

U.S.A.I.D.

Assistance

TO THE

PHILIPPINES

1946-1970

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT
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U. S. A. I. D. ASSISTANCE TO THE PHILIPPINES 1946-1970

I History of the U. S. Aid Program in the Philippines

United States economic assistance to the Philippines under the U. S. aid program dates back to the creation of the Republic as an independent country in 1946. Following World War II, the first phase of the U. S. assistance program was primarily concerned with the repair of war damage and the physical rehabilitation of the country. In the period from 1946-1952 the Philippines received just under \$850 million in U. S. loans and grants for this purpose.

The repair and rehabilitation task was largely completed by 1952 when the second phase of the economic assistance program began under the Quirino-Foster foreign aid agreement. Primary attention was then given during the 1952-1965 period to the development of national agencies of government and educational institutions, and to the training of administrative and technical personnel to carry out the functions of government. During this period the U. S. economic assistance program helped create such institutions as the Agricultural Extension Service, farm cooperatives, agricultural credit agencies, the National Irrigation Administration, the Bureau of Plant Industry, the Bureaus of Soils and Forestry, and a rural banking system. During the Magsaysay Administration the U. S. Government actively sponsored land reform and was instrumental in the creation of a national community development program which the U. S. supported for the next ten years. Strong emphasis was given to the sponsorship of democratic private and government institutions, trade unions, farm organizations, civic groups, and the academic community. More than \$300 million in U. S. aid was provided during the 1952-1965 period.

Although the lines of delineation are not sharp, the third and present phase of the U. S. economic assistance program started about 1965. By this time, the framework of institutional development had been established. As will be explained in the next section, current program emphasis is on assisting national programs stressing agricultural production, rural electrification, family planning and nutrition, and in working with selected pilot provinces on integrated rural development programs. Also emphasized is assistance in preparation of project feasibility studies to facilitate the flow of funds from the growing number of international lending institutions and bilateral assistance programs.

II The USAID/Philippines Program Today

Primary USAID emphasis is now on programs of agricultural/rural development and family planning. Such focussing of effort is the culmination of a trend which began in Fiscal Year 1967 (7/1/66-6/30/67), when only 22% of the total grant aid was devoted to these two areas. In FY 1968 the percentage increased to 42, went to 58% in FY 1969, and reached 83% in FY 1970. It is planned that the agricultural/rural development and family planning sectors will continue to command 80-85% of total USAID grant aid inputs over the next several years.

During Fiscal Year 1970, slightly over twenty-four million dollars worth of economic assistance was committed to the Philippines under United States economic assistance programs administered by USAID.

This \$24.1 million program was comprised of:

- 1) Nine million dollars worth of grant funds to finance technical assistance and commodities in such fields as agricultural/rural development, family planning, malaria eradication, public safety, and nutrition;
- 2) Ten million dollars worth of U. S. PL 480 Title I Surplus Agricultural commodities -- cotton and tobacco -- on soft loan terms; and
- 3) \$5.1 million dollars worth of PL 480 Title II food to be distributed in the Philippines through the facilities of four voluntary agencies - Cooperative for American Relief Everywhere (CARE), Catholic Relief Services, Church World Service and Seventh Day Adventist Welfare Services. More than 90% of such food is used in child feeding programs, with the balance used in disaster relief operations.

In FY 1970, in addition to the \$24.1 million worth of aid detailed above, a very wide range of "as is" U. S. Government excess property with an "original acquisition cost" value of \$3.2 million was transferred, without charge, to national and local Philippine Government organizations. Over the preceding three fiscal years (FY67-69) the original cost value of such transferred excess property has averaged just over \$3 million dollars annually. "Rehabilitated" U. S. excess property is also provided, at 42% of original cost, to the Philippine Government. (Acquisition costs of this

latter category of excess property are included in USAID's technical assistance program. See related chart on page 41.

United States support for regional development projects located in the Philippines amounted to \$2.7 million in FY 1970. Altogether, then, U. S. economic assistance to the Philippines in FY 1970 was \$26.8 million, not counting the value of excess property.

In order that the Philippines may most effectively utilize the total aid input from all external sources, USAID will continue to emphasize maximum coordination with other aid donors, both bilateral and multilateral, and in addition will encourage and support worthwhile Southeast Asia regional development efforts initiated by the less developed countries themselves.

In the narrative which follows, the component parts of present and past USAID/Philippines programs are outlined, followed by various supporting tables and graphs highlighting selected aspects of the program.

III USAID Programs and Projects

AGRICULTURE AND RURAL DEVELOPMENT

The Philippine economy is agriculturally based. Over two-thirds of the population is in the rural areas, with most dependent upon farming for their incomes. Agriculture is the source of about 80% of the nation's exports and 85% of domestically consumed foodstuffs. Through the first half of this century, the problem of feeding an ever expanding population was met by the traditional method of bringing additional virgin land under cultivation. As the country moved into the second half of the century, it became evident that substantially all of the nation's economically attractive land had already been brought under cultivation and that avoidance of food shortages in future years would require a new approach to increasing agricultural production. Increased production through the traditional method of expansion to previously uncultivated lands would have to give way to more intensified production on the existing agricultural lands.

During the decade of the 1950's and on into the 1960's, the groundwork was laid for more intensive rice cultivation. New farming methods were tested, new farmer credit institutions were established, extensive use of fertilizers and pesticides was promoted and the development of

supporting infrastructure was speeded up. Despite all these efforts, only modest production gains resulted. Marginal quality lands brought under cultivation during this period continued to be the major contributor to increased production. "Intensified agriculture" made little headway because, it now appears, the returns on the required added increments of labor and capital simply were not sufficient to motivate wide-scale adoption.

With the advent of the new high-yielding rice varieties (HYV's) in the mid-1960's, however, the situation changed dramatically. The HYV's paid back handsomely for each additional increment of fertilizer, pesticide and improved farming methods. The farmers of the nation responded dramatically, and their efforts brought rice production to a national self-sufficiency level for the first time in this century. Rice production is estimated to have increased 28% over the past 5 years. Today approximately 33% of irrigated rice lands are planted to high yielding varieties, and the percentage is steadily increasing. Irrigated acreage is capable of sizeable expansion. The outlook is for at least rice self-sufficiency over the next several decades, during which it is hoped that population growth will decline markedly.

Significant as the rice breakthrough was in itself, it can now be viewed as simply the first major step in the long struggle to promote "intensive" production throughout all of Philippine agriculture. The concept of systematic, intensive production has been thoroughly tested, and has been accepted by elements in the entire rice production system, from small rice producer on up to the President. Almost immediately after the rice breakthrough, the country began to gear itself up to take the lessons of the successful rice campaign and to apply them to food production generally, so that today each major crop and animal enterprise is being studied and a system devised to promote its increased productivity. USAID anticipates significant acceptance of new crops and new technology applied to new and traditional crops largely because of the new receptivity to innovation among the many farmers who profited from the so recently successful new rice technology. Furthermore, while they will not necessarily yield the high rate of return realized on production investments in rice HYV's, the new crops do offer the possibility of added income from off-season (rice season) cultivation and upland farming. For instance, where water availability is below the requirement for economical rice plantings, sorghum can be a profitable alternative crop.

USAID's assistance in agricultural and rural development is programmed to support the following Philippine initiatives:

- (1) Achieving the production goals of the National Food and Agriculture Council's (NFAC) Four Year-Plan;
- (2) Developing new technology to further diversify and increase agricultural production;
- (3) Developing an accelerated and improved program for converting share tenants or small producers into successful, independent farmers through a special provincial pilot program in agrarian reform;
- (4) Assisting in the formation of effective development staffs in selected provinces and cities; and
- (5) Strengthening agricultural support services and institutions.

USAID assistance to the total agriculture/rural development sector is provided through five projects: Agricultural Services, Provincial Development, Water Resources Development, Equipment Pool Improvement, and Rural Electrification. The following sections briefly describe these projects, which are carried out in cooperation with the NFAC and/or other Philippine Government agencies, with local-level authorities, and with private and civic groups.

Agricultural Services Project

This project formed the framework for assistance to the highly successful rice self-sufficiency program from 1966 through 1968. In 1969, it provided support to testing and developing "packages of technology" for selected crops other than rice. In 1970 efforts are being directed to support the goals of the National Food and Agriculture Council's Four-Year agricultural development plan. It is anticipated that the project will contribute to the attainment of the following results during the five-year period of 1970-74:

- a) Production of sufficient quantities of yellow corn and sorghum to both meet increasing domestic requirements and allow limited exportation.
- b) Production of sufficient quantities of soybean to enable at least one of the two existing soybean processing plants to operate

economically from domestic production and to thus develop a market conducive to greatly expanded soybean production.

- c) Significantly increased quantity and quality of the Philippine swine population. More specifically, we anticipate the production of over 20% more animals to be marketable with 25% less growing time, with a reduction of total per animal feed requirement of at least 20%.
- d) Significantly increased quantity and quality of vegetable crops to be produced and commercial horticulture tree crops to be established through continued adaptive research, training and extension.
- e) The development of a systems approach to shallow-well water development with technically and economically feasible multi-cropping systems.
- f) The development of a variety of approaches to accelerated land tenure transition while maintaining or increasing agricultural productivity.
- g) The development of more rational systems of feedgrain, livestock and vegetable marketing which will simultaneously bring greater returns to the producer while lowering costs to the consumer.
- h) The improvement of agriculture policy making, planning and programming through improved systems of data collection and analysis.
- i) Provide the basis for rational market decision-making through the widespread dissemination of current and accurate agricultural products price information.
- j) The development of systems for increased land and labor productivity through improved fertilizer usage.
- k) The establishment of capabilities for continued progress in quality crop research and seed technology.

