UNCLASSIFIED

PD-ACE-063

SECURITY ASSISTANCE PROGRAM

SECURITY SUPPORTING ASSISTANCE

Congressional Presentation
FISCAL YEAR 1973

BEST AVAILABLE

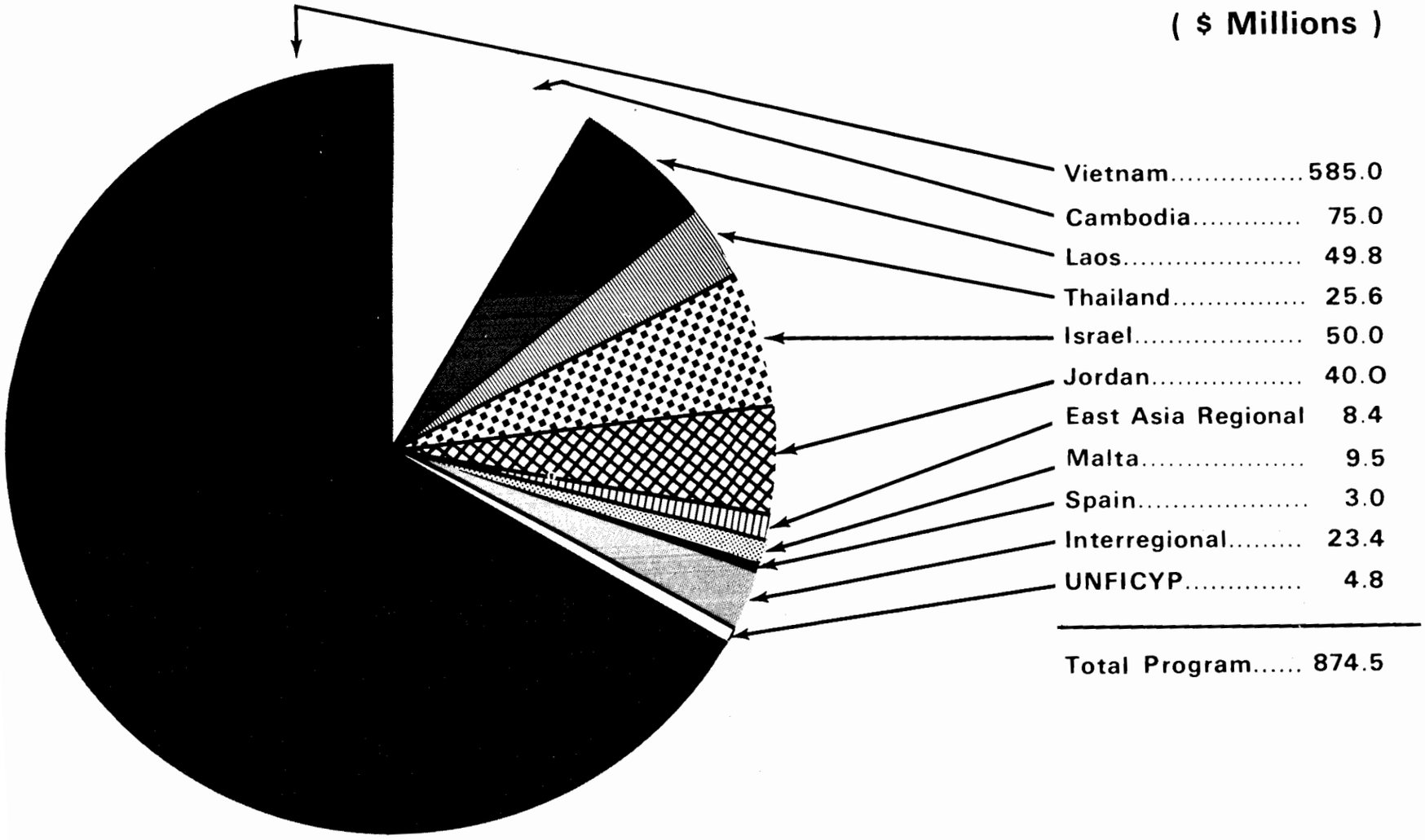
SECURITY SUPPORTING ASSISTANCE

TABLE OF CONTENTS

	Page
Security Supporting Assistance - Summary	A-1
Availability and Program Table	A-4
Estimated Gross Expenditures and Unexpended Balances	A-4
Summary of Program by Area and Country	A-5
Vietnam	B-1
Cambodia	C-1
Laos	D-1
Thailand	E-1
Israel	F-1
Jordan	G-1
East Asia Regional and Other Programs:	
East Asia Regional	H-1
Malta	H-3
Spain	H-3
United Nations Force in Cyprus (UNFICYP)	H-4
Interregional	H-5
Public Safety	H-5
International Narcotics Control	I-1
Contingency Fund	J-1
Reports and Other Data:	
Section 634(d) Report (Security Supporting Assistance)	K-1
Section 634(e) Report	K-6
Mutual Defense and Development Programs and Predecessor Programs:	
Part I - Comparative History of Authorizations and Appropriations for Budgeted Programs, 1948-1972	K-7
Part II - Summary of Availability, Obligations, Expenditures, and Balances for Budgeted Programs, 1948-1972	K-15
Part III - Housing Guaranty Fund, 1948-1973	K-22
Part IV - Advance Acquisition of Property, 1962-1973	K-26

MARCH 1972

FY 1973 SECURITY SUPPORTING ASSISTANCE PROGRAM



SECURITY SUPPORTING ASSISTANCE

The United States provides Security Supporting Assistance to selected countries or international organizations to promote or maintain economic or political stability. In general, recipient countries face actual or threatened aggression which compels them to strengthen their capacity to meet the resultant challenge to their security. The use of Supporting Assistance funds in a given country depends on the degree of importance of that country to U. S. foreign policy objectives, particularly in terms of potential impact on U. S. national security interests.

As President Nixon noted in his February 1972 Foreign Policy Message:

> "Security assistance is a cornerstone of our foreign policy and of Free World security, as it has been ever since the early days of the Second World War. Our programs have adapted to changing circumstances, but our purpose has remained steadfast -- to assist those willing to work for peace and progress. Our friends are demonstrating the ability and willingness to shoulder a larger share of the common effort, but their material resources frequently are inadequate. They do not seek American forces; they do ask for the equipment and supplies which they themselves cannot provide."

Supporting Assistance funds normally contribute to some degree to the economic growth or to the developmental goals of the recipient country, but the current U. S. motive in programming these funds is neither economic growth nor development per se; rather, the specific purpose is to stablize the economic or political situation vis-a-vis a given security situation. Supporting Assistance seeks, therefore, to assist the recipient nation to overcome an immediate security threat while avoiding simultaneous deterioration of the national economy as much as possible.

Since the criteria for providing military assistance and Security Supporting Assistance are similar, countries which are principal recipients of Supporting Assistance are also as a rule significant recipients of military assistance through Military Assistance Service Funded programs (Vietnam, Laos and Thailand in FY 1972; Vietnam and Laos only in FY 1973), the Military Assistance Program (Cambodia, Jordan, and, beginning in FY 1973, Thailand) or Foreign Military Sales (Israel). In recognition of the common interests served by military assistance and Security Supporting Assistance programs, we have continued our efforts to strengthen coordination in the transfer of these types of U. S. assistance resources. Under the leadership of the State Department's Office of the Coordinator for Security Assistance, a position authorized by the Foreign Assistance Act of 1971, joint planning of all security assistance elements within the context of U. S. foreign policy has been initiated.

As was the case last year, by far the major portion of the proposed security assistance program for FY 1973 will be directed toward Southeast Asia. Eighty-five percent of the FY 1973 Security Supporting Assistance program -- $743.8 million -- is programmed for Vietnam, Cambodia, Laos, Thailand and East Asia regional projects.

These Southeast Asia nations share an immediate common threat to their national survival. Security Supporting Assistance will continue in FY 1973 to assist them to maintain the viability of their national economies while meeting their internal security and external defense requirements. As hostilities recede, we are reorienting our aid toward basic reconstruction and economic development activities. And as national economies are strengthened, the U. S. Security Supporting Assistance program will decrease, and the composition of aid to these Southeast Asia nations will shift from grants to loans and from bilateral to greater emphasis on multilateral assistance.

About two-thirds -- $585 million -- of the FY 1973 Security Supporting Assistance program of $874.5 million

will be used to continue support for stabilization and war relief activities in Vietnam as Vietnamization of the war effort progresses. For the Vietnamese, the war continues, and the pressures on the economy which it generates remain severe. Supporting Assistance helps directly to compensate for resources diverted to military needs, as the Vietnamese increase their military force capability to the point where Vietnam will be able to perform its defense and internal security missions without the need for in-country assistance from U. S. military forces. Beginning in FY 1973, greatly increased emphasis will be placed on economic development, with special attention to both domestic and export production and to efficient import substitution, in order to promote growing economic self-sufficiency to sustain the country.

Cambodia is projected to receive $75 million of Security Supporting Assistance to help offset the abnormal economic dislocations which would otherwise result from the increased defense expenditures incurred to withstand North Vietnamese and Viet Cong invasion. A program of financing imports to offset losses in Cambodia's domestic production and export earnings will continue to provide commodity availabilities at approximate pre-war levels in order to prevent serious deterioration in living standards, which in turn would contribute toward political instability. A multilateral Exchange Support Fund financed by Cambodia, the United States, Japan, Australia, Thailand, New Zealand and Malaysia will provide foreign exchange for imports of commodities and services not available through other sources.

For Laos, $49.8 million is proposed to counteract the inflationary pressures upon the Lao budget imposed by requirements to finance heavy military and civilian expenditures necessitated by the war. Laos is one of the poorest and most defenseless nations in the world. Its fundamental lack of resources and the relentlessness of communist attacks combine to make Laos dependent upon substantial external assistance for its very existence. In FY 1973 the United States will continue to contribute to the multilateral Foreign Exchange Operations Fund, which is also supported by Australia, the United Kingdom, France and Japan. Security Supporting Assistance funds will also help Laos to support its large dependent refugee population and assist in their relocation and resettlement. Principal areas of project assistance to Laos are rural development, roads, public health, agriculture, education, public administration, and public safety. The project program emphasizes the provision of basic government services, particularly in rural areas.

Thailand will receive $25.6 million to assist in partially offsetting the recent slowdown in the Thai rate of economic growth brought about in part by deterioration in the market demand for Thailand's principal export products and by a decline in U. S. military expenditures. Despite this slowdown, Thailand is further increasing defense and counterinsurgency expenditures in response to the growing potential threat emanating from Laos and Cambodia and in order to overcome deficiencies in its efforts to counter the insurgency within Thailand. Given the imbalance between the rate of growth in revenues and expenditures in the Thai budget, further increases in defense outlays would have to be made at the expense of important development programs if external assistance were not provided.

In FY 1973, $8.4 million of Security Supporting Assistance funds will be provided to East Asia Regional programs to continue support for Mekong Basin development and for regional initiatives in transportation and communications, agriculture and fisheries, resettlement, economic cooperation, health, manpower training, and environment. The main overall thrust of the regional effort continues to be the promotion of development cooperation among the nations of Southeast Asia, with increasing multilateral donor involvement, in order to stimulate political and economic stability in the area.

The remaining $130.7 million is programmed for security-related purposes in other parts of the world. Jordan will receive $40 million to assist in offsetting rising security costs to meet the internal threat from the

SECURITY SUPPORTING ASSISTANCE

Fedayeen and the potential external threats from Arab neighbors. Jordan has exerted a moderating influence on Middle East problems, has limited the scope of armed conflict on her borders, and continues to serve as a partial buffer to further expansion of radical socialism in the Middle East.

Israel has gone heavily into debt to meet the military threat emanating from Soviet-assisted Arab countries. Fifty million dollars are requested for Israel to assist in meeting Israel's heavy fiscal burden.

In support of the New British agreement with Malta, the United States will make a grant of $9.5 million from Security Supporting Assistance. Continued British military presence on Malta is important to the NATO Alliance and to the security of the Mediterranean. In addition, a proposed $3 million of Supporting Assistance for Spain will be used in FY 1973 to fund the educational-cultural component of the U.S.-Spanish defense agreement signed in 1970.

The UN peace-keeping forces in Cyprus will receive $4.8 million as the U.S. share of their expenses. Security Supporting Assistance will also make a contribution of $23.4 million to shared costs of central A.I.D. program support and services.

SECURITY SUPPORTING ASSISTANCE

AVAILABILITY AND PROGRAM FY 1972 AND FY 1973
(in thousands of dollars)

	FY 1972						FY 1973				
	Balance Forward	Appro-priation	Transfers	Receipts & Reimb.	Recov-eries	FY 1972 Program	Appro-priation	Transfers	Receipts & Reimb.	Recov-eries	FY 1973 Program
SECURITY SUPPORTING ASSISTANCE	2,721	550,000	-2,363 a/	1,845	30,897	583,100	844,000	-1,177 a/	1,845	29,832	874,500

a/ Net of transfers in to cover January 1972 pay increases ($1,237,000 in FY 1972 and $2,423,000 in FY 1973) offset by transfers out ($3,600,000 in FY 1972 and the same amount in FY 1973) to Administrative Expenses, A.I.D. to cover increased administrative expenses resulting from the expanded Vietnam program.

ESTIMATED GROSS EXPENDITURES AND UNEXPENDED BALANCES
FOR FISCAL YEARS 1972 AND 1973
(in thousands of dollars)

	Unexp. Balance 6/30/71	Appro-priation FY 1972	Recpts. Trans. Reimbs.	Total Avail-able	Gross Exp. FY 1972	Unexp. Balance 6/30/72	Approp. Request FY 1973	Recpts. Trans. Reimbs.	Total Avail-able	Gross Exp. FY 1973	Unexp. Balance 6/30/73
SECURITY SUPPORTING ASSISTANCE	611,682	550,000	-518	1,161,164	-584,000	577,164	844,000	668	1,421,832	-796,088	625,744

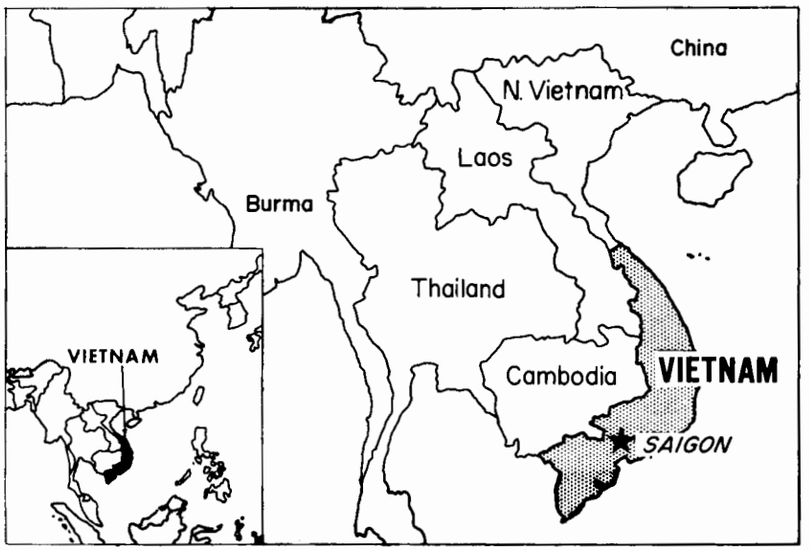
SECURITY SUPPORTING ASSISTANCE - SUMMARY OF PROGRAMS BY AREA AND COUNTRY
FISCAL YEARS 1971, 1972 and 1973

(In thousands of dollars)

	FY 1971 Actual			FY 1972 Estimated			FY 1973 Proposed		
	Supporting Assistance	Other A.I.D.	Total	Supporting Assistance	Other A.I.D.	Total	Supporting Assistance	Other A.I.D.	Total
SUMMARY - ALL PROGRAMS	572,971	27,040	600,011	583,100	37,880	620,980	874,500	17,692	892,192
ASIA - TOTAL	510,318	27,040	537,358	564,400	28,380	592,780	833,800	17,692	851,492
Cambodia	70,000	-	70,000	37,100	-	37,100	75,000	-	75,000
Israel	-	-	-	50,000	-	50,000	50,000	-	50,000
Jordan	5,000	1,000 b/	6,000	30,000	15,550 bc/	45,550	40,000	1,200 b/	41,200
Laos	41,450	7,485 be/	48,935	47,000	500 d/	47,500	49,800	870 d/	50,670
Thailand	16,996	5,545 be/	22,541	15,000	1,500 d/	16,500	25,600	2,145 d/	27,745
Vietnam a/	376,656	-	376,656	385,000	325 d/	385,325	585,000	346 d/	585,346
East Asia Regional Programs	216	13,010 be/	13,226	300	10,505 bd/	10,805	8,400	13,131 bd/	21,531
AFRICA - TOTAL	18,383	-	18,383	3,700	-	3,700	-	-	-
Nigeria	18,163	f/	18,163	3,400	-	3,400	-	-	-
Southern Africa Regional	220	-	220	300	-	300	-	-	-
EUROPE - TOTAL	-	-	-	-	9,500	9,500	12,500	-	12,500
Malta	-	-	-	-	9,500 c/	9,500	9,500	-	9,500
Spain	-	-	-	-	-	-	3,000	-	3,000
LATIN AMERICA - TOTAL	2,827	-	2,827	-	-	-	-	-	-
Guatemala	45	f/	45	-	-	-	-	-	-
Haiti	2,782	-	2,782	-	-	-	-	-	-
NON-REGIONAL PROGRAMS	41,443	-	41,443	15,000	-	15,000	28,200	-	28,200
UN Force in Cyprus	4,800	-	4,800	2,400	-	2,400	4,800	-	4,800
UN Relief and Works Agency	13,300	-	13,300	-	-	-	-	-	-
Program Support and Interregional Activities	23,343	-	23,343	12,600	-	12,600	23,400	-	23,400

a/ Excludes administrative and program support costs resulting from the expanded Vietnam program.
b/ Technical Assistance funds.
c/ Contingency Fund.
d/ Population funds.
e/ Development loan funds used for population programs.
f/ Does not include Development Loans and Technical Assistance.

VIETNAM — GENERAL ECONOMIC DATA



BASIC DATA

Population (millions; mid-1971) ..	18.7	Per capita GNP (1970; dollars) ...	175
Annual Growth Rate (percent) ...	2.6		
		Life Expectancy (Years)	35
Area (1,000 square miles)	66	People per Doctor.....	9,630
Population Density Per Sq.Mile .	283		
		Literacy Rate (percent)	65
Agricultural Land as % of Area ...	33	Students as % of 5-19 Age Group ..	58
% Civil. Labor Force in Agri. ..	65	(Primary and Secondary)	

PRODUCTION TRENDS

	1967	1968	1969	1970	1971 Est.
Agricultural Production					
Total Index (1961-65=100).....	91	84	94	103	108
Index Per Capita (1961-65=100)	82	74	81	86	88
Rice, rough (1,000 MT)	4,690	4,370	5,120	5,720	6,000
Industrial Production ..... (Index 1963=100)	163	148	184	210	220
INTERNATIONAL TRADE ($ millions) (Exchange record data)					
Total Exports (f.o.b.)	38	42	33	13	13
Total Imports (c.i.f.)	-750	-669	-853	-779	-825
Trade Balance	-712	-627	-820	-766	-812
GOLD & FOREIGN EXCHANGE ($ millions)†					
Official Reserves ††	334	279	227	242	269
Commercial Bank Holdings	14	27	30	32	18[a]
USAID Retail Price Index ††† ..... (Saigon; Jan. 1, 1965=100)	305	408	539	698	798

† - Gross basis; end of period. n.a. - Not available. a - November.
†† - Includes SDR's and IMF gold tranche position which amounted to $14 million and $16 million, respectively, at end of December 1971. End 1971 gold is valued at $38 an ounce and foreign exchange at realigned exchange rates.
††† - End of year data.

CENTRAL GOVERNMENT FINANCES
(FY Ending December 31)

	Billions Piasters 1970	Billions Piasters 1971	Millions Dollars* 1971*
Total Expenditures[a]	199.8	272	837
(Defense Expenditures)	(128.3)	(163)	(501)
(Capital Outlay)	n.a.	n.a.	n.a.
Total Domestic Revenues[b]	125.7	177	545
As Percent of GNP	n.a.	n.a.	n.a.
Deficit (-) or Surplus (+) ..	-74.1	-95	-292

a - Excludes Trust and Special Funds administered by U.S. Government.
b - Includes customs and austerity taxes on imports.
n.a. - Not available.
* Converted at 325 piasters per dollar.

VIETNAM

INDEX

	Page
VIETNAM:	
Summary of Country Program	B-1
Summary of Program by Function	B-10
AGRICULTURE:	
Project Data	B-13
EDUCATION:	
Project Data	B-21
INDUSTRY/LABOR:	
Project Data	B-25
LOGISTICS:	
Project Data	B-29
PUBLIC ADMINISTRATION:	
Project Data	B-31
PUBLIC HEALTH:	
Project Data	B-39
PUBLIC WORKS:	
Project Data	B-51
TECHNICAL SUPPORT:	
Project Data	B-59
RURAL DEVELOPMENT:	
Project Data	B-61
REFUGEES/SOCIAL WELFARE:	
Project Data	B-65
PUBLIC SAFETY:	
Project Data	B-67
OTHER:	
Economic Development Fund	B-71
Project Data Summary (Table IV)	B-73

PROGRAM SUMMARY (In millions of dollars)			
	FY 1971 Actual	FY 1972 Estimated	FY 1973 Proposed
Security Supporting Assistance	376.6	385.0	585.0
Population	(*)	(.3)	(.3)
Total	(376.6)	(385.3)	(585.3)

* Population program of $.2 million funded from Supporting Assistance

SUPPORTING ASSISTANCE
PROGRAM SUMMARY
(millions of dollars)

	FY 1971 Actual	FY 1972 Estimated	FY 1973 Proposed
Commercial Import Program	266.0	313.0	376.0
Economic Support Fund	-	-	50.0
Economic Development Fund	-	-	75.0
Land Reform	15.0	-	15.0
Project Program	95.6	72.0	69.0
Program Support Costs	*	*	*
Total	376.6	385.0	585.0

* These costs are shown as Supporting Assistance Interregional Costs and Administrative Transfer Costs.

OBJECTIVES OF U. S. ASSISTANCE

Within the context of overall U. S. objectives in Vietnam, A.I.D.'s goals are:

-- to help Vietnam to develop its economy in a manner which will lead to eventual economic self-sufficiency;

-- to facilitate Vietnamization by helping the Government of Vietnam to bear the increased costs of the war;

-- to help prevent run-away inflation and severe economic dislocations; and

-- to assist the Government of Vietnam in caring for refugees, civilian causalties and other war victims.

ECONOMIC SETTING

During CY 1971 there was measurable progress both in economic stabilization and in the numerous project activities receiving A.I.D. assistance. Although A.I.D. continued to play a prominent role in stabilization, its other activities in the technical, logistics and war relief fields diminished as the Government of Vietnam assumed more responsibilities. A.I.D. funding of projects dropped by 23% over FY 1970 and A.I.D. personnel stationed in Vietnam were reduced by 13%.

THE ECONOMY: 1971 was marked by further progress in stabilization efforts and the emergence of development as a high priority. The October 1970 reforms were followed by further reform measures in November 1971. The success of these efforts is attested to by the fact that even after the introduction of the November reforms, including exchange rate devaluation, the retail price index for Saigon rose only 14% during CY 1971 as compared to increases of more than 30% annually experienced during the previous four-year period.

The November reforms were the most far reaching and fundamental ever attempted by South Vietnam. A substantial exchange rate devaluation combined with a revised tariff schedule increased the average cost of imports by almost 20%. The increase in the exchange rate should also make exports more competitive, which is essential for long-term self-sufficiency, and special regulations to encourage export growth are being developed.

The Vietnamese President supported the reform measures fully and noted that a new investment law would be submitted to the National Assembly to give special incentives and guarantees for private investments, Vietnamese and foreign alike, and that obstacles to investment and production would be eliminated. He stated that the aims of the new reforms are the development of the economy, the expansion of exports, and the eventual elimination of foreign financial assistance. These are to be accomplished through a more efficient use of resources, by a greater reliance upon the initiative of the private sector, and by a reduction of government administrative controls.

LAND REFORM: On March 26, 1970, the government passed a Land-to-the-Tiller law under which tenant farmers will receive title to the rice lands which they are farming. The area affected will be about 2.5 million acres and will involve approximately 700,000 tenants and 75,000 landowners. The former landowners will be reimbursed by a 20 percent cash payment plus bonds which may be redeemed in equal annual installments over an 8 year period. The purpose of this law, which should virtually eliminate tenancy on rice lands, is to give rural Vietnamese an increased commitment to the defense of their country, as well as provide them with a fairer share of the economic benefits of their own labor. The government plans to implement the program over a 3-year period.

The program got off to a fast start in 1970. The government developed administrative machinery for implementation and trained approximately 4,000 Vietnamese in land registration procedures. By the end of 1971, new titles had been issued for approximately 1,145,000 acres of rice land to over 325,000 new owners (former tenant farmers). Titles have now been issued for approximately 1,300,000 acres to over 438,000 tenant farmers. Substantial payments to former landowners began in the fall of 1971 and will be accelerated. By December 1971, some 13,000 compensation payments had been made.

Reaction among new owners has been enthusiastic thus far, and the rapid pace of distribution encourages us to believe that the program will make a substantial contribution to the future security and political stability of Vietnam.

AGRICULTURE: Significant progress was made in the field of agriculture during 1971. In addition to increased rice production, Vietnamese agricultural researchers demonstrated the practicality of two new strains of high-yield, high-quality rice. These strains are rapidly replacing the IR-8 and IR-5 varieties formerly imported from the Philippines. Pork and poultry production have increased to the point where imports are no longer required with the exception of some canned products for the Vietnamese army. Considerable progress was made in getting credit to the farmers: 22 private rural banks have been established, loans to farmers more than doubled, and savings and deposits rose nearly 400%. In terms of sector planning, the Ministry of Agriculture developed a 5-year plan. The plan received a thorough critique by an A.I.D.-sponsored team of U. S. experts and is now being refined and transformed into an annual course of action.

PACIFICATION: The Pacification and Community Development Program of 1971 made substantial progress. A responsive political atmosphere is evolving with the strengthening of village and provincial governments as effective channels of political and administrative activities. Also, economic standards have been advanced through the increased emphasis on programs of self-development.

The processes of political development started in 1967

with local elections for village and hamlet representatives, later extended to include provincial and municipal councils. All of the provinces and municipal councils now have elected bodies and 98% of hamlet chiefs and village councils are popularly elected. There is evidence of an increasing level of voter turnout and of larger numbers of candidates running for each office as reelections are being held. These self-governing bodies are assuming progressively greater responsibility. To further this development the Central Government has submitted to the National Assembly legislation granting greater autonomy to local government and has proposed a simplified uniform tax system designed eventually to make local government independent of national subsidies.

While the Central Government continues to finance the Rural Public Works program, it is essentially administered by province and village authorities. This program was designed to encourage social and economic self-development at the village level. In 1972, the villages are being required to furnish one-third of the cost of these projects. By 1974, the villages must support the total cost of these projects from village tax revenues.

WAR VICTIMS: Of the 3.8 million persons registered as refugees since 1965, 1.9 million have now returned to their original villages and 1.8 million have received benefits for resettlement elsewhere. Preparations were made for the voluntary resettlement of refugees from economically non-viable refugee sites in Military Regions I and II to rural areas further south, where the displaced families can resume their normal agricultural pursuits. The first such voluntary relocation was carried out in January 1972, when 1400 refugees were moved from Ha Tan in Quant Tri Province, just below the Demilitarized Zone, to a large rural area in Phuoc Tuy Province in MR III.

The continuing progress made by the government in the implementation of the joint use of military and civilian hospital facilities and personnel has enabled the phase-out of U. S. military supported medical teams to proceed on schedule. Significant progress was also achieved by the government in the production of prosthetic and orthotic devices at the facilities of the National Rehabilitation Institute. Production in 1971 was 10,584 as compared to 7,135 in 1970. These accomplishments reflect the concerted effort being made toward Vietnamization of the medical care program.

PROPOSED A.I.D. PROGRAM

FY 1973 Stabilization Assistance

	FY 1971 Actual	FY 1972 Estimated	FY 1973 Proposed
Commercial Import Program	266	313	376
Economic Support Fund	-	-	50
(PL 480 Title I) *	(110)	(115)	(125)

*Figures are on a shipment basis.

Vietnamization of both the war and the economy can only be accomplished with an adequate level of economic assistance. As the South Vietnamese take on more of the fighting, they divert more resources from internal production to military expenditure. Beyond this the nation's foreign exchange earnings, from the purchase of piasters by U. S. military forces, are declining as our forces are withdrawn. Since these earnings now finance a large share of the imports necessary to offset the shift in domestic resources to the Vietnamese military effort, this loss must be compensated to prevent the economic situation from deteriorating. Economic assistance, by providing the external resources to help maintain relative price stability and adequate levels of personal consumption for the Vietnamese, and by permitting increased investment and production, is a vital aspect of Vietnamization, especially at this

time when economic development is being given increased priority.

Economic assistance in the form of imported commodities is also an important element in creating the climate necessary for economic reconstruction and growth, without which Vietnam's move toward economic self-sufficiency would not be possible. The country's economic potential is great, both in terms of its rich agricultural lands and the vitality and resourcefulness of its people. Moreover, the economic reforms which the government initiated over the past year are designed to accelerate private investment, production, and exports. Success of this program will depend in considerable measure upon the level of external resources made available to the country over the next few years.

Several changes in U.S. economic aid are proposed in order to fulfill the multiple role of supporting South Vietnam's ability to take on an increasing share of the military burden, maintain price stability, and rebuild and expand the Vietnamese economy. First, the Commercial Import Program (CIP) will be increased from $313 million in FY 1972 to $376 million in FY 1973. As in prior years, the CIP will be used to finance essential imports such as industrial raw materials and capital equipment from the United States and from certain less developed countries. The CIP will continue to play an important role in helping to meet Vietnam's resource requirements and thereby to hold inflation in check and permit essential development activities to be carried out.

PL 480 Title I commodities will be used to the maximum extent possible. Shipments of cotton, edible oils and tobacco will be increased, although rice shipments will continue to decrease.

In FY 1972, $150 million of U.S. assistance to finance imports was proposed to be provided through an Economic Support Fund (ESF). The ESF was designed to offset the rapid decline in estimated FY 1972 Department of Defense (DOD) expenditures and personal accommodation piaster purchases in Vietnam as a result of accelerated troop withdrawals. Because of the reduction in the FY 1972 Supporting Assistance request, it was necessary to postpone implementation of this portion of the program.

However, $50 million is proposed for the ESF in FY 1973. The funds will be obligated in an agreement between the United States and the Government of Vietnam. Under the terms of the agreement, releases from the fund will be determined by Vietnam's resource needs in carrying out stabilization and economic development programs while Vietnam assumes increased military responsibilities. Periodic reviews will be held to evaluate government economic policies and programs. The funds will be made available for the unrestricted purchase of goods and services, the same basis on which U.S. dollars are now made available when used to purchase piasters.

PL 480 Program

	FY 1971	FY 1972	FY 1973
	(In Millions of Dollars)		
Title I (Sales)	110	115	125
Title II (Grants)	10	5	5
Total	120	120	130

(Note: All figures are on a shipment basis.)

PL 480 Title I commodities are sold on the local market and, like CIP goods, generate local currency proceeds, most of which help to defray the piaster costs of the war. In FY 1973, the program will consist mainly of items such as corn, cotton, SCM, NFDM, soybean oil, tobacco and wheat.

PL 480 Title II grant food is used mainly to improve nutrition and health for pre-school and school-age children, to support social and economic development

through self-help efforts on the part of the Vietnamese, to sustain Vietnamese whose normal patterns of livelihood are temporarily disrupted by war, and to assist those needy Vietnamese who, as a result of the war, disease, or other factors, are unable to provide for their basic food needs.

Economic Development Fund

	FY 1971 Actual	FY 1972 Estimated	FY 1973 Proposed
Economic Development Fund	-	-	75

In further support of recent government reforms and in acknowledgment of the Government's desire to achieve greater economic growth, $75 million is proposed for an Economic Development Fund in FY 1973. The money will be used (1) for support of intermediate credit institutions for lending to private investors for approved investments and (2) for a variety of infrastructure development projects to be undertaken by the Government.

Private Sector Development ($50 Million)

The government will make loans, backed by dollars, in piasters to qualified intermediate credit institutions (ICI's) such as the Industrial Development Bank, the Agricultural Development Bank, SOFIDIV, Credit Commercial, etc., for medium term credit to local investors. Interest has been shown in farm equipment, cold storage, fishing boats, textiles, food processing. On March 1 the Economic Development Fund was established with an initial capitalization of 10 billion piasters. It is hoped that the establishment of this fund and the U.S. contribution will encourage other nations and organizations to do likewise.

Public Sector Development ($25 Million)

On the public side, proposals are expected for municipal water and power systems, air transport, fishing ports and bridges. There are at least three public sector projects which are either on-going and should be expanded or have had sufficient feasibility and design work accomplished so that they are ready for implementation. A project data sheet has been included for the entire Economic Development Fund.

FY 1973 Project Assistance

	FY 1971 Actual	FY 1972 Estimated	FY 1973 Proposed
Agriculture	7.3	4.9	5.2
Education	4.6	3.2	2.3
Industry - Labor	1.8	1.5	1.1
Logistics	4.0	2.3	1.2
Public Administration	3.1	3.9	3.8
Public Health	19.6	12.4	9.4
Public Works (Engineering)	8.5 1/	5.5	15.8
Rural Development	2.4	.5	.5
Refugees (War Victims)	3.8	1.7	1.0
Public Safety	9.5	8.8	6.8
Technical Support	29.8	26.9	22.2
Miscellaneous	1.2	.7	.0
Total	95.6	72.3	69.3
Land Reform	15.0	-	15.0

1/ Includes projects formerly listed under Urban Development

The project program will continue to decline in FY 1973, although at a somewhat slower rate than last year, since A.I.D. will finance certain activities formerly funded by DOD. This additional requirement falls in the public works sector and is discussed below along with details of each major sector. Without this addition,

A.I.D.'s project program would have declined 22% to a total of $58 million.

In Agriculture the emphasis will continue to be on crop production and the increasing need to expand irrigation. A.I.D.'s efforts on behalf of animal production will be less in FY 1973, because of the progress being made by the Vietnamese in raising poultry and swine. The slight overall increase in funds for agriculture in FY 1973 over FY 1972 reflects some increase in efforts to search for new crops in order to diversify a predominantly one-crop (rice) culture, to increase productivity through the expanded use of irrigation, and to help insure the flow of agricultural production through better marketing methods. We hope to do this while employing approximately the same number of Americans as in FY 1972.

In the field of Education the emphasis will continue to be on higher education, but with a general reduction of funds in all areas as the Vietnamese become more capable of meeting their needs in this sector. By FY 1973 A.I.D. assistance in secondary education will be completed, and during the year assistance to vocational education will phase out. The scholarship program is winding down, as are some of A.I.D.'s activities in the field of specialized higher education (engineering and agriculture). By FY 1974 a small advisory staff will concentrate on education planning and higher education.

In the fields of Industry and Labor assistance will continue on a slightly reduced level as compared with FY 1972. This should not be taken as a sign that progress is adequate in these areas. Greater progress is needed, especially in the industrial field and, consequently, A.I.D. support is proposed for a Vietnamese Development Fund which will make loans through intermediate credit institutions for private industrial undertakings. (See above ; Economic Development Fund.) Technical assistance for FY 1973 is proposed for the new Development Fund, the intermediate credit institutions, and for manpower planning and trade union activities through a contract with the Asian-American Free Labor Institute.

In Public Administration A.I.D. will continue to support approximately the same number of activities undertaken in FY 1972, and at about the same level of funding. These include training of local government officials, training and upgrading of central government officials, improvement of customs and tax collections administration and management, better statistical services, and installation of long-range development planning capabilities at various levels of government.

The Vietnamese capacity to meet their own health needs continues to expand as over 200 doctors and 200 nurses and other medical personnel are graduating annually. As a result, A.I.D. assistance in the field of Public Health will be reduced by at least 25% in FY 1973. This sector still remains large, however, primarily because of the continuation of an extensive program of medical and dental education, performed under contract by the American Medical Association and American Dental Association respectively, and the continued need to fund substantial amounts of medical supplies and equipment for all public hospitals and clinics. By FY 1975 the medical education program will be virtually completed, and by that time we plan to have transferred most of the funding of medical supplies to the Vietnamese. A.I.D.'s program in FY 1973 continues assistance for civilian war casualties, for the National Rehabilitation Centers, and for the Children's Medical Relief International.

In Logistics by FY 1973 separate projects for assistance to ports, warehouses and maintenance will be concluded. There will remain an advisory staff to assist the Vietnamese Central Logistics Office and to help control the flow of supplies for all A.I.D.-funded programs.

As noted above, only in the field of Engineering and

Public Works is there a significant increase over FY 1972. This is occasioned solely by assistance to national highway maintenance formerly funded by DOD. Over the years, DOD has helped build and maintain a vast network of roads throughout South Vietnam, important to the military effort and as lines of communications. As U.S. forces are withdrawn, this road network will continue to be of major importance to both the Army of the Republic of Vietnam and the civilian economy. Maintenance of the road network at present is more than the government can technically, financially or organizationally shoulder by itself. In order to preserve the extensive U.S. investment in this important asset, A.I.D. proposes to contribute equipment, both new and excess, as well as technical assistance, in order to help the Director of Highways develop the capability to cope with the problem. It may take as long as four years of declining A.I.D. assistance to develop the Government's capacity to handle this on its own. The remainder of the funds for this sector will be needed to complete projects involving electric power, rural water, and dredging, with all except dredging to be terminated by June 30, 1973.

Under Rural Development, a program in which A.I.D. contributes personnel and training funds to the Civil Operations and Rural Development Support (CORDS) program, A.I.D. will continue to provide a few technicians and to finance about 50 short-term participants.

Another major A.I.D. contribution to pacification is the Public Safety program. In FY 1973 this program will continue at a reduced level with 22% fewer funds and 30% fewer Americans. This program assists the National Police in maintaining and operating a nationwide police telecommunications system, in training a police force of over 100,000 men, and in operating and improving 42 correctional centers.

A.I.D., also under CORDS, supports the Government Refugee Relief Program with supplies and advisors. A.I.D.'s direct-hire personnel will drop from 35 to 15 in FY 1973 as the Vietnamese continue to take over an increasing portion of the program; supplies and contracts with voluntary agencies will become negligible from a funding viewpoint, with the Government of Vietnam assuming virtually full responsibility.

The level of Technical Support projects which assist all USAID and CORDS projects in terms of personnel and common use commodities will be reduced significantly in FY 1973 as the number of U.S. personnel in the project program declines. The funding level will fall 25% and personnel will drop 27%. These funds provide administrative and management support to all A.I.D. people working on the project program, including the expenses of maintaining their families in safehaven posts.

NON-U.S. ECONOMIC AID

The Vietnamese and the United States have encouraged other nations to assist Vietnam with its foreign exchange requirements. Some additional financing is beginning to come forward in the form of project assistance, and we are continuing to encourage other countries to do more. In CY 1971 other foreign assistance reached a total of $78 million, more than double the amount contributed in 1970. Bilateral assistance from other nations was $68 million in 1971, while international institutional aid was approximately $10 million. The Government recently formed a committee of all foreign representatives and appropriate international agencies in Vietnam which now meets monthly, under the direction of the recently established Planning Ministry, to discuss priority projects and financial requirements. President Thieu has requested financial contributions from outside sources to the new Economic Development Fund. However, based on our experience in Korea and elsewhere, other

funds are most apt to be forthcoming when security has been largely restored and when a start has been made toward viable economic development.

REIMBURSEMENTS FROM THE DEPARTMENT OF DEFENSE (DOD)

DOD will continue to reimburse A.I.D. for certain activities directly related to the military effort. Basically, DOD uses the services of certain A.I.D. employees and A.I.D.'s organizational capabilities in Vietnam to assist it in such fields as national highways, public safety and the defector program known as Chieu Hoi. In FY 1971 these reimbursements totaled $67 million. In FY 1972 they were an estimated $59 million. In FY 1973, in keeping with greatly reduced U.S. force levels, DOD will cut back these activities to about $12 million.

U.S. PERSONNEL

The reduction in the total number of American employees stationed in Vietnam is continuing. During FY 1971, the manpower ceiling was reduced from 1,830 to 1,646. We are now planning a further reduction to 1,133 during FY 1972, and to 822 in FY 1973. The Vietnam staff in Washington is also being reduced steadily with a target of 150 at the end of FY 1972 as compared to 460 in FY 1968.

Vietnam [a]

(U.S. Fiscal Years - Millions of Dollars)

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS														REPAYMENTS AND INTEREST 1946–1971	TOTAL LESS REPAYMENTS AND INTEREST
	POST-WAR RELIEF PERIOD	MARSHALL PLAN PERIOD	MUTUAL SECURITY ACT PERIOD	FOREIGN ASSISTANCE ACT PERIOD										TOTAL 1946–1971		
	1946-1948	1949-1952	1953-1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971			
A. OFFICIAL DEVELOPMENT ASSISTANCE																
A.I.D. AND PREDECESSOR AGENCIES - TOTAL			1,469.9	124.1	143.3	165.7	225.0	593.5	494.4	398.2	314.2	365.9	387.7	4,369.8 [b]	86.6	4,283.2
Loans			95.2	-	-	-	-	-	-	-	-	-	-	90.0	86.6	3.4
Grants			1,374.7	124.1	143.3	165.7	225.0	593.5	494.4	398.2	314.2	365.9	387.7	4,279.7	-	4,279.7
(Supporting Assistance)			(1,397.5)	(112.9)	(133.0)	(159.8)	(216.5)	(583.1)	(489.8)	(391.8)	(299.1)	(361.0)	(383.9)	(4,238.9)		
FOOD FOR PEACE - TOTAL			78.3	31.9	52.6	56.7	51.7	143.0	73.7	138.5	99.3	110.8	188.0	1,024.6	0.6	1,024.0
Title I - Total			16.4	26.8	23.7	34.3	41.4	98.2	73.3	96.6	60.8	75.6	164.9	712.0	0.6	711.4
REPAYABLE IN U.S. DOLLARS – LOANS			-	-	-	-	-	-	-	-	-	-	-	-	-	-
PAYABLE IN FOREIGN CURRENCY – Planned for Country Use.	NO PROGRAMS PRIOR TO FY 1955		16.4	26.8	23.7	34.3	41.4	98.2	73.3	96.6	60.8	75.6	164.9	712.0	0.6	711.4
Loans			5.4	-	-	-	-	-	-	-	-	-	-	5.4	0.6	4.8
Grants			11.0	26.8	23.7	34.3	41.4	98.2	73.3	96.6	60.8	75.6	164.9	706.6	-	706.6
Title II - Total			61.9	5.1	28.9	22.4	10.3	44.8	0.4	41.9	38.5	35.2	23.1	312.6	-	312.6
EMERGENCY RELIEF, ECON. DEVELOPMENT & WORLD FOOD			0.7	1.3	23.6	20.2	6.0	38.6	-	41.7	38.2	35.2	23.1	228.7	-	228.7
VOLUNTARY RELIEF AGENCIES			61.2	3.8	5.3	2.2	4.3	6.2	0.4	0.2	0.3	-	-	83.9	-	83.9
OTHER OFFICIAL DEVELOPMENT ASSISTANCE			-	-	-	-	-	-	-	-	-	-	-	-	-	-
PEACE CORPS			-	-	-	-	-	-	-	-	-	-	-	-	-	-
OTHER			-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE			1,548.2	156.0	195.9	222.4	276.7	736.5	568.1	536.7	413.5	476.7	575.7	5,394.4	87.2	5,307.2
Loans			100.6	-	-	-	-	-	-	-	-	-	-	95.4	87.2	8.2
Grants			1,447.6	156.0	195.9	222.4	276.7	736.5	568.1	536.7	413.5	476.7	575.7	5,298.9	-	5,298.9
B. OTHER OFFICIAL																
EXPORT-IMPORT BANK LONG-TERM LOANS			-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL ECONOMIC			1,548.2	156.0	195.9	222.4	276.7	736.5	568.1	536.7	413.5	476.7	575.7	5,394.4	87.2	5,307.2
Loans			100.6	-	-	-	-	-	-	-	-	-	-	95.4	87.2	8.2
Grants			1,447.6	156.0	195.9	222.4	276.7	736.5	568.1	536.7	413.5	476.7	575.7	5,298.9	-	5,298.9
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.) [c]			508.8	144.0	193.7	180.1	234.9	94.3	- [d]	-	-	-	-	1,476.3	-	1,476.3
Credit Sales (FMS)			-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants			508.8	144.0	193.7	180.1	234.9	94.3	-	-	-	-	-	1,476.3	-	1,476.3
(Additional Grants from Excess Stocks)			(17.5)	(7.9)	(4.6)	(3.7)	(28.2)	(0.2)	(-)	(-)	(-)	(-)	(-)	(68.2)	(-)	(68.2)
OTHER MILITARY ASSISTANCE GRANTS (Incl. Service Funded)			-	-	4.4	1.7	34.0	767.5	1,203.5	1,054.4	1,608.2	1,689.4	1,856.9	8,220.0	-	8,220.0
TOTAL MILITARY			508.8	144.0	198.1	181.8	268.9	861.8	1,203.5	1,054.4	1,608.2	1,689.4	1,856.9	9,696.3	-	9,696.3
TOTAL ECONOMIC AND MILITARY			2,057.0	300.0	394.0	404.2	545.6	1,598.3	1,771.6	1,591.1	2,021.7	2,166.1	2,432.6	15,090.7	87.2	15,003.5
Loans			100.6	-	-	-	-	-	-	-	-	-	-	95.4	87.2	8.2
Grants			1,956.4	300.0	394.0	404.2	545.6	1,598.3	1,771.6	1,591.1	2,021.7	2,166.1	2,432.6	14,995.2	-	14,995.2

a/ Excludes aid to Indochina prior to partition. b/ The cumulative total reflects deobligations; annual data represent total new obligations in that year. c/ Annual data through FY 1963 are deliveries; subsequent years are annual program data. Totals for the entire period are cumulative program figures. d/ Military assistance under the FAA was transferred to DOD service funding.

ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

TOTAL	FY 1970	FY 1971	FY 1946-71
	0.5	3.0	13.5
UNDP-Special Fund	-	-	2.6
UNDP-TA (CY)	0.2	0.2	4.2
Other UN (CY)	0.3	0.3	4.2
Asian Development Bank	-	2.5	2.5

D.A.C. COUNTRIES (EXCLUDING U.S.)
OFFICIAL BILATERAL GROSS EXPENDITURES

DONOR	CY 1969	CY 1970	CY 1960-70
TOTAL	15.3	18.5	166.6
Japan	0.8	1.3	51.8
France	2.3	3.3	49.0
Germany	7.4	7.6	34.9
Other	4.8	6.3	30.9

ECONOMIC ASSISTANCE FROM COMMUNIST COUNTRIES
(Loans and Grants Extended)

1970 (Calendar Year)	-
1971 (Calendar Year)	-
Cumulative Thru 1971	-

Country: VIETNAM

SUMMARY OF PROGRAM BY FUNCTION
(Dollar Amounts in Thousands)

TABLE II

Category	Actual FY 1971				Estimate FY 1972				Proposed FY 1973			
	Total	Tech. Assist.	Supp. Assist.	Population	Total	Tech. Assist.	Supp. Assist.	Population	Total	Tech. Assist.	Supp. Assist.	Population
Development Loan Program		XXX	XXX	XXX		XXX	XXX	XXX		XXX	XXX	XXX
Programs Other than Devel. Loan												
Project Assistance												
U.S. Technicians	59,485		59,420	65	50,526		50,437	89	49,232		49,129	103
Participants	4,108		4,035	73	3,902		3,795	107	3,301		3,225	76
Commodities	24,317		24,221	96	13,682		13,553	129	13,978		13,811	167
Other Costs a/.	22,764		22,760	4	4,215		4,215	-	17,835		17,835	-
Total Project Assistance b/.	110,674		110,436	238	72,325		72,000	325	84,346		84,000	346
Method of Financing												
Project Assistance												
Direct A.I.D.	87,799		87,561	238	58,139		57,841	298	65,231		64,920	311
Other Agency	4,449		4,449	-	3,835		3,808	27	3,423		3,388	35
Contract	18,426		18,426		10,351		10,351	-	15,692		15,692	-
Economic Support Fund	-		-	-	-		-	-	50,000		50,000	-
Economic Dev. Fund	-		-	-	-		-	-	75,000		75,000	-
Program Assistance	265,981		265,981	-	313,000		313,000	-	376,000		376,000	-
Total Other than Devel. Loan	376,655		376,417	238	385,325		385,000	325	585,346		585,000	346
Total Assistance c/.	376,655	XXX	XXX	XXX	385,325	XXX	XXX	XXX	585,346	XXX	XXX	XXX

NUMBER OF U.S. TECHNICIANS (Program Overseas)

TYPE OF TECHNICIAN	On Duty At Close of Year		
	Actual FY 1971	Estimate FY 1972	Proposed FY 1973
A.I.D. employed	1,248	1,003	745
Participating agency	108	95	53
Contractor technicians	293	233	182
Total	1,649	1,331	980

NUMBER OF PARTICIPANTS

TYPE OF PARTICIPANT	Programmed During Year		
	Actual FY 1971	Estimate FY 1972	Proposed FY 1973
Non-contract	1,039	1,136	1,092
Contract	-	-	-
Total	1,039	1,136	1,092

SUMMARY OF PROGRAM BY FUNCTION

a/ Includes $15.0 million for Land Reform "Land to the Tiller Program" in FY 1971 and FY 1973.

b/ Figures exclude DOD funding.

c/ Excludes approximately $4 million per annum of transfers to Administrative Expenses in accordance with Section 610 (b) of the Foreign Assistance Act. Also excludes program support which will be shown as Supporting Assistance Interregional costs in FY 1971, FY 1972 and FY 1973.

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Crop Production	Agriculture		SA
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
PROJECT NUMBER 730-11-130-314	P. B-9 FY 1972 Economic SA PDB	FY: 1967	FY: 1977

Project Target and Course of Action: The objectives of this project are to help the Vietnamese increase production of rice, feed grains, edible oils, and fruits, and to develop the capacity to do research on all important field crops. The goal in rice is self-sufficiency including a production level which will allow for a between-season, carry-over stockpile. To accomplish this, production should reach about 7 million tons. Feed grains must increase to the point where they support a level of swine and poultry production which also eliminates the need for imports. This target is about 250,000 tons. Edible oils (peanuts and soybeans) are still in the research stage, as is the improved production of certain fruits and vegetables. It is planned to develop the latter crops for exports.

A.I.D.'s efforts in adaptive crop research will be undertaken with the Institute of Agricultural Research, a GVN agency responsible in part for charting the course of agricultural development under the current 5-year Rural Economic Development Plan. The targets of this subactivity are to train sufficient Vietnamese to do research in all major field and horticultural crops and to disseminate knowledge of modern growing methods and improved varieties to the farmers.

Progress to Date: A rice program involving new varieties has been successfully introduced. Production this crop year (June '71 through May '72) should equal consumption. It is doubtful, however, that enough rice will be produced and distributed to build up fully adequate carry-over stocks. This may have to await the next harvest. Commercial feed production is up 12% for the year and the acreage target for corn and sorghum of 72,000 was exceeded by 12,000 acres. Progress in adaptive research was limited by A.I.D.'s inability to find a suitable organization with which to contract for these services.

FY 1973 Program: Continuation of this project will require $1,432,000 in FY 1973. Support of 15 U.S. direct-hire advisors, $641,000 and 1 direct-hire third-country national, $6,000; an eleven-man PASA team, $470,000; participant training for 17 Vietnamese, $124,000; commodities such as laboratory equipment, supplies and farm machinery, $191,000.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	28,086	26,715	1,371
Estimated FY 72	1,366	1,576	
Estimated through 6/30/72	29,452	28,291	1,161
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	1,432	2,345	33,229

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	639	493	1,132	641	470	1,111
Participants	130	-	130	124	-	124
Commodities	98	-	98	181	10	191
Other Costs	6	-	6	6	-	6
Total Obligations	873	493	1,366	952	480	1,432

PRINCIPAL CONTRACTORS/AGENCIES

Department of Agriculture

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Animal Production	Agriculture		SA
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
PROJECT NUMBER 730-11-130-315	P. B-10 FY 1972 Economic SA PDB	FY: 1967	FY: 1974

Project Target and Course of Action: The objective of this project is to assist the Government of Vietnam to increase the Nation's animal protein supply. The specific goals are the establishment of commercial poultry enterprises in all four regions plus Saigon; the production of swine to the point where by FY 1975 the country can be self-sufficient; the increase in feed-mill capacity to 400,000 metric tons a year; and development of the capability of Vietnam to produce and distribute vaccines and other animal health products.

A.I.D. will give technical assistance in the selection, design and management of commercial poultry, swine and feed-mill enterprises. A.I.D. will also give technical and commodity assistance to a laboratory to test and study animal diseases and to facilities for vaccine production. A.I.D. will continue to train Vietnamese in the U.S. and to provide some pure-bred swine.

Progress to Date: The number of commercial hatcheries rose to 60 in 1971 with the majority around Saigon but with an increasing number being developed in other regions. The production of broilers rose by 27% over 1970 and commercial hatcheries produced 16% more eggs in 1971. The swine population was up 7% over 1970 and vaccine doses distributed rose to 24 million, an increase of 71% over 1970. Three new 10-ton-a-day feed-mills were constructed and feed production rose from 164,000 in 1970 to 184,000 tons in 1971.

FY 1973 Program: This project will require funds for eight U.S. technicians, $305,000; a PASA team of five technicians, $201,000; support for 35 participants to be trained in the U.S., $129,000; and commodities such as feed-mill equipment, live animals, lab equipment and supplies and teaching aids at $123,000. The total project cost for FY 1973 will be $758,000.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	3,681	2,440	1,241
Estimated FY 72	878	1,586	
Estimated through 6/30/72	4,559	4,026	533
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	758	402	5,719

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	301	405	706	305	201	506
Participants	134	-	134	129	-	129
Commodities	38	-	38	123	-	123
Other Costs	-	-	-	-	-	-
Total Obligations	473	405	878	557	201	758

PRINCIPAL CONTRACTORS/AGENCIES

Department of Agriculture

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Agriculture Credit and Agricultural Organizations	Agriculture		SA
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
PROJECT NUMBER 730-11-140-291	P. B-11, B-12 FY 1972 Economic SA PDB	FY: 1965	FY: 1975

Project Target and Course of Action: It is the purpose of this project to assist in the development of Vietnamese credit institutions necessary to insure availability of credit on reasonable terms, and the development of a market system which assures agricultural inputs such as fertilizer to Vietnamese farmers at reasonable prices.

The first goal of this project is to develop a credit system adequate to meet the credit needs of farmers and agricultural commodity importers and distributors. Technical assistance is directed principally to the Agricultural Development Bank (ADB) in an effort to increase availability of loan funds, efficiency of operations, and broader coverage of farmer population. A Rural Banking System is being developed to provide a formal and regularized market for channeling rural private savings into loans for farmers. Participants will be sent abroad to study rural banking practices and it is hoped that by the end of 1973 there will be at least one private rural bank in each province.

The second goal is the continued growth and development of the marketing system for agricultural products including agricultural inputs such as fertilizer, pesticides, and agriculture and fisheries machinery. Market surveys will be made to determine impediments to improved marketing, and A.I.D. advisors will assist in developing quality control standards for fertilizer and other agri-inputs. Advice will be given on economic incentives and legislation needed to encourage the development of private marketing institutions. U. S. direct-hire and contract personnel will also conduct training courses for administrators and sales and distribution staffs of the three Vietnamese farm organizations; The Central Farmers Association, The National Federation of Agricultural Cooperatives, and the Tenant Farmers Federation.

Progress to Date: The agricultural credit situation continues to improve. Twenty-two private rural banks have now been established with a total capital of VN$ 759 million and savings and deposits of VN$ 209 million. Capital from all sources available for lending to agriculture increased by more than 3.5 billion piasters in 1971. The number of families receiving loans increased by 80% over 1970, attesting to the greatly expanded coverage now being provided by a combination of such banks and the central Agricultural Development Bank.

In the area of marketing and quality control, an A.I.D. sponsored team did a comprehensive study on fertilizer needs and distribution facilities and a feasibility study was done on oil seed marketing. Quality control standards have been established for pesticides and the Government has sponsored the establishment of a committee to coordinate the import or cultural and fishery needs. Private coordinating groups

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	4,837	4,432	405
Estimated FY 72	405	668	
Estimated through 6/30/72	5,242	5,100	142
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	808	1,034	7,084

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	242	124	366	304	276	580
Participants	39	–	39	228	–	228
Commodities	–	–	–	–	–	–
Other Costs	–	–	–	–	–	–
Total Obligations	281	124	405	532	276	808

PRINCIPAL CONTRACTORS/AGENCIES

Agricultural Cooperative Development International
PASA-Federal Housing Authority

PROJECT TITLE	PROJECT NUMBER
Agriculture Credit and Agricultural Organizations	730-11-140-291

have also been established for pesticides and fertilizer control.

A.I.D. assistance to cooperatives continued with seminars emphasizing marketing and coop organization. Twenty-nine farmer organizations were studied extensively resulting in numerous recommendations for reorganization and other improvements.

FY 1973 Program: Funding of $808,000 is required in FY 1973: $304,000 to support eight U.S. direct-hire advisors; $46,000 to conclude the work of a PASA team; $230,000 for a contract team of four to assist in the improvement of coops; and $228,000 for short-term training of 135 participants in rural credit and cooperative development.

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Irrigation Assistance	Agriculture		SA
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
PROJECT NUMBER 730-11-120-407	P. B-13 FY 1972 Economic SA PDB	FY: 1972	FY: 1976

Project Target and Course of Action: The objective of this project is to strengthen the capability of the Directorate of Irrigation and Rural Engineering (DIRE) to plan, execute, and supervise irrigation projects throughout Vietnam. Technical assistance will be provided by U.S. direct-hire advisors. Vietnamese professional and sub-professional personnel will be trained in irrigation and water resources control.

Optimum use of water resources is particularly important to the agricultural economy of Vietnam. To a large extent, crop diversification, expansion of the use of new seed varieties, and double cropping are dependent on controlled water supplies. Although irrigation is not a new problem to Vietnam, pressures on agricultural production to meet growing demand for food and other agricultural products require renewed attention to the use of available water resources.

Progress to Date: Very little progress was made in A.I.D.'s proposal, initiated in FY 1972, for extensive assistance to the Directorate of Irrigation and Rural Engineering (DIRE). This was due principally to the inability to reach a final decision on the scope of this assistance and to locate qualified advisors. Of the $409,000 requested a year ago, only about $139,000 will have been utilized for two U.S. advisors and for office supplies and hydrological equipment. On the strength of an A.I.D. sponsored study on irrigation and the Government's own Rural Economic Development Plan as it pertains to irrigation, A.I.D. has been able to prepare a plan of assistance which should greatly strengthen DIRE, thus permitting this important aspect of agricultural productivity to begin to show real progress.

FY 1973 Program: $353,000 is proposed for FY 1973 for: 7 U.S. direct-hire advisors, $255,000; 25 participants, $74,000; and $24,000 for surveying instruments, hydrological equipment and vehicles.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	-	-	-
Estimated FY 72	139	49	
Estimated through 6/30/72	139	49	90
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	353	1,110	1,602

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	49	-	49	255	-	255
Participants	-	-	-	74	-	74
Commodities	90	-	90	24	-	24
Other Costs	-	-	-	-	-	-
Total Obligations	139	-	139	353	-	353

PRINCIPAL CONTRACTORS/AGENCIES

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Land Reform	Agriculture		SA
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
PROJECT NUMBER 730-11-120-311	P. B-14, B-15, FY 1972 Economic SA PDB	FY: 1966	FY: 1975

Project Target and Course of Action: The major objective of this project is to assist the Government of Vietnam to carry out the "Land-to-the-Tiller" program which will involve the transfer of as much as 2.5 million acres of riceland to some 700,000 tenant-farmers. All eligible tenanted rice lands under the Land-to-the-Tiller law are expropriated and are to be transferred, by Government action, at no cost to the tiller or other secondary claimant. The former owner is compensated by the Government.

Aministration of the program has been decentralized to the village level, where the approval or rejection of a tenant's claim for land now is determined. The Government of Vietnam's role is to authenticate and guarantee, by issuance of a valid title, ownership to the new landowner. Redistribution does not disturb the present agricultural pattern and new proprietary interest should result in increased production. Compensation to the former landowner, a regular GVN budgetary expense, is paid in piasters--twenty percent of the value of the land in cash, and the remainder in bonds bearing 10% interest and redeemable in equal installments over an eight-year period. Since the law expropriated all eligible lands as of the date of enactment, the Government will pay an additional 10% per year for delay in settlement. The major portion of the program is expected to take three years and be completed by the end of 1973.

Other objectives of the project are: (a) to help the Government carry out the Montagnard Land Reform Program of 1970 involving the land identification of all Montagnard hamlets and the issuance of titles to Montagnard families; and (b) to help the Government facilitate land distribution to eligible farmers, veterans, refugees and farm laborers of public domain lands and other lands previously acquired by the government.

The U.S. Government has offered to help offset the inflationary impact of the initial piaster cash payments to former landowners under the Land-to-the-Tiller program. This financial assistance provides for granting follar foreign exchange to the Government to help absorb increased demand for imports arising from this substantial flow of piasters into the economy. A.I.D. obligated $10 million from FY 1969 funds and an additional $15 million in FY 1971 for this purpose. A third tranche of $15 million is proposed for FY 1973. U.S. funds are released only as Government of Vietnam makes piaster payments to former landowners, and constitutes an augmentation of the Commodity Import Program.

A.I.D. also provides technical assistance to land reform activities. This is designed to assist in the improvement of management in carrying out the land reform programs; help streamline procedures; advance the training of the Directorate General for Land Affairs and its

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	28,762	7,994	20,768
Estimated FY 72	1,252	6,701	
Estimated through 6/30/72	30,014	14,695	15,319
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	16,070	1,000	47,084

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	661	415	1,076	741	286	1,027
Participants	73	-	73	28	-	28
Commodities	40	-	40	15	-	15
Other Costs	3	60	63	15,000	-	15,000
Total Obligations	777	475	1,252	15,784	286	16,070

PRINCIPAL CONTRACTORS/AGENCIES

PROJECT TITLE	PROJECT NUMBER
Land Reform	730-11-120-311

provincial staffs, and of village officials to operate the land administration system; provide aerial photography as a substitute for ground surveys; and to apply computer technology.

Progress to Date: The Land-to-the-Tiller law was enacted on March 26, 1970. Implementation of the law commenced in September and by the end of the year some 127,000 acres (over 50,000 hectares) were transferred to nearly 40,000 tenant farmers. During 1971 new titles had been issued for approximately 1,145,000 acres to over 325,000 new owners (nearly one-half the entire program). By March 1972, it is expected that titles will have been issued to over 450,000 tenants for about 1.5 million acres. Substantial payments to former landowners began in the fall of 1971 and are being accelerated. By December 1971, some 13,000 compensation claims had been paid by the Government totalling 24 billion piasters ($60 million).

A special land distribution program for Montagnards was initiated in late 1970 and by the end of 1971 some 22,000 titles were issued to Montagnard families for some 125,000 acres and some 95 Montagnard Hamlet areas had been identified and approved.

Additionally, in 1971 the GVN distributed some 65,000 acres of Government-owned land to veterans, refugees and farm settlers.

FY 1973 Program: $16,070,000 is required for financial and technical assistance in FY 1973 for the Land-to-the-Tiller Program. Of this, $15,000,000 represents the third and final tranche of U.S. financial assistance needed to help cushion the inflationary effect of the piaster payments that the Government of Vietnam will be making to former landowners. An additional $1,070,000 will be required for 27 direct-hire and PASA advisors $1,027,000 covering the areas of management and administrative improvement, training, programming, computer technology and use of aerial photography; laboratory equipment and office supplies $15,000; and $28,000 for 2 short-term participants to the U.S. and Taiwan.

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Agriculture General Support	Agriculture		SA
PROJECT NUMBER 730-11-199-363	PRIOR REFERENCE P. B-16 FY 1972 Economic SA PDB	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Undetermined

Project Target and Course of Action: Funds for personnel to support the various A.I.D. projects in agriculture as well as general advisors to the Ministry of Agriculture and each of the senior U.S. advisors at the Corps level are provided under this project. Included are 13 U.S. direct-hire and PASA advisors and 7 third-country nationals. Some Vietnamese will be sent abroad to study administrative techniques, agricultural economics, and statistics.

FY 1973 Program: Proposed funding for FY 1973 is $830,000 for: 7 U.S. direct-hire advisors, $305,000; seven third-country secretaries, $28,000; a PASA team of 6 field technicians plus approximately 20 man months of short term consultations, $354,000; 25 participants for planning and administrative training in the United States and Thailand, $137,000; and $6,000 for supplies.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	12,338	10,947	1,391
Estimated FY 72	883	2,010	
Estimated through 6/30/72	13,221	12,957	264
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	830	Undetermined	

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	349	305	654	305	354	659
Participants	101	–	101	137	–	137
Commodities	–	–	–	6	–	6
Other Costs	28	100	128	28	–	28
Total Obligations	478	405	883	476	354	830

PRINCIPAL CONTRACTORS/AGENCIES

Department of Agriculture

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Higher Education	Education		SA
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
PROJECT NUMBER 730-11-660-367	P. B-18,B-19 FY 1972 Economic SA PDB	FY: 1967	FY: 1977

Project Target and Course of Action: Under this project, A.I.D. assists the Government of Vietnam in developing a more modern and effective system of higher education in universities and normal schools.

A.I.D. is helping the Government of Vietnam strengthen its capacity to administer the growing educational system as well as change and improve the curricula and teaching competence. The project targets include: (1) establishing a governing board and inter-university committees under that board to establish procedures and regulations applicable to all institutions of higher learning; (2) upgrading the quality of teaching faculties and curricula at the university and normal school levels; and (3) improving the facilities and quality of education in the schools of agriculture and engineering.

Wisconsin State University provides experienced American university administrators to advise the Ministry of Education and the Rectors of Vietnamese universities on policies and procedures governing university operations, national educational goals, and inter-institutional relationships. The University of Florida is assisting in the development of the Vietnamese National Agriculture Center while the University of Missouri provides guidance in raising the National Technical Institute to a university level school of engineering.

Progress to Date: Enrollments in institutes of higher education continue to grow. Total enrollments for 1970-71 totaled 61,929 students: in three public and four private universities, 55,897; in agricultural and engineering technical institutes, 1,141; and in normal schools and pedagogical centers, 4,891.

A commission on teacher education has been established to improve the teaching faculties and curricula at the university and normal school levels. Significant changes have been made in teacher education, among which was the conversion to a semester system in faculties of pedagogy. During the year, 12 participants returned from training in the United States to responsible teaching and administrative positions in faculties of pedagogy and normal schools.

Ten year development plans have been prepared for the National Agriculture Center, and the National Technical Institute, with the assistance of the University of Florida and the University of Missouri respectively. Experimental farm shops and laboratories have been constructed at the National Agriculture Center at the new Thu Duc campus. Plans have been made for new buildings for the National Technical Institute, also at Thu Duc.

FY 1973 Program: Total funding in FY 1973 will require $1,265,000: for support of five higher education advisors, $200,000; for contract services of the Universities of Florida and Missouri, $700,000; for training of present and prospective faculty members of the NAC and the NTI, $165,000; and $200,000 for shop and laboratory equipment to be used in agriculture and engineering instruction.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	3,830	2,225	1,605
Estimated FY 72	1,650	1,225	
Estimated through 6/30/72	5,480	3,450	2,030
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	1,265	2,000	8,745

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	220	700	920	200	700	900
Participants	505	-	505	165	-	165
Commodities	225	-	225	200	-	200
Other Costs	-	-	-	-		-
Total Obligations	950	700	1,650	565	700	1,265

PRINCIPAL CONTRACTORS/AGENCIES

University of Florida
University of Missouri
Wisconsin State University

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Vocational Education	Education		SA
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
PROJECT NUMBER 730-11-610-322	P. B-20 FY 1972 Economic SA PDB	FY: 1967	FY: 1973

Project Target and Course of Action: This project, under which A.I.D. formerly provided assistance to the Ministry of Education (MOE) for all 21 vocational schools, will be limited in its scope in FY 1973 to completing the construction and equipping of the Nguyen Truong To Vocational School and training of faculty.

