answer to your recent questions concerning the corporate nature of the American School, I should like to offer the following opinions.

1. The American School of El Salvador is a private, non-profit Association constituted in accordance with Salvadoran law and is authorized to function by the Government of El Salvador. In accordance with Salvadoran law an authorized Association acts as a juridical entity. The American School does not discriminate for reasons of nationality, race, religion or economic status. It has the right to acquire real property for its own use and to dispose of such real property as is no longer needed for its use. Also, it has the right to obligate and discharge domestic or foreign indebtedness for expansion of its facilities and for its operations.

2. Any indebtedness that the American School might incur would be one to which A. I. D. might expect an institutional response at any time during the course of repayment of the proposed A. I. D. loan.

3. The proposed loan would have to be approved at a meeting of the General Assembly of members of the American School Association. A quorum for this meeting would be ten percent of the total members of the Association and a majority vote of this quorum would be needed for approval.

4. Juridical and extra-juridical representation of the American School Association is vested in its President of the Board of Directors. The President of the Board of Directors possesses the authority to sign financial obligations which have been duly approved by the General Assembly. Thus, the President of the Board of Directors would be the signatory party to the Loan Agreement, acting for the American School Association.

5. The signature of the President of the Board of Directors would constitute an institutional commitment of the American School to fulfill all conditions of the loan and to repay the loan.

6. It is my opinion that the American School Association of El Salvador possesses the attributes and the legal status to obligate itself to A. I. D. and to discharge its obligation of repayment of interest and principal.

Yours very truly,

Dr. Alfredo Ortiz Mancía.

REPORT OF AUDIT

No. 65-2

THE AMERICAN SCHOOL

Project No. 519-11-690-046

1.- BACKGROUND

A. General

In order that AID could effectively carry out the activities authorized by the Foreign assistance Act, it was found necessary to assume an Active role in assuring availability of adequate elementary and secondary schools for the education of dependent children of personnel carrying out those activities and of other U.S. Government personnel stationed abroad.

The American School in San Salvador, (the school in the country of El Salvador best qualified to provide elementary and secondary education in the english language to dependents of U.S. Government personnel) did not have adequate facilities to provide space for all those children both local and U.S., whose parents desired their attendance. For the 1963 school year approximately 100 children had to be denied admission for that reason.

Two (2) priorities were in effect at that time for admittance of children.

1. Children of U.S. citizens not permanently residing in El Salvador.

2. Relations of students already attending school.

Although those priorities were in effect, there was no certainty that dependents of US AID employees would be admitted because of the inadequacies of facilities mentioned above.

B. Financial

As a means of overcoming the stated problems the US AID, under authority granted in the Foreign Assistance Act of 1961 (Public Law 87-195) Section 636 (d) signed an Agreement, AID-EA-1 on June 27, 1963 to provide a grant of $100,000 to be used for the purchase of land (1.75 acres) and construction and equipping of four (4) classrooms. The funding was broken down as follows:

Purchase of land	$ 60,000
Constructing and equipping 4 classrooms	40,000
Total	$ 100,000

As a condition of the grant, Article II, C of the Agreement specifically provided that dependent children of U.S. citizen Government employees and AID financed contract employees who are able to meet the school's standards of admission would be accepted on a priority basis.

II. PURPOSE AND SCOPE OF AUDIT

The examination was conducted during the period August 3-19, 1964 for the purpose of acquainting the Director, US AID, and other interested persons, with the progress of the project, the degree of compliance with the terms of the agreement, and the propriety of expeditures.

The audit which covered from inception to conclusion of the project consisted of a physical inspection of the facilities, discussions with school, contractor and US AID officials, and an examination of their pertinent documents, procurement procedures and records with their supporting documents.

III. SUMMARY OF FINDINGS

Construction of the four (4) classrooms had been completed and all furniture and equipment provided except lockers. Classes had commenced in the classrooms on January 22, 1964. School procurement procedures and accounting records were found to be proper. The School had generally complied with the Agreement requirements. Of significant interest is the fact that all qualified dependents of U.S. Government personnel are admitted and 3 spaces are permanently reserved in each classroom for those U.S. Government dependent children arriving after close of the application period.