- l) The establishment of agricultural credit and cooperative institutions capable of meeting the production and marketing requirements of all of the nation's small farmers.
- m) The development of procedures for the systematic control of rodent populations now so adversely affecting agricultural production.
- n) The development of a unified, systematic, agricultural research capability.

Land Reform - USAID and its predecessor organizations have kept in close contact with the Philippine Government land reform program. The U. S. involvement has varied over the years depending upon the opportunities for accelerating the progress of the program. A program review in the Spring of 1970 revealed a great number of deficiencies which were hindering progress. The deficiencies have been acknowledged by Philippine Government officials and USAID assistance requested to help develop a plan for overcoming such deficiencies. A plan has been developed which calls for the initiation of a pilot effort in a single province.

The provincial pilot effort will concentrate principally on developing means to speed up the creation of leasehold agreements and on strengthening production credit availabilities and other facilitating services. These are considered vital parts of a major land reform initiative since they are necessary to ensure that the tenants will be able to contribute to and gain from increased agricultural productivity. Productive capabilities must be strengthened to assure that lessees will be able to survive and prosper as leaseholders and, eventually, as owners of their own land parcels. This effort will require the establishment of new working relationships between and among national agricultural development agencies and the provincial government. USAID supporting inputs will be geared toward encouraging these new relationships and inducing commitment of sufficient Philippine Government funds, manpower and material to assure satisfactory and continuing progress.

The pilot project will attempt to demonstrate how to achieve large-scale rapid transition from sharecropper to formal leaseholder, and how the leaseholder can become a productive farmer. The project will seek to identify effective means of extending credit to leaseholders and will explore opportunities and problems of credit via new cooperatives, existing Farmers Cooperative Marketing Associations (FaCoMas), rural banks and other means.

Specifically, the pilot project will endeavor to:

1. Determine the utility of aerial photos for land classification as a means of expediting fixing of land rentals;
2. Sponsor studies of economic farm size and support programs of relocation of uneconomic farm units;
3. Develop suggestions for transition of tenant farmers to full farm ownership by compensating landlords with other Government properties;
4. Maintain careful records and conduct analyses of results as a guide to possible future Government policy and legislative proposals; and
5. Explore the full range of community involvement required for successful land reform, including the role of local governments, universities and schools, private groups such as the Philippine Rural Reconstruction Movement, the Church, farmer organizations, and students.

Agricultural Credit and Cooperatives - This sub-activity of the Agricultural Services Project is addressed to the critical problem of providing the low-income farmer with the credit he requires to finance production inputs and marketing. Credit has traditionally been provided by landlords or money-lenders --- often at usurious rates.

A farmers cooperative financing and development project, funded by U.S. PL 480 Title I pesos, was approved in early 1969 and is in operation. Out of 115 operating FaCoMas, five were initially selected as having the best operational records. These five were considered to be above average in terms of management, performance, and potential, and were selected to take part in a wholesale loan program to finance the short-term credit needs of their farmer-members. For this phase of the project ₱6 million (equivalent to \$1.54 million at that time) was released. In 1970, an additional 5 FaCoMas have been selected for participation in this activity and the fund increased to ₱14 million (\$2.33 million at present approximately ₱6 = \$1 rate). The funds are administered by the Agricultural Credit Administration (ACA) and will be available to the participating cooperatives on an annual basis.

The project also provides PL 480 Title I peso funds for grain marketing through the Grain Marketing Cooperative of the Philippines (GRAMACOP). This regional cooperative, organized in 1966 by 29 of the more progressive FaCoMas, functions as the marketing arm of the cooperatives. Utilizing a credit line of ₱4 million (\$.67 million) the GRAMACOP will buy, store and sell the palay (unmilled rice) deposits of member FaCoMas, utilizing Manila as the primary market.

Provincial Development Project

The successful undertaking of development programs at the provincial level in Tarlac and Laguna encouraged the USAID, the National Economic Council (NEC), and the Office of the President to expand these efforts to other provinces. Initiated in early 1968, the new Provincial Development effort assists seriously interested provincial governors to establish more effective organizations and procedures for planning and executing development projects. A small staff has been created in the NEC to provide technical assistance to selected provinces and to promote better coordination of development programs in the provinces. The national government, which retains considerable controls over provinces -- particularly in the area of finance -- is interested in better coordination and communication among provincial and national agencies involved in development activities at the provincial level. The Provincial Development project therefore seeks to better concentrate and utilize at the provincial level the total resources which are made available from the various sources.

The agricultural base of most provincial economies dictates that local development programs should give priority to the improvement of agricultural production and marketing, irrigation systems, farm-to-market roads, and equipment management. Initially, priority is given by USAID and NEC representatives to the creation of effective provincial development organizations and the preparation of realistic short-range economic plans to meet immediate needs in the key areas described above.

Attention is also given to the improvement of budgeting procedures and the assessment and collection of property taxes. In the latter area, priority is being given to the dissemination of new locally-developed simplified tax-mapping techniques which utilize aerial photographs. The aerial photographs provide complete and current information on land use and they permit the preparation of tax-maps in a much shorter time than would be the case with tradi-

tional land survey methods. These new methods, coupled with an energetic tax collection effort, could permit many provincial, municipal, and barrio governments to double their property tax revenues. While the property tax is frequently not the major source of revenue for the province, it is the only significant tax over which the province has control. In many cases, improved assessment and collection of property taxes will generate enough funds to fully finance significant development projects at the local level. Consequently, assistance is not made available to provinces which do not make an effort to increase their own resources through improved tax collections.

As provincial development organizations are created and development plans are drafted, there will be an increasing interchange between this Provincial Development project, the Agricultural Services project, and other USAID projects which operate in the provinces. Efforts are being made to better integrate national, provincial, and local organizations under the general leadership of the Provincial Governor and his new development staff. In this way, a more effective attack can be made on the problems which have traditionally retarded economic development in the rural areas of the Philippines.

Urban Planning - The population of Philippine cities is increasing at a rate of 5-8 percent annually. Urban areas have large numbers of squatters--ranging from 15-45 percent of the population. The present annual national urban housing need is estimated to be 50-100 thousand units. The USAID urban planning assistance is addressed to the problems caused by an expanding urban population and declining levels of public services. The basic purpose of the project is to recognize and greatly improve upon the cities' own capabilities and resources. The role of the cities as markets, and as industrial or agro-industrial centers, will become critical as the population continues to move from rural to urban centers. Where conditions permit, project staff members will work to achieve closer cooperation between provinces and the relatively independent chartered cities within those provinces to better integrate the development of a given geographic area.

Begun officially as a USAID/NEC project in 1968, this Urban Planning endeavor is being initially implemented in five "pilot" cities. The project is staffed entirely by Filipinos since USAID personnel reductions precluded assignment of full-time USAID advisors. The project staff provides technical assistance and consulting services to the five cities. USAID assistance is confined largely to the part-time services of one technical advisor, plus a modest commodity and participant training input. Each of the five cities has been surveyed by a team of management specialists and is in the process of adopting a

"General Plan" to meet priority development needs and public services. Appointed Development Boards function in all five cities and, in three, there are Urban Planning staffs operating to improve the depth and general quality of planning.

Water Resources Development Project

The primary objective of the project is to assist the Philippine Government to ultimately attain an integrated centralized responsibility for the optimally beneficial development of Philippine water resources. In the pursuit of this major goal, it will be necessary to promote acceptance and adoption by the public and private sectors, as well as by other assistance donors, a water resources philosophy that embraces a comprehensive national approach to planning and development of this vital resource. The project will attempt to develop, enhance, organize, motivate, and train the available Filipino water resources technical talent, so that a central planning organization can be staffed to function effectively without, or with a minimum of, external technical assistance.

A predecessor project entitled Water Resources Survey (1963 through 1968): (1) investigated, and published program reports on, five major river basins; (2) completed a comprehensive report on the Central Luzon Basin (Pampanga and Agno Rivers), outlining development potentialities on 11 reservoir projects and (3) completed a feasibility study on the Upper Pampanga River Project, which the Philippine Government used as a basis for obtaining a \$34 million loan in 1969 from the World Bank to finance the recently-commenced construction.

Within the overall water resources sector, USAID has traditionally been heavily oriented toward specific irrigation assistance in the Philippines. From the beginning of FY 1967, USAID has adopted a general policy that encourages the completion, repair and rehabilitation of existing irrigation systems, but discourages the construction of new systems which would add to already heavy operation and maintenance burdens. Since then, AID irrigation assistance has consisted primarily of PL 480 Title I local currency loans to the National Irrigation Administration (NIA) for rehabilitation, repair and completion of existing irrigation systems. This has amounted to approximately \$9.0 million equivalent in local currency. In addition, AID extended a \$4.7 million development loan to the Philippine Government

for the procurement of U. S. -manufactured irrigation operation and maintenance equipment to augment NIA's equipment pool. Most of the equipment has been received. Concurrent with the implementation of the loan agreement, technical assistance is also being provided to the NIA to upgrade its equipment management capability and irrigation systems operation/maintenance skills.

Also, important secondary goals which this project hopes to help achieve are:

- (a) Preparation of needed enabling legislation affecting water resources development.
- (b) Organization of pilot irrigation associations.
- (c) Accomplishment of additional major multipurpose water resource project feasibility studies to support possible construction loan applications.
- (d) Formulation and promulgation of national water policy and an integrated national water resources development plan.
- (e) Complete delivery of all equipment (with supporting spare parts) under the \$4.7 million AID loan for irrigation operation/maintenance equipment.