A.I.D.'s prior years efforts in connection with the other 21 schools have achieved stated objectives: school construction has been completed, equipment installed, and teachers trained. The Nguyen Truong To School will: (1) provide skills training for artisans in sheet metal working, automotive and diesel mechanics, construction skills and cabinet making, electricity, welding, and machine shop operations; (2) prepare superior students for higher education; (3) train technical vocational teachers; and, (4) give short-term training to adults for specific job needs. The school will have an enrollment of 1,400 and is expected to be completed in 1972. Initial construction costs were funded by A.I.D. in FY 1969. While present plans call for A.I.D. vocational educational assistance to this school only, a cessation of hostilities may dictate the need for additional facilities to meet peacetime requirements.

Progress to Date: Construction of the Nguyen Truong To School at Thu Duc is underway. Ten faculty members are now in training in the United States and five additional are scheduled to begin training in June 1972.

FY 1973 Program: $146,000 will be required: one U.S. direct-hire technician $41,000 and 15 participants trained in the United States $105,000 to become future faculty members.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	5,824	4,693	1,131
Estimated FY 72	126	443	
Estimated through 6/30/72	5,950	5,136	814
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	146	-	6,096

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	33	-	33	41	-	41
Participants	93	-	93	105	-	105
Commodities	-	-	-	-	-	-
Other Costs	-	-	-	-	-	-
Total Obligations	126	-	126	146		146

PRINCIPAL CONTRACTORS/AGENCIES

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Scholarship Program	Education		SA
PROJECT NUMBER 730-11-690-325	PRIOR REFERENCE P. B-21 FY 1972 Economic SA PDB	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: 1974

Project Target and Course of Action: It is the aim of this project to extend opportunities for U.S. college degree training to promising Vietnamese students in order to increase the supply of trained manpower for leadership in Vietnamese industry, commerce, and public affairs.

Selection of participants has been made principally from qualified veterans and wards of the state who possess the necessary scholastic aptitude, motivation, and maturity to complete U.S. undergraduate studies leading to a degree. Priority is given to those fields of study which will have most value in development of industry and commerce in Vietnam, particularly engineering, business administration, economics, and agriculture.

Participants were enrolled in colleges throughout the U.S. upon completion of their English language training and orientation at either the East-West Center of the University of Hawaii, the University of Southern California or the American Language Institute of Georgetown University.

Scholarships are for one year, renewable at the discretion of A.I.D. in accordance with the performance of the participant. Training is limited to a single degree and directed toward careers not dependent upon government employment in Vietnam.

The present project is limited to funding the continuation of scholarships for Vietnamese enrolled in prior years. No new participants are being programmed.

Progress to Date: The first group of 127 participants, including 49 veterans, arrived in the United States in February 1967; 61 arrived in March 1968; 55 war orphans arrived in March 1969 and 30 in March 1970. Of a total of 273 students who have enrolled in U.S. colleges, 120 have earned degrees; 13 returned to Vietnam prior to earning degrees; and 25 are expected to complete degrees by mid-1972. The performance of the 140 remaining in the United States is satisfactory or better. Most are studying engineering, business administration, agriculture, economics, and public administration. A Summer Work Visit Program was tried during the summer of 1969 and successfully repeated during the summer of 1970 and 1971. In these programs, 171 scholarship participants with at least one full academic year of study remaining returned to Vietnam to work for the summer in fields related to their studies.

FY 1973 Program: One year funding for 92 participants already enrolled in school $445,000 is proposed.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	5,812	4,625	1,187
Estimated FY 72	855	800	–
Estimated through 6/30/72	6,667	5,425	1,242
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	445	123	7,235

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	–	–	–	–	–	–
Participants	855	–	855	445	–	445
Commodities	–	–	–	–	–	–
Other Costs	–	–	–	–	–	–
Total Obligations	855	–	855	445	–	445

PRINCIPAL CONTRACTORS/AGENCIES

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Education General Support	Education		SA
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
PROJECT NUMBER 730-11-699-368	P. B-22 FY 1972 Economic SA PDB	FY: 1967	FY: 1979

Project Target and Course of Action: Overall direction and support of A.I.D.assisted activities in the education sector is funded under this project. Also included is technical advice to the Ministry of Education in developing a planning capability to effectively integrate the various Vietnamese educational programs into a balanced system for the nation. Ministry officials will be provided training in the United States in educational planning and administration.

FY 1973 Program: Funding will require $405,000 in FY 1973: $322,000 to support eight direct-hire advisors, only four of which will remain at the end of FY 73, and; $83,000 for training of MOE personnel.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	2,436	1,788	648
Estimated FY 72	496	755	
Estimated through 6/30/72	2,932	2,543	389
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	405	1,000	4,337

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	389	20	409	322	–	322
Participants	69	–	69	83	–	83
Commodities	18	–	18	–	–	–
Other Costs	–	–	–	–	–	–
Total Obligations	476	20	496	405	–	405

PRINCIPAL CONTRACTORS/AGENCIES

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Industrial Development	Industry		SA
PROJECT NUMBER 730-11-910-170	PRIOR REFERENCE P. B-23 FY 1972 Economic SA PDB	INITIAL OBLIGATION FY: 1957	SCHEDULED FINAL OBLIGATION FY: 1978

Project Target and Course of Action: It is the purpose of this project to provide assistance to the private sector in promoting industrial production and in laying the groundwork for expanded industrial investment.

Targets for FY 72 include: (1) assisting the Industrial Development Bank (IDB) to become an effective development institution; (2) assisting the Government of Vietnam to divest itself of ownership of industrial enterprises; (3) assisting Vietnamese businessmen to organize and train for better business management; (4) special advisory assistance to the fish and forest industries; and (5) development of the Export Promotion Center.

Direct-hire advisors will provide technical assistance to the IDB, the business community, and the Government of Vietnam. Contract specialists and PASA personnel will conduct investment opportunity studies and provide management training.

Progress to Date: Additional economic reforms were enacted in 1971 to further stimulate export growth through changes in the exchange rate, simplification of import duties, and freeing of import controls. This, together with the reduction of inflationary pressures during 1971, have somewhat improved the investment climate in Vietnam.

The Industrial Development Center (IDC) has been converted to an Industrial Development Bank (IDB) and consultants are now providing assistance in loan analysis procedures, internal controls, and bank management. The Government of Vietnam has set aside 10 billion piasters from counterpart funds for medium and long-term credit to industry and agriculture.

Business management training has been initiated by the Vietnam Management Association, assisted by the American Management Association. Planning is now underway for a permanent affiliation between these management associations.

A program has been started to assist the Vietnamese Government to identify those government enterprises which might be better operated through private ownership, and to develop procedures for sale of these businesses to the private sector.

Four forest products investment studies have been completed and will serve as a basis for specific processing studies. A new Saigon Fish Market has been completed as a step in modernizing the fish marketing structure in Vietnam.

FY 1973 Program: Total funding required in FY 1973 is $698,000: for 10 direct-hire employees, $322,000; for fishing and forestry PASA employees, $158,000; for contract services to the MAVN and the IDB, $121,000; for training of 24 participants in the United States and neighboring countries, $22,000; and for commodities and equipment for the Vietnam Institute of Standardization and the forestry development activity, $75,000.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	9,820	8,984	836
Estimated FY 72	1,012	851	
Estimated through 6/30/72	10,832	9,835	997
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	698	2,000	13,530

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	291	622	913	322	279	601
Participants	44	-	44	22	-	22
Commodities	55	-	55	75	-	75
Other Costs	-	-	-	-	-	-
Total Obligations	390	622	1,012	419	279	698

PRINCIPAL CONTRACTORS/AGENCIES

American Management Association

PASA - Department of Agriculture

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Manpower Development	Labor		SA
PROJECT NUMBER 730-15-460-327	PRIOR REFERENCE P. B-24 FY 1972 Economic SA PDB	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: 1973

Project Target and Course of Action: The purpose of this project is to assist the Government of Vietnam to develop a manpower planning and utilization capability to meet manpower requirements as Vietnam moves into a period of economic development.

Ongoing activities of this project include: advisory assistance to the new National Manpower Committee, compilation of essential labor statistical data, establishment of a national employment service, and the introduction of modern labor relations practices. Specific targets for FY 73 are: completion of the dictionary of occupational titles (5 digit code), translation of military occupation codes to civilian codes, expansion of placement services into four additional labor market areas, and revision of the Apprenticeship Law.

Direct hire and PASA personnel will continue their advisory services, and training will be provided in the United States and neighboring countries for personnel of the Ministry of Labor.

Progress to Date: The Interministerial Manpower Coordinating Committee has been replaced by a new higher-level National Manpower Committee chaired by the Prime Minister. New MOL offices are scheduled for Danang, Qui Nhon, Cam Ranh, and the Saigon Regional Office will be substantially expanded.

Together with the National Institute of Statistics, the MOL is making a study of the occupational composition of the major industries, and conducting a demographic and labor force sample survey in Danang, Qui Nhon, and Cam Ranh.

Work on an expanded Dictionary of Occupational Titles continues. Sixty-three occupational analysts have been trained, and over 700 field verifications have been made on specific jobs. Some 2,000 job descriptions will be required.

The Ministry of Labor skill training program graduated over 5,000 trainees in 1971, an increase of 1,500 over 1970. Training is now being offered in 75 subjects in 10 training centers. American-Asian International training contractors are now emphasizing management and technical staff development training, including preparation of instructor personnel; 187 instructors and administrators completed training courses in 1971.

FY 1973 Program: Funding in FY 1973 will require $158,000: support one direct-hire advisor, $41,000; a PASA employee from the Department of Labor, $39,000; training of 16 participants in the United States, $73,000; and procurement of tool kits and training aids to assist the Ministry of Labor skills training program, $5,000.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	3,859	3,286	573
Estimated FY 72	181	593	
Estimated through 6/30/72	4,040	3,879	161
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	158	–	4,198

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	40	89	129	41	39	80
Participants	42	–	42	73	–	73
Commodities	10	–	10	5	–	5
Other Costs	–	–	–	–	–	–
Total Obligations	92	89	181	119	39	158

PRINCIPAL CONTRACTORS/AGENCIES

Department of Labor
American-Asian International

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Trade Union Development	Labor		SA
PROJECT NUMBER 730-11-410-328	PRIOR REFERENCE P. B-25 FY 1972 Economic SA PDB	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: 1976

Project Target and Course of Action: The purpose of this project is to develop trade union leadership, and promote active participation in union affairs of rural and urban workers.

Through a contract with the Asian-American Free Labor Institute, training is provided for union leadership, and increased union membership is encouraged. Activities include the publishing and distribution of a weekly union newspaper, establishment of family tractor cooperatives and credit unions, and assistance in strengthening local unions to cope with local labor problems.

Specific targets for FY 73 are: establishment of forty additional ten-family tractor cooperatives, increased weekly newspaper circulation to 25,000, and an increase in the Confederation Vietnamienne Travail membership to 700,000. Participant training in the United States and the Philippines will continue for union officials and Ministry of Labor personnel.

Progress to Date: During 1971, the AAFLI trained 1,826 Vietnamese trade union officers and members: 1,646 in elementary trade union operation, 147 in trade union leadership, and 33 in advanced leadership. Twenty-nine new cooperatives were organized for the purchase of tractors through a revolving fund established in 1968. This fund has financed 87 tractors since 1968 and has maintained a 100% repayment record during 1971.

The CVT weekly newspaper has increased its circulation from 10,000 to 12,000 copies.

FY 1973 Program: Total proposed funding is $239,000: support for two direct-hire labor advisors, $92,000; a contract with AAFLI to supply two trade unionists and short term consultants, $98,000; support for 22 participants to be trained in the United States and in neighboring countries, $39,000; and office supplies and some agricultural equipment for trade unions, $10,000.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	1,048	382	666
Estimated FY 72	259	235	
Estimated through 6/30/72	1,307	617	690
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	239	550	2,096

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	89	90	179	92	98	190
Participants	60	–	60	39	–	39
Commodities	–	20	20	–	10	10
Other Costs	–	–	–	–	–	–
Total Obligations	149	110	259	131	108	239

PRINCIPAL CONTRACTORS/AGENCIES

Asian-American Free Labor Institute

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Logistics General Support	Logistics		SA
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
PROJECT NUMBER 730-11-999-378	P. B-29 FY 1972 Economic SA PDB	FY: 1967	FY: 1976

Project Target and Course of Action: This project provides technical assistance to the Vice Minister for Logistics and Port Operations, the Central Logistics Agency, the Director General of Ports Authority and the Director of Navigation in the operation of a common logistics system for the procurement, receipt, storage, distribution and maintenance of, and accounting for commodities required in support of joint USAID/Government of Vietnam projects and for Government of Vietnam non-military requirements.

Major advisory activities include: operation of the port system of Vietnam, a national vehicle maintenance system, maintenance of a national warehousing operation, and an orderly system of commodity procurement and delivery. Technical advice also is furnished to other elements of USAID, the Minister of Economy and the Director of Commercial Aid on transportation matters related to the Commercial Import and PL 480 Programs.

In addition to these activities, the Logistics Division has Mission-wide responsibility for acquisition of DOD excess property in Vietnam. This includes inspection and acquisition, coordinating repair and rehabilitation contracts, and assuring proper utilization.

Logistics projects presented in previous years (National Maintenance System, Warehousing and Distribution, and Port Management and Operations) have been terminated as separate projects. Residual personnel required for overseeing complete phase-out of these activities, including arrival of pipeline commodities, are now carried in this project.

FY 1973 Program: Total FY 1973 funding will require $1,197,000: support for 30 direct-hire employees, only 24 of which will remain at the end of FY 73, $1,081,000; cost of packing, handling and transportation of excess U.S. military property obtained from offshore sources, $100,000; and training for 3 participants in logistics management, $16,000.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	14,586	14,565	21
Estimated FY 72	947	884	
Estimated through 6/30/72	15,533	15,449	84
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	1,197	1,200	17,930

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	770	100	870	1,081	100	1,181
Participants	26	-	26	16	-	16
Commodities	-	-	-	-	-	-
Other Costs	51	-	51	-	-	-
Total Obligations	847	100	947	1,097	100	1,197

PRINCIPAL CONTRACTORS/AGENCIES

PREVIOUS PAGE BLANK

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Statistical Services	Public Administration		SA
PROJECT NUMBER 730-11-780-341	PRIOR REFERENCE P. B-32 FY 1972 Economic SA PDB	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: 1974

Project Target and Course of Action: The objective of this project is to assist the Government of Vietnam to develop the capability to carry out planned annual national statistics programs through the National Institute of Statistics (NIS), to advise the National Bank Research Department in producing timely national accounts data, and to aid the Ministry of Health to accumulate adequate hospital statistics.

Specific goals for FY 1973 include: publishing the results of the first in a series of quarterly economic surveys and quarterly rural demographic surveys, compilation of detailed national accounts data for 1970 and 1971, and initiation of field work for an economic census. Advisors from the U.S. Bureau of Census will continue to provide technical assistance to the NIS, the Ministry of Health, and the National Bank. Training will be conducted for statistical personnel at the NIS as well as through special programs at the U.S. Bureau of Census.

Progress to Date: Demographic surveys have now been completed in 14 cities and principal urban areas. Summary data have been published and tabulation of detailed information is now in process. Special manpower surveys were completed in Danang, Cam Ranh, and Qui Nhon in cooperation with the Ministry of Labor.

Preliminary results of the 1969 economic survey have been published; a sample survey of business establishments to obtain more specific data on type of activity, employment, payroll, etc., has been planned for initiation in CY 1972. The Saigon Consumer Price Index has been revised and new indices instituted for Nha Trang, Can Tho, Dalat and Danang.

In-country training of statistical personnel continues at the NIS; 35 employees completed statistical courses in CY 1971. Five NIS employees returned from specialized training in the United States.

A Data Processing Center to serve all ministries of the government is planned to be established by the Government of Vietnam; the computer training and planning previously carried out through this project will be performed by the new Center.

FY 1973 Program: Total required funding for FY 1973 is $376,000: for support of the four man Bureau of Census PASA team and short term consultants as required $259,000; and for training of 16 participants in the United States, $117,000.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	1,269	1,058	211
Estimated FY 72	313	420	
Estimated through 6/30/72	1,582	1,478	104
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	376	153	2,111

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	–	256	256	–	259	259
Participants	50	–	50	117	–	117
Commodities	7	–	7	–	–	–
Other Costs	–	–	–	–	–	–
Total Obligations	57	256	313	117	259	376

PRINCIPAL CONTRACTORS/AGENCIES

Bureau of Census

Previous pages missing

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
National Institute of Administration	Public Administration		SA
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
PROJECT NUMBER 730-11-770-345	P. B-33 FY 1972 Economic SA PDB	FY: 1967	FY: 1979

Project Target and Course of Action: The objectives of this project are to help the National Institute of Administration (NIA) to improve its capability for training Vietnamese to work at various administrative levels in government, increase the number of graduates to meet annual governmental requirements, and to develop a functioning management consulting service to the Government of Vietnam.

An institutional contract team from the Institute of Public Administration in New York (IPA) is providing a staff of six full-time professors to work with the NIA faculty in formulating long-range development plans and new curricula to meet GVN requirements for middle and upper level administrative personnel. Also, a management consulting service will be developed within the faculty to bring together results of NIA research and the practical needs of the government.

Graduate and post graduate seminars will be offered to provide advanced management training in agriculture, engineering, statistics, and other fields as required by government agencies. Six additional prospective faculty members are being sent for post graduate training in the United States. Arrangements are being made to provide some graduate study, particularly in management sciences, to present faculty members through a combination of U.S. and in-country training.

Progress to Date: A long-range plan for development of NIA is in preparation utilizing joint NIA-IPA Committees to conduct the necessary research and analysis. Faculty committees, with IPA assistance, are also preparing recommendations for pre-entry and in-service training programs.

Eight participants, to return as professors at the NIA, are now in training in development economics, development administration, and the social sciences. Four faculty members have completed advanced education in the United States and have resumed their teaching positions.

FY 1973 Program: Funding in FY 1972 will require $447,000: for support of the IPA contract team of five advisors and short term consultants, $262,000; and continuation of the training program for NIA faculty in the United States, $185,000.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	1,575	550	1,025
Estimated FY 72	658	722	
Estimated through 6/30/72	2,233	1,272	961
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	447	2,400	5,080

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	41	435	476	–	262	262
Participants	182	–	182	185	–	185
Commodities	–	–	–	–	–	–
Other Costs	–	–	–	–	–	–
Total Obligations	223	435	658	185	262	447

PRINCIPAL CONTRACTORS/AGENCIES

Institute of Public Administration

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Support of Local Government	Public Administration		SA
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
PROJECT NUMBER 730-11-720-339	P. B-34 FY 1972 Economic SA PDB	FY: 1967	FY: 1974

Project Target and Course of Action: This project provides advice and assistance to the Ministry of Interior (MOI) and to local governments in improving the administrative operations of local government.

Project activities during FY 1973 will emphasize increases in local revenue and improvements in the system of local grants and loans by the national government. Specific targets for FY 73 include: development of a revised tax and revenue collection system; revisions in property tax, other revenue, and land transfer laws; drafting of an incentive formula for local government grants and loans; and development of new basic legislation for the operation of local governments.

The MOI will be assisted in providing training for local government officials, primarily in the provincial training centers, and fourteen participants will be given short-term training in the United States or neighboring countries. Contract management specialists in tax law and administration will assist in revising revenue laws and in the preparation of manuals of operation.

Progress to Date: To encourage local autonomy and to give emphasis to the Local Revenue Improvement Program initiated by the Government of Vietnam in 1970, a Directorate General of Local Administration has been created in the Ministry of Interior, and a training program in the fundamentals of real property tax administration initiated for 850 former technical cadre assigned to assist local governments. Six hundred of this group have completed their training and are assigned to the provinces and cities. The remaining 250 will be trained before the end of FY 1972 and assigned to field offices of the Directorate General of Taxation.

Two additional Provincial Training Centers with six dormitories were completed in 1971, bringing the total to 42 centers and 26 dormitories completed since 1965. The Ministry of Interior provides a continuing program of orientation and administration training for Village and Hamlet officials in these training centers and at Vung Tau.

FY 1973 Program: Total project funding is $440,000 including: support for seven direct-hire employees, only six of which will remain at the end of FY 1973, $280,000; extension of a contract for tax law and administration, $100,000; and training for 14 participants in the United States and in neighboring countries, $60,000.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	2,286	2,202	84
Estimated FY 72	437	449	
Estimated through 6/30/72	2,723	2,651	72
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	440	400	3,563

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	314	50	364	280	100	380
Participants	73	–	73	60	–	60
Commodities	–	–	–	–	–	–
Other Costs	–	–	–	–	–	–
Total Obligations	387	50	437	340	100	440

PRINCIPAL CONTRACTORS/AGENCIES

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Development Planning	Public Administration		SA
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
PROJECT NUMBER 730-11-755-342	P. B-35 FY 1972 Economic SA PDB	FY: 1967	FY: 1975

Project Target and Course of Action: The purpose of this project is to assist the Government of Vietnam in creating a development planning capability which can provide guidance and coordination for sector planning, and perform the research and analysis necessary for development policy determinations.

A contract team of economic consultants will provide assistance to the Ministry of Planning and Development (MPD) in making studies and projections of the principal economic factors of the Vietnamese economy, and advise the government in problems of development policy. Work of the MPD is augmented by smaller planning staffs in several of the principal ministries.

Training of planning personnel will continue in the United States and in neighboring countries. Seven participants are returning to the Ministry in 1972.

Progress to Date: A Ministry of Planning and Development has been established by the Government of Vietnam to emphasize and provide the necessary coordination for national development planning. The Ministry has compiled a tentative priority listing of 38 projects utilizing previous studies and recommendations prepared by contracted consultants. A nine-week planning seminar was conducted in Saigon for 35 employees in CY 1971. Three participants are now in the United States obtaining Master's degrees in development planning subjects and two others are undertaking full-time English language training preparatory to study in U.S. universities.

FY 1973 Program: Total funding for FY 1973 will require $291,000: support for contract planning consultants, $250,000, and academic training for six participants in the United States, $41,000.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	2,688	2,548	140
Estimated FY 72	348	242	
Estimated through 6/30/72	3,036	2,790	246
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	291	600	3,927

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	–	300	300	–	250	250
Participants	48	–	48	41	–	41
Commodities	–	–	–	–	–	–
Other Costs	–	–	–	–	–	–
Total Obligations	48	300	348	41	250	291

PRINCIPAL CONTRACTORS/AGENCIES

Institute for Defense Analysis

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Public Administration and General Support	Public Administration		SA
PROJECT NUMBER 730-11-799-372	PRIOR REFERENCE P. B-36 FY 1972 Economic SA PDB	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: 1979

Project Target and Course of Action: This project provides for policy guidance, administrative services, and technical support for the Public Administration Division. It serves also to maintain appropriate liaison with USAID and Government of Vietnam officials to assure coordination of Public Administration project activities with other programs. Also, funding is provided for training of participants in areas of the government in which there are no specific USAID projects, and to support in-country management training programs for personnel of various government agencies.

FY 1973 Program: Project funding in FY 1973 will require $518,000; for support of seven direct-hire advisors, $309,000; for contract management advisory services to the Government of Vietnam, $100,000; and participant training for 22 Vietnamese government employees, $109,000.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	1,785	1,212	573
Estimated FY 72	674	780	
Estimated through 6/30/72	2,459	1,992	467
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	518	2,210	5,187

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	296	200	496	309	100	409
Participants	178	–	178	109	–	109
Commodities	–	–	–	–	–	–
Other Costs	–	–	–	–	–	–
Total Obligations	474	200	674	418	100	518

PRINCIPAL CONTRACTORS/AGENCIES

American-Asian International

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Provincial Health Assistance	Public Health		SA
PROJECT NUMBER 730-11-530-347	PRIOR REFERENCE P. B-37, B-38 FY 1972 Economic SA PDB	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: 1974

Project Target and Course of Action: The objective of this project is to assure adequate medical care for civilian war casualties and refugees through provision of U.S. and Free World medical personnel and the upgrading of the quality of Vietnamese Government personnel and facilities. The quality of Vietnamese medical care will be improved through advisory assistance in the fields of hospital administration, laboratory, the use of x-ray equipment, pharmacy and other hospital specialty departments.

Province and Prefecture Health Services are augmented and supported by an increasing number of trained Vietnamese civilian medical and paramedical personnel, by assignment of Vietnamese military medical and paramedical personnel to Ministry of Health installations, and, where necessary, by assigning U.S. and Free World medical teams to support province or city health facilities.

Capabilities of Vietnamese personnel are increased by both in-country and offshore training programs. Particular emphasis is placed on improving Hospital Administration and on development of a functioning referral system including laboratory and pharmacy support, at both province and regional level.

Progress to Date: Several highly favorable developments have combined to permit continued reduction of direct U.S. support to this activity. Civilian war casualty hospital admissions have declined by over half from an average of over 7,000 per month in 1968 to 3,350 per month in 1971. War casualty admissions to U.S. Military Hospitals have fallen from a peak average of 712 in 1969 to less than 100 per month in 1971. Vietnamese medical facilities now handle 97% of all civilian war casualties, despite the fact that the total number of admissions for all causes continues to rise. This has become possible because nearly 4,000 students graduated Vietnamese medical and medical auxiliary training facilities during the 60/70 school years. In addiiton, over 2,000 military medical personnel are assigned to Ministry of Health Hospitals caring for civilian war casualties. Increase in Vietnamese capability has permitted a reduction of U.S. and Free World medical teams from 60 to 22 which will be further reduced to 12 by the end of FY 1973. The number of Volunteer Physicians sponsored by the American Medical Association has also reduced from 24 a year ago to 15 as of January 1972. This activity will continue to phase out rapidly, as Vietnamese capabilities increase.

The Hospital Administration training program has been launched following return of two Vietnamese who received training in the United States. Development of the National Laboratory System is also proceeding toward its planned FY 73 completion, with 45 Class A, 15 Class B and 3 Class C laboratories established, 366 trained assistant technicians in the system, and 226 others in training. The National Center for Plastic and Reconstructive Surgery continues to successfully treat an average 100 patients per month, 90% of whom are children.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	27,049	25,324	1,725
Estimated FY 72	1,141	2,486	
Estimated through 6/30/72	28,190	27,810	380
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	615	288	29,093

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	404	678	1,082	193	415	608
Participants	49	–	49	–	–	–
Commodities	4	6	10	1	6	7
Other Costs	–	–	–	–	–	–
Total Obligations	457	684	1,141	194	421	615

PRINCIPAL CONTRACTORS/AGENCIES

American Medical Association
International Rescue Committee
Children's Medical Relief International, Inc.

PREVIOUS PAGE BLANK

Country: VIETNAM

PROJECT DATA (Continued)

Sector: Public Health

TABLE IIIa

PROJECT TITLE	PROJECT NUMBER
Provincial Health Assistance	730-11-530-347

FY 1973 Program: Total proposed funding is $615,000 of which $193,000 is required to support five direct-hire personnel, four of whom will remain at the end of FY 73. A contract with the American Medical Association will provide up to 13 volunteer physicians ($150,000); a contract with technicians and physicians to augment MOH medical personnel ($125,000); and a contract with Children's Medical Relief International, Inc., will supply a four-man team to support the National Center for Plastic and Reconstructive Surgery ($146,000). Teaching aids, books and manuals will require $1,000.

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Public Health Services	Public Health		SA
PROJECT NUMBER 730-11-530-348	PRIOR REFERENCE: P. B-39, B-40 FY 1972 Economic SA PDB	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: 1974

Project Target and Course of Action: Under this project A.I.D. assists the Ministry of Health (MOH) in the planning and administration of a national public health program designed to prevent the spread of communicable diseases and to control endemic diseases.

Activities under this project are in three principle areas: (1) immunizations for temporary protection against disease, (2) an environmental sanitation program designed to restrict the spread of disease, and (3) a health education campaign on disease prevention practices.

The major immunization programs are for prevention of plague, cholera, smallpox, and tuberculosis. A comprehensive sanitation program will have been established within the Directorate of Public Health by FY 1974 to control the spread of communicable disease. Guidance and instruction will emphasize safe water supplies, sewage and garbage disposal, animal vector control, and food sanitation.

A continuing program of public education in the basic concepts of sanitation and good health practices is already underway. Training abroad is scheduled for two professional public health educators annually through FY 1975, and training courses for technicians will be conducted at the National Institute of Public Health (NIPH). A target has been established to graduate 40 fully qualified health education technicians annually by FY 1974.

Progress to Date: Progress in 1971 included the establishment of two regional laboratories to assist disease detection/prevention by providing quick confirmation tests verifying suspected cases within the region. Significant reductions were actually achieved in incidents of two of the most serious endemic diseases. Incidence of plague fell 14%, while cholera was reduced 86% to only 239 cases. The Ministry of Health, adopting a facet of modern medical practice, substituted localized immunization operations in areas of infection for previous mass immunization programs which had proved non-beneficial to the population in general.

Sanitation Services have been established in 31 provinces, with the remainder to be in operation by the end of FY 1973. Sanitation programs directed toward disease control and prevention are presently carried out in all provinces by Government of Vietnam Health Services. Projects are planned and implemented annually in food, water, insect and vector control as well as in sewage and garbage disposal.

Health Education is conducted using all available means. A new Ministry of Health Production Center opened late in 1971, increasing the quantity and improving the quality of materials available to support this program. Leaflets, pamphlets, posters, radio and television broadcasts are used nationwide to disseminate information on the "whys" and "hows" of disease prevention. The efficiency of health education is being tested in the Sanitary Hamlet Program in which inhabitants undertake to raise the

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	4,542	4,355	187
Estimated FY 72	1,408	1,140	
Estimated through 6/30/72	5,950	5,495	455
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	763	503	7,216

Cost Components	OBLIGATIONS: Estimated FY 1972 Direct AID	Estimated FY 1972 Contract/Other Agency	Estimated FY 1972 Total	Proposed FY 1973 Direct AID	Proposed FY 1973 Contract/Other Agency	Proposed FY 1973 Total
U.S. Technicians	1,041	–	1,041	571	123	694
Participants	61	–	61	69	–	69
Commodities	–	–	–	–	–	–
Other Costs	–	306	306	–	–	–
Total Obligations	1,102	306	1,408	640	123	763

PRINCIPAL CONTRACTORS/AGENCIES

U.S. Public Health Service

PROJECT TITLE	PROJECT NUMBER
Public Health Services	730-11-530-348

total hamlet environment to a sanitary level, and to spread the word to adjoining areas. Present plans call for the establishment of about 200 sanitary hamlets in FY 1972 and an additional 250 in FY 1973.

During 1971, training courses were conducted in all provinces by national, regional and provincial personnel in all phases of environmental health. A national level course for water plant operators selected from throughout the country was conducted in Saigon. The National Institute of Public Health moved to semi-permanent quarters and became the center point for refresher training. Short courses were presented in environmental sanitation, statistics, planning, hospital records and disease control. The main function of the Institute remains that of training Public Health technicians. In 1971, Public Health Assistant Technicians graduated from a year-long course, and were assigned to positions throughout the country. Another 100 Assistants are in training. Fifty Public Health Technicians have begun the second year of a three-year course of study.

FY 1973 Program: A total of $763,000 is proposed for FY 1973: $571,000 for 17 direct-hire medical personnel, of whom 11 will remain at the end of the year; $69,000 to provide training for eleven participants; and $123,000 to fund a four-man PASA team from the U.S. Public Health Service, of whom only 1 will reamin at the end of the year.

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Medical and Dental Education	Public Health		SA
PROJECT NUMBER 730-11-540-150	PRIOR REFERENCE: P. B-41, B-42 FY 1972 Economic SA PDB	INITIAL OBLIGATION FY: 1957	SCHEDULED FINAL OBLIGATION FY: 1975

Project Target and Course of Action: The objective of this project is to develop a medical/dental education system in Vietnam capable of providing, on a continuing basis, well-trained doctors and dentists equipped to meet the health and dental care needs of the population.

More specifically, the targets are to maintain the 200-level graduate output annually on a continuing basis and to develop a well-qualified staff and modern facilities for teaching of medical and dental care by 1975. Modern facilities will include libraries, laboratories and maintenance equipment. Personnel upgrading will involve study in U.S. for selected teachers and English language training for faculty members.

Project targets are being achieved by means of A.I.D. contracts with the American Medical Association and the American Dental Association who provide short and long-term advisors to the medical school faculty. These advisors also teach selected classes.

Emphasis in the Faculty of Medicine is currently placed on clinical training through assignemnt of fifth and sixth-year medical students to province hospitals and by providing graduate training to faculty members. Post-graduate courses are conducted at the University of Saigon and at American Universities. Support for the Medical Library will continue with the assistance of the U.S. National Library of Medicine.

In the Dental School, in-service training programs are being conducted by the ADA and promising faculty members will be selected for participant training abroad.

Progress to Date: Quantitative targets have been substantially achieved and are now secondary to considerations of the qualitative improvement of both faculty and students. Indications are that total number of Vietnamese physicians graduating in 1972 will exceed 200 for the third consecutive year (216 in 1970; 226 in 1971). While dental graduates have not quite reached the goal of 50, they did attain 32 in 1970, 45 in 1971 and are expected to continue at the 45 to 50 level in the future. It is in fact anticipated that future graduating classes of both medical and dental students will vary from the current levels only by reason of minor differences in individual academic performance among classes.

The Dental Faculty is rapidly approaching the point at which it can be considered self-regenerating. Forty-five of the planned 50 full and part-time faculty members are on board. Seventeen of the dental faculty have completed offshore training, including two in 1971. Four more are presently in the U.S. and four completing their pre-training processing. The off shore participant program has now reached all departments. The American Dental Association contract supplies an average six long-term faculty advisors covering all departments of dental medicine. Overall progress in the dental education program has been so substantial, however, that it appears that direct U.S. support will not be required beyond FY 1973.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	12,262	9,885	2,377
Estimated FY 72	2,236	3,280	
Estimated through 6/30/72	14,498	13,165	1,333
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	2,247	2,049	18,794

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	77	1,636	1,713	–	1,864	1,864
Participants	278	–	278	233	–	233
Commodities	–	245	245	–	150	150
Other Costs	–	–	–	–	–	–
Total Obligations	355	1,881	2,236	233	2,014	2,247

PRINCIPAL CONTRACTORS/AGENCIES

American Medical Association
American Dental Association

PROJECT TITLE	PROJECT NUMBER
Medical and Dental Education	730-11-540-150

The Medical Faculty has now expanded to 195 full and part-time members of the 280 planned by the end of the project. Sixty-six of the medical faculty have completed offshore training, six returning during 1971. There are 15 faculty members currently in training in the United States with 22 others preparing for future U.S. study. Participants have received training in a balanced selection of basic and clinical science courses. The American Medical Association contract supplies an average of 17 long-term faculty advisors in basic and clinical sciences and in English language training. Language training is on a voluntary basis for faculty and students of both the medical and dental schools; approximately 89% of the medical faculty and 60% of the dental faculty enrolled during the 1971/72 academic year.

Available facilities have been steadily improved. The Health Sciences Library, which now contains approximately 13,000 texts, reference works and journals in the medical and dental science fields, is increasingly utilized by medical and dental faculty and students; expansion to 25,000 volumes is planned. Adequate sized laboratories exist for teaching basic sciences to medical and dental students. Remaining deficiency in dental clinical science teaching space will be remedied in the coming year by planned construction within an existing building. Responsibility for maintenance of buildings and equipment has been assumed by the Government of Vietnam. A dental equipment maintenance training course is currently in progress within the Faculty of Dentistry.

Other qualitative improvements in medical and dental education include the assignment of fifth and sixth year students to hospitals for clinical training. In addition, about 90% of Medical School and 80% of the Dental School departments now offer post-graduate courses conducted by Vietnamese faculty in cooperation with AMA and ADA faculty advisors. The Ministry of Education has been requested to authorize credit toward advanced degrees for these courses. Faculty Advisors have also made progress in the area of curriculum development. Modern curricula have already been formulated and introduced into 20% of the departments.

FY 1973 Program: Total proposed funding is $2,247,00: $1,864,000 for services to be provided through extension of the American Medical Association contract and the American Dental Association contract; $150,000 for medical and dental equipment and supplies; and $233,000 for 32 participants.

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Health Logistics Support	Public Health		SA
PROJECT NUMBER 730-11-590-350	PRIOR REFERENCE P. B-44, B-45 FY 1972 Economic SA PDB	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: 1976

Project Target and Course of Action: Advisory assistance and commodity support for the medical logistics system of the Ministry of Health (MOH) is provided under this project. The logistics system services health installations throughout the country. Medical supplies and equipment are also supplied by DOD. Non-medical commodities are being procured by the MOH.

Specific steps are being taken to lay the groundwork for implementation of a long-range plan whereby the Vietnamese Government ultimately assumes full responsibility for all MOH Logistics activities. To accelerate the transition to Vietnamese self-sufficiency, a joint Government of Vietnam/USAID effort has been initiated to (a) adopt practices with regard to acquisition and issue of medical supplies which will insure adequate medical care while effecting economies in medical logistic support, (b) devise means to procure medical commodities primarily with GVN monetary resources, and (c) formulate and submit to the MOH a plan for a separate MOH procurement capability specifically designed for timely and economical resupply of medical commodities. Other project activities include advisory services in repair and maintenance of medical commodities in a countrywide warehouse system, and minimal operational assistance when and if required.

Progress to Date: The medical logistics systems have now been expanded to support all Government of Vietnam health activities. Materiel support is provided to 65 hospitals, 55 province and city health services, 245 district health services, and over 3,500 village/hamlet health workers. Support is also provided to national health programs, including malaria, plague, cholera, population and maternal/child care programs. Medical supplies and related items with an equivlanet value of over 13 million dollars were issued through the system in CY 1971. Availability of stockage items was 94% for the year.

Plans for transferring procurement responsibility for medical supplies from the United States to the Government of Vietnam continue to be implemented. The Ministry of Health medical commodity budget has risen from bout 91 million piasters in CY 1969 to a tentative CY 1972 budget in excess of a billion piasters. Full support responsibility should be vested in the Government of Vietnam by CY 1976. The Ministry of Health is formulating plans to increase local production of commonly used drugs by utilizing the available Ministry of Health processing facility. Advisors are also working with private pharmaceutical manufacturers and processors to determine the feasibility of increased private sector production as a local commercial source of Ministry of Health supplies.

Procurement of medical and medical-related expendable supplies is based on recurring demand experience. Under A.I.D. contract, an automated data processing system is being designed which will automate ordering, stocking and

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	53,810	44,669	9,141
Estimated FY 72	6,226	1,140	
Estimated through 6/30/72	60,036	45,809	14,227
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	4,703	9,500	74,239

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	505	43	548	304	20	324
Participants	1	–	1	21	–	21
Commodities	5,613	–	5,613	4,328	–	4,328
Other Costs	64	–	64	30	–	30
Total Obligations	6,183	43	6,226	4,683	20	4,703

PRINCIPAL CONTRACTORS/AGENCIES

issuance of medical commodities, and will contain all necessary management information to insure uninterrupted supply based on prior experience. During 1971, the Ministry initiated a monetary consumer credit system to provide all managers from the Ministry to the consumer with an effective tool for controlling the cost of commodity issues within annual commodity procurement funding ceilings. All medical supplies except items requiring refrigeration are now routinely delivered through Vietnamese rather than American transportation channels.

Training programs have now graduated a total of 282 students, including 84 maintenance specialists graduated in 1971. Of these, 38 received basic training in medical equipment maintenance, while 14 received advanced training; 20 were trained in refrigeration and air conditioning equipment maintenance, and the remaining 11 are generator plant electricians. Increase in trained Vietnamese personnel will permit a reduction of A.I.D. contract and third-country personnel from 24 to six by July 1972.

FY 1973 Program: A total of $4,703,000 is proposed: $304,000 for ten U.S. direct-hire personnel, only eight of whom will remain at the end of FY 1973; $30,000 to employ six third-country nationals; $20,000 for a contract to assist development of local manufacture of medical supplies; $21,000 for three participant trainees; and $4,328,000 for medical supplies and equipment. Additional supplies of approximately equivalent value are supplied directly by the Department of Defense.

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
National Rehabilitation Institute	Public Health		SA
PROJECT NUMBER 730-12-530-351	PRIOR REFERENCE P. B-46 FY 1972 Economic SA PDB	INITIAL OBLIGATION FY: 1966	SCHEDULED FINAL OBLIGATION FY: 1973

Project Target and Course of Action: This project assists the Government of Vietnam to develop a capability to rehabilitate seriously handicapped persons, both medically and emotionally.

Project targets include: (a) establishment of a school of physical therapy with a three-year program; (b) a self-sufficient rehabilitation capacity which can provide or repair 11,500 prosthetic/orthotic devices annually, and physical/occupational training for severely disabled veterans and war victims to aid them in resuming an economically productive life; and (c) job placement for vocational trainees.

The World Rehabilitation Fund, Inc. (WRF) provides advisory and supervisory assistance to the National Rehabilitation Institute (NRI), trains Vietnamese personnel in rehabilitation methods, and provides necessary equipment and supplies.

Progress to Date: During CY 1971, a total of 10,529 prosthetic/orthotic devices were fitted or repaired as required at the Saigon, Can Tho, Danang, and Qui Nhon locations. Visits by patients for repairs, adjustments, etc., reached 7,530; new patient visits number 5,724. Some 362 handicapped persons received vocational training in tailoring, typing, and motor repair. During 1971, 172 vocational trainees were actually placed in jobs throughout Vietnam; another 269 candidates were awaiting placement at the end of the year.

Opening of the school of physical therapy has been somewhat delayed; however, the Canadian International Development Agency will negotiate a contract with the Montreal Rehabilitation Institute in early FY 1973 to provide the staff, training aids and equipment necessary to operate the school for a six-year period. Opening of provincial hospital prosthesis repair shops has also been delayed, although funds have been allocated and some equipment is presently available. These shops will be opened by the end of FY 1972 as Ministry of Health personnel become available for assignment.

Substantial progress is being made in the production of prosthetic and orthotic devices. The Institute produced over 7,100 devices in 1971, while repairing over 3,400. All knee set-ups and solid ankle cushicned heels are now made in country, substantially reducing requirements for dollar purchased imports. Such supplies as stockinett and minor hardware items will soon be fabricated exclusively in country--a major step toward the goal of self-sufficiency in production.

Progress in staff training has also been most encouraging. Two participant physicians received four months special training at New York University and other U.S. facilities during 1971. Six other physicians are programmed to receive similar training upon achieving sufficient English language proficiency. Eight new prosthetic/orthotic technicians completed training in 1971, bringing the total number to 70. Twenty new physical therapy assistants were also trained in 1971.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	2,021	1,983	38
Estimated FY 72	160	158	
Estimated through 6/30/72	2,181	2,141	40
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	110	-	2,291

Cost Components	OBLIGATIONS: Estimated FY 1972 Direct AID	Estimated FY 1972 Contract/Other Agency	Estimated FY 1972 Total	Proposed FY 1973 Direct AID	Proposed FY 1973 Contract/Other Agency	Proposed FY 1973 Total
U.S. Technicians	-	30	30	-	30	30
Participants	26	-	26	-	-	-
Commodities	-	104	104	-	80	80
Other Costs	-	-	-	-	-	-
Total Obligations	26	134	160	-	110	110

PRINCIPAL CONTRACTORS/AGENCIES

World Rehabilitation Fund

Country: VIETNAM

Sector: Public Health

PROJECT DATA (Continued)

TABLE IIIa

PROJECT TITLE	PROJECT NUMBER
National Rehabilitation Institute	730-12-530-351

FY 1973 Program: Funding in FY 1973 will require $110,000 for: two rehabilitation advisors under the World Rehabilitation Fund grant ($30,000); and purchase of prosthesis manufacturing equipment, supplies and materials ($80,000).

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Population	Public Health		Population
PROJECT NUMBER 730-11-580-405	PRIOR REFERENCE P. B-47 FY 1972 Economic SA PDB	INITIAL OBLIGATION FY: 1971	SCHEDULED FINAL OBLIGATION FY: 1978

Project Target and Course of Action: Through this project, assistance is provided to the Vietnamese Government in establishing a population planning program. Specific targets are to assist the Ministry of Health (MOH) to establish at least one family planning clinic in each province; to supply information to Vietnamese officials to demonstrate the economic and health benefits of fertility reduction; to provide training programs for Vietnamese personnel; and to assist in carrying out public information programs.

The population of South Vietnam (approximately 18.8 million) is increasing at an estimated rate between 2.6 and 3% per annum. Even at the lower estimated rate, the population of Vietnam would double in less than 27 years, and a 3% annual increase in GNP would be needed to maintain present standards of living. The greatest expansion of the population would be in the dependent age group (under 15) which requires heavy support from social service institutions such as health, education, and social welfare. The rate of population growth is thus a critical factor in planning for development.

Progress to Date: An additional 15 clinics became operational during CY 1971, bringing the total to thirty. Work is in progress to open 20 additional clinics during 1972. Training of personnel to staff 20 additional clinics has been completed. During 1971 Family Planning training was completed by 48 physicians and 100 midwives. Another 100 physicians will complete training by June 1972. Forty rural health workers were trained in community development/family planning motivation in Taipei. Eighty social workers were trained in country as family planning motivators. In addition, some 34 Vietnamese officials participated in population conferences and seminars, including five sponsored by the International Planned Parenthood Federation, ten by the Population council, 16 by USAID and three by the Colombo Plan. A major breakthrough in the introduction of family spacing occurred in December 1971, when the Ministry of Health lowered the criterion for admission to family planning clinics from four or five children, to only one child.

FY 1973 Program: $346,000 is proposed for: three direct-hire personnel ($68,000); 47 participants to be trained in the United States and neighboring countries ($76,000); one PASA demographer ($35,000); and commodity support including purchase of contraceptives, clinic equipment and training aids ($167,000).

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	238	79	159
Estimated FY 72	325	365	
Estimated through 6/30/72	563	444	119
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	346	1,206	2,115

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	62	27	89	68	35	103
Participants	107	–	107	76	–	76
Commodities	129	–	129	167	–	167
Other Costs	–	–	–	–	–	–
Total Obligations	298	27	325	311	35	346

PRINCIPAL CONTRACTORS/AGENCIES

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Public Health General Support	Public Health		SA
PROJECT NUMBER 730-11-599-375	PRIOR REFERENCE P.B-48 FY 1972 Economic SA PDB	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: 1978

Project Target and Course of Action: The purpose of this project is to provide policy guidance, administrative services, and technical support for A.I.D. personnel assisting the Ministry of Health (MOH) and the Ministry of Education's programs in the health sciences in order to effectively carry out the extensive GVN civilian health program.

Under this project, the Assistant Director, his Deputy, and staff are responsible for the direction and supervision of the USAID nationwide Public Health Assistance Program. Concurrent with these activities, this group also provides technical assistance and policy guidance to the MOH at the national level.

Regional Public Health supervisors and medical advisors to the MOH field operations, are also placed under this general support project to more accurately reflect total administrative and support costs.

FY 1973 Program: A total of $576,000 is proposed to support 15 direct-hire positions, only 12 of which will remain by the end of FY 1973 ($571,000), and short-term participant seminar program costs ($5,000).

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	3,360	3,348	12
Estimated FY 72	683	695	
Estimated through 6/30/72	4,043	4,043	-
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	576	2,000	6,619

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	679	-	679	571	-	571
Participants	-	-	-	-	-	-
Commodities	-	-	-	-	-	-
Other Costs	4	-	4	5	-	5
Total Obligations	683	-	683	576	-	576

PRINCIPAL CONTRACTORS/AGENCIES

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Rural Water Development	Public Works		SA
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
PROJECT NUMBER 730-12-521-359	P. B-50 FY 1972 Economic SA PDB	FY: 1967	FY: 1974

Project Target and Course of Action: The objective of this project is to provide potable water supplies to villages and population centers not presently served by urban water systems. Priorities are established in compliance with current pacification plans, and work activities are executed through the Government of Vietnam Directorate of Water Supply (DWS) and semi-autonomous National Water Supply Agency (NWSA).

Targets for FY 1973 include: assisting the DWS to carry out small rural potable water projects and the NWSA to plan and carry out small city projects under the Municipal Utilities Loan Fund.

Progress to Date: Under the supervision of an Engineering Control and Advisory Detachment (U.S. Army) 34 projects were completed in the latter half of 1971. DWS requirements for local contributions for rural projects were increased, and contracting for private construction of additional facilities has been developed to the point where little supervision is required.

FY 1973 Program: A total of $252,000 is proposed in 1973 for: 4 U.S. direct-hire advisors, only two of whom will remain at the end of the fiscal year, $152,000; and well drilling commodities, pumps and pipes, $100,000.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	5,073	4,269	804
Estimated FY 72	564	820	
Estimated through 6/30/72	5,637	5,089	548
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	252	215	6,104

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	308	-	308	152	-	152
Participants	-	-	-	-	-	-
Commodities	250	-	250	100	-	100
Other Costs	6	-	6	-	-	-
Total Obligations	564	-	564	252	-	252

PRINCIPAL CONTRACTORS/AGENCIES

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Dredging	Public Works		SA
PROJECT NUMBER 730-12-350-406	PRIOR REFERENCE P. B-52 FY 1972 Economic SA PDB	INITIAL OBLIGATION FY: 1972	SCHEDULED FINAL OBLIGATION FY: 1974

Project Target and Course of Action: The objective of this project is to create an autonomous and financially self-supporting dredging agency to meet civil dredging requirements and in so doing to utilize private sector dredging capability whenever possible.

Under the former Inland Waterways Improvement Project (350-297) high priority dredging was performed by an A.I.D.-funded contractor, who also trained Vietnamese dredging crews. However, the responsible Government of Vietnam agency, the Directorate of Navigation (DON), made only limited use of its own dredges due to difficulties in retaining personnel and lack of funds and general administrative competence. Accordingly, the A.I.D. contract was terminated at the end of FY 1970.

Progress to Date: A new autonomous Vietnam Dredging Agency (VDA) began operation in February 1971 under the structure of the Government of Vietnam Railway Service. The VDA has begun financial and operational reforms. It now receives payment for approximately 70 percent of productive dredging. It has greatly increased production compared with levels of 1970 and decreased lost time of dredges attributable to poor maintenance.

FY 1973 Program: $190,000 is proposed in FY 1973 to fund: one direct-hire technician, $40,000; one year contract for two U.S. advisors, $100,000; and dredge spare parts, $50,000.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	–	–	–
Estimated FY 72	260	–	–
Estimated through 6/30/72	260	60	200
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	190	150	600

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	10	150	160	40	100	140
Participants	–	–	–	–	–	–
Commodities	100	–	100	50	–	50
Other Costs	–	–	–	–	–	–
Total Obligations	110	150	260	90	100	190

PRINCIPAL CONTRACTORS/AGENCIES

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Public Works General Support	Public Works		SA
PROJECT NUMBER 730-11-995-380	PRIOR REFERENCE P. B-53 FY 1972 Economic SA PDB	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: 1978

Project Target and Course of Action: This project provides (1) overall direction for projects in the Public Works Sector, (2) backstopping for USAID and CORDS project activities in the field involving engineering and construction, and (3) technical assistance to the Government of Vietnam Ministries of Public Works and of Communications and Posts. The need for substantial technical support in this area is prompted by the unusual magnitude and diversity of construction--schools, utility systems, warehouses, bridges and roads, drainage systems, and the severe shortage of Government of Vietnam engineering personnel.

Increasing importance is given to economic and financial analysis of proposals for capital assistance and to review of applications for capital commodities under the Commodity Import Program (CIP).

Progress to Date: A survey of electric power resources and requirements begun in May 1971 has been completed for formal presentation to the Government of Vietnam in March 1972. Studies to improve highway maintenance organization and for orderly expansion of urban areas are underway. Preliminary results of the highway studies have been incorporated into the design of the Highway Advisory Assistance Project. An additional consultant effort was begun in October 1971 to cover potable water systems expansion and development.

FY 1973 Program: Total funds requested for FY 1973 are $1,251,000 for: 29 U.S. direct-hire advisors, $836,000; contract services of 15 U.S. engineers to advise and assist the Vietnamese Ministry of Public Works in design and execution of engineering projects, $415,000.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	10,678	8,425	2,253
Estimated FY 72	2,247	2,688	
Estimated through 6/30/72	12,925	11,113	1,812
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	1,251	2,950	17,126

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	1,421	795	2,216	836	415	1,251
Participants	-	-	-	-	-	-
Commodities	-	10	10	-	-	-
Other Costs	21	-	21	-	-	-
Total Obligations	1,442	805	2,247	836	415	1,251

PRINCIPAL CONTRACTORS/AGENCIES

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Electric Power	Public Works		SA
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
PROJECT NUMBER 730-12-220-356	P. B-55 FY 1972 Economic SA PDB	FY: 1967	FY: 1974

Project Target and Course of Action: Overall project objectives are: to establish an autonomous, economically viable, and technically competent electric utility company for all South Vietnam; to expand power-generating and distribution capacity for the Saigon area to approximately 350 megawatts by 1973; and to serve additional towns and rural areas outside Saigon on as economical a basis as is possible under present conditions.

Progress to Date: Reorganization of electric power services under the autonomous Vietnam Power Company (VPC) was accomplished in 1971. Construction of two 66-megawatt generating units at Thu Duc is on schedule to come into operation in mid-1972. A contractor has designed distribution improvements for Saigon to utilize the new generating capacity, and commodities have been ordered for the distribution system. The VPC has also added 64 megawatts of diesel power in Saigon and inaugurated electric power systems in six cities while improving existing systems in 30 cities and adding 8,000 customers outside Saigon. The Government of Japan has agreed to assist VPC with an $18 million loan.

FY 1973 Program: $152,000 is proposed to fund: three U.S. direct-hire technicians, only two of whom will remain at the end of FY 1973, $118,000; consultant services to the utility regulatory commission, $30,000; and participant training, $4,000.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	49,879	32,460	17,419
Estimated FY 72	490	11,286	
Estimated through 6/30/72	50,369	43,746	6,623
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	152	100	50,621

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	144	340	484	118	30	148
Participants	6	–	6	4	–	4
Commodities	–	–	–	–	–	–
Other Costs	–	–	–	–	–	–
Total Obligations	150	340	490	122	30	152

PRINCIPAL CONTRACTORS/AGENCIES

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Highway Advisory Assistance	Public Works		SA
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
PROJECT NUMBER 730-11-310-408	None	FY: 1973	FY: 1978

Project Target and Course of Action: This new project will assist the Directorate-General of Highways to become an organization capable of effective and efficient maintenance of the primary highway system and of lesser, secondary roads.

Over the past several years, U.S. military forces have made an extensive investment in improving highways in Vietnam. Much of the original primary highway system has been upgraded to meet heavy military traffic and, as a result of this traffic, has required extensive maintenance. The improved highway system is an important asset for Vietnam's future. Although rebuilt and heavily maintained for primarily military reasons, it serves the civilian economy well and provides major contribution to Vietnam's prospects for future economic development.

This highway system, like any other, requires continuing maintenance, and the Government of Vietnam is poorly equipped to perform this. Its Directorate-General of Highways had only a subordinate role in the major highway work of the past few years, since this was performed primarily by a large U.S. military contractor and by U.S. and Vietnamese military units. The Directorate-General of Highways needs a much improved capability to perform routine, day-to-day, preventive maintenance. Its ability to plan major maintenance, and to let and supervise contracts for this work is limited. Its equipment fleet is old, outmoded and so diverse as to make repairs an insuperable problem. There are some 229 makes and 420 models represented among its 1,740 pieces of equipment. Substantial quantities of U.S. military excess equipment are becoming available and will meet much, although not all, of this equipment problem, since the numbers and types of units suitable to civilian highway maintenance among military excess are limited.

While the primary emphasis of this project will be on advisory assistance to the Directorate-General of Highways, for the year ahead (the first in which the Directorate-General will have full responsibility for the new highway system), we propose A.I.D.-funded maintenance contracts and commodities. In excess of 20 percent of the new highway system, some 1,345 kilometers require immediate major rehabilitation, which the Directorate-General of Highways will not be able to undertake successfully in the near future.

FY 1973 Program: A total of $12,457,000 is proposed for FY 1973: for 17 U.S. direct-hire advisors, $655,000; for 36 contract advisors in highway department management, equipment maintenance and supply management and for the Highway Training School, $1,657,000; for training of 33 participants, $85,000; for a contract to perform major highway repairs on part of those sections in immediate need, $4,400,000; and for commodities including new equipment and spares ($3,500,000), tools, cement, asphalt, tires, paint, steel piling, bridge parts, prestress cable and fittings, $5,660,000.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	-	-	-
Estimated FY 72	-	-	-
Estimated through 6/30/72	-	-	-
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	12,457	24,200	36,657

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	-	-	-	655	6,057	6,712
Participants	-	-	-	85	-	85
Commodities	-	-	-	5,660	-	5,660
Other Costs	-	-	-	-	-	-
Total Obligations	-	-	-	6,400	6,057	12,457

PRINCIPAL CONTRACTORS/AGENCIES

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
VECCO (Vietnamese Engineering and Construction Co.)	Public Works		SA
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
PROJECT NUMBER 730-15-390-414	None	FY: 1972	FY: 1976

Project Target and Course of Action: This new project will help develop a temporary Vietnamese institution designed to (1) manage several facilities producing construction material, (2) receive and maintain construction equipment declared excess by DOD, and (3) develop a system of leasing equipment to private contractors who have contracts with the GVN (primarily the Director General of Highways). This semi-public institution, already created and known as VECCO (Vietnamese Engineering and Construction Co.) will have both construction equipment and material at its disposal which it will make available to private Vietnamese contractors working on government contracts. VECCO should provide the needed support for a nascent local construction industry and help develop that industry to the point where it can ultimately purchase its own equipment and material and independently compete for government contracts. At this point VECCO would be dissolved.

Over the past six years most large public construction work was carried out by U.S. contractors mainly under contract to DOD. Vietnamese construction firms were small and had little equipment. Now that U.S. construction contracts are being phased out and a sizable amount of excess construction equipment is becoming available, it is important that the Vietnamese be taught to do their own maintenance and construction by developing the capabilities of private Vietnamese firms. Rather than give assistance to over a dozen individual firms, however, we are proposing to assist a central quasi governmental institution which in turn will assist the private firms by leasing large pieces of construction equipment to them--equipment they could not initially afford to purchase. A.I.D.'s technical assistance to VECCO will help that company (1) manage the several plants producing such construction materials as asphalt, concrete and aggregate; (2) set up and operate shops to repair and maintain excess U.S. equipment; and (3) develop equipment leasing schedules and rates.

With the departure of U.S. military forces and their supporting American construction firm, the Vietnamese must assume the burden of providing the technical staff and physical plant for large projects. This capability cannot be achieved without outside management advisory assistance and training in utilization of commodities and facilities excess to the U.S. military units withdrawing from Vietnam.

Progress to Date: The Vietnam Engineering and Construction Company (VECCO) was chartered as a government-owned corporation in 1970 and now is in initial operation. VECCO will operate a pool of some 800 pieces of heavy construction equipment, released by the U.S. military, for lease to private Vietnamese contractors. Most such contractors are small, without capital for investment in heavy equipment necessary if they are to perform government contracts, such as highway maintenance. VECCO also will provide technical training in management

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	-	-	-
Estimated FY 72	-	-	-
Estimated through 6/30/72	-	-	-
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	1,500	1,597	3,097

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	-	-	-	-	1,450	1,450
Participants	-	-	-	50	-	50
Commodities	-	-	-	-	-	-
Other Costs	-	-	-	-	-	-
Total Obligations	-	-	-	50	1,450	1,500

PRINCIPAL CONTRACTORS/AGENCIES

PROJECT TITLE	PROJECT NUMBER
VECCO (Vietnamese Engineering and Construction Co.)	730-15-390-414

and construction techniques to Vietnamese contractors on government jobs.

FY 1973 Program: Total funding requested for FY 1973 is $1,500,000: $1,450,000 for 24 U.S. contract advisors in organization and management of heavy construction services and utilization and maintenance of equipment and material production facilities; and $50,000 for training of approximately 32 Vietnamese participants in business administration and public works management.

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
USAID Technical Support	Technical Support		SA
PROJECT NUMBER 730-11-999-000	PRIOR REFERENCE P. B-57 FY 1972 Economic SA PDB	INITIAL OBLIGATION FY: 1956	SCHEDULED FINAL OBLIGATION FY: Undetermined

Project Target and Course of Action: This project funds personnel, contract and commodity requirements to support all USAID employees in areas of personnel administration, residential quarters and furnishings, office space, repair and maintenance, office supplies and equipment, travel and transportation, communications and records, security and safety.

Funds for personnel in other organizational components of the USAID which cannot be attributed to any one sector or project, including USAID's Program and Economic Office, Controller's Office, and Legal Office, also are included here. Since USAID supplies vehicles, office supplies and furniture to CORDS out of a common pool, funds for these items are included. Finally, funds are included for administrative support of USAID and CORDS dependents situated in the nearby countries of Thailand, the Philippines and Taiwan.

In order to support USAID and CORDS operations in Saigon, the USAID maintains 25 office locations with almost 500,000 square feet of space, and ten operational facility sites (warehouses, motor pools). In addition, there are over 1,100 housing units and 210 hotel rooms leased and maintained in Saigon and vicinity. USAID operates a fleet of 2,090 vehicles with 60 percent in the field and 40 percent in Saigon. The communications network employs nearly 3,000 instruments, plus microwave links, and there are five radio nets for administrative activities and security purposes countrywide. The four major warehouses in Saigon contain more than 21,500 line items and filled some 18,500 requisitions during FY 1971. The installed capacity of electric power generators in the Saigon area now totals 12,500 kilowatts, with an additional 20,000 kilowatts of power available to CORDS activities in the four Regions.

Local currency support including salaries of local employees, rents, utilities, and in-country procurement and travel is provided through a trust account drawing on Vietnamese owned counterpart funds generated through A.I.D. and PL 480 programs.

FY 1973 Program: Technical Support funding proposed for FY 1973 is $13,739,000. Personnel costs include $8,913,000 for 176 U.S. direct-hire positions, three positions under a PASA, and ($1,350,000) for expenses of other USAID Mission personnel costs in Thailand, the Philippines and Taiwan for support of USAID and CORDS dependents situated in those countries. $2,085,000 will be required for commodities, including replacement of vehicles, office and residential equipment, and other supplies. Other costs of $2,693,000 include funds for locally placed maintenance contracts to provide machine and vehicle repair, local construction, machine rental, and employment of 15 Third-Country Nationals. Participant training will require $48,000.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	202,007	194,735	7,272
Estimated FY 72	15,455	18,134	
Estimated through 6/30/72	217,462	212,869	4,593
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	13,739	Undetermined	

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	8,179	1,499	9,678	7,149	1,764	8,913
Participants	56	–	56	48	–	48
Commodities	2,890	–	2,890	2,085	–	2,085
Other Costs	1,553	1,278	2,831	1,483	1,210	2,693
Total Obligations	12,678	2,777	15,455	10,765	2,974	13,739

PRINCIPAL CONTRACTORS/AGENCIES

- Institute for Defense Analysis
- International Business Machines
- Computer Sciences Corp.
- General Services Administration
- U.S. Army
- Dept. of Labor
- Minnesota Graphic Ser.Inc

PREVIOUS PAGE BLANK

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
MACV/CORDS Technical Support	Technical Support		SA
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
PROJECT NUMBER 730-11-999-381	P. B-58 FY 1972 Economic SA PDB	FY: 1967	FY: Undetermined

Project Target and Course of Action: Included under this project are the U.S. dollar costs of CORDS civilian personnel performing management or related functions in furtherance of pacification objectives, including advisors assigned to CORDS Province, Municipal and Regional Advisory Teams.

U.S. direct-hire positions will be reduced to 317 by the end of FY 1972 and to 222 by July 1973. All direct-hire third country nationals previously funded under this project will have been replaced by Vietnamese by the end of FY 1972. A.I.D.'s share of the cost of air operations in support of CORDS will be paid in piasters. The dollar costs will be funded by the DOD.

FY 1973 Program: The total cost of this project for FY 1973 will be $8,587,000, covering the cost of 317 direct-hire personnel, of whom 222 will remain at the close of the fiscal year.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	56,596	55,917	679
Estimated FY 72	11,441	12,120	
Estimated through 6/30/72	68,037	68,037	–
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	8,587	Undetermined	

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	11,199	–	11,199	8,587	–	8,587
Participants	–	–	–	–	–	–
Commodities	–	–	–	–	–	–
Other Costs	242	–	242	–	–	–
Total Obligations	11,441	–	11,441	8,587	–	8,587

PRINCIPAL CONTRACTORS/AGENCIES

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Support of Rural Development	Rural Development		SA
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
PROJECT NUMBER 730-11-995-332	P.B-59, B-60 FY 1972 Economic SA PDB	FY: 1967	FY: FY 1974

Project Target and Course of Action: The objective of this project is to establish a strong popular base for the constitutional Government of Vietnam. Emphasis is placed on decentralizing authority from the central to the local levels of government, increasing both the responsibility and the capacity of province and village governments to identify and respond to urgent local needs, and to gain the active participation of the population in the planning and conduct of local affairs. Projects to meet local needs are proposed by the common interest groups within the community, debated at public meetings, and approved by the locally elected province or village councils.

There are four basic types of projects: (1) basic infrastructure projects of general benefit to the province which meet the national priority objectives of the Community Defense and Local Development Plan, funded directly from the National Fund for Local Development (NFLD) of the Central Pacification and Development Council (CPDC); (2) other projects of general benefit to the province, which either do not meet the CPDC criteria for NFLD funding, or which are beyond the NFLD funding limit set for the province. Such projects are funded from the Province Development Fund granted by the central government but controlled by the elected Province Council; (3) public interest projects of general benefit to the village, funded from Village Development Funds controlled by the elected Village Council; (4) income producing projects directly benefiting a special interest group. Such projects are assisted exclusively on a loan basis through the Village Credit Committee which may approve loans up to VN$50,000 and within the village credit limit established by the Agricultural Development Bank. Based on majority vote of the Village General Assembly, a village may deposit up to 50% of its development fund grant from the central government, plus any amount from local resources, with the ADB to help establish a greater line of credit for the village. The total village deposit is matched by the ADB.

All projects of types 1 and 2, and the more complex of type 3, are implement by or through the Province Technical Services. The bulk of support for this entire project is furnished by the Government of Vietnam in the form of piasters. The U.S. role is limited to advising the primary action agents at all three government levels, and in seeking to augment the capacity of Technical Services in key Provinces, since the scope of development activity which can be implemented in a province in any year is limited by the ability of the Technical Services to handle the work load. The United States has augmented Technical Service capacity by supplying U.S. Navy Seabee Teams to train local Vietnamese in essential construction skills and to undertake priority projects beyond the current capacity of the local services; by upgrading construction equipment assigned to the province, and by limited commodity and participant training support.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	18,466	13,521	4,945
Estimated FY 72	403	2,413	
Estimated through 6/30/72	18,869	15,934	2,935
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	367	245	19,481

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	331	–	331	307	–	307
Participants	72	–	72	60	–	60
Commodities	–	–	–	–	–	–
Other Costs	–	–	–	–	–	–
Total Obligations	403	–	403	367	–	367

PRINCIPAL CONTRACTORS/AGENCIES

PROJECT TITLE	PROJECT NUMBER
Support of Rural Development	730-11-995-332

Progress to Date: Vietnamese agencies responsible for this activity have demonstrated sufficient capability in both planning and implementation to permit curtailment of most direct U.S. assistance previously allocated to this project. The six remaining U.S. Navy Seabee Teams will be totally phased out by June 1972. The Eastern Construction Company contract supplying community development technicians to the field will terminate in September 1972. Direct-hire advisory personnel are also phasing down rapidly as more of their functions are assumed by capable Vietnamese counterparts: no third-country personnel will be required after FY 1972; U.S. direct-hire personnel will be reduced to 7 by the beginning of FY 1973, dropping to six near the end of the year. The main function of the remaining advisors will be to monitor that portion of American Aid Chapter supported piaster funding allocated to the Village Self-Development program. Piaster support for the three development funds totalled 4.5 billion in FY 1972, of which 1.7 billion will fund Village Self-Development in CY 1972. Total piaster support will drop to 3.6 billion in FY 1973, of which approximately one billion will be used to fund Village Self-Development through CY 1973. No additional piaster support is programmed beyond FY 1973. The participant training element will continue at reduced levels until the project terminates.