Only two (2) areas were found which deserve critical comments

A. The School had not provided any identification (such as a plaque) with the source of funds. (See recommendation No. 1, Action Director US AID).

B. The contractor's method of cost accounting did not provide for distribution of overhead to the project. Consequently, an accurate determination of his profit could not be ascertained. (See Additional Comments Section V of this report). Nevertheless, the review of contractor's records showed that his profits could not have been exhorbitant.

As a result of the overall review it is considered that the U.S. Government received full value for the funds granted. Only ₡4,861.20 ($1,944.48) remain unexpended in the school's records. These funds are committed to the purchase of lockers for the classrooms. (See Exhibit A)

IV. DETAILED FINDINGS AND RECOMMENDATIONS

A. General

Review and analysis of documentation and records maintained by the American School showed that both the interests of the U.S. Government and the American School were well protected in all transactions.

The land (12,500 square varas, a vara equals approximately 1 meter) was purchased for ₡150,000 or $60,000. This was about ₡12 per vara, or about ₡5 less than comparable land was sold for at that time. A right of way to the rear of the school was also included.

Bids for construction were solicited from the 5 leading construction firms in the area with the lowest bid of ₡72,660 being selected. Legal fees for the land and extra works were paid out of school funds.

The contract for construction of the classrooms was signed between the School and INGASA, A Construction and development corporation on October 22, 1963 with construction commencing the previous day. Actual construction was completed by January 23, 1964 except for light fixtures on which delivery was slow from the U.S. This did not prohibit classes from starting in those classrooms on January 23, 1964, however. Final acceptance of the building including light fixtures was February 11, 1964. The physical inspection of the new classrooms and comparison to the rest of the school facilities disclosed that it was built with about the same outward characteristics so that it blended well into the general school plan. It is a separate building connected by a covered passage to the rest of the school. It seemed to be well constructed with no outward faults except for a crack about 15 feet long on the outside of the porch floor where the floor was undermined by rain. The Headmaster, Mr. Maloney, stated that this was to be repaired by the responsible contractor.

Equipment in the school was economical but good. The students' desks were built in San Salvador using U.S. iron and Central American Wood.

B. Identification with U.S. Assistance

Although the Grant was a donation by the Government and, therefore, people of the United States, no identification plaque or sign was evident.

A.O. 1454.11, Attachment B, III, requires that buildings and other structures financed with AID funds shall be marked with an emblem of the size and type (plaque) suited to the structure and placed in a position readily visible to the public. The Agreement, although it contained a reference to the standard annex and therefore the AID regulations, did not specifically point out the requirement and the school officials were unaware that such publicity was required. The Headmaster, Mr. Maloney, stated that he would bring the requirement to the attention of the School Board. Nevertheless, it is considered that the matter should be brought formally to the Board's attention.

Recommendation No. 1 - Action: Director, US AID

A letter should be written to the School Board, American School, requesting that a plaque be installed on the building containing the 4 classrooms (This is a separate structure). The request should contain a suggestion as to the wording desired on the plaque.

(A letter, dated August 24, 1964, requesting the identification was submitted by the Director. The recommendation is considered cleared).

V. ADDITIONAL COMMENTS

The auditors reviewed the contractor's records with the purpose of determining whether excess profits had been made. As stated in the Summary of Findings and Recommendations, an accurate determination of profits could not be made. This was due to the system of accounting in which all overhead costs from the contractor's entire operations were charged to one Account, "Administrative Costs". The amount applicable to the American School project could not be ascertained without a thorough analysis of the entire operations which were quite complex. This, the contractor was not willing to allow, nor did the auditors feel it was necessary since this was a fixed price contract with no provision for post negotiation.