Equipment Pool Improvement Project

This project is primarily for the purpose of improving the capabilities of provincial and city government agencies to construct and maintain feeder roads, irrigation systems, flood control systems and numerous other public works type projects through equipment acquisition and improved equipment management, and directly supports other USAID rural development projects. Currently, fifteen provinces, four chartered cities and the National Irrigation Administration are authorized to participate in this project.

USAID technicians are continuing to assist the provincial governments in acquisition of equipment (both "as is" equipment at no charge, and "rehabilitated" equipment at a portion of original cost) from U. S. Government

Excess Property Programs, and repair parts from the U. S. Army Depot in Japan. Training of provincial personnel in supply and maintenance procedures and equipment management is continuing on a province-by-province basis.

See also the chart entitled "EXCESS U.S. PROPERTY TRANSFERRED TO THE PHILIPPINE GOVERNMENT, FY 1963-FY 1970", on page 41.

Rural Electrification Project

There are now approximately 30 million people living in the Philippines who do not have electricity available to them. The development of widespread cheap and dependable electric power in order to accelerate national agricultural and industrial development has been hampered because both independent and municipal electric system operators have been either unable or reluctant to extend electric power service to the outlying barrios and rural areas. Establishment of Rural Electric Cooperatives throughout the Philippines is believed to be the solution to this problem.

AID is providing rural electrification specialists and technical advisors to the Government of the Philippines. Feasibility studies were prepared for two pilot rural electric cooperative projects; at Victorias, Negros Occidental Province, and on the island of Mindanao between the cities of Cagayan de Oro and Iligan, and loans made by both the U. S. and Philippine Governments to finance these pilot projects.

The loans made for the Victorias project amount to \$2 million and ₱1.850 million. These loans will provide for installation of generating equipment and for substantial expansion of the distribution system that will provide electricity to an initial 7,000 consumer families and wholesale power to two franchise holders in two poblacions (towns).

The loans of \$1.1 million and ₱2.85 million made for the Mindanao project will provide for the distribution of electricity purchased from the Maria Cristina hydropower transmission grid of the National Power Corporation to nine municipalities which are composed of nine poblacions and 103 barrios. Some 10,000 consumer families will then receive electric power direct from the Cooperative.

The projects, scheduled for completion by September 1971, should clearly demonstrate the economic feasibility of rural electrification and the benefits derived from the introduction of low-cost electric power to substantially populated rural areas. It is believed they will serve as valuable models for rural electrification projects in other provinces.

Nation-wide rural electrification has the very strong backing of the President of the Philippines, and the recent progress in developing planning/policy/legislative support for the program has been substantial. The Electrification Administration, through the Presidential Economic Staff, has requested additional AID technical assistance for large-scale on-the-job training of technicians to prepare additional project feasibility studies as part of a comprehensive plan for nation-wide rural electrification.

FAMILY PLANNING

While real growth in the Philippines' GNP has continued above 6% for the past four years, the population growth rate has considerably diluted the impact on per capita income so that more than half of the annual increment of GNP is needed simply to maintain the expanded population at the same inadequate standard of living.

Initial tabulations of 1970 census data indicate that the Philippines experienced an average annual population growth rate of about 3.2% (one of the highest in the world) in the decades of the 1960's. In 1970 this growth rate means another 1,200,000 Filipinos added each year for whom schools, roads, etc. must be built and ultimately jobs provided. It is now a government policy to reduce this rate to some as-yet-unspecified lower level. A Commission on Population has been established by the President to plan and coordinate the implementation of a national program.

Assistance is being provided through the Commission on Population to a number of public and private institutions engaged in efforts to provide family planning information and services to interested Filipino families. The USAID does not engage directly in providing family planning services. Its help is in the form of financial and material support to project agreements entered into between the National Economic Council, the Population Commission and the cooperating Philippine public or private organization. The USAID does not attempt to influence the policies of the cooperating organizations other than to specify that all its assistance be in support of voluntary programs gov-

erned by the conscience of the individual, which is also the policy of the Philippine Government.

Agreements have been drawn to increase the number of service clinics from the present approximately 270 to a total of about 680 clinics by the end of FY71. In addition, some pilot efforts of a non-clinic nature will bring family planning services to residents of more than 1,000 additional barrios. It is believed--based on current experience -- that this expansion of activity will bring the annual acceptance rate above the 240,000 mark by the last quarter of FY71. At that point, for the first time, the family planning effort will be large enough in magnitude so that it will have a noticeable and significant impact on the population growth rate.

In addition to the family clinics, support is being given to a number of informational/educational projects. The main concern in the information and education field is to increase the awareness in the rural areas of modern family planning possibilities. Projects to train medical personnel in the latest fertility limitation technology are also being supported. And finally, research projects are underway to better determine needs and desires of Filipino families in the area of birth control.

Throughout, the objective is to assist the Commission on Population in its goal to lower the population growth rate by providing family planning information and services to Filipino families desiring such services.

1. Services: The highest priority task is to assist the GOP and private Philippine organizations to make available family planning services to the 60 to 70% of the country not now covered. It is planned that near total coverage, 1700 or more service points as opposed to the 270 in existence in mid-1970, will be achieved by FY74. An annual cost per acceptor of no more than \$4 to \$5 is the target for the service programs. During FY71, the overall costs will run \$10 to \$13 per acceptor because of the heavy investments in training, research and facilities. After that time the overall costs per acceptor should decline rapidly.

2. Information, Education, and Motivation: Current data suggest that many women wish to have five or more children. Thus, a second initiative is to support the Philippines in its efforts to further educate and motivate the population at large about the advantages of smaller families. Before

the Philippine growth rate can be brought down to what is ultimately desirable, it seemingly will be necessary to reorient attitudes among certain segments of society about the desirability of large families. Thus, while servicing the existing demand for clinical services is seen as the first priority, information and education programs to create further demand are seen as necessary investments in the future. Nationwide coverage through the use of daily radio soap operas depicting the trials and tribulations of large families is now a reality. This coverage will be continued throughout FY71. Articles are being developed for regular publication in English language and dialect periodicals. Motivational teams with portable audio-visual equipment will be operating extensively in direct and indirect support of existing service clinics. And, finally, fieldworkers are being assigned to activate demand for the service clinics.

3. Training: Third in order of priorities is training. Much broad general training has been given in the past and will be continued into 1971. This training is seen as much in terms of educating and indoctrinating the trainees as it is in terms of providing necessary technical skills. The Philippines has a large infrastructure of highly trained people. It is believed that it soon will be no longer necessary to devote so many resources to out-of-country training. After FY71, training will be focussed on short-term orientation and refresher courses designed to update the knowledge of the personnel needed for proposed service sites. This training will, in large measure, be done locally.

4. Research and Evaluation: Surveys suggest that most families approve of family planning in the abstract (over 70%, according to one survey conducted in March and April 1970), yet relatively few persons practice any modern method. While the response of existing clinics is much improved, it is still a great deal less than overwhelming. Thus, it appears that the idea of family planning must be translated for the rural people from an abstract acceptance to a personal concern which will activate them to adopt and practice some form of birth control. A major investment for the future of family planning in the Philippines will therefore be in research on attitudes and behavior in family size and control. There is insufficient detailed knowledge about the deep-seated beliefs and fear of the rural population with regard to desired family size, methods of contraception, health and so forth. This restricts the Republic of the Philippines Family Planning agencies in their

information/education campaigns. In FY71 a research project will be developed to determine the impact of existing information, education and motivation programs. The goals are, ultimately, (1) to determine, to the extent possible, which of the means being tried are most acceptable and effective in reaching the urban and rural areas, and (2) to determine what can be done to better communicate with those not reacting to the existing efforts.

Nutrition Support - This program supports the efforts of the Government of the Philippines (GOP) to eradicate clinical malnutrition in pre-school children and so eliminate the post-weaning arrest in growth and development which is characteristic of the Philippine infant population. The Nutrition Support program focuses upon two broad activities: applied nutrition and food/nutrition research.

In applied nutrition, feeding stations or mothercraft centers are operated as educational demonstration units at which mothers have the opportunity to learn and practice the improved feeding of their children. Seventy centers have been established. Twenty-seven of these centers are primary demonstration centers, that is, they are supported by program funds; thirty-seven are secondary centers - supported mainly through community self-help; and six are experimental centers.

Research efforts in food and nutrition are directed to the identification of foods which most effectively balance the local basic energy foods (rice and corn) so that such foods can then be subjected to whatever processing and nutrition tests are needed to establish their value in child feeding programs. For example, a blend of coconut flour, mung beans, and fish is now being tested for physical tolerance and for consumer acceptability.

Another activity under the research phase of the program is the continued surveillance of food crops, particularly peanuts and corn, for mycotoxins (aflatoxin) contamination. The activity has been extended to include copra. Action to control such contamination is now being planned.

A project to provide malnutrition wards in selected hospitals has been initiated to emphasize nutritional rehabilitation of convalescents and as an environment for re-training rural health physicians and nurses in modern nutrition concepts.

To strengthen staff competence in institutions and laboratories concerned with food and nutrition, AID provides study grants for degree courses in nutrition.

USAID and GOP share the cost of the Nutrition Support program. At present, USAID funds the salaries of persons employed in the program, but will gradually phase out as the GOP increases its share of such support. Likewise, the present ratio of USAID/GOP cost-sharing for equipment, supplies, travel and contingencies will be phased toward complete funding responsibility on the part of the Philippine Government for the continuation of the nutrition program as a regular government obligation.

USAID provides a full-time program coordinator to provide professional assistance in all nutrition matters, including improvement in the quality of nutrition research in both government and university laboratories.

INTERNAL SECURITY

The Internal Security Project has been designed to significantly improve the effectiveness of law enforcement in the Republic of the Philippines.