FY 1973 Program: Total funding required is $367,000 for: seven U.S. direct-hire advisors, dropping to six by end FY 1973 ($307,000); short-term participant training for 160 selected village officials and leaders in Taiwan ($60,000)

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Ethnic Minorities Affairs	Rural Development		SA
PROJECT NUMBER 730-11-995-335	PRIOR REFERENCE P. B-61 FY 1973 Economic SA PDB	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: 1974

Project Target and Course of Action: The purpose of this project is to increase the capability of the Ministry for the Development of Ethnic Minorities (MDEM) to carry out security and development programs for the approximately 900,000 Montagnards who inhabit the Central Highlands of South Vietnam.

Because the Montagnards have traditionally been isolated from the mainstream of Vietnamese life, the Government of Vietnam is seeking to win their loyalty and support through a program which provides for the creation of self-defense units, local self-development, land reform, modernization of agricultural practices, improvements in education, vocational and leadership training, improvements in public health facilities, and other community projects designed to increase the well-being of the Highlander population. The Government of Vietnam is training large numbers of ethnic minority personnel to serve in province and district-level government and others to serve in the National Police.

A.I.D. assists the Government of Vietnam through such activities as: helping to develop an information program to promote Montagnard loyalty to the Government of Vietnam; administrative assistance in the preparation for village/hamlet elections; helping the MDEM organize leadership training in the Highlands; land reform program in the Highlands; helping MDEM to develop a formal education system for the Montagnards and participant training for potential Montagnard leaders.

Progress to Date: Minorities benefited from Government programs more extensively in 1971 than in previous years. Over 2,000 Village Self-Development projects were completed in 212 of approximately 300 Ethnic/Minority Villages. This included the purchase of 23 large tractors to be used on a coop development basis. Another 312 Peoples Self-Defense Force Units were created in 1971, bringing the total to 727 Montagnard units. Team Leaders from 714 of the Peoples Self-Defense Units were trained at the National Montagnard Training Center. More than 4,500 Highlanders were trained in both animal husbandry and improved agriculture practices, and over 3,000 pounds of improved seeds were distributed to selected sites for crop demonstration purposes.

In the field of education, 98 teachers graduated from the Highlands Teachers College; 265 students sponsored by the Ministry of Ethnic Minorities' scholarships were admitted to advanced institutions in various fields including pedagogy and teacher/training. An additional 364 teachers underwent in-service training. Student population increased about six percent over 1970, reaching approximately 32,000 elementary students in 361 schools, 25,000 primary students in 229 schools and 4,500 secondary pupils in 94 schools. Fifty vocational training students attended six-week courses at the Central Training Institute in Long Binh, studying auto mechanics,

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	565	459	106
Estimated FY 72	145	179	
Estimated through 6/30/72	710	638	72
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	173	157	1,040

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	69	-	69	76	-	76
Participants	57	-	57	97	-	97
Commodities	4	-	4	-	-	-
Other Costs	15	-	15	-	-	-
Total Obligations	145	-	145	173	-	173

PRINCIPAL CONTRACTORS/AGENCIES

PROJECT TITLE	PROJECT NUMBER
Ethnic Minorities Affairs	730-11-995-335

carpentry and refrigeration. January 1972 vocational school enrollment was 272.

By the end of CY 1971, Highlanders were benefiting from 13 mobile health teams, 60 dispensaries, 81 maternity/dispensaries, 370 health stations and seven leprosariums. Over 25 maternity/infirmary/dispensaries were constructed under the 1971 Village Self-Development Program. At least one model sanitary Montagnard hamlet was established in each Highland Province as a demonstration site for other communities.

All Highland provinces now have at least a Deputy Province Chief for Montagnard Affairs. The Chief of Pleiku Province is a Montagnard. Local administrations were strengthened by the assignment of 50 graduates of the National Institute of Administration who were recruited to fill Regional and Provincial Government positions. In addition, over 75 Montagnards were assigned lower level jobs in provinces and districts. During the year more than 5,600 cadre and Village and Hamlet officials were trained at the National Montagnard Training Center.

FY 1973 Program: Total funding required is $173,000 for: two U.S. direct-hire personnel ($76,000) and training costs for up to 46 participants ($97,000).

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Refugee Relief and Social Welfare	Refugees/Social Welfare		SA
PROJECT NUMBER 730-11-822-307	PRIOR REFERENCE P. B-62, B-63 FY 1972 Economic SA PDB	INITIAL OBLIGATION FY: 1966	SCHEDULED FINAL OBLIGATION FY: 1976

Project Target and Course of Action: Under this project the U.S. Government provides technical assistance to help the Government of Vietnam provide assistance to refugees and other displaced and needy persons.

The principal aspects of the GVN porgram which is administered by its Ministry of Social Welfare (MSW) are temporary care for new refugees and then reestablishment of these refugees within the society at the earliest possible time.

The MSW and its staff are responsible for construction and maintenance of temporary shelters and distribution of cash and commodities, including food, for new refugees. The MSW also plans and supervises the return or resettlement of refugees, including distribution of funds and commodities to assist the refugees in rebuilding their homes and making a readjustment to normal life. Commodity allowances include food, building materials, tools, and other equipment. Construction of housing is primarily a self-help effort.

Technical assistance is also being given to the MSW to assist the refugees in the development of cooperatives, animal husbandry, truck farming and cottage industries, and to offer them vocational training.

Resettlement sites require substantial physical improvement to become permanent hamlets. Those refugees who return to their original villages also require additional assistance over and above their initial allowances. The MSW funds large number of development projects to improve the infrastructure of resettlement sites and the hamlets to which refugees have returned.

The Ministry also assists needy persons such as widows and orphans and the physically disabled, through subsidies to private institutions, i.e., day-care centers, orphanages, homes for the aged, and community centers.

A.I.D. donated P.L. 480, Title II, commodities are distributed by the government and voluntary agencies to refugees, social welfare institutions, and school children.

During FY 1972, more than 30 U.S. and international voluntary agencies operated refugee relief and welfare programs. A.I.D. provides logistics support for all these voluntary agencies, and has contracts with three of them to supplement their own resources.

Progress to Date: Of the 3.8 million persons registered as refugees since 1965, 1.9 million have now returned to their original villages and 1.8 million have received benefits for resettlement elsewhere. During 1971, 140,000 persons were registered as new refugees; however, 65,000 of these were generated by the relocation of Montagnards in MR II, and another 45,000 by Vietnamese military operations in the U-Minh Forest of MR IV. There were only 30,000 new refugees generated during 1971 in the remainder of the country.

Preparations were made during 1971 for the voluntary relocation of refugees from economically non-viable refugee sites in MR I and II to their normal agricultural pursuits. The first such voluntary relocation was carried

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	25,256	23,223	2,033
Estimated FY 72	1,664	2,576	
Estimated through 6/30/72	26,920	25,799	1,121
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	983	1,016	28,919

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	1,408	97	1,505	958	–	958
Participants	36	–	36	25	–	25
Commodities	–	14	14	–	–	–
Other Costs	–	109	109	–	–	–
Total Obligations	1,444	220	1,664	983	–	983

PRINCIPAL CONTRACTORS/AGENCIES

International Rescue Committee
Catholic Relief Services
World Rehabilitation Fund

PROJECT TITLE	PROJECT NUMBER
Refugee Relief and Social Welfare	730-11-822-307

out in January 1972 when 1,400 refugees were moved from Ha Tan in Quang Tri Province just below the DMZ to a large rural area in Phuoc Tuy Province in MR III. It is hoped that, if this first relocation is successful, it will lead to the reestablishment of several thousand other refugees now living under sub-standard conditions.

In CY 1971, the Ministry of Social Welfare spent approximately VN$ 3.6 billion from the American Aid Chapter for the relief and rehabilitation of refugees and other war victims. For CY 1972, this amount will increase to VN$ 5 billion.

FY 1973 Program: Funding proposed for FY 1973 is $983,000: $958,000 for 35 U.S. direct-hire advisors, of whom only 15 will remain at the end of the year; and $25,000 for the training of 8 participants.

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
National Police Support	Public Safety		SA
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
PROJECT NUMBER 730-11-710-352	P. B-64, B-65 FY 1972 Economic SA PDB	FY: 1967	FY: 1978

Project Target and Course of Action: A.I.D. assistance under this project assists the Vietnamese National Police (NP) to maintain law and order and local security in pacified urban and rural areas, combat smaller VC elements and deny resources to the enemy. The development of an effective, well managed, better-trained National Police Force and the institutionalization of law enforcement are important elements in pacification and long-term national development.

Activity targets include provision of commodity, training and advisory support for a police force of 122,000 men by the end of FY 1973, improving National Police narcotic enforcement capability, assisting the National Identity Registration Program (NIRP) to complete registration of 11.5 million persons 15 years of age and over by the end of CY 1972, providing technical assistance to the continuing development of a humane and efficient police detention system, and supporting the expansion of village police stations.

Progress to Date: The NP force level expanded from 85,218 in CY 1969 to 113,686 at the end of CY 1971. This increase was made possible by an agreement between the Ministries of Interior and Defense to allow NP recruitment from certain military and civilian categories.

Registration under the National Identity Registration Program were initiated on October 1, 1968. By the end of 1971, over nine million persons were registered under this program.

In CY 1971, 24,500 police completed in-service training and 27,000 recruits were trained at three training centers. Under the participant training program, 140 Vietnamese received training--58 in the United States and 82 in other countries.

The effort to control narcotics was accelerated in 1969, and by 1971 A.I.D. had promoted the training of 1,025 police narcotics specialists and institutionalized nationwide narcotics enforcement in the police organization. A.I.D. is continuing to support training and information programs to sensitize the entire police organization and general populace to the narcotics problem. Arrests for narcotic law violations rose 60% during 1971 and seizures of heroin increased from 5 kilos to 123 kilos and marijuana from 2,850 kilos to 8,537 kilos. One full-time advisor had been programmed; however, 10 additional advisors were diverted from other duties to this high priority project.

More than 50% of all National Police were assigned to the district level and below. The number of police assigned to the village level has increased from 11,000 to over 31,000 and the number of village stations from 1,776 to 2,102. Efforts to control illegal movement of weapons, food, and drugs during 1971 resulted in 1,900 confiscations of weapons; 226,000 rounds of ammunition; 614,000 kilos of contraband foodstuffs; and 9,946,000 capsules and

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	49,422	47,500	1,922
Estimated FY 72	6,822	7,545	
Estimated through 6/30/72	56,244	55,045	1,199
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	6,179	15,959	78,382

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	5,636	-	5,636	5,283	-	5,283
Participants	253	-	253	121	-	121
Commodities	832	-	832	702	-	702
Other Costs	31	70	101	-	73	73
Total Obligations	6,752	70	6,822	6,106	73	6,179

PRINCIPAL CONTRACTORS/AGENCIES

PROJECT TITLE	PROJECT NUMBER
National Police Support	730-11-710-352

tablets of medicine or drugs.
FY 1973 Program: $6,179,000 is proposed for FY 1973; of this sum, $5,356,000 is for 156 U.S. direct-hire police advisors, 119 of whom will remain at the end of the fiscal year, and seven third-country nationals; $121,000 is for participant training and $702,000 for commodity support.

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Public Safety Telecommunications	Public Safety		SA
PROJECT NUMBER 730-11-710-299	PRIOR REFERENCE P. B-66 FY 1972 Economic SA PDB	INITIAL OBLIGATION FY: 1966	SCHEDULED FINAL OBLIGATION FY: 1978

Project Target and Course of Action: Under this project, A.I.D. provides support for the National Police Radiophone System for nationwide police operational communications from the national to the district level, and the Government of Vietnam Combined Telecommunications Directorate (CTD). The CTD facilities are a major part of the communications system available to the Government of Vietnam agencies and USAID from the national to the hamlet level, and its maintenance capabilities are used to assist in maintenance of the National Police Radiophone System. At the lower levels, CTD radios constitute the Village Hamlet Radiophone System (VHRS) and provide the primary method of security communications between approximately 2,300 villages, their subordinate hamlets and respective districts. In addition, the VHRS forms the major communications link with Allied military, paramilitary, National Police and Revolutionary Development Cadre (RDC). DOD funds new and replacement radios and spare parts for the VHRS. A.I.D. provides maintenance, training and technical assistance.

Progress to Date: Forty provincial and four regional maintenance shops for VHRS/RDC equipment have been established and are in operation. One hundred eighty-three technicians were trained locally in 1971 in various aspects of the telecommunications system. The CTD training school staff is now 100% Vietnamese. Due to the increased proficiency of CTD management and technical personnel, U.S. and T.C.N. contract technicians continue to be phased down.

At the end of 1971, a total of 51,613 radios were required. The bulk of these are necessary to permit communications with military and paramilitary security elements in rural areas.

FY 1973 Program: $428,000 is proposed to fund 12 direct-hire U.S. advisors, 10 of whom will remain at the end of the fiscal year.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	18,139	15,988	2,151
Estimated FY 72	1,623	2,014	
Estimated through 6/30/72	19,762	18,002	1,760
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	428	3,000	23,190

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	459	147	606	428	–	428
Participants	5	–	5	–	–	–
Commodities	827	–	827	–	–	–
Other Costs	–	185	185	–	–	–
Total Obligations	1,291	332	1,623	428	–	428

PRINCIPAL CONTRACTORS/AGENCIES

Country: VIETNAM

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Correction Centers	Public Safety		SA
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
PROJECT NUMBER 730-11-710-353	P. B-67 FY 1972 Economic SA PDB	FY: 1967	FY: 1973

Project Target and Course of Action: Under this project, A.I.D. provides support for improvements in Vietnamese prison conditions. There is a need to expand the capacity of existing prisons, improve security, and continue to develop better health and rehabilitation facilities.

Specific targets include the addition of up to 1,000 trained personnel to administer correction centers, further expansion and improvement of medical and sanitation facilities, vocational training, relocation of prisoners in order to reduce overcrowding, and inauguration of a system of parole.

Progress to Date: The problems of poor prison security, inadequate space, and health conditions have been significantly reduced. Facilities for 36,923 prisoners existed at the end of 1971 as compared to 33,435 in 1969. Prisoner mortality has been reduced from a monthly average of 1.4 per thousand in 1967 to .3 per thousand in 1971. Four thousand prisoners were moved to more secure prisons to alleviate overcrowding.

Renovation and improvement of medical and sanitation facilities were completed in 23 of the 42 prison centers.

Vocational training is now being conducted at all 42 correction centers through resources of the Ministry of Education.

FY 1973 Program: $155,000 is proposed for FY 1973; of this sum, $68,000 is for two U.S. direct-hire advisors, none of whom will remain at the end of the fiscal year, and $87,000 is for three U.S. advisors under a PASA with the Federal Bureau of Prisons.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	1,364	1,228	136
Estimated FY 72	399	455	
Estimated through 6/30/72	1,763	1,683	80
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	155	-	1,918

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	77	171	248	68	87	155
Participants	24	-	24	-	-	-
Commodities	127	-	127	-	-	-
Other Costs	-	-	-	-	-	-
Total Obligations	228	171	399	68	87	155

PRINCIPAL CONTRACTORS/AGENCIES

PROJECT TITLE	PROJECT NUMBER
Economic Development Fund	

As noted in the Vietnam narrative statement above, we are requesting $75 million for an Economic Development Fund in FY 1973. This will be used for support of (1) intermediate credit institutions for loans to private investors and (2) for a variety of public infrastructure development projects. Of the $75 million, $50 million will be to support loans to private investors, and $25 million to the Government of Vietnam for public development projects.

Private Sector Development ($50 million)

The GVN will make loans in piasters, but backed by dollars, to qualified intermediate credit institutions (ICI's) such as the Industrial Development Bank, the Agricultural Development Bank, SOFIDIV, Credit Commercial, etc., for medium term credit to local investors. Interest has been shown in farm equipment, cold storage, fishing boats, textiles, and food processing. President Thieu has announced the establishment of a private investment fund and a GVN contribution of 10 billion piasters to it. We hope that the establishment of this fund and the U.S. contribution will encourage other nations and organizations to do likewise.

Public Sector Development ($25 million)

We anticipate proposals for municipal water, power, air transport, fishing ports and bridges, among others. There are several public sector projects which are either on-going and should be expanded or have had sufficient feasibility and design work accomplished so that they are ready for implementation. These projects are described below.

1. Municipal Utilities Loan Fund: A National Water Loan Fund, administered by the semi-autonomous National Water Supply Agency, has been in operation since 1969. A.I.D. made an initial contribution of $1 million in FY 1969 (see FY 1972 Economic Supporting Assistance Project Data Book, p. B-56) to meet foreign exchange costs. This contribution was matched by the Government of Vietnam in piasters to meet local costs. The objective is to develop a GVN capability to evaluate the feasibility of loan applications from cities and towns and to place improvements in urban water and sewerage systems on a financially sound and self-sustaining basis.

Through the end of 1971, three loans have been approved for Tuy Hoa, Dalat and Sadec ($850,000), as well as loans to 23 other communities for water meters and spare parts ($100,000). A local currency loan also has been approved for Da Nang. Thus, $950,000 of the initial $1 million foreign exchange contribution has been loaned to specific cities.

We propose to provide $3 million in FY 1973 to permit additional lending to municipalities where design work is either under way or scheduled to take place soon. The dollars, when approved, will be used to acquire U.S. equipment such as pipe, pumps, treatment plants.

2. My Thuan Bridge: The objective here is to construct a bridge over the Mekong River at a site approximately six miles west of the city of Vinh Long and thus eliminate one of the most serious traffic bottlenecks in all of Vietnam.

Highway No. 4, the major land transport route between Saigon and the fertile Mekong Delta, traverses the Delta on a north-south axis and is the major line of communication permitting the flow of rice and other crops and commodities from the Delta northward. Maintenance of free, uninterrupted and rapid transit along this route is of paramount importance to the economic development of the Delta and, to a lesser degree, other parts of the country.

The Mekong River bisects Route No. 4 west of Vinh Long City and is crossed now by ferry. This ferry crossing has become a severe "bottleneck" as improved security and greatly improved agricultural production have increased road traffic. Waiting time at this crossing has increased to several hours for commercial traffic, resulting not only in much lost time but food spoilage and livestock losses.

In 1971 the Mekong Coordinating Committee (MCC) helped the Governments of Vietnam and the Khmer Republic to reach an agreement upon required bridge clearances for

international navigation on the river and solicited support from other countries for construction of the proposed bridge. Five other countries have expressed a desire to contribute to this project contingent upon U.S. participation. The U.S. has indicated an interest in participation, subject to availability of funds, once security and economic conditions favor construction of the bridge. We believe conditions will be favorable to permit construction to begin in FY 1973.

Total construction cost is estimated at $30 million. The GVN is expected to finance half of this, including local costs. The U.S. would fund up to one-quarter of the cost, or $7.5 million (all in the form of foreign exchange), and other donors are expected to fund the remaining quarter.

3. Electric Power Development: The National Power Survey of Vietnam financed by A.I.D. and conducted by the Detroit Edison Company reported in February 1972 that approximately $1.2 billion of investments would be required to finance growth of the Vietnam Power Company over the next fifteen years. Most of this expansion will be financed by the Vietnamese or by other donors. The design and construction of certain hydroelectric facilities, however, must start as soon as possible if the schedule outlined in the survey is to be met and costs kept to a minimum. The objective of this project is to provide the funds to permit the Vietnam Power Company to make such a start.

A.I.D. has made sizable contributions in past years to help Vietnam meet some of its more pressing power requirements. Emergency generating equipment has been installed over a wide area and significant permanent improvements involving thermal plants have been made around Saigon. The GVN has consolidated the two principal electric power suppliers into one new, better managed and financed company. Recently an A.I.D. financed power survey for the entire country was completed and financial assistance from several nations is being sought.

$8.5 million is proposed: $2.5 million to finance contract services to carry out field engineering services and detailed design of the most advantageous hydroelectric project; and $6 million to procure commodities for expansion of distribution systems to deliver increased generation to industry and household consumers.

4. Fishing Port Development: Fishery exports are the most immediate means by which Vietnam could increase its foreign exchange earnings in the short run. Better port facilities are required to serve both the current and soon a more modern fishing fleet. This project would finance the foreign exchange costs of the design and construction of improvements to two or three of the more important ports presently used by the fishing industry.

A 1969 A.I.D.-financed study estimated that over $75 million of shrimp, other crustacea and selected fish exports can be realized in ten years. United Nations studies by the Food and Agriculture Organization have proven rich off-shore fishery resources which have not previously been exploited by the Vietnamese. Primitive boats, lack of shore facilities, and unfavorable exchange rates have hindered these exports. Now the Asian Development Bank has recently extended $2.5 million of credit for the modernization of the fishing fleet and commercial processing facilities. A.I.D. is presently conducting a survey of fishing port requirements (results to be reported this summer) which will identify the most urgent requirements for navigational improvements, power and water supply, boat servicing, etc.

$6 million is proposed of which $1.5 million would be for detailed engineering designs of the two or three most economic ports for future fishery exploitation as identified by the Survey, and $4.5 million for construction of highest priority navigational and utility improvements.

COUNTRY: VIETNAM

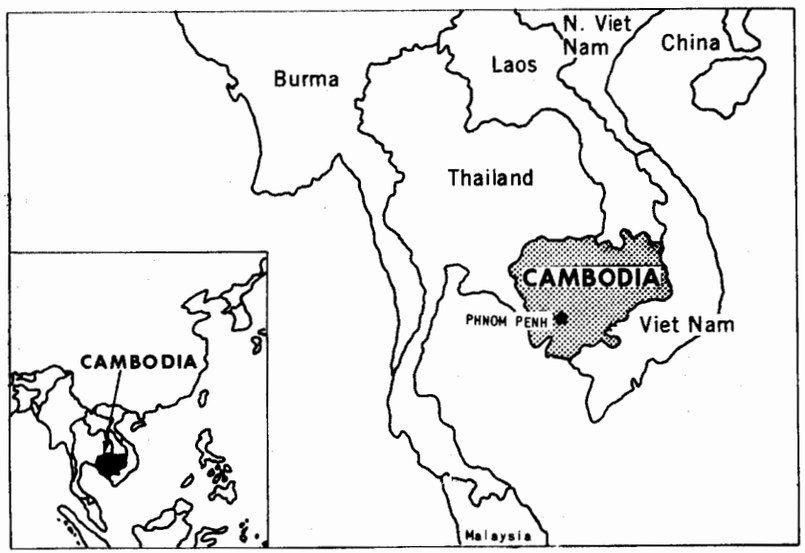
PROJECT DATA SUMMARY

(Dollar Amounts in Thousands)

Table IV

Project Title	*	Project Number	FY of Initial Obligation	FY of Scheduled Final Obligation	Through FY 1971			Estimated FY 1972			Proposed Program FY 1973	Future Year Obligations	Estimated Total Cost
					Obligations	Expenditures	Unliquidated Obligation 6/30/71	Obligations	Expenditures	Unliquidated Obligation 6/30/72			
Provincial Roads and Quarries		730-11-310-392	68	72	14,747	8,860	5,887	1,861	2,980	4,768			16,608
Nha Trang Streets		730-11-310-396	67	69	3,000	2,222	778	-	500	278			3,000
Port Management and Operations		730-11-340-389	67	72	7,855	7,349	506	341	602	245			8,196
Inland Waterways Improvement		730-11-350-297	65	70	8,670	7,809	861	-	585	276			8,670
Civil Airlines Advisory Assistance		730-11-370-394	68	71	1,490	784	706	-	706	-			1,490
Malaria Control		730-11-510-313	67	72	998	955	43	206	219	30			1,204
National Information Services		730-11-960-267	63	72	8,939	7,307	1,632	741	1,163	1,210			9,680
Regional Population		730-11-590-200	67	69	100	50	50	-	50	-			100
National Health Advisory Services		730-11-590-373	67	69	527	485	42	-	42	-			527
Agricultural Education		730-11-620-323	66	70	1,410	1,255	155	-	155	-			1,410
Hamlet and Elementary Education		730-11-640-319	67	70	6,474	6,256	218	-	218	-			6,474
Secondary Education		730-11-650-365	67	72	4,904	4,077	827	54	749	132			4,958
Nguyen Truong To School		730-11-650-397	68	69	2,454	1,176	1,278	-	962	316			2,454
Central Government Administration		730-11-720-371	67	70	1,689	1,596	93	-	93	-			1,689
Minh Mang Housing		730-11-860-395	67	71	4,184	4,122	62	-	62	-			4,184
Logistics Management and Operations		730-11-970-329	66	68	8,147	7,889	258	-	258	-			8,147
National Maintenance System		730-11-970-382	67	72	16,897	15,937	960	445	1,251	154			17,342
Warehousing and Distributions		730-11-970-390	67	72	8,421	7,689	732	546	939	339			8,967
Mission Wide Commodity Support		730-11-995-330	66	70	68,979	66,642	2,337	-	2,337	-			68,979
Saigon Area Action Program		730-11-995-370	67	71	5,390	3,602	1,788	-	1,225	563			5,390
Provincial and Rural Electrification		730-12-220-379	67	69	2,593	2,071	522	-	262	260			2,593
Telecommunications		730-12-225-029	58	72	14,348	14,139	209	125	334	-			14,473
Saigon Water and Sewerage		730-12-521-358	67	71	7,492	6,584	908	-	706	202			7,492
Provincial City Water Supply		730-12-521-386	67	69	2,351	1,940	411	-	411	-			2,351
National Water Loan Fund		730-12-521-398	69	70	1,000	-	1,000	-	700	300			1,000
						Total		4,319	17,509	9,073			207,378

CAMBODIA - GENERAL ECONOMIC DATA



BASIC DATA

Population (millions; mid-1971)	7.0
Annual Growth Rate (percent)	2.2
Area (1,000 square miles)	70
Population Density Per Sq. Mile	100
Agricultural Land as % of Area	20
% of Labor Force in Agriculture	80[b]
Per Capita GNP (1970; dollars)	111
Life Expectancy (Years)	44
People per Doctor	22,260
Literacy Rate (percent)	41
Students as % of 5-19 Age Group (Primary and Secondary)	42

PRODUCTION TRENDS

	1967	1968	1969	1970	1971 Est.
Agricultural Production					
Total Index (1961-65=100)	129	104	146	100	86
Index Per Capita (1961-65=100)	118	93	128	86	72
Rice, rough (1,000 MT)	3,250	2,500	3,810	2,730	2,380
Electric Power Production (Million KWH)	95	120[E]	130[E]	135[E]	140[E]
INTERNATIONAL TRADE ($ millions)					
Total Exports (f.o.b.)	83	89	78	40	12
Rice	(37)	(37)	(12)	(16)	(2)
Total Imports (c.i.f.)	-96	-116	-121	-54	-53
Trade Balance	-13	-27	-43	-14	-41
GOLD & FOREIGN EXCHANGE ($ millions)†					
Official Reserves	91	77	66	60	35
Commercial Bank Holdings	19	16	11	11	17
CONSUMER PRICE INDEX (1963=100) (Phnom Penh)	105	111	118	132	240

CENTRAL GOVERNMENT FINANCES[a]

(FY Ending December 31)

	1970	1971
	(Millions of dollars)*	
Total Expenditures	216	310
(Defense Expenditures)	(108)	(203)
(Capital Outlay)	(n.a.)	(n.a.)
Total Domestic Revenues	87	85
As Percent of GNP	11.4	n.a.
Deficit (-) or Surplus (+)	-129	-225

* - Converted at 55 riels per U.S. $. † Gross basis; end of period. End 1971 gold is valued at $38 an ounce and foreign exchange at realigned exchange rates. E - Estimate. n.a. - Not available. a - Budget estimates. b - Pre-hostilities.

CAMBODIA

PROGRAM SUMMARY (In millions of dollars)			
	FY 1971 Actual	FY 1972 Estimated	FY 1973 Proposed
Security Supporting Assistance	70.0	37.1	75.0

OBJECTIVES OF U. S. ASSISTANCE

The basic objective of U. S. economic supporting assistance is to enable Cambodia to withstand the abnormal economic dislocations caused by the North Vietnamese and Viet Cong invasion. Without such external assistance, political instability and disruption of the economy would be inevitable. The U. S. economic aid program complements United States support of Cambodian military efforts.

POLITICAL, MILITARY, AND ECONOMIC SETTING

The continuing presence within the country of an estimated 65,000 North Vietnamese and Viet Cong troops strongly affects all aspects of life in Cambodia. The North Vietnamese continue to use Cambodia as a major transit point and rest and recuperation center for their operations in South Vietnam. The northeastern provinces of Cambodia serve as an extension of the Ho Chi Minh trail. Currently, the North Vietnamese and Viet Cong control roughly one-third of Cambodia's territory, in which about twenty percent of its population lived as of March 1970. The enemy has the capability to harass or conduct hit-and-run raids throughout most of the rest of the country. The Cambodian Armed Forces have expanded from a pre-war level of 35,000 to an estimated level of some 200,000 men, but the armed forces suffer from problems of organization, leadership, and modernization at the same time that they are required to undertake active combat with the enemy.

Despite these difficulties, the internal political situation in Cambodia has remained remarkably stable. The present leadership has undertaken a major change in Cambodia's response to North Vietnamese use of its territory as compared to the Sihanouk era. Rather than allowing the initiative to rest with others, the Cambodian Government has elected to defend its territory against foreign occupation and attempts to preserve its territorial integrity through its own efforts. The political goals for which the Government stands -- neutrality, territorial integrity, independence -- have the support of the Cambodian people.

ECONOMY

However, the consequences of the Cambodian decision to fight the invaders continue to pervade the economy. Trade is disrupted by North Vietnamese/Viet Cong interdiction of key lines of communication through destruction of rail lines and bridges, and general harassment of traffic. Production in agriculture has declined because of loss of territory and labor shortages resulting from the military buildup. Production of rice, particularly, has fallen sharply. All of the major rubber plantations have ceased operations, and many plantation facilities are either damaged or destroyed. Production of tobacco, cotton, oils and other crops is also off sharply. In the industrial sector, manufacturing output has fallen bacause of shortages of raw materials and manpower and, in some cases -- such as -- cement plant, phosphate plant, oil refinery, sugar refinery and paper mill -- because of war damage or enemy control of the area. Tourism has disappeared. The war has caused a decline in total domestic production estimated at $120 million in 1970 and $136 million in 1971.

Budget expenditures have increased sharply because of the expansion of the army. At the same time, government revenues have declined due in part to the insecurity which inhibits domestic tax collections and in part to the

decline of imports and exports. The increase in money supply resulting from budget deficits and the contraction in the supply of goods have caused a price inflation of about 140 percent between March 1970 and December 1971.

To counteract these inflationary price pressures, the government, on the advice of the IMF, undertook a far-reaching economic stabilization program in October 1971. This program includes:

-- controls on government expenditures;

-- contraction of available bank credit through public borrowing;

-- an increase in interest rates to encourage savings and to reduce nonessential consumption expenditures;

-- reduction in government subsidies to state-owned enterprises;

-- liberalization of the import regime to help expedite import arrivals and thus increase the availability of goods in the marketplace; and

-- institution of an adjustable foreign exchange rate system.

Since March 1970, through successive devaluations, the riel has been depreciated from 55 to 145 to the dollar.

Also on the advice of the IMF, the government has succeeded in establishing a multilateral Exchange Support Fund (ESF) to help finance those foreign exchange requirements which cannot be financed under bilateral aid programs. As a result of meetings held in Washington in September, in Paris in November, and finally in Phnom Penh in January 1972, Cambodia has obtained pledges or provisional pledges to the Fund by the United States, Japan, Australia, the United Kingdom, New Zealand, Thailand, and Malaysia. Also, to conserve foreign exchange the Cambodian Government has undertaken to reschedule as much of its external debt as possible, particularly with France and Germany.

PROPOSED FY 1973 PROGRAM

The FY 1973 AID program will continue to provide foreign exchange financing for imports to help offset declines in Cambodia's domestic production and export earnings. An estimated $75 million in Supporting Assistance funds will be required in FY 1973.

For FY 1973, the United States is also planning a $30 million P. L. 480 program and $225 million in Military Assistance.

The $75 million of Supporting Assistance is proposed to be used as follows:

		($ thousands)
A.	Commodity Import Program (CIP)	$55,500
B.	(1) U. S. contribution to ESF for CY 72	12,500
	(2) U. S. contribution to ESF for CY 73 (first half)	6,250
C.	Technical Support Costs	750
		$75,000

A. Commodity Import Program - $55.5 million

A $55.5 million Commodity Import Program (CIP) is required in FY 1973 for licensing of essential imports in order to prevent a serious deterioration in Cambodian living standards. The $55.5 million estimate takes into account (1) the availability of an Economic Support Fund (ESF) to finance other imports, (2) an anticipated decline in Cambodia's own reserves, and (3) the setting of the rate of exchange at a realistic level and institution of a preferential rate for U. S. goods, both of which should increase demand for CIP goods.

CAMBODIA

In FY 1971, $70 million was provided for commodity imports and in FY 1972, we estimate about $17 million (in addition to a $20 million cash grant). The decline in 1972 was due to the slow start-up in the FY 1971 program and the consequent pipe line of unlicensed funds. As of the date of this presentation, about $55 million of the $70 million is committed or earmarked; thus the pipeline of uncommitted funds going into FY 1973 will be sharply reduced as compared to the end of FY 1971. There is a need for new obligational authority of $55.5 million in FY 1973.

In order to help develop a market for U.S. goods in an economy that traditionally traded elsewhere, the Cambodian Government has agreed to a favorable differential rate of exchange for CIP financing imports from the U.S. The spread between that rate and the exchange rate applicable to other imports is about 30%. The Cambodian Government is providing additional inducements in terms of importer credit and advance payment requirements. It is our expectation that these measures will help to increase the percentage of imports from the United States, while at the same time providing an adequate flow of resources into Cambodia.

B. Exchange Support Fund

Faced with declining reserves and virtual elimination of foreign exchange earnings, and the fact that the U.S. Commodity Import Program is not designed to nor can it finance all essential foreign exchange transactions, the Cambodian Government sought an alternative source of financial support. The recently established multilaterally-financed Exchange Support Fund (ESF) serves this purpose.

The Cambodian Government and other participating donors have agreed that the ESF's resources should be limited to financing (a) certain commodities for which bilateral commodity import programs are not feasible and (b) services and commodities required in connection with capital projects or technical assistance. These resources will not be used for payment of debt, capital transfers and other items reserved for financing by the Cambodian Government's own foreign exchange. The Fund's resources will thus be used for limited particular requirements in accordance with rules and procedures established by representatives of the multilateral membership rather than any individual donor's bilateral rules and procedures.

At the third multinational meeting on the ESF, held in Phnom Penh in January, the United States made a tentative pledge of $12.5 million to the Fund for calendar year 1972, with the understanding that this amount would be made from FY 1973 funds yet to be appropriated by the Congress. This constitutes about one-third of the total Fund. Japan pledged $5 million; New Zealand, $120,000; Thailand, $250,000; Malaysia, $100,000; and Australia, $1 million. Subsequently, the United Kingdom pledged $520,000, and other donors may elect to join the Fund as well. The Cambodians will put $15 million into the Fund in 1972, $6.25 million of which will be a special drawing on the IMF.

The FY 1973 request includes $18.75 million, $12.5 million for the U.S. contribution to carry out the ESF pledge made in January, subject to Congressional appropriations, for a calendar year 1972 contribution, and a $6.25 million contribution for the first six months of calendar year 1973. If required after FY 1973, contributions will be on a U.S. fiscal year basis.

C. Technical Support

For FY 1973, $750,000 is needed to fund the personnel and overhead costs of carrying out the program in the field.

CONTRIBUTIONS BY OTHERS

In addition to Cambodia and the United States, six other nations (Japan, New Zealand, Thailand, Malaysia, Australia and the United Kingdom), are contributing cash resources to the multilateral Exchange Support Fund.

There are also a number of other bilateral aid programs in Cambodia. Japan has given substantial amounts of rice and humanitarian relief, principally through its Red Cross. Other recent contributors include France, Denmark, Israel, New Zealand, Australia, South Korea, Thailand, Malaysia and Belgium. The UNDP, the Mekong Committee, and the Asian Development Bank are also helping Cambodia with technical assistance or loans.

OUTLOOK FOR FUTURE YEARS

If peace is achieved in Indochina, the economic outlook for Cambodia is fair. With a settlement or a subsiding of hositilities, commercial traffic would resume its normal pattern, and production and shipments would return to near pre-hostility levels. Manpower would be released from military service and return to domestic agricultural and industrial pursuits. The need for external assistance to finance essential imports for current consumption would drop off sharply. The recent currency devaluation would make Cambodian agricultural exports competitive and commercially attractive, despite the price inflation, and tourism to Angkor Wat would again become an important source of foreign exchange. The unsettling experience of the war and its catalytic effect on energizing the Government and the populace from their traditional low level of economic activity should lead to new efforts to modernize and develop the economy. The priority areas for such efforts would be agriculture on the physical resource side and education on the human resource side.

Cambodia [a/]

(U.S. Fiscal Years - Millions of Dollars)

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS - OBLIGATIONS AND LOAN AUTHORIZATIONS														REPAYMENTS AND INTEREST 1946-1971	TOTAL LESS REPAYMENTS AND INTEREST
	POST-WAR RELIEF PERIOD	MARSHALL PLAN PERIOD	MUTUAL SECURITY ACT PERIOD	FOREIGN ASSISTANCE ACT PERIOD										TOTAL 1946-1971		
	1946-1948	1949-1952	1953-1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971			
A. OFFICIAL DEVELOPMENT ASSISTANCE																
A.I.D. AND PREDECESSOR AGENCIES - TOTAL			217.6	34.1	20.0	3.4	-	-	-	-	-	-	70.0	321.6 [b/]	-	321.6
Loans			-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants			217.6	34.1	20.0	3.4	-	-	-	-	-	-	70.0	321.6	-	321.6
(Supporting Assistance)			(203.6)	(21.0)	(11.4)	(0.5)	(-)	(-)	(-)	(-)	(-)	(-)	(70.0)	(291.7)		
FOOD FOR PEACE - TOTAL			2.3	*	*	*	*	*	*	*	*	*	6.8	9.3	-	9.3
Title I - Total			-	-	-	-	-	-	-	-	-	-	6.8	6.8	-	6.8
REPAYABLE IN U.S. DOLLARS - LOANS			-	-	-	-	-	-	-	-	-	-	-	-	-	-
PAYABLE IN FOREIGN CURRENCY - Planned for Country Use.	NO PROGRAMS		-	-	-	-	-	-	-	-	-	-	6.8	6.8	-	6.8
Loans	PRIOR		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants	TO FY 1955		-	-	-	-	-	-	-	-	-	-	6.8	6.8	-	6.8
Title II - Total			2.3	*	*	*	*	*	*	*	*	*	*	2.5	-	2.5
EMERGENCY RELIEF, ECON. DEVELOPMENT & WORLD FOOD			2.3	-	-	-	*	-	-	-	-	-	-	2.4	-	2.4
VOLUNTARY RELIEF AGENCIES			*	*	*	*	*	*	*	*	*	*	*	0.1	-	0.1
OTHER OFFICIAL DEVELOPMENT ASSISTANCE			-	-	-	-	-	-	-	-	-	-	-	-	-	-
PEACE CORPS			-	-	-	-	-	-	-	-	-	-	-	-	-	-
OTHER			-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE			219.9	34.1	20.0	3.4	*	*	*	*	*	*	76.8	330.9	-	330.9
Loans			-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants			219.9	34.1	20.0	3.4	*	*	*	*	*	*	76.8	330.9	-	330.9
B. OTHER OFFICIAL																
EXPORT-IMPORT BANK LONG-TERM LOANS			-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL ECONOMIC			219.9	34.1	20.0	3.4	*	*	*	*	*	*	76.8	330.9	-	330.9
Loans			-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants			219.9	34.1	20.0	3.4	*	*	*	*	*	*	76.8	330.9	-	330.9
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.) [c/]			64.7	8.7	9.9	0.3	-	-	-	-	-	8.5	183.0	278.5	-	278.5
Credit Sales (FMS)			-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants			64.7	8.7	9.9	0.3	-	-	-	-	-	8.5	183.0	278.5	-	278.5
(Additional Grants from Excess Stocks)			(3.0)	(0.5)	(0.8)	(-)	(-)	(-)	(-)	(-)	(-)	(0.2)	(7.1)	(11.5)	(-)	(11.5)
OTHER MILITARY ASSISTANCE GRANTS			-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL MILITARY			64.7	8.7	9.9	0.3	-	-	-	-	-	8.5	183.0	278.5	-	278.5
TOTAL ECONOMIC AND MILITARY			284.6	42.8	29.9	3.7	*	*	*	*	*	8.5	259.8	609.4	-	609.4
Loans			-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants			284.6	42.8	29.9	3.7	*	*	*	*	*	8.5	259.8	609.4	-	609.4

* Less than $50,000. a/ Excludes aid to Indochina prior to partition. b/ The cumulative total reflects deobligations; annual data represent total new obligations in that year.
c/ Annual data through FY 1963 are deliveries; subsequent years are annual program data. Totals for the entire period are cumulative program figures.

ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1970	FY 1971	FY 1946-71
TOTAL	3.7	0.8	19.3
Asian Development Bank	1.7	-	1.7
UNDP-Special Fund	1.3	-	6.8
UNDP-TA (CY)	0.4	0.4	6.9
Other UN (CY)	0.3	0.4	3.9

D.A.C. COUNTRIES (EXCLUDING U.S.)
OFFICIAL BILATERAL GROSS EXPENDITURES

DONOR	CY 1969	CY 1970	CY 1960-70
TOTAL	11.5	18.5	78.9
France	6.1	7.1	49.9
Japan	3.0	5.8	15.0
Germany	1.0	1.6	5.4
Other	1.4	4.1	8.5

ECONOMIC ASSISTANCE FROM COMMUNIST COUNTRIES
(Loans and Grants Extended)

1970 (Calendar Year)	-
1971 (Calendar Year)	-
Cumulative Thru 1971	13.4

SUMMARY OF PROGRAM BY FUNCTION

(Dollar Amounts in Thousands)

Country: CAMBODIA

TABLE II

Category	Actual FY 1971				Estimate FY 1972				Proposed FY 1973			
	Total	Tech. Assist.	Supp. Assist.	Population	Total	Supp. Assist.	Population	Narcotics	Total	Supp. Assist.	Population	Narcotics
Development Loan Program		XXX	XXX	XXX		XXX	XXX	XXX		XXX	XXX	XXX
Programs Other than Devel. Loan												
Project Assistance												
U.S. Technicians	69		69		452	452			665	665		
Participants	-		-		-	-			-	-		
Commodities	94		94		86	86			-	-		
Other Costs	50		50		60	60			85	85		
Total Project Assistance	213		213		598	598			750	750		
Method of Financing												
Project Assistance												
Direct A.I.D.	213		213		598	598			750	750		
Other Agency	-		-		-	-			-	-		
Contract	-		-		-	-			-	-		
Program Assistance	69,787		69,787		36,502	36,502			74,250	74,250		
Total	70,000		70,000		37,100	37,100			75,000	75,000		
Total Assistance	70,000	XXX	XXX	XXX	37,100	XXX	XXX	XXX	75,000	XXX	XXX	XXX

NUMBER OF U.S. TECHNICIANS (Program Overseas)

TYPE OF TECHNICIAN	On Duty At Close of Year		
	Actual FY 1971	Estimate FY 1972	Proposed FY 1973
A.I.D. employed	3	12	17
Participating agency	-	-	-
Contractor technicians	-	-	-
Total	3	12	17

NUMBER OF PARTICIPANTS

TYPE OF PARTICIPANT	Programmed During Year		
	Actual FY 1971	Estimate FY 1972	Proposed FY 1973
Non-contract			
Contract			
Total			

Country: CAMBODIA

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Technical Support	General and Miscellaneous		SA
PROJECT NUMBER 442-11-999-000	PRIOR REFERENCE P. C-4, FY 1972 Economic SA PDB	INITIAL OBLIGATION FY: 1971	SCHEDULED FINAL OBLIGATION FY Reviewed Annually

Project Target and Course of Action: This project provides the personnel and overhead costs required to administer the program assistance being provided to the Khmer Republic. It includes the pay and allowances for up to 20 permanent technicians assigned to the United States Embassy Economic Section, Phnom Penh, and the administrative support costs of these personnel. It also includes pay for temporary duty and out-of-country personnel whose services are required to monitor the economic assistance program. The funds for this project are included in the $75 million level of economic aid requested for the Khmer Republic in FY 1973. The funds provided in FY's 1971 and 1972 for this activity were used in establishing and operating the Economic Section in Phnom Penh and arranging for equipment to support American employees and families.

FY 1972 Program: For FY 1973, $750,000 is requested. Of this amount, $665,000 will cover salaries and expenses of 20 direct-hire technicians to administer U. S. program assistance in Phnom Penh and one support position in Bangkok. Under other costs, $85,000 will fund salaries of five local employees and transportation and allowances for temporary A.I.D. personnel required to ensure reasonable and prudent controls over U. S.-financed imports.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	213	96	117
Estimated FY 72	598	616	
Estimated through 6/30/72	811	712	99
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	750	Undetermined	

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	452	–	452	665	–	665
Participants	–	–	–	–	–	–
Commodities	86	–	86	–	–	–
Other Costs	60	–	60	85	–	85
Total Obligations	598	–	598	750	–	750

PRINCIPAL CONTRACTORS/AGENCIES

LAOS - GENERAL ECONOMIC DATA

BASIC DATA

Population (millions; mid-1971) ..	3.0[a]	Life expectancy (years)	35
Annual Growth Rate (percent) ...	2.4	People Per Doctor	23,380
Area (1,000 square miles)	91[a]	Literacy Rate (percent)	15
Population Density per sq. mi. .	33	Students as Percent of 5-19 Age Group (Primary & Secondary)	32
Agricultural Land as % of Area .	7		
GNP Per Capita (1970; dollars) ...	73[b]		

PRODUCTION TRENDS

	1967	1968	1969	1970	1971 Est.
Agricultural Production					
Rice, rough (1,000 MT)[c]	470	525	540	565	525
Timber prod. (1,000 cu. meters)	115	67	118	73	76
Electric Power Output (Million KWH)[d]	31	32	38	46	48

INTERNATIONAL TRADE ($ millions)

Total Exports (f.o.b.)[e]	2.3	2.9	2.1	2.9	2.7
Tin Ore	(1.1)	(1.6)	(1.1)	(1.5)	(1.4)
Total Imports (c.i.f.)[f]	-44.8	-47.3	-51.2	-51.2	-55.0
Trade Balance	-42.5	-44.4	-49.1	-48.3	-52.3

GOLD & FOREIGN EXCHANGE ($ millions)[g]

Official Reserves[h]	5.7	5.8	5.3	6.2	8.0
Commercial Holdings	n.a.	1.4	2.3	3.6	3.5
CONSUMER PRICE INDEX (1963=100) ..... (Vientiane)	274	288	297	298	300

a - About 2/3 of the population and 1/2 the area are under Royal Lao Government control. b - Estimated directly in dollars. c - Revised series; production of RLG-controlled area only. d - 1969 and 1970 output include imports from Thailand of 16.9 and 33.0 million KWH respectively. e - Recorded commercial exports only. f - Estimates based on trading partner data. g - Gross basis, end of year. End 1971 gold is valued at $38 an ounce and foreign exchange at realigned exchange rates. h - Includes inconvertible holdings.

CENTRAL GOVERNMENT FINANCES
(FY Ending June 30)

	Million Kip 1971	Million Kip 1972	Million Dollars[a] 1972
Total Expenditures	19,380	21,260	35
(Defense Expenditures)	(10,185)	(10,750)	(18)
(Capital Outlays)	(428)	(616)	(10)
Total Domestic Revenues	7,007	9,700	16
As % of GNP	n.a.	n.a.	n.a.
Deficit (-) or Surplus (+) ...	-12,373	-11,560	-19

a - Converted at 605 kip per dollar.
n.a. - Not available.

LAOS

INDEX

		Page
Table I -	Summary of Country Program	D-1
Table II -	Summary of Program by Function	D-8
Table III - (Projects)	Agriculture Development	D-9
	Industry Development	D-10
	Development of Lao National Roads	D-11
	Maternal and Child Health	D-12
	Public Health Development	D-13
	Education Development	D-14
	Civil Police Administration	D-15
	Development of Rural Economy	D-16
	Refugee Relief and Resettlement	D-17
	Air Technical Support	D-18
	Public Administration Development	D-19
	General Technical Support	D-20

LAOS

PROGRAM SUMMARY (In millions of dollars)			
	FY 1971 Actual	FY 1972 Estimated	FY 1973 Proposed
Security Supporting Assistance	41.4	47.0	49.8
Technical Assistance	(6.6)	(-)	(-)
Population	(.9)*	(.5)	(.9)
Total	(48.9)	(47.5)	(50.7)

*Funded from Development Loan account.

OBJECTIVES OF U. S. ASSISTANCE

The primary U. S. objective in Laos is to maintain an independent Laos, neutral within the framework established by the 1962 Geneva Agreements and capable of protecting itself and the security of the Mekong River Valley from North Vietnamese and Lao People's Liberation Army aggression.

POLITICAL, MILITARY, AND ECONOMIC SETTING

Although Laos is sparsely populated and is one of the least developed countries in the world, it occupies a strategic geographic position in the Indochina Peninsula. It has common borders with China, North Vietnam, South Vietnam, Cambodia, Thailand and Burma. Laos does not have the economic or military power to protect itself against these more powerful neighbors, but its continued existence as an independent buffer state is crucial to any political stabilization of Indochina.

In 1962 a Government of National Union was established by agreement among the three Lao factions--communist, rightist and neutralist. In 1964 the Lao Communists withdrew from their seats in the cabinet and undertook a policy of military opposition to the Lao Government. The Government of National Union could again become operative if the Lao Communists should choose to re-occupy their cabinet seats.

There are about 100,000 North Vietnamese troops in northern and southern Laos in addition to the approximately 40,000 soldiers of the communist Lao People's Liberation Army. The combined communist forces control about half of northern and northeastern Laos and the eastern half of the southern panhandle, through which runs the major North Vietnamese supply line to South Vietnam.

Faced with the aggressive posture of the communist forces, the Lao Government is forced to maintain defensive military forces -- regular and irregular -- of about 90,000 men. This military force represents a large proportion of the working force of the population under Lao Government control. Out of a total population of three million, about two million live in areas controlled by the Government. A cumulative total of about 700,000 persons have been displaced at one time or another and required assistance as refugees. A.I.D. and the Lao Government are currently providing assistance for about 290,000 refugees.

In these adverse circumstances, Laos' largely subsistence agriculture economy cannot provide adequate tax revenues to finance both military and civilian expenditures, and the Government must resort to deficit financing for well over half of its budget each year. To offset the very great inflationary pressures that would result from this deficit, the United States has joined with Japan, the United Kingdom, Australia and France in contributing to a Foreign Exchange Operations Fund (FEOF), which comprises the core of the Lao economic stabilization effort. Since 1964, this stabilization effort has been remarkably successful and has provided a much needed base of economic and price stability.

PROPOSED FY 1973 PROGRAM

U. S. economic assistance has been concentrated primarily in two areas: (1) control of inflationary pressures which threaten the country's economic and political stability, and (2) assistance to the Lao Government in

providing essential services and facilities in rural areas in order to relieve war-imposed suffering and to promote public confidence in the Government.

The proposed FY 1973 Supporting Assistance program of $49.8 million is divided into $18.8 million for the stabilization program and $31 million for project activities.

Stabilization Assistance

Support of the multilateral economic stabilization program must be accorded highest priority if economic and, therefore, political stability is to be maintained. The $18.8 million requested for the stabilization program for FY 1973 would be used almost entirely to support FEOF, although a small amount of this (up to $500,000) may be used to finance a commodity import program for selected equipment and raw materials needed to promote the development of local industries.

Prior to 1964 the United States and other donor countries financed commodity import programs to absorb excess domestic spending power and thereby maintain price stability. These programs did not adequately serve the needs of most Lao importers for small amounts of quickly available foreign exchange. In 1964 the Lao Government and a group of donor nations instituted a comprehensive, multilateral stabilization program recommended by the International Monetary Fund (IMF). The core of this program is the FEOF, which reduces the amount of Lao currency in circulation by buying local currency on the open market with foreign exchange contributed by the United States (the major donor), Australia, France, Japan and the United Kingdom.

A resident representative of the IMF provides advisory assistance in monetary and fiscal affairs to FEOF, and IMF teams visit Laos periodically to study and make recommendations on monetary and fiscal problems. The United States provides technical assistance in these and other areas of public administration.

Project Assistance

In FY 1973 A.I.D.'s project program will continue to help the Lao Government provide basic services and facilities for which its own financial resources and supply of skilled personnel remain inadequate. Principal areas of project assistance are detailed below.

Refugees. The United States furnishes refugees with food, clothing, medical care and supplies; provides air services for emergency relocation of refugees and for delivering supplies to them; and helps refugees resettle and become self-sufficient. The United States also helps train junior Lao Government officials to perform refugee work at both the national and provincial levels. Assistance to refugees is given not only through a project designed for that purpose, but also as an important part of other projects, such as air support, public health and rural development.

The number of refugees and amount of support required vary with military actions and crop conditions. The North Vietnamese/Pathet Lao offensives of 1969, 1970 and early 1971 greatly increased the number of refugees in the areas under Lao Government control. At the beginning of FY 1972 the total was about 307,000; it fell to about 236,000 by February 1972. In FY 1972 we estimate that A.I.D.-assisted refugees will average about 290,000 and will remain at approximately this level through FY 1973. We are proposing $4.4 million in direct aid for the A.I.D.-supported Refugee Relief and Resettlement project in FY 1973, but in fact about half of the $31 million project program will be associated with refugee activities.

Rural Development. U. S. activities in this field are concentrated on institutional development and on fostering economic links between producers and markets. American and Lao community development advisors help villagers and refugees identify basic needs, organize local resources and work together through local leaders and government officials. Activities financed include construction of schools, dispensaries, wells and rural

roads and improvement of local skills and techniques, particularly in agricultural production. While the initial aim is to bridge the gap between the central government and the rural population, the program also lays the groundwork for expanded agricultural production, the key to the ultimate objective of economic independence. In FY 1973 $3.7 million is proposed for this project.

During the past five years the use of local resources has been encouraged by making rural construction contingent upon the provision of local materials and labor by villagers. Many local projects are now processing without U. S. financing. Increasing emphasis is being placed on organizational and leadership training, formal and informal, and on technical training for farmers and villagers.

Public Health. The country has only a few Lao doctors and nurses to combat the high prevalence of such diseases as malaria, dysentery and influenza, and to reduce a high infant mortality rate. In addition the prolonged military action in Laos has produced refugees and civilian casualities who must be given medical care. The United States helps provide medical services in rural areas through over 200 A.I.D.-supported facilities. Six municipal hospitals are operated by Filipino medical personnel under A.I.D. contracts. Training programs provide medics to operate dispensaries, as well as assistant nurses and midwives. However, the dearth of qualified candidates for university medical study limits the development of a long-range program to improve public health standards and services.

In FY 1973 we will continue to provide technical assistance and supplies to Government health facilities. The project will require $2.9 million in FY 1973.

Roads. Laos has an extremely poor system of surface transportation. It has no railroads, the navigability of its rivers and streams is seasonal and its road system is primitive. The United States assists in the construction and maintenance of major arteries and roads. This program contributes to security objectives and also helps join villages hitherto inaccessible, except by boat or air, to the rest of the nation and its commerce.

The program also develops local capacity to build and maintain the road network needed for national integration and commerce. Improvement in the Lao Government's capability is demonstrated by the growth in its maintenance activities. Maintenance mileage has increased by about 50 percent over the past four years. To date about 1,000 Lao, from supervisory to semi-skilled levels, have completed training programs in skills such as engineering drafting and equipment maintenance. In FY 1973 both academic and on-the-job training will continue.

The FY 1973 funding requirement for the roads program is about $2.5 million for commodities and personnel needed in construction and maintenance and for training activities.

Agriculture. Expanding rice production is a major undertaking in our assistance to Laos. As security permits, project activities center on building the necessary infrastructure -- such as irrigation systems and storage facilities -- and farmer motivation. The immediate objective is to eliminate the chronic need for rice imports.

The use of improved seed varieties, fertilizers and insecticides has already yielded dramatic production increases in selected areas. A widespread and successful campaign to distribute new seeds, demonstrate new methods and train farmers in villages and in refugee resettlement projects was begun in FY 1968. Introduction of double cropping has demonstrated that, with use of improved seed varieties, farm chemicals and irrigation, production could be expanded up to five times the present yield.

In FY 1972 and FY 1973 the agriculture program will continue to require assistance for importation of fertilizer and insecticides, development of rice milling and storage facilities, and development of vegetable crops and livestock production. Finally, the United States will continue to assist the Lao Government develop the rural banking sector in order to assure adequate and reasonable

credit availabilities to small farmers.

In FY 1973 $2.1 million will be required. Of this amount, $608,000 is needed for purchase of commodities and $1.53 million for continuation of technical advisory services and support of ongoing irrigation projects.

Education. The extreme shortage of trained manpower in Laos is one of the chief obstacles to national unity and effective government services. In addition, the continuing popular demand for education in the rural areas is a challenge to the government's efforts to retain popular support. Consequently, the Lao Government devotes about 20 percent of its civil budget to education.

A.I.D. has been helping the government to expand and upgrade the elementary education base and to increase the number and quality of trained teachers. The United States will concentrate during the next few years on the Lao normal schools, aiming at a total enrollment of 3,500 by 1975. The Lao-language secondary education system, begun in FY 1968, which includes both vocational and academic training, will also be expanded. Assistance is also provided for village self-help elementary school construction.

Assistance to education totalling $1.5 million is proposed in FY 1973, mainly for assisting six normal schools, providing advisory services to the elementary school system and constructing a fifth and sixth Lao-language comprehensive secondary school under supervision of a University of Hawaii contract team.

Public Administration. The United States provides advisory and training assistance designed to improve the administration and operations of two key government ministries, Finance and Planning. The program includes the upgrading of personnel skills and advising the Finance Ministry of means of improving budgeting, taxation and expenditure controls. U. S. advisory and training services in economic and manpower research and planning help the Planning Ministry carry out the Government's general, broad development plan for the years 1970-1975. For FY 1973, $1.1 million is proposed to continue this program.

Industry. A major aim of A.I.D.'s industrial development program is to increase Lao foreign exchange earnings by promoting local industries which have potential export and can supply domestic markets as well. Initial emphasis from 1968 through 1970 was placed on developing the timber industry, which has an immediate market in Thailand. Export earnings from timber increased from $80,000 in 1966 to an average of over $800,000 per year from 1968 through 1970. A.I.D. and other donors have provided technical services for a forest inventory and for training of Lao foresters.

With local currency (kip) generated by the United States Commodity Import Program, the Lao Government has established an Industry Loan Fund, which has made loans to various sectors of the timber industry. Technical and loan assistance to local sawmillers and to furniture and veneer manufacturers was begun in FY 1968 and has continued in FY 1972. Studies and technical assistance are planned for development of small agro-industries such as farm-implement manufacturing and food and fiber processing. Medium-term loans from the Industry Loan Fund will be available for expansion or creation of new enterprises.

In FY 1973, $238,000 will be required for the Industry Development project.

Civil Police Administration. The United States assists the Lao Government in developing the capability of its national police to enforce law, maintain public order and combat subversive elements. This assistance involves advisory services, training for police officials, provision of communication and transportation equipment and development of physical facilities.

Completion in 1968-1969 of the primary national police radio network linking Vientiane police headquarters with the provincial headquarters has improved the coordination and efficiency of police operations. The installation of

the most important segments of an intra-province radio network was completed during FY 1971. The scope and effectiveness of police training have expanded steadily as the staffing of the central police academy, construction of which was completed during 1970, has progressed.

For this project, $462,000 is proposed in FY 1973.

Population. The United States is giving assistance to the Lao Government for the development of a national maternal and child health center. A beginning has also been made on extending maternal and child health services to rural areas. This program will provide improved clinical care, additional medical training and channels for dissemination of information on improved mother and infant health care and family planning.

This project will require $870,000 of Population funds in FY 1973.

Support Projects. Under a project for which $6.7 million is proposed in FY 1973, air services needed to support the program are provided. Another project, for which $5.3 million is proposed in FY 1973, will provide administrative services and facilities such as housing and communications for the economic assistance mission. Also provided within this total are salaries for 98 U. S. technicians to support the overall A.I.D. program in Laos.

CONTRIBUTIONS BY OTHERS

Japan, the United Kingdom, Australia and France, in addition to the United States, participate in the stabilization program for Laos with contributions to the Foreign Exchange Operations Fund (FEOF). The combined annual contributions to FEOF of donors other than the United States have been on the order of $6-7 million.

An important dam, Nam Ngum, has been constructed in Laos under supervision of the International Bank for Reconstruction and Development. It began generating power in December 1971. About $30 million has been contributed by the United States (50 percent), Japan, Netherlands, Canada, Denmark, Australia, France and New Zealand.

France has provided a large number of teachers for the Lao school system and advisors and technicians for Lao Government ministries. Japan has financed a variety of assistance projects in the food, agriculture, and refugee areas, as well as special airport and telecommunications projects. Germany and Canada have also made contributions, in vocational training and forestry for example. Smaller assistance activities have also been undertaken by India, Israel and Thailand.

The United Nations and its specialized agencies, and such other multilateral organizations as the Asian Development Bank and the UN-sponsored Mekong Committee, provide Laos with various types of technical assistance.

Non-U. S. assistance, exclusive of Nam Ngum and FEOF, of about $10-$12 million per year is expected to continue in FY 1973.

OUTLOOK FOR FUTURE YEARS

So long as hostilities continue and Laos is required to maintain armed forces at the current level and to care for large refugee populations, the Lao Government will require large-scale foreign assistance to avoid economic chaos. In a post-war situation foreign economic assistance would be required at approximately the current level through a period of adjustment. The first focus of post-war reconstruction would be on remedying the massive dislocation of people which has occurred. Many of these people would want to return to their original homes, but the extent of these movements would depend significantly on the geographic "spheres of influence" that might be recognized by the three Lao political factions in any process of reintegration of a Government of National Union.

Laos would also require a period of time to "deflate" to a peace-time economy. A concentrated development effort

would be required to make Laos self-sufficient at least in food, to create employment for the former soldiers and to close the now very large gap between imports and exports. The development of hydroelectric power, which was initiated by construction of the Nam Ngum Dam, with multilateral support, should give an impetus to agricultural development. Laos can also expect to benefit from Mekong Basin development activities.

Laos[a/]

(U.S. Fiscal Years - Millions of Dollars)

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS - OBLIGATIONS AND LOAN AUTHORIZATIONS														REPAYMENTS AND INTEREST 1946-1971	TOTAL LESS REPAYMENTS AND INTEREST
	POST-WAR RELIEF PERIOD	MARSHALL PLAN PERIOD	MUTUAL SECURITY ACT PERIOD	FOREIGN ASSISTANCE ACT PERIOD										TOTAL 1946-1971		
	1946-1948	1949-1952	1953-1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971			
A. OFFICIAL DEVELOPMENT ASSISTANCE																
A.I.D. AND PREDECESSOR AGENCIES - TOTAL			266.0	29.3	38.1	41.2	50.6	57.2	56.5	62.9	52.0	51.9	48.9	732.6 b/	-	732.6
Loans			-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants			266.0	29.3	38.1	41.2	50.6	57.2	56.5	62.9	52.0	51.9	48.9	732.6	-	732.6
(Supporting Assistance)			(256.9)	(29.3)	(38.1)	(32.9)	(38.8)	(46.0)	(46.1)	(53.2)	(41.1)	(43.7)	(41.4)	(627.9)		
FOOD FOR PEACE - TOTAL			1.1	0.1	0.5	1.7	0.3	0.4	1.4	1.5	0.2	1.9	0.6	9.6	-	9.6
Title I - Total			-	-	-	-	-	-	-	-	-	-	-	-	-	-
REPAYABLE IN U.S. DOLLARS - LOANS	NO PROGRAMS		-	-	-	-	-	-	-	-	-	-	-	-	-	-
PAYABLE IN FOREIGN CURRENCY - Planned for Country Use.	PRIOR		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans	TO FY 1955		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants			-	-	-	-	-	-	-	-	-	-	-	-	-	-
Title II - Total			1.1	0.1	0.5	1.7	0.3	0.4	1.4	1.5	0.2	1.9	0.6	9.6	-	9.6
EMERGENCY RELIEF, ECON. DEVELOPMENT & WORLD FOOD			0.8	-	-	-	*	*	1.2	1.4	0.1	1.8	0.4	5.7	-	5.7
VOLUNTARY RELIEF AGENCIES			0.3	0.1	0.5	1.7	0.3	0.4	0.1	0.1	0.1	0.1	0.2	3.9	-	3.9
OTHER OFFICIAL DEVELOPMENT ASSISTANCE			-	-	-	-	-	-	-	-	-	-	-	-	-	-
PEACE CORPS			-	-	-	-	-	-	-	-	-	-	-	-	-	-
OTHER			-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE			267.1	29.4	38.6	42.9	50.9	57.6	57.9	64.4	52.2	53.8	49.5	742.2	-	742.2
Loans			-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants			267.1	29.4	38.6	42.9	50.9	57.6	57.9	64.4	52.2	53.8	49.5	742.2	-	742.2
B. OTHER OFFICIAL																
EXPORT-IMPORT BANK LONG-TERM LOANS			-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL ECONOMIC			267.1	29.4	38.6	42.9	50.9	57.6	57.9	64.4	52.2	53.8	49.5	742.2	-	742.2
Loans			-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants			267.1	29.4	38.6	42.9	50.9	57.6	57.9	64.4	52.2	53.8	49.5	742.2	-	742.2
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.) c/			91.5	37.1	25.4	21.4	39.9	51.7	51.8	- d/	-	-	-	330.7	-	330.7
Credit Sales (FMS)			-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants			91.5	37.1	25.4	21.4	39.9	51.7	51.8	-	-	-	-	330.7	-	330.7
(Additional Grants from Excess Stocks)			(7.0)	(0.9)	(-)	(1.4)	(3.6)	(2.6)	(0.3)	(-)	(-)	(-)	(-)	(16.9)	(-)	(16.9)
OTHER MILITARY ASSISTANCE GRANTS (Service Funded)			-	-	-	-	-	-	3.9	80.1	77.5	74.2	155.8	391.5	-	391.5
TOTAL MILITARY			91.5	37.1	25.4	21.4	39.9	51.7	55.7	80.1	77.5	74.2	155.8	722.2	-	722.2
TOTAL ECONOMIC AND MILITARY			358.6	66.5	64.0	64.3	90.8	109.3	113.6	144.5	129.7	128.0	205.3	1,464.4	-	1,464.4
Loans			-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants			358.6	66.5	64.0	64.3	90.8	109.3	113.6	144.5	129.7	128.0	205.3	1,464.4	-	1,464.4

* Less than $50,000. a/ Excludes aid to Indochina prior to partition. b/ The cumulative total reflects deobligations; annual data represent total new obligations in that year. c/ Annual data through FY 1963 are deliveries; subsequent years are annual program data. Totals for the entire period are cumulative program figures. d/ Military assistance under the FAA was transferred to DOD service funding.

ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1970	FY 1971	FY 1946-71
TOTAL	1.5	3.9	11.8
Asian Development Bank	1.0	3.4	4.3
UNDP-Special Fund	-	-	0.6
UNDP-TA (CY)	0.4	0.4	5.3
Other UN (CY)	0.1	0.1	1.6

D.A.C. COUNTRIES (EXCLUDING U.S.)
OFFICIAL BILATERAL GROSS EXPENDITURES

DONOR	CY 1969	CY 1970	CY 1960-70
TOTAL	15.9	15.9	97.2
France	5.0	5.0	32.9
United Kingdom	2.9	2.2	26.4
Japan	3.9	5.0	21.1
Germany	1.6	1.9	6.8
Other	2.5	1.8	10.0

ECONOMIC ASSISTANCE FROM COMMUNIST COUNTRIES
(Loans and Grants Extended)

1970 (Calendar Year)	-
1971 (Calendar Year)	-
Cumulative Thru 1971	-

SUMMARY OF PROGRAM BY FUNCTION

Country: LAOS

(Dollar Amounts in Thousands)

TABLE II

Category	Actual FY 1971				Estimate FY 1972				Proposed FY 1973			
	Total	Tech. Assist.	Supp. Assist.	Population	Total	Tech. Assist.	Supp. Assist.	Population	Total	Tech. Assist.	Supp. Assist.	Population
Development Loan Program		XXX	XXX	XXX		XXX	XXX	XXX		XXX	XXX	XXX
Programs Other than Devel. Loan												
Project Assistance												
U.S. Technicians	7,918	3,087	4,769	62	7,504		7,439	65	9,020		8,908	112
Participants	485	139	320	26	556		501	55	546		491	55
Commodities	12,312	1,933	10,066	313	9,573		9,448	125	11,449		11,094	355
Other Costs	10,620	1,401	8,695	524	11,667		11,412	255	10,855		10,507	348
Total Project Assistance	31,335	6,560	23,850	925	29,300		28,800	500	31,870		31,000	870
Method of Financing												
Project Assistance												
Direct A.I.D.	19,301	4,936	13,954	411	16,935		16,687	248	19,543		19,011	532
Other Agency	1,174	107	1,067	-	769		769	-	1,189		1,189	-
Contract	10,860	1,517	8,829	514	11,596		11,344	252	11,138		10,800	338
Program Assistance	17,600	-	17,600	-	18,200		18,200	-	18,800		18,800	-
Total Other than Devel. Loan	48,935	6,560	41,450	925	47,500		47,000	500	50,670		49,800	870
Total Assistance	48,935	XXX	XXX	XXX	47,500	XXX	XXX	XXX	50,670	XXX	XXX	XXX

NUMBER OF U.S. TECHNICIANS (Program Overseas)

TYPE OF TECHNICIAN	On Duty At Close of Year		
	Actual FY 1971	Estimate FY 1972	Proposed FY 1973
A.I.D. employed	230	233	233
Participating agency	29	58	67
Contractor technicians	71	37	44
Total	330	328	344

NUMBER OF PARTICIPANTS

TYPE OF PARTICIPANT	Programmed During Year		
	Actual FY 1971	Estimate FY 1972	Proposed FY 1973
Non-contract	424	339	302
Contract	-	-	-
Total	424	339	302

Country: LAOS

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Agriculture Development	Agriculture and Natural Resources		SA
PROJECT NUMBER 439-11-190-065	PRIOR REFERENCE P. D-6, FY 1972 Economic SA PDB	INITIAL OBLIGATION FY: 1956	SCHEDULED FINAL OBLIGATION FY: 1979

Project Target and Course of Action: The major objective of this project is to help Laos achieve self-sufficiency in basic foods. Rice production, especially in the major deficit areas, is a primary concern. In addition, major efforts are directed toward diversification of production of other field crops, vegetables, livestock and fish, and development of credit and marketing systems. These two efforts combined serve to improve the Lao diet and aid in reducing costly imports from Thailand.

Progress to Date: Due to introduction of improved, high-yielding rice varieties, and bringing into practice improved and modern agricultural production techniques, rice production has increased by some 40,000 metric tons over the last four years. This increase has resulted in less rice imports from Thailand and a greater freedom for the Lao farmer to attempt crop diversification. As a result, other project activities showed marked advancement, including: (1) an estimated 15 percent increase in the production of vegetables for sale in the market places; (2) production at the three fish hatcheries reached 627,420 fingerlings in FY 1971; (3) fruit-tree nurseries are being established at three central locations in the country to grow nursery stock for distribution to the farmers; (4) over 14,000 farmers yearly receive in-country training in rice production, diversified crops, livestock production, irrigation techniques and other aspects of agriculture. In addition, approximately 80 foreign nationals are being trained in FY 1972 under the project's participant training program.

FY 1973 Program: In FY 1973 project efforts will be directed at: (1) maintaining and increasing the momentum that has been achieved in rice production; and (2) expanding the diversification of the Laotian agriculture from a subsistence level to production for urban markets. This will reduce the country's dependence on imported foods from Thailand which are currently estimated at $10 million yearly. As animal protein food imports alone amount to $3 to $4 million per year, high priority will be assigned to increasing pork and livestock production.

In FY 1973 $2,142,000 is requested to support this project. This amount will cover: (1) $999,000 to fund 24 U.S. direct-hire and five contract employees; (2) $110,000 to fund participants in agricultural training, one in the United States and 63 in third countries; (3) $608,000 for commodities such as trucks and four-wheel-drive vehicles and spare parts, irrigation construction materials, petroleum and agricultural products; and (4) $425,000 for other costs necessary to finance the employment of third-country technicians, freight costs for transporting project commodities across Thailand, operational travel expenses of project technicians within Laos, plus charges for miscellaneous services, purchases and construction.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	14,115	13,536	579
Estimated FY 72	1,581	2,060	
Estimated through 6/30/72	15,696	15,596	100
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	2,142	11,512	29,350

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/	Total	Direct AID	Contract/	Total
U.S. Technicians	766	123	889	876	123	999
Participants	66	-	66	110	-	110
Commodities	70	-	70	608	-	608
Other Costs	87	469	556	72	353	425
Total Obligations	989	592	1,581	1,666	476	2,142

PRINCIPAL CONTRACTORS/AGENCIES

U.S. Consultants, Inc.
Credit Union National Association (CUNA)
Express Transportation Organization

Country: LAOS

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Industry Development	Industry and Mining		SA
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
PROJECT NUMBER 439-11-290-074	P. D-7, FY 1972 Economic SA PDB	FY: 1967	FY: 1974

Project Target and Course of Action: This project promotes the growth of small- and medium-sized industry sectors of the Lao economy, particularly those industries which reduce dependence on imports or increase foreign exchange earnings through exports. The project provides: (1) technical assistance in industrial technology; (2) financing for feasibility studies of selected industries; (3) advisory assistance in industrial and agricultural loans and commercial banking; and (4) assistance to the Lao Development Bank in evaluating and granting local currency loans from the Industrial Loan Fund.

Progress to Date: The major targets set for this project when it was begun were: (1) to assist Laos in tapping its vast timber resources in order to expand the country's infant industrial base; and (2) to increase its foreign exchange earnings through increased timber and lumber exports. Advisory assistance was provided through an agreement with the U. S. Department of Agriculture Forest Service; capitalization loans were granted to three major timber companies through the Industry Loan Fund, and commodity assistance was provided. By 1970 a ten-fold increase in Lao foreign exchange earnings from timber exports to nearly $1 million a year had been achieved. With the assistance of Australian and Canadian technicians, an inventory of accessible forest areas was completed as a basis for a comprehensive forestry development. Other accomplishments include the establishment of a tire recapping plant in Vientiane which is now in full operation. Pre-investment surveys have been financed for development of: (1) an industrial park in Vientiane; (2) a small-scale pharmaceutical industry; (3) a foot-wear manufacturing plant; (4) a small textile industry; (5) food processing plants; and (6) selected agro-industries. The project has also concentrated on assisting the Development Bank in expanding and improving its loan operations. U. S. technical advisory services have been provided and nine Development Banks have received third-country training in loan appraisal and other development banking operations.

FY 1973 Program: Funds in the amount of $78,000 are requested for two advisors to assist in development of selected industries and provide advisory services to the Lao Development Bank. Contract costs of $100,000 include nine short-term advisors, two for consulting work on new industry investments and seven for major studies in the agriculture sector. Participant training amounting to $22,000 will include 11 students in forestry and three in banking operations in third countries. Commodity financing totaling $16,000 is requested for office supplies, surveying equipment, forest power tools and miscellaneous vehicle parts and supplies. Other costs ($22,000) cover two third-country-national clerks, local travel and miscellaneous purchases, and contract costs for transporting commodities from Bangkok.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	1,163	1,114	49
Estimated FY 72	197	210	
Estimated through 6/30/72	1,360	1,324	36
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	238	199	1,797

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	75	50	125	78	100	178
Participants	28	-	28	22	-	22
Commodities	20	-	20	16	-	16
Other Costs	17	7	24	15	7	22
Total Obligations	140	57	197	131	107	238

PRINCIPAL CONTRACTORS/AGENCIES

Express Transportation Organization
Department of Agriculture Forest Service

Country: LAOS

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Development of Lao National Roads	Transportation		SA
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
PROJECT NUMBER 439-11-310-010	P. D-8, FY 1972 Economic SA PDB	FY: 1956	FY: 1975

Project Target and Course of Action: The purpose of this project is to assist the Royal Lao Government develop and maintain a national road system which meets the Kingdom's basic political, economic and military requirements. This is being accomplished through a joint Lao Government/U. S. Mission program to: (1) construct and maintain a system of national highways and feeder roads; (2) build and maintain access roads to and within refugee areas and areas of high agricultural potential; and (3) improve the administrative structure, engineering and operational capabilities of the Lao Ministry of Public Works, which has responsibility for the construction and maintenance of the national road system.

Progress to Date: A basic and adequate national road system has been achieved. The main North-South highway artery, Route 13, has been opened to regular traffic from its northern terminus at Luang Prabang to the Cambodian border, 1,242 kilometers to the south. Since completing the Luang Prabang-Vientiane section of this road, the number of Federal Highway Administration technicians financed under this project has been reduced from 50 to 27. The Lao Government's capability in maintenance activities continues to improve. Through FY 1971 over 1,000 Laotians received both on-the-job and academic training in skills and fields related to road construction and maintenance. Feeder roads linking rural farming areas to village and urban markets have stimulated increased agricultural production and general economic development in various parts of Laos.

FY 1973 Program: A major focus of the work will be on the maintenance and improvement of the main North-South highway (Route 13), the backbone of the national highway system, and on the feeder roads tributary to Route 13. Emphasis will also be placed on replacing substandard or sabotaged bridges. Basic changes in the funding, accounting and programming procedures followed by the Lao Highway Department will continue to be implemented to increase Lao responsibility for the program. Major emphasis will continue to be placed on training Lao nationals and on moving them into responsible positions now occupied by third-country-national employees.

In FY 1973, $2,533,000 are requested for: (1) 27 technicians under an agreement with the Federal Highway Administration ($800,000); (2) engineering training for seven participants in third countries ($19,000); (3) commodities consisting of repair parts for heavy equipment, replacement equipment, petroleum products and road maintenance supplies ($1,409,000); and (4) local travel of technicians, transportation of materials across Thailand, salaries for 54 third-country employees and miscellaneous small purchases and other operational expenses ($305,000).

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	35,978	34,928	1,050
Estimated FY 72	2,360	2,435	
Estimated through 6/30/72	38,338	37,363	975
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	2,533	6,154	47,025

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	-	371	371	-	800	800
Participants	21	-	21	19	-	19
Commodities	1,670	-	1,670	1,409	-	1,409
Other Costs	54	244	298	62	243	305
Total Obligations	1,745	615	2,360	1,490	1,043	2,533

PRINCIPAL CONTRACTORS/AGENCIES

Federal Highway Administration

Express Transportation Organization

Country: LAOS

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Maternal and Child Health	Health and Sanitation		Population
PROJECT NUMBER 439-11-570-081	PRIOR REFERENCE P. D-9, FY 1972 Economic SA PDB	INITIAL OBLIGATION FY: 1969	SCHEDULED FINAL OBLIGATION FY: 1974

Project Target and Course of Action: This project aims to improve health care to mothers and infants and introduce family planning techniques. Special emphasis is placed on providing maternal and child health care to refugee groups in the congested areas of northern Laos. Demographic surveys provide a data base on population growth, family patterns and other population characteristics required for planning future census activities and maternal and child health programs.

Progress to Date: When the program was begun in 1969 there were no Lao Government medical personnel trained in maternal child care and family planning techniques. There also were no suitable medical facilities for conducting family planning activities. Therefore, the first phase of the program concentrated on developing trained medical personnel as a foundation for a nationwide maternal child care and family planning program. Six doctors, 11 midwives and 19 nurses have been trained in Thailand and the Philippines. About 30 Lao Government medical personnel will be instructed annually until training programs are established in Laos upon completion of the National Maternal and Child Health Center in Vientiane. Under the in-country training program a total of 72 rural midwives have been taught, and 26 basic midwives, 60 nurses and 30 doctors' assistants from the Royal School of Medicine are instructed annually. A program has been initiated to train the medical personnel who will staff the National Maternal and Child Health Center. Construction of the National Center, located adjacent to the Mahosot Hospital in Vientiane will be completed in mid-1972. One provincial Center was completed in December 1971. Eight of the approximately 20 renovation projects planned have been undertaken.

FY 1973 Program: The $870,000 requested will finance: (1) a public health nurse, a hospital administration advisor and a demographer ($112,000); (2) training at population planning seminars and workshops in the United States for four participants, and training in Thailand for 28 participants including doctors, nurses, midwives, and medical supply and equipment maintenance personnel ($55,000); (3) commodities consisting of vehicles, medical equipment and supplies ($355,000); and (4) other costs which include funding the final phase of construction of the National Maternal and Child Health Center in Vientiane, and renovation of four additional provincial health centers, operational travel, transportation of commodities, and the portion of the Operation Brotherhood contract related to child health services ($348,000).

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	3,013	1,957	1,056
Estimated FY 72	500	550	
Estimated through 6/30/72	3,513	2,507	1,006
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	870	672	5,055

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/	Total	Direct AID	Contract/	Total
U.S. Technicians	63	2	65	112	-	112
Participants	55	-	55	55	-	55
Commodities	125	-	125	355	-	355
Other Costs	5	250	255	10	338	348
Total Obligations	248	252	500	532	338	870

PRINCIPAL CONTRACTORS/AGENCIES

Express Transportation Organization

Operation Brotherhood

Country: LAOS

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Public Health Development	Health and Sanitation		SA
PROJECT NUMBER 439-11-590-066	PRIOR REFERENCE P. D-10, FY 1972 Economic SA PDB	INITIAL OBLIGATION FY: 1957	SCHEDULED FINAL OBLIGATION FY: 1974

Project Target and Course of Action: This project provides medical services to meet the immediate health needs of the Lao population in those areas to which the Royal Lao Government and U. S. personnel have access. Special emphasis is placed on providing medical care to refugees to reduce morbidity and mortality in these congested and highly vulnerable populations.

Background and Progress to Date: Some 230 dispensaries and nine hospitals with a combined total of over 700 beds are supported by this project. These medical facilities are staffed by Lao medical personnel assisted by U. S. and Filipino doctors and medical technicians under contract with Operation Brotherhood, a Filipino non-profit organization. The population served by these facilities is presently estimated at over 750,000, of whom an average 290,000 are in refugee status. The number of patients receiving treatment in U. S.-sponsored facilities totals over 2,000,000 annually. Construction is currently underway to renovate or replace dispensaries and hospitals damaged or destroyed by enemy action and to increase the bed capacity of existing facilities. Over 1,000 Lao medical auxillaries have been trained in Laos to staff the hospitals and dispensaries supported by this project and continuous in-service training is provided to upgrade and improve their capabilities. Twenty-nine Lao medical personnel were trained in FY 1971 under the project's third-country participant training program.

FY 1973 Program: In FY 1973 increased emphasis will be directed towards preventative medical services and environmental sanitation. Funds amounting to $308,000 are requested for a 15-member U. S. medical staff. Commodity costs ($1,948,000) are requested for medical and dental equipment, vehicles, petroleum, and general supplies consisting of health education materials and equipment for rural medical facilities. Hospital administration training in the United States for one participant, sanitation training for 14 health workers and continuing training in Thailand for one medical doctor is planned at a cost of $35,000. Other costs amounting to $626,000 are requested to finance a one-year extension of the Operation Brotherhood contract; cost of transporting commodities from Bangkok; services of third-country nationals in rural health clinics; miscellaneous local and international travel; repairs and maintenance.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	20,610	19,642	968
Estimated FY 72	2,272	2,312	
Estimated through 6/30/72	22,882	21,954	928
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	2,917	1,918	27,717

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/	Total	Direct AID	Contract/	Total
U.S. Technicians	300	-	300	308	-	308
Participants	35	-	35	35	-	35
Commodities	1,247	-	1,247	1,948	-	1,948
Other Costs	30	660	690	31	595	626
Total Obligations	1,612	660	2,272	2,322	595	2,917

PRINCIPAL CONTRACTORS/AGENCIES

Operation Brotherhood
Express Transportation Organization

Country: LAOS

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Education Development	Education		SA
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
PROJECT NUMBER 439-11-690-064	P. D-11, FY 1972 Economic SA PDB	FY: 1956	FY: 1976

Project Target and Course of Action: This project aims to strengthen the Lao education system, primarily through teacher training. Classroom instructors, technical and material assistance are also provided to Lao normal schools. In-service teacher training and participant training in the United States and Thailand are also provided. In FY 1968 a Lao language secondary school system was initiated, offering academic and vocational subjects to supplement the existing French-oriented academic secondary system and develop the vocational and skills training required in the Lao economy. Technical guidance and minimal commodity support are provided to the primary educational system at national and local levels.

Background and Progress to Date: The number of teacher training institutions in Laos has grown from one small normal school in Vientiane in 1956 to nine institutions spread throughout the country in 1971. The level of pre-service training has been continuously elevated, and in June 1973 Laos will grant the equivalent of a B. A. degree to the first group of students to complete college-level studies within the country. About 5,800 teachers and administrators have received in-service training and approximately 1,000 teachers and administrators have been instructed under project participant training programs. School enrollment has increased dramatically. Students enrolled in the nine normal schools now total approximately 3,300, while the cumulative number of graduates as of June 1971 was about 4,800. Enrollment in secondary schools has increased from 2,750 in 1960 to about 8,000 in 1971.

The project has assisted with the development of approximately 85 Lao language textbooks for various levels of the national school program. Curriculum improvements and materials development have been accomplished at all levels of the elementary and secondary school systems. Some 2,000 elementary schools are now in operation throughout the country while the number of secondary schools has increased from six in 1960 to 21 at present.

FY 1973 Program: In FY 1973 $1,485,000 is requested, including $257,000 for the cost of seven U. S. technicians to continue advisory/training assistance in the elementary and normal school systems. Training will be provided in the United States and in Thailand for 60 participants, in specialized subjects required for the development of a broader secondary education program ($134,000). In-service training also will continue to be emphasized. $480,000 will provide a one-year extension of the University of Hawaii contract that supplies 11 advisors (15 man-years) to supervise five comprehensive Lao language high schools. Commodity costs ($292,000) will include refugee school supplies, teaching equipment and materials, vehicles and parts, administrative supplies, and maintenance materials. Other costs ($322,000) will fund final construction of a sixth comprehensive high school, transportation of commodities from Bangkok, operational travel, and miscellaneous contractual services.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	10,433	9,328	1,105
Estimated FY 72	1,329	1,597	
Estimated through 6/30/72	11,762	10,925	837
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	1,485	3,341	16,588

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/	Total	Direct AID	Contract/	Total
U.S. Technicians	270	350	620	257	480	737
Participants	184	-	184	134	-	134
Commodities	200	-	200	292	-	292
Other Costs	5	320	325	6	316	322
Total Obligations	659	670	1,329	689	796	1,485

PRINCIPAL CONTRACTORS/AGENCIES

University of Hawaii
Express Transportation Organization

Country: LAOS

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Civil Police Administration	Public Safety		SA
PROJECT NUMBER 439-11-710-072	PRIOR REFERENCE P. D-12, FY 1972 Economic SA PDB	INITIAL OBLIGATION FY: 1965	SCHEDULED FINAL OBLIGATION FY: 1975

Project Target and Course of Action: The purpose of this project is to develop the capability of the Lao National Police to maintain order and internal security. Technical assistance, equipment and training are provided to the police force of about 5,400 men. Special attention is given to improving administration and management, the National Police Training Center, police communications and mobility, and enforcement methods and techniques.

Progress to Date: A previous project which assisted the national police was interrupted in 1960 when the organization was disbanded and replaced by a paramilitary force. The current project was initiated in 1965 when the Lao National Police were reorganized under the Ministry of Interior. Major accomplishments include the completion of a national police communications network, consisting of 13 primary radio circuits between Lao National Police headquarters in Vientiane and provincial police headquarters. Training has been completed by 215 Lao personnel in riot control, communications, criminal investigations, records, identification and other phases of police work. Pistol range and three dormitory/classroom buildings have been constructed and a central garage facility to serve the large Vietiane headquarters area has been completed. The garage is staffed and maintained by Lao mechanics instructed at the Training Center. In 1972 two public safety advisors were assigned to coordinate police improvement efforts in the southern and northern provincial regions. The Public Safety Division has begun to increase the capabilities of the Lao National Police in narcotics control. Three United States advisors have been assigned to assist the training of police in administration, investigation, search and seizure methods, identification of drugs and records keeping.

FY 1973 Program: The FY 1973 program will continue training of Lao Police in the United States, Thailand and locally. The final phase of the National Police Training Center will be completed and local training will be augmented as a result. A total of $462,000 is requested for this project in FY 1973. Included in this request are technician costs for seven U. S. advisors amounting to $200,000. Also included are costs for seven participants to be trained in the United States and five participants to be trained in third countries amounting to $31,000. The commodity component of the request amounts to $169,000 and will finance vehicle replacements, related spare parts, communications equipment and spare parts, ammunition, and record-keeping and identification equipment. The balance of the request amounts to $62,000 which will go for other costs including transportation of commodities from Bangkok, third-country national employees, miscellaneous maintenance, repair, and operating expenses.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	3,713	3,401	312
Estimated FY 72	444	504	
Estimated through 6/30/72	4,157	3,905	252
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	462	967	5,586

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/	Total	Direct AID	Contract/	Total
U.S. Technicians	170	–	170	200	–	200
Participants	36	–	36	31	–	31
Commodities	171	–	171	169	–	169
Other Costs	24	43	67	24	38	62
Total Obligations	401	43	444	424	38	462

PRINCIPAL CONTRACTORS/AGENCIES

Express Transportation Organization

Country: LAOS

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Development of Rural Economy	Community Development, Social Welfare and Housing		SA
PROJECT NUMBER 439-11-810-062	PRIOR REFERENCE P. D-13, FY 1972 Economic SA PDB	INITIAL OBLIGATION FY: 1956	SCHEDULED FINAL OBLIGATION FY: 1979

Project Target and Course of Action: This project aims to strengthen rural support to the Lao Government. Activities are concentrated in rural areas of particular political importance and relatively strong economic potential. The project includes: (1) self-help construction activities, e.g. schools, hand-dug wells, dispensaries; (2) public works activities through which more complex projects such as large irrigation systems and feeder roads are implemented; (3) mechanical well drilling where hand-dug wells are not feasible; and (4) helping officials and villagers organize village development councils.

Progress to Date: A.I.D. and International Voluntary Service advisors have worked with local officials at about 30 primary locations. (The contract with International Volunteer Services is funded under the Public Administration Project.) Self-help inputs of labor and materials continue to account for a high percentage of the total cost of construction of the schools, dispensaries, roads, village markets and other community projects. Lao Government field personnel have increasingly been utilized in self-help activities as their ability to work, plan and empathize with the Lao villagers has improved. The Nam Tan irrigation system in northern Sayaboury province, one of the largest and most important public works activities undertaken by the project, will be completed during the spring of 1972. When completed this system will irrigate 3,000 hectares of land during the wet season and over 1,000 hectares during the dry season. Approximately 400 hectares will be planted in dry season crops during the current dry season. Some 500 families will eventually be settled in this project, of whom about half will be refugees.

The development of local leadership continues, with over 1,171 additional village leaders trained in FY 1971. Other training activities moved ahead in agriculture, trade skills for cottage industry and literacy.

FY 1973 Program: Training and organizational activities in local government and agriculture will be emphasized and self-help construction of key facilities will be continued. Funds requested for FY 1973 amount to $3,749,000. Of this amount, $1,416,000 will finance 45 direct-hire employees, $60,000 will fund four one-year personal services contracts, and $70,000 will pay for three specialists under an agreement with the U. S. Navy to design and supervise construction projects. Training of 21 participants in Thailand will cost $23,000. Commodities consisting of construction supplies, petroleum products, four-wheel-drive vehicles and repair parts will cost $1,742,000. Other costs include funding for 26 third-country nationals under the U. S. Navy agreement, Bangkok to Vientiane transportation costs, minor operational expenses and local travel costs ($438,000).

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	31,221	30,525	696
Estimated FY 72	2,881	2,946	
Estimated through 6/30/72	34,102	33,471	631
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	3,749	14,584	52,435

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	1,367	258	1,625	1,416	130	1,546
Participants	23	-	23	23	-	23
Commodities	910	-	910	1,742	-	1,742
Other Costs	71	252	323	80	358	438
Total Obligations	2,371	510	2,881	3,261	488	3,749

PRINCIPAL CONTRACTORS/AGENCIES

United States Navy

Express Transportation Organization

Country: LAOS

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Refugee Relief and Resettlement	Community Development, Social Welfare and Housing		SA
PROJECT NUMBER 439-11-820-063	PRIOR REFERENCE P. D-14, FY 1972 Economic SA PDB	INITIAL OBLIGATION FY: 1962	SCHEDULED FINAL OBLIGATION FY: Reviewed Annually

Project Target and Course of Action: This project provides food and emergency supplies to refugees displaced by military activities and assists them in relocating to secure areas where they can become self-supporting. Emergency assistance provided includes food, clothing, shelter and medical care, while relocation and resettlement assistance includes tools and land clearing, seeds for planting and assistance in constructing basic public facilities such as schools, dispensaries, roads and wells.

Progress to Date: In FY 1971, 46 temporary and permanent refugee villages, comprising 5,000 houses, were constructed. In addition, 126 classrooms were constructed, 87 kilometers of roads were completed and 34 wells were drilled. In FY 1972, the number of refugees receiving full or partial assistance will probably average about 290,000. Resettlement efforts include completion of 113 kilometers of access roads, and assistance in construction of 175 classrooms and 4,500 houses. Resettled persons produce pants, shirts and blouses from Public Law 480 cloth and manufacture tools for distribution to refugees. Training continues for Lao Government officials in order to reduce the reliance of the Lao Government on U. S. administrative and technical help for assistance to refugees.

FY 1973 Program: Food, essential supplies and services will be provided to an estimated 290,000 refugees. There will be continued technical and commodity assistance to refugees being relocated and resettled. The clothing and tool manufacturing programs will continue. Efforts will continue to settle 30,000 persons permanently on land suitable for agricultural development. This will require about 75 kilometers of access roads, 15,000 hectares of land clearing, and assistance in construction of 100 classrooms and 6,000 houses.

For FY 1973 we are requesting $4,393,000. The U. S. technician element of this project consists of $450,000 for 18 direct-hire U. S. technicians plus $75,000 for five short-term contract personnel. Participant costs amounting to $8,000 will provide third-country training in refugee relief and resettlement for 12 participants. Commodities such as rice, clothing, tools and packaging materials amounting to $3,523,000 will be required. Other costs amounting to $337,000 will also be required to support the refugee operation: transporting goods across Thailand; bagging rice and other commodities for air-drops; operational travel; and other miscellaneous items.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	28,627	26,331	2,296
Estimated FY 72	4,663	4,764	
Estimated through 6/30/72	33,290	31,095	2,195
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	4,393	Undetermined	

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/	Total	Direct AID	Contract/	Total
U.S. Technicians	425	143	568	450	75	525
Participants	8	-	8	8	-	8
Commodities	3,750	-	3,750	3,523	-	3,523
Other Costs	23	314	337	23	314	337
Total Obligations	4,206	457	4,663	4,004	389	4,393

PRINCIPAL CONTRACTORS/AGENCIES

Express Transportation Organization

Country: LAOS

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Air Technical Support	General and Miscellaneous		SA
PROJECT NUMBER 439-11-995-069	PRIOR REFERENCE P. D-15, FY 1972 Economic SA PDB	INITIAL OBLIGATION FY: 1962	SCHEDULED FINAL OBLIGATION FY: Reviewed Annually

Project Target and Course of Action: The purpose of this project is to provide the air transport required by the United States aid program in Laos. Difficult terrain, unstable security conditions, absence of railroads, and roads largely impassable during the rainy season combine to make surface transportation inadequate. It is therefore necessary to contract for air services for the transport of personnel and commodities to the rural areas where most of the projects are. The need to airlift refugees in emergencies and to deliver food supplies to refugees in remote areas also impose heavy requirements on air transport. This project also provides for the necessary supervision and control of these services and the related ground support.

Progress to Date: Strenuous efforts have been made to control costs under this project by restricting usage to only the most essential air transport of commodities and personnel, and refugee movements. However, with increased hostilities creating additional demands on air support services, costs have risen over the last three years. Payments for air services are made to the principal contractors on the basis of hours actually flown, at specified hourly rates, and reimbursable costs stated in the contract. One of the contracts with Air America provides for such ground support services at Wattay Airport, Vientiane, as warehousing, cargo and passenger handling, airport fire protection, and control tower manning.

FY 1973 Program: The $6,676,000 requested will cover: (1) five direct-hire technicians to staff the Air Support Branch ($175,000); and (2) other costs which include funding the contracts for 12 months with Air America, Inc., Continental Air Services, Inc. and Lao Air Development, Inc., Ltd., and for four third-country nationals under personal service contracts ($6,501,000).

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	54,646	54,622	24
Estimated FY 72	7,527	7,300	
Estimated through 6/30/72	62,173	61,922	251
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	6,676	Undetermined	

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/	Total	Direct AID	Contract/	Total
U.S. Technicians	170	-	170	175	-	175
Participants	-	-	-	-	-	-
Commodities	-	-	-	-	-	-
Other Costs	3	7,354	7,357	4	6,497	6,501
Total Obligations	173	7,354	7,527	179	6,497	6,676

PRINCIPAL CONTRACTORS/AGENCIES

Air America, Inc.
Continental Air Services, Inc.
Lao Air Development, Inc., Ltd.

Country: LAOS

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Public Administration Development	General and Miscellaneous		SA
PROJECT NUMBER 439-11-995-073	PRIOR REFERENCE: P. D-16, FY 1972 Economic SA PDB	INITIAL OBLIGATION FY: 1966	SCHEDULED FINAL OBLIGATION FY: 1974

Project Target and Course of Action: This project has a three-fold objective: (1) to improve the administrative capacity of the Royal Lao Government with emphasis on developing and strengthening budgetary and fiscal controls; (2) to assist the Lao Government in strengthening its capability to perform national-level economic and social development planning; and (3) to assist the Lao Government in effectively developing and utilizing its manpower resources to meet social and economic development needs.

Background and Progress to Date: This project was initiated for the purpose of planning and coordinating support to the Lao Government and to assist in complying with the budgetary performance required by the monetary stabilization program. Financial management of the Lao Government has been improved by the introduction of a standardized national budgeting system and the establishment of a national development budget.

The Ministry of the Plan has been reorganized to emphasize comprehensive national-level economic and social development planning while also strengthening sectoral planning. Some 40 to 50 Lao Government officials annually receive training in Thailand in various phases of public finance, land surveying and administration, development administration and other areas of government management.

To provide additional assistance to the Lao Government, a census of requirements was made and a plan developed for working-level, technical assistance through the International Voluntary Services, Inc. Training in the area of development of human resources has gradually been promoted in Laos, particularly for lower level clerical and blue-collar skills, using Thailand-trained Lao personnel as teachers.

FY 1973 Program: In FY 1973 special emphasis will be placed on assisting the government to control expenditures and increase tax revenues. Funds are requested to cover ten U S. direct-hire personnel ($307,000). The contract with International Voluntary Services, Inc. (IVS) will be extended to provide 47 people for education, rural development, and public administration programs ($515,000). Participant training costs ($109,000) will cover training in Thailand in land surveying, accounting, budget analysis, communications, air traffic control and statistics. Commodity costs ($66,000) will cover office furniture and machines, and general supplies. Other costs ($108,000) will fund operational travel and miscellaneous contractual services.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	2,095	1,535	560
Estimated FY 72	665	754	
Estimated through 6/30/72	2,760	2,289	471
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	1,105	630	4,495

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/	Total	Direct AID	Contract/	Total
U.S. Technicians	300	130	430	307	515	822
Participants	100	-	100	109	-	109
Commodities	60	-	60	66	-	66
Other Costs	20	55	75	32	76	108
Total Obligations	480	185	665	514	591	1,105

PRINCIPAL CONTRACTORS/AGENCIES

International Voluntary Services, Inc.
Express Transportation Organization

Country: LAOS

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
General Technical Support	Technical Support		SA
PROJECT NUMBER 439-11-999-000	PRIOR REFERENCE P. D-17, FY 1972 Economic SA PDB	INITIAL OBLIGATION FY: 1955	SCHEDULED FINAL OBLIGATION FY: Reviewed Annually

Project Target and Course of Action: The purpose of this project is to provide logistical and administrative support to all Mission activities which cannot be identified with individual projects. The range of activities which are provided include: (1) supply management involving centralized commodity procurement, contracting services, warehousing, commodity distribution and the storage, inventory control, issuance and accounting of common-use commodities; (2) real property management, including leasing and maintenance of Mission facilities and housing and operation of utilities for U. S. personnel; (3) arrangements for the movement of Mission cargo from ports of entry and across Thailand; (4) maintenance of a motor pool servicing the field and headquarters; (5) operation of a telecommunications network linking all work locations for administrative support, including personnel administration, secretarial and translation services, security of Mission facilities, communications media, records management, financial management, and general maintenance and housekeeping services.

FY 1973 Program: The only significant changes in this project in FY 1973 derive from the initiation of the Narcotics Control project. This new project will add 18 positions to the Mission's authorized U. S. personnel ceiling and will affect general support costs across the board. Pay raises and increases in costs of commodities contribute to the amount requested for FY 1973 ($5,300,000). These funds are programmed for: (1) 100 direct-hire U. S. technicians in the administrative/service functions described above ($2,503,000); (2) continuation of a participating agency agreement with General Services Administration for three supply advisors ($115,000); (3) commodities, primarily common-use items such as office supplies and equipment, petroleum products, cement, household furniture, vehicles and spare parts ($1,321,000); and (4) other costs, including third-country national employees, transportation of goods from Bangkok to Vientiane, local construction and repair contracts, operational travel, and miscellaneous repair and operating costs ($1,361,000).

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	60,149	59,608	541
Estimated FY 72	4,881	4,971	
Estimated through 6/30/72	65,030	64,579	451
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	5,300	Undetermined	

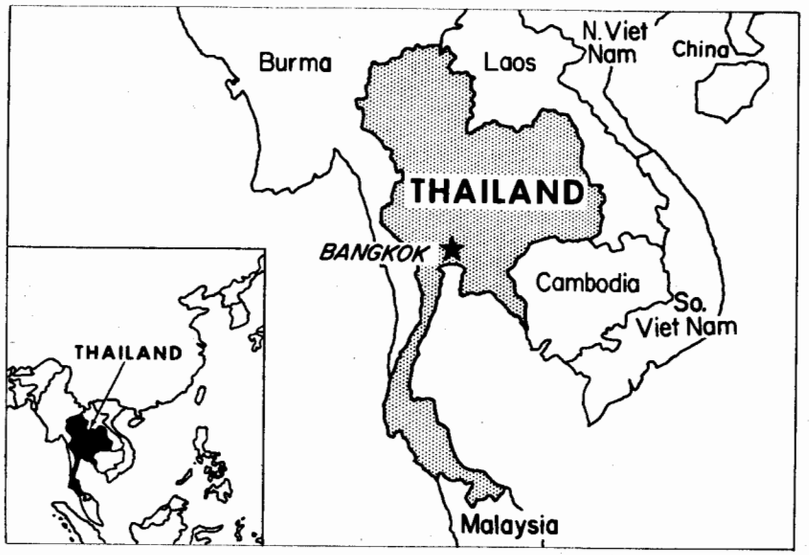
Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/	Total	Direct AID	Contract/	Total
U.S. Technicians	2,056	115	2,171	2,503	115	2,618
Participants	-	-	-	-	-	-
Commodities	1,350	-	1,350	1,321	-	1,321
Other Costs	505	855	1,360	507	854	1,361
Total Obligations	3,911	970	4,881	4,331	969	5,300

PRINCIPAL CONTRACTORS/AGENCIES

General Services Administration

Express Transportation Organization

THAILAND - GENERAL ECONOMIC DATA



BASIC DATA

Population *(millions – mid-1971)*	38.7
Annual Growth Rate *(percent)*	3.3
Area *(1000 square miles)*	198
Population Density per square mile	196
Agricultural Land as % of Total Area	22
Percent of Labor Force in Agriculture	78
Life Expectancy *(years)*	56
People per Doctor	7,170
Literacy Rate *(percent)*	68
Students as Percent of 5-19 Age Group *(Primary & Secondary)*	44

	Calendar Years				
	1967	1968	1969	1970	1971 *Est.*
GROWTH INDICATORS					
Total GNP *(millions of 1970 dollars)**	5,147	5,615	6,145	6,510	6,910
Per Capita GNP *(1970 dollars)*	151	160	169	174	178
Investment – *millions of 1970 $*	1,229	1,374	1,628	1,528	1,559
– *percent of GNP* †	23	24	26	24	22
Domestic Savings – *millions of 1970 $*	1,121	1,162	1,366	1,201	1,299
– *percent of Investment*††	91	84	84	65	72
Agricultural Production Index *(1961-65 = 100)*	126	116	136	137	143
Index per Capita	111	99	112	109	110
Rice, rough (1,000 MT)	13,490	11,190	13,410	13,500	13,400
Tin (metal content: 1,000 MT)	23	24	21	22	22
INTERNATIONAL TRADE *($ millions)* *					
Total Exports *(f.o.b.)*	681	658	708	697	775
Rice	(225)	(182)	(139)	(121)	(115)
Total Imports *(c.i.f.)*	-1,060	-1,150	-1,242	-1,292	-1,250
Trade Balance	-379	-492	-534	-595	-475
GOLD & FOREIGN EXCHANGE *($ millions)*††					
Official Reserves	1,009	1,021	985	906	866
Commercial Bank Holdings	77	108	129	126	182
CONSUMER PRICE INDEXES					
(Bangkok-Thonburi) (1963=100)	111	113	116	117	119
(All Urban Areas) (10/'64-9/'65=100)	109	111	114	114	114

CENTRAL GOVERNMENT FINANCES* (FY Ending September 30)	– *Million Dollar Equivalents* – 1969	1970	1971 Est.
Total Expenditures	1,137	1,225	1,491
(Defense Expenditures)	(174)	(198)	(241)
(Capital Outlays)	(451)	(454)	(545)
Total Domestic Revenues	878	908	947
As percent of GNP†	14.0	14.0	13.5
Deficit (–) or Surplus (+)	-259	-317	-544

*Converted at 20.8 baht per U.S. $.

† Based on data in current prices. ††Gross basis, end of year. End 1971 gold is valued at $38 an ounce and foreign exchange at realigned exchange rates.

THAILAND

INDEX

	Page
Table I - Summary of Country Program	E-1
Table II - Summary of Program by Function	E-7
Table III - Agricultural Water Utilization (Projects)	E-8
Agricultural Development	E-9
Labor Training and Management	E-10
Comprehensive Rural Health	E-11
Family Planning and Health	E-12
Development of Vocational Education	E-13
Rural Education	E-14
Graduate Science Education	E-15
Civil Police Administration	E-16
Commodity Management	E-17
Local Government Finance	E-18
National Economic Policy	E-19
Accelerated Rural Development	E-20
Mobile Development Unit	E-21
Special Training for National Development	E-22
Private Capital Investment	E-23
Professional Manpower Utilization	E-24
Multi-Sector Development Assistance	E-25
Technical Support	E-26
Table IV - Project Data Summary (Pipeline Projects)	E-27
Table V - Status of Development Loans Summary	E-28

THAILAND

PROGRAM SUMMARY (In millions of dollars)	FY 1971 Actual	FY 1972 Estimated	FY 1973 Proposed
Security Supporting Assistance	17.0	15.0	25.6
Technical Assistance	(4.1)	(-)	(-)
Population	(1.4)*	(1.5)	(2.1)
Total	(22.5)	(16.5)	(27.7)

*Funded from Development Loan account.

OBJECTIVES OF U. S. ASSISTANCE

The basic U. S. assistance objective is to help improve Thai capacity for dealing with internal and external security threats and to strengthen the ability of the government to maintain economic growth and internal stability over the long term. Both the U. S. and Thai Governments recognize that the fundamental responsibility for defending Thailand rests with the Thai.

POLITICAL, MILITARY AND ECONOMIC SETTING

Thailand occupies a key position in Southeast Asia and plays a major role in the economic and political life of the region. Thailand has cooperated closely with the United States in the Vietnam conflict, permitting U. S. access to base facilities in Thailand and providing Thai troops in support of South Vietnam. For many years Thailand has faced an externally-supported communist insurgency, and events in Cambodia and Laos have brought active military operations close to Thailand's border. The insurgents in Thailand have continued to increase in numbers and to strengthen their organizational base. Assassinations of local officials and civilian supporters of the Thai Government increased markedly in 1971 over the previous years.

On November 17, 1971, the Thai leadership suspended parliament and the constitution and modified the form of government with the intent of improving the Government's capability to deal with security and economic problems. The position of the King and the institutions of the monarchy, armed services, police and basic government administration remain unchanged. The new Government is administered by a National Executive Council (NEC) composed of former Prime Minister Thanom Kittikachorn and other former members of the Cabinet. The NEC has stated that Thailand will continue to support the UN and to cooperate with friendly nations as in the past, and that a new constitution is to be prepared.

Economy

In 1971 the economy of Thailand, which had reached a rate of growth of nine percent per year during the mid-1960's, continued the slowdown begun in 1969. Thailand's GNP growth rate declined to six percent in 1971, as a result of lower earnings from major exports--rice, tin and rubber--and reduced U. S. military expenditures in the country. Thai international reserves, which had experienced an earlier ten-year build-up, continued a decline started in 1969. The Thai Government sharply raised import duties and other taxes and in setting government budgets for fiscal years 1971 and 1972 it narrowed planned deficits by limiting developmental and other expenditures. It also favored exports by removing taxes on most categories of rice exports and encouraging production of other crops in stronger world demand. By these measures the Thai succeeded in holding the drawdown of official foreign exchange reserves to moderate proportions.

The high growth rates of the 1960s were achieved with monetary and price stability resulting from a high rate of private savings, a balance of payments surplus and the Government's conservative monetary and fiscal policies. In the early phases of the Second Five-Year Development Plan, 1967-71, expenditures of the Central Government increased rapidly, but they were later

restrained because of monetary pressures. Growth in government revenues has slowed, largely because of reduced growth of economic activity; the FY 1972 budget showed an expenditure increase of only one percent over the previous year.

On October 1, 1971, Thailand initiated its Third Five-Year Development Plan, which sets a target of a GNP growth rate of seven percent annually over the next five years while maintaining "monetary and financial stability". The Plan regards the balance of payments as the major constraint on future growth and calls for more rapid export growth and slower import growth compared to the Second Plan, 1967-71. Expecting little improvement in external demand for rice, the Plan projects export growth mainly in maize, tapioca and rubber and to some extent in other agricultural and manufactured products.

Total public development expenditures over the Plan period are projected at $4.8 billion. The Plan will give increased emphasis to agricultural expansion and diversification, particularly for crops with export potential, and to education and other social services. In order to raise the needed domestic resources, the Plan calls for new tax measures and holding down expansionary borrowings. Internal resources available for the Plan may face increased pressures because of declining growth in government revenues and continuing demands for security and defense expenditures.

At the February 1972 meeting of the IBRD-chaired Consultative Group on Thailand, the new Third Five-Year Development Plan was reviewed, and the RTG presented its case for external assistance to donors from 14 countries and international organizations.

PROPOSED FY 1973 PROGRAM

A Supporting Assistance level of $25.6 million is proposed for FY 1973. In addition, A.I.D. plans to provide $2.1 million for family planning activities.

To supplement the FY 1973 A.I.D. program, a two-year (FY 72/73) PL-480 Title I program of $30 million is planned, which will include cotton, tobacco, wheat and wheat flour. The local currency funds generated will be made available to agriculture and industry. A program of housing investment guaranties for a variety of low- and middle-income housing projects also is under discussion with the Thai Government. A military assistance program of $60 million is also planned.

U. S. Supporting Assistance will continue the basic security-oriented program of previous years, but will direct increased attention to economic development and the building of institutions which will permit the Thai Government to deal with its own internal problems over the long term. Assistance provided directly for security will help strengthen the Thai police and the Government to continue to carry out a broad program of rural development. Economic and technical assistance will be provided in the fields of agriculture, education private sector development, health and population planning. An agricultural sector program is being developed to provide assistance to farmers to increase production of agricultural crops for which good export potential exists.

Security

To assist the Thai in improving security in the rural areas threatened by insurgent activity, the FY 1973 program contains $4.2 million for support of the Thai National Police Department. The bulk of this assistance will help to improve and expand the capability of the National Police to deal with the insurgency, although significant effort will also continue to be given to developing the Thai National Police Department into a modern police institution.

The increase in the insurgency threat over the past two years has prompted the National Police to increase its

manpower by almost 6,000 men. New recruits are in the main being assigned to counterinsurgency units located in security-sensitive areas. U. S. assistance is largely focused on the counterinsurgency police elements, chiefly the Provincial Police and the Border Patrol Police.

Program plans call for extending police services to townships, improving police and counterinsurgency training, improving mobility and communications and promoting police-community activities.

Rural Development

The proposed FY 1973 program includes $3.8 million in Supporting Assistance funds for rural development through the Accelerated Rural Development program. This project is designed to assist in the economic and social development of insurgent-threatened areas of Thailand by providing increased governmental services, equipment, funds and trained personnel. The program provides support and assistance to the provincial government to create, train and equip a provincial organization which can respond to the needs and desires of the people. Project activities include rural roads, water facilities, schools and other public works. An important part of the project is the building of a capability in the provincial government to plan, coordinate and implement local programs.

In addition to the Accelerated Rural Development project, other development activities focused largely in the North and Northeast and designed for maximum public impact are being undertaken in rural health, rural education and agriculture extension. Assistance will be provided to mobile development units which undertake development activities in the most insecure areas.

Family Planning

The Family Planning program has obtained strong Thai Government support. A.I.D. assistance, largely in the form of commodities, will continue at a level of about $2.1 million in FY 1973. The present population growth rate is estimated at 3.3 per cent annually, and the Thai have set a target growth rate of 2.5 per cent by the end of the Five-Year Plan.

Education

In FY 1973 $1.7 million is proposed for U. S. assistance to education. A.I.D. will help improve teacher training and help the Thai become self-sufficient in the development of their own science and mathematics education programs.

Only an estimated 50 per cent of Thai children in the primary through secondary school age group are in school, despite increasing Thai resources budgeted for education. A new activity planned for FY 1973 is assistance to provide reading material for village schools.

Institution Building and Development

In line with the objective of increased emphasis on local leadership and lowered U. S. presence in our aid programs, a change in emphasis and previous geographic concentration of the Thai program is being planned. The FY 1973 institution-building program will increase efforts to support or improve basic Thai institutions which have leading roles in national development. New A.I.D. activities which will carry forward this purpose include the Local Government Finance project, the National Economic Policy project, and an agricultural planning activity.

-- The Local Government Finance project will assist provincial and lower level government units to identify methods of generating or expanding local revenues, thus increasing funds available to provincial authorities, which to date have been largely dependent on allocations from central government sources.

-- The National Economic Policy project will improve the development planning capability of the Thai Government at the national level. It will help develop an analytic and planning capability to assist in the formulation of sound national policies by such institutions as the National Economic Development Board and the National Institution for Development Administration.

-- The activity that stresses agricultural planning aims at improving the planning capabilities of the Ministry of Agriculture.

Two Supporting Assistance loans are proposed in FY 1973. The absence of adequate studies and firm project proposals to support development plans has hampered Thailand's ability to obtain capital project financing from external sources which otherwise might be willing to increase their assistance. During the 1972 Consultative Group meeting, a particular point was made of this weakness. A proposed $2 million Supporting Assistance loan to the Thai Government will finance the identification and preparation of feasibility studies of priority capital projects in Thailand.

A $5 million Supporting Assistance loan for agricultural development is also planned. The Agricultural sector holds the most promise for increased production of commodities for export; however, greatly increased local and external resources are required both for diversification and expansion of production. Loan funds will be provided to the Bank of Agriculture and Agricultural Cooperatives. This will support a major Thai program for assistance to farmers and producers of commodities with good export potential, and should contribute to strengthening the Government's relationship with the farmers.

In December 1971 an A.I.D. housing guaranty program for Thailand was approved at a $6 million level for public housing and sites and services projects to be administered by the Thai Public Welfare Department. Discussions are taking place on the possibility of additional housing guaranty assistance for the formation of savings and loan/mortgage insurance systems and a private housing program.

OTHER DONOR ASSISTANCE

The principal non-U. S. sources of assistance to Thailand are the International Bank for Reconstruction and Development (IBRD) and Japan. The IBRD has been lending to Thailand at an average of $30 million a year, largely for infrastructure projects. The Bank is expected to continue to provide substantial assistance in support of the Plan. Japan has been the largest bilateral donor after the United States, and there has been a steady rise in the amount of its assistance. Japanese loans reached $12 million in FY 1971 and may be expected to increase significantly over the Plan period. Japan also contributes about $2 million annually in grant technical assistance.

Thailand also receives assistance from ten other countries or organizations. The Asian Development Bank is expected to give loans totaling $18 million for FY 1972. Australia, New Zealand, West Germany, the UK and the United Nations are the other largest contributors of grant assistance. Total grant assistance from all non-U. S. sources is expected to reach over $11 million in FY 1972.

THE OUTLOOK FOR FUTURE YEARS

Thailand faces a number of economic problems over the next few years which may hinder its rate of development.

The Thai Government intends to undertake a drive to increase export sales, a major objective of the new Third Five-Year Plan, and to hold imports to a slower rate of growth. Both of these efforts will require the Thai to undertake a variety of actions to increase and diversify agricultural production, to increase industrial production for both export and efficient

import substitution and aggressively to pursue new markets for all of its exports. New incentives must be established and implemented to encourage the private sector and foreign investment. Other economic problems which must be faced will include increasing revenue collections in support of the development plan and simplifying the import and domestic tax structure. The identification and preparation of plans for specific development projects suitable for donor financing will receive priority attention. All of these actions will call for determination and discipline on the part of the Thai.

Thailand will face a continuing threat from internal insurgency, which over the last year increased in strength and organizational base. The Thai are also concerned about the external threat arising from events in Laos and Cambodia. Increased communist efforts in both these areas may well compel them to increase their defense and counterinsurgency efforts by using resources that otherwise would be applied to economic development.

Thailand has, however, a number of strengths which will support its efforts to deal with these problems. It has a long history of national independence, a widely respected royal family which helps to unify the nation and an established structure of government. Its resource base is sound, and the country does not face food shortages nor great pressures on arable land. It is increasingly assuming a more important role in the political and economic affairs of Southeast Asia. Given sufficient determination for self-help and adequate technical and developmental support, Thailand should be able to overcome its problems.

Thailand

(U.S. Fiscal Years - Millions of Dollars)

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS													TOTAL 1946-1971	REPAYMENTS AND INTEREST 1946-1971	TOTAL LESS REPAYMENTS AND INTEREST
	POST-WAR RELIEF PERIOD	MARSHALL PLAN PERIOD	MUTUAL SECURITY ACT PERIOD	FOREIGN ASSISTANCE ACT PERIOD												
	1946-1948	1949-1952	1953-1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971			
A. OFFICIAL DEVELOPMENT ASSISTANCE																
A.I.D. AND PREDECESSOR AGENCIES - TOTAL	-	16.1	250.2	36.9	17.4	12.9	39.7	43.4	53.3	46.7	35.5	26.5	22.5	551.7 a/	28.6	523.1
Loans	-	-	45.6	11.0	-	-	20.6	-	3.5	-	-	-	-	56.3	28.6	27.7
Grants	-	16.1	204.6	25.9	17.4	12.9	19.1	43.4	49.8	46.7	35.5	26.5	22.5	495.4	-	495.4
(Supporting Assistance)	(-)	(14.3)	(190.9)	(15.8)	(10.1)	(6.8)	(12.1)	(30.0)	(36.3)	(36.0)	(25.0)	(18.9)	(17.0)	(393.3)		
FOOD FOR PEACE - TOTAL	-	-	4.0	0.1	0.1	0.1	0.1	0.2	0.3	0.9	0.6	1.2	0.3	8.0	1.7	6.3
Title I - Total	-	-	3.6	-	-	-	-	-	-	-	-	-	-	3.6	1.7	1.9
REPAYABLE IN U.S. DOLLARS - LOANS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PAYABLE IN FOREIGN CURRENCY - Planned for Country Use.	-	-	3.6	-	-	-	-	-	-	-	-	-	-	3.6	1.7	1.9
Loans	-	-	3.6	-	-	-	-	-	-	-	-	-	-	3.6	1.7	1.9
Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Title II - Total	-	-	0.4	0.1	0.1	0.1	0.1	0.2	0.3	0.9	0.6	1.2	0.3	4.4	-	4.4
EMERGENCY RELIEF, ECON. DEVELOPMENT & WORLD FOOD	-	-	-	-	-	-	*	-	-	-	-	-	-	*	-	*
VOLUNTARY RELIEF AGENCIES	-	-	0.4	0.1	0.1	0.1	0.1	0.2	0.3	0.9	0.6	1.2	0.3	4.4	-	4.4
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	6.2	-	-	0.8	1.4	1.2	2.2	3.1	2.3	1.7	1.3	1.3	1.5	23.0	7.1	15.9
PEACE CORPS	-	-	-	0.8	1.4	1.2	2.2	3.1	2.3	1.7	1.3	1.3	1.5	16.8	-	16.8
OTHER	6.2	-	-	-	-	-	-	-	-	-	-	-	-	6.2	7.1	-0.9
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	6.2	16.1	254.2	37.8	18.9	14.2	42.0	46.7	55.9	49.3	37.4	29.0	24.3	582.7	37.4	545.3
Loans	6.2	-	49.2	11.0	-	-	20.6	-	3.5	-	-	-	-	66.1	37.4	28.7
Grants	-	16.1	205.0	26.8	18.9	14.2	21.4	46.7	52.4	49.3	37.4	29.0	24.3	516.6	-	516.6
B. OTHER OFFICIAL																
EXPORT-IMPORT BANK LONG-TERM LOANS	-	1.0	15.3	10.9	4.9	2.1	-	15.0	3.4	1.0	3.2	3.2	-	60.0	42.5	17.5
TOTAL ECONOMIC	6.2	17.1	269.5	48.7	23.8	16.3	42.0	61.7	59.3	50.3	40.6	32.2	24.3	642.7	79.9	562.8
Loans	6.2	1.0	64.5	21.9	4.9	2.1	20.6	15.0	6.9	1.0	3.2	3.2	-	126.1	79.9	46.2
Grants	-	16.1	205.0	26.8	18.9	14.2	21.4	46.7	52.4	49.3	37.4	29.0	24.3	516.6	-	516.6
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.) b/	-	16.4	286.9	39.1	72.6	32.9	25.8	30.2	21.0	- c/	-	-	-	588.1	-	588.1
Credit Sales (FMS)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants	-	16.4	286.9	39.1	72.6	32.9	25.8	30.2	21.0	-	-	-	-	588.1	-	588.1
(Additional Grants from Excess Stocks)	(-)	(0.6)	(8.9)	(3.0)	(5.1)	(1.1)	(1.6)	(1.2)	(0.2)	(-)	(-)	(-)	(-)	(22.5)	(-)	(22.5)
OTHER MILITARY ASSISTANCE GRANTS (Incl. Service Funded).	-	-	4.6	-	-	-	*	-	11.9	56.3	167.1	96.8	113.0	449.7	-	449.7
TOTAL MILITARY	-	16.4	291.5	39.1	72.6	32.9	25.8	30.2	32.9	56.3	167.1	96.8	113.0	1,037.8	-	1,037.8
TOTAL ECONOMIC AND MILITARY	6.2	33.5	561.0	87.8	96.4	49.2	67.8	91.9	92.2	106.6	207.7	129.0	137.3	1,680.5	79.9	1,600.6
Loans	6.2	1.0	64.5	21.9	4.9	2.1	20.6	15.0	6.9	1.0	3.2	3.2	-	126.1	79.9	46.2
Grants	-	32.5	496.5	65.9	91.5	47.1	47.2	76.9	85.3	105.6	204.5	125.8	137.3	1,554.4	-	1,554.4

* Less than $50,000. a/ The cumulative total reflects deobligations; annual data represent total new obligations in that year. b/ Annual data through FY 1963 are deliveries; subsequent years are annual program data. Totals for the entire period are cumulative program figures. c/ Military assistance under the FAA was transferred to DOD service funding.

ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1970	FY 1971	FY 1946-71
TOTAL	60.7	30.5	458.7
IBRD-World Bank	46.5	12.5	361.7
Asian Development Bank	10.0	15.8	30.8
Int'l Finance Corp.	-	0.2	22.8
UNDP-Special Fund	2.9	0.5	19.8
UNDP- TA (CY)	0.5	0.5	12.5
Other UN (CY)	0.8	1.0	11.1

D.A.C. COUNTRIES (EXCLUDING U.S.)

OFFICIAL BILATERAL GROSS EXPENDITURES

DONOR	CY 1969	CY 1970	CY 1960-70
TOTAL	35.0	97.4	253.1
Japan	14.9	78.0	124.6
Germany	14.1	6.4	75.9
Other	6.0	13.1	52.6

ECONOMIC ASSISTANCE FROM COMMUNIST COUNTRIES
(Loans and Grants Extended)

1970 (Calendar Year)	-
1971 (Calendar Year)	-
Cumulative Thru 1971	-

SUMMARY OF PROGRAM BY FUNCTION

Country: THAILAND

(Dollar Amounts in Thousands)

TABLE II

Category	Actual FY 1971				Estimate FY 1972				Proposed FY 1973			
	Total	Tech. Assist.	Supp. Assist.	Population	Total	Tech. Assist.	Supp. Assist.	Population	Total	Tech. Assist.	Supp. Assist.	Population
Development Loan Program		XXX	XXX	XXX		XXX	XXX	XXX		XXX	XXX	XXX
Programs Other than Devel. Loan												
Project Assistance												
U.S. Technicians	10,420	3,279	7,056	85	6,117		6,027	90	9,649		9,459	190
Participants	3,144	670	2,187	287	2,259		2,059	200	3,375		2,960	415
Commodities	8,977	201	7,753	1,023	8,124		6,914	1,210	14,436		12,896	1,540
Other Costs	-	-	-	-	-		-	-	285		285	-
Total Project Assistance	22,541	4,150	16,996	1,395	16,500		15,000	1,500	27,745		25,600	2,145
Method of Financing												
Project Assistance												
Direct A.I.D.	17,389	1,341	14,653	1,395	14,836		13,336	1,500	22,086		20,041	2,045
Other Agency	621	344	277	-	298		298	-	770		770	-
Contract	4,531	2,465	2,066	-	1,366		1,366	-	4,889		4,789	100
Program Assistance	-	-	-	-	-		-	-	-		-	-
Total Other than Devel. Loan	22,541	4,150	16,996	1,395	16,500		15,000	1,500	27,745		25,600	2,145
Total Assistance	22,541	XXX	XXX	XXX	16,500	XXX	XXX	XXX	27,745	XXX	XXX	XXX

NUMBER OF U.S. TECHNICIANS (Program Overseas)

TYPE OF TECHNICIAN	On Duty At Close of Year		
	Actual FY 1971	Estimate FY 1972	Proposed FY 1973
A.I.D. employed	161	139	132
Participating agency	20	11	13
Contractor technicians	53	38	72
Total	234	188	217

NUMBER OF PARTICIPANTS

TYPE OF PARTICIPANT	Programmed During Year		
	Actual FY 1971	Estimate FY 1972	Proposed FY 1973
Non-contract	442	475	650
Contract	24	-	35
Total	466	475	685

Country: THAILAND

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Agricultural Water Utilization	Agriculture and Natural Resources		SA
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
PROJECT NUMBER 493-11-120-231	P. E-5, FY 1972 Economic SA PDB	FY: 1972	FY: 1976

Project Target and Course of Action: One of the most serious obstacles to agricultural development in Thailand is the lack of utilization by farmers of water stored in reservoirs. The potential irrigable land from these reservoirs is over twelve million rai, or about five million acres. In the Northeast alone, over 160 tank reservoirs have been built to date. Water from these reservoirs could be used primarily for supplemental wet season rice irrigation during periods of water shortage, and for second cropping irrigation during the dry season. The Thai Government, aware that utilization of stored water is a major factor towards increased agricultural production, has directed the Department of Irrigation to discontinue planning and constructing new reservoirs until the water from existing reservoirs is utilized.

The purpose of this project is to: (1) provide agricultural water to farmers; and (2) train extension workers, soils personnel, irrigation engineers, and agricultural engineers in on-the-farm water distribution techniques. Commodities and training provided by the United States will enable farmers and appropriate Thai Government organizations to construct canals, irrigation and drainage laterals, ditches, dikes, and other appurtenances which will distribute water from reservoir to farm.

Progress to Date: Planning and implementation of the project have been delayed because of difficulties experienced within the Thai Government related to division of responsibilities among agencies. Recent changes within the Thai Government structure indicate that these problems should be resolved in the near future.

FY 1973 Program: FY 1973 funds are requested for one direct-hire technician ($30,000); three employees under agreement with the United States Department of Agriculture ($120,000); ten contract employees (from a contract firm yet to be named) who will help develop training systems in irrigation techniques for agricultural and other government employees ($350,000); financing of academic training for 14 participants in the United States in such fields as farm management and water resources development, and third country training for 36 participants to observe water utilization activity in countries such as Taiwan ($185,000); commodities including trucks, bulldozers, draglines, ditching machines, and land leveling equipment ($760,000).

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	-	-	-
Estimated FY 72	90	60	
Estimated through 6/30/72	90	60	30
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	1,445	4,465	6,000

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Other Agency	Total	Direct AID	Other Agency	Total
U.S. Technicians	30	60	90	30	470	500
Participants	-	-	-	185	-	185
Commodities	-	-	-	760	-	760
Other Costs	-	-	-	-	-	-
Total Obligations	30	60	90	975	470	1,445

PRINCIPAL CONTRACTORS/AGENCIES

U.S. Department of Agriculture

Country: THAILAND

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Agriculture Development	Agriculture and Natural Resources		SA
PROJECT NUMBER 493-11-190-180	PRIOR REFERENCE P. E-6, FY 1972 Economic SA PDB	INITIAL OBLIGATION FY: 1952	SCHEDULED FINAL OBLIGATION FY: 1976

Project Target and Course of Action: The goal of this project is to improve agricultural production in Thailand, with special attention given to the Northeastern provinces where farmers compose 90% of that region's population.

The Northeast Agricultural Center will continue to be assisted through a contract with the University of Kentucky. This research institution provides an area approach to agricultural development in the Northeast. Additional emphasis is placed on research in agricultural economics, which includes farm management, marketing, compilation of agricultural statistics, and area development economics. These efforts will aid in achieving higher farm incomes and greater economic and social stability in all rural areas. Technical advice on improved agricultural methods will continue to be provided to farm clubs at the district level. Assistance will be provided through the Agricultural Extension Department of the Ministry of Agriculture in general agriculture, fisheries and research. This support will help develop an Extension Service to advise farmers on effective methods of increasing and diversifying production, as well as demonstrate to Thai farmers that their government has an active interest in their well-being.

Progress to Date: The Department of Agricultural Extension now has 1,850 extension agents assigned to the field, with about 400 subject specialists and staff for administration and support. Because of improved transportation facilities, extension agents are now able to provide an increasing amount of technical, marketing, and management information for farmers in remote areas. Over 2,650 private fish farms with hatchery capability have been established in the North and Northeast. Additional research information is beginning to flow from the Northeast Agricultural Center, especially as related to upland rice, kenaf, oil seed crops and animal nutrition.

FY 1973 Program: FY 1973 funds totaling $2,935,000 are requested. This amount will cover the costs of two direct-hire agriculturalists ($70,000); contract costs necessary to finance ten full-time and ten short-term contract advisors ($570,000); and the cost of six full-time plus 12 short-term Department of Agriculture advisors ($380,000). It will also provide training in the United States and third countries for 135 participants in research, cooperatives, agricultural economics, fisheries and various agricultural extension subjects ($865,000). The balance of the request ($1,050,000) will be used to finance the procurement of commodities including farm implements, four-wheel-drive vehicles, pesticides, fertilizer and laboratory equipment.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	15,304	11,434	3,870
Estimated FY 72	1,984	2,684	
Estimated through 6/30/72	17,288	14,118	3,170
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	2,935	6,000	26,223

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	70	530	600	70	950	1,020
Participants	605	-	605	645	220	865
Commodities	769	10	779	1,040	10	1,050
Other Costs	-	-	-	-	-	-
Total Obligations	1,444	540	1,984	1,755	1,180	2,935

PRINCIPAL CONTRACTORS/AGENCIES

U. S. Department of Agriculture

University of Kentucky

Country: THAILAND

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Labor Training and Management	Labor		SA
PROJECT NUMBER 493-11-450-237	PRIOR REFERENCE -	INITIAL OBLIGATION FY: 1973	SCHEDULED FINAL OBLIGATION FY: 1974

Project Target and Course of Action: The target of the Labor Training and Management Project is to develop a capability within Thailand's Department of Labor for dealing with the manpower problems of the next decade, which will result from the rapid growth of the population and labor force. Special responsibility for providing action and information programs with respect to these problems has been delegated to the Department of Labor. Action toward this target will be implemented by technical advisors in the fields of labor statistics, workmen's compensation fund administration, occupational health and safety; continuing assistance will also be given in the development of a modern public employment service. Similar assistance may be provided to develop and implement a labor-management education program to provide workers and employers with a better understanding of constructive labor-management relations and a greater familiarity with prevailing labor laws and regulations.

This technical assistance will be supplemented by participant training, mostly non-academic study tours.

Progress to Date: Under the previous (and related) Labor Administration Project, preliminary work was accomplished in the planning and drafting of the following: (1) legislation relating to a labor relations law which would permit the formation of unions; (2) Occupational Health and Safety portion of the Labor Protection Bill; and (3) the Workmen's Compensation portion of the same bill. Concurrently, assistance was provided in modernizing, expanding and coordinating operations of the Public Employment Service. Much of this was accomplished by utilizing short-term advisors from the U. S. Department of Labor on three- to five-month tours. Additionally, short-term advisory assistance was provided in vocational training and in manpower planning to meet specific needs, and participant training opportunities were provided to selected staff members of the Thai Department of Labor.

FY 1973 Program: Fiscal Year 1973 funds are requested for one full-time advisor in employment service operation and general labor administration, and three short-term advisors in labor education, workmen's compensation and occupational health and safety ($50,000); and training for eight participants ($25,000).

Minor assistance related to labor will continue from the Asia Foundation, the Colombo Plan, the Asian Labor Education Center and similar organizations.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71			
Estimated FY 72			
Estimated through 6/30/72			
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	75	106	181

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Other Agency	Total
U.S. Technicians				-	50	50
Participants				25	-	25
Commodities				-	-	-
Other Costs				-	-	-
Total Obligations				25	50	75

PRINCIPAL CONTRACTORS/AGENCIES

U. S. Department of Labor

Country: THAILAND

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Comprehensive Rural Health	Health and Sanitation		SA
PROJECT NUMBER	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
493-11-540-179	P. E-11, FY 1972 Economic SA PDB	FY: 1966	FY: 1974

Project Target and Course of Action: The purpose of this project is to help the Thai Government establish an effective network of curative and preventative medical services in security-sensitive rural areas; and to complement preventative medical efforts, promote the acceptance and utilization of high protein food products in both rural and urban areas. The project involves two approaches -- long-term development of the Thai Government's capacity to provide needed health services and information, and immediate impact activities.

Progress to Date: Most short-range targets have been met as the project enters its seventh year. The availability of health facilities and the provision of health services to the rural population have been improved and expanded. Some successfully completed elements of the project are: (1) the establishment of four regional health training centers for male health workers for service at rural health centers; (2) the establishment of four Maternal Child Health Training Centers for midwives for service at rural health centers; (3) the establishment of three regional tuberculosis control centers in Northeast and Northern Thailand; (4) the initiation of the Saraphi District Rural Health Research Project from which innovative techniques for public health development are now emerging; (5) the provision of hospital medical equipment for 26 Northeast and Northern provincial and district hospitals; (6) creation of a viable division of the Department of Health to carry out environmental health activities on a self-help basis in all villages; (7) support for Rural Health Centers in the form of drugs, supplies and equipment; (8) completion of research and development on a family of prototype protein-rich foods now available for commercial production and marketing, especially infant and weaning foods; and (9) appointment of a National Food and Nutrition Committee, a National Nutrition Institute, and chartering a Food Processors Association. The high impact element, including the fielding of 32 mobile medical teams and training of auxiliary health workers (paramedics) for each security-sensitive district is now well established and USOM assistance terminated in FY 1971. Assistance is now: (1) closing the widespread communication gap which still exists between the people and the Ministry of Health and which seriously hampers health programs that require individual, family or community decisions and actions; and (2) helping to create a more integrated, well planned and well managed organization.