It was possible to determine the gross profit following selective tests and analysis of direct costs which were separately recorded and documented. The contractor, incidentally, was in process of converting from a manual to National Cash Register Co. (NCR) machine accounting system.

The examination disclosed that the adjusted direct cost of labor and materials was $66,829.16. The contract amounted to $72,660.00. The gross profit therefore, was $9,805.29 or 13.5%. This does not seem to be exhorbitant in view of prevailing practices and the fact that net profit would probably have been somewhat less than 10%.

VI. DISCUSSION WITH RESPONSIBLE OFFICIALS

The contents of this report were discussed with Mr. Ramsey L. Moore, Chairman of the School Board; Mr. John P. Maloney, Headmaster, American School; Mr. Melvin L. Gruwell, Chief of Education Division, US AID, and Mr. George DeMange, Construction Advisor, US AID. There were no dissenting comments.

US AID/SAN SALVADOR

SUMMARY OF DISBURSEMENTS

US AID			School			
Date	Voucher Number	Amount Disbursed		$	₡	Balance
8/23/63	BV- 303	6,000.00	Land	60,000.00	150,000.00	
11/12/63	973	10,000.00	Supervisor A & F	2,130,00	5,325.00	
11/20/63	1063	1,491.00	Construction of class-rooms	29,064.00	72,660.00	
12/20/63	1258	10,000.00	Construction of Patio	2,434.40	6,086.00	
1/17/63	1393	10,000.00	Fence and gate	868.72	2,171.80	
2/4/64	1486	6,000.00	Extra work building	2,220.00	5,550.00	
3/17/64	1734	2,509.00	Equipment	1,338.40	3,346.00	
TOTALS		$100,000.00	TOTALS	98,055.52	245,138.80	₡4,861.20 = $1,944.48 1/

1/ This amount is being held by the school to pay for lockers that have already been ordered from the U.S.

Grant Agreement Provisions

	$	₡
Land	60,000.00	150,000.00
Construction and Equipment	40,000.00	100,000.00
TOTALS	100,000.00	250,000.00

UNCLASSIFIED

UNCLASSIFIED

OTHER U. S. ASSISTANCE
(All Grants)

	Elementary School	High School
1950	$ 6,000	
1951	$ 6,700	
1952	$ 6,000	
1953	$ 6,000	
1954	$ 5,500	
1955	$ 5,500	
1956	$ 5,000	
1957	$ 5,500	
1958	$ 6,500	$ 2,500
1959	$ -.-	2,500
1960	$ 6,500	4,000*
1961	$ -.-	2,500
1962	$ -.-	-.-
1963	$ 12,000	12,000
1963	$100,000 (land & Construction)	
1964	$ 12,000	12,000

(All above except for the $100,000 was for salary supplements, educational materials and scholarships)

1965	$13,000	Salary Supplements
	$ 2,000	Teachers development
	$ 5,000	Scholarships
	$ 3,000	Audio-visual materials
	$ 1,000	Math Textbooks
	$10,000	Teacher Exchange program
1966	$10,000	Salary supplements and textbooks (AID)
	$12,500	Salary Supplements and Scholarships (State)

* Plus land (7.9 acres) on which the high school building was constructed.

MINUTES OF CAEC MEETING (M-65/28)
January 15, 1965

3. El Salvador - Escuela Americana (LA-CAEC/P-65/55)

Discussion of the $1.0 million request from Escuela Americana pointed out that financing of this project from Development Loan Funds would establish a precedent for the Alliance for Progress; the other American School (Guatemala) was financed from IAPSP funds.

Questions raised related to the classes of the population attending the School, the percentage of nationalities, and the attendance of the diplomatic community; the opportunity this application presents to elicit more self-help on the part of the Salvadoran community and the extent to which the El Salvadoran community accepts this as a desirable school and their financial support to it; the purchase of land and refinancing, which are requested as eligible items in the loan application; the relative priority of the project; reasonable prospects of repayment and exchange rate guaranty.