The maintenance of peace and order is one of the fundamental responsibilities of government. The successful discharge of this responsibility is imperative if a nation is to establish and maintain the environment of stability and security so essential to economic, social and political progress.

There are 1,477 civilian law enforcement agencies throughout the Philippines that have this responsibility. The personnel of these agencies have been, for the most part, ill-equipped, poorly trained and underpaid.

U. S. aid to the Philippine public safety sector began in 1957. Initially, USAID provided assistance to the National Bureau of Investigation (NBI). The NBI is patterned after the U. S. Federal Bureau of Investigation in organization, functions and objectives. Programs were developed in criminal investigation, laboratory and records and identification. In order to provide skilled personnel for the Bureau, over 100

agents were trained in the United States in police science courses. A limited training program was activated to serve the local police in selected areas of the country. Today the NBI is considered to be one of the most effective law enforcement agencies in East Asia.

In 1968 USAID directed its main effort toward improving local police agencies throughout the country, through the newly created Police Commission. Some continuing programming is maintained with the NBI in specialized areas related to the national law enforcement effort.

USAID advice and assistance to law enforcement includes in-country training, integrating of radio communications networks, and the updating or development of scientific investigation capability, traffic control/enforcement procedures, modern administrative methods, and records and identification procedures.

Training: It is planned that ten regional police training centers will be erected throughout the Philippines. Presently, seven permanent centers and one temporary center are functioning. Three are in various stages of land acquisition, ground breaking, or construction. These training centers have had a goal established for them by the President of the Philippines to train 5,000 police officers each year. Eighty percent of the total number of police chiefs in the Philippines have already participated in a one-month command course. Training programs are provided in Basic Police Science, Criminal Investigation, Traffic Law Enforcement, Crowd Control Procedures, Personnel Management and other selected specialized courses. The program is oriented toward providing the nation's policemen with the knowledge and skills required of effective law enforcement personnel.

Communications: The present extremely limited communications capability of civilian police agencies restricts police operations. USAID technicians have surveyed the nation's communications facilities and have helped design a practical, economical system. A metropolitan radio communications network has been established that provides interagency communication in Manila and suburbs. Fourteen provincial law enforcement communication systems have been established, linking all municipal police departments in the province with the National Bureau of Investigation (NBI), the Philippine Constabulary (PC), and the provincial capitol. These are the first completely integrated systems in the country and have greatly improved

police operational capability. Plans call for providing comparable radio systems in most provinces of the Philippines to meet needs of both public order and general administration of provincial governments.

Criminalistics: A laboratory has been constructed by the NBI and stocked by USAID to train technicians in the modern methods of criminalistics including ultraviolet inspection, chromatography, and microdiffusion. Courses in crime scene investigation have been given to NBI agents, narcotics specialists and other specialized technical groups. Instruction manuals have been developed and published for the guidance of police investigators and evidence technicians.

Community Police Improvement: Police departments near the regional training centers have been selected to be developed as "model" police departments. The goal is to develop efficient and professional police organizations that can serve in a supporting role to the centers for "on-the-job" training. USAID technicians serve in each regional area.

Records and Identification: USAID provides technical assistance to the Police Commission, the NBI, the Presidential Economic Staff/Department of National Defense Computer Center, and selected civilian police departments. The program includes the development of a personnel management program at the Police Commission, a modern nationwide criminal identification system at the NBI, a computer-based information system at the Department of National Defense, and modern record-keeping and identification procedures in local police departments.

MALARIA ERADICATION

Established in 1952, this project was originally designed only to control malaria. In 1956 it was converted to an eradication program. As a direct result of project efforts, there was a steady decrease in the incidence of malaria in the Philippines in the project's early years. Subsequently, the project was beset by administrative and management difficulties and by lack of financial support. Beginning in FY 1967 the GOP initiated a series of administrative changes which were designed to assure that the "new" program would be properly implemented and financed. These changes included: (1) the establishment of an improved system of accountability for funds allocated to the program, (2) establishment of a

program designed to ensure the timely and adequate maintenance and repair of vehicles and equipment assigned to the program, and (3) the creation of the Malaria Eradication Service (MES) under the authority of a Malaria Project Director.

The basic objectives of the Malaria Eradication Program are: (1) to develop those Philippine government support functions which are essential to carrying out malaria eradication procedures in an economic and efficient manner; (2) to determine malarious and non-malarious areas by internationally recognized epidemiological methods; (3) to provide continuing assessment of the progress of the eradication program and status of malaria throughout the Philippines; and (4) to prevent reintroduction of malaria into the Philippines.

U. S. assistance to the malaria eradication effort through FY 1970 has totalled \$10.1 million for commodities and technical support.

Seven U. S. Public Health Service malaria specialists are serving as advisors to the program. In addition, 7 U. S. Peace Corps Volunteers are working with Philippine counterparts in the MES.

PUBLIC ADMINISTRATION

Until quite recently, assistance to the public administration sector constituted a substantial part of the total U.S. economic assistance effort in the Philippines. In recent years, experts from the U. S. Bureau of Internal Revenue, Bureau of Customs, Treasury Department, Post Office Department and Census Bureau were engaged in programs to improve the operations of Philippine counterpart agencies. Some of the most recent AID Public Administration projects were:

Tax Collection Improvement Project

This project assisted the Government of the Philippines (GOP) Bureau of Internal Revenue (which collects 64% of all taxes levied in the Philippines) in carrying out a broad improvement program designed to increase government tax collections.

In general, the USAID advisors provided technical and management advice to GOP officials, assisted in identifying and solving problems, and in developing work and control programs in support of the Bureau of Internal Revenue's (BIR) operations improvement program. A USAID Public Administration Advisor with supporting tax technicians gave primary support to: (a) collecting delinquent accounts; (b) auditing returns; (c) automatic data processing and tellering; and (d) tax manual development and publishing.

Special tax collection efforts by the Government of the Philippines registered an 18% gain in 1968 over the previous year, larger than in any of the previous seven years. Income tax returns filed during calendar year 1968 totaled 943,000, a substantial increase of nearly 90,000 returns over the previous year.

A new manual on classification of accounts was issued to replace an old classification system dating back to the early 1900s, along with a new official receipt form designed to adapt tax payment documentation to data processing procedures; avert improper diversions of funds, and improve statistical reporting. BIR employee salaries were increased 50 percent by special congressional legislation.

Customs Administration Improvement Project

This activity assisted the GOP Bureau of Customs in increasing their collection of customs revenues and, through improvement of the Bureau's administrative and operational efficiency, has facilitated the handling of international trade.

During the period FY 1962 to FY 1966, USAID provided the services of technical advisors to the GOP Bureau of Customs. The general pattern of operations had been such that procedural improvements instituted under the guidance of one Commissioner of Customs did not always survive under his successors. Over recent years, however, there has been a build-up of skills among career officers and employees of the Bureau.

In FY 1967, under a revised program, USAID provided the services of U. S. Customs Service consultants. Following the recommendations

of the consultants, the Philippine Customs Service established an Entry Control Center which provided increased control over paperwork flow. It reduced the number of official documents lost while enroute through the customhouse and provided checks to help reduce paperwork routing time. Also, officials of the GOP Bureau of Customs have (1) obtained the enactment of legislation creating a Philippine Coast Guard to take over a number of Bureau operations that were not closely related to the Bureau's primary functions, (2) made extensive improvements in its physical facilities, (3) substantially increased the salaries of Bureau personnel, (4) successfully implemented numerous beneficial changes in its organization and work assignments and (5) installed electronic data processing equipment through which all documentation for cargo arriving at the Port of Manila is processed.

Fiscal/Financial Administration Project

Assistance was rendered under this project to the GOP Joint Committee on Financial Management Improvement and its assigned staffs, study groups and task forces in their efforts to modernize and improve GOP financial management.

In its first meeting, the Joint Committee assigned priority to the complete revamping of the postal money order system. Over 1,400 Philippine post offices issue and pay money orders, and approximately 325 million money orders are issued per year for a total annual value of ₱350 million (\$58.3 million). Chief discrepancies in the system were: (1) the loss of ₱1-2.5 million (\$166-416 thousand) each year through forgeries and counterfeiting, (2) the inability of the General Auditing Office to reconcile issued and paid money orders, and (3) the regulation that banks must clear orders for cashing only through local post offices.

Under this project, steps were taken to modify and streamline the money order system by increasing the "maximum amount limit" of money orders, broadening money order negotiability, and clearing paid money orders through the regular bank clearing system. In support of these changes, 1,500 Friden Imprint Punch Machines, excess to the needs of the United States Government, were modified for use in the Philippine Money Order System. These machines were then shipped to the Philippines. Installation was completed in early 1970.

Public Personnel Administration Project

This activity assisted the GOP with its efforts to improve the effectiveness of Civil Service (CS) operations. Increased efficiency of CS operations was achieved in many ways -- through machine processing of examinations, development of a standard personnel record system, more effective manpower utilization, streamlined processing of appointments, improved executive development programs, expanded qualification standards coverage, etc.

A standard personnel record system, to cover the approximately 500,000 CS employees, was developed with assistance from the project for all government agencies, and mechanized data collection for production of the statistical information so essential to effective manpower planning. Also under this project, the CS was assisted in formulating Qualification Standards for those personnel positions common to all GOP agencies.

PARTICIPANT TRAINING

Participant training has been an important part of the technical cooperation program of AID and predecessor agencies in the Philippines since its beginning in 1952. It is agency policy that AID-sponsored training will be proposed and justified as an integral part of specific projects which are developed in concert with the country's over-all economic development program. The training therefore is directly related to the accomplishment of significant U. S. and Philippine objectives.