FY 1973 Program: Funds are requested to provide three direct-hire advisors in the fields of public health administration, health education and public health nursing ($90,000); three short-term contract consultants in the fields of marketing and food technology ($15,000); 20 participants ($110,000); and such commodities as four-wheel-drive vehicles, medical and lab equipment, and food processing equipment ($265,000).

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	5,565	4,845	720
Estimated FY 72	450	685	
Estimated through 6/30/72	6,015	5,530	485
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	480	567	7,062

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/	Total
U.S. Technicians	180	-	180	90	15	105
Participants	70	-	70	110	-	110
Commodities	200	-	200	265	-	265
Other Costs						
Total Obligations	450	-	450	465	15	480

PRINCIPAL CONTRACTORS/AGENCIES

Country: THAILAND

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Family Planning and Health	Health and Sanitation		Population
PROJECT NUMBER 493-11-580-209	PRIOR REFERENCE P. E-12, FY 1972 Economic SA PDB	INITIAL OBLIGATION FY: 1968	SCHEDULED FINAL OBLIGATION FY: 1974

Project Target and Course of Action: The objective of this project is to reduce Thailand's high population growth rate by helping to provide family health services throughout the country and by strengthening the capability of the Bangkok-situated Mahidol University School of Public Health in population dynamics and family planning.

The immediate target is to help the Thai Government complete the expansion of family planning services to all 71 provinces and increase the number of acceptors per operating clinic. The United States will provide advisory services to the Ministry of Public Health (MOPH), contraceptives, medical equipment, and participant training for doctors, nurses, and related professions. Long-term targets are to reduce the population growth rate of Thailand from over three percent to two and one-half percent by the end of 1976. Specific project targets for Fiscal Year 1973 are to reach 400,000 to 450,000 new family planning acceptors.

Progress to Date: The project is on schedule with family planning services now offered to some extent in all 71 provinces. Over 300 doctors, 700 nurses, and 3,000 midwives have completed a one-week course in family planning and some 350 clinics have been equipped to provide intra-uterine device insertions and medical examinations. Agreement has been reached with officials of the Accelerated Rural Development Project (ARD) for 32 mobile medical teams in the remote Northeast to promote and provide family planning services for elements of the population not previously covered. The Department of Medical Services through the provincial hospital network have also agreed to include family planning services in connection with its 15 mobile medical teams.

FY 1973 Program: FY 1973 funds are requested for three direct-hire population/family planning experts ($90,000); a contract with the American Public Health Association for technical services ($100,000); U.S. training for 56 participants ($390,000), and training in third countries for 18 participants ($25,000) for a total training component of $415,000; and commodities including contraceptives, four-wheel-drive vehicles, laboratory and medical equipment, books, etc., for clinics and training centers ($1,540,000).

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	4,425	2,531	1,894
Estimated FY 72	1,500	1,542	
Estimated through 6/30/72	5,925	4,073	1,852
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	2,145	2,101	10,171

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/	Total
U.S. Technicians	90	-	90	90	100	190
Participants	200	-	200	415	-	415
Commodities	1,210	-	1,210	1,540	-	1,540
Other Costs	-	-	-	-	-	-
Total Obligations	1,500	-	1,500	2,045	100	2,145

PRINCIPAL CONTRACTORS/AGENCIES

American Public Health Association

Country: THAILAND

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Development of Vocational Education	Education		SA
PROJECT NUMBER 493-11-610-194	PRIOR REFERENCE P. E-13, FY 1972 Economic SA PDB	INITIAL OBLIGATION FY: 1966	SCHEDULED FINAL OBLIGATION FY: 1973

Project Target and Course of Action: The objective of this project is to assist the Thai Government's efforts to strengthen and expand vocational education and teacher training. The Thai Government has committed the equivalent of $32 million to this project including $6 million borrowed for imported equipment from the International Bank for Reconstruction and Development, $16 million for land acquisition and construction and $10 million for operation of schools. The United States is providing both technical advisors and participant training to the Thai Department of Vocational Education. In addition, the services of two university contract teams are being furnished. These teams are working with the teacher training institutions, one in vocational agriculture and one in trade and industrial education. Thai plans have the following goals: (1) expand buildings and equipment of 14 trade and industry schools which will increase their capacity by 1,400 students and provide equipment and improved space for the present 5,600 students; (2) expand and improve nine agricultural schools, increasing enrollment from 2,600 to 4,100 students; (3) expand enrollment at the Thewes Technical College in Bangkok from 275 students to 540 students and graduate annually 180 teachers; and (4) expand enrollment at Bang-Pra Agricultural Teacher Training College from 270 students to 360 and graduate 150 teachers.

Progress to Date: The new buildings for the 25 project schools have been completed. Renovation of some of the old shops, road and fence construction, and landscaping should be finished during 1972. In 1971, 7,000 students were registered in trade and industrial schools and 520 students were in Thewes Teacher Training College. There should be 1,750 graduating from trade and industrial schools and 165 from Thewes in 1971. The agriculture schools have 3,850 students enrolled; 386 are at Bang-Pra. Bang-Pra is scheduled to graduate 120 in 1971.

Curriculum outlines were developed for the agriculture high schools along with specific course content to fit local conditions. The new curriculum for Bang-Pra has been put in use. That for the trade and industrial schools and Thewes will be implemented in 1971-72.

Workshops on the installation and utilization of equipment in five of the six trades have been conducted. Evaluation instruments for the project have been developed and a school-by-school evaluation will be conducted in 1972.

FY 1973 Program: Funds are requested for three direct hire technicians ($90,000); and for two short-term consultants, one in administration and supervision and one in development of school-industry cooperative programs ($30,000). This project was scheduled for termination in FY 1972, but was extended for an orderly phase-out. Overall cost of project has, however, been reduced by $323,000 from last year's estimate.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	3,455	2,477	978
Estimated FY 72	153	760	
Estimated through 6/30/72	3,608	3,237	371
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	120	-	3,728

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Other Agency	Total	Direct AID	Other Agency	Total
U.S. Technicians	120	30	150	90	30	120
Participants	3	-	3	-	-	-
Commodities	-	-	-	-	-	-
Other Costs	-	-	-	-	-	-
Total Obligations	123	30	153	90	30	120

PRINCIPAL CONTRACTORS/AGENCIES

California State Polytechnic College
Oklahoma State University

Country: THAILAND

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Rural Education	Education		SA
PROJECT NUMBER 493-11-640-162	PRIOR REFERENCE P. E-15, FY 1972 Economic SA PDB	INITIAL OBLIGATION FY: 1964	SCHEDULED FINAL OBLIGATION FY: 1976

Project Target and Course of Action: The object of this project is to increase the Thai Government's capacity to respond to the desires of the rural population for expanded and improved educational opportunities. It is also designed to contribute to the Thai Government's counterinsurgency efforts in the North and Northeast. The project has the following components: (1) textbook and teaching materials; (2) provincial education improvement; (3) participant training; (4) adult literacy training in rural areas; (5) teacher training; and (6) improvement of village school reading materials. The program provides training in writing, editing and production of "self teaching" textbooks. Also involved are a program to expand and improve the upper primary and secondary school systems, and a program to resolve the problem of local finance, budgeting and administration of local schools. The entire program is reinforced by educational radio programs.

Progress to Date: About eight million textbooks have been printed on A.I.D.-financed paper imports. The Ministry of Education provides manuscripts, editorial work, printing and distribution. Ten Thais have completed the first phase of training in the art of programming text materials for books. Follow-up activities are continuing in order to evaluate anticipated improvements in curriculum content. Other accomplishments include: (1) the placing in operation of fifty-four mobile units to train about 40,000 students in rural provinces; (2) the successful initiation of a program of mobile adult vocational training units for short-term training in such technical skills as auto-mechanics and radio repair to train out-of-school youths and adults; and (3) the fact that a U. S. advisor in local education finance has taken up his duties in Bangkok.

FY 1973 Program: FY 1973 funds are requested: (1) to finance three direct-hire technicians ($90,000) and 15 contract technicians ($500,000); (2) to train 72 participants in the United States ($445,000); and (3) to import commodities including four-wheel-drive vehicles, teaching materials, science education materials, mathematics teaching kits and audio-visual production material ($310,000).

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	7,954	5,486	2,468
Estimated FY 72	838	1,057	
Estimated through 6/30/72	8,792	6,543	2,249
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	1,345	5,302	15,439

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/	Total	Direct AID	Contract/	Total
U.S. Technicians	95	170	265	90	500	590
Participants	358	-	358	445	-	445
Commodities	215	-	215	310	-	310
Other Costs	-	-	-	-	-	-
Total Obligations	668	170	838	845	500	1,345

PRINCIPAL CONTRACTORS/AGENCIES

Country: THAILAND

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Graduate Science Education	Education		SA
PROJECT NUMBER 493-11-660-228	PRIOR REFERENCE P. E-14, FY 1972 Economic SA PDB	INITIAL OBLIGATION FY: 1973	SCHEDULED FINAL OBLIGATION FY: 1973

Project Target and Course of Action: The objective of this project is to help the Royal Thai Government provide a base for science education in the Thai educational system. To achieve this purpose, Thai universities will be upgraded; first, so that they can offer Master of Science programs, and subsequently, to the point where PhD programs in the basic sciences can be offered. This approach came about as a result of recent studies by the United Nations and the International Bank of Reconstruction and Development. These studies strongly supported the development of graduate-level science programs in Thailand to meet that country's need for trained scientists and science teachers.

Progress To Date: The Thai Government, with the assistance of Michigan State University, has produced a general plan for the development of graduate science education. The specific details of implementing the plan have yet to be developed. A short-term specialist is now appraising the proposal for these details in developing university graduate-level science and mathematics programs. It is envisaged that the services of a five-man university contract team will be obtained to work with the staff of the University Development Commission to prepare a specific work plan and assess equipment, library and training needs. This plan will be in such form that the Thai Government will be able to present it for financing to any of the various international assistance agencies such as the Asian Development Bank or the International Bank for Reconstruction and Development.

FY 1973 Program: FY 1973 funds are requested for: one direct-hire higher education advisor ($30,000); a five-man contract team ($200,000); academic training in the United States for five participants ($25,000); and library books and materials ($5,000).

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71			
Estimated FY 72			
Estimated through 6/30/72			
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	260	-	260

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians				30	200	230
Participants				25	-	25
Commodities				5	-	5
Other Costs				-	-	-
Total Obligations				60	200	260

PRINCIPAL CONTRACTORS/AGENCIES

Country: THAILAND

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Civil Police Administration	Public Safety		SA
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
PROJECT NUMBER 493-11-710-119	P. E-16, FY 1972 Economic SA PDB	FY: 1957	FY: 1977

Project Target and Course of Action: The objective of this project is to help units of the Thai National Police improve their effectiveness in protecting the rural populace against insurgent activity and banditry.

Advisory assistance, equipment and major training will be provided to Provincial and Border Patrol Police. Program plans call for extending services in the townships; improving counterinsurgency training, mobility and communications; promoting community development activities and medical services by the police in remote areas.

The Thai Government has increased its contribution to the National Police budget from $37 million in 1965 to $82 million in FY 1972.

Progress to Date: Increased insurgency and banditry during FY 1969-1971 have motivated an increase in National Police manpower by 5,000 men, with an expected additional increase in FY 1972 of 5,362 men, primarily for counterinsurgency. During the same period, 993 township police stations have been constructed and sufficient funds have been allocated to construct the remaining 11 other stations so as to complete the planned target of 1,004 stations. U.S. assistance has provided approximately 58% of vehicle needs and all the radios necessary to equip these stations. The original target to train, equip and deploy fifty 50-man Special Action Forces and three police aerial reinforcement companies of 230 each, was completed in FY 1971.

While five counterinsurgency training centers have been established, some additional equipment will be required to improve training. The Field Medical Program has successfully completed its second year of operation, and has provided trained medical aid men for assignment in critical areas. The Aviation Division continues to receive U.S. contract service assistance to improve its aircraft maintenance capacity.

FY 1973 Program: Funds are requested for 42 direct-hire Public Safety advisors and two secretaries ($1,320,000); participant training for 47 Thai police ($210,000); commodities for improving mobility, training, defense and communications capability of counterinsurgency police including vehicles, weapons, radios, and personal equipment ($2,351,000); continuation of a contract for the services of one U.S. and 14 third-country advisors to assist the Aviation Division in training of aircraft mechanics ($110,000); and expansion of the Taylor contract to develop counterinsurgency training and intelligence capabilities--eight U.S. contract personnel ($240,000).

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	75,331	69,084	6,247
Estimated FY 72	5,211	6,706	
Estimated through 6/30/72	80,542	75,790	4,752
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	3,661	14,000	98,203

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/	Total	Direct AID	Contract/	Total
U.S. Technicians	1,320	20	1,340	1,320	350	1,670
Participants	80	-	80	210	-	210
Commodities	3,791	-	3,791	2,351	-	2,351
Other Costs	-	-	-	-	-	-
Total Obligations	5,191	20	5,211	3,881	350	4,231

PRINCIPAL CONTRACTORS/AGENCIES

Air America
Joseph Z. Taylor and Associates

Country: THAILAND

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Commodity Management	Public Administration		SA
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
PROJECT NUMBER 493-11-740-235	P. E-17, FY 1972 Economic SA PDB	FY: 1972	FY: 1974

Project Target and Course of Action: The purpose of this project is to increase capabilities throughout the Thai Government for effective and efficient management of commodities and related personnel and fiscal resources.

A newly formed Commodity Management Institute in the Thai Government's Bureau of the Budget has been given authority to develop and institute the following: (1) commodity management regulations and procedures; (2) modern training materials and aids for government-wide use; and (3) seminars and other training programs to upgrade commodity management capabilities with the Thai Government.

The National Institute for Development Administration in a complementary effort is developing courses in commodity management which will be given as a part of its public administration curricula and made available to government employees. Field Marshal Thanom has established a high-level interagency group, the Resources Management Advisory Committee, to further emphasize the importance accorded to this activity and to coordinate implementation of new policies and procedures. The Commodity Management Institute is the secretariat and implementing arm of the Committee.

A direct-hire commodity management advisor will be provided for two years to advise and assist the Director, Thai Bureau of the Budget, and his staff in attaining the objectives of this project.

Progress to Date: A Commodity Management Institute has been established in the Bureau of the Budget. The Director, Bureau of the Budget, serves as the Chairman of the Institute. The first training program for government executives was conducted at the Institute. Courses of instruction have been developed for additional training programs for executives and mid-career personnel. A subcommittee has been established to review existing commodity management procedures and to recommend new or revised ones. Two professors of public administration from the National Institute for Development Administration are working with the Commodity Management Institute in planning for additional courses in public administration.

FY 1973 Program: Fiscal Year 1973 funds are requested for the second year of services of a direct-hire commodity management advisor ($30,000); and for training in the United States for two long-term and two short-term participants ($20,000).

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	-	-	-
Estimated FY 72	20	20	
Estimated through 6/30/72	20	20	-
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	50	55	125

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	20	-	20	30	-	30
Participants	-	-	-	20	-	20
Commodities	-	-	-	-	-	-
Other Costs	-	-	-	-	-	-
Total Obligations	20	-	20	50	-	50

PRINCIPAL CONTRACTORS/AGENCIES

Country: THAILAND

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Local Government Finance	Public Administration		SA
PROJECT NUMBER 493-11-750-229	PRIOR REFERENCE P. E-18, FY 1972 Economic SA PDB	INITIAL OBLIGATION FY: 1972	SCHEDULED FINAL OBLIGATION FY: 1974

Project Target and Course of Action: The project is designed to analyze present and potential resources to finance the services and development activities undertaken by local government units. Based on these analyses, recommendations will be made to the Ministry of Interior regarding measures designed to assure adequate funds for continuing and future additional local services.

Thai Government units have made slow but definite strides during the past two decades. The development of viable local government units capable of administering their own affairs is beginning to bear fruit. Locally-elected provincial councils exist throughout the country and the Government continues to increase their responsibility as their administrative ability grows. One inhibiting factor related to the development of local government has been lack of local finance. Government authorities have not been able to identify methods of producing local revenues. Consequently, local budgets are largely financed from central appropriations, with the result that local control and responsibility is minimal.

Progress to Date: To assist the Thai Government to identify methods of producing local revenues, a local government finance advisor is being provided to the Ministry of Interior beginning in FY 1972 for a period of not more than 24 months. During the first year the advisor, working through Thai professional employees assigned full time to the activity, will assist the Ministry of Interior and other Thai Government agencies to define and locate sources of revenue and identify training needs as they relate to local government finance.

FY 1973 Program: Fiscal year 1973 funds are requested to finance the last year of the finance advisor's contract services ($39,000), and to provide training in tax administration in the United States for three short-term participants ($10,000).

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	-	-	-
Estimated FY 72	39	17	
Estimated through 6/30/72	39	17	22
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	49	52	140

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	-	39	39	-	39	39
Participants	-	-	-	10	-	10
Commodities	-	-	-	-	-	-
Other Costs	-	-	-	-	-	-
Total Obligations	-	39	39	10	39	49

PRINCIPAL CONTRACTORS/AGENCIES

Country: THAILAND

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
National Economic Policy	Public Administration		SA
PROJECT NUMBER 493-11-750-233	PRIOR REFERENCE P. E-19, FY 1972 Economic SA PDB	INITIAL OBLIGATION FY: 1972	SCHEDULED FINAL OBLIGATION FY: 1975

Project Target and Course of Action: The objective of this project is to improve the development planning capability of the Royal Thai Government to meet the needs of an expanding population and cope with a more complex economic environment, particularly as related to the Third Five-Year Development Plan.

To achieve this objective U. S. assistance will be provided to the Thai National Economic Development Board, the National Statistical Office, and the National Institute for Development Administration. Advisors will assist in such fields as overall planning, urban planning, agency management, regional statistical data, and developmental project preparation.

Other Donors: Project activities are being discussed by the Thais with the International Bank for Reconstruction and Development. It is expected that the IBRD Economic Development Institute will participate in specific phases of these activities. In addition, advisors on manpower and family planning are funded through the United Nations and the Population Council; regional planning teams are provided by the United Nations for Northern Thailand and by the United Kingdom for Southern Thailand; the Japanese Government is considering a regional planning team for Eastern Thailand.

Progress to Date: U. S. advisors will be recruited during fiscal year 1972, and participants will be sent for training to the United States.

Concurrently, the National Economic Development Board is reorganizing its approach to planning. It is believed that the reorganization will enhance the utilization and effectiveness of the outside advisors.

FY 1973 Program: Fiscal year 1973 funds are requested for one direct-hire advisor ($30,000); six advisors under contract ($225,000); and training for 21 participants in the United States ($145,000).

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	–	–	–
Estimated FY 72	180	10	
Estimated through 6/30/72	180	10	170
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	400	120	700

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/	Total	Direct AID	Contract/	Total
U.S. Technicians	10	70	80	30	225	255
Participants	50	–	50	145	–	145
Commodities	50	–	50	–	–	–
Other Costs	–	–	–	–	–	–
Total Obligations	110	70	180	175	225	400

PRINCIPAL CONTRACTORS/AGENCIES

Country: THAILAND

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR	FUNDS
Accelerated Rural Development	Community Development, Social Welfare and Housing	SA
PROJECT NUMBER 493-11-810-163	PRIOR REFERENCE: P. E-21, FY 1972 Economic SA PDB	INITIAL OBLIGATION FY: 1964 / SCHEDULED FINAL OBLIGATION FY: Reviewed Annually

Project Target and Course of Action: The Accelerated Rural Development program has the goal of winning or holding the loyalty of rural villagers in the insurgent-threatened areas of Thailand. Increased governmental services, economic development and strengthened local government are the tools to meet this objective. The basic concept of the program is to increase the capacity of the provincial government to respond to local needs. To obtain this capacity, this program provides support and assistance to the provincial government to: (1) create, train and equip a provincial organization which can, in response to the needs and desires of the people and under the leadership of the Governor, plan, design, construct and maintain rural roads, village water facility and other local public works; and (2) coordinate the planning and implementation of rural development programs within the province.

Progress to Date: At the beginning of the program, provincial governors had virtually no staff or resources for any type of development program. Now the governor of an Accelerated Rural Development province--there are 26 which the United States Mission supports--has the following: (1) a deputy governor to administer this project; (2) a planning staff; (3) several construction crews consisting of trained operators, mechanics, surveyors, etc.; (4) a well equipped maintenance facility; (5) participation in a local-level agricultural cooperative program; (6) participation in a young adults program; (7) participation in a mobile medical program; and (8) equipment to construct and maintain roads, to develop water resources, and to undertake projects requested by villagers.

The following is illustrative of the public works which have been completed as of September 30, 1971: 3,797 km. of laterite-surfaced roads; 1,880 km. of service tracks and village access roads; 745 km. of village streets constructed and repaired; 1,244 km. of roads maintained annually; and 277 producing deep wells drilled.

Non-public works activities have included training of youth groups (137 formed to date comprising a total of 8,000 members) and a public information program.

The Thai Government budget for this project has risen from $1,275,000 in 1964 to more than $18,000,000 in 1972. Increased attention is being given by both the Thai and United States Governments to developing a management and training capacity within the Accelerated Rural Development program.

FY 1973 Program: Funds are requested for 28 direct-hire development advisors and engineers ($840,000). Funds are also requested for participant training to provide training for 100 persons ($450,000). The commodity request will provide for follow-on support for provinces entering the program since 1969 ($2,480,000). These commodities include road construction and maintenance equipment plus additional equipment to develop water resources and other village projects.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	58,160	42,807	15,353
Estimated FY 72	3,270	7,481	
Estimated through 6/30/72	61,430	50,288	11,142
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	3,770	Undetermined	

Cost Components	OBLIGATIONS: Estimated FY 1972 Direct AID	Estimated FY 1972 Contract/	Estimated FY 1972 Total	Proposed FY 1973 Direct AID	Proposed FY 1973 Contract/	Proposed FY 1973 Total
U.S. Technicians	1,050	180	1,230	840	-	840
Participants	400	-	400	450	-	450
Commodities	1,640	-	1,640	2,480	-	2,480
Other Costs	-	-	-	-	-	-
Total Obligations	3,090	180	3,270	3,770	-	3,770

PRINCIPAL CONTRACTORS/AGENCIES

Ralph M. Parsons, Inc.

Country: THAILAND

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Mobile Development Unit Planning, Engineering and Construction	Community Development, Social Welfare and Housing		SA
PROJECT NUMBER 493-11-810-171	PRIOR REFERENCE P. E-22, FY 1972 Economic SA PDB	INITIAL OBLIGATION FY: 1964	SCHEDULED FINAL OBLIGATION FY: 1974

Project Target and Course of Action: The purpose of this project is to provide a Thai Government presence in remote areas of Thailand which are threatened by insurgency. The Mobile Development Units program is part of the National Security Command which compares to the U. S. Joint Chiefs of Staff. They are composed of a nucleus of military personnel complemented by civilian representatives from various technical agencies. The National Security Command catalyzes and coordinates regular Thai Government technical agency participation in the areas of operation. As originally planned, Mobile Development Units will engage in activities for several years, gradually phasing out as regular agencies are able to provide government presence and necessary services.

A.I.D. had previously proposed to terminate support of the project in FY 1972, since Thai military manpower was lacking due to external defense needs. Thai troop returns from South Vietnam now have eased this constraint and project support is again desirable. The Thai Government is committed to establishing from three to four new units by 1974, and one is to be deployed before the end of February 1972.

Progress to Date: Twenty-three units have been established to date, primarily in border provinces. Original plans called for creation of 29 units by 1972, but a shortage of qualified personnel caused a readjustment of this schedule. However, the National Security Command still plans to organize the units. The phase-out concept has proven unrealistic since regular agencies have been unable to follow up Mobile Development Units activities. These activities often take place in remote border areas where civil agencies cannot operate effectively alone. The National Security Command, recognizing this problem, is now viewing deployment on a longer-term basis; and weaker units are being strengthened with additional personnel, funds and equipment.

The National Security Command has no permanent personnel. Roughly 1,000 personnel assigned to the 23 Mobile Development Units are detailed from the military and various technical agencies. U. S. Mission support to this project totaling about $6 million since 1964, has consisted primarily of commodities. The Thai Government, however, has provided the bulk of the support. Since 1962, the National Security Command regular budget for this activity has totaled about $36.7 million, with an additional $5.1 million provided for equipment. Substantial funds also come from Thai Government technical services to support activities in Mobile Development Unit areas.

FY 1973 Program: Funds are requested for one direct-hire advisor assigned to the National Security Command ($30,000); third-country training for 20 short-term participants ($10,000) and training for ten participants in the United States ($30,000); and commodities consisting of construction equipment for two new units ($370,000).

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	5,919	4,731	1,188
Estimated FY 72	66	918	
Estimated through 6/30/72	5,985	5,649	336
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	440	700	7,125

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	30	-	30	30	-	30
Participants	36	-	36	40	-	40
Commodities	-	-	-	370	-	370
Other Costs	-	-	-	-	-	-
Total Obligations	66	-	66	440	-	440

PRINCIPAL CONTRACTORS/AGENCIES

Country: THAILAND

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Special Training for National Development	General and Miscellaneous		SA
PROJECT NUMBER 493-11-995-173	PRIOR REFERENCE P. E-23, FY 1972 Economic SA PDB	INITIAL OBLIGATION FY: 1965	SCHEDULED FINAL OBLIGATION FY: 1978

Project Target and Course of Action: This project provides specialized training for individuals who are contributing to Thailand's development but whose activities are not directly connected to A.I.D.-assisted projects. Training under this project is also provided, for example, where projects have been phased out but a follow-up training element is still needed, or where training is prerequisite to the success of a new project under consideration. Applicants are considered and designated for areas of training related to development objectives. A committee composed of representatives from A.I.D. and the Thai Government's Department of Technical and Economic Cooperation reviews and approves training proposals. Only those individuals who cannot be trained under other specific projects are considered. Participants selected for training must meet stipulated qualifications including physical fitness and competence in English, as well as academic qualifications for the type of training requested.

Progress to Date: This project was initiated in FY 1965 when six participants were sent to the United States for training. In subsequent years, third-country training has been utilized wherever feasible. To date, a total of 131 Thais have received specialized training, 114 in the United States and 17 in third countries.

FY 1973 Program: Under the FY 1973 program, it is proposed to finance training for 55 participants, 20 in the United States and 35 in third countries ($275,000), and to provide additional financing for ten participants already in training ($25,000).

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	985	658	327
Estimated FY 72	225	177	
Estimated through 6/30/72	1,210	835	375
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	300	1,500	3,010

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	-	-	-	-	-	-
Participants	225	-	225	300	-	300
Commodities	-	-	-	-	-	-
Other Costs	-	-	-	-	-	-
Total Obligations	225	-	225	300	-	300

PRINCIPAL CONTRACTORS/AGENCIES

Country: EAST ASIA REGIONAL DEVELOPMENT

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Transportation/Communications Feasibility Studies	General and Miscellaneous		SA
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
PROJECT NUMBER 498-11-995-210	P. 17, FY 1972 EA PDB	FY: 1969	FY: 1975

Project Target and Course of Action: This project is designed to assist the Southeast Asian nations in planning the development of an integrated regional transportation and communications network.

Progress to Date: In 1969 the United States contributed $1 million towards the cost of a $3 million Regional Transportation Survey which was carried out by the Asian Development Bank and financed by the United States, the United Nations Development Program and the Bank itself. The draft report was submitted to A.I.D., the other contributors and the Governments of the Southeast Asian countries for review and comments in October 1971. The final report, reflecting those comments, is scheduled for distribution by April 1972. This report is expected to identify over 100 transportation projects. Some of these will require more detailed feasibility studies to bring them to the point where they could be presented to international lending institutions with requests for implementation financing. When the final report is reviewed, the Coordinating Committee, representing transportation and communications ministers in eight Southeast Asian countries, will request assistance from several donors, including the United States. This assistance will be used to finance some of the feasibility studies recommended in the Survey.

Fifteen feasibility studies, financed with prior-year A.I.D. funds, have been completed and two studies are under way. The United Kingdom, Japan and the United Nations have also financed Coordinating Committee-sponsored projects. The operating costs of the Committee organization are being met by the member countries. The Survey highlighted the need to provide the Committee with technical assistance to increase its expertise in preparing and evaluating project proposals and to enable it to follow up on the recommendations in the Survey. Four years' experience with this small but increasingly effective organization has been encouraging. Recommendations expected from the Survey and the continued support being offered by the Japanese, United Kingdom, United Nations and the Asian Development Bank, have led the United States to plan for continuation of its support to this program through FY 1975. So far, the feasibility studies already completed have helped to attract about $100 million of investments from non-U. S. Government sources.

FY 1973 Program: Funds totalling $600,000 are requested for selected feasibility studies identified by the Regional Transportation Survey, and for technical assistance to the Coordinating Committee as a regional transportation and communications coordinating body. Of this amount, $500,000 is for fourteen contract advisors, and $100,000 is for other costs. Other costs include local travel, printing and publishing and temporary secretarial help in support of feasibility studies.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	2,879	2,100	779
Estimated FY 72	65	610	
Estimated through 6/30/72	2,944	2,710	234
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	600	1,135	4,679

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/	Total	Direct AID	Contract/	Total
U.S. Technicians	-	-	-	-	500	500
Participants	-	-	-	-	-	-
Commodities	-	-	-	-	-	-
Other Costs	-	65	65	-	100	100
Total Obligations	-	65	65	-	600	600

PRINCIPAL CONTRACTORS/AGENCIES

Ralph M. Parsons Co.
Louis Berger/Daniel, Mann, Johnson and Mendenhall

Country: EAST ASIA REGIONAL DEVELOPMENT

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Regional Telecommunications Development	Industry and Mining		SA
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
PROJECT NUMBER 498-12-225-228	P. 55, FY 1972 EA PDB	FY: 1972	FY: 1973

Project Target and Course of Action: This project will provide the training and equipment required to improve the telecommunications system in Laos and to enable the Lao system to be linked through Vientiane with the civil telecommunications networks of Thailand, South Vietnam and Hong Kong, and through there to other international points.

Progress to Date: In FY 1969 A.I.D. funded a Laos telecommunications study under the Transportation and Communications Feasibility Studies project. This study, completed in 1971 by Collins Radio Inc., of Dallas, Texas, identified deficiencies in the present Laos telecommunications system and made a number of recommendations for its improvement. These recommendations included: (1) a plan to restructure the Laotian Post, Telephone and Telecommunications organization; (2) a training program for administrative, maintenance and operating personnel; and (3) a modest amount of equipment. The equipment is required to bring the system to a level where it can provide a multi-channel telecommunications facility to link the major population centers of Laos to Vientiane, and through Vientiane to the neighboring countries of the region. The Lao have been very receptive to the suggestions to reorganize their telecommunications system along the lines recommended in the report. The first group of ten trainees has been selected and sent to the International Telecommunications Union School in Bangkok. Another ten trainees have been selected and will start their training in September 1972. Equipment lists have been developed and procurement will take place in 1972 and 1973 to complete a system tying together Vientiane, Paksane, Thakhek, Savannakhet and Pakse. In anticipation of improved service for their subscribers, the Lao Government has requested a United Nations Rate and Tariff Advisor to visit Vientiane and study its rate schedule. Also, a Long Distance Division has been set up staffed with employees working with the A.I.D. Mission's Telecommunications Branch.

FY 1973 Program: It is proposed in FY 1973 that $17,000 be allocated for training ten participants, $185,000 to purchase base stations, repeater multiplex channel and related equipment, and $15,000 for other costs associated with the installation of this equipment.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	-	-	-
Estimated FY 72	233	80	
Estimated through 6/30/72	233	80	153
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	217	-	450

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	-	-	-	-	-	-
Participants	17	-	17	17	-	17
Commodities	201	-	201	185	-	185
Other Costs	15	-	15	15	-	15
Total Obligations	233	-	233	217	-	217

PRINCIPAL CONTRACTORS/AGENCIES

Country: EAST ASIA REGIONAL DEVELOPMENT

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Mekong Pioneer Projects Development	Agriculture and Natural Resources		SA
PROJECT NUMBER 498-15-120-230	PRIOR REFERENCE P. G-8, FY 1972 Economic SA PDB	INITIAL OBLIGATION FY: 1973	SCHEDULED FINAL OBLIGATION FY: 1977

Project Target and Course of Action: This project will assist the World Bank in carrying out a program to develop pioneer agricultural projects in the Mekong Basin by providing a U. S. contribution to a fund to be managed by the Bank. The project will apply modern agricultural methods to Mekong lands and assist in evolving an agricultural development strategy for the Basin.

Progress to Date: In July 1969 the World Bank accepted an invitation by the UN Secretary General to become more closely associated with the development of the Mekong Basin. Following a review of the Mekong program, the Bank proposed that it develop and direct a major program of related agricultural projects in the Basin. The Bank's work will be carried out in association with the Asian Development Bank and the United Nations' Food and Agriculture Organization under the sponsorship of the Mekong Coordinating Committee. In September 1971 a Plan of Operations was signed by the World Bank and the Mekong Committee for the first phase of the engineering work. A fund of $2,000,000 has been provided by the UN, Japan, the Netherlands, Great Britain and the United States for the engineering and other preparatory costs involved in developing agricultural projects in Laos, the Khmer Republic, Thailand and Vietnam. The U. S. contribution to the first-phase fund, $500,000, was made in FY 1971 under the Mekong Basin Development Planning project. For the second phase, the Bank recommended a $50,000,000 fund be established for the construction and operation of the projects. A.I.D. had proposed a contribution to the Phase II fund in FY 1972 but deferred further action because of delays encountered in developing the proposal. A.I.D. is herewith proposing a contribution in FY 1973. The United States has encouraged the Bank to assume an active role in the Mekong program and has supported the Bank's efforts to date. Reaction by the other donor nations and by international institutions has also been favorable.

The World Bank is providing staff to identify pioneer projects, prepare terms of reference for project preparation, supervise the work of the consultants, prepare appraisal reports on each project and administer the funds provided for project preparation, construction and implementation.

The U. S. contribution would run in the order of 25% of the estimated $25,000,000 foreign exchange needs, or about $6,250,000 over a five-year period.

FY 1973 Program: In response to the World Bank's request to donors to make substantial initial contributions, $2,000,000 is proposed for funding in FY 1973. These funds would constitute the initial U. S. contribution for the construction and operation of Mekong Pioneer projects.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71			
Estimated FY 72			
Estimated through 6/30/72			
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	2,000	4,250	6,250

Cost Components	OBLIGATIONS: Estimated FY 1972 Direct AID	Estimated FY 1972 Contract/Other Agency	Estimated FY 1972 Total	Proposed FY 1973 Direct AID	Proposed FY 1973 Contract/	Proposed FY 1973 Total
U.S. Technicians				–	–	–
Participants				–	–	–
Commodities				–	–	–
Other Costs				–	2,000	2,000
Total Obligations				–	2,000	2,000

PRINCIPAL CONTRACTORS/AGENCIES

International Bank for Reconstruction and Development (World Bank)

Country: EAST ASIA REGIONAL DEVELOPMENT

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Mekong Basin Development Planning	Agriculture and Natural Resources		SA
PROJECT NUMBER 498-15-120-220	PRIOR REFERENCE P. 19, FY 1972 EA PDB	INITIAL OBLIGATION FY: 1970	SCHEDULED FINAL OBLIGATION FY: Reviewed Annually

Project Target and Course of Action: This project is designed to assist the Mekong Coordinating Committee to assemble and analyze data needed for development of the water and related resources of the Mekong River Basin and to design and implement plans to accomplish this development. The Committee has completed the Indicative Basin Plan which specifies the detailed studies and data collection activities necessary to assure the optimum use of resources and to judge individual developmental proposals in terms of economic, ecological and sociological results. This project supports selected developmental activities and studies undertaken at the request of the Mekong Committee.

Progress to Date: Major U. S. contributions to the Mekong program, under separate projects, have included contributions to the construction of the Nam Ngum Dam in Laos and the feasibility investigation of the Pa Mong Dam project proposed for the main stream a short distance above Vientiane. Under the Mekong Basin Development planning project, A.I.D. has funded the collection and analysis of hydrological data, geological investigations, fishery programs, ecological studies including investigations of waterborne diseases, provision of specialists to assist the Committee Secretariat, studies of tropical soils and agriculture, and the development of pilot projects in irrigation. This project also provides funds for A.I.D. personnel working on Mekong activities.

FY 1973 Program: Total funding of $1,583,000 is proposed for FY 1973. This includes funds for two direct-hire technicians ($70,000); 12 other U. S. agency and contract advisors ($498,000); commodities ($71,000); direct A.I.D. other costs for rent and other support costs ($60,000). This will also cover other contract costs to support Mekong activities including: development of a fish industry in the Nam Ngum reservoir; investigation of main stream fisheries; downstream benefits from upstream storage; reservoir mapping of the Stung Treng Basin; a major study of resettlement from the Pa Mong reservoir and continued geological investigations ($884,000).

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	1,990	923	1,067
Estimated FY 72	670	920	
Estimated through 6/30/72	2,660	1,843	817
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	1,583	Undetermined	

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	38	204	242	70	498	568
Participants	-	-	-	-	-	-
Commodities	-	199	199	71	-	71
Other Costs	7	222	229	60	884	944
Total Obligations	45	625	670	201	1,382	1,583

PRINCIPAL CONTRACTORS/AGENCIES

Engineer Agency for Resources Inventory
Universities to be selected
Corps of Engineers

SUMMARY OF PROGRAM BY FUNCTION

Country: EAST ASIA REGIONAL DEVELOPMENT

(Dollar Amounts in Thousands)

TABLE II

Category	Actual FY 1971				Estimate FY 1972				Proposed FY 1973			
	Total	Tech. Assist.	Supp. Assist.	Population	Total	Tech. Assist.	Supp. Assist.	Population	Total	Tech. Assist.	Supp. Assist.	Population
Development Loan Program		XXX	XXX	XXX		XXX	XXX	XXX		XXX	XXX	XXX
Programs Other than Devel. Loan												
Project Assistance												
U.S. Technicians	3,597	3,597	-	-	2,223	2,223	-	-	3,501	2,433	1,068	-
Participants	91	91	-	-	17	-	17	-	17	-	17	-
Commodities	1,537	1,321	216	-	1,882	1,614	268	-	2,868	2,612	256	
Other Costs	8,001	6,058	-	1,943	6,683	4,868	15	1,800	15,145	5,605	7,059	2,481
Total Project Assistance	13,226	11,067	216	1,943	10,805	8,705	300	1,800	21,531	10,650	8,400	2,481
Method of Financing												
Project Assistance												
Direct A.I.D.	1,285	1,285	-	-	1,158	925	233	-	5,373	955	4,418	-
Other Agency	1,258	1,258	-	-	898	898	-	-	900	775	125	-
Contract	10,683	8,524	216	1,943	8,749	6,882	67	1,800	15,258	8,920	3,857	2,481
Program Assistance	-	-	-	-	-	-	-	-	-	-	-	-
Total Other than Devel. Loan	13,226	11,067	216	1,943	10,805	8,705	300	1,800	21,531	10,650	8,400	2,481
Total Assistance	13,226	XXX	XXX	XXX	10,805	XXX	XXX	XXX	21,531	XXX	XXX	XXX

NUMBER OF U.S. TECHNICIANS (Program Overseas)

TYPE OF TECHNICIAN	On Duty At Close of Year		
	Actual FY 1971	Estimate FY 1972	Proposed FY 1973
A.I.D. employed	23	27	28
Participating agency	6	8	10
Contractor technicians	24	25	31
Total	53	60	69

NUMBER OF PARTICIPANTS

TYPE OF PARTICIPANT	Programmed During Year		
	Actual FY 1971	Estimate FY 1972	Proposed FY 1973
Non-contract	-	10	10
Contract	32	-	-
Total	32	10	10

SUPPORTING ASSISTANCE FUNDED

PUBLIC SAFETY PROGRAMS IN FY 1973

($ Thousands)

	FY 1971	FY 1972	FY 1973			
COUNTRY	TOTAL	TOTAL	TOTAL	TECHNICIANS	PARTICIPANTS	COMMODITIES
Vietnam	9,464	9,700	7,222	6,326	121	775
Thailand	5,366	5,000	4,231	1,670	210	2,351
Laos	480	425	462	200	31	231
Total	15,310	15,125	11,915	8,196	362	3,357

contract services ($8,216,000); the training in the U.S. of 150 police officers ($362,000); and purchase of essential police equipment ($2,745,000).

(For more information on each of the three programs, see the individual country sections).

In addition, efforts to assist police forces in narcotics control will be continued in FY-1973. Advisory assistance, training and equipment will be devoted to strengthening the narcotics law enforcement capabilities of the civil security forces in each case. These efforts are designed in concert with those of the U.S. Bureau of Narcotics and Dangerous Drugs and the U.S. Bureau of Customs.

In nineteen other countries in various parts of the world, public safety programs, funded by Technical Assistance, are expected to require $4.2 million. The severity of threat to society in these countries is very much less than it is in the Southeast Asian countries. These public safety programs are striving to develop police abilities to prevent the development of such threats in order that these nations may achieve orderly social and economic progress. Public safety assistance is also being tailored to focus resources available on improvement of police capabilities in narcotics law enforcement in key countries.

UNITED NATIONS FORCE IN CYPRUS

Sweden	2.9
United Kingdom	11.8
	37.9
US airlift assistance	1.3
Total	39.2

Taking into account both categories of contributions, the United States has pledged or furnished about one-third of the costs to date.

UNFICYP currently faces serious financial problems with a deficit of approximately $20 million. The United States is negotiating with other contributors in an effort to develop a new financial formula to eliminate the deficit and place future UNFICYP financing on a sound basis. The level of U.S. contributions would remain at the $4.8 million level annually subject to fluctuation in UNFICYP costs. The U.S. share under the new formula would be approximately 26% of total contributions in cash and in kind.

Because of a shortage of Supporting Assistance appropriated for FY 1972, only $2.4 million is being programmed for UNFICYP out of FY 1972 funds. Since pledges to UNFICYP are made on a calendar year rather than a fiscal year basis, a one-time six-month delay in funding of half the U.S. pledge can be sustained without affecting the level of the U.S. contribution. The full amount of the annual U.S. contribution -- $4.8 million -- is being requested for FY 1973.

INTERREGIONAL PROGRAMS

In FY 1973, $23.4 million of Supporting Assistance funds will be used to support A.I.D. interregional programs. These programs, which are under the direction of central A.I.D. offices, include a number of activities and provide a variety of services that benefit all A.I.D. field programs, including those funded by Supporting Assistance. Information on these interregional programs is contained in the Development and Humanitarian Assistance Program Presentation book.

PUBLIC SAFETY PROGRAMS

Public Safety programs in three countries -- Vietnam, Laos, and Thailand -- will be Supporting Assistance funded in FY-1973. Police assistance efforts in each of these countries are carefully tailored to focus on the deficiencies and weaknesses of their respective civil security forces and are directly responsive to host country plans and efforts to improve the capabilities of their civil police forces.

The overall goals of U.S. police assistance efforts of these countries are:

1. to assist the civil police and civil para-military forces in the development of capabilities to cope with the high level of threat to society brought about by externally supported subversion, guerrilla violence in rural areas and warfare;

2. to aid in building a viable police institution that can be responsive to the needs of the people and responsible for the protection of their life and property.

A major part of U.S. public safety assistance in Vietnam and Thailand is focused on those elements of the police institution which are responsible for dealing with the lower levels of violence in rural areas. In Vietnam a substantial effort is under way to provide police services at the village level as a major aspect of the pacification program. As the strength of the police institution in each of the three Southeast Asian countries increases, their ability to survive under the stress of change becomes more assured. The strong institution will be able to undergo reform and to accommodate orderly change within society so that essential services can be provided to the people. When this point of self-sufficiency is attained, U.S. assistance can be withdrawn.

A total of $11.3 million is proposed for these three public safety programs for FY-1973. The funds will be used for salaries and allowances of 222 advisors and

UNITED NATIONS FORCE IN CYPRUS

PROGRAM SUMMARY (In millions of dollars)			
	FY 1971 Actual	FY 1972 Estimated	FY 1973 Proposed
Security Supporting Assistance	4.8	2.4	4.8

The UN Force in Cyprus (UNFICYP) was established in 1964 to contribute to the restoration and maintenance of peace and security in Cyprus, and to a return to normal conditions. The UN Security Council has periodically extended UNFICYP's mandate, and the latest extension continues the force until June 15, 1972.

The size of the force requested in 1964 was 7,000 men. As a result of reductions made over the years, as of November 13, 1971, the force numbered 3,119 men comprised of the following national contingents:

Australia	38
Austria	105
Canada	585
Denmark	337
Finland	288
Ireland	391
Sweden	326
United Kingdom	1049
	3119

U.S. interest in the Cyprus problem reflects our goal of maintaining peace in the Eastern Mediterranean. Eruption of another round of inter-communal fighting would run the very strong risk of mutually destructive conflict between Greece and Turkey and incalculable damage to the southeastern flank of NATO. Experience has shown that UNFICYP is a stabilizing factor essential under present conditions.

The situation in Cyprus has become more critical in recent weeks and remains potentially explosive. With 20,000 armed men in close and hostile confrontation, incidents continue to occur from time to time. In the aftermath of the close brush with war that followed an outbreak of violence on the island in November 1967, intensive diplomatic efforts were made to establish a viable basis for negotiating a settlement. Since the summer of 1968 representatives of the Greek and Turkish Cypriot communities have been holding direct talks to seek a solution. In August 1971 the talks broke down. The UN Secretary General has suggested the talks be reactivated in expanded form. The United States supports the Secretary General's efforts and hopes that the talks will be resumed in the near future.

It would be unwise to make a major change in UNFICYP's role unless and until significant progress toward settlement is achieved. Although a UN force should not be stationed in Cyprus indefinitely, the UN Force is expected to be required through FY 1973.

The larger portion of the total costs of the UNFICYP operation since 1964 has been met from a fund administered by the UN and financed by voluntary contributions from member states and other governments. The UN estimates that the costs borne by this fund since 1964 totalled $141.0 million through December 15, 1971. Of this the United States has thus far pledged $59.3 million for costs through June 15, 1972. The remainder of the costs to the UN are borne by other governments, which provide cash contributions.

The governments which provide military and police contingents themselves bear a substantial share of the financial burden of such contingents rather than charge the UN for expenses relating to the presence of their contingents in Cyprus. Through December 1971 such contributions-in-kind are estimated at $39.2 million, of which the United States has furnished airlift services valued at $1.3 million.

Contributions in Kind through December 15, 1971.

	($ millions)
Australia	2.2
Canada	18.3
Denmark	2.5
New Zealand	0.2

MALTA

PROGRAM SUMMARY (In millions of dollars)			
	FY 1971 Actual	FY 1972 Estimated	FY 1973 Proposed
Contingency Fund	-	9.5	-
Security Supporting Assistance	-	-	9.5

POLITICAL, MILITARY AND ECONOMIC SETTING

Because of its strategic position in the Mediterranean, Malta is important to the defense of Europe and especially the security of the Mediterranean, at a time of Soviet naval expansion. Military forces of the United Kingdom have been stationed there under agreements with the Government of Malta.

After the election in June 1971 in which the Labor Party came to power with Mr. Dom Mintoff as Prime Minister, the Government of Malta began renegotiation of the financial and military arrangements with the United Kingdom. The North Atlantic Treaty Organization (NATO) participated in the negotiations resulting in a new defense agreement between the United Kingdom and Malta. The consensus of NATO members is that a continued UK military presence on Malta and concomitant exclusion of Warsaw Pact forces is very important to the NATO Alliance's defense posture in the Mediterranean. Therefore, the NATO members have agreed that continued use of Malta's important facilities warrants a substantial financial outlay by the Alliance. The United States concurs and has agreed to pay a proportionate share.

Because government expenditures account for about 65% of the total gross national product, Malta is dependent upon external resources to maintain the island's economy. United Kingdom aid and spending by British forces contribute an estimated 20% of the Maltese gross national product.

PROPOSED FY 1973 PROGRAM

As a result of the NATO agreement signed on March 26, 1972, between the United Kingdom and Malta, the Government of Malta will receive an annual payment of 14 million pounds sterling (about $37 million) for a seven year period. The U.S. share totals approximately $9.5 million annually (about 25%). During FY 1972 the initial U.S. payment of $9.5 million is being made from the Contingency Fund. Beginning in FY 1973 $9.5 million of Supporting Assistance funds is being requested for the annual U.S. share.

SPAIN

PROGRAM SUMMARY (In millions of dollars)			
	FY 1971 Actual	FY 1972 Estimated	FY 1973 Proposed
Security Supporting Assistance	-	-	3.0

The proposed Security Supporting Assistance program for Spain in FY 1973 is to fund the annual educational-cultural component of the five-year Agreement of Friendship and Cooperation between the U.S. and Spain (commonly referred to as the U.S.-Spanish Defense Agreement) which was signed on August 6, 1970. During the negotiations which began in 1968 for renewal of the original U.S.-Spanish Defense Agreement of 1953, the Spanish indicated a strong desire for assistance in education, agriculture, environment, economics, space, science and technology.

At the time the Agreement of the Friendship and Cooperation was concluded, the Department of Defense agreed to contribute $3 million from the Secretary of Defense's contingency fund on a one-time basis. These funds will be expended by the end of June 1972.

The Spanish Government attaches substantial importance to the non-military portion of the Agreement far beyond the financial magnitudes involved. In light of that interest, and of the relationship of the educational-cultural component of the 1970 Agreement to U.S. security interests in Spain, an additional $3 million for this program is included in the FY 1973 request for Security Supporting Assistance.

Development Fund. Our contribution would help finance projects such as construction and repair of irrigation and flood control dikes and levees to protect agricultural land from salt-water intrusion; pump, gravity and rain-fed irrigation projects; experimentation with seed varieties under a variety of water control experiments in many locations; and training programs for farmers, farmer organizations and the local government organizations working with them.

In addition, $1.6 million in Supporting Assistance funds is requested for the Mekong Development Planning Project to assist the Mekong Committee in a variety of activities in such fields as fisheries, resettlement, analysis of downstream benefits from upstream dams, and preventing the spread of schistosomiasis. An additional $4 million is proposed for construction of a series of dikes to provide protection for Vientiane, Laos, and the nearby Wattay Airport from floods originating from the Mekong and Nam Ngum Rivers. Repeated flooding has resulted in high annual costs for emergency services and repair of flood damage and has interrupted normal communications for long periods.

Another A.I.D. effort is directed toward stimulating coordinated telecommunications and transportation facilities in Southeast Asia, thereby promoting greater cooperation and cohesion in the region. The Asian Development Bank has just completed a $3 million transportation survey of Southeast Asia to which the United States contributed one-third. The survey report is now being reviewed by the countries concerned and could establish the pattern and priorities for future transportation development in Southeast Asia. In FY 1973, $600,000 in Supporting Assistance funds is needed for feasibility studies of specific priority projects identified by the foregoing regional transportation survey, and to provide technical advice and assistance to the Coordinating Committee in Malaysia which coordinates regional transportation and communications development interests of eight Southeast Asian countries.

Fifteen feasibility studies have been completed and two studies are under way financed with prior-year funds. The feasibility studies already completed have helped to attract about $100 million of investments from non-U. S. sources.

$217,000 is requested for equipment and training of Laotian personnel to complete construction of a telecommunications system tying Laotian and Thai systems together with international centers.

TECHNICAL ASSISTANCE AND POPULATION

The proposed FY 1973 A.I.D. program for East Asia regional development also includes $10.6 million of Technical Assistance funds to help the Southeast Asian Ministers of Education Organization (SEAMEO) promote regional cooperation in education through the operation of regional centers for advanced study and research in English teaching, tropical agriculture, mathematics and science teaching, tropical medicine, tropical biology and educational innovation; contribute to the development of the Asian Institute of Technology; support multilateral and cooperative efforts for improving the quality and supply of food (rice, vegetables and fisheries research); assist regional projects in health (cholera research); support labor and management training programs and selected activities of multilateral organizations; support the Southeast Asia Development Advisory Group and related research programs; and finance logistics and technical support costs for regional field operations.

The East Asia regional program also includes $2.5 million of population funds in FY 1973 for support of regional family planning activities.

EAST ASIA REGIONAL

PROGRAM SUMMARY (In millions of dollars)			
	FY 1971 Actual	FY 1972 Estimated	FY 1973 Proposed
Security Supporting Assistance	12	.3	8.4
Technical Assistance	(11.1)	(8.7)	(10.6)
Population	(1.9)*	(1.8)	(2.5)
TOTAL	(13.2)	(10.8)	(21.5)

*Funded from Development Loan Account

OBJECTIVES OF U.S. ASSISTANCE

The principal objective of U.S. regional programs in East Asia is to help improve the prospects for long-range peace and stability in the area. A.I.D. supports Asian proposals for cooperative economic and social development involving several countries working together on common problems. A.I.D. also encourages maximum involvement of other developed nations and international organizations in such programs.

Some of the A.I.D. regional projects are funded by Supporting Assistance funds and some by Technical Assistance funds, depending on the nature and purpose of the activities.

PROPOSED FY 1973 PROGRAM

The Mekong River is the major single natural resource of common interest to the countries of mainland Southeast Asia. Exploitation of its hydropower and irrigation potential could transform the Mekong Basin into a great electric power and food producing region. Beyond that the development of the Basin on a cooperative regional basis serves as a model for such cooperation in other areas and can help provide for political as well as economic stability in the region as a whole. The Mekong Development Program is sponsored by the Committee for Coordination of Investigations of the Lower Mekong Basin consisting of Cambodia, Laos, Thailand and South Vietnam. Despite continuous war and subversion in the area, the program of the Mekong Committee has continued uninterrupted over the last 14 years, with contributions from all sources totaling $214 million.

The United States has been a supporter of the Mekong Committee and its program since its earliest period. With 28 other countries and 12 UN agencies participating in the Mekong Committee's work, U.S. assistance has accounted for only 17 percent of the Mekong program funding to date. The U.S. contributions have included participation in the recently completed Nam Ngum Dam in Laos, large-scale investigations of the feasibility of a mainstream dam at Pa Mong on the Thailand-Laos border, participation in the World Bank-directed program for the development of agricultural pilot projects in all four Mekong countries, and a series of studies and activities including investigation of ecological problems arising from river development.

In July 1969, the World Bank accepted a suggestion by the UN Secretary General that it become more closely associated with the development of the Mekong Basin. With inputs from the United Nations, the United States, Great Britain, Japan and the Netherlands, the Bank has established a $2,040,000 fund for the purpose of developing and managing a series of related agricultural projects in the Basin. The Bank's work is being carried out under the aegis of the Mekong Coordinating Committee.

The World Bank has now recommended that a $50 million fund be established for the construction and operation of the projects. The United States proposes to contribute up to 25 percent of the foreign exchange costs, which are estimated at one-half of the $50 million construction fund. The total U.S. input of about $6,250,000 would be spread over a five-year period. The World Bank has requested donors to make substantial initial contributions. Consequently in FY 1973, $2 million in Supporting Assistance funds is proposed for contribution to the $50 million Mekong Pioneer Projects

EAST ASIA REGIONAL DEVELOPMENT

TABLE OF CONTENTS

		Page
Table I -	Summary of Country Program	H-1
Table II -	Summary of Program by Function	H-8
Tables III - (Projects)	Mekong Basin Development Planning	H-9
	Mekong Pioneer Projects Development	H-10
	Regional Telecommunications Development	H-11
	Transportation/Communications Feasibility Studies	H-12
	Mekong Vientiane Dike	H-13
	International Rice Research Institute	H-14
	SEA Fisheries Development Center	H-15
	Asian Vegetable Development and Research Center	H-16
	Cholera Research	H-17
	Regional Family Planning	H-18
	Asian Free Labor Union Development	H-19
	Asian Institute of Technology	H-20
	Regional Education Development (SEAMES)	H-21
	Regional Management Training	H-22
	SEA Development Advisory Group	H-23
	Center for Environmental Studies	H-24
	Economic Cooperation Center	H-25
	Regional Logistics Center	H-26
	Regional Technical Advisory Services	H-27
Table IV -	Project Data Summary (Pipeline projects)	H-28

STATUS OF DEVELOPMENT LOANS SUMMARY
As of 12/31/71

COUNTRY: JORDAN

(In Thousands of Dollars and Equivalent)

TABLE V

Loan No.	Title	Date		Grace Period (years)	Life of Loan (years)	Interest Rate (%)		Amount Authorized	Amount Disbursed	Currency of Repayment	Principal Repayments	Interest Collected
		Authorized	Loan Agreement			Grace Period	Amortization					
278-H-006	Telecommunications Systems Improvement	5/25/66	7/14/66	10	40	1	2 1/2	6,300	140	US $	-	4
	Total	XXXX	XXXX		XXX	XXXX	XXXX	6,300	140	XXXX	-	4

COUNTRY: JORDAN

PROJECT DATA SUMMARY

(Dollar Amounts in Thousands)

Table IV

Project Title	*	Project Number	FY of Initial Obligation	FY of Scheduled Final Obligation	Through FY 1971			Estimated FY 1972			Proposed Program FY 1973	Future Year Obligations	Estimated Total Cost
					Obligations	Expenditures	Unliquidated Obligation 6/30/71	Obligations	Expenditures	Unliquidated Obligation 6/30/72			
Tourism Development Program		278-11-240-102	1960	1970	2,134	2,126	8	-	8	-	-	-	2,134
Malaria Eradication		278-11-511-080	1958	1971	1,925	1,921	4	-	4	-	-	-	1,925
Public Safety		278-11-710-120	1964	1970	2,216	2,177	39	-	39	-	-	-	2,216
Public Administration		278-11-790-083	1958	1969	2,501	2,483	18	-	18	-	-	-	2,501
						Total		-	69	-	-	-	8,776

*Detailed project narrative-see TABLE III

Country: JORDAN

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Technical Support	Program Development and Support		TA
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
PROJECT NUMBER 278-11-999-000	P. 65, FY 1972 NESA PDB	FY: 1952	FY: Reviewed Annually

Project Target and Course of Action: This project provides general services and staff for the implementation of the overall A.I.D. program in Jordan. As a result of continued civil conflict in Jordan, the A.I.D. program activities, including U. S. advisory services, local hire, and related support costs, were reduced during FY 1971.

Present Situation: A.I.D. technicians and technicians loaned from other agencies have been in Jordan on short tours when required. This manner of operation will continue in FY 1973.

FY 1973 Program: For FY 1973, $160,000 is being requested to finance (1) necessary short-term U. S. technical support as required from A.I.D. and other U. S. agencies ($20,000); (2) commodities ($10,000); (3) other costs which include contracts for utilities, transportation, and English language training and testing ($21,000) and local salaries and shared administrative expenses ($109,000).

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	10,177	10,171	6
Estimated FY 72	150	140	
Estimated through 6/30/72	10,327	10,311	16
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	160	Undetermined	

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Other Agency	Total	Direct AID	Other Agency	Total
U.S. Technicians	5	15	20	10	10	20
Participants	-	-	-	-	-	-
Commodities	13	-	13	10	-	10
Other Costs	96	21	117	109	21	130
Total Obligations	114	36	150	129	31	160

PRINCIPAL CONTRACTORS/AGENCIES

United States Department of Agriculture

Country: JORDAN

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Feasibility Studies	Industrial and Urban Development		TA
PROJECT NUMBER 278-12-995-127	PRIOR REFERENCE P. 62, FY 1972 NESA PDB	INITIAL OBLIGATION FY: 1966	SCHEDULED FINAL OBLIGATION FY: 1974

Project Target and Course of Action: The goal of this project is to bring about better public and private sector investment decisions in Jordan by providing those studies and support needed to make judgments on the economic and financial viability of specific investment opportunities. This project makes available funds for obtaining experts for such studies.

Progress to Date: To assist Jordan after the June 1967 war, $3 million of supporting assistance funds were made available for this project. Of this amount $1.7 million purchased equipment for goundwater exploration by the National Resources Authority. The remainder was obligated for prefeasibility and full-scale feasibility studies. Two minor investigation activities and a study regarding a thermal power plant have been completed.

The projects presently being implemented include: (1) a school construction study; (2) the Ramtha-Amman Highway improvement and maintenance study; (3) a glass ceramics and building materials study; and (4) a vegetable seed and food processing study.

The school construction study will be completed by August 1972. It will provide information on additional school facilities needed, specifications and cost estimates for Jordan's school building program.

The Ramtha-Amman Highway study, which was to analyze and report on the needs for improving about 170 kilometers of highway, develop a 20-year program of general highway improvement, and prepare a more specific program of highway improvement over the next five years, is in varying stages of completion. The 20-year plan has been completed. The closure of the Syrian border has hampered the development of traffic flow surveys and the remaining work on this study is about two months behind schedule.

The engineering report on the glass, ceramics and building materials study to determine market requirements and the feasibility of establishing a glass and building materials industry is on schedule.

The vegetable seed and food processing study to determine where, how and if fruit and vegetable processing industries are technically and economically feasible, is expected to be completed before the end of this fiscal year.

FY 1973 Program: For FY 1973 a total of $115,000 is requested to finance phase III of the Ramtha-Amman Highway Study. Phase III will be reduced in scope from the original proposal but will entail full design for immediate near-term improvement of the highway. This highway feasibility study will provide the Jordanian Government with sufficient detail to enable it to seek the necessary outside financing for construction.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	3,160	2,108	1,052
Estimated FY 72	80	1,066	
Estimated through 6/30/72	3,240	3,174	66
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	115	145	3,500

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/	Total	Direct AID	Contract/	Total
U.S. Technicians	-	-	-	-	-	-
Participants	-	-	-	-	-	-
Commodities	-	-	-	-	-	-
Other Costs	-	80	80	-	115	115
Total Obligations	-	80	80	-	115	115

PRINCIPAL CONTRACTORS/AGENCIES

Daniel, Mann, Johnson & Mendenhall
Western & Harris
Swindell-Dressler
Thomas H. Miner and Associates, Inc.

Country: JORDAN

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Development Administration Training	Education and Manpower Training		TA
PROJECT NUMBER 278-16-790-146	PRIOR REFERENCE P. 46, FY 1972 NESA PDB	INITIAL OBLIGATION FY: 1970	SCHEDULED FINAL OBLIGATION FY: 1976

Project Target and Course of Action: Within Jordan, management skills have not kept pace with the improvements achieved at the technical and professional levels. This project assists the Government of Jordan to strengthen and improve the planning, implementation and evaluation of its social and economic development programs by providing training primarily in the United States and TDY advisory services such as: (1) advanced degree management training for young Government of Jordan employees with the potential to make key contribution to development; (2) advanced degree training for instructors at the University of Jordan; (3) training in the United States for both government and non-government people in areas especially important to social and economic development, including family planning; and (4) experts to give in-service short courses in specialized management areas.

Progress to Date: Since the initial obligation in FY 1970, A.I.D. has funded 75 participants for training in the United States and four others in third countries. Training has been in such fields as public administration, advanced auditing and accounting, computer maintenance, banking, public finance, educational administration and engineering.

Recent emphasis has been on strengthening the faculty of the National University with carefully selected instructors working towards doctorates.

FY 1973 Program: Funds are requested to finance 30 long-term participants ($220,000); three short-term participants ($12,000); and extension of training for 12 participants ($68,000).

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	562	260	302
Estimated FY 72	300	300	
Estimated through 6/30/72	862	560	302
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	300	500	1,662

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	-	-	-	-	-	-
Participants	300	-	300	300	-	300
Commodities	-	-	-	-	-	-
Other Costs	-	-	-	-	-	-
Total Obligations	300	-	300	300	-	300

PRINCIPAL CONTRACTORS/AGENCIES

Country: JORDAN

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Agricultural Economics and Planning	Agriculture and Rural Development		TA
PROJECT NUMBER 278-11-140-134	PRIOR REFERENCE P. 10, FY 1972 NESA PDB	INITIAL OBLIGATION FY: 1970	SCHEDULED FINAL OBLIGATION FY: 1975

Project Target and Course of Action: This project is designed to help improve the capability of the Directorate of Agricultural Economics of Jordan's Ministry of Agriculture to collect and analyze data upon which to base valid agricultural development policies and decisions. Improvement within the Directorate will be achieved through training of staff, supervising conduct of studies, and by assisting the Government of Jordan's Agricultural Credit Corporation analyze the effects of its loan program.

Progress to Date: The Ministry of Agriculture has provided the necessary personnel to staff the Directorate of Agricultural Economics and has initiated cost of production studies on several crops. Although it was necessary to withdraw the U. S. advisor due to the September 1970 civil conflict, the Ministry of Agriculture continued to carry out studies.

An A.I.D. consultant from the Economic Research Service of the United States Department of Agriculture was in Jordan in October and November 1971 to study the status and needs of economic research in Jordan. He determined there is a pressing need for Jordan to develop the capability for more complete agricultural economic research. This will enable better planning and sounder resource allocation decisions to be reached.

It is expected that the consultant's recommendations will be accepted by the Government of Jordan. Advisory support will be provided to the Directorate of Agricultural Economics on a short-term basis to assist in implementing improved programming techniques. An economic programming model for agricultural planning will be developed. Data requirements will be identified and initial data runs will be evaluated and interpreted.

FY 1973 Program: For FY 1973, $85,000 is being requested to finance: one short-term direct A.I.D. adviser on data research ($10,000); three short-term Department of Agriculture consultants on agricultural economics ($40,000); a year's training in the United States for four participants in development and production economics and in farm management ($30,000); and miscellaneous books and related survey materials and supplies for analysis work ($5,000).

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	72	43	29
Estimated FY 72	20	40	
Estimated through 6/30/72	92	83	9
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	85	200	377

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Other Agency	Total
U.S. Technicians	10	-	10	10	40	50
Participants	10	-	10	30	-	30
Commodities	-	-	-	5	-	5
Other Costs	-	-	-	-	-	-
Total Obligations	20	-	20	45	40	85

PRINCIPAL CONTRACTORS/AGENCIES

U. S. Department of Agriculture

Country: JORDAN

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Vegetable Research and Production	Agriculture and Rural Development		TA
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
PROJECT NUMBER 278-11-130-140	P. 10, FY 1972 NESA PDB	FY: 1970	FY: 1974

Project Target and Course of Action: The purpose of this project is to develop improved techniques for key vegetable crops. The project will develop improved cultural practices, crop rotation patterns, seed varieties, row spacing, fertilizer application programs, plant protection programs and harvesting techniques for three to five major vegetable crops.

Progress to Date: A group of vegetable growers and concerned officials was sent to the United States in 1970 for a study of advanced production techniques. The eruption of the 1970 civil conflict then precluded implementing the project in an area of Jordan where the greatest agricultural potential could be realized.

Internal security has improved. However, further implementation of this project has been held in abeyance due to the shortage of funds. Two short-term consultants studied the project during December 1971 in Jordan and have issued a final report. The report states the potential for increasing and improving vegetable production is excellent but more research is needed on the site to ascertain optimum growing techniques. Also, more emphasis on agricultural extention work is necessary.

FY 1973 Program: Funds are requested to finance a contract which will include: (1) one long-term agriculture extension expert ($40,000); (2) four short-term advisors in various aspects of production and marketing ($55,000); (3) training for four participants in the fields of food technology, marketing analysis, and seed quality control ($25,000); (4) demonstration small farm implements and necessary commodities ($15,000); and (5) other costs ($15,000).

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	175	13	162
Estimated FY 72	-	69	
Estimated through 6/30/72	175	82	93
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	150	250	575

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract	Total
U.S. Technicians				-	95	95
Participants				-	25	25
Commodities				-	15	15
Other Costs				-	15	15
Total Obligations				-	150	150

PRINCIPAL CONTRACTORS/AGENCIES

Country: JORDAN

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Wheat Research and Production	Agriculture and Rural Development		TA
PROJECT NUMBER 278-11-130-139	PRIOR REFERENCE P. 10, FY 1972 NESA PDB	INITIAL OBLIGATION FY: 1968	SCHEDULED FINAL OBLIGATION FY: 1974

Project Targets and Course of Action: This project is to assist the Ministry of Agriculture of the Government of Jordan in its program to develop a combination package of improved inputs which will lead to a permanently higher, sustainable level of wheat production. Farmers will be encouraged to adopt these inputs through the use of a series of field demonstration test plots on the farms of progressive Jordanians. In addition, the project will be used to train officials of the research and extension departments of the Ministry of Agriculture.