Considering the precedent factor, the Committee deferred action on the IRR pending an investigation of the availability of funds specifically allocated by Congress for American Schools. The Committee decided that any decision as to use of DL funds for this project should be made by Mr. Rogers and Mr. Mann.

Additionally, the Committee suggested that perhaps the use of an extended risk guaranty could be explored.

If the final decision is to place the proposal under intensive review, the Project Committee was directed to seek contributions from El Salvadorans and to give consideration to the softest terms and the possible requirement of at least partial guaranties from private firms, alumni, etc.

UNCLASSIFIED

Recd: April 27, 1965
8:12 am

FROM: WASHINGTON

NO.: AIDTO 357, April 26

PRIORITY

Subject: American School

Reference: TOAID 291

Coordinator alliance approved intensive review of loan to American School April 16. Minutes of January 15 CAEC meeting sent CIRCULAR XA-795 February 10.

Inform Maloney.

RUSK

ISSUES INCLUDED IN THE IRR, Jan y 13, 1965
(LA/CAEC - P-65 - 65/55)

"If land acquisition and debt refinancing cannot be covered by the loan the school should be requested to submit an amended plan taking this into account and demonstrating that they can by other means take care of the necessary land acquisition and put into effect a valid plan for refinancing the outstanding debt from other sources."

USAID Comments: An amended loan application has been received complying with above.

ISSUES RAISED BY THE CAEC MEETING ON JANUARY 15, 1965 (USAID Commenst and references to answers in this CAP are in parentheses):

1. Classes of population attending the School (See Section IA6).

2. Percentage of nationalities (See Annex E Exhibit 6)

3. Attendance of diplomatic community (See Section IA6)

4. Elicit more self-help on the part of the Salvadoran community and the extent to which the Salvadoran community accepts this as a desirable school and their financial support to it. (See Annex B Exhibit 8 for letter of endorsement of the Minister of Education; Section II on role of the School as an educational laboratory; Section IA 8 on contributions of local community to scholarship fund)

5. The purchase of land and refinancing, which are requested as eligible items in the loan application (The application was revised to eliminate land purchase and debt refinancing).

6. The relative priority of the project. (See Section IV)

7. Reasonable prospects of repayment and exchange rate guaranty (see Section V and Annex D).

8. Any decision as to use of DL funds for this project should be made by Mr. Rogers and Mr. Mann. (See attached cable AIDTO 357, April 26, 1965 giving the Coordinator's approval).

9. Seek Contributions from El Salvadorans (The School will be required to local community funds to finance 26 additional scholarships for Salvadoran students who could not otherwise afford to attend the American School. (See Section VII).

10. Give consideration to the softest terms (see Financial Analysis)

11. Partial guaranties from private firms, alumni, etc. (The American School has been made to obtain a guaranty from any Salvadoran financial institution or individual and waiver is recommended - See Section V c.)

LOAN AUTHORIZATION DRAFT

Provided from: Alliance for Progress Funds
EL SALVADOR: The American School

Pursuant to the authority vested in the Deputy U. S. Coordinator, Alliance for Progress, by the Foreign Assistance Act of 1961, as amended, and the delegations of authority issued thereunder, I hereby authorize the establishment of a loan pursuant to Part I, Chapter 2, Title VI, Alliance for Progress, to the American School, ("Borrower") of not to exceed six hundred thousand United States dollars ($600,000) to assist in financing part of the capital requirements of a long term development plan which will increase Borrower's role as a model institution in San Salvador. This loan will be subject to the following terms and conditions:

1. Interest and Terms of Repayment:

(a) Interest and Payment Terms: The Borrower shall repay the loan to A.I.D. in United States Dollars within twenty-five (25) years from the date of first disbursement under the loan, including a grace period of not to exceed five (5) years. The Borrower shall pay to A.I.D. in United States Dollars on the disbursed balance of the loan interest of two (2) percent per annum during the grace period and three and one-half ($3\frac{1}{2}$) percent thereafter.