Over the years (FY 1952-1970) joint U. S. /Philippines development programs have varied as conditions have required adjustments in country objectives. Accordingly, the size and technical emphasis of participant training has varied. Thus, the collective judgments of Filipino officials and American technicians with respect to the relative importance of the various fields of development (including training) during the past 19 years have been reflected in the training program.

During the first nine years of the project, emphasis was placed on the fields of Agriculture, Industry and Mining, Transportation, Labor Education, and Health. During later years, emphasis shifted to Aviation,

Community Development, Public Administration, and Public Safety. Lately, family planning and agriculture/rural development activities have been given primary emphasis.

Most of the AID-sponsored training of Filipinos has been training in the United States of officials, educators and technicians engaged in public sector activities. Of the 3,744 persons trained over the 19-year period FY 1952 through FY 1970, only 425 were from private industry.

Follow-up programs for returned participants are a strong feature of the Philippine program. The Philippine Government is cooperating fully with USAID in supporting follow-up programs and in providing funds for the support of the Philippine Association of Technical Assistance Participants (PATAP) an organization of returned participants. PATAP has now formed fourteen local chapters around the nation and works with USAID in publishing an annual directory of returned participants, a monthly newsletter and a journal. USAID also provides some technical books and periodicals as well as memberships in American professional societies for returned participants.

In addition to funding the costs of Filipino students training outside of the Philippines, USAID/Philippines also operates a "third-country training" program under which selected students from other Southeast Asian countries receive training in the Philippines. (This program is discussed further on pages 32-33.)

See also the chart entitled: "TECHNICAL INTERCHANGE THROUGH TRAINING", on page 40.

FOOD FOR PEACE (U. S. Public Law 480)

The PL 480 Title I and Title II programs comprise a significant and integral part of the USAID/Philippines assistance effort. Peso proceeds of the Title I Sales Agreement are an important input to key areas of Agriculture/Rural Development sectoral activities. Title II commodities directly support and reinforce the improved nutrition objective of the Family Planning project as discussed earlier.

Title I - An FY70 PL 480 Title I Sales Agreement for \$10.0 million, approximately half for cotton and half for tobacco, was signed on March 24, 1970. Of the peso proceeds of this loan, \$4 million (approximately ₱24 million) is earmarked for U. S. uses while the remaining \$6 million (₱36 million) is for mutually agreed Government of the Philippines (GOP) uses in support of increased agricultural production and other rural development objectives. Together with the proceeds of the FY67 Sales Agreement of \$20 million (₱78.3 million at the then prevailing rate of ₱3.915 = \$1.00), this comprises a fund of about ₱114.3 million. Of this amount, ₱71.7 million has already been loaned for agriculture and rural development related uses -- ₱28.3 million to the National Irrigation Administration for irrigation systems rehabilitation, ₱20.0 million for the Farmers Cooperative and Marketing Association and Grains Marketing Cooperative of the Philippines re-lending expansion, ₱12.3 million for the RCA's corn price support program, ₱10.0 million for expansion of coconut production, and ₱1.1 million to Mindanao State University for a library and a dairy project.

This peso fund is particularly important in the present critical period in that it constitutes a source of non-inflationary pesos which are readily available to support priority programs without bowing to the constraints of the budgetary process. It is contemplated that a significant portion of the uncommitted balance (a total of approximately ₱42.6 million) will be devoted to agricultural credit in support of the land reform pilot province project. Other important anticipated uses include irrigation, rural electrification, a local development loan fund, and possibly fish productivity and grain drying and storage facilities.

Title II - Grant food commodities are distributed in coordination and cooperation with the GOP and the USAID through four voluntary agencies: Cooperative for American Relief Everywhere (CARE), Catholic Relief Services, Church World Service, and Seventh Day Adventist Welfare Service. A total of \$110.01 million worth of such food has been utilized since the beginning of the program in FY 1957.

During FY 1970, a total of 46.9 million pounds of foodstuffs valued at \$7 million (₱42. million) was distributed through the following Food for Peace projects:

A. Maternal/Child Welfare: The main purpose of this high-priority program is to lessen the incidence of malnutrition in pre-school

age children and pregnant and nursing women. During FY 1970 a total of 19.7 million pounds of foodstuffs costing \$3.7 million (P22.2 million) were distributed to 460 thousand children and nursing mothers. The program aims to help the GOP eradicate, by FY 1976, most of the more serious malnutrition among pre-school age children.

B. School Feeding: This program provided nutritious food in the classrooms to some 930 thousand elementary school children in FY 1970, utilizing a total of 21.4 million pounds of food valued at \$2.9 million (P17.4 million). This program is meant to service only the seriously malnourished students, of which there are an estimated three million.

C. Food for Work: Food is provided in return for labor to implement reasonably effective and efficiently managed self-help community projects such as construction of feeder roads, sanitary facilities, small irrigation facilities, etc., at the rural barrio level. During FY 1970, four million pounds of food, valued at \$273 thousand (P1.64 million) were programmed for distribution and 707 such community projects were completed.

D. Other Child Feeding and Summer Camps: This program, which in some areas utilizes U. S. Peace Corps Volunteers, has proved highly successful and requires relatively small quantities of food. In FY 1970, 1.3 million pounds of food costing \$100 thousand (P600 thousand) were distributed.

E. Institutions and Health Cases: Food for Peace support in this category will cease after FY 1972. During FY 1970, 466 thousand pounds of food valued at \$27 thousand (P160 thousand) were utilized.

SOUTHEAST ASIA REGIONAL ACTIVITIES

In addition to the U. S. bilateral aid programs in various Southeast Asian countries, AID operates a Regional Economic Development Program in the area. The field headquarters for this operation is the U. S. Regional Economic Development (RED) Office in Bangkok, Thailand. RED administers the Southeast Asia regional projects in cooperation with the USAID in those countries which have U. S. aid programs and with U. S. Embassies in those which do not. At present, there are, in various stages of implementation,

AID-assisted Southeast Asia regional projects in such fields as education, transportation, communication and water resources development.

Several of the regional projects are located in the Philippines and are described below.

Southeast Asian Regional College of Agriculture (SEARCA) --

Located on the campus of the University of the Philippines College of Agriculture at Los Banos, Laguna, SEARCA is one of several regional educational institutions being created in Southeast Asia through the combined efforts of the Southeast Asia Ministers of Education Secretariat (SEAMES), its member nations, and AID. SEAMES was established in late 1965 to bring about regional cooperation in Southeast Asian higher education activities. Other SEAMES regional education centers, now in varying stages of planning or implementation will provide quality instruction in tropical biology (Bogor, Indonesia), math and science (Penang, Malaysia), tropical medicine (region-wide, coordinated from Bangkok, Thailand), English language study (Singapore), and educational technology (South Vietnam). Laos is also a member of SEAMES, and Burma and Cambodia have been invited to join. The objectives of SEARCA are to: promote, undertake, and coordinate in the Philippines and other SEAMES countries, significant agricultural research programs specifically related to the needs of Southeast Asia; to provide agricultural advisory services to SEAMES countries through staff visits, exchange programs, seminars, and participation in national training and extension programs; and to stimulate and assist further development of national agricultural institutions in Southeast Asia and enlist their efforts in a continuing concerted attack on the agricultural problems of the region.

AID grants to SEARCA during the FY 1968 and 1969 interim operational phase of the new institution totalled \$181,400 (equivalent of ₱707,000 at that time). Over the five-year period commencing July 1, 1969, AID is contributing one half (the Philippine Government will contribute the other half) of the costs of operation and student/faculty housing construction, one half of the student scholarship costs (SEAMES will contribute the other half), and construction costs up to \$1 million of a SEARCA library. The total AID input over this five-year period is expected to be approximately \$3.5 million (₱21 million).

The first 13 students (from Malaysia, Thailand and Indonesia) enrolled at SEARCA on July 1, 1968. In the 1969-70 school year there were 26 students (including Vietnamese and Filipinos). During the 1970-71 school year some 50 students from five Southeast Asian countries (including the Philippines) will be attending classes. It is planned that during the school year 1973-74, the last year of AID support, about 160 students will be enrolled, and the regionally-recruited SEARCA staff of administrators and visiting/tenure professors will total about 22.

Asian Institute of Management (AIM) -- AIM was formally established in Manila in December, 1968 as a private non-profit graduate school of management. It represents a cooperative effort by the Ateneo de Manila University, De La Salle College, the Philippine business community, and a Ford Foundation-financed Harvard University Graduate School of Business Administration team.

AIM offers an intensive full-time two-year Masters degree program in Business Management, with facilities for up to 300 students. In addition, AIM annually sponsors an eight-week Advanced Management Program for senior business executives from the Philippines and other Southeast Asian countries. The school is staffed by a 23 member faculty, and has modern dormitory facilities for 156 students.

AIM has, to date, received unusually extensive financial support from the Philippine private business sector, including the donation of land and buildings valued at about ₱24 million (\$4 million), pre-operating expenses, and endowment of several faculty chairs. The Philippine Social Security System has agreed to grant to the school a ₱3 million (\$500,000) low-interest loan (at ₱1 million per year: FY 1970-71-72) to be used for loans to financially needy Filipino students.

AIM is taking steps in conjunction with other Asian management groups to gradually increase the percentage of non-Filipino Asian students. The training of managers and teachers of managers at AIM should make a substantial and much-needed contribution to easing the very serious shortage of local professional business managers in Southeast Asia.

In FY 1970 AID contributed \$300,000 (₱1.8 million) to cover costs of such things as office and classroom equipment, library books, teaching aids, etc.