Progress to Date: A contract with Oregon State University, September 1968 to September 1970, provided two full-time advisors, short-term consultants and participant training. Under this contract a program of demonstration plots showing improved farm techniques and proper utilization of sprays and fertilizers produced yields of 65-75% greater than traditional methods do.

This program has since been expanded and diversified by the Ministry of Agriculture to include seed improvement, training of extension workers and changes in traditional farming methods.

Due to the shortage of funds, there have been no obligations in FY 1972. However, a thorough review of this project held in December 1971 resulted in this FY 1973 request, which will emphasize the training of agriculture extension agents and agriculture research.

FY 1973 Program: For FY 1973, $140,000 are being requested to initiate a contract which would provide for: (1) one short-term wheat specialist to assist in the research ($20,000); (2) one long-term U. S. cereal production specialist to concurrently act as coordinator of the project ($40,000); (3) short-term training for eight participants, five of whom will be trained at the Wheat Center in Turkey ($30,000); and (4) necessary commodities to support the research, training and demonstration plots ($40,000). Other costs amounting to $10,000 will provide for local hire to support the project.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	494	338	156
Estimated FY 72	-	93	
Estimated through 6/30/72	494	431	63
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	140	166	800

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract	Total
U.S. Technicians				-	60	60
Participants				12	18	30
Commodities				-	40	40
Other Costs				-	10	10
Total Obligations				12	128	140

PRINCIPAL CONTRACTORS/AGENCIES

Country: JORDAN

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
East Ghor Development	Agriculture and Rural Development		TA
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
PROJECT NUMBER 278-12-120-174	-	FY: 1973	FY: 1976

Project Target and Course of Action: The purpose of this project is to assist the Government of Jordan in developing the east bank of the Jordan River Valley where the greatest potential for all-season agriculture lies. This assistance will be carried out within a well-defined comprehensive program which will be integrated into the overall Jordanian economic development program.

Progress to Date: A.I.D. has helped finance an estimated $22 million irrigation project begun in 1958 through a $14.6 million contribution. Dams were built on the Yarmouk River to provide water to a main canal located parallel to and east of the River Jordan. Lateral canals were built and now water is provided to about 35,000 acres of farm land which had been broken into smaller plots and redistributed to the peasant farmers. The basic irrigation and drainage system for the Upper Ghor was completed in 1966.

The Arab-Israel conflict in 1967 and continued security problems caused damage to the canal and disrupted the production, marketing and social patterns in the area. The security situation has stabilized since September 1970 and rehabilitation in the old project area is now deemed advisable and necessary. Present plans call for an extension of irrigation and drainage to serve 12,500 acres in the South Ghor area.

A.I.D. is assessing what specific technical assistance it will recommend that the United States provide under this program. Possible areas where U. S. assistance might be helpful would include: (1) canal repair; (2) water control; (3) drainage system survey and design; (4) transportation requirements analysis; and (5) assimilation of refugees into the East Ghor region.

FY 1973 Program: For FY 1973, $250,000 are being requested to finance: (1) an A.I.D. irrigation/general engineer who will also serve as project manager ($40,000); (2) five short-term U. S. contract personnel who are experts in irrigation ($100,000); and (3) other costs to finance necessary local services and functions which are required to support this project ($110,000).

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71			
Estimated FY 72			
Estimated through 6/30/72			
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	250	600	850

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/	Total
U.S. Technicians				40	100	140
Participants				-	-	-
Commodities				-	-	-
Other Costs				-	110	110
Total Obligations				40	210	250

PRINCIPAL CONTRACTORS/AGENCIES

SUMMARY OF PROGRAM BY FUNCTION

Country: JORDAN

(Dollar Amounts in Thousands)

TABLE II

Category	Actual FY 1971				Estimate FY 1972				Proposed FY 1973		
	Total	Tech. Assist.	Supp. Assist.	Conting. Fund	Total	Tech. Assist.	Supp. Assist.	Conting. Fund	Total	Tech. Assist.	Supp. Assist.
Development Loan Program	-	XXX	XXX	XXX	-	XXX	XXX	XXX	-	XXX	XXX
Programs Other than Devel. Loan											
Project Assistance											
U.S. Technicians	187	187	-	-	30	30	-	-	365	365	-
Participants	378	378	-	-	310	310	-	-	385	385	-
Commodities	6	6	-	-	13	13	-	-	70	70	-
Other Costs	429	429	-	-	197	197	-	-	380	380	-
Total Project Assistance	1,000	1,000	-	-	550	550	-	-	1,200	1,200	-
Method of Financing											
Project Assistance											
Direct A.I.D.	786	786	-	-	434	434	-	-	526	526	-
Other Agency	-	-	-	-	15	15	-	-	50	50	-
Contract	214	214	-	-	101	101	-	-	624	624	-
Program Assistance	5,000	-	5,000	-	45,000	-	30,000	15,000	40,000	-	40,000
Total Other than Devel. Loan	6,000	1,000	5,000	-	45,550	550	30,000	15,000	41,200	1,200	40,000
Total Assistance	6,000	XXX	XXX	XXX	45,550	XXX	XXX	XXX	41,200	XXX	XXX

NUMBER OF U.S. TECHNICIANS (Program Overseas)

TYPE OF TECHNICIAN	On Duty At Close of Year		
	Actual FY 1971	Estimate FY 1972	Proposed FY 1973
A.I.D. employed	1	-	1
Participating agency	-	-	-
Contractor technicians	-	-	2
Total	1	-	3

NUMBER OF PARTICIPANTS

TYPE OF PARTICIPANT	Programmed During Year		
	Actual FY 1971	Estimate FY 1972	Proposed FY 1973
Non-contract	60	39	40
Contract	3	-	9
Total	63	39	49

Jordan

(U.S. Fiscal Years - Millions of Dollars)

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS														REPAYMENTS AND INTEREST 1946-1971	TOTAL LESS REPAYMENTS AND INTEREST
	POST-WAR RELIEF PERIOD	MARSHALL PLAN PERIOD	MUTUAL SECURITY ACT PERIOD	FOREIGN ASSISTANCE ACT PERIOD										TOTAL 1946-1971		
	1946-1948	1949-1952	1953-1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971			
A. OFFICIAL DEVELOPMENT ASSISTANCE																
A.I.D. AND PREDECESSOR AGENCIES - TOTAL	-	4.7	227.5	44.5	43.0	39.7	40.6	43.5	37.7	12.2	1.5	1.5	6.0	491.9 a/	3.1	488.8
Loans	-	-	4.7	-	-	-	1.6	7.9	1.8	-	-	-	-	12.7	3.1	9.6
Grants	-	4.7	222.8	44.5	43.0	39.7	39.0	35.6	35.9	12.2	1.5	1.5	6.0	479.2	-	479.2
(Supporting Assistance)	(-)	(-)	(-)	(37.0)	(36.0)	(34.0)	(33.0)	(32.0)	(32.0)	(10.2)	(-)	(-)	(5.0)	(214.8)		
FOOD FOR PEACE - TOTAL	-	0.4	46.7	1.5	13.3	9.8	2.2	2.1	7.8	7.3	10.1	2.0	10.6	114.1	0.8	113.3
Title I - Total	-	-	-	-	-	-	-	0.6	4.8	1.8	1.3	-	1.1	9.6	0.8	8.8
REPAYABLE IN U.S. DOLLARS - LOANS	-	-	-	-	-	-	-	-	1.7	1.8	1.3	-	1.1	5.9	0.6	5.3
PAYABLE IN FOREIGN CURRENCY - Planned for Country Use.	-	-	-	-	-	-	-	0.6	3.1	-	-	-	-	3.7	0.2	3.5
Loans	-	-	-	-	-	-	-	0.6	3.1	-	-	-	-	3.7	0.2	3.5
Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Title II - Total	-	0.4	46.7	1.5	13.3	9.8	2.2	1.5	3.0	5.5	8.8	2.0	9.5	104.5	-	104.5
EMERGENCY RELIEF, ECON. DEVELOPMENT & WORLD FOOD	-	-	34.8	0.2	11.4	8.8	1.3	*	2.1	3.7	6.6	0.2	6.6	75.8	-	75.8
VOLUNTARY RELIEF AGENCIES	-	0.4	11.9	1.3	1.9	1.0	0.9	1.5	0.9	1.8	2.2	1.8	2.9	28.7	-	28.7
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	-	0.1	1.2	-	-	-	-	-	-	-	-	-	-	1.3	-	1.3
PEACE CORPS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OTHER	-	0.1	1.2	-	-	-	-	-	-	-	-	-	-	1.3	-	1.3
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	-	5.2	275.4	46.0	56.3	49.5	42.8	45.6	45.5	19.5	11.6	3.5	16.6	607.3	3.9	603.4
Loans	-	-	4.7	-	-	-	1.6	8.5	6.6	1.8	1.3	-	1.1	22.3	3.9	18.4
Grants	-	5.2	270.7	46.0	56.3	49.5	41.2	37.1	38.9	17.7	10.3	3.5	15.5	585.0	-	585.0
B. OTHER OFFICIAL																
EXPORT-IMPORT BANK LONG-TERM LOANS	-	-	-	1.6	-	-	-	-	-	-	0.2	8.3	-	10.1	1.3	8.8
TOTAL ECONOMIC	-	5.2	275.4	47.6	56.3	49.5	42.8	45.6	45.5	19.5	11.8	11.8	16.6	617.4	5.2	612.2
Loans	-	-	4.7	1.6	-	-	1.6	8.5	6.6	1.8	1.5	8.3	1.1	32.4	5.2	27.2
Grants	-	5.2	270.7	46.0	56.3	49.5	41.2	37.1	38.9	17.7	10.3	3.5	15.5	585.0	-	585.0
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.) b/	-	-	15.5	2.6	2.5	4.0	3.7	19.3	12.5	0.4	←		*DATA CLASSIFIED*		→	
Credit Sales (FMS)	-	-	-	-	-	-	-	15.0	-	-						
Grants	-	-	15.5	2.6	2.5	4.0	3.7	4.3	12.5	0.4	0.2	0.2	30.2	83.3	-	83.3
(Additional Grants from Excess Stocks)	(-)	(-)	(0.3)	(*)	(-)	(0.5)	(1.8)	(1.0)	(0.5)	(-)	(-)	(-)	(0.3)	(4.5)	(-)	(4.5)
OTHER MILITARY ASSISTANCE GRANTS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL MILITARY	-	-	15.5	2.6	2.5	4.0	3.7	19.3	12.5	0.4	←				→	
TOTAL ECONOMIC AND MILITARY	-	5.2	290.9	50.2	58.8	53.5	46.5	64.9	58.0	19.9	←		*DATA CLASSIFIED*		→	
Loans	-	-	4.7	1.6	-	-	1.6	23.5	6.6	1.8						
Grants	-	5.2	286.2	48.6	58.8	53.5	44.9	41.4	51.4	18.1	10.5	3.7	45.7	668.3	-	668.3

a/ The cumulative total reflects deobligations; annual data represent total new obligations in that year. b/ Annual data through FY 1963 are deliveries; subsequent years are annual program data. Totals for the entire period are cumulative program figures.

ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1970	FY 1971	FY 1946-71
TOTAL	2.4	6.9	37.1
Int'l Dev. Association	-	6.0	16.0
UNDP-Special Fund	2.2	0.6	11.8
UNDP-TA (CY)	0.2	0.2	6.3
Other UN (CY)	*	0.1	3.0

D.A.C. COUNTRIES (EXCLUDING U.S.)
OFFICIAL BILATERAL GROSS EXPENDITURES

DONOR	CY 1969	CY 1970	CY 1960-70
TOTAL	8.1	8.1	101.0
United Kingdom	5.1	2.6	72.0
Germany	2.1	2.2	23.6
Other	0.9	3.3	5.3

ECONOMIC ASSISTANCE FROM COMMUNIST COUNTRIES
(Loans and Grants Extended)

1970 (Calendar Year)..... -

1971 (Calendar Year)..... -

Cumulative Thru 1971..... -

* Less Than $50,000.

JORDAN

After the 1967 war, as Fedayeen activity mounted and insecurity in the rural areas increased, donor-assisted developmental work in Jordan virtually came to a standstill. Faced with that situation, the United States initiated no new Technical Assistance projects after 1967 and engaged in very few Technical Assistance activities. As projects were completed or suspended because of security problems, the Technical Assistance program was gradually reduced. With the outbreak of the civil war in 1970 between the Government and the Fedayeen, the U. S. A.I.D. Mission was dismantled and only a small caretaker staff was retained in Amman.

With control established over the Fedayeen, the Government can again turn its attention to the country's developmental problems, but within the constraints imposed by the continuing need for budget support. With minimal A.I.D. staff since 1970, ongoing Technical Assistance projects have been implemented by contract, participating agency and direct-hire personnel working in Jordan on a temporary duty basis.

This modest Technical Assistance program will continue in FY 1973. It is designed to contribute toward increased agricultural production and provide training abroad for Jordanians in both the public and private sectors. A program of feasibility studies designed to determine the financial viability of a number of different developmental projects and to encourage private investment will continue. FY 1973 funds are planned for a highway study. A new project is proposed to help with the rehabilitation and expansion of the irrigated areas of the East Bank of the Jordan Valley.

Technical Assistance funds of $1.2 million are proposed for FY 1973 to carry out the planned Technical Assistance program in Jordan.

JORDAN

PROGRAM SUMMARY (In millions of dollars)	FY 1971 Actual	FY 1972 Estimated	FY 1973 Proposed
Security Supporting Assistance	5.0	30.0	40.0
Technical Assistance	(1.0)	(.6)	(1.2)
Contingency Fund	(-)	(15.0)	(-)
Total	(6.0)	(45.6)	(41.2)

OBJECTIVES OF U. S. ASSISTANCE

A stable Jordanian Government with a moderate outlook is essential to the eventual realization of a just and lasting resolution to the Arab-Israel confrontation. Jordan is the only major Arab protagonist in the dispute which has retained full diplomatic relations with the United States. If the present Jordanian Government were to fall, the likely result would be a marked shift in the balance of power in the area.

POLITICAL, MILITARY AND ECONOMIC SETTING

Prior to the June 1967 Arab-Israeli war, the Jordanian economy was growing rapidly, and U. S. economic assistance was on a phaseout schedule. Defense expenditures comprised a high percentage of the budget (40 percent) but were sustainable. Following the war, much of Jordan's most productive territory was occupied by Israel, and most of Jordan's traditional sources of foreign exchange earnings, such as tourism, were lost. Moreover, there occurred an influx of refugees who, along with the displaced persons of the 1948 settlement, constituted approximately half the population of unoccupied Jordan. Even so, the Jordanian Government was able to maintain its position as a moderate Arab state and continued to improve its people's standard of living.

Following the 1967 war, Jordan's economic development was sustained by budget support payments from Jordan's Arab neighbors under an agreement reached at Khartoum. The Khartoum subsidies of about $105 million per year were sufficient to meet Jordan's military needs. As a result, only a modest amount of developmental assistance from abroad was required to augment Jordan's domestic revenues and cover non-military expenditures.

The lack of progress in achieving a peace settlement of the 1967 war enabled the Fedayeen to attract substantial financial support from the Arab world. By 1970, the Fedayeen had achieved sufficient independent military strength that they felt capable of challenging the Government of Jordan. Several serious clashes were inconclusive, but a major confrontation in September 1970 established the superiority of the Jordan Arab Army and substantially reduced the threat from the Fedayeen.

Two of the countries which had been providing assistance to Jordan, Libya and Kuwait, expressed their displeasure with these actions of the Jordanian Government by discontinuing their Khartoum payments. This resulted in a loss of $64 million annually, much more than could be offset either by budgetary economies or increased mobilization of domestic resources. In order to reduce Jordan's 1971 budget deficit to manageable proportions, the United States provided a $30 million cash grant from FY 1972 Supporting Assistance funds and an additional $15 million cash grant from the FY 1972 Contingency Fund.

PROPOSED FY 1973 PROGRAM

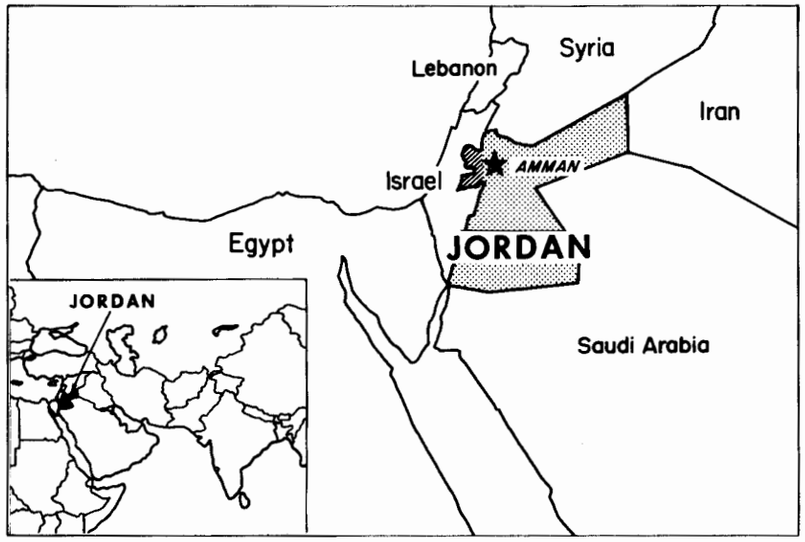
Jordan's narrow economic base, further reduced by loss of the West Bank area, is not capable of yielding adequate revenues to cover essential non-defense spending. Thus, continued budgetary support from abroad is necessary to maintain a level of domestic outlays without which economic and political stability would be threatened since the Government of Jordan otherwise would be forced either to curtail expenditures drastically or to undertake a level of domestic borrowing which would precipitate strong inflationary pressures. The political and social tensions thus provoked might well induce Jordan to abandon its moderate foreign policy stance. Even with Jordan's continuing, serious efforts to increase domestic revenues and limit expenditures, it is estimated that Jordan will require a $40 million Supporting Assistance cash grant in FY 1973.

JORDAN

INDEX

		Page
Table I -	Summary of Country Program	G-1
Table II -	Summary of Program by Function	G-4
Table III - (Projects)	East Ghor Development	G-5
	Wheat Research and Production	G-6
	Vegetable Research and Production	G-7
	Agricultural Economics and Planning	G-8
	Development Administration Training	G-9
	Feasibility Studies	G-10
	Technical Support	G-11
Table IV -	Project Data Summary (Pipeline Projects)	G-12
Table V -	Status of Development Loan Summary	G-13

JORDAN - GENERAL ECONOMIC DATA



BASIC DATA

Population (millions - mid 1971) ...	2.4	Per Capita GNP (1967 in $) ...	286
Annual Growth Rate (percent)	3.3	Life Expectancy (years)	52
		People per Doctor	3,680
Area (1,000 square miles)	38		
Population Density per square mile	64	Literacy Rate (percent)	32
		Students as Percent of	
Agricultural Land as % of Total Area	14	5-19 Age Group	57
Percent of Labor Force in Agri. ..	35	(Primary & Secondary)	

PRODUCTION	Calendar Years 1968	1969	1970	1971 Est.
Agricultural Production Index (1961-65=100)	90	112	69	117
Index per Capita	77	91	53	88
Wheat (1,000 MT)	173	190	79	220
Tomatoes (1,000 MT)	180	244	215	245

INTERNATIONAL TRADE ($ millions)				
Total Exports (f.o.b.)	40	41	34	32
Phosphates	(12)	(10)	(6)	(6)
Tomatoes	(6)	(6)	(4)	(3)
Total Imports (c.i.f.)	-161	-190	-184	-188
Trade Balance	-121	-149	-150	-156

GOLD & FOREIGN EXCHANGE ($ millions)†				
Official Reserves	284	262	256	253
Commercial Bank Holdings	18	14	17	9

CONSUMER PRICE INDEX (1967-100)..... (Amman)	100	107	115	120

† - Gross basis, end of year. End 1971 gold is valued at $38 per ounce and foreign exchange at realigned exchange rates.

CENTRAL GOVERNMENT FINANCES

	1969	1970	1971 Est.
	(Millions of dollars)*		
Total Expenditures	246	233	252
(Defense Expenditures).....	127	118	123
(Capital Outlays)	62	54	34
Total Domestic Revenues	93	85	101
As percent of GNP	n.a.	n.a.	n.a.
Deficit (-) or Surplus (+)	-153	-148	-151

* - Converted at $2.80 per Jordanian dinar.

Israel

(U.S. Fiscal Years - Millions of Dollars)

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS - OBLIGATIONS AND LOAN AUTHORIZATIONS														REPAYMENTS AND INTEREST 1946-1971	TOTAL LESS REPAYMENTS AND INTEREST
	POST-WAR RELIEF PERIOD	MARSHALL PLAN PERIOD	MUTUAL SECURITY ACT PERIOD	FOREIGN ASSISTANCE ACT PERIOD										TOTAL 1946-1971		
	1946-1948	1949-1952	1953-1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971			
A. OFFICIAL DEVELOPMENT ASSISTANCE																
A.I.O. AND PREDECESSOR AGENCIES - TOTAL	-	63.7	311.5	45.4	45.0	20.0	20.0	10.0	5.5	-	-	-	-	512.6 a/	118.5	394.1
Loans	-	-	96.0	45.0	45.0	20.0	20.0	10.0	5.5	-	-	-	-	234.6	118.5	116.1
Grants	-	63.7	215.5	0.4	-	-	-	-	-	-	-	-	-	278.0	-	278.0
(Supporting Assistance)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)		
FOOD FOR PEACE - TOTAL	-	22.7	195.7	25.3	18.4	17.0	28.8	26.8	0.6	51.8	36.7	41.4	55.8	521.1	119.1	402.0
Title I - Total	-	-	165.2	23.8	16.8	16.6	28.3	25.9	-	51.3	36.1	41.0	55.5	460.4	119.1	341.3
REPAYABLE IN U.S. DOLLARS - LOANS	-	-	-	-	-	-	-	8.3	-	40.9	36.1	41.0	55.5	181.7	8.0	173.7
PAYABLE IN FOREIGN CURRENCY - Planned for Country Use.	-	-	165.2	23.8	16.8	16.6	28.3	17.6	-	10.4	-	-	-	278.7	111.1	167.6
Loans	-	-	152.3	18.5	12.4	12.2	23.9	17.6	-	10.4	-	-	-	247.3	111.1	136.2
Grants	-	-	12.9	5.3	4.4	4.4	4.4	-	-	-	-	-	-	31.4	-	31.4
Title II - Total	-	22.7	30.5	1.5	1.6	0.4	0.5	0.9	0.6	0.5	0.6	0.4	0.3	60.7	-	60.7
EMERGENCY RELIEF, ECON. DEVELOPMENT & WORLD FOOD	-	-	-	-	0.8	-	-	-	-	-	-	-	-	0.8	-	0.8
VOLUNTARY RELIEF AGENCIES	-	22.7	30.5	1.5	0.8	0.4	0.5	0.9	0.6	0.5	0.6	0.4	0.3	59.9	-	59.9
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	-	0.1	-	-	-	-	-	-	-	-	-	-	-	0.1	-	0.1
PEACE CORPS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OTHER	-	0.1	-	-	-	-	-	-	-	-	-	-	-	0.1	-	0.1
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	-	86.5	507.2	70.7	63.4	37.0	48.8	36.8	6.1	51.8	36.7	41.4	55.8	1,033.8	237.6	796.2
Loans	-	-	248.3	63.5	57.4	32.2	43.9	35.9	5.5	51.3	36.1	41.0	55.5	663.6	237.6	426.0
Grants	-	86.5	258.9	7.2	6.0	4.8	4.9	0.9	0.6	0.5	0.6	0.4	0.3	370.2	-	370.2
B. OTHER OFFICIAL																
EXPORT-IMPORT BANK LONG-TERM LOANS	-	135.0	57.5	9.5	11.2	-	3.4	-	9.6	23.7	38.6	10.0	13.3	311.7	276.3	35.4
TOTAL ECONOMIC	-	221.5	564.7	80.2	74.6	37.0	52.2	36.8	15.7	75.5	75.3	51.4	69.1	1,345.5	513.9	831.6
Loans	-	135.0	305.8	73.0	68.6	32.2	47.3	35.9	15.1	75.0	74.7	51.0	68.8	975.3	513.9	461.4
Grants	-	86.5	258.9	7.2	6.0	4.8	4.9	0.9	0.6	0.5	0.6	0.4	0.3	370.2	-	370.2
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.) b/	-	-	0.9	*	0.1	-	12.9	90.0	7.0	25.0	←		DATA CLASSIFIED		→	
Credit Sales (FMS)	-	-	0.9	*	0.1	-	12.9	90.0	7.0	25.0						
Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(Additional Grants from Excess Stocks)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
OTHER MILITARY ASSISTANCE GRANTS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL MILITARY	-	-	0.9	*	0.1	-	12.9	90.0	7.0	25.0	←				→	
TOTAL ECONOMIC AND MILITARY	-	221.5	565.6	80.2	74.7	37.0	65.1	126.8	22.7	100.5	←		DATA CLASSIFIED		→	
Loans	-	135.0	306.7	73.0	68.7	32.2	60.2	125.9	22.1	100.0						
Grants	-	86.5	258.9	7.2	6.0	4.8	4.9	0.9	0.6	0.5	0.6	0.4	0.3	370.2	-	370.2

* Less than $50.000. a/ The cumulative total reflects deobligations; annual data represent total new obligations in that year. b/ Annual data through FY 1963 are deliveries; subsequent years are annual program data.

ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1970	FY 1971	FY 1946-71
TOTAL	25.7	20.1	167.3
IBRD-World Bank	25.0	20.0	154.4
UNDP - Special Fund	0.7	-	6.0
UNDP - TA (CY)	*	0.1	5.7
Other UN (CY)	*	*	1.2

D.A.C. COUNTRIES (EXCLUDING U.S.)

OFFICIAL BILATERAL GROSS EXPENDITURES

DONOR	CY 1969	CY 1970	CY 1960-70
TOTAL	36.2	39.3	623.5
Germany	35.8	35.9	607.3
Italy	0.1	0.5	6.7
Canada	-	2.7	4.8
Other	0.3	0.1	4.8

ECONOMIC ASSISTANCE FROM COMMUNIST COUNTRIES
(Loans and Grants Extended)

1970 (Calendar Year)..... _

1971 (Calendar Year)..... _

Cumulative Thru 1971..... _

ISRAEL

PROGRAM SUMMARY (In millions of dollars)			
	FY 1971 Actual	FY 1972 Estimated	FY 1973 Proposed
Security Supporting Assistance	-	50.0	50.0

OBJECTIVES OF U.S. ASSISTANCE

Spanning the Administrations of five successive Presidents, the United States has consistently supported Israel's sovereignty and political independence. We have become a major supplier of arms in recent years and, to assist Israel in financing its arms purchases, we have extended several hundreds of millions of dollars in military sales credits.

POLITICAL, MILITARY AND ECONOMIC SETTING

The United States is committed to a policy of maintaining a balance of military power in the Middle East. A shift in the balance against Israel could, in our judgment, destabilize the situation, threaten the continuation of the cease-fire now in effect and set back efforts to bring peace to the area. We maintain a careful watch for any increases in the military capability of the Soviet Union in this region, or increases in the military capabilities of the Middle East nations to which the Soviets supply arms.

In its efforts to maintain its relative military strength, Israel has more than doubled the dollar value of its defense expenditures since the Six-Day War in June 1967. Between 1967 and 1971, defense outlays rose from the equivalent of $500 million to $1.6 billion. By 1971, Israeli defense expenditures were about 30% of estimated gross national product. Israel financed most of this added military burden by increasing its foreign indebtedness, which rose from $1,320 million at the end of 1966 to $3,192 million by the end of August 1971.

Thus, military requirements have absorbed substantially all of Israel's increased net import of goods and services. As a result, Israel has had to look to growing production for the capital needed to maintain an expanding economy. Israel is experiencing increasing difficulty in balancing available resources against the competing claims of defense, investment and consumption.

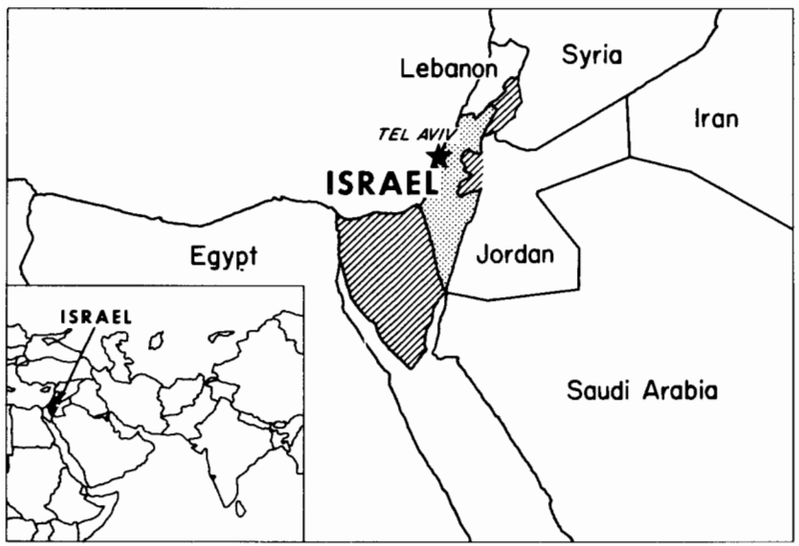
Private consumption has been compelled by government policy to accommodate to needs for defense and investment. The consumer has been permitted a smaller and smaller fraction of the diminished annual gain in national income. The Israeli Government has been finding it more and more difficult to finance its budget requirements for defense, immigrant resettlement, etc., and to meet private sector needs without resort to inflationary financing. As a consequence, price pressures have mounted.

The Israeli authorities have displayed considerable skill and initiative in their efforts. Special taxes, including a 20% imports surcharge, have been imposed. Purchase of government bonds has been made compulsory. Credit to the private sector has been restricted. And, in order to spur foreign exchange earnings and limit the requirement for foreign economic assistance, special incentive payments are being made for exports.

PROPOSED FY 1973 PROGRAM

Supporting Assistance of $50 million is being provided in FY 1972 and another $50 million is proposed for FY 1973 to assist Israel in financing its heavy fiscal burden. We plan to provide the funds as balance of payments and general budget support which will allow the Israeli Government to meet the expenditures caused by such extraordinary requirements as the resettlement of new immigrants and increased military mobilization.

ISRAEL - GENERAL ECONOMIC DATA



BASIC DATA

Population *(millions – mid-1971)*	3.0
Annual Growth Rate *(percent)*	2.4
Area *(1000 square miles)*	8
Population Density per square mile	370
Agricultural Land as % of Total Area	59
Percent of Labor Force in Agriculture	10
Life Expectancy *(years)*	71
People per Doctor	410
Literacy Rate *(percent)*	84
Students as Percent of 5-19 Age Group *(Primary & Secondary)*	66

	Calendar Years				
	1967	1968	1969	1970	1971 *Est.*
GROWTH INDICATORS					
Total GNP *(millions of 1970 dollars)*[*,a]	3,251	3,757	4,113	4,394	4,700
Per Capita GNP *(1970 dollars)*[a]	1,218	1,340	1,430	1,487	1,544
Investment – *millions of 1970 $*	600	887	1,026	1,116	1,310
– *percent of GNP* †	17	23	25	25	29
Domestic Savings – *millions of 1970 $*	69	169	157	-103	80
– *percent of Investment* †	13	20	8	-	6
Agricultural Production Index *(1961-65=100)*	129	133	135	140	158
Index per Capita	115	115	114	115	127
Citrus Fruits (1,000 MT)	1,089	1,258	1,140	1,222	1,496
Industrial Production Index (1963=100)	123	159	185	203	223
INTERNATIONAL TRADE *($ millions)*					
Total Exports *(f.o.b.)*	555	640	729	776	955
Polished diamonds	(194)	(220)	(254)	(246)	(270)
Total Imports *(c.i.f.)*	-778	-1,121	-1,331	-1,451	-1,775
Trade Balance	-223	-481	-602	-673	-820
GOLD & FOREIGN EXCHANGE *($ millions)*††					
Official Reserves	715	663	412	449	737
Commercial Bank Holdings	188	231	318	514	657 (July)
CONSUMER PRICE INDEX *(1963=100)*	124	127	130	138	155

CENTRAL GOVERNMENT FINANCES*	– *Million Dollar Equivalents* –		
	1969	1970	1971 Est.
Total Expenditures	1,937	2,447	3,266
(Defense Expenditures)	807	1,152[P]	1,556
(Capital Outlays)	375	347	504
Total Domestic Revenues	1,210	1,539	2,199
As percent of GNP †	32	35	42
Deficit (–) or Surplus (+)	-727	-908	-1,067

*Converted at 4.20 pounds per U.S. $. P - Preliminary. a - Beginning 1968 includes East Jerusalem.

† Based on data in current prices. †† Gross basis, end of year. End 1971 gold is valued at $38 an ounce and foreign exchange at realigned exchange rates.

STATUS OF DEVELOPMENT LOANS SUMMARY
As of 12/31/71

COUNTRY: THAILAND (In Thousands of Dollars and Equivalent) **TABLE V**

Loan No.	Title	Date		Grace Period (years)	Life of Loan (years)	Interest Rate (%)		Amount Authorized	Amount Disbursed	Currency of Repayment	Principal Repayments	Interest Collected
		Auth-orized	Loan Agree-ment			Grace Period	Amorti-zation					
493-H-013	Lam Nam Oon Irrigation	6/21/67	9/11/67	5	25	3½	3½	3,500	2,896	US $	-	42
	Total	XXXX	XXXX		XXX	XXXX	XXXX	3,500	2,896	XXXX		42

COUNTRY: THAILAND

PROJECT DATA SUMMARY

(Dollar Amounts in Thousands)

Table IV

Project Title	*	Project Number	FY of Initial Obligation	FY of Scheduled Final Obligation	Through FY 1971			Estimated FY 1972			Proposed Program FY 1973	Future Year Obligations	Estimated Total Cost
					Obligations	Expenditures	Unliquidated Obligation 6/30/71	Obligations	Expenditures	Unliquidated Obligation 6/30/72			
Labor Intensive Public Works		493-11-120-206	1968	1971	1,216	1,090	126	-	126	-	-	-	1,216
Rural Electrification Planning		493-11-220-217	1972	1972	-	-	-	140	95	45	-	-	140
Private Enterprise-Private Sector Development		493-15-290-161	1957	1972	3,001	1,850	1,151	62	1,075	138	-	-	3,063
Aeronautical Ground Services		493-11-370-103	1953	1971	7,024	6,732	292	-	292	-	-	-	7,024
Labor Department Administration		493-11-460-195	1967	1972	424	355	69	53	122	-	-	-	477
Malaria Eradication		493-11-511-107	1951	1970	18,518	18,504	14	-	14	-	-	-	18,518
Potable Water		493-11-521-186	1966	1970	3,143	2,996	147	-	147	-	-	-	3,143
Manpower & Education Development Planning		493-11-690-142	1963	1968	1,507	1,475	32	-	32	-	-	-	1,507
Management Improvement		493-11-740-144	1962	1969	2,154	2,110	44	-	44	-	-	-	2,154
Civil Service Improvement		493-11-740-176	1965	1969	834	680	154	-	154	-	-	-	834
Local Government Improvement		493-11-790-145	1963	1971	2,623	2,458	165	-	165	-	-	-	2,623
Community Development		493-11-810-125	1956	1972	3,980	3,575	405	80	360	125	-	-	4,060
Northeast Economic Development		493-11-810-215	1968	1971	1,541	1,063	478	-	478	-	-	-	1,541
Water Development of Mun & Chi River Basins		493-11-995-187	1966	1971	2,982	2,863	119	-	119	-	-	-	2,982
						Total		335	3,223	308	-	-	49,282

*Detailed project narrative—see TABLE III

Country: THAILAND

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Technical Support	Technical Support		SA
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
PROJECT NUMBER 493-11-999-000	P. E-25, FY 1972 Economic SA PDB	FY: 1955	FY Reviewed Annually

Project Target and Course of Action: This project provides the program support and overhead costs for each of the technical and related management divisions of the U. S. Mission in Thailand. The budget covers funding requirements of program and technical staff and secretarial and commodity support which cannot be specifically attributed to individual projects.

The following types of activities are financed by this project: (1) procurement of office equipment and supplies; (2) monitoring loan-financed capital projects and terminating government-financed studies; (3) research and reporting on Thai economic and government institutions; (4) program evaluation studies.

The project also covers activities undertaken by the Mission Director under the Special Development Activity Authority.

FY 1973 Program: FY 1973 funds are requested to cover the following costs: (1) 40 direct-hire technicians and support personnel in management, program, and technical divisions ($1,360,000); (2) contract charges including personal services contracts for individual research projects, contracts for Mission support services and program evaluation studies ($340,000); and (3) commodities including vehicles, office and building supplies and furnishings and other support materials ($300,000).

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	21,261	20,921	340
Estimated FY 72	1,952	1,622	-
Estimated through 6/30/72	23,213	22,543	670
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	2,000	Undetermined	

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/	Total	Direct AID	Contract/	Total
U.S. Technicians	1,326	387	1,713	1,360	340	1,700
Participants	-	-	-	-	-	-
Commodities	239	-	239	300	-	300
Other Costs	-	-	-	-	-	-
Total Obligations	1,565	387	1,952	1,660	340	2,000

PRINCIPAL CONTRACTORS/AGENCIES

Country: THAILAND

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Multi-Sector Development Assistance	General and Miscellaneous		SA
PROJECT NUMBER 493-11-995-234	PRIOR REFERENCE P. E-24, FY 1972 Economic SA PDB	INITIAL OBLIGATION FY: 1973	SCHEDULED FINAL OBLIGATION FY: 1973

Project Target and Course of Action: The objective of this project is to provide support to capital projects as envisaged in the Thai Government's Third Five-Year Economic and Social Development Plan (1971-1976). Officials of the Thai National Economic Development Board have sought such assistance as part of a package it hopes to obtain through auspices of the World Bank Consultative Group. Such assistance is particularly needed during this period when competing development and defense requirements are expected to draw down Thailand's foreign exchange reserves.

FY 1973 Program: FY 1973 funds amounting to $7 million are requested for Supporting Assistance financing of capital development projects which will contribute to Thai economic/political stability. Due to the self-liquidating character of these projects, we anticipate that they can be funded on a loan basis. The priority projects for financing as part of the proposed Multi-Sector Capital Development Assistance are Agricultural Credit, and Project Development and Feasibility Studies.

Agricultural Credit--A $5 million loan for agricultural development. The agricultural sector is trying to increase production of commodities for export. However, greatly increased local and external resources are required both for diversification and expansion of production. Loan funds will be provided to the Bank of Agriculture and Agricultural Cooperatives. This activity will support a major effort of the Thai Government to assist farmers to produce those crops and commodities with good export potential.

A $2 million loan will finance dollar costs of professional services required for identification of projects, project preparation and feasibility studies, as well as project plans, specifications and cost estimates of projects suitable for consideration by donor countries and lending institutions. This loan might finance studies in the areas of transportation, irrigation, potable water and industrial development.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71			
Estimated FY 72			
Estimated through 6/30/72			
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	7,000	-	7,000

Cost Components	OBLIGATIONS: Estimated FY 1972 Direct AID	Estimated FY 1972 Contract/ Other Agency	Estimated FY 1972 Total	Proposed FY 1973 Direct AID	Proposed FY 1973 Contract/	Proposed FY 1973 Total
U.S. Technicians				-	2,000	2,000
Participants				-	-	-
Commodities				5,000	-	5,000
Other Costs				-	-	-
Total Obligations				5,000	2,000	7,000

PRINCIPAL CONTRACTORS/

Country: THAILAND

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Professional Manpower Utilization	General and Miscellaneous		SA
PROJECT NUMBER 493-11-995-243	PRIOR REFERENCE -	INITIAL OBLIGATION FY: 1973	SCHEDULED FINAL OBLIGATION FY: 1974

Project Target and Course of Action: The purpose of this project is to assist the Thai Government in creating a reservoir of highly qualified Thai professional personnel who may be drawn upon by the Government and other development institutions for specialized advice and consultation at the middle and upper levels of planning and policy implementation.

In general, civil service salaries are lower than in the private sector, with the result that only limited numbers of highly trained specialists are successfully recruited for government service. While the long-term solution to this problem lies within the jurisdiction of the Civil Service Commission, steps need to be taken to remedy the situation in the near term This project would provide a mechanism through which specially skilled Thai professionals could be made available to the Government. Certain desirable corollary effects would be: (1) greater reliance on and better utilization of Thai rather than foreign advisors by both the Thai Government and bilateral and international development agencies; and (2) fuller participation of the Thai private sector in grappling with development problems.

The U. S. Mission proposes either to assist an existing institution to broaden its charter or to support the Thai Government in establishing a new organization. The organization would compile a registry, by field, of highly skilled Thai who are available from both the public and private sectors. As needs arise, personnel would be recruited from the registry.

Funding, largely in baht, would be required over an initial period until the organization becomes self-sustaining. The organization would operate with a small permanent staff.

Progress to Date: We will advise the Thais that U. S. funding for this project is planned only on the limited basis shown in this proposal, and that beyond this, any financing needed will have to come from non-A.I.D. sources.

To permit the project to begin in FY 1973, the U. S. Mission and Thai Government have discussed and agreed upon the need, concept and approach. The legal basis for the organization has been investigated, and prototypes in other countries have been studied. Short-term U. S. advisory assistance is under consideration.

FY 1973 Program: FY 1973 funds are requested for short-term contract advisory services ($10,000), office supplies and equipment ($5,000), and initial financing for the proposed organization ($285,000). This would be matched by the Thai Government to ensure sufficient capital to set up the organization and finance its operations for an initial period until it achieves self-sufficiency.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71			
Estimated FY 72			
Estimated through 6/30/72			
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	300	165	465

Cost Components	OBLIGATIONS: Estimated FY 1972 Direct AID	Estimated FY 1972 Contract/Other Agency	Estimated FY 1972 Total	Proposed FY 1973 Direct AID	Proposed FY 1973 Contract/	Proposed FY 1973 Total
U.S. Technicians				-	10	10
Participants				-	-	-
Commodities				5	-	5
Other Costs				285	-	285
Total Obligations				290	10	300

PRINCIPAL CONTRACTORS/AGENCIES

Country: THAILAND

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Private Capital Investment	Industry and Mining		SA
PROJECT NUMBER 493-11-950-232	PRIOR REFERENCE P. E-9, FY 1973 Economic SA PDB	INITIAL OBLIGATION FY: 1972	SCHEDULED FINAL OBLIGATION FY: 1976

Project Target and Course of Action: The objective of this project is to improve the Royal Thai Government's effectiveness and coordination in establishing policies and plans to facilitate investment and industry growth.

To accomplish this objective, advisory assistance is provided to the government agencies responsible for monitoring Thailand's investment climate. Elements of this assistance include: investment promotion and investor services; export development; availability, terms, and conditions of finance; industrial policies, plans, and regulations; manpower development; industrial diversification and dispersion, particularly of those industries interlinked with others, e.g., food processing, minerals, etc.

Key agencies to receive assistance are the Ministry of Economic Affairs, Board of Investment, Ministry of Finance, and the National Economic Development Board.

Assistance includes planning of industrial development in rural areas, and the establishment of industrial growth centers in different regions. To the extent feasible, consideration will be given to conversion of present military facilities to civil industrial use.

FY 1973 Program: Fiscal year 1973 funds are requested for three direct-hire advisors and one secretary ($120,000); contract services of four long-term and three short-term advisors in industrial economics ($150,000); and training in the United States for three long-term and 23 short-term participants ($130,000).

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	-	-	-
Estimated FY 72	187	-	
Estimated through 6/30/72	187	-	187
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	400	1,268	1,855

Cost Components	OBLIGATIONS: Estimated FY 1972 Direct AID	Estimated FY 1972 Contract/Other Agency	Estimated FY 1972 Total	Proposed FY 1973 Direct AID	Proposed FY 1973 Contract/	Proposed FY 1973 Total
U.S. Technicians	-	-	-	120	150	270
Participants	187	-	187	130	-	130
Commodities	-	-	-	-	-	-
Other Costs	-	-	-	-	-	-
Total Obligations	187	-	187	250	150	400

PRINCIPAL CONTRACTORS/AGENCIES

Country: EAST ASIA REGIONAL DEVELOPMENT

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Mekong Vientiane Dike	General and Miscellaneous		SA
PROJECT NUMBER 498-15-995-231	PRIOR REFERENCE -	INITIAL OBLIGATION FY: 1973	SCHEDULED FINAL OBLIGATION FY: 1973

Project Target and Course of Action: This project is designed to provide flood protection for Vientiane, Laos and the nearby Wattay Airport from floods originating from the Mekong and Nam Ngum Rivers. Regular flooding in the past has caused damage estimated at $3.5 million annually. It is proposed: (1) that a dike be constructed on the north bank of the Mekong River starting above the city of Vientiane and extending below it; and (2) that several short dikes be constructed across a saddle between the Nam Ngum and the Mekong Rivers to prevent flood waters from the Nam Ngum River spreading southward over the Vientiane Plain.

Progress to Date: The U.S. A.I.D. Mission to Laos has considered alternative locations of the dike and has completed the preliminary design. The North Pacific Division of the United States Army Corps of Engineers has reviewed the design and made suggestions regarding construction, materials, side slopes, alignment, dike height and river bank protection. The Asian Institute of Technology is investigating the effect of the proposed dike construction on annual flooding that takes place on the Thailand side of the river and will report its findings in March 1973.

FY 1973 Program: $4,000,000 is requested for the estimated cost of construction exclusive of the right-of-way which the Royal Lao Government is to provide. The estimated construction time is three years.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71			
Estimated FY 72			
Estimated through 6/30/72			
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	4,000	-	4,000

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians				-	-	-
Participants				-	-	-
Commodities				-	-	-
Other Costs				4,000	-	4,000
Total Obligations				4,000	-	4,000

PRINCIPAL CONTRACTORS/AGENCIES

Country: EAST ASIA REGIONAL DEVELOPMENT

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
International Rice Research Institute	Agriculture and Rural Development		TA
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
PROJECT NUMBER 498-15-130-221	P. 20, FY 1972 ESA PDB	FY: 1968	FY: 1975

Project Target and Course of Action: The objective of this project is to help the International Rice Research Institute increase its capacity for research, training, and technical assistance. Thus the Institute will be better able to extend its training and consultant services throughout the Far East and South Asia where rice is the major staple food.

The Institute was established in 1962 for the Ford and Rockefeller Foundations with the cooperation of the Republic of the Philippines. Located adjacent to the College of Agriculture of the University of the Philippines at Los Banos, near Manila, its program is devoted principally to the study and improvement of rice culture and production.

The Institute's staff of 34 senior scientists and 90 junior scientists has concentrated on genetic research and development of agricultural techniques for achievement of optimum rice production. Research has centered on breeding high-yielding and disease-resistant varieties; on agricultural economics with attention to mechanization and its consequences; on soil microbiology; and on agricultural engineering, including the development of new equipment such as improved seeders.

Progress to Date: Significant results have been achieved, particularly in the development of high-yielding varieties of rice. Since IR-8 was developed in 1967, four additional high-yield varieties have been released for general use, the latest being IR-24. The new varieties are now planted on an estimated 20 million acres in 20 countries. Important gains have also been registered in the development of improved chemical weed controls and in efforts to incorporate insect resistance into new rice varieties.

During the ten-year period 1962-1971, over 600 research scholars and trainees from 38 countries have received training in 12 research disciplines (e.g., agronomy, varietal improvement, and entomology) and in special production-orientation programs. These training programs are designed to meet specific manpower requirements of the trainees' home countries.

Since FY 1971, A.I.D. has provided $750,000 per year, slightly less than one-third of the Institute's annual budget. The Rockefeller and Ford Foundations annually provide $750,000 each, and additional assistance comes from the United Kingdom and other donors.

FY 1973 Program: The $750,000 requested in FY 1973 are for continued support of the Institute program: $450,000 for procurement of U. S. laboratory equipment, supplies and office equipment, and $300,000 for specialized services and for local operating costs.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	1,100	545	555
Estimated FY 72	750	750	
Estimated through 6/30/72	1,850	1,295	555
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	750	1,500	4,100

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/	Total	Direct AID	Contract/	Total
U.S. Technicians	-	-	-	-	-	-
Participants	-	-	-	-	-	-
Commodities	-	450	450	-	450	450
Other Costs	-	300	300	-	300	300
Total Obligations	-	750	750	-	750	750

PRINCIPAL CONTRACTORS/AGENCIES

International Rice Research Institute

Country: EAST ASIA REGIONAL DEVELOPMENT

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
SEA Fisheries Development Center	Agriculture and Rural Development		TA
PROJECT NUMBER 498-11-180-226	PRIOR REFERENCE P. 11, FY 1972 EA PDB	INITIAL OBLIGATION FY: 1969	SCHEDULED FINAL OBLIGATION FY: 1973

Project Target and Course of Action: The purpose of this project is to increase the available supply of fish protein in East Asia, thereby improving nutritional standards in the area. While fish production has been increasing in recent years, productivity has been declining as a result of overfishing in offshore waters. Fishing generally is conducted in shallow waters, using mostly non-powered craft and antiquated equipment. Fisheries officers in government and industry lack the training to plan and direct deep-sea fishing, and fishermen lack the skills to operate the larger vessels needed.

The Southeast Asia Fisheries Development Center, originally proposed by Japan, is designed to increase the production of food from the sea in Southeast Asian countries through applied research and training. Two departments have been established for the Center--a Training Department in Bangkok and a Research Department in Singapore. The objective of the Training Department is to train staff for large fishing vessels, the trainees acquiring the ability to give training to crew members for medium-sized fishing vessels. The Research Division aims at explorations for new fishing grounds and improved utilization of already discovered fishing resources.

Progress to Date: The Center was established in January 1968 with the signing of an agreement by Japan, Malaysia, Philippines, Singapore, Vietnam and Thailand.

The Training Center facilities in Bangkok are just being completed by the Government of Thailand and will accommodate 25 trainees as well as the Center Secretariat. The Center operates a 350-ton training vessel, contributed and staffed by the Japanese. In 1973 the Center hopes to have 25 trainees attending classes onshore while another 25 are training at sea.

The Research Department in Singapore also has a 350-ton trawler contributed and staffed by the Japanese. This vessel has made 11 research cruises, but the number of research scientists and trainees participating has not yet reached the capacity of this facility or of the excellent shore facilities contributed by the Government of Singapore.

The U. S. contributed $100,000 in FY 1969 as the first increment of $300,000 over three years. Due to delays in getting the project under way, the second increment was not provided until FY 1972.

FY 1973 Program: The $100,000 requested will complete the U. S. commitment to the Fisheries Center: $63,000 to be used for U. S. goods and services and $37,000 for local operating expenses.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	100	87	13
Estimated FY 72	100	65	
Estimated through 6/30/72	200	152	48
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	100	-	300

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/	Total	Direct AID	Contract/	Total
U.S. Technicians	-	-	-	-	-	-
Participants	-	-	-	-	-	-
Commodities	-	-	-	-	-	-
Other Costs	-	100	100	-	100	100
Total Obligations	-	100	100	-	100	100

PRINCIPAL CONTRACTORS/

SEA Fisheries Development Center

Country: EAST ASIA REGIONAL DEVELOPMENT

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Asian Vegetable Development and Research Center	Agriculture and Rural Development		TA
PROJECT NUMBER 498-11-130-212	PRIOR REFERENCE P. 18, FY 1972 EA PDB	INITIAL OBLIGATION FY: 1971	SCHEDULED FINAL OBLIGATION FY: 1975

Project Target and Course of Action: This project is designed to assist the Center in the improvement of the production, processing and marketing of superior types and adaptable strains of vegetables in East Asia to augment and upgrade the Southeast Asian diet. To accomplish this, the Center will: (1) seek to expedite the adaptation and transfer of current Japanese and Chinese vegetable technology to other Asian countries; (2) seek to develop new vegetable varieties and growing techniques to improve quality and productivity; and (3) provide training. The Center will also undertake research on fertilizer application, cultivation practices, preservation and storage and their relation to vegetable production. Participating countries will be encouraged to establish national vegetable sub-centers or experimental stations to which the Center will furnish seeds, plant materials and technical data.

Progress to Date: Regional Vegetable Center plans were first drafted in Taiwan in August 1968. During 1970, a funding formula was agreed upon. The United States agreed in principle to finance 40%, or not to exceed $3 million of the total estimated cost of $7.5 million over a five-year period, subject to Congressional appropriation of funds. The Republic of China is to contribute 30%, the Asian Development Bank 10%, and other Asian donors 20%, including Korea and Thailand which have agreed to 5% each. Japan also is planning assistance. The Republic of China has agreed to make up any shortfalls in the Asian contributions and to guarantee that the Center would be continued beyond the first five years. A Memorandum of Understanding and a Charter have been signed by all participating governments and organizations, specifically, the Republic of China, Japan, the Republic of Korea, the Philippines, Thailand, the Republic of Viet Nam, the United States and the Asian Development Bank.

During 1971, initial contributions were received from each member country/organization The Director of the International Rice Research Institute accepted appointment as Director of the new Vegetable Center. Staff recruitment and employment were begun and commodities and equipment were procured. An architectural firm was selected and its design work completed and approved. Construction has begun and the main components are scheduled for completion by June 1972.

FY 1973 Program: The $600,000 proposed for FY 1973 will be used to purchase U. S. laboratory and scientific equipment and farm machinery for the Center.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	675	-	675
Estimated FY 72	525	1,200	
Estimated through 6/30/72	1,200	1,200	-
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	600	1,200	3,000

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/	Total	Direct AID	Contract/	Total
U.S. Technicians	-	-	-	-	-	-
Participants	-	-	-	-	-	-
Commodities	-	525	525	-	600	600
Other Costs	-	-	-	-	-	-
Total Obligations	-	525	525	-	600	600

PRINCIPAL CONTRACTORS/

Asian Vegetable Development and Research Center

Country: EAST ASIA REGIONAL DEVELOPMENT

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Cholera Research	Population and Health		TA
PROJECT NUMBER 498-11-510-138	PRIOR REFERENCE P. 29, FY 1972 EA PDB	INITIAL OBLIGATION FY: 1959	SCHEDULED FINAL OBLIGATION FY: 1975

Project Target and Course of Action: The goal of this project is to develop and demonstrate improved techniques for the prevention and eventual control of cholera. Field research and tests are carried on at the Cholera Research Laboratory at Dacca, now in Bangladesh, and related research is conducted in the United States. Operations are under the direction of the U. S. National Institutes of Health and the Directing Council of the Cholera Research Laboratory.

Progress to Date: A study of patients in South Asia has resulted in the development of new and simplified methods for the rapid diagnosis and treatment of cholera. New high potency cholera vaccines are being tested, and a new phase of research has been started to develop specialized studies of cholera in children. The Laboratory continues to: (1) extend studies on methods for treatment of cholera in Asia; (2) train Asians in diagnosis and treatment; (3) evaluate the effect of bacterial cell vaccines and drugs; (4) develop new toxoids to provide protection against cholera; (5) develop studies related to better and less expensive methods of treatment; and (6) extend studies of cholera vectors.

The present vaccine ideally is assumed to confer up to 85% protection for as long as six months. Research in the U. S. is directed towards development of a cholera toxoid which will give protection for one to two years with as much as 90% effectiveness.

Until the separation of Bangladesh from Pakistan, the Government of Pakistan provided the various research, hospital and field treatment facilities. In FY 1972 the National Institutes of Health and the U. S. Center for Disease Control were providing $166,000 for salaries of research specialists and $960,000 equivalent (purchased from PL-480 proceeds) for local research. The A.I.D. Mission in Pakistan was providing an additional $170,000 in local currency for logistic support, the United Kingdom $35,000 and Australia $30,000. In addition, Pakistan was contributing approximately $110,000 for research expenses. Local currency contributions have been curtailed since the separation of Bangladesh from Pakistan, and whether the project can be continued in its present form is currently under study.

An interim appraisal of the program's progress and status will be undertaken in FY 1972. The Technical Committee and the Directing Council of the Laboratory, later in 1972, will appraise the research potential of the Laboratory and determine means whereby its program may be continued in light of the recent separation of Bangladesh from Pakistan.

FY 1973 Program: On the assumption that it will be feasible to continue the cholera research program in Dacca at the projected level of operations, $620,000 is requested to continue the services of the National Institutes of Health: $133,000 for six contract technicians; $280,000 for laboratory supplies and equipment, and $207,000 for training, field tests and the development and production of toxins and toxoids.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	3,111	2,968	143
Estimated FY 72	620	620	
Estimated through 6/30/72	3,731	3,588	143
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	620	1,240	5,591

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Other Agency	Total	Direct AID	Other Agency	Total
U.S. Technicians	-	133	133	-	133	133
Participants	-	-		-	-	-
Commodities	-	280	280	-	280	280
Other Costs	-	207	207	-	207	207
Total Obligations	-	620	620	-	620	620

PRINCIPAL CONTRACTORS/AGENCIES

National Institutes of Health

Country: EAST ASIA REGIONAL DEVELOPMENT

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Regional Family Planning	Population and Health		TA
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
PROJECT NUMBER 498-11-580-200	P. 30, FY 1972 EA PDB	FY: 1967	FY: Reviewed Annually

Project Target and Course of Action: This project develops and supports East Asian training and research programs which are related to family planning. Population growth rates in the region are among the highest in the world. This factor, along with urbanization and migration, greatly increases the developmental burdens of the area. While most countries now recognize the dangers of rapidly rising population, assistance on both national and regional bases is required. A regional approach through international organizations and private foundations provides an important catalyst to facilitate coordination and support of in-country and multinational programs.

Progress to Date: The Population Council, with A.I.D. assistance, is carrying out 15 projects in Korea with the National Family Planning Institute and with Korean universities and non-governmental institutions in the demographic, informational and behaviorial science research fields. In Thailand, the Council is providing technical assistance to the National Economic Development Board, the National Research Council and Chulalongkorn University. In Taiwan, working with the international Family Planning Training Center, the Council has helped provide family planning training programs for hundreds of key leaders from Asian countries and given impetus to varied research studies in the population field. In the Philippines it has aided Xavier University's population research program.

The East-West Population Institute in Hawaii is now equipped and staffed and is providing training for increasing numbers of Asian students in population-related research programs. By June 1971 the Institute had 28 professionals on the staff. Forty-four graduate students representing 14 countries had received scholarships and 29 key Asian leaders had participated in professional study and training courses.

Under the Colombo Plan auspices, an A.I.D.-financed population advisor has held a series of conferences with emphasis on the introduction of population programs into the Asian educational system.

A Southeast Asian regional population program has been organized in the form of a Secretariat with a center in Kuala Lumpur to help countries of the area develop mutually beneficial population projects.

FY 1973 Program: A total of $2,481,000 are proposed for regional family planning activities as follows: $1,150,000 for a one-year extension of the East-West Center contract; $800,000 for a one-year extension of the Population Council contract; $75,000 for the Colombo Plan population activities; $200,000 for projects associated with the Southeast Asia regional population programs with Secretariat headquarters in Kuala Lumpur; $10,000 for population conferences, seminars, and meetings; and $246,000 to finance central A.I.D. and other agency backstop and training costs provided in support of A.I.D. population projects in Southeast Asia.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	5,820	3,859	1,961
Estimated FY 72	1,800	2,878	
Estimated through 6/30/72	7,620	6,737	883
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	2,481	Undetermined	

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/	Total	Direct AID	Contract/	Total
U.S. Technicians	-	-	-	-	-	-
Participants	-	-	-	-	-	-
Commodities	-	-	-	-	-	-
Other Costs	-	1,800	1,800	-	2,481	2,481
Total Obligations	-	1,800	1,800	-	2,481	2,481

PRINCIPAL CONTRACTORS/AGENCIES

Population Council
East-West Center

Country: EAST ASIA REGIONAL DEVELOPMENT

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Asia Free Labor Union Development	Education and Manpower Training		TA
PROJECT NUMBER 498-11-410-017	PRIOR REFERENCE P. 43, FY 1972 EA PDB	INITIAL OBLIGATION FY: 1969	SCHEDULED FINAL OBLIGATION FY: Reviewed Annually

Project Target and Course of Action: The purpose of this project is to encourage the development of free trade unions throughout Asia. The Asian American Free Labor Institute was established by the American Federation of Labor-Congress of Industrial Organizations and, through a contract with the Institute, A.I.D. is providing assistance to Asian labor organizations. Working with local trade unions, the Labor Institute develops programs and projects to train workers in union leadership and administration, stressing such fundamentals as organizing, collective bargaining and service to members and community. Other important activities include the development of union cooperatives and credit unions, and vocational skills training.

In addition, the Institute, as prime contractor, sub-contracts with several U. S. union affiliates of International Trade Secretariats for short-term, in-country workshops. These affiliates are the Brotherhood of Railway and Airline Clerks, the International Federation of Petroleum and Chemical Workers, the Retail Clerks International Association and the American Federation of Teachers.

Finally, the Institute sponsors special or advanced training in the United States for Asian trade unionists, as well as participation of trade unionists in international labor union conferences.

Progress to Date: Since the initial contract was signed in 1968, the Asian American Free Labor Institute has conducted a series of short-term workshops, seminars, regional conferences and technical assistance programs in 11 Asian countries. A Philippine country program was initiated in May 1969, and the staff of two Americans and eight local-hire employees has since conducted 60 workshops with local Philippine unions. In November 1970, the Philippine office was changed to a regional office to provide for program development in Asia and to conduct selected programs throughout the area. Ten conferences have been conducted in three countries by the regional staff since that date. Under the participant training program two labor union officials have received formal training in the United States and 24 have participated in labor union conferences.

FY 1973 Program: The $1,000,000 requested for FY 1973 will provide funding for the fifth year of the contract with the Asian American Free Labor Institute. This will comprise the following: $285,000 for ten labor union specialists serving in Washington and in the field, and for additional specialists as part-time instructors or consultants; $100,000 for miscellaneous commodities, primarily for assistance to local Asian labor unions; $330,000 for local costs in the region, such as local travel, per diem, local instructors, and rental of quarters, offices and teaching facilities; and $285,000 for surveys, international travel and general administration costs in the United States. The latter figure includes the cost of the U. S.-based, non-professional administrative staff.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	1,770	1,073	697
Estimated FY 72	1,100	970	
Estimated through 6/30/72	2,870	2,043	827
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	1,000	Undetermined	

OBLIGATIONS

Cost Components	Estimated FY 1972 Direct AID	Estimated FY 1972 Contract/	Estimated FY 1972 Total	Proposed FY 1973 Direct AID	Proposed FY 1973 Contract/	Proposed FY 1973 Total
U.S. Technicians	-	230	230	-	285	285
Participants	-	-	-	-	-	-
Commodities	-	100	100	-	100	100
Other Costs	-	770	770	-	615	615
Total Obligations	-	1,100	1,100	-	1,000	1,000

PRINCIPAL CONTRACTORS/AGENCIES

Asian American Free Labor Institute

Country: EAST ASIA REGIONAL DEVELOPMENT

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Asian Institute of Technology	Education and Manpower Training		TA
PROJECT NUMBER 498-15-660-114	PRIOR REFERENCE: P. 44, FY 1972 EA PDB	INITIAL OBLIGATION FY: 1958	SCHEDULED FINAL OBLIGATION FY: 1974

Project Target and Course of Action: This project assists in developing a major institution for graduate study and research in engineering, responsive to the needs of Southeast Asia.

Progress to Date: Established in 1959 as the SEATO-sponsored Graduate School of Engineering, and chartered as an independent entity in November 1967, the Asian Institute of Technology (AIT) offers graduate-degree programs in hydraulics, transportation, structures, soils and public health engineering. During the 1970-71 school year, a systems engineering and management program, a doctoral engineering program, and a short-term diploma program were incorporated into the curriculum. Enrollment has increased from 136 for the 1970-71 year to 215 for the second term of the 1971-72 year. During 1971 the first stage of construction, scheduled for completion by August 1972, was begun at the permanent AIT site donated earlier by the Thai Government. The U. S. has provided $2,750,000, Australia $500,000, and the U. K. $1,250,000 for this initial stage of the construction.

The United States plans to continue its contribution, along with other donors, to the operational costs of the Institute, including the provision of American faculty and scholarships until FY 1974.

During the past year Japan agreed to contribute $2.25 million for building an AIT Center, a combination student union and conference center. Other grants, over and above the stage one financing, include $165,000 from the Lee Foundation of Singapore for a dormitory, and $340,000 from New Zealand for faculty housing. AIT is now requesting contributions from non-U. S. sources for furnishings, site works, additional student and staff housing, equipment and library books. Several countries have indicated their increased support for scholarships. They include: Canada for 15, Australia for five, and the United Kingdom for 24. The AIT has research commitments totaling approximately $100,000.

FY 1973 Program: In FY 1973, $713,000 are requested to finance a one-year continuation of the contract with Colorado State University which provides U. S. professional staff and institutional support to AIT. Nine Colorado State staff personnel will be financed with $285,000 of this amount. Support commodities will amount to $58,000. Other costs for backstopping, local hire, local costs and related travel expenses will total $370,000.

*Includes $4,673 support for the SEATO Graduate School of Engineering prior to establishment of the AIT.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	11,418*	8,194	3,224
Estimated FY 72	662	1,646	
Estimated through 6/30/72	12,080	9,840	2,240
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	713	788	13,581

Cost Components	OBLIGATIONS: Estimated FY 1972 Direct AID	Estimated FY 1972 Contract/	Estimated FY 1972 Total	Proposed FY 1973 Direct AID	Proposed FY 1973 Contract/	Proposed FY 1973 Total
U.S. Technicians	-	265	265	-	285	285
Participants	-	-	-	-	-	-
Commodities	-	60	60	-	58	58
Other Costs	-	337	337	-	370	370
Total Obligations	-	662	662	-	713	713

PRINCIPAL CONTRACTORS/AGENCIES

Colorado State University

Country: EAST ASIA REGIONAL DEVELOPMENT

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Regional Education Development (SEAMES)	Education and Manpower Training		TA
PROJECT NUMBER 498-11-690-198	PRIOR REFERENCE P. 45, FY 1972 EA PDB	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: 1976

Project Target and Course of Action: The purpose of this project is to assist countries of Southeast Asia in the development of regional education programs. Under the Southeast Asian Ministers of Education Organization, centers for advanced study and research are being developed with the support of the host countries, the United States, and other donors.

Progress to Date: The Charter of the Southeast Asian Ministers of Education Organization, ratified in January 1969, legally established the governing Ministerial Council (SEAMEC) and the Permanent Secretariat (SEAMES), representing founding members Indonesia, Laos, Malaysia, the Philippines, Singapore, Thailand and the Republic of Vietnam. Cambodia joined in January 1971.

After the first Ministerial meeting in November 1965, the Secretariat sponsored extensive study and development of regional education project proposals. The United States has supported this developing Asian program, and U. S. specialists have served with various Asian study groups. Regional governing bodies, representing member countries, have been appointed to assist in planning activities and to provide guidance in establishing operational programs. An agreement was signed in May 1969 by SEAMEC, Singapore and the United States covering construction and a five-year operational program for the Regional English Language Center, Singapore (RELC). The operational program of the Regional Center for Graduate Study and Research in Agriculture, SEARCA, at the University of the Philippines College of Agriculture, began in July 1969. An agreement was signed in September 1969 for related construction. The operational program of the Regional Center for Education in Science and Mathematics (RECSAM) in Penang, Malaysia, began in July 1970, following agreement on overall program plans and related construction signed in May 1970. The five-year operational program of the Regional Tropical Medicine and Public Health (PROPMED) program began in July 1970, and related national center programs are being developed. Interim activities are under way at the Regional Center for Tropical Biology (BIOTROP) at Bogor, Indonesia, and at the Regional Center for Educational Innovation and Technology (INNOTECH), which is in temporary quarters in Singapore pending a move to Saigon scheduled for July 1972.

FY 1973 Program: In FY 1973, $450,000 are requested to finance nine contract specialists and provide institutional backup services and short-term advisory assistance. The equipment request amounting to $1,034,000 will be used to complement related construction at RECSAM and the TROPMED national centers, and for INNOTECH library and program needs. Under other costs, $2,291,000 are requested for: further programmed construction for RECSAM and SEARCA ($905,000); special funds, primarily scholarship costs for each center ($1,003,000); operational costs for SEARCA, TROPMED and BIOTROP ($358,000); and general project support ($25,000).