(b) If prior to the date when the first interest payment is due, the Government of El Salvador ("Government") so elects, the Borrower shall fulfill its dollar obligation under the loan by paying to Government in the currency of El Salvador the equivalent, determined as of the dates such payments are made to Government, of the United States dollar amounts payable to A.I.D. under (a) above and in such event the Government shall pay to A.I.D.:

(1) The equivalent in United States dollars, determined as of a time and in a manner calculated to obtain repayment of all dollars disbursed plus interest, of all amounts paid to Government by Borrower as follows:

(a) All interest immediately upon receipt subject to Government's right to retain all payments in excess of one (1) percent per annum during a grace period of not to exceed ten (10) years

from the first disbursement under the loan ("Government Grace Period").

(b) Principal within forty (40) years, including the Government Grace Period.

(ii) Interest in United States dollars of one (1) percent per annum during the Government Grace Period, and two and one-half ($2\frac{1}{2}$) percent per annum thereafter, on all amounts of outstanding principal paid by Borrower to Government from the respective dates of such payments of principal.

2. Major Terms and Conditions:

(a) Equipment, materials and services (except shipping and marine insurance financed under the loan) shall have their origin in and be procured from the United States or the member countries of the Central American Common Market. Shipping financed under the loan shall be procured in the United States, and marine insurance financed under the loan shall be placed in the United States with a company authorized to do marine insurance business in any state of the United States.

(b) United States Dollars utilized under the loan to finance local costs in El Salvador or other member countries of the Central American Common Market, shall be made available to the Borrower or its designee through Special Letter of Credit procedures and shall be used only for procurement in the United States.

(c) The School shall complete the school plant by provision of adequate athletic facilities located on land to be acquired adjoining the new High School area to the east, to be financed by sale of present High School land estimated to have a value of approximately $460,000. The proceeds of such sale shall be used as follows:

(i) To buy land included in the plan for new athletic facilities.

(ii) To construct such athletic facilities as are included in the plan for development of Borrower's physical plant; provided that

(iii) To the extent proceeds of the sale of the land on which the High School is now located exceed the total cost of items (i) and (ii) above, the entire amount of such excess will be applied to a scholarship fund for the benefit of El Salvadorian students.

(d) Borrower will increase its full tuition scholarships to a total of thirty-five (35) by school year 1967 and to fifty (50) by school year 1968. Financing for all such new scholarships shall be derived from private donations or Borrower's operating budget.

(e) Borrower will pledge its total real property assets for the benefit of repayment of the loan by mortgage, trust agreement or other security device acceptable to A.I.D.

(f) The loan shall be subject to such other terms and conditions as A.I.D. may deem advisable.

3. Conditions Precedent to Initial Financing:

Prior to and as a condition precedent to initial financing Borrower shall submit in form and substance satisfactory to A.I.D.:

(a) A long-term development plan for Borrower indicating plans, over a course of at least ten years, for development of Borrower as a model institution contributing substantially to the educational needs of El Salvador for demonstration, training, development research, or other facilities. Borrower shall include in this plan as a minimum, plans for improving the quality of staff including training, recruitment, and retention of good teachers; specify proposals for developing the role of Borrower as a demonstration school; plans for improved teaching methodology and curricular content; and such other elements as A.I.D. and Borrower may wish to include.

(b) Evidence that Borrower has taken all corporate and legal action required under the laws of El Salvador essential to the validity of Borrower's obligations under the Loan Agreement and the effective implementation of this project;

(c) Evidence of registration of the loan with the Government to assure availability of dollars for repayment of interest, principal, or other payment obligations;

(d) A satisfactory contract for architectural services;

(e) Evidence of an option for procurement of land for athletic facilities.

4. Prior to and as a condition precedent to financing other than architectural plans and estimates, Borrower shall submit to A.I.D. final plans and drawings for carrying out the proposed capital improvements to be financed with the proceeds of this loan.

_____
Deputy U. S. Coordinator

_____ _____
Date