International Rice Research Institute (IRRI) -- IRRI was founded at Los Baños, Laguna Province, Philippines, by the Ford and Rockefeller Foundations in 1962. It is governed by a Board of Trustees with members from Asian countries and the United States. Located adjacent to the University of the Philippines' College of Agriculture and its experiment station, IRRI is the most complete center in the world for research on rice. It has an international scientific staff, about 70 per cent of whom are Asians.

IRRI has splendid research laboratories, greenhouses, experimental rice fields, and an unequalled collection of technical literature on rice. It attracts about 70 research scholars each year from all over the world. Training activities have been closely integrated with the research program, and scientists from nearly every important rice research center in Asia have received training in their areas of specialization. Graduates of these classes are presently conducting extension training programs in East Pakistan, West Pakistan, Ceylon, Indonesia, and the Philippines.

Essentially, IRRI has concentrated on genetic research for breeding a superior fertilizer-responsive, non-photo sensitive, high yielding rice variety with a short stalk and a shorter maturing period. It also continues research in developing the cultural techniques to achieve maximum rice production under optimum management conditions. Thus far, IRRI has developed a number of fertilizer-responsive dwarf varieties, which under good management and water control produce exceptionally high yields.

The results achieved have been most dramatic. The new rice varieties have outyielded the traditional ones by an average ratio of 2 to 1 on farmers' fields, and are capable of outyielding traditional varieties by 3 or 4 to one under controlled conditions. Their widespread adoption by farmers in South and Southeast Asia has enabled a number of countries to achieve, despite rapidly expanding populations, complete or near self-sufficiency in rice production for the first time in decades. About 12 million acres in Southeast Asian countries are now devoted to producing high-yielding variety (HYV) rice.

AID contributed \$350,000 (P 2.1 million) to IRRI in FY 1970. In addition, AID has, since 1962, funded various contracts with IRRI for specific services.

Asian Labor Education Center (ALEC) -- ALEC is primarily intended to provide training facilities for Southeast Asian trade unionists, with particular emphasis on leadership training, research, and techniques of worker's education. The basic objectives of ALEC are to assist in developing responsible leadership in Asian trade unions, to provide a forum for Asian trade unionists to discuss the many common problems which confront the Asian trade union movement, and to develop a comprehensive reference and information center for trade unionism in Asia which can provide for an exchange of current relevant information with labor institutions in other countries.

The Center's Philippine Program operates year-round, supported by University of the Philippines funds, while the bulk of the AID-supported annual Regional Training activity consists of three 8-week Asian Labor Leadership Institute sessions. In addition to those whose attendance is funded by AID, other regional participants attend the sessions, funded by such organizations as Asia Foundation, International Labor Organization, Colombo Plan, International Trade Secretariat, United Nations Educational, Scientific, and Cultural Organization (UNESCO), Philippine Social Security Commission, and the University of the Philippines.

ALEC regional training sessions normally involve an annual minimum of 52 Southeast Asian participants (including 6 Filipinos) who are presently associated with labor federations, unions, and ministries. From the beginning of ALEC's regional sessions in January 1960 through the most recent (25th) Institute session in June 1970, a total of 606 labor leaders representing 17 different countries have taken part in training sessions at ALEC:

Burma	6	Korea	68
Ceylon	41	Malaysia	57
China	64	Okinawa	18
Fiji Islands	6	Pakistan	41
Hong Kong	25	Philippines	74
India	29	Singapore	31
Indonesia	62	South Vietnam	48
Israel	6	Thailand	8
Japan	22		

AID dollar grants are utilized for operational costs, scholarships, supplementary faculty salaries and travel expenses relating to the ALEC

regional activities. Total USAID funding, from FY 1958 through FY 1970 amounted to \$930,000 (P5,580,000).

Asian Productivity Organization-Manila Information Unit -- The Asian Productivity Organization (APO), headquartered in Tokyo, was founded in May, 1961 for the purpose of promoting increased economic productivity in member nations through training programs, advisory services, seminars, and publications. Present APO member countries are Ceylon, Republic of China, Hong Kong, India, Indonesia, Iran, Japan, the Republic of Korea, Nepal, Pakistan, Philippines, Singapore, Thailand and the Republic of Vietnam.

Recognizing the need for a centralized information dissemination operation in the Southeast Asia region, the Asian Productivity Organization, in cooperation with the Philippine Government, established the APO Regional Information Unit in Manila in 1967. The Chairman of the Philippine National Economic Council serves as Project Director for the Information Unit.

The Information Unit prepares, prints, and distributes to APO member countries general and technical information designed to help promote increased economic productivity in Asia. The information disseminated is in the form of periodicals, pamphlets, reports, and manuals, plus audio-visual materials such as films and film slides.

Over the past 2-3 years, AID assistance to APO consisted of a \$230,000 grant plus the services of two full-time U.S. advisors - one each in Tokyo and Manila.

Regional Participant Training -- This project provides administrative and other support services for the technical training in the Philippines of participants from other Southeast Asian countries under the AID Third Country Training Program. USAID cooperates closely with the Philippine National Economic Council (NEC) in the selection of Philippine institutions to provide the actual training.

In FY 1970 some 237 regional participants were trained in the Philippines. The projected total for FY 1971 is 300. By the end of FY 1970

more than 4,700 participants from 38 countries in Asia, Africa, and South America will have received AID-supported training in the Philippines since the start of the program in FY 1955. The fields in which they were trained include Agriculture, Community Development, Education, Health, Labor, Public Administration, Public Safety, and Industry. Currently, new programs in the fields of Public Health, Rural Development and Local Government Administration are being developed as a service to neighboring countries.

See also the chart entitled: "TECHNICAL INTERCHANGE THROUGH TRAINING", on page 40.

INTERNATIONAL

Malaria Eradication Training Center

The Malaria Eradication Training Center in Manila provides professional training for medical officers, public health engineers, entomologists, parasitologists and administrators engaged in malaria eradication efforts throughout the world. Usually, two or three standard senior professional courses are offered by the Center each year, depending to some extent upon the needs of countries engaged in malaria control or eradication programs. These courses are of 12 weeks duration and enrollment averages from 25 to 30.

Short-term intensive training in specialized disciplines of malaria eradication programs such as epidemiology, parasitology, laboratory operation and management, entomology, and administration are also offered.

The faculty of the Center, comprised of three experts from the World Health Organization and two from the United States Public Health Service, also provides continuing guidance and support to related national training activities in other countries. As part of this activity, periodic visits are made to such countries in order to review and improve training procedures and facilities as well as to help in the assessment and evaluation of national malaria eradication programs.

Approximately 1,020 participants from 36 different countries around the world have received training at the Center since its opening

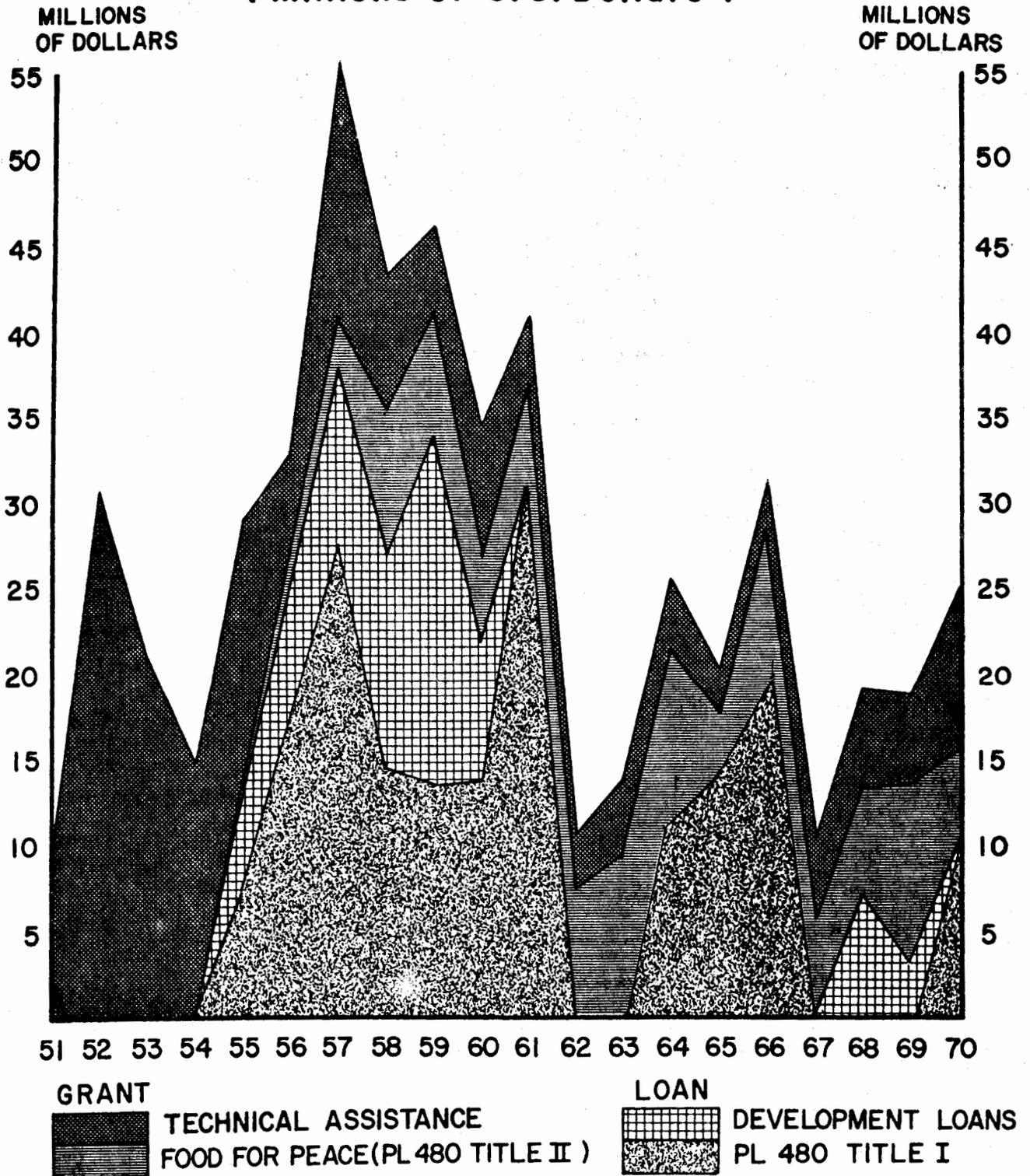
in late 1963. As an additional service, the Center has devised a course to "train the trainers" -- to provide a basic malaria eradication orientation and instruction in training techniques for national training program personnel from other countries in order to significantly increase the effectiveness of such national programs.