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	9,501	6,120	3,381
Estimated FY 72	2,096	3,421	
Estimated through 6/30/72	11,597	9,541	2,056
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	3,775	3,720	19,092

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/	Total	Direct AID	Contract/	Total
U.S. Technicians	-	304	304	-	450	450
Participants	-	-	-	-	-	-
Commodities	-	-	-	-	1,034	1,034
Other Costs	-	1,792	1,792	25	2,266	2,291
Total Obligations	-	2,096	2,096	25	3,750	3,775

PRINCIPAL CONTRACTORS/AGENCIES

Southeast Asian Ministers of Education Organization

Country: EAST ASIA REGIONAL DEVELOPMENT

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Regional Management Training	Education and Manpower Training		TA
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
PROJECT NUMBER 498-11-770-229	P. 47 FY 1972 EA PDB	FY: 1973	FY: 1975

Project Target and Course of Action: This project is designed to assist the Southeast Asian countries to increase the number and capabilities of industrial and commercial managers in the region. The Southeast Asian Ministers of Economic Development, at their annual meeting in Djakarta in 1970, identified management training as one of the most pressing development needs of the region and requested a survey of existing training facilities and of management education requirements.

Progress to Date: Committees, drawn from local private enterprise and government, were formed in Cambodia, Indonesia, Laos, Malaysia, Philippines, Singapore, Thailand and Vietnam to cooperate with a survey team funded by A.I.D. in FY 1971 under the Regional Technical Advisory Services project. The firm of Cresap, McCormick and Paget, Inc. was selected to conduct the survey. It completed its field work in November 1971 and submitted its draft report and recommendations on management training needs in the region.

The survey studied the management environment and analyzed training programs in the eight Southeast Asian countries. The survey estimated that an increase from 700,000 to 1,200,000 in the number of managers will be required by 1980 and those managers will need new and complex skills. The draft report recommended the establishment of a national program in each participating country to improve the caliber of management. Existing training institutions are inadequate to meet the demands. The draft report also recommended a regional effort to focus on problem areas common to the countries concerned. This draft report is being studied in A.I.D. and the countries of Southeast Asia.

FY 1973 Program: Asian private groups and governments will indicate their interest in supporting the proposed programs by the time of the next ministerial conference in spring 1972. The regional program proposed in the draft report would be associated with an existing management training facility; it would have minimum staffing to manage the design of Asian-related training programs, improvement of instructional technology, promotion of management as a career field, communication among national programs and training institutions, and research. The report also recommends a formula by which the participating countries would contribute towards initial operating costs. If Asian interest and support are sufficient, A.I.D. proposes to provide up to $300,000 in FY 1973 to assist in the establishment of a regional program along the lines of that proposed in the report, as may be endorsed by the Asian countries. This would include technical assistance in the form of consultants, commodities and related support in the fields of management education, program planning, research and exchange of information in support of such a program.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71			
Estimated FY 72			
Estimated through 6/30/72			
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	300	700	1,000

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/	Total
U.S. Technicians				-	-	-
Participants				-	-	-
Commodities				-	-	-
Other Costs				-	300	300
Total Obligations				-	300	300

PRINCIPAL CONTRACTORS/AGENCIES

Country: EAST ASIA REGIONAL DEVELOPMENT

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
SEA Development Advisory Group	Education and Manpower Training		TA
PROJECT NUMBER 498-11-995-208	PRIOR REFERENCE P. 46, FY 1972 EA PDB	INITIAL OBLIGATION FY: 1966	SCHEDULED FINAL OBLIGATION FY: 1974

Project Target and Course of Action: The purpose of this project is to strengthen United States and Asian competence to aid Southeast Asia development by lending support to inter-disciplinary seminars and to the research efforts of Asian and American scholars. Under contract with A.I.D., the Asia Society provides facilities and a secretariat to administer the program of the Southeast Asian Development Advisory Group (SEADAG) which organizes professional panels, interdisciplinary seminars and other meetings, and sponsors a research program which is geared to further the work of the panels. The project also funds the East Asia Research Program which services the priority short- to intermediate-term research needs of the A.I.D. missions in East Asia. The emphasis of this program is to support research proposals submitted by Asian institutions in order to increase their contributions to the development of Asian nations.

Progress to Date: In FY 1966 the U. S. Government first contracted with the Asia Society for the SEADAG program. SEADAG scholars are drawn from over 66 universities, 32 foundations and similar non-profit bodies covering 13 disciplines of the social and natural sciences. Nine panels and a special interdisciplinary seminar each meet two to three times a year. Each provides opportunities for informal consultations in seminars among SEADAG scholars, U. S. Government officials and Asian representatives on separate fields of inquiry. These informal consultations have been particularly useful to A.I.D.'s efforts to assist Mekong Basin Planning in the field of resettlement, in demonstrating the importance of non-formal education programs as alternatives for meeting Southeast Asia manpower training needs, in helping formulate an urban development policy for the Agency and in identifying some of the major issues for a post-war economic development program for Vietnam.

The FY 1971 SEADAG research program approved nine projects related to the work of the panels. The FY 1971 East Asia Research Program approved 14 projects of priority interest to the missions in Indonesia, Korea Philippines, Thailand and Vietnam. Some areas covered under the research programs are: Mekong Basin resettlement, land reform, urbanization and village development.

FY 1973 Program: The FY 1972 funding level for the SEADAG contract and the East Asia Research Program totaled $875,000, of which $625,000 came from the East Asia Regional Program and $250,000 came from the Vietnam Program. In FY 1973 there will be only one source of funding for the SEADAG project as a result of the incorporation of the Vietnam Program into the Supporting Assistance Bureau.

For FY 1973, $900,000 is requested under the Regional Program for this project as follows: $675,000 for the 12-month contract with the Asia Society to finance the SEADAG program and $225,000 to finance the costs of the East Asia Research Program.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	2,301	1,919	382
Estimated FY 72	625	844	
Estimated through 6/30/72	2,926	2,763	163
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	900	900	4,726

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/	Total	Direct AID	Contract/	Total
U.S. Technicians	-	-	-	-	-	-
Participants	-	-	-	-	-	-
Commodities	-	-	-	-	-	-
Other Costs	-	625	625	-	900	900
Total Obligations	-	625	625	-	900	900

PRINCIPAL CONTRACTORS/AGENCIES

The Asia Society

Country: EAST ASIA REGIONAL DEVELOPMENT

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Center for Environmental Studies	Industrial and Urban Development		TA
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
PROJECT NUMBER 498-11-995-232	-	FY: 1973	FY: 1977

Project Target and Course of Action: This project will assist the planned Environmental Control Organization, which is scheduled to become an independent, autonomous regional organization early in 1973, in improving the quality of the environment in its member countries of Southeast Asia. The organization will provide data regarding the need for regional environmental monitoring and related activities and procedures. It will recruit manpower able to plan and implement regional environmental activities, conduct studies related to the planning and operation of regional environmental programs and promote the training of experts in environmental management. It will further an awareness of environmental aspects in the planning of established urban centers. Funding for the Organization's activities is to come primarily from annual member country/organization subscriptions and donor country, foundation, and international agency assistance.

Working closely with private industry operating in the area, the Environmental Control Organization will investigate and carry out practical research activities and develop plans and recommendations in such areas as coastal water pollution, air pollution, urban ecological problems and other environmental problems identified by, and of concern to, the participating countries.

Progress to Date: A conference, sponsored by the National Academy of Sciences and the Government of Singapore, is scheduled to be held in April 1972, at which time Singapore, Malaysia, Vietnam, Indonesia, Thailand and Laos are expected to decide to formally establish the Organization and determine its work priorities. The sponsoring nations are expected to provide budgetary support for staff and operations and will request technical assistance from outside donors.

FY 1973 Program: Funding of $100,000 is requested to provide the services of up to four consultants to assist the Environmental Control Organization. $75,000 is budgeted to provide for commodity support such as pollution testing equipment, research equipment, and supporting items relating to the activities of the Environmental Control Organization. This assistance will be provided through the existing A.I.D. - Smithsonian Institution contract and through contracts with other organizations. Other costs associated with the studies and programs carried out by the Environmental Control Organization totaling $25,000 are also requested.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71			
Estimated FY 72			
Estimated through 6/30/72			
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	200	2,800	3,000

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/	Total
U.S. Technicians				-	100	100
Participants				-	-	-
Commodities				-	75	75
Other Costs				25	-	25
Total Obligations				25	175	200

PRINCIPAL CONTRACTORS/AGENCIES

Smithsonian Institution

Country: EAST ASIA REGIONAL DEVELOPMENT

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Economic Cooperation Center	Industrial and Urban Development		TA
PROJECT NUMBER 498-11-755-233	PRIOR REFERENCE -	INITIAL OBLIGATION FY: 1973	SCHEDULED FINAL OBLIGATION FY: 1979

Project Target and Course of Action: The object of this project is to help support the Economic Cooperation Center located in Bangkok. Founded under the auspices of the Asian and Pacific Council, the Center promotes economic cooperation among Asian nations through study and research. To achieve its objectives, the Center will: (1) maintain consultative liaison with members and regional agencies; (2) undertake research and studies on the objectives, plans and projects of the regional economic organizations to formulate measures for regional economic cooperation; (3) examine problems common to the region which inhibit trade; (4) upon request undertake specific studies of economic problems; (5) undertake research to coordinate efforts in transport, communications and energy; (6) facilitate the exchange of information, proposals and policies on economic development, trade promotion, investment and related matters among member countries.

Progress to Date: The Center was inaugurated in June 1971. Operating costs for its first three years are being provided by the Thai Government. By the end of this period such costs are to be shared by the other members (Australia, Republic of China, Japan, Korea, Malaysia, New Zealand, Philippines, Thailand and Vietnam). By January 1972, the Center had nearly completed the initial phase of organization. This phase concentrated on establishing liaison with member governments and on developing working relationships with international and regional institutions. On the substantive side, the initial effort has been concerned with reviewing existing research studies to identify regional projects feasible for the Center to pursue in the future. It is now preparing to move into the stage of operations wherein will begin the development of specific project proposals for approval and implementation, and the letting of contracts for specific research studies.

The Center is particularly concerned about the role which private enterprise, both local and from outside the region, might play in region-wide industrial and trade development. It will require some professional expertise not available in the present staff or within its membership, and for these it will be soliciting Asian and western nations as these specific requirements become known.

FY 1973 Program: For FY 1973 $150,000 are requested to provide consultant services and research required by the Center in the development and implementation of projects in the field of regional economic cooperation. Typical projects may relate to the cooperative processing or manufacture of goods from regional primary products, cooperative marketing arrangements, or joint manufacturing schemes to achieve economies of scale for production within the region. It is estimated that $150,000 will allow up to 12 U. S. consultants under personal service contracts to provide research and advisory services to Bangkok and the various Southeast Asian countries.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71			
Estimated FY 72			
Estimated through 6/30/72			
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	150	1,250	1,400

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/	Total
U.S. Technicians				-	150	150
Participants				-	-	-
Commodities				-	-	-
Other Costs				-	-	-
Total Obligations				-	150	150

PRINCIPAL CONTRACTORS/AGENCIES

Economic Cooperation Center for Asian and Pacific Region

Country: EAST ASIA REGIONAL DEVELOPMENT

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Regional Logistics Center	Program Development & Support		TA
PROJECT NUMBER 498-11-995-004	PRIOR REFERENCE P. 58, FY 1972 EA PDB	INITIAL OBLIGATION FY: 1965	SCHEDULED FINAL OBLIGATION FY: 1974

Project Target and Course of Action: The objective of this project is to assist the A.I.D. missions in East Asia to provide host governments with technical assistance on all phases of logistics including procurement, storage, distribution, maintenance, port operations and shipping in connection with A.I.D. projects. Under this project the A.I.D. missions also receive assistance regarding their own logistics problems.

Progress to Date: This project was initiated in January 1965 with the signing of a logistics agreement between A.I.D. and the Department of Defense, Headquarters, U. S. Army Pacific.

During FY 1972, the U. S. Army Depot Command, Hawaii, is providing nearly six man-years of advisory services to assist Laos and Thailand in supply management and maintenance, Indonesia in supply and logistics management for the commodity import program, Korea and the Philippines with procurement of excess equipment and Vietnam with specialized logistic support. Logistics studies in East Asian countries are undertaken as requested. The Regional Logistics Center in Okinawa also supplies to East Asian countries service manuals for excess military equipment as needed.

In addition to furnishing technical advisory services, the Army Depot in Okinawa provides spare parts for military excess property used in A.I.D. projects. The U. S. direct-hire technician funded by this project is stationed in Okinawa to coordinate the procurement and transportation of the spare parts, the costs of such spare parts being funded under the relevant A.I.D. bilateral projects. The advisory technicians also coordinate, on behalf of the A.I.D. Missions, the procurement and transportation of "long-supply items" (e.g., spare parts for new equipment) distributed by the Department of Defense's Pacific Command Utilization and Redistribution Agency, which is also located in Okinawa.

FY 1973 Program: For FY 1973, $35,000 are requested to fund one direct-hire technician; $100,000 is requested for an agreement with the Department of Defense to provide five man-years of services from the Army Depot in Hawaii; $6,000 is requested for two local clerical personnel located in Okinawa (shown below as part of other costs); and $9,000 is requested for office supplies, manuals, local travel and office support in Okinawa.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	900	896	4
Estimated FY 72	175	179	-
Estimated through 6/30/72	1,075	1,075	-
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	150	100	1,325

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Other Agency	Total	Direct AID	Other Agency	Total
U.S. Technicians	35	125	160	35	100	135
Participants	-	-	-	-	-	-
Commodities	-	-	-	-	-	-
Other Costs	15	-	15	15	-	15
Total Obligations	50	125	175	50	100	150

PRINCIPAL CONTRACTORS/AGENCIES

Department of Defense

Country: EAST ASIA REGIONAL DEVELOPMENT

PROJECT DATA

TABLE III

PROJECT TITLE	SECTOR		FUNDS
Regional Technical Advisory Services	Program Development and Support		TA
PROJECT NUMBER 498-11-995-165	PRIOR REFERENCE P. 62, FY 1972 EA PDB	INITIAL OBLIGATION FY: 1963	SCHEDULED FINAL OBLIGATION FY: Reviewed Annually

Project Target and Course of Action: The object of this project is to provide technical services and support to the East Asia Regional program and to finance activities in support of regional cooperation which cannot be assigned to separate projects. This project is not intended to finance technical services which can more appropriately be funded under specific or on-going regional projects.

Progress to Date: During FY 1972, this project funded the Regional Development Office in Bangkok, regional support staff in Manila, A.I.D. staff assigned to the U. S. Director of the Asian Development Bank, and an agreement with the General Services Administration to expedite commodity procurement for A.I.D. missions in the East Asia region. This project also has provided funds for advisory services for priority activities of the United Nations Economic Commission for Asia and the Far East (ECAFE) in the fields of data processing, water resources development and geology. Funds have been provided for advisory services and support to selected Asian Productivity Organization projects and the Asian Institute of Management. Support to the Asian Labor Education Center in Manila and U. S. attendance at Asian international meetings have also been funded.

FY 1973 Program: Funds totaling $840,000 are being requested for 23 direct-hire regional technicians as follows: 20 in the Regional office in Bangkok, two on the Manila regional staff, and one on the U. S. staff at the Asian Development Bank. Other services to be funded under this project include three General Service Administration technicians ($55,000).

Commodity costs of $15,000 are budgeted for equipment, supplies and materials in support of regional activities. Direct A.I.D. other costs of $245,000 are budgeted for local travel, rent, utilities, communications, local clerical support and consultant services associated with support of the regional office and its operations. Contract other costs of $237,000 are budgeted to cover U. S. contributions to regional surveys, support for the Asian Labor Education Center, assistance to the Asian Productivity Organization and other ad hoc activities in support of regional cooperation.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/71	6,193	5,692	501
Estimated FY 72	1,317	1,512	
Estimated through 6/30/72	7,510	7,204	306
		Future Year Obligations	Estimated Total Cost
Proposed FY 73	1,392	Undetermined	

Cost Components	OBLIGATIONS					
	Estimated FY 1972			Proposed FY 1973		
	Direct AID	Other Agency	Total	Direct AID	Other Agency	Total
U.S. Technicians	830	59	889	840	55	895
Participants	-	-	-	-	-	-
Commodities	-	-	-	15	-	15
Other Costs	258	170	428	245	237	482
Total Obligations	1,088	229	1,317	1,100	292	1,392

PRINCIPAL CONTRACTORS/AGENCIES

General Services Administration

SECTOR: EAST ASIA REGIONAL DEVELOPMENT

PROJECT DATA SUMMARY

(Dollar Amounts in Thousands)

Table IV

Project Title	*	Project Number	FY of Initial Obligation	FY of Scheduled Final Obligation	Through FY 1971			Estimated FY 1972			Proposed Program FY 1973	Future Year Obligations	Estimated Total Cost
					Obligations	Expenditures	Unliquidated Obligation 6/30/71	Obligations	Expenditures	Unliquidated Obligation 6/30/72			
Mekong River Ports and Cargo Handling		498-11-995-206	1969	1972	427	292	135	67	113	89	-	-	494
Nam Ngum Development Fund		498-12-995-079	1966	1969	15,565	14,929	636	-	636	-	-	-	15,565
							Total	67	749	89	-	-	16,059

*Detailed project narrative—see TABLE III

INTERNATIONAL NARCOTICS CONTROL PROGRAM

($ Thousands)

	FY 1972	FY 1973
Laos	1,100	700
Thailand	1,500	1,000
Turkey	15,700	15,000
Vietnam	500	500
U.N. Fund for Drug Abuse Control	2,000	5,000
Interregional	25	-
Undistributed	-	20,300
Total	20,825	42,500

Proposed FY 1973 Funding of U.S. Government Programs for International Narcotics Control

($ Thousands)

A.I.D.	42,500
Bureau for Narcotics and Dangerous Drugs	7,000
Department of State	200
Bureau of Customs	200
Total	49,900

INTERNATIONAL NARCOTICS CONTROL PROGRAM

On June 17, 1971 in a special message to Congress President Nixon stated the problem of drug abuse "has assumed the dimensions of a national emergency." At the same time the President announced a major worldwide expansion in existing programs to control the international illicit traffic of narcotics and other dangerous drugs in the United States. In the same message the President requested an amendment to the foreign assistance legislation which would permit assistance to any country in an effort to end drug production and trafficking. Chapter 8 of the Foreign Assistance Act now provides the authority requested.

The major responsibility for the U.S. role in this international narcotic effort rests with the Department of State and the Bureau of Narcotics and Dangerous Drugs (BNDD). Secretary Rogers was designated by President Nixon to chair the Cabinet Committee on International Narcotics Control which coordinates the U.S. Government program. A.I.D. has a major supporting role to play, both through its experience and expertise in carrying out assistance activities abroad and through its authority to conduct and finance U.S. overseas assistance programs. The expertise of the Bureau of Narcotics and Dangerous Drugs, the Department of Agriculture or the Bureau of Customs will also be required frequently. In some cases, a direct transfer of funds to those agencies will provide the most feasible solution to the problem being addressed.

Heroin addiction is the most individually and socially destructive form of drug abuse in our society. Accordingly, the production of, and trafficking in opium and its derivatives, especially morphine and heroin, are being given priority attention. Attention is also being given to cocaine and its movement from Latin America. Plants of the cannabis family also present significant problems and are part of our programs. As more is learned about drug abuse by the world community, increasing attention is also expected to be focused on the mind and mood-altering drugs, such as the amphetamines, the barbiturates and LSD.

The international program of the United States is aimed at reducing the illicit supply of drugs. To achieve this goal, heavy emphasis is being placed on law enforcement activities abroad, but where possible, support is also being given to lessening production.

In support of this program, the U.S. Government is conducting an intensive campaign throughout the world to control the production, processing and trafficking of illicit drugs. Discussions are taking place in every type of forum, multilateral and bilateral. Particular emphasis is being placed on international action through the United Nations. Largely through U.S. efforts a conference will take place in March 1972 to consider amendments to the 1961 Single Convention to improve controls over opium production. Also, largely through U.S. efforts, the Secretary General established a Special Fund for Drug Abuse Control on April 1, 1971 to which the U.S. pledged an initial $2 million. Planned programs, including a major program in Thailand involving crop substitution, treatment, rehabilitation and education, already far exceed the $3 million available to the Special Fund. To support the UN efforts, we plan to provide $2 million in FY 1972 and an additional $5 million is being requested in FY 1973 to augment the Special Fund. Special efforts are being taken to coordinate U.S. programs with those of the UN to prevent any duplication.

Opium and its Derivatives

Opium is currently produced in India, Turkey, the USSR, Iran, Pakistan, Japan, Yugoslavia, Burma, China, Laos, Thailand, Afghanistan, Mexico, and reportedly Nepal. Of these, only India and Turkey produce opium for export to meet world medicinal requirements. All production in Burma, Laos, Thailand, Afghanistan, and Mexico is illegal as would be the case of any production in Nepal. Except for those quantities used locally by the producers, all this production enters the illicit world trade. Opium from Turkey, Mexico, Burma, Laos and Thailand is known to be a source of heroin for the U.S. market.

Leaving aside the problems associated with the demand for opium and its derivatives, the production of and trafficking in illicit narcotics essentially breaks down into two major areas -- agriculture and enforcement.

Agriculture. Almost without exception, the opium poppy is cultivated in underdeveloped areas, where farmers' income is at the subsistence level and modern agricultural practices have not been introduced. Although opium poppy cultivation is extremely labor intensive and highly susceptible to the vagaries of weather, other crops which would provide the same rate of return are either unavailable or unmarketable. Nevertheless, in at least one country farmers in some areas have voluntarily abandoned the cultivation of the opium poppy following the introduction of high-yielding wheat seeds. However, these areas, unlike most regions currently producing opium, are population centers with a readily accessible market. In many instances the producers of opium are not users of the drug; to them it represents a crop which has been grown for centuries in the area, is easily transportable to the purchaser and provides an income they would not otherwise earn, or at a minimum can be used in barter to meet their needs.

Enforcement. The largest percentage of illicit opium produced today is grown in areas where the governments are unable to exercise political or administrative control. Enforcement of a law prohibiting poppy growing in such circumstances is, of course, impossible and governments must rely on attempting to stop the movement of drugs into and through regions they control. Difficult under the best of circumstances, this effort is further hampered by governments' inability to guard every point of entry into controlled areas; by poorly trained, equipped and paid law enforcement units; and by ineffective administration. However, this is the place where interdiction for the narcotic flow beings. In many cases, the government is faced with so many problems, including insurgency, that effective narcotics enforcement does not rank as one of its major priorities. Moreover, raw opium is increasingly being refined near the source of supply, reducing the bulk to be transported by 90% and making interdiction even more difficult.

In each of the countries producing illicit opium some of these agricultural and enforcement problems exist; in some countries, all of them exist. With the best of intentions and cooperation, solutions will not be found easily, nor can major results be achieved quickly.

The most important breakthrough in the drive to curb drugs was the Government of Turkey's announcement to ban all opium poppy cultivation following the 1972 harvest. Although the decision was not popular in Turkey, there is no reason to believe the Government of Turkey will not fulfill its commitment to the world community. With U.S. Government assistance, Turkey is now developing and implementing a program to help its farmers make the transition from poppy cultivation to other crops without severe economic loss.

Mexico too has launched a major program to control the illicit production of opium and its derivatives. Narcotics agents, police and the Mexican Army are engaged in this effort, which has to date resulted in some degree of success, including the destruction of over 11,000 illicit poppy fields. However, the isolated location of many of the fields makes this a particularly difficult task. The more favored sites are in the Sierra Madre Occidental, a volcanic tableland with mountains over 10,000 feet high and deep gorges which make many sections practically inaccessible and the poppy fields difficult to locate, even from the air.

The so called "golden triangle", where Burma, Thailand, and Laos converge, presents an even more difficult problem. The illicit production of this area, which is estimated to total roughly 700 tons of raw opium annually, has been the sole cash crop of the inhabitants for nearly two centuries. Moreover, this region has not been under the effective control of any government for years. Quite aside from the demand from abroad, these three countries have a combined user population estimated at about three quarters of a million, including some of the producers.

Despite these formidable problems, Laos and Thailand have launched active programs to control illicit narcotics, as has South Vietnam, a recipient of the production from the "golden triangle" area. In Laos, the first legislation to make the production and trafficking in opium illegal has been

passed. A special narcotics enforcement unit is being established, and planning is underway to institute an addict rehabilitation program. Additional U.S. assistance to Laos in support of these efforts is planned.

In September 1971 the U.S. and Thai Governments signed an agreement to cooperate in controlling drug abuse. The Thai Government has also reached agreement with the UN to carry out a comprehensive pilot program including crop substitution, rehabilitation and education. Plans are also under way for U.S. assistance in the enforcement fields as well as some limited assistance in agriculture. These programs are being closely coordinated with the UN.

Cocaine

The only major hard drug native to the Western Hemisphere is cocaine, which is derived from the coca shrub. Primarily grown in Bolivia and Peru, the coca thrives on the moist slopes of the eastern face of the Andes between elevations of 2,000 and 8,000 feet. Peruvian myth dates the practice of chewing the dried coca leaf back to the Incas. Millions of Andean Indians continue to chew coca today. Although coca chewing is officially discouraged in the Andean countries, it is not illegal. Indeed, in many regions, miners and farm workers receive a part of their pay in coca leaves.

Roughly 90% of the total production of coca leaf is used locally. Of the remaining 10%, a large part is legally exported to the United States and Europe, where it is used in the preparation of legal medicines and chemicals. The coca leaf is also used as a flavoring for soft drinks. The rest of the coca leaf is used illegally to produce cocaine, which finds its way into the United States, Europe and Asia.

A substantial portion of the multi-step conversion of the coca leaf into cocaine takes place in Bolivia and Peru, generally in simple mobile laboratories. However, all or part of the conversion sometimes occurs in other Latin American countries.

Many of the factors which make opium poppy cultivation attractive also bear on coca production. Attempts to introduce alternative crops in both Bolivia and Peru have met with little success because substitute crops which can be raised in coca-producing regions are much less profitable. Any attempt to ban coca would probably result in serious social disruption.

The movement of cocaine throughout Latin America and ultimately to more distant destinations is only one facet of the illicit traffic which flows both to and from the United States, handling every type of contraband from American cigarettes and whiskey to migrant farm workers and drugs.

As greater controls have been placed on the movement of illicit drugs directly from Europe to the United States, more of this traffic is being directed through various transit points in Latin America. There are also indications Latin America is a major conduit for drugs entering the United States which originate in the Far East. Further complicating the enforcement effort are the number of people involved in smuggling operations, ranging from innumerable small-scale smugglers to very large, well organized groups, for the most part having little or no connection with the others.

U.S. assistance to Latin America will be concentrated largely on enforcement, with less emphasis on the agricultural and medical aspects of drug abuse.

U.S. Assistance for Narcotics Control Programs

Prior to FY 1972 A.I.D. programs bearing on the illicit drug problem have been limited, confined in large measure to Public Safety activities. Public Safety Advisors specialized in narcotics enforcement were stationed in Iran and Vietnam. From July 1, 1963 to date, 137 enforcement officials from 29 countries have been given specialized training in the United States in narcotics enforcement.

In FY 1967 A.I.D. authorized a loan of $3 million to the Government of Turkey, about one half of which was to finance equipment for the Ministry of Interior's narcotics enforcement efforts. The remainder of the funds was to finance equipment for the Ministry of Agriculture to be used in crop substitution research. In FY 1970 A.I.D. transferred $1 million from the Contingency Fund to the Bureau of Narcotics and Dangerous Drugs to finance equipment provided to the Government of Mexico for use in its narcotics enforcement program.

FY 1972 and FY 1973 Program. Over 50 countries have been identified as those with whom cooperative efforts could result in a significant decrease in the world's illicit drug problem.

During the coming year, discussions will continue or be undertaken with these governments on ways to control drug production and trafficking. As these discussions proceed, additional programs requiring U.S. assistance will be developed and become ready for implementation. In the majority of instances it is anticipated these will fall within the enforcement sector. Readily apparent is the lack of knowledge on the part of many enforcement agencies on narcotics enforcement techniques. The Bureau of Narcotics and Dangerous Drugs, the Bureau of Customs and the A.I.D. Office of Public Safety will increase their training efforts during FY 1973, both in the United States and abroad, to overcome this deficiency. In some instances augmenting equipment available to enforcement agencies will materially improve their capability. Where warranted, this type of activity will be given consideration. Where appropriate, advisory assistance will be provided by the A.I.D. Office of Public Safety and/or the U.S. Customs Bureau. It is also anticipated additional Bureau of Narcotics and Dangerous Drug personnel will be stationed abroad in the coming year.

Assistance will also be provided in the agricultural sector. Of particular importance will be the development of alternative crops which will yield incomes equal to or higher than those currently being earned from the production of narcotic crops. Agricultural research will play an important role in this development. Similarly, increased water availabilities and usage, introduction of already known high yielding grains, improved agricultural practices, including the increased usage of fertilizers, and expanded marketing facilities could have a significant impact on farmers' incomes. Assistance by the U.S. Department of Agriculture may be required in undertaking programs of this type.

Treatment and rehabilitation programs for drug addicts are almost non-existent in many countries and it is anticipated that limited assistance will be provided in this area. Particular emphasis will be placed on U.S. training of foreign health personnel who will be charged with developing and conducting such programs upon their return from the United States.

In summary, the International Narcotics Control program is in the early stages of development and will be refined in the coming months. However, it is essential for the United States to be in a position to provide assistance quickly as opportunities to control drug production, trafficking and use become apparent.

AFRICA

Narcotics trafficking and use is not a major problem in Africa. There is increased concern about potential drug problems in some areas of Africa due in part to the rapid increase in tourism and the dangers this brings for importing drug habits from abroad.

Throughout North Africa, the production and use of hashish (marijuana) in the traditional sector of the society has been tolerated. However there are strict penalties enforced against the use of hard drugs and their use is almost non-existent. The North African governments have developed a system of law enforcement to control drug use and commerce among tourists and the smuggling of drugs out of the country. The efficiency of these agencies varies in the countries concerned, but, as the governments become aware of the

international drug problem, they are increasing their emphasis on strengthening law enforcement capabilities.

Initial approaches to the North African governments increased international cooperation in narcotics control have been well received. Information exchanges and coordination to improve international narcotics control efforts are already underway. An agent of the BNDD has recently been assigned to Morocco to assist the authorities there.

At this time no definite requests for A.I.D. assistance have been received. However, the Governments of Morocco, Tunisia, Libya and Algeria have expressed interest in the possibility of U.S. training in narcotics control for their police and customs officials. A.I.D. will consider providing training for enforcement officials if requests are received.

LATIN AMERICA

Bolivia

Bolivia is one of the largest producers of coca, the source of cocaine. Legally produced for both local consumption and export, coca is grown between the elevations of 2,000 and 8,000 feet on the eastern slopes and valleys of the Andes. Cultivation of the coca bush is relatively easy in Bolivia, and it is an important source of revenue for the thousands of small family farmers engaged in its production. The habit of coca chewing is deeply ingrained in Indian life, resulting in an estimated 90% of the Bolivian crop being consumed in leaf form. Coca leaf can be purchased in practically every market place, and any effective attempt to eliminate the supply could lead to serious social disruption and possibly political disorder. Other than the use of barbiturates, domestic consumption of other narcotic substances is not considered a serious problem in Bolivia.

Reliable coca production and export statistics are not available. The major source of concern, however, is the unknown quantity of coca leaf which is converted into cocaine and enters the illicit drug traffic. Cocaine factories are unsophisticated and require little knowledge, time, space or resources to establish and operate. There reportedly are scores of such small, makeshift factories in Bolivia, many of which are probably in remote rural areas along the Western edge of the Bolivian altiplan.

The Narcotics Bureau within the Bolivian National Police is generally underfinanced and poorly staffed and equipped. Despite its problems, the Narcotics Bureau has recently undergone reorganization and has been expanded slightly to better fulfill its responsibilities. Since 1963 some 72 cocaine factories have been discovered and closed. The Bureau has also been engaged in a public education program to warn Bolivians of the dangers of hard drugs.

The Bolivian Government has pledged to further strengthen cooperative efforts to curtail illicit international narcotics traffic insofar as Bolivia may be involved in the problem. Cooperation with the U.S. Bureau of Narcotics and Dangerous Drugs and Interpol in international trafficking cases also has increased.

Public Safety assistance is currently being provided to Bolivia. In mid-1971 a special training program on narcotics detection and enforcement, with special emphasis on curtailing cocaine manufacturing, was conducted in Bolivia. The 12 officers trained have been assigned as supervisors within the Bureau in La Paz and the outlying areas. The United States also provided the narcotics police with five radio equipped jeeps to increase their capabilities.

Discussions are underway with the Bolivian Government on additional cooperative efforts which could be undertaken to curtail the flow of cocaine from that country. Particular emphasis will be placed on enforcement activities which will probably require additional assistance in this field.

Mexico

Mexico is the source of nearly all the high-potency marijuana and about 10% of the heroin consumed in the United States. In addition, Mexico is increasingly being used as a transit country by international drug traffickers,

particularly for heroin and cocaine. Interdiction of illicit narcotics traffic at the border can only control a portion of this traffic. Complementary efforts must be made to eradicate marijuana and opium poppy production at their source.

Drug abuse is also increasingly a problem for Mexico. A study made public recently reveals that of 7,500 students polled in grades 7 through 12, 15% admitted the use of some type of drug or hallucinogen. Of the 15%, 80% are marijuana smokers. With more frequency, articles are appearing in the Mexican press citing the growing seriousness of the problem.

Obstacles to Solving the Problem. The very size of Mexico and her 2,000 mile common border with the United States create a serious enforcement problem. Added to that are the facts that the Mexican narcotics authorities badly need more and better trained personnel and are seriously short of communications and transportation equipment. The lucrativeness of the drug trade and the often well-organized nature of the drug traffic networks create another type of problem in the sense that in some cases local enforcement authorities may become coopted into or are physically intimidated by the drug traffic and its organizers. Opium and marijuana plantings are usually located in very rugged terrain which is often inaccessible except on foot. Transit narcotics can enter Mexico through a variety of deep water ports or through international and other airports. In turn, they can be transshipped into the United States not only by body-carry across the border but by small craft and light airplane traffic crossing the maritime or territorial boundary with the United States.

Actions Taken by Mexico. In October 1969, the friction created by "Operation Intercept" was converted into the harmonious and relatively successful "Operation Cooperation." In general Mexican Government officials are keenly aware of the narcotics problem and are expending considerable human resources in a broad scale program of cooperation with the United States in narcotics control. In its efforts to eradicate opium poppies and marijuana, the Mexican Government is using light planes and helicopters to spot growing areas. Army ground troops are dispatched to destroy the fields and apprehend illegal growers. As many as 12,000 may be employed in this manner at any given time. In addition, Mexican laws concerning drug abuse are considerably more severe than those in the United States, and a recent change in the Agrarian Code has made the illegal production of marijuana or opium poppies an offense punishable by fine, imprisonment, or confiscation of the land involved. More recently still Mexico has outlawed production of amphetamine drugs.

In October 1971 the Mexican Government released statistics on the cumulative results of "Operation Cooperation" for the year just completed. This report reveals the destruction of 11,245 opium poppy fields covering an area of 28,534,200 square meters; 3,133 marijuana fields covering 18,006,809 square meters; and over 30,000,000 barbiturates and amphetamine pills. Over 5,000 persons have been detained for narcotic law violations.

In FY 1970 A.I.D. transferred $1 million to BNDD to finance three light planes and five helicopters which were provided to Mexico for the use in narcotics control. In 1971 an additional three helicopters were provided, financed jointly by the remainder of the $1 million and the Government of Mexico. Additionally, the Bureau of Narcotics and Dangerous Drugs has conducted joint training seminars with Mexican narcotics authorities, and BNDD and other U.S. enforcement agency personnel stationed in Mexico cooperate routinely with Mexican narcotics authorities in exchange of intelligence and operations directed against the drug traffic.

The insidious and lucrative nature of the drug problem, as well as its size and complexity, preclude any predictions of total success in combating it. However, given the concern and cooperative attitude on the part of the Mexican narcotics authorities, we believe that progress has been made by Mexico in carrying out an increasingly effective campaign against narcotics and other drugs. Additional U.S. assistance may be necessary to achieve the goal of

Mexico to the international drug traffic as a major transit country and production center.

Panama

Because of its geographic location and role as a transportation crossroads, Panama has traditionally served as a transshipment point for contraband. In recent years, international narcotics traffickers have increasingly utilized Panama and its established contraband infrastructure as a transshipment point in smuggling narcotics into the United States. There is a modest production of marijuana in Panama. Consumption of marijuana appears to be limited in the Republic, with slightly more use in the Canal Zone among U.S. teenagers and servicemen.

Two major smuggling cases in the past year involving Panamanians served to focus U.S. attention on the need to expand effective cooperation between the Bureau of Narcotics and Dangerous Drugs (BNDD) and the Panamanian Government in order to initially reduce, and ultimately eliminate, the flow of narcotics into the United States.

In 1970 an agreement was reached between the Government of Panama and the BNDD to set up a two-man office in Panama; in 1971 this office was expanded to three men. A special narcotics control unit of the National Guard has been created, and training courses have been provided for both National Guard and Panamanian customs officials.

During 1971 BNDD Director John Ingersoll twice visited Panama to discuss cooperative narcotics control arrangements with high-level Panamanian officials. As a result of these visits, a program of cooperation was agreed upon. The U.S. narcotics control effort in Panama involved BNDD, A.I.D. and the U.S. Customs Service, all operating under the coordination of the Ambassador and in cooperation with the Government of Panama. The principal U.S. assistance to Panama in this area has been carried out and financed by the BNDD and the A.I.D. Public Safety program. In addition, the U.S. Customs Bureau has provided training for Panamanian National Guard personnel.

This cooperative arrangement was severely damanged in mid-March 1972 when the Panamanian Government expelled three BNDD agents, charging them with "intervening in the internal affairs of Panama." This expulsion came in the wake of allegations that BNDD agents in Panama had revealed information implicating high officials of the Panamanian Government in the international narcotics traffic. The BNDD categorically denied such action. Efforts are currently under way to reestablish the cooperative arrangements with Panama to control the illicit narcotics traffic through that country.

Paraguay

Changing world drug trafficking routes have put drugs into the local smuggling pattern in Paraguay in recent years. Some of the traditional smuggling cliques with foreign ties are trafficking in narcotics and dangerous drugs, and in Paraguay they have found an advantageous warehouse, safe haven, and transfer point from which to move their merchandise in or through the continent. Their major advantages are: Paraguay's countless remote airstrips; its central location in South America; and the lack of criminal sanctions against drug traffickers.

Drugs involved in the traffic include: heroin, usually moving from Europe to the U.S. market through intermediate countries, and cocaine, moving from the Andean countries toward the United States or other countries. There may also be some trafficking in amphetamines and other psychotropic substances, though knowledge of this traffic is scant.

Drug abuse within Paraguay is as yet minimal, probably limited to marijuana use in the capital by a very small circle of people, and abuse of cocaine or amphetamines by even smaller groups. Drug abuse is thus not a national social problem of significant dimensions within Paraguay, which is why most Paraguayans see the drug problem as one affecting Paraguay only indirectly. There is as yet no national consensus about the dangers of drug abuse in Paraguay itself, though some preoccupation that Paraguayan

youth, too, might fall victim to drug abuse has become evident in recent months.

The first criminal drug legislation in Paraguay, drafted in August 1971, is now before the appropriate committee of the Paraguayan Chamber of Deputies. Enactment is expected by the summer of 1972, and this will be an important step forward. The bill contains criminal sanctions against producers and traffickers dealing in a comprehensive list of narcotics and dangerous drugs, and creates systems for control of import and sale of these drugs. The Asuncion City Council is also formulating an ordinance on drugs.

In May 1971 the U.S. Embassy in Asuncion formally requested the extradition of international narcotics trafficker Auguste Ricord, a French citizen previously arrested at our request. The Paraguayan Solicitor General has supported the U.S. request and is now in the process of filing an appeal to reverse a December 1971 lower court rejection of extradition. Bail has been set at over $315,000, an unprecedentedly high figure in Paraguay.

Paraguay has recently signed and ratified the 1961 Single Convention on Narcotic Drugs. Paraguay also recently signed the UN Convention on Psychotropic Substances and ratification is underway. Also, in July 1971, Paraguay signed with Brazil a general health agreement in which provisions relating to control of narcotics and hallucinogens were included at Paraguayan initiative.

The Paraguayan Ministry of Interior has tentatively selected an Assistant Secretary-level official to head a new specialized narcotics investigation unit within that Ministry. No such unit exists now, nor are there any Paraguayan police officials familiar with techniques of narcotics investigation.

The U.S. Government will work with the Paraguayan Government to attack the drug problem rapidly and on a broad front, with more coordinated, efficient measures than have been taken up to now. Paraguay has welcomed the establishment of a two-agent office of the U.S. Bureau of Narcotics and Dangerous Drugs in Asuncion. This office has functioned since October 1971.

The United States is now cooperating with the Paraguayans to organize rapidly and train the specialized drug investigation unit within the Ministry of Interior which they envision. We expect training for Paraguayan personnel for this unit will be underway by mid-1972.

Following passage of the criminal drug bill now in Congress, we will be in contact with the Ministry of Health concerning possible aid which the United States might provide in the implementation of the registration, prescription and other control measures contained in the law.

The effectiveness of the anti-narcotics efforts will increase as Paraguayan awareness of the problem intensifies, local BNDD activities become more extensive, local police learn how to deal more effectively with the traffickers, and criminal drug legislation is adopted. Additional assistance to Paraguay's enforcement efforts may be necessary in the future as the country's capabilities increase. This could include the provision of some equipment to the narcotics investigation unit now being established.

Peru

Peru is a major producer of coca. An estimated 90% of the crop is consumed locally in leaf form, primarily by the Andean Indian population. The coca is grown chiefly on small family farms because of the low value of the unprocessed leaf and the labor intensity of the cultivation. Of the estimated 10% of coca production not consumed locally, a large part is legally exported. In 1970 exports amounted to about 1,000,000 kilograms. The remainder is processed into cocaine for the illegal international market.

Cocaine consumption in Peru is considered to be relatively small, but appears to be spreading among middle class youth. The cocaine traffic controlled by large, non-Latin American criminal organizations appears to be only a small portion of the total. Large numbers of small

operators handle the bulk of the cocain trade. It is usually smuggled to the United States by means of commercial ships and aircraft. Peru is sometimes reported as a trans-shipment point for opiates, but is not now a major link in the opiate traffic in Latin America.

Peruvian officials appear genuinely interested in curtailing narcotic production and traffic. They are, however, faced with almost overhwelming obstacles to thie effort, particularly with respect to cocaine. Because the habit of coca chewing is deeply ingrained in Indian life, elimination of the production would be nearly impossible. Since the extraction of cocaine is relatively simple and inexpensive, there are a great many clandestine laboratories which conduct first stage refining, most of them located near the areas of cultivation in the Andes. The large number and remoteness of these facilities makes their elimination difficult; the simplicity of refining facilitates rapid replacement of captured laboratories. The second stage refining laboratories are fewer and more sophisticated, thereby making them more practical targets for control efforts. However, they are usually mobile and well hidden.

Legally cultivated, coca represents a major source of income to some of the poorest sectors of the population. There is no known crop substitute which would yield the same rate of return which is estimated to average $1,600 annually from each two to three acre farm.

Peruvian authorities at the top level are showing increasing concern with the problem and have indicated a willingness to cooperate with the United States. The Government of Peru has agreed to the stationing of BNDD personnel in Lima and has recently cooperated by extraditing a major narcotics trafficker to the United States for trial. Peru is a party to the major international agreements on narcotics and takes an active part in efforts to strengthen international control.

Discussions with the Government of Peru are underway on additional efforts which could be undertaken to eliminate the production of, and trafficking in cocaine. These may include assistance in the enforcement field.

Other Latin American Countries

To varying degrees many other Latin American countries are involved in illicit drug production or trafficking. Argentina, Brazil, Chile, Colombia, Ecuador, Jamaica, Netherlands Antilles, Uruguay and Venezuela are either known or suspected transit points in the movement of hard drugs into the United States. Chile and Ecuador are known to produce cocaine and Jamaica represents an important source of marijuana entering the United States. There is a small but growing usage of drugs and marijuana in some countries, notably in Brazil and Chile, but for the most part drug abuse is now yet a significant problem.

Few Latin American countries have either the human or material resources to identify or cope with drug production and trafficking. Drug smuggling routes are outgrowths or adaptations of older routes which have been used for smuggling other types of contraband for years. Long unguarded borders and coasts plus difficult terrain remain major obstacles to effective measures to prevent all types of smuggling.

A.I.D. has been involved in modest narcotics control programs in Latin American countries for several years. This assistance consisting principally of training, has been provided under the various A.I.D. Public Safety programs in both Central and South America. Additional enforcement assistance to enable governments to cope with the drug problem is contemplated. Regional training programs may prove to be one approach to the overall problem. Additional requirements for assistance will be determined as bilateral discussions proceed with the governments involved.

NEAR EAST AND SOUTH ASIA

Afghanistan

Afghantistan is not known to be the origin of any illicit drugs in the United States at this time. However, it is

believed that significant quantities of both opium and hashish are produced in Afghanistan, and as Turkish production of opium ends, Afghanistan must be considered a potential source to supply the European and Northern Hemisphere heroin markets.

Although opium production is illegal, Afghanistan is faced with every problem which makes the production and trafficking difficult to control. It is a very poor country in the early stages of development; its difficult terrain makes many areas almost inaccessible; subsistence farming is still the dominant employment pattern, and central government administration does not reach into many remote areas. Further complicating the picture is the fiercely independent nature of some Afghan tribesmen who have been engaged in free trade across international frontiers over the same routes for centuries. This practice apparently continues today with the smuggling of opium into Iran.

The Government of Afghanistan is concerned about the drug problem. In January two Cabinet level committees were established to study the prohibition of narcotics cultivation, ways to control smuggling, the possibility of foreign aid, combating the use of narcotics in Afghanistan and the possible medical application of narcotics. Presumably the Government of Afghanistan's future course of action will be determined by the findings of these studies. Afghanistan has joined the ad hoc Committee on Illicit Traffic in the Near and Middle East of the Commission on Narcotic Drugs and is participating in the plenipotentiary conference to consider amendments to the 1961 Single Convention currently underway in Geneva.

It is clear, however, that regardless of the Government's serious determination to end drug production and trafficking, actual achievement of that goal will be difficult and time consuming. It is equally certain that Afghan efforts will require assistance from external sources. The U.S. Government is prepared to join with other donors, both multilateral and bilateral, to support these efforts.

Iran

Iran is unique among opium producers today. In 1955 all production was banned. However, owing to its own relatively large addict population, opium from surrounding countries continued to enter Iran in sizeable quantities. In 1969 Iran resumed opium production to meet its internal demand. At that time, and on numerous occasions since then, Iran has indicated it will cease all production again when large quantities of neighboring production no longer enter Iran.

Iranian production is very closely controlled and there is no evidence any of its legal production enters the illicit traffic. It does, however, face major problems in preventing illicit traffic entering the country, particularly across the Afghanistan border. In addition, rehabilitation of Iranians addicted to both opium and heroin presents a major social problem.

Improved cooperation between Iran and Turkey has largely closed the smuggling across that border. Iran has been giving increased attention to preventing smuggling across the Afghan border. While this effort has met with some degree of success, the terrain lends itself to continued smuggling on a regular basis.

BNDD has recently stationed an agent in Tehran to work closely with Iranian enforcement officials and an employee of the U.S. Department of Health, Education and Welfare is working with Iranian medical authorities in conducting research into methods of treatment and rehabilitation. Additional cooperative programs may be developed in the future.

Pakistan

Pakistan is not known to be a supplier of illicit drugs reaching the United States. Pakistan produces legal opium under a licensing system to meet its own internal medicinal requirements. However, illicit opium is also produced, and enters both the local and international drug traffic. At

the present time it is believed most of this illicit production is smuggled into Afghanistan and through that country into Iran. However, Pakistan must be considered a potential source for the western illicit drug markets as traffickers seek alternatives to Turkish opium.

Pakistan is typical of many countries in which illicit narcotics are produced. By long standing agreement with some of the tribes in Northwest Pakistan, the Government does not exercise administrative control over territory along the border with Afghanistan. Not only drugs, but commodities of all kinds move freely across the unguarded Afghan/Pakistan border. The Government of Pakistan is aware of the problem but in light of the many pressing problems in the afthermath of both civil and international war, may need outside assistance to undertake an effective control program.

Subsistence level agriculture is generally a problem throughout Pakistan which contributes to the economic attractiveness of opium production.

Bilateral discussions have been undertaken with the Government of Pakistan which has indicated its desire to cooperate in bringing production and trafficking of illicit narcotics under control.

In view of the scarcity of specific information on production in Pakistan, one of the first tasks will be to define more closely the areas of production, levels and number of persons involved which will permit the development of strategies and programs designed to address both the enforcement and agricultural aspects of the problem.

Turkey

Under a UN convention, Turkey is one of those few nations permitted legally to grow poppies for export.

However, Turkey's geographic location and historical connections with Europe have resulted in European traffickers obtaining much of their illicit opium supply from Turkey, passing it on through their smuggling terms to consumers in Europe, Latin America, and principally the United States.

Removal of Turkey as a source of illicit supply would cause considerable disruption to established patterns of smuggling of opium and its derivative, morphine base, through Europe. It also removes a product particularly high in quality and forces processors to try to develop new sources of supply, taking additional risks of detection as they are obliged to use new contacts and transport their wares over longer and untested routes, thereby exposing them to enforcement activities throughout the world which are being improved.

Obstacles to Solving the Problem. For hundreds of years, thousands of Turkish families have raised opium poppies as a legitimate cash crop. Not only are poppies grown for opium gum but as a source of food and fuel as well. About 20 to 30% of the crop is used for no other purpose than to obtain poppy seeds which are important in baking and are processed into edible oil. The residual oil cake makes an excellent animal feed. The farmer thus could profit from the sale of opium gum, from the use of seed in cooking and oil extraction, from the legal sale of poppy heads to European pharmaceutical firms, and from the use of the remaining stalks for fuel. Accordingly, a ban on opium poppy production was a particularly difficult decision for the Turkish Government, particularly since the poppy farmer has little, if any, knowledge of his part in the spread of the narcotic.

Actions Taken by the Government of Turkey. During the past decade Turkey has reduced the areas in which the opium crop can be grown. In 1962, production was limited to 42 provinces; 21 in 1968; 11 in 1969; and 7 in 1970. On June 30, 1971, Turkish Prime Minister Nihat Erim, in announcing the annual decree governing opium poppy cultivation stated that within one year the opium poppy would no longer be planted in Turkey. By law, the Turkish Government must announce poppy cultivation decisions one year in advance of their implementation, making the annual

decree the strongest and most direct action legally possible for the Turkish Government to take. The decree of last June confirmed that poppy cultivation would be allowed in only four provinces during the 1971/1972 growing season, and states that a total ban would apply thereafter.

The Turkish Government has acted vigorously within its legal limits to ensure that only legitimate growers are allowed to plant poppies, and to ensure that opium gum is turned over to government purchasing offices. The Government initiated a number of measures in the spring of 1971 to improve collections.

These included increasing the price the Government paid for opium gum, increasing the number of collection points in poppy growing provinces, and initiating cash payments to farmers at the time the gum is turned in, rather than using a cumbersome voucher system. These measures, which substantially reduced the amount of gum flowing into illicit channels, are being reinforced for the final crop year.

The Government also has initiated a new licensing law which further strengthens the Government's authority over the growing process and requires farmers to provide much greater detail about the location and extent of areas planted. The law gives the Government greater legal basis, including stiffer penalties, against those who fail to comply.

U.S. Assistance. Following the Government of Turkey's announcement on June 30, 1971, to ban opium cultivation, the United States indicated to the Government of Turkey that we would be parpared to provide financial assistance to help alleviate the economic difficulties resulting from the ban. Subsequently, the United States agreed to provide $35 million in grant economic assistance over a three to four-year period, subject to Congressional appropriations, to the Government of Turkey in support of its decision to ban opium production. The funds will be used to cover legitimate foreign exchange losses resulting from the ban on opium production and to help finance development programs aimed at providing new sources of income for those farmers who will suffer the consequences of the June 30th decree.

The United States also agreed to send to Turkey a high-level team of USDA agricultural experts headed by Secretary Hardin. This visit, which occurred in November 1971, was designed to assist the Government of Turkey in exploring alternate means for developing substitute income, and resulted in the promulgation of a Joint Turkish/American Report on the poppy growing areas, including recommendations for improving farm income.

A follow-up team of A.I.D. and USDA officials returned to Turkey in February 1972. The purpose of their work there was to assist the Government of Turkey in preparing an action program and implementation plan for the poppy region. It was concluded that priority should be given to programs ready to start by the fall of 1972 and which would have an income effect by spring harvest for a large number of farmers. The United States team concluded that primary emphasis should be placed on introducing high-yielding varieties of wheat which could increase yields fifty percent over conventional varieties.

During FY 1972 the United States plans to obligate $15,700,000 in support of Turkey's efforts to eradicate opium poppies. $15 million of this amount falls under the $35 million pledge, and is divided into two categories -- $5 million to cover foreign exchange losses and $10 million for development programs in the areas affected by the ban. The United States also agreed to provide $700,000 over and above the $35 million pledge--$300,000 for control and surveillance purposes connected with the last crop year; and $400,000 to finance a U.S. team to work for the Government on the development of its programs for realizing substitute income for farmers affected by the ban on opium production. We plan to obligate an additional $15 million during FY 1973 against the $35 million pledge--$5 million to compensate for foreign exchange losses and $10 million for development purposes.

Prospects for Success. The elimination by the Government of Turkey of opium poppy cultivation in 17 provinces during the past 4 years augurs well for the success of the current effort to stop opium production entirely in the

remaining four provinces by the end of this year. We are confident that the continuing effort of the Turkish government working fully within the Government's legal framework, will achieve success.

Turkey's action should set an important example to encourage other nations to act with similar purposes in attempting to control the spread of narcotics.

EAST ASIA

Burma

Burma is the largest producer of opium in Asia -- an estimated 400 tons per year. Production is concentrated in the Shan and Kachin States of northeastern Burma where the Government's control is tenuous, and in many parts, non-existent. This area is dominated by a number of armed minorities and insurgent groups who use opium production as a source of financial support. Most of the opium is smuggled out of Burma into Laos and Thailand by heavily armed caravans, often in the form of heroin or morphine base which is both more profitable and compact.

The Government of Burma is not in a position to effectively interfere with this opium production since whatever presence it has in the Shan and Kachin States is limited to a few major towns. Until recently it has even been reluctant to discuss the problem. However, a shift of attitude seems to be occurring as a result of the emphasis being placed on the matter of narcotics control by the UN, Asian regional organizations, and the United States. It is too early to determine the result of this change. The United States has made known not only its interest but also its willingness to provide narcotics control assistance if Burma should request it. It is probable, however, that little immediate progress will be made due to the inextricable relationship of the opium to the unstable political situation in the production areas.

Laos

From the United States standpoint the narcotics problem in Laos is more one of transit through Laos rather than production in Laos. Although opium has been a traditional cash crop of the mountain tribesmen in Laos--Meo and Yao--the war has disrupted the production process. Relatively little opium is now being produced within areas controlled by the Royal Lao Government, and nearly all of what is grown is consumed by the hill tribesmen themselves. The production situation in the enemy-controlled areas is less clear, but there is no firm evidence that such opium is transiting the controlled areas of Laos to enter into international traffic.

The problem faced at the outset of 1971 was thus to curb the transit of narcotics originating in Burma or Thailand, plus a lesser amount of Lao opium not consumed locally, into the international market. There was at that time no law against opium production or trafficking, or against the processing of opium into heroin. On two occasions smugglers arriving from Vientiane were apprehended with heroin at Tan Son Nhut airport in Saigon.

The Royal Lao Government has responded to the problem with commendable speed. On September 23, 1971 a law was promulgated limiting the production of opium in the hill tribe areas and proscribing the trafficking and use of opiates outside such areas. There have been important seizures of opium, heroin and acetic anhydride. One heroin refinery was dismantled. As recently as January 6, 1972 Lao police arrested an important dealer and seized 10 kilograms of heroin then in his possession. This individual committed suicide while awaiting trial.

The Lao Government has committed itself to a major augmentation of its enforcement machinery, including police, customs and a new special group reporting to the Prime Minister which has nationwide jurisdiction over both civil and military elements. This group is headed by a Lao General who already wields considerable power as confidant of the Prime Minister and head of the Lao intelligence

service. He is being closely advised by the U.S. Bureau of Narcotics and Dangerous Drugs.

A crucial test of success in the continuing effort to halt the transiting of narcotics through Laos will be the Royal Lao Government's ability to assure effective control of the Lao armed forces, particularly the air force. There are indications this group will use its authority to act effectively in this area.

The United States has provided assistance in narcotics control activities. The Bureau of Narcotics and Dangerous Drugs and Bureau of Customs personnel as well as A.I.D. Public Safety Staff, are now advising the government. The U.S. training and advisory effort was doubled as of February 18 with the arrival in Vientiane of an additional 10 U.S. Customs advisors. Approximately $1 million is expected to be allocated for support of the government's narcotics control program in FY 1972. FY 1973 funding is now proposed at a level of $723,000.

Philippines

The opium poppy is not believed to be grown in the Philippines. For the most part locally used hard drugs are smuggled into the Philippines and there is no evidence at this time that the Philippines is being used as a major trans-shipment point for drugs being smuggled into the United States. However, since Filipinos are known to be involved in the flow of hard drugs from Hong Kong to the United States, the potential exists for it to become a major transit point.

Although narcotics is not now a severe problem in the Philippines, both the public and private sectors have begun to take action to deal with the threat which is present. Philippine drug legislation needs to be revised and backed with stiffer penalties against individuals involved in the production and illegal distribution of narcotics. The capabilities of Filipino law enforcement agencies to control the production, trafficking and use of dangerous drugs and narcotics is limited. According to official sources, there are only forty-five persons from the various government law enforcement agencies working full time on the drug problem. These agencies are hampered in their modest efforts by lack of funds, trained personnel and logistical support. In spite of these handicaps the number of arrests, prosecutions and sentencing of drug offenders has increased markedly in the past two years.

Over recent months a number of very positive steps have been taken in the Philippines to call attention to and combat the drug problem. The Philippine Government has responded vigorously. A revised narcotics bill was introduced in the last session of Congress and was passed by the House of Representatives but failed to come to a vote in the Senate. President Marcos is reintroducing the bill in the current session of Congress. This bill is designed to strengthen the anti-narcotic laws of the nation. The President has appointed the Solicitor General as the nation's action officer on narcotic drugs. Law enforcement agencies have become more agressive and are working closely with U.S. military base security units. The Citizens Committee for Peace and Order, the National Social Action Council and Narcotics Foundation, Inc., took the leadership in developing programs in enforcement, education and rehabilitation. The news media have also supported the program by providing much newspaper space and air time to educate the citizenry.

U.S. assistance, which is still being discussed with the Philippine Government, will be designed to help the Philippines control illegal international narcotic trafficking and its own narcotic and dangerous drug threat. Areas of assistance may include prevention and education activities; enforcement of existing laws, development of information (intelligence) concerning illegal narcotic traffic and training of law enforcement personnel; treatment and rehabilitation; and advice on appropriate legislation to deal with those facets of narcotics and dangerous drugs not now codified.

Thailand

The narcotics problem in Thailand consists of basically two activities -- poppy cultivation and trans-shipment. The annual production of known opium, which is confined to the northern provinces (forming the Thai portion of the "Golden Triangle"), is thought to be about 200 tons. An unknown but significant amount is also smuggled in from Burma and Laos, some of which has already been refined into opium derivatives. While a considerable amount of opium is used within Thailand by hill tribe minorities and by the urban Chinese communities, a large portion is trans-shipped to other Asian countries. Although the great majority of the opium produced in Southeast Asia, which for all intents and purposes means the Golden Triangle contiguous border areas of Thailand, Burma and Laos, is consumed in Asia, the production of No. 4 heroin, a highly refined derivative of opium not commonly used by Asians, has been increased in recent years to meet the market among U.S. troops in Vietnam.

The control and eventual elimination of this production and trafficking (which has been illegal since 1958) is inhibited by the inability of the Thai Government to operate effectively in the northern area and by the economic commitment of the hill tribes to their only cash crop. The Government has never exerted complete control over the inaccessible mountain regions of the North. The terrain, the ethnic dissimilarities, and the traditional Government focus on the area around Bangkok have caused the hill tribes to avoid close or binding relationships with the central government. The existence of a communist insurgency has further interfered with Government efforts in recent years to establish its authority over the territory. Another problem is the high intensity of air and sea traffic transiting Thailand. Numerous small trawlers move along the Thai coasts and on the high seas to other countries. Narcotics traffickers use these vessels to transport narcotics, but seldom use the same ship twice, making interdiction difficult.

Despite these difficulties, the Thai Government has given high level assurances of its intention to undertake narcotics control and to cooperate with both the United States and UN in coping with their drug problem. The Government signed a formal memorandum of understanding to this effect with the U.S. Government in September 1971. There is every indication that the Government plans to honor this commitment.

Since then, the Government has increasingly cracked down on narcotics trafficking. On January 21, following a shipment of 17 pounds of No. 4 heroin from Thailand to the United States, a heroin smuggling ring conducted by U.S. ex-servicemen was broken by simultaneous arrests in Bangkok and the United States. On March 27 some 26 tons of opium were publicly burned by the Government. This quantity of opium, if refined into heroin, could have supplied nearly half the United States market for one year.

The Thai Government has also established a new 48-man task force now commencing operations in the North. This force includes police, customs and border patrol personnel, and will be supported and monitored by the Bureau of Narcotics and Dangerous Drugs (BNDD). It will be used to interdict the movement of narcotics from the North to Bangkok and the international market. Transportation equipment for this unit has been provided by A.I.D.

A.I.D. funds will be used to finance assistance by the U.S. Bureau of Customs to the Thai Customs service to improve Thai border and waterway surveillance and anti-smuggling operations. A.I.D. has already transferred funds to the BNDD to finance its activities in working with the Thai Government. BNDD has a regional office in Bangkok comprised of seven agents and two agents assigned to Chiang Mai.

It is recognized that the narcotics production and trans-shipment problem in the north can, in the long run, only be solved by basic changes in the economy of the hill tribes and their relationship with the Thai Government.

The UN, Thai Government and United States are all working toward a solution in different but complementary ways. On December 7, 1971 the Thai Government signed an agreement with the UN Special Fund for Drug Abuse Control which calls for UN and Thai contributions of approximately $2 million and $5 million, respectively, over the period 1972-76. The program has four central aims, to be implemented simultaneously, (a) opium poppy cultivation replacement; (b) drug addict treatment; (c) law enforcement; and (d) drug abuse education and information. The UN plans to spend some $700,000 in the first year and the Thai Government has already appropriated $1.5 million equivalent for the first year.

The King of Thailand has taken a personel interest in the welfare of the hill tribes and has inauguarated a hill tribe's project to provide economic assistance, including development of alternatives to opium growing. The King's project is coordinated with the Hill Tribes Research Center and with a program of the Border Patrol Police which provides schools and agricultural demonstration plots.

Apart from funds transferred to BNDD, the FY 1972 A.I.D. obligation of $500,000 is expected to rise to $970,000 in FY 1973. A.I.D. is budgeting $570,000 in FY 1973 for an uplands development project which will provide an overall survey and master plan for the economic development of the hill tribe areas, specifically including the identification of alternatives to opium production. The remaining $400,000 will be used to finance U.S. Bureau of Customs Advisory Assistance, and to provide training and equipment for Thai enforcement agencies. A.I.D. Public Safety Advisors are financed under the continuing Public Safety program and not under the special narcotics program.

The problem of narcotics control in Thailand will require a protracted effort by the Thai Government, the United States, the UN and others concerned with the problem. A promising start has been made and programs begun which have the potential to bring the drug problem under increasing control.

Vietnam

The hard narcotic problem in South Vietnam concerns its distribution, not its production. While marijuana has long been cultivated in the Delta along tributaries of the Mekong River, the opium poppy is not cultivated in Vietnam. High-quality prepared opium, however, is in demand and is brought into Vietnam from neighboring countries. Opium smoking is a traditional and well-entrenched problem among a small portion of the population (approximately 138,000) but does not constitute a problem for U.S. personnel.

Heroin, on the other hand, has presented a problem among U.S. military personnel, and is now reported to be increasingly used by Vietnamese army personnel. This processed opium derivative is illegally brought into Vietnam through busy civilian and military airports, small coastal ports, and remote roads and rivers crossing national boundaries. Policing all of these potential points of entry presents a problem of considerable magnitude, particularly in a wartime situation.

The Government of Vietnam, recognizing this growing problem, has taken a number of steps, both on its own and in cooperation with the United States Mission, to stop the inflow, trafficking, and use of narcotics in Vietnam. President Thieu has initiated an anti-narcotics campaign and made it a national policy of the highest priority. A Special Commission for the Eradication of Drugs and Smuggling has been established, under the President's special assistant, to plan and coordinate the effort. Customs personnel have been replaced and customs and policing procedures at Tan Son Nhut Airport tightened. An indication of the success of these actions has been a substantial increase in the price of heroin in Vietnam, although it still is available. Over 270 pounds of heroin and 1,000 pounds of opium were confiscated in 1971, compared to 119 pounds of both drugs in 1969. More than 6,000 arrests for narcotic offenses were made in 1971, up from 3,880 in 1970 and 2,911 in 1969.

INTERNATIONAL NARCOTICS CONTROL PROGRAM

A.I.D. has given special attention to the problem, working with representatives of other U.S. agencies in assisting the Vietnamese to prepare and carry out an effective program of narcotics suppression. Vietnamese police and customs personnel have been given special training in spotting narcotics and drug sellers in addition to the normal police and customs training in narcotics suppression.

During the period 1969-1971, a total of 1,023 police investigators were trained in narcotics and 486 are now performing specialized work in the Vietnamese Narcotics Bureau and in covert teams assigned to key drug abuse areas. Narcotic identification has been introduced into the curricula of all National Police Training schools. Police are engaged in a substantial public education program.

At the present time, 11 Public Safety Advisors are assigned specifically to narcotics training, intelligence gathering and suppression. Commodities and equipment and participant training are supplied through the normal A.I.D. police assistance programs.

Four customs advisors from the U.S. Bureau of Customs carry out narcotics investigations and training, in addition to their normal customs duties concerned with contraband investigation and suppression.

A.I.D. is also working with the Vietnamese Ministry of Health to establish a treatment center for Vietnamese addicts. This is included as part of the normal A.I.D. Public Health assistance program. All together narcotics control and suppression activities in Vietnam require approximately $500,000 a year in funds devoted solely to such activities. If personnel and pro-rata operational costs of the many U.S. military, civilian and Vietnamese organizations working on narcotics control were taken into account, the figure would be nearer $29.5 million.

Much has been accomplished since 1969 in establishing the administrative machinery to carry on an effective narcotics suppression program in Vietnam. Working committees have been established to coordinate the many public and private agencies concerned with this work; police, customs and health personnel have been trained; and a broad program of public information initiated. The U.S. troop withdrawal program lessens the demand for illegal drugs and at the same time reduces the amount of money that finds its way into clandestine operations.

In spite of these encouraging steps, control of drug traffic ficking will continue to be a problem as long as border areas remain insecure and there continues to be large movements of people within Vietnam and the rest of Indochina.

CONTINGENCY FUND
AVAILABILITY AND PROGRAM FY 1972 AND FY 1973

(in thousands of dollars)

	FY 1972					FY 1973		
	Balance Forward	Appro-priation	Transfers	Recoveries	FY 1972 Program	Appro-priation	Recoveries	FY 1973 Program
CONTINGENCY FUND	466	30,000	- 1,850	500	29,116	30,000	300	30,300

The Contingency Fund is used to meet assistance requirements which are unforeseen or cannot be accurately defined at the time the proposed program is prepared and submitted to the Congress. It is used primarily for disaster relief and for situations involving security interests of the United States.

There is no way of knowing in advance how much will be needed for the Contingency Fund for any given year. What is predictable, however, is that national disasters and other contingencies will arise, and that funds will be needed to meet them. The need to have funds available for such uses is all the greater when urgent problems such as the relationship between NATO and Malta or relief for South Asian refugees are dealt with in an international framework. In these multilateral settings the ability of the United States to respond quickly often encourages positive action on the part of other donors.

For FY 1973 $30 million -- the full amount authorized -- is requested.