Operation and funding of the Malaria Eradication Training Center is provided under the joint auspices of the U. S. Public Health Service, the U. S. Agency for International Development, the World Health Organization and the Government of the Republic of the Philippines.

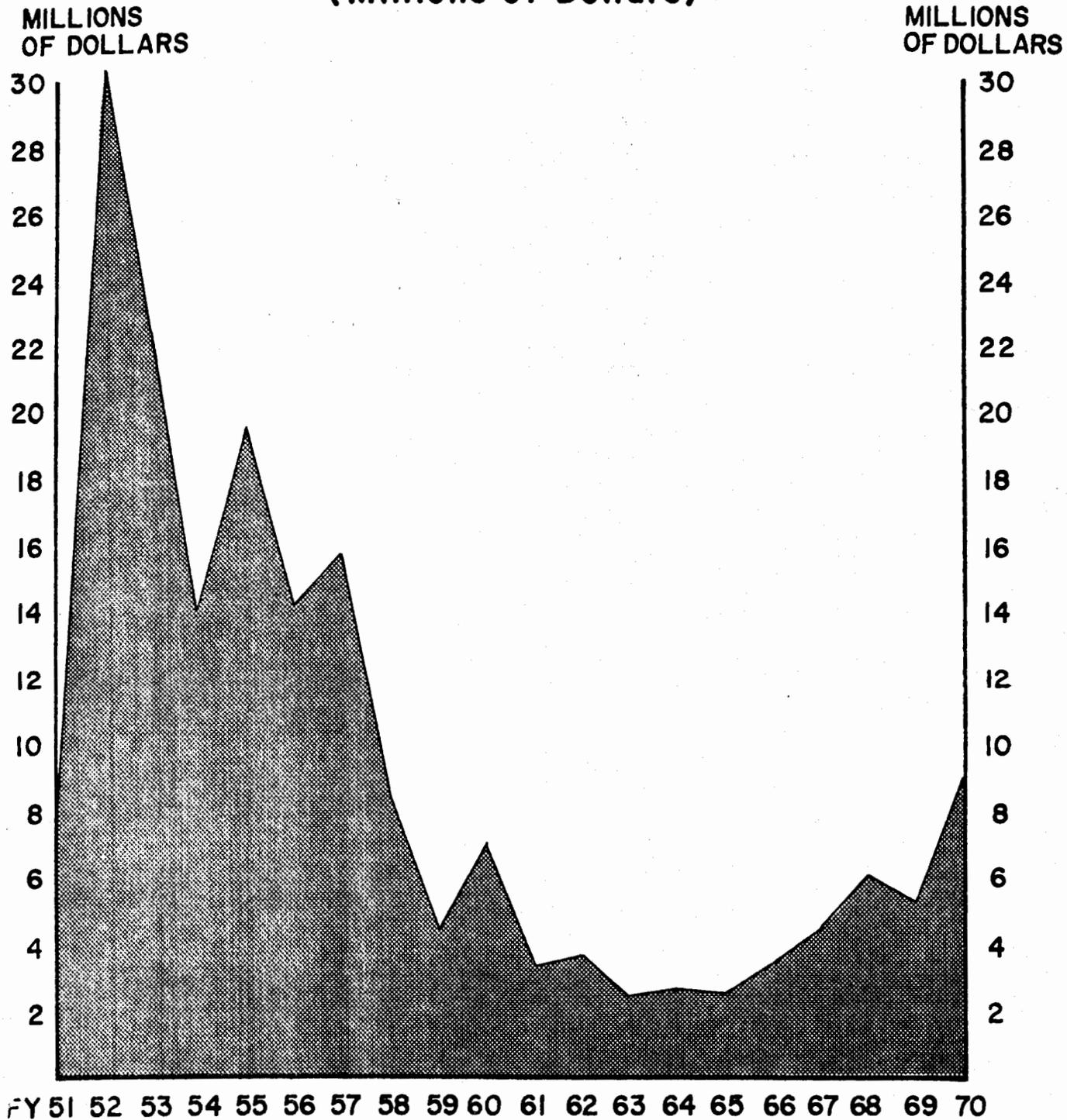
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TOTAL U.S. ECONOMIC ASSISTANCE TO THE PHILIPPINES

Fiscal Years 1951 Thru 1970 (Millions of U.S. Dollars)



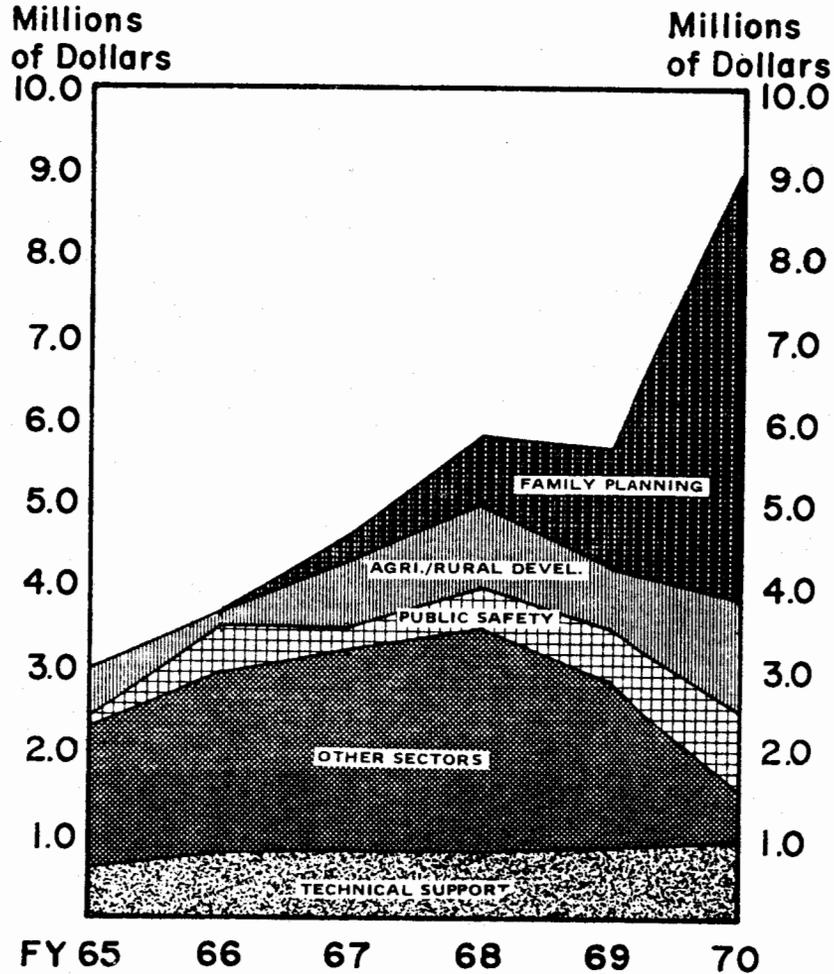
UNITED STATES DIRECT GRANT ASSISTANCE TO THE PHILIPPINES FY 1951 Thru FY 1970 (Millions of Dollars)



U.S. GRANT ASSISTANCE TO THE PHILIPPINES

Fiscal Years 1965 thru 1970

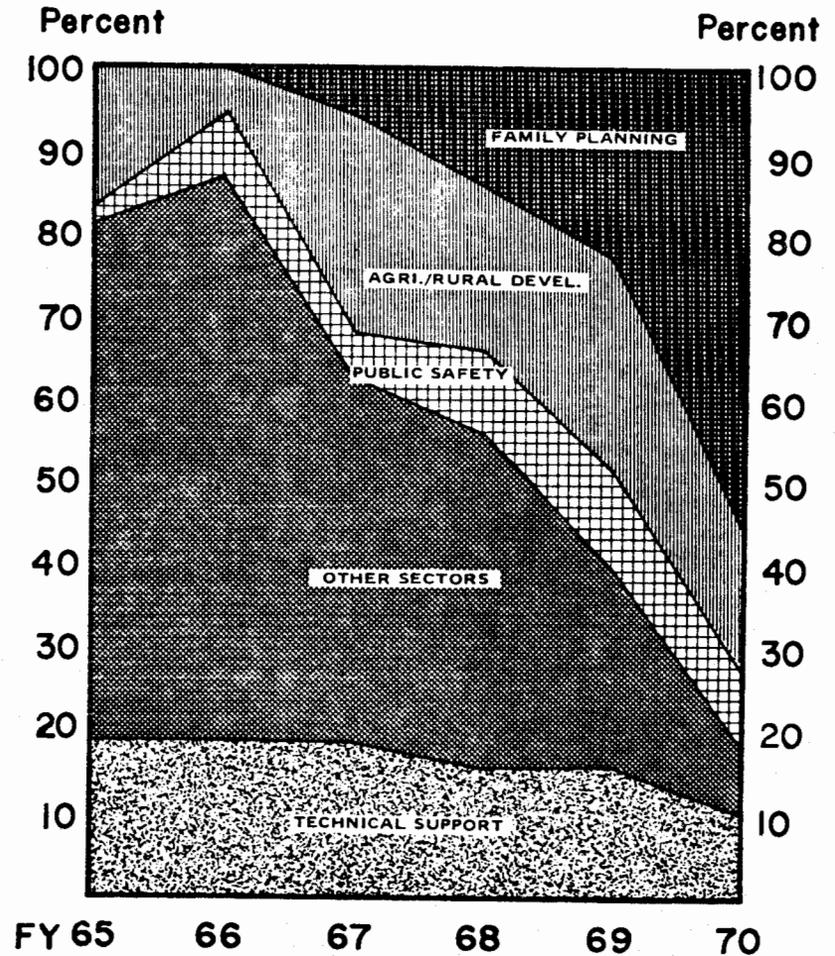
(Millions of Dollars by Sectors)



U.S. GRANT ASSISTANCE TO THE PHILIPPINES

Fiscal Years 1965 thru 1970

(Percent of Total by Sectors)



U. S. A. I. D. ASSISTANCE TO THE PHILIPPINES

DOLLAR LOANS

<u>Date</u>	<u>Borrower</u>	<u>Purpose</u>	<u>Amount</u>
July 24, 1956	Govt of the Philippines *IGLF \$6,700,000 Public Works 3,005,218 Nat. Power Corp 294,782	Project Assistance	\$10,000,000
July 15, 1957	Govt of the Philippines IGLF 7,500,000 Agric. Loans 2,500,000	Project Assistance	10,000,000
May 6, 1958	Central Bank of Philippines	Small Industry Loans	2,588,055
Sept. 29, 1958	Govt. of the Philippines	Project Assistance	4,967,214
June 29, 1959	Govt. of the Philippines	Public Works & Comm.	15,500,000
July 10, 1959	Bataan Pulp & Paper Mills	Paper Mill	5,400,000
Oct. 26, 1959	Development Bank of Phil.	Cement Plant	3,700,000
Sept. 14, 1967	Govt. of the Philippines	Feasibility Studies	2,000,000
Sept. 14, 1967	Govt. of the Philippines	Irrigation Rehab	4,700,000
Aug. 31, 1968	Development Bank of Phil.	Rural Electric Coops	2,000,000
Aug. 31, 1968	Development Bank of Phil.	Rural Electric Coops	<u>1,100,000</u>
		T o t a l	<u>\$61,955,269</u>

* Industrial Guarantee & Loan Fund

U. S. A. I. D. ASSISTANCE TO THE PHILIPPINES

*COOLEY LOANS

<u>Date</u>	<u>Borrower</u>	<u>Purpose</u>	<u>Amount</u>
Feb. 17, 1961	Argo Refining Co.	Cassava Starch Facilities	₱ 1,500,000
Oct. 11, 1961	Wyeth-Suaco Lab.	Pharm. Plant Facilities	375,000
April 15, 1963	White Rose Packing Corp.	Sardine Cannery	7,000,000
May 18, 1964	General Milk Co.	Working Capital/ Construction	2,500,000
Jan. 2, 1964	Wyeth-Suaco Lab.	Lab. /Plant Facilities	3,000,000
Dec. 7, 1964	Filipino Magnetite (FILMAG)	Iron Sands Mining Operation	1,500,000
May 11, 1965	Arbor Acres Co.	Poultry Breeding Farm	1,600,000
April 18, 1966	Bataan Pulp/Paper Mills	Plant Rehabili- tation	4,000,000
		Total	<u>₱21,475,000</u>

*Cooley Loans, named for former U. S. Congressman Harold D. Cooley, are local currency loans made available through AID from the proceeds of agricultural commodity sales under Title I of U. S. Public Law 480 (under the Title I provision, U. S. surplus agricultural commodities are sold to the Philippines for Pesos and such Pesos are then granted to the Philippine Government for development purposes, or used for loans). Cooley loans may be made to U. S. firms in the Philippines for their business development and trade expansion, and to domestic or foreign firms for the establishment of facilities for aiding in the utilization, distribution, or otherwise increasing the consumption of, and markets for, United States agricultural products.

NEC-USAID

TECHNICAL INTERCHANGE THROUGH TRAINING

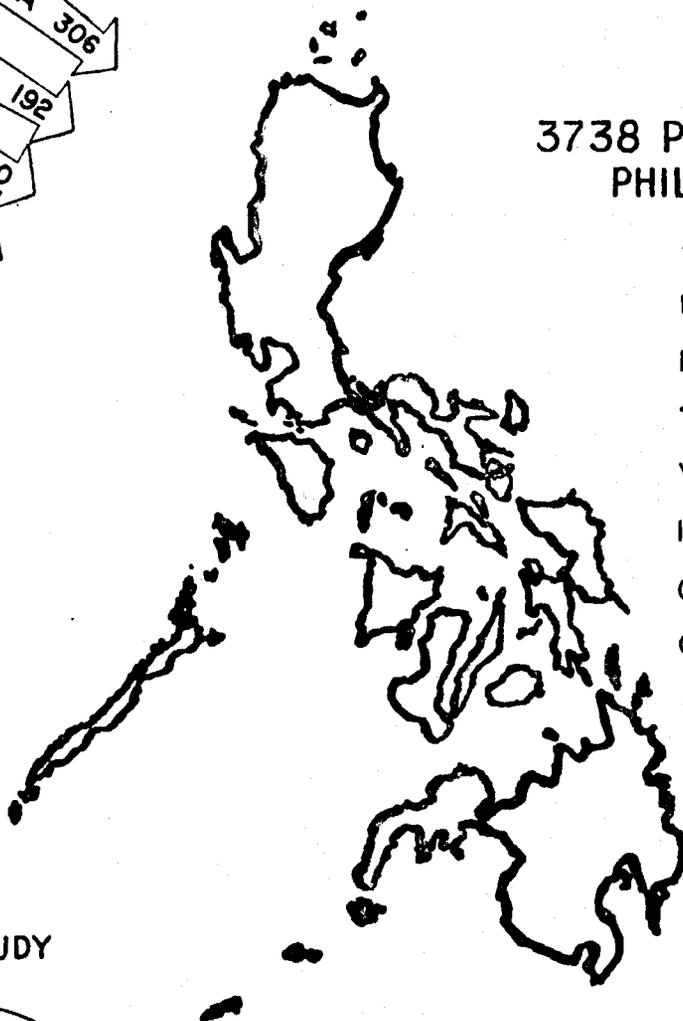
FROM 1952 TO 1970 THE PHILIPPINES HAS SENT 3738 TECHNICIANS ABROAD FOR TRAINING UNDER NEC-USAID PROGRAMS AND HAS PROVIDED TRAINING IN THE PHILIPPINES FOR 4719 PERSONS FROM OTHER DEVELOPING COUNTRIES.

4719 PERSONS
To The PHILIPPINES
FROM:

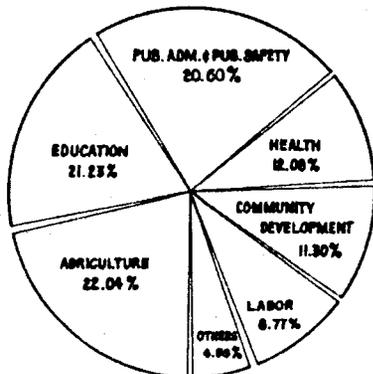


3738 PERSONS From The
PHILIPPINES TO:

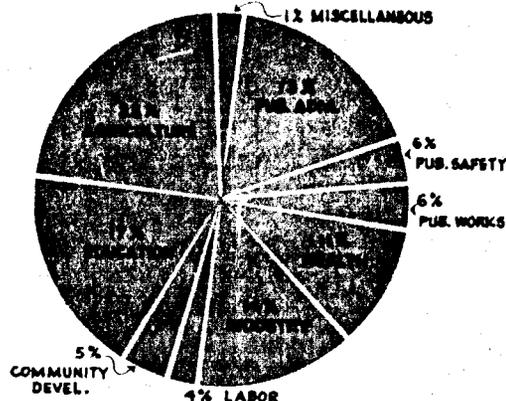
-
- USA
 - KOREA
 - THAILAND
 - VIETNAM
 - INDIA
 - CHINA
 - OTHERS



FOR STUDY
IN



FOR STUDY
IN



U. S. A. I. D. ASSISTANCE TO THE PHILIPPINES

*EXCESS U. S. PROPERTY TRANSFERRED TO PHILIPPINE GOVERNMENT
FY 1963-FY 1970

	<u>FY 63</u>	<u>FY 64</u>	<u>FY 65</u>	<u>FY 66</u>	<u>FY 67</u>	<u>FY 68</u>	<u>FY 69</u>	<u>FY 70</u>	<u>TOTAL</u>
607 EXCESS: \$	205,096	747,594	1,053,842	1,919,545	2,747,554	3,907,923	2,596,373	3,216,147	\$16,394,074
608 EXCESS: \$	-	227,893	1,633	445,121	704,890	252,731	436,591	366,585	2,619,427
TOTAL	<u>\$ 205,096</u>	<u>975,487</u>	<u>1,055,475</u>	<u>2,364,666</u>	<u>3,452,444</u>	<u>4,160,654</u>	<u>3,032,964</u>	<u>3,582,732</u>	<u>\$19,013,501</u>

"607" Excess Property ("As is/Where is") from Clark AFB, Subic Naval Base, Sangley Naval Air Station

"608" Excess Property (Rehabilitated) from U. S. facilities in Japan, Germany, and the United States

* Based on original dollar acquisition value.

Data Current: September, 1970