During FY 1972, the Contingency Fund has been used for a variety of purposes. For example --

-- Small amounts were used for disaster relief following an earthquake in Chile, a hurricane in Nicaragua, drought in Afghanistan and a plane crash in Uruguay.

--$9.5 million is being used for Malta in cooperation with other NATO donors following renewal of a British agreement for continued use of Maltese military facilities.

--$15 million was made available to Jordan to supplement the $30 million previously provided out of Supporting Assistance to help the Jordanian Government maintain the political stability which is an essential element in the search for a just and lasting resolution of the Arab-Israeli conflict.

--The Contingency Fund was also used to pay temporarily a part of the U.S. contribution to relief operations in South Asia until those costs could be obtained from the new line-item appropriation established specifically for that purpose.

Prior Years Contingency Fund Uses
(including transfers to other agencies)

	($ millions)		
	FY 1969	FY 1970	FY 1971
Disaster Relief & Reconstruction	4	18	25
Security Assistance	3	1	-
Development Assistance	6	-	-
Other	-	3	4
Total	14	28	29

CONTINGENCY FUND

During FY 1971 the Contingency Fund was used mostly for disaster relief and reconstruction.

--$7.5 million was used in East Pakistan to provide relief to victims of the cyclone and tidal bore, and another $1 million was used in East Pakistan for victims of the civil strife there.

--$7 million was provided to the UN High Commissioner for Refugees for East Pakistani refugees in India.

--Small amounts were used for disaster relief in response to floods in Malaysia, Colombia, Costa Rica and Romania.

--In the Philippines, $248,000 was used for disaster relief during a severe typhoon, and another $1.5 million was used for school reconstruction to repair the damage from the typhoon.

--In Ecuador, $70,000 was used to relieve the suffering after an earthquake.

--Over $4 million was used in Jordan for emergency relief and rehabilitation following civil disturbances caused by the Palestinian commandoes.

--$1 million was provided to the International Committee of the Red Cross.

--Funds were also given to the World Health Organization for use in combatting cholera epidemics.

--Smaller amounts were contributed through the Ambassador's relief fund in some twenty countries in response to need caused by floods, drought, and disease.

Similar uses have been made of the Contingency Fund in previous years. Major allocations in FY 1970 included $7.4 million after the earthquake in Peru, $2 million for the Nigerian international relief effort, and $1 million to Mexico for narcotics control. Examples of other uses were $7 million to Indonesia in FY 1967 for commodity financing to relieve short term financial difficulties, $5 million in FY 1967 to the Dominican Republic for emergency public works and urban improvement, $4.8 million in FY 1968 for support of the United Nations Force in Cyprus, and $2.7 million in FY 1969 for the U.S. share of a shortfall in funding of the multilateral Nam Ngum dam project in Laos.

APPROVED USES OF THE CONTINGENCY FUND
THROUGH JUNE 30, 1971

		Dollars in Thousands
East Asia:		
Philippines - Typhoon Damage School Reconstruction: As part of the program of relief following typhoons Joan, Kate, and Patsy, a Supporting Assistance grant of $1.5 million was made to the Philippines to cover the repair and reconstruction of typhoon damaged schools. (An additional $248,000 in Disaster Relief was provided for emergency humanitarian relief).		1,500
Inter-Regional:		
Disaster Relief:		
Civil Strife -- Jordan 4,250 -- East Pakistan 1,000	5,250	
Refugees -- made available to UN High Commission for Refugees for care of East Pakistani refugees in India	5,000	
Cyclone -- relief and rehabilitation in East Pakistan	7,500	
Floods	1,118	
Earthquakes	322	
Cholera	310	
Typhoons	248	
World Health Organization	200	
Miscellaneous -- includes Ambassador's fund for disaster relief	96	
	20,044	
Refunded overcharges	-2	
Subtotal		20,042

	Dollars in Thousands
International Committee of the Red Cross (ICRC) A contribution of $1.0 million was made to the ICRC to relieve the financial emergency resulting from the Committee's increased activities in the areas of humanitarian and disaster relief.	1,000
Total Contingency Fund - A.I.D.	22,542
Payments to U.S. Army Corps of Engineers: $3.7 million was provided from the Contingency Fund to the U.S. Army Corps of Engineers to pay a claim to a private U.S. contractor arising out of an A.I.D. construction project for which the Corps of Engineers was the implementing agent for A.I.D.	3,700
Transfer to Department of State: In accordance with the Presidential Determinations, pursuant to Section 2(c) of the Migration and Refugee Assistance Act, $10.0 million of FAA funds were transferred to the Department of State in two tranches in order to meet unexpected urgent refugee and migration needs in connection with assistance to refugees from East Pakistan. Of that total, $3.0 million were from the Contingency Fund. An additional $5,000,000 of Contingency Funds was made available for this purpose to the UNHCR as a disaster relief grant (see above).	3,000
Total Contingency Fund Uses, FY 1971	29,242

REPORT ON SUBSTANTIAL CHANGES IN THE FY 1972 PRESENTATION TO THE CONGRESS

A comparison of the current year programs and activities with those presented to Congress is included in this Presentation pursuant to Section 634(d) of the Foreign Assistance Act of 1961, as amended by P.L. 87-565, Section 302(f)(2), Foreign Assistance Act of 1962.

The applicable portion of Section 634(d) provides:

> "There shall also be included in the presentation material submitted to the Congress during its consideration of amendments to this Act, or of any Act appropriating funds pursuant to authorizations contained in this Act, a comparison of the current fiscal year programs and activities with those presented to the Congress in the previous year and an explanation of any substantial changes."

The guidelines used by the Agency for determining "substantial" changes are as follows:

1. Security Supporting Assistance programs for which no justifications were included in the FY 1972 Congressional Presentation (Footnote a/ on tables).

2. 50% or $5 million more or less than the amount shown in the FY 1972 Presentation (Footnote b/ on tables).

SECURITY SUPPORTING ASSISTANCE PROGRAMS
Comparison of FY 1972 Supporting Assistance Programs as Presented to Congress
with Revised 1972 Programs

(in thousands of dollars)

	Proposed FY 1972	Revised FY 1972	% Change
SUMMARY - ALL PROGRAMS	825,000	583,100	
ASIA - TOTAL	796,950	564,400	
Cambodia	110,000	37,100	-66 b/
Israel	-	50,000	a/
Jordan	30,000	30,000	
Laos	50,550	47,000	-7
Thailand	40,000	15,000	-63 b/
Vietnam	565,000	385,000	-32 b/
East Asia Regional	1,400	300	-79 b/
AFRICA - TOTAL	4,400	3,700	
Nigeria	4,100	3,400	-17
Southern Africa Regional	300	300	
LATIN AMERICA - TOTAL	3,000	-	
Haiti	3,000	-	b/
PUBLIC SAFETY PROGRAMS	5,450	-	b/
NON-REGIONAL	15,200	15,000	
Administrative Expenses	10,000	-	b/
Inspector General of Foreign Assistance	400	300	-25
Program Support and Interregional Activities	-	12,300	a/
UN Force in Cyprus	4,800	2,400	-50 b/

a/ Program was not included in the Presentation. Narrative explanation is furnished.

b/ Program is 50% or 5 million more or less than the Congressional Presentation. Narrative explanation is furnished.

SECTION 634(d) REPORT

ASIA (In thousands of dollars)

CAMBODIA

Supporting Assistance	
Congressional Presentation	110,000
Revised Program	37,100
Decrease	72,900

The reduction in the Cambodia program is due in large part to the overall reduction in Security Supporting Assistance funds. Because of this reduction, we have postponed funding the requirement for $12.5 million for the U.S. contribution to Cambodia's new Exchange Support Fund. Secondly, our original estimate of Commodity Import Program (CIP) requirements for FY 1972 has been reduced.

ISRAEL

Supporting Assistance	
Congressional Presentation	-
Revised Program	50,000
Increase	50,000

The original FY 1972 proposal contained no request for aid to Israel under Supporting Assistance. The provision of $50 million of Supporting Assistance for Israel was the result of Congressional action.

THAILAND

Supporting Assistance	
Congressional Presentation	40,000
Revised Program	15,000
Decrease	25,000

There is a $25 million decrease between the level proposed for FY 1972 Supporting Assistance funding in the FY 1972 Congressional Presentation and the present FY 1972 Supporting Assistance funding estimate in the FY 1973 Congressional Presentation. Part of this decrease is due to the fact that population and narcotics projects (about $2.5 million in FY 1972) will not be funded by Supporting Assistance as had been earlier anticipated. The remaining $22 million decrease represents our present estimate of lack of fund availability to carry out projects at the levels proposed in the FY 1972 Congressional Presentation. The major cut is in the Multi-Sector project (for highway maintenance, potable water and rural electrification) which was proposed for $10 million but will not be carried out at all in FY 1972. Large cuts were also made in Civil Police ($4.5 million), Accelerated Rural Development ($3 million), Rural Education ($2 million), and Agricultural Water Utilization ($1.7 million).

VIETNAM (In thousands of dollars)

Supporting Assistance	
Congressional Presentation	565,000
Revised Program	385,000
Decrease	180,000

The cutback in Supporting Assistance funds for FY 1972 made it necessary to reduce or eliminate a number of the elements of the Vietnam program. The Project Program of technical assistance activities was reduced by $18 million, and the financial contribution to the Land Reform Program ($15 million) was postponed. The principal reductions in the Project Program were in Public Health ($3.2 million), Public Safety ($2 million), Refugees ($2.9 million), Engineering ($2.5 million), Logistics ($2 million) and Technical Support ($3.2 million). It was also necessary to postpone implementation of the Economic Support Fund ($150 million).

These reductions have increased the risks for maintenance of a stable Vietnamese economy at a time when U.S. military support is being sharply reduced. The impact of the reduction in A.I.D.'s request was partially offset by an unexpectedly large increase in spending by the U.S. military, and by an increase in the utilization of P.L. 480 programs. Nevertheless, Supporting Assistance funding at the $385 million level will mean that important programs will be funded at lower levels than is desirable.

In addition the $3.6 million for transfer to A.I.D. Administrative Expenses and $6.4 million for program support for the expanded Vietnam program, shown in the FY 1972 Congressional Presentation as part of the Vietnam program level, are shown in this year's Congressional Presentation as a transfer from overall Supporting Assistance funds to the Administrative Expenses account and as an unspecified part of the Supporting Assistance contribution to program support and interregional activities.

EAST ASIA REGIONAL	(In thousands of dollars)
Supporting Assistance	
Congressional Presentation	1,400
Revised Program	300
Decrease	1,100

The Mekong Pioneer Projects Development project ($1,000,000 in the FY 1972 Congressional Presentation) was deleted from the regional program in FY 1972, because the World Bank program had not progressed sufficiently far to require this contribution in FY 1972. The remaining $400,000 was designated for the Mekong River Ports and Cargo Handling project. This project has been reduced to $67,000 primarily because a dredge which was originally budgeted is not now required and other savings were also effected. In addition, the Regional Telecommunication Development project has been transfered from Technical Assistance to Supporting Assistance funding and is now shown in the FY 1973 Congressional Presentation at $233,000 required in FY 1972 Supporting Assistance funding.

LATIN AMERICA

HAITI	(In thousands of dollars)
Supporting Assistance	
Congressional Presentation	3,000
Revised Program	--
Decrease	3,000
Alliance Technical Assistance	
Congressional Presentation	--
Revised Program	3,000
Increase	3,000

In view of the greater emphasis on economic and social development evidenced by the new Haitian Government which succeeded Duvalier during the past year, A.I.D. began transition to a regular, development-oriented technical assistance program. This action was prompted in part by the Inter-American Committee on the Alliance for Progress' call for external assistance for Haiti. In FY 1972, the A.I.D. humanitarian program in health and community development originally planned is being supplemented with pilot projects in agriculture.

PUBLIC SAFETY PROGRAM	
Supporting Assistance	
Congressional Presentation	5,450
Revised Program	--
Decrease	5,450

All public safety programs were intended to be funded out of Supporting Assistance in FY 1972 under the proposed International Security Assistance Act. Since the legislation was not passed, public safety programs in countries other than Vietnam, Laos, and Thailand are being funded in FY 1972, as they have been in prior years, out of Technical Assistance and Alliance Technical Assistance.

NON-REGIONAL PROGRAMS (In thousands of dollars)

ADMINISTRATIVE EXPENSES

Supporting Assistance	
Congressional Presentation	10,000
Revised Program	-
Decrease	10,000

Under the foreign assistance legislation proposed by the President in April 1971, A.I.D.'s Administrative Expenses were included in three program accounts, including $10 million in Supporting Assistance. Since the proposed legislation was not enacted, the costs of administering the A.I.D. program in FY 1972 will continue to be funded from the Administrative Expenses account.

PROGRAM SUPPORT AND INTERREGIONAL ACTIVITIES

Supporting Assistance	
Congressional Presentation	-
Revised Program	12,300
Increase	12,300

The foreign assistance legislation proposed by the President in April 1971 would have split the Supporting Assistance program from the rest of the A.I.D. program. As a result of the contemplated split, the only Supporting Assistance contribution to interregional programs was $6.4 million for the expanded Vietnam program (which in the FY 1972 Congressional Presentation was carried in the Vietnam country total) and $400 thousand for the Inspector General of Foreign Assistance (which in the FY 1972 Congressional Presentation was carried as a separate line item). Since the legislation was not enacted, Supporting Assistance activities remain part of the A.I.D. program and continue, therefore, to bear a share of the costs of A.I.D. services and activities from which the Supporting Assistance program continues to derive benefits.

NON-REGIONAL (In thousands of dollars)

UNFICYP

Supporting Assistance	
Congressional Presentation	4,800
Revised Program	2,400
Decrease	2,400

The $4.8 million requested in the FY 1972 Congressional Presentation represented the proposed U.S. contribution for support of the UN Force in Cyprus for the year beginning December 16, 1971 (roughly CY 1972). Because of the severe shortage of Supporting Assistance funds appropriated for FY 1972, it was decided to program only half the annual contribution from FY 1972 funds and to plan to use half of the $4.8 million requested for FY 1973 to complete the U.S. contribution for CY 1972.

PLANS FOR REDUCING AMOUNTS OF SUPPORTING ASSISTANCE PROVIDED ON A GRANT BASIS PURSUANT TO SECTION 634(e) OF THE FOREIGN ASSISTANCE ACT

Section 634(e) of the Foreign Assistance Act of 1961, as amended, requires the President to report to the Congress on plans for reducing the amount of Supporting Assistance provided on a grant basis.

Africa and Latin America

Supporting Assistance funding for the Southern Africa Refugee Education project and the Supporting Assistance program in Nigeria terminates after FY 1972. Supporting Assistance programs in Latin America for Guatemala and Haiti terminated after FY 1971.

Southeast Asia

The $844 million Supporting Assistance request for FY 1973 is partly a reflection of increasing defense costs of recipient Southeast Asia nations as they assume greater responsibility for their own defense in the wake of U.S. troop withdrawals. Increases in Supporting Assistance grants in Southeast Asia over FY 1972 are offset many times over by decreases in U.S. defense expenditures in that area. This increase in Supporting Assistance grants to the countries of Southeast Asia, however, will be of temporary duration. Assisted countries already are exhibiting increasing self-reliance which will continue to grow and which, as hostilities recede, will permit their strengthened economies to assume responsibility for their national development at an accelerating rate. As this occurs, we may be able to shift our Supporting Assistance from a grant emphasis to an emphasis on loans. Supporting Assistance loans will, in turn, be phased down and out in favor of developmental bilateral and multilateral assistance to the extent that external aid continues to be needed. This transition in Supporting Assistance from grants to loans to phase out will be accomplished as rapidly as the progress of recipient countries, and U.S. security interests, will permit.

UN

The UN Force in Cyprus may be required for peace-keeping purposes until a durable settlement is reached between the Greek and Cypriot communities on the island. U.S. assistance to this UN effort is expected to continue for its duration.

The FY 1973 Supporting Assistance requests also reflects new requests for Europe and the Middle East.

Middle East

The need for Supporting Assistance to Israel and Jordan has developed because the United States is committed to a policy of maintaining a balance of power in the Middle East in order that the cease-fire now in effect can continue and peace can come to the area. It is difficult to estimate if and when a just and lasting resolution to the Arab-Israel confrontation will be realized. Therefore we cannot estimate just how long Supporting Assistance funds will be needed in the Middle East.

Europe

The European Security Supporting Assistance programs are connected with the U.S.-Spanish agreements and with a NATO-Malta agreement and can be expected to extend over the duration of these agreements.

ECONOMIC AND MILITARY ASSISTANCE PROGRAMS

COMPARATIVE HISTORY OF AUTHORIZATIONS AND APPROPRIATIONS FOR BUDGETED PROGRAMS

This table includes funds authorized and appropriated pursuant to the Foreign Assistance Act of 1961, as amended, the Mutual Security Acts of 1951 and 1954 and amendments thereto, and funds (including public debt authorization) heretofore available for the European Recovery Program, China Aid, and Mutual Defense Assistance Program. It also includes Point Four as authorized in the Mutual Security Act of 1951, as amended. Borrowing authority and appropriation for Foreign Investment Guarantee Program, Overseas Private Investment Corporation and activity of the Advance Acquisition of Excess Property Revolving Fund are excluded from this table.

(In millions of dollars)

	Authorization Request				Authorization by Congress				Appropriation Request				Appropriation by Congress				
	Original Request (1)	Requests for Other Years & Exec. Branch Adjustments (+ or -) (2)	Add Amounts Requested Under Programs Previously Authorized (3)	Adjusted Authorization Request For FY (4)	Actual Amount Authorized (5)	Deduct Authorizations for Other Years (6)	Add Amounts for Programs Previously Authorized (7)	Adjusted Authorization for Fiscal Yr. (8)	Original Amount Requested (9)	Deduct Amounts for Other Years (10)	Changes Due to Authorizations and Other Revisions (+ or -) (11)	Adjusted Appropriation Request for FY (12)	Actual Appropriation (13)	Deduct Amounts for Other Years (14)	Appropriation Adjusted to Fiscal Year Basis (15)	Supplemental Appropriations (16)	Total Appropriations for Fiscal Year (17)
1948-1949																	
Economic Assistance	7,370.0 a/	-	-	7,370.0	5,763.0	-	1,150.0 a/	6,913.0	7,370.0	-	-512.0	6,858.0	5,372.3	-	5,372.3	1,074.0 a/	6,446.3
1950																	
Military Assistance	1,400.0	-	-	1,400.0	1,314.0	-	-	1,314.0 b/	1,314.0 b/	-	-	1,314.0 b/	1,314.0 b/	-	1,314.0	-	1,314.0
Economic Assistance	5,430.0	-1,150.0 a/	-	4,280.0	5,430.0	1,150.0 a/	-	4,280.0	5,430.0	1,150.0	-81.8	4,198.2	4,802.4	1,074.0	3,728.4	-	3,728.4
Total 1950	6,830.0	-1,150.0	-	5,680.0	6,744.0	1,150.0	-	5,594.0	6,744.0	1,150.0	-81.8	5,512.2	6,116.4	1,074.0	5,042.4	-	5,042.4
1951																	
Military Assistance	5,222.5	-	-	5,222.5	5,222.5	-	-	5,222.5	5,633.5	455.5 c/	-	5,178.0	5,678.0	455.5 c/	5,222.5	-	5,222.5
Economic Assistance	2,950.0	-	-	2,950.0	2,700.0	-	62.5 d/	2,762.5	2,950.0	-	-292.3	2,657.7	2,262.5	-	2,262.5	-	2,262.5
Total 1951	8,172.5	-	-	8,172.5	7,922.5	-	62.5	7,985.0	8,583.5	455.5	-292.3	7,835.7	7,940.5	455.5	7,485.0	-	7,485.0
1952																	
Military Assistance	6,303.0	-	-	6,303.0	5,997.6	-	-	5,997.6	6,042.1	44.5 c/	-	5,997.6	5,788.5	44.5 c/	5,744.0	-	5,744.0
Economic Assistance	2,197.0	-	-	2,197.0	1,485.7	-	100.0 e/	1,585.7	2,197.0	-	-711.6	1,485.4	1,540.4	-	1,540.4	-	1,540.4
Total 1952	8,500.0	-	-	8,500.0	7,483.4	-	100.0	7,583.4	8,239.1	44.5	-711.6	7,483.0	7,328.9	44.5	7,284.4	-	7,284.4
1953																	
Military Assistance	5,425.0	-	-	5,425.0	4,598.4	-	-	4,598.4	5,425.0	-	-826.6	4,598.4	4,219.8	-	4,219.8	-	4,219.8
Economic Assistance	2,475.0	-	-	2,475.0	1,894.3	-	-	1,894.3	2,499.0	-	-604.7	1,894.3	1,782.1	-	1,782.1	-	1,782.1
Total 1953	7,900.0	-	-	7,900.0	6,492.7	-	-	6,492.7	7,924.0	-	-1,431.3	6,492.7	6,001.9	-	6,001.9	-	6,001.9
1954																	
Military Assistance	4,274.5	-343.0	-	3,931.5	3,681.5	-	-	3,681.5	4,274.5	-	-625.9	3,648.6	3,230.0	-	3,230.0	-	3,230.0
Economic Assistance	1,554.2	-11.0	-	1,543.2	1,475.7	-	-	1,475.7 f/	1,554.2	-	-78.3	1,475.9	1,301.5	-	1,301.5	-	1,301.5
Total 1954	5,828.7	-354.0 g/	-	5,474.7	5,157.2	-	-	5,157.2	5,828.7	-	-704.2	5,124.5	4,531.5	-	4,531.5	-	4,531.5
1955																	
Military Assistance	1,778.3	-198.3	-	1,580.0	1,591.0	198.3	-	1,392.7	1,580.0	-	-187.3	1,392.7	1,192.7	-	1,192.7	-	1,192.7
Direct Forces Support h/	70.0	-	-	70.0	60.0	-	-	60.0	70.0	-	-10.0	60.0	60.0	-	60.0	-	60.0
Total Military Assistance	1,848.3	-198.3	-	1,650.0	1,651.0	198.3	-	1,452.7	1,650.0	-	-197.3	1,452.7	1,252.7	-	1,252.7	-	1,252.7
Economic Assistance	1,828.1	-30.0	-	1,798.1	1,601.9	30.0	-	1,571.9	1,788.5	-	-216.6	1,571.9	1,528.8	-	1,528.8	-	1,528.8
Total 1955	3,676.4	-228.3	-	3,448.1	3,252.9	228.3	-	3,024.6	3,438.5	-	-413.9	3,024.6	2,781.5	-	2,781.5	-	2,781.5
1956																	
Military Assistance	1,278.0	-	122.0	1,400.0	1,133.0	-	122.0	1,255.0	1,400.0	-	-275.0	1,125.0	705.0	-	705.0	-	705.0
Direct Forces Support	317.2	-	-	317.2	317.2	-	-	317.2	317.2	-	-	317.2	317.2	-	317.2	-	317.2
Total Military Assistance	1,595.2	-	122.0	1,717.2	1,450.2	-	122.0	1,572.2	1,717.2	-	-275.0	1,442.2	1,022.2	-	1,022.2	-	1,022.2
Economic Assistance	1,796.6	-	16.2	1,812.8	1,835.6	-	16.2	1,851.8	1,812.8	-	+11.7	1,824.5	1,681.1	-	1,681.1	-	1,681.1
Total 1956	3,391.8	-	138.2	3,530.0	3,285.8	-	138.2	3,424.0	3,530.0	-	-263.3	3,266.7	2,703.3	-	2,703.3	-	2,703.3

ECONOMIC AND MILITARY ASSISTANCE PROGRAMS

COMPARATIVE HISTORY OF AUTHORIZATIONS AND APPROPRIATIONS FOR BUDGETED PROGRAMS

PART I (continued)

(In millions of dollars)

	Authorization Request				Authorization by Congress				Appropriation Request				Appropriation by Congress				
	Original Request	Requests for Other Years & Exec. Branch Adjustments (+ or -)	Add Amounts Requested Under Programs Previously Authorized	Adjusted Authorization Request For FY	Actual Amount Authorized	Deduct Authorizations for Other Years	Add Amounts for Programs Previously Authorized	Adjusted Authorization for Fiscal Yr.	Original Amount Requested	Deduct Amounts for Other Years	Changes Due to Authorizations and Other Revisions (+ or -)	Adjusted Appropriation Request For FY	Actual Appropriation	Deduct Amounts for Other Years	Appropriation Adjusted to Fiscal Year Basis	Supplemental Appropriation	Total Appropriations for Fiscal Yr
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
1957																	
Military Assistance	2,925.0	-	75.0 i/	3,000.0	2,225.0	-	75.0 i/	2,300.0	3,000.0	-	-700.0	2,300.0	2,017.5	-	2,017.5	-	2,017.5
Economic Assistance	1,747.5	-	112.5	1,860.0	1,802.6	-	12.5	1,815.1	1,860.0	-	-44.9	1,815.1	1,749.1	-	1,749.1	-	1,749.1
Total 1957	4,672.5	-	187.5	4,860.0	4,027.6	-	87.5	4,115.1	4,860.0	-	-744.9	4,115.1	3,766.6	-	3,766.6	-	3,766.6
1958																	
Military Assistance	1,900.0	-	-	1,900.0	1,600.0	-	-	1,600.0	1,900.0	-	-300.0	1,600.0	1,340.0	-	1,340.0	-	1,340.0
Economic Assistance:																	
Development Loan Fund	2,000.0	-1,500.0	-	500.0	1,125.0	625.0	-	500.0	2,000.0	1,500.0	-	500.0	300.0	-	300.0	-	300.0
Other	1,444.6	-	19.8	1,464.4	1,267.1	-	19.8	1,286.9	1,464.4	-	-177.5	1,286.9	1,128.9	-	1,128.9	-	1,128.9
Total Economic Assistance	3,444.6	-1,500.0	19.8	1,964.4	2,392.1	625.0	19.8	1,786.9	3,464.4	1,500.0	-177.5	1,786.9	1,428.9	-	1,428.9	-	1,428.9
Total 1958	5,344.6	-1,500.0	19.8	3,864.4	3,992.1	625.0	19.8	3,386.9	5,364.4	1,500.0	-477.5	3,386.9	2,768.9	-	2,768.9	-	2,768.9
1959																	
Military Assistance	1,800.0	-	-	1,800.0	1,605.0	-	-	1,605.0	1,800.0	-	-195.0	1,605.0	1,515.0	-	1,515.0	-	1,515.0
Economic Assistance:																	
Development Loan Fund	-	-	625.0	625.0	-	-	625.0	625.0	625.0	-	-	625.0	400.0	-	400.0	150.0	550.0
Other	1,297.9	-	19.2	1,317.1	1,271.4	-	19.2	1,290.6	1,317.1	-	-26.5 j/	1,290.6	1,228.1	-	1,228.1	-	1,228.1
Total Economic Assistance	1,297.9	-	644.2	1,942.1	1,271.4	-	644.2	1,915.6	1,942.1	-	-26.5	1,915.6	1,628.1	-	1,628.1	150.0	1,778.1
Contingency Fund	200.0	-	-	200.0	155.0	-	-	155.0	200.0	-	-45.0	155.0	155.0	-	155.0	-	155.0
Total 1959	3,297.9	-	644.2	3,942.1	3,031.4	-	644.2	3,675.6	3,942.1	-	-266.5	3,675.6	3,298.1	-	3,298.1	150.0	3,448.1
1960																	
Military Assistance	1,600.0	-	-	1,600.0	1,400.0	-	-	1,400.0	1,600.0	-	-200.0	1,400.0	1,300.0	-	1,300.0	-	1,300.0
Economic Assistance:																	
Development Loan Fund	700.0	-	-	700.0	1,800.0	1,100.0	-	700.0	1,200.0	500.0	-	700.0	550.0	-	550.0	-	550.0
Other	1,409.4	-	20.6	1,430.0	1,301.2	-	20.6	1,321.8	1,430.0	-	-108.2	1,321.8	1,220.8	-	1,220.8	-	1,220.8
Total Economic Assistance	2,109.4	-	20.6	2,130.0	3,101.2	1,100.0	20.6	2,021.8	2,630.0	500.0	-108.2	2,021.8	1,770.8	-	1,770.8	-	1,770.8
Contingency Fund	200.0	-	-	200.0	155.0	-	-	155.0	200.0	-	-45.0	155.0	155.0	-	155.0	-	155.0
Total 1960	3,909.4	-	20.6	3,930.0	4,656.2	1,100.0	20.6	3,576.8	4,430.0	500.0	-353.2	3,576.8	3,225.8	-	3,225.8	-	3,225.8
1961																	
Military Assistance	-	-	2,000.0 k/	2,000.0	-	-	2,000.0	2,000.0	2,000.0	-	-	2,000.0	1,800.0	-	1,800.0	-	1,800.0
Economic Assistance:																	
Development Loan Fund	-	-	700.0 l/	700.0	-	-	700.0 l/	700.0	700.0	-	-	700.0	550.0	-	550.0	50.0	600.0
Alliance for Progress:																	
IAPSP	106.0	-	-	106.0	106.0	-	-	106.0	106.0	-	-	106.0	106.0	-	106.0	-	106.0
SPTF	394.0	-	-	394.0	394.0	-	-	394.0	394.0	-	-	394.0	394.0	-	394.0	-	394.0
Chilean Reconstr. & Rehabil.	100.0	-	-	100.0	100.0	-	-	100.0	100.0	-	-	100.0	100.0	-	100.0	-	100.0
Subtotal Alliance for Progress	600.0	-	-	600.0	600.0	-	-	600.0	600.0	-	-	600.0	600.0	-	600.0	-	600.0
Other	1,279.9	-	20.1	1,300.0	1,216.2	-	20.1	1,236.3	1,300.0	-	-63.7	1,236.3	1,116.4	-	1,116.4	65.0	1,181.4
Total Economic Assistance	1,879.9	-	720.1	2,600.0	1,816.2	-	720.1	2,536.3	2,600.0	-	-63.7	2,536.3	2,266.4	-	2,266.4	115.0	2,381.4
Contingency Fund	175.0	+100.0 m/	-	275.0 m/	250.0 m/	-	-	250.0 m/	275.0 m/	-	-25.0	250.0	250.0	-	250.0	-	250.0
Total 1961	2,054.9	+100.0	2,720.1	4,875.0	2,066.2	-	2,720.1	4,786.3	4,875.0	-	-88.7	4,786.3	4,316.4	-	4,316.4	115.0	4,431.4

ECONOMIC AND MILITARY ASSISTANCE PROGRAMS

COMPARATIVE HISTORY OF AUTHORIZATIONS AND APPROPRIATIONS FOR BUDGETED PROGRAMS

PART I (continued)

(In millions of dollars)

	Authorization Request				Authorizations by Congress				Appropriation Request				Appropriation by Congress				
	Original Request (1)	Requests for Other Years & Exec. Branch Adjustments (+ or -) (2)	Add Amounts Requested Under Programs Previously Authorized (3)	Adjusted Authorization Request For FY (4)	Actual Amount Authorized (5)	Deduct Authorizations for Other Years (6)	Add Amounts for Programs Previously Authorized (7)	Adjusted Authorization for Fiscal Yr. (8)	Original Amount Requested (9)	Deduct Amounts for Other Years (10)	Changes Due to Authorizations and Other Revisions (+ or -) (11)	Adjusted Appropriation Request For FY (12)	Actual Appropriation (13)	Deduct Amounts for Other Years (14)	Appropriation Adjusted to Fiscal Year Basis (15)	Supplemental Appropriations (16)	Total Appropriations for Fiscal Yr. (17)
1962																	
Military Assistance	-	-	1,885.0 k/	1,885.0	3,400.0	1,700.0	-	1,700.0	1,885.0	-	-185.0	1,700.0	1,600.0	-	1,600.0	-	1,600.0
Economic Assistance:																	
Development Loans	8,787.0	-7,600.0	-	1,187.0	7,200.0	6,000.0	-	1,200.0	1,187.0	-	+13.0	1,200.0	1,112.5	-	1,112.5	-	1,112.5
Contingency Fund	500.0	-	-	500.0	300.0	-	-	300.0	500.0	-	-200.0	300.0	275.0	-	275.0	-	275.0
Other	1,190.5	-	6.0	1,196.5	1,053.5	-	6.0	1,059.5	1,196.5	-	-137.0	1,059.5	927.1	-	927.1	-	927.1
Total Economic Assistance	10,477.5	-7,600.0	6.0	2,883.5	8,553.5	6,000.0	6.0	2,559.5	2,883.5	-	-324.0	2,559.5	2,314.6	-	2,314.6	-	2,314.6
Total 1962	10,477.5	-7,600.0	1,891.0	4,768.5	11,953.5	7,700.0	6.0	4,259.5	4,768.5	-	-509.0	4,259.5	3,914.6	-	3,914.6	-	3,914.6
1963																	
Military Assistance	-	-	1,500.0 n/	1,500.0	-	-	1,500.0 n/	1,500.0	1,500.0	-	-	1,500.0	1,325.0	-	1,325.0	-	1,325.0
Economic Assistance:																	
Development Loans	-	-	1,250.0 o/	1,250.0	-	-	1,250.0 o/	1,250.0	1,250.0	-	-	1,250.0	975.0	-	975.0	-	975.0
Alliance for Progress:																	
Loans	-	-	-	(500.0)	-	-	-	(500.0)	(500.0)	-	-	(500.0)	425.0	-	425.0	-	425.0
Grants/Technical Cooperation	-	-	-	(100.0)	-	-	-	(100.0)	(100.0)	-	-	(100.0)	100.0	-	100.0	-	100.0
Subtotal Alliance for Progress	3,000.0 p/	-2,400.0	-	600.0 p/	2,400.0 q/	1,800.0	-	600.0 q/	600.0 p/	-	-	600.0 p/	525.0	-	525.0	-	525.0
Contingency Fund	400.0	-	-	400.0	300.0	-	-	300.0	400.0	-	-100.0	300.0	250.0	-	250.0	-	250.0
Other	1,025.4	-	5.9	1,031.3	918.9	-	5.9	924.8	1,031.3	-	-106.5	924.8	823.9	-	823.9	-	823.9
Total Economic Assistance	4,425.4	-2,400.0	1,255.9	3,281.3	3,618.9	1,800.0	1,255.9	3,074.8	3,281.3	-	-206.5	3,074.8	2,573.9	-	2,573.9	-	2,573.9
Total 1963	4,425.4	-2,400.0	2,755.9	4,781.3	3,618.9	1,800.0	2,755.9	4,574.8	4,781.3	-	-206.5	4,574.8	3,898.9	-	3,898.9	-	3,898.9
1964																	
Military Assistance	1,405.0	-	-	1,405.0	1,000.0	-	-	1,000.0	1,405.0	-	-405.0	1,000.0	1,000.0	-	1,000.0	-	1,000.0
Economic Assistance:																	
Development Loans	-	-	1,060.0 o/	1,060.0	-575.0	-	1,500.0	925.0	1,060.0	-	-135.0	925.0	687.3	-	687.3	-	687.3
Alliance for Progress:																	
Loans	50.0	-	600.0 r/	650.0 r/	-75.0 r/	-	600.0	525.0	650.0	-	-125.0	525.0	375.0	-	375.0	-	375.0
Grants/Technical Cooperation													80.0	-	80.0	-	80.0
IAPSP	4.5	-	-	4.5	4.0	-	-	4.0	4.5	-	-0.5	4.0	4.0	-	4.0	-	4.0
Chilean Reconstruction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Social Progress Trust Fund	195.5	-	-	195.5	176.0	-	-	176.0	195.5	-	-19.5	176.0	131.0	-	131.0	-	131.0
Subtotal Alliance for Progress	250.0	-	600.0	850.0	105.0	-	600.0	705.0	850.0	-	-145.0	705.0	590.0	-	590.0	-	590.0
Contingency Fund	300.0	-	-	300.0	160.0	-	-	160.0	300.0	-	-140.0	160.0	50.0	-	50.0	-	50.0
Other	907.3	+4.3 s/	3.0	914.6	809.1	-	3.0	812.1	910.3	-	-103.4 t/	806.9	672.7	-	672.7	-	672.7
Total Economic Assistance	1,457.3	+4.3	1,663.0	3,124.6	499.1	-	2,103.0	2,602.1	3,120.3	-	-523.4	2,596.9	2,000.0	-	2,000.0	-	2,000.0
Total 1964	2,862.3	+4.3	1,663.0	4,529.6	1,499.1	-	2,103.0	3,602.1	4,525.3	-	-928.4	3,596.9	3,000.0	-	3,000.0	-	3,000.0
1965																	
Military Assistance	1,000.0	+55.0 u/	75.0 v/	1,130.0	1,055.0	-	75.0 v/	1,130.0	1,000.0	-	+130.0 u/v/	1,130.0	1,130.0 v/	-	1,130.0 v/	-	1,130.0 v/
Economic Assistance:																	
Development Loans	-	-	922.2 o/	922.2	-577.8	-	1,500.0	922.2	922.2	-	-	922.2	773.7	-	773.7	-	773.7
Alliance for Progress:																	
Loans	-	-	465.0 q/	465.0)				(465.0	465.0	-	-	465.0	425.0	-	425.0	-	425.0
Tech. Coop./Dev. Grants	-	-	85.0 q/	85.0)	-50.0	-	600.0	(85.0	85.0	-	-	85.0	84.7	-	84.7	-	84.7
Subtotal Alliance for Progress	-	-	550.0	550.0	-50.0	-	600.0	550.0	550.0	-	-	550.0	509.7	-	509.7	-	509.7
Contingency Fund	150.0	-	-	150.0	150.0	-	-	150.0	150.0	-	-	150.0	99.2	-	99.2	-	99.2
Other	769.5	+70.0 u/	-	839.5	829.8	-	-	829.8	769.5	-	+60.3	829.8	812.4	-	812.4	-	812.4
Total Economic Assistance	919.5	+70.0	1,472.2	2,461.7	352.0	-	2,100.0	2,452.0	2,391.7	-	+60.3	2,452.0	2,195.0	-	2,195.0	-	2,195.0
Total 1965	1,919.5	+125.0	1,547.2	3,591.7	1,407.0	-	2,175.0	3,582.0	3,391.7	-	190.3	3,582.0	3,325.0	-	3,325.0	-	3,325.0

ECONOMIC AND MILITARY ASSISTANCE PROGRAMS

COMPARATIVE HISTORY OF AUTHORIZATIONS AND APPROPRIATIONS FOR BUDGETED PROGRAMS

(In millions of dollars)

	Authorization Request				Authorization by Congress				Appropriation Request				Appropriation by Congress				
	Original Request	Requests for Other Years & Exec. Branch Adjustments (+ or -)	Add Amounts Requested Under Programs Previously Authorized	Adjusted Authorization Request For FY	Actual Amount Authorized	Deduct Authorizations for Other Years	Add Amounts for Programs Previously Authorized	Adjusted Authorization for Fiscal Yr.	Original Amount Requested	Deduct Amounts for Other Years	Changes Due to Authorizations and Other Revisions (+ or -)	Adjusted Appropriation Request For FY	Actual Appropriation	Deduct Amounts for Other Years	Appropriation Adjusted to Fiscal Year Basis	Supplemental Appropriations	Total Appropriations for Fiscal Yr.
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
1966																	
Military Assistance	1,170.0	-	+300.0 v/	1,470.0	1,170.0	-	300.0 v/	1,470.0	1,170.0	-	+300.0 v/	1,470.0	1,470.0 v/	-	1,470.0 v/	-	1,470.0 v/
Economic Assistance:																	
Development Loans	-	-	780.3 o/	780.3	-	-	725.2	725.2	780.3	-	-55.1	725.2	618.2	-	618.2	-	618.2
Alliance for Progress:																	
Loans	-	-	495.1 g/	495.1	-	-	470.1 g/	470.1	495.1	-	-25.0	470.1	435.1	-	435.1	-	435.1
Tech. Coop./Dev. Grants	-	-	85.0 g/	85.0	-	-	75.0 g/	75.0	85.0	-	-10.0	75.0	75.0	-	75.0	-	75.0
Subtotal Alliance for Progress	-	-	580.1	580.1	-	-	545.1	545.1	580.1	-	-35.0	545.1	510.1	-	510.1	-	510.1
Contingency Fund:																	
General	50.0	+100.0	-	150.0	150.0	-	-	150.0	50.0	-	+100.0	150.0	50.0	-	50.0	100.0	150.0
Southeast Asia Program	-	w/	-	w/	89.0	-	-	89.0	-	-	+89.0	89.0	89.0	-	89.0	-	89.0
Other	796.9	+394.1	3.1	1,194.1	1,092.6	-	3.1	1,095.7	879.1	-	+216.6	1,095.7	780.7	-	780.7	315.0	1,095.7
Total Economic Assistance	846.9	+494.1	1,363.5	2,704.5	1,331.6	-	1,273.4	2,605.0	2,289.5	-	+315.5	2,605.0	2,048.0	-	2,048.0	415.0	2,463.0
Total 1966	2,016.9	+494.1	1,663.5	4,174.5	2,501.6	-	1,573.4	4,075.0	3,459.5	-	+615.5	4,075.0	3,518.0	-	3,518.0	415.0	3,933.0
1967																	
Military Assistance	4,917.0	-4,000.0	-	917.0	875.0	-	-	875.0	917.0	-	-42.0	875.0	792.0	-	792.0	-	792.0
Economic Assistance:																	
Development Loans	6,250.0 z/	-5,000.0 z/	-	1,250.0	2,185.0 z/	1500.0 z/	-	685.0	665.4	-	-	665.4	500.0	-	500.0	-	500.0
Alliance for Progress:																	
Loans	3,750.0	-3,000.0	-	750.0	1,896.5	-1300.0	-	596.5	455.3	-	-	455.3	420.3	-	420.3	-	420.3
Tech. Coop./Dev. Grants	500.0	-400.0	-	100.0	300.0	-200.0	-	100.0	87.7	-	-	87.7	87.7	-	87.7	-	87.7
Subtotal, Alliance for Prog.	4,250.0	-3,400.0	-	850.0	2,196.5	-1500,0 y/	-	696.5	543.0	-	-	543.0	508.0	-	508.0	-	508.0
Contingency Fund	750.0 z/	-600.0 z/	-	150.0	110.0	-	-	110.0	70.0	-	-	70.0	35.0	-	35.0	-	35.0
Other	1,990.1 z/	-800.0 z/	3.3	1,193.4	1,133.2	-	3.3	1,136.5	1,190.6	-	-55.1	1,135.5	1,100.5 3/	-	1,100.5 3/	-	1,100.5 3/
Total Economic Assistance	13,240.1	-9,800.0	3.3	3,443.4	5,624.7	3000.0	3.3	2,628.0	2,469.0	-	-55.1	2,413.9	2,143.5	-	2,143.5	-	2,143.5
Total 1967	18,157.1	-13,800.0	3.3	4,360.4	6,499.7	3000.0	3.3	3,503.0	3,386.0	-	-97.1	3,288.9	2,935.5	-	2,935.5	-	2,935.5
1968																	
Military Assistance	596.0	-	-	596.0	510.0	-	-	510.0	596.0	-	14.0 4/	610.0	400.0	-	400.0	100.0	500.0
Economic Assistance																	
Development Loans	-	-	750.0	750.0	-300.0	-	750.0	450.0	774.0	-	-139.0	635.0 5/	435.0	-	435.0	-	435.0
Alliance for Progress:																	
Loans	-	-	640.0	640.0	-162.0	-	640.0	478.0	533.0	-	-55.0	478.0	389.0	-	389.0	-	389.0
Tech. Coop./Dev. Grants	10.0	-	100.0	110.0	-	-	100.0	100.0	110.0	-	-10.0	100.0	80.0	-	80.0	-	80.0
Partners of the Alliance	-	-	-	-	0.7	-	-	0.7	-	-	0.7	0.7	0.3	-	0.3	-	0.3
Subtotal, Alliance for Prog.	10.0	-	740.0	750.0	-161.3	-	740.0	578.7	643.0	-	-64.3	578.7	469.3	-	469.3	-	469.3
Contingency Fund	100.0	-	-	100.0	50.0	-	-	50.0	31.0	-	-	31.0	10.0	-	10.0	-	10.0
Other	1,182.2	-	3.4	1,185.6	1,082.9	-	3.4	1,086.3	1,182.4	-	-96.3	1,086.1	981.3 6/	-	981.3	-	981.3
Total Economic Assistance	1,292.2	-	1,493.4	2,785.6	671.6	-	1,493.4	2,165.0	2,630.4	-	-299.6	2,330.8	1,895.6	-	1,895.6	-	1,895.6
Total 1968	1,888.2	-	1,493.4	3,381.6	1,181.6	-	1,493.4	2,675.0	3,226.4	-	-285.6	2,940.8	2,295.6	-	2,295.6	100.0	2,395.6
1969																	
Military Assistance	420.0	-	-	420.0	375.0	-	-	375.0	420.0	-	-45.0	375.0	375.0	-	375.0	-	375.0
Economic Assistance:																	
Development Loans	765.0	-	-	765.0	350.0	-	-	350.0	765.0	-	-415.0	350.0	300.0	-	300.0	-	300.0
Alliance for Progress:																	
Loans	515.0	-	-	515.0	330.0	-	-	330.0	515.0	-	-185.0	330.0	255.0	-	255.0	-	255.0
Tech. Coop/Devel. Grants	110.0	-	-	110.0	90.0	-	-	90.0	110.0	-	-20.0	90.0	81.5	-	81.5	-	81.5
Partners of the Alliance	-	-	-	-	0.3	-	-	0.3	-	-	0.3	0.3	7/	-	7/	-	7/
Sub-total Alliance for Progress	625.0	-	-	625.0	420.3	-	-	420.3	625.0	-	-204.7	420.3	336.5	-	336.5	-	336.5
Contingency Fund	100.0	-	-	100.0	10.0	-	-	10.0	45.0	-	-35.0	10.0	5.0	-	5.0	-	5.0
Other	1,048.3	-	15.9	1,064.2	813.6	-	15.9	829.5	1,063.5	-	-234.0	829.5	739.1	-	739.1	-	739.1
Total Economic Assistance	2,538.3	-	15.9	2,554.2	1,593.9	-	15.9	1,609.8	2,498.5	-	-888.7	1,609.8	1,380.6	-	1,380.6	-	1,380.6
Total 1969	2,958.3	-	15.9	2,974.2	1,968.9	-	15.9	1,984.8	2,918.5	-	-933.7	1,984.8	1,755.6	-	1,755.6	-	1,755.6

ECONOMIC AND MILITARY ASSISTANCE PROGRAMS

COMPARATIVE HISTORY OF AUTHORIZATIONS AND APPROPRIATIONS FOR BUDGETED PROGRAMS

PART I (continued)

(In millions of dollars)

	Authorization Request				Authorization by Congress				Appropriation Request				Appropriation by Congress				
	Original Request	Requests for Other Years & Exec. Branch Adjustments (+ or -)	Add Amounts Requested Under Programs Previously Authorized	Adjusted Authorization Request for FY	Actual Amount Authorized	Deduct Authorizations for Other Years	Add Amounts for Programs Previously Authorized	Adjusted Authorization for Fiscal Yr.	Original Amount Requested	Deduct Amounts for Other Years	Changes Due to Authorizations and Other Revisions (+ or -)	Adjusted Appropriation Request For FY	Actual Appropriation	Deduct Amounts for Other Years	Appropriation Adjusted to Fiscal Year Basis	Supplemental Appropriations	Total Appropriations for Fiscal Yr.
1970																	
Military Assistance																	
Grants	375.0	+50.0	-	425.0	700.0	350.0	-	350.0	425.0	-	-75.0	350.0	350.0	-	350.0	-	350.0
Credit Sales	250.0	-	-	250.0	250.0	-	-	250.0	250.0	-	-	250.0	70.0	-	70.0	-	70.0
Total Military Assistance	625.0	+50.0	-	675.0	950.0	350.0	-	600.0	675.0	-	-75.0	600.0	420.0	-	420.0	-	420.0
Economic Assistance:																	
Development Loans	675.5	-	-	675.5	700.0	350.0	-	350.0	675.5	-	-325.5	350.0	300.0	-	300.0	-	300.0
Alliance for Progress:																	
Loans	437.5	-	-	437.5	675.0	337.5 8/	-	337.5	437.5	-	-100.0	337.5	255.0	-	255.0	-	255.0
Tech Coop/Devel. Grants	246.0	-130.0 8/	-	116.0	181.5	90.8 8/	-	90.8	116.0	-	- 25.2	90.8	81.5	-	81.5	-	81.5
Sub-total Alliance for Progress	638.5	-130.0 8/	-	553.5	856.5	428.3 8/	-	428.3	553.5	-	-125.2	428.3	336.5	-	336.5	-	336.5
Contingency Fund	40.0	-	-	40.0	30.0	15.0 8/	-	15.0	40.0	-	- 25.0	15.0	12.5	-	12.5	-	12.5
Other	1,336.4	-400.0 8/	4.6	941.0	1,619.6	793.3 8/	4.6	830.9	941.0	-	-110.1	830.9	775.9	-	775.9	-	775.9
Total Economic Assistance	2,732.4	-530.0 8/	4.6	2,210.0	3,206.1	1,586.6 8/	4.6	1,624.2	2,210.0	-	-585.8	1,624.2	1,424.9	-	1,424.9	-	1,424.9
Total 1970	3,360.4	-480.0	4.6	2,885.0	4,156.1	1,936.6	4.6	2,224.2	2,885.0	-	-660.8	2,224.2	1,844.9	-	1,844.9	-	1,844.9
1971																	
Military Assistance																	
Grants	340.0	-	+350.0	690.0	690.0	-	-	690.0	690.0	-	-	690.0	350.0	-	350.0	340.0	690.0
Credit Sales	772.5 9/	-	-	772.5	700.0	-	-	700.0	772.5	-	- 72.5	700.0	200.0	-	200.0	500.0	700.0
Total Military Assistance	1,112.5	-	+350.0	1,462.5	1,390.0	-	-	1,390.0	1,462.5	-	- 72.5	1,390.0	550.0	-	550.0	840.0	1,390.0
Economic Assistance: Development Loans	-	-	+650.0 10/	650.0 10/	350.0	-	300.0	650.0 10/	570.0	-	+ 80.0	650.0	420.0	-	420.0	-	420.0
Alliance for Progress:																	
Loans	-	-	+337.5	337.5	337.5	-	-	337.5	337.5	-	-	337.5	287.5	-	287.5	-	287.5
Tech Coop/Devel. Grants	-	-	+ 90.8	90.8	90.8	-	-	90.8	90.8	-	-	90.8	82.9	-	82.9	-	82.9
Sub-total Alliance for Progress	-	-	+428.3	428.3	428.3	-	-	428.3	428.3	-	-	428.3	370.4	-	370.4	-	370.4
Contingency Fund	-	-	+ 15.0	15.0	30.0	-	-	30.0	15.0	-	+ 15.0	30.0	15.0	-	15.0	7.5	22.5
Other	195.0	+ 4.2	+801.3	1,000.5	973.2	-	12.2	985.4	994.7	-	- 9.3	985.4	766.0	-	766.0	155.0	921.0
Total Economic Assistance	195.0	+ 4.2	+1,894.6	2,093.8	1,781.5	-	312.2	2,093.7	2,008.0	-	+ 85.7	2,093.7	1,571.4	-	1,571.4	162.5	1,733.9
Total 1971	1,307.5	+ 4.2	+2,244.6	3,556.3	3,171.5	-	312.2	3,483.7	3,470.5	-	+ 13.2	3,483.7	2,121.4	-	2,121.4	1,002.5	3,123.9
1948-1971 Cumulative																	
Military Assistance	45,539.0	-4,436.3	6,307.0	47,409.7	41,470.2	2,248.3	4,072.0	43,293.9	47,386.8	500.0	-3,700.3	43,186.5	39,539.7	500.0	39,039.7	940.0	39,979.7
Economic Assistance:																	
Development Loans	19,177.5	-14,100.0	6,737.5	11,815.0	12,257.2	9,575.0	7,350.2	10,032.4	13,174.4	2,000.0	-976.6	10,197.8	7,921.7	-	7,921.7	200.0	8,121.7
Alliance for Progress:																	
Loans / Tech Coop/Devel.Grants	8,618.5	-5,930.0	2,898.4	5,586.9	6,014.3	3,728.3	2,485.1	4,771.1	5,172.9	-	-555.2	4,617.7	4,020.2	-	4,020.2	-	4,020.2
Partners of the Alliance	-	-	-	-	1.0	-	-	1.0	-	-	1.0	1.0	0.3	-	0.3	-	0.3
IAPSP	110.5	-	-	110.5	110.0	-	-	110.0	110.5	-	- 0.5	110.0	110.0	-	110.0	-	110.0
Chilean Reconstruction	100.0	-	-	100.0	100.0	-	-	100.0	100.0	-	-	100.0	100.0	-	100.0	-	100.0
Social Progress Trust Fund	589.5	-	-	589.5	570.0	-	-	570.0	589.5	-	- 19.5	570.0	525.0	-	525.0	-	525.0
Subtotal Alliance for Progress	9,418.5	-5,930.0	2,898.4	6,386.9	6,795.3	3,728.3	2,485.1	5,552.1	5,972.9	-	-574.2	5,398.7	4,755.5	-	4,755.5	-	4,755.5
Contingency Fund	2,965.0	-400.0	15.0	2,580.0	1,939.0	15.0	-	1,924.0	2,276.0	-	-411.0	1,865.0	1,450.7	-	1,450.7	107.5	1,558.2
Other	43,221.8	-1,918.4	1,054.9	42,358.3	39,371.1	1,973.3	1,478.3	38,876.1	43,131.9	1,150.0	-3,481.2	38,500.7	35,094.0	1,074.0	34,020.0	1,609.0	35,629.0
Total Economic Assistance	74,782.8	-22,348.4	10,705.8	63,140.2	60,362.6	15,291.6	11,313.6	56,384.6	64,555.2	3,150.0	-5,443.0	55,962.2	49,221.9	1,074.0	48,147.9	1,916.5	50,064.4
Total 1948-1970	120,321.8	-26,784.7	17,012.9	110,549.9	101,832.9	17,539.9	15,385.6	99,678.6	111,942.0	3,650.0	-9,143.3	99,148.7	88,761.6	1,574.0	87,187.6	2,856.5	90,044.1

ECONOMIC AND MILITARY ASSISTANCE PROGRAMS

COMPARATIVE HISTORY OF AUTHORIZATIONS AND APPROPRIATIONS FOR BUDGETED PROGRAMS

PART I (continued)

(In millions of dollars)

	Authorization Request				Authorization by Congress				Appropriation Request				Appropriation by Congress				
	Original Request	Requests for Other Years & Exec. Branch Adjustments (+ or -)	Add Amounts Requested Under Programs Previously Authorized	Adjusted Authorization Request for FY	Actual Amount Authorized	Deduct Authorizations for Other Years	Add Amounts for Programs Previously Authorized	Adjusted Authorization for Fiscal Yr.	Original Amount Requested	Deduct Amounts for Other Years	Changes Due to Authorizations and Other Revisions (+ or -)	Adjusted Appropriation Request For FY	Actual Appropriation	Deduct Amounts for Other Years	Appropriation Adjusted to Fiscal Year Basis	Supplemental Appropriations	Total Appropriations for Fiscal Yr.
1972	11/																
Military & Security Supporting Assistance: *																	
Grants	705.0	-	-	705.0	500.0	-	-	500.0	705.0	-	-205.0	500.0	500.0	-	500.0	-	500.0
Credit Sales	510.0 12/	-	-	510.0	400.0	-	-	400.0	510.0	-	-110.0	400.0	400.0	-	400.0	-	400.0
Security Supporting Assistance *	764.6	-	-	764.6	618.0	-	-	618.0	764.6	-	-146.6	618.0	550.0	-	550.0	-	550.0
Subtotal Military and Supporting Assistance	1,979.6	-	-	1,979.6	1,518.0	-	-	1,518.0	1,979.6	-	-461.6	1,518.0	1,450.0	-	1,450.0	-	1,450.0
Economic Assistance: Development Loans	400.0 13/	-	230.0	630.0 13/	500.0	250.0 15/	230.0	480.0	400.0 13/	-	-	400.0 13/	200.0 13/	-	200.0 13/	-	200.0 13/
Alliance for Progress:																	
Loans	235.0	-	-	235.0 13/	413.0	206.5 15/	-	206.5	235.0	-	-28.5	206.5	150.0	-	150.0	-	150.0
Tech Coop/Devel.Grants	129.7	-	-	129.7	177.0	88.5 15/	-	88.5	129.7	-	-41.2	88.5	80.0	-	80.0	-	80.0
Subtotal Alliance for Progress	364.7	-	-	364.7	590.0	295.0 15/	-	295.0	364.7	-	-69.7	295.0	230.0	-	230.0	-	230.0
Contingency Fund	100.0	-	-	100.0	60.0	30.0 15/	-	30.0	100.0	-	-70.0	30.0	30.0	-	30.0	-	30.0
Other	459.3	+250.0 14/	16.6	725.9	1,068.0	409.0 15/	16.6	675.6	725.9	-	-50.3	675.6	708.2 16/	-	708.2	-	708.2
Total Economic Assistance	1,324.0	+250.0	246.6	1,820.6	2,218.0	984.0 15/	246.6	1,480.6	1,590.6	-	-190.0	1,400.6	1,168.2	-	1,168.2	-	1,168.2
Total 1970	3,303.6	+250.0	246.6	3,800.2	3,736.0	984.0	246.6	2,998.6	3,570.2	-	-651.6	2,918.6	2,618.2	-	2,618.2	-	2,618.2
1948-1972 Cumulative																	
Military & Security Supporting Assistance: *	47,518.6	-4,436.3	6,307.0	49,389.3	42,988.2	2,248.3	4,072.0	44,811.9	49,366.4	500.0	-4,161.9	44,704.5	40,989.7	500.0	40,489.7	940.0	41,429.7
Economic Assistance: Development Loans	19,577.5	-14,100.0	6,967.5	12,445.0	12,757.2	9,825.0	7,580.2	10,512.4	13,674.4	2,000.0	-976.6	10,597.8	8,121.7	-	8,121.7	200.0	8,321.7
Alliance for Progress:																	
Loans) Tech Coop/Devel.Grants)	8,983.2	-5,930.0	2,898.4	5,951.6	6,604.3	4,023.3	2,485.1	5,066.1	5,537.6	-	-624.9	4,912.7	4,250.2	-	4,250.2	-	4,250.2
Partners of the Alliance	-	-	-	-	1.0	-	-	1.0	-	-	1.0	1.0	0.3	-	0.3	-	0.3
IAPSP	110.5	-	-	110.5	110.0	-	-	110.0	110.5	-	-0.5	110.0	110.0	-	110.0	-	110.0
Chilean Reconstruction	100.0	-	-	100.0	100.0	-	-	100.0	100.0	-	-	100.0	100.0	-	100.0	-	100.0
Social Progress Trust Fund	589.5	-	-	589.5	570.0	-	-	570.0	589.5	-	-19.5	570.0	525.0	-	525.0	-	525.0
Subtotal Alliance for Progress	9,783.2	-5,930.0	2,898.4	6,751.6	7,385.3	4,023.3	2,485.1	5,847.1	6,337.6	-	-643.9	5,693.7	4,985.5	-	4,985.5	-	4,985.5
Contingency Fund	3,065.0	-400.0	15.0	2,680.0	1,999.0	45.0	-	1,954.0	2,376.0	-	-481.0	1,895.0	1,480.7	-	1,480.7	107.5	1,588.2
Other	43,681.1	-1,668.4	1,071.5	43,084.2	40,439.1	2,382.3	1,494.9	39,551.7	43,857.8	1,150.0	-3,531.5	39,176.3	35,802.2	1,074.0	34,728.2	1,609.0	36,337.2
Total Economic Assistance	76,106.8	-22,098.4	10,952.4	64,960.8	62,580.6	16,275.6	11,560.2	57,865.2	66,145.8	3,150.0	-5,633.0	57,362.8	50,390.1	1,074.0	49,316.1	1,916.5	51,232.6
Total 1948-1972	123,625.4	-26,534.7	17,259.5	114,350.1	105,568.9	18,523.9	15,632.2	102,677.2	115,512.2	3,650.0	-9,794.9	102,067.3	91,379.8	1,574.0	89,805.8	2,856.5	92,662.3

Footnotes

NOTE: Detail may not add to totals due to rounding.

a/ Executive Branch requested authorization and appropriation of funds for last quarter of FY 1948 and all four quarters of FY 1949. When Congress authorized and appropriated funds only for one year, through the third quarter of FY 1949, it was necessary to include the fourth quarter request with the FY 1950 Presentation, and funds for this fourth quarter were actually appropriated on October 6, 1949, after the close of FY 1949.
b/ Includes $500.0 million contract authorization. Subsequent appropriations to liquidate contract authority are deleted to avoid duplication. See footnote c/.
c/ Amount appropriated to cover previous contract authorization.
d/ Includes $62.5 million borrowing authority for Spain authorized in the General Appropriation Act (P.L. 759, 81st Congress).
e/ For Assistance to Spain (recommended by the Senate Appropriations Committee for economic, technical and military assistance) authorized and appropriated by P.L. 249, 82nd Congress (Mutual Security Appropriation Act, 1952).
f/ Excludes $98.4 million equivalent of local currencies authorized for use in FY 1954 (Mutual Security Act of 1953, P.L. 118, 83rd Congress).
g/ Revised request for authorization submitted by Executive Branch, by letter of May 27, 1953, from Acting Director for Mutual Security to the Chairman of Senate Committee on Foreign Relations.
h/ Common-use appropriation only. Administered by Department of Defense.
i/ P.L. 83-665 authorized appropriation for infrastructure of $321 million, of which $222 million was appropriated prior to 1957. Remaining authorization would be $99 million, however; amount shown is appropriation request for FY 1957.
j/ Net of increase of $8 million for language training included in the authorization bill by the House Committee on Foreign Affairs but which was not included in original Executive Branch requests for authorization and appropriation. Subsequently, the Executive Branch requested the $8 million increase in the Technical Cooperation Appropriation to the amount authorized (H. Doc. 407, June 18, 1959).
k/ P.L. 86-108 authorized "such sums as may be necessary." Amount shown is appropriation request.
l/ P.L. 86-108 authorized $1,100 million for FY 1961. Amount shown is appropriation request (H. Docs. 343 and 385, 2/16/60).
m/ After agreement on Authorization Conference report, President increased request for authorization and appropriation by $100 million in a message on legislative program August 8, 1960. However, Mutual Security Appropriation Act passed with additional $100 million included, eliminating need for special authorization legislation.
n/ P.L. 87-195 authorized $1,700.0 million for FY 1963. Amount shown is appropriation request.
o/ P.L. 87-195 authorized $1,500.0 million per year for FY 1963 through FY 1966. Amount shown is appropriation request.
p/ Executive Branch requested authorization of $3.0 billion for the period FY 1963-66. Of the $3.0 billion, the Executive Branch requested authorization and appropriation of $600 million for FY 1963 with up to $100.0 million to be used for grants and the balance of loans.
q/ P.L. 87-565 authorized not to exceed $600.0 million for each fiscal year 1963 through 1966 of which for FY 1963 not to exceed $100.0 million was for grants. P.L. 89-171 reduced the grant limitation to $75.0 million.
r/ Foreign Assistance Act of 1962 authorized $600 million for the Alliance for Progress for each fiscal year 1963 through 1966. The Executive Branch requested an additional $50 million authorization for FY 1964, but the Foreign Assistance Act of 1963 (P.L. 88-205) reduced the authorization from $600 million to $525 million, a net reduction of $75.0 million. Of this amount, not to exceed $100 million was to be used for grants.
s/ Adjusted request for American Schools and Hospitals Abroad made by Executive Branch during course of authorization hearings, but not formally transmitted to Congress as a Presidential message.
t/ Includes $5.2 million reduction in Executive Branch request for International Organizations made during appropriation hearings before Senate Appropriations Committee, but not formally transmitted to Congress as a Presidential message.
u/ During authorization and appropriation hearings, a supplemental President's message was submitted, requesting $125 million additional for Vietnam.
v/ Includes Sec. 510 authority to order Defense stocks subject to subsequent reimbursement from Military Assistance appropriations, as follows: FY 1965 - $75.0 million and FY 1966 - $300.0 million. In FY 1966 a supplemental appropriation of $375.0 million was approved to liquidate these amounts.
w/ Language originally proposed included a special stand-by authority in Contingency Fund for use if necessary in Vietnam; no amount was specified. In subsequent request Executive Branch asked for $89 million for Southeast Asia divided between TC/DG - $9 million and SA - $80 million. The final authorization included the $89.0 million in the Contingency Fund.
x/ Requested $1,250 million each year 1967 through 1971. Authorizing legislation provided $685 million for FY 1967 and $750 million each for Fiscal Years 1968 and 1969.
y/ Requested $850 million each year 1967 through 1971, of which not to exceed $100 million would be for TC/DG. Authorizing legislation provided $696.5 million for FY 1967 and $750 million each for FY 1968 and FY 1969, of which not to exceed $100 million in each year would be for TC/DG.
z/ Requested $150 million for each Fiscal Year 1967 through 1971. Authorization was for FY 1967 only.
2/ Request for other authorizations was for "such amounts as may be necessary" for fiscal year 1967 through 1971, except for Supporting Assistance for other than Vietnam for which the request was for $200 million for each Fiscal Year 1967 through 1971.
3/ Excludes $1 million equivalent in excess foreign currencies for medical center in Israel.
4/ Includes supplemental request of $100.0 million, less $86.0 million reduction as a result of cuts in authorization.
5/ Includes $185 million authorization not used in FY 1967.
6/ Excludes $5,986 thousand equivalent in excess foreign currencies for certain institutions in Israel.
7/ Included in Alliance TC.
8/ For FY 1971.
9/ Includes budget request of $272,500,000 plus supplemental request of $500,000,000 for credit sales to Israel.
10/ Total $650,000,000 previously authorized consists of an unappropriated balance of $300,000,000 available from the fiscal years 1967-1970 plus $350,000,000 authorized for fiscal year 1971.
11/ Adjusted due to decision not to go forward with a proposed three-year authorization request under Agency reorganization scheme. Also adjusted to cover pay raise increase.
12/ Includes sales to Israel.
13/ Does not include borrowing authority of an average of $333,300,000 for each of 3 fiscal years (1972-1974) to be used for World-wide and Alliance for Progress Development Loans.
14/ For East Pakistan Refugees.
15/ For FY 1973.
16/ Includes $125 million for population as a separate line item. It was requested as part of DL funds.

* Beginning with FY 1972, Security Supporting Assistance has been included with Military Assistance.

ECONOMIC AND MILITARY ASSISTANCE PROGRAMS

PART II

SUMMARY OF AVAILABILITY, OBLIGATIONS, EXPENDITURES, AND BALANCES FOR BUDGETED PROGRAMS

This table includes funds authorized and appropriated pursuant to the Foreign Assistance Act of 1961, as amended, the Mutual Security Acts of 1951 and 1954 and amendments thereto, and funds (including public debt authorization) heretofore available for the European Recovery Program, China Aid, and Mutual Defense Assistance Program. It also includes Point Four as authorized in the Mutual Security Act of 1951, as amended. Appropriations and borrowing authority for Investment Guarantee Program and Advance Acquisition of Property excluded from this table.

(In millions of dollars)

	Appropriated by Congress	Appropriations Adjusted for Transfers and Others Receipts	Total Available for Obligation and Reservation	Net Obligations[a] and Reservations[b]	Unobligated/Unreserved Balance			Gross Expenditures	Unexpended Balance Carried Forward to Subsequent Year		
					Total	Carried Forward to Subsequent Year	Returned or Reserved for Return to Treasury		Unobligated	Unliquidated	Total Unexpended
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1948-1949											
Economic Assistance	6,446.3	6,460.8	6,460.8	6,286.3	174.5	174.5	-	4,549.6	174.5	1,736.7	1,911.2
1950											
Military Assistance	1,314.0	1,314.1	1,314.1	1,100.9	213.2	213.2	-	51.7	213.2	1,049.2	1,262.4
Economic Assistance	3,728.4	3,785.1	3,959.6	3,596.9	362.7	362.7	-	3,437.2	362.7	1,896.4	2,259.1
Total 1950	5,042.4	5,099.2	5,273.7	4,697.8	575.9	575.9	-	3,488.9	575.9	2,945.6	3,521.5
1951											
Military Assistance	5,222.5	5,223.4	5,436.6	4,676.9	759.7	759.7	-	934.2	759.7	4,791.9	5,551.6
Economic Assistance	2,262.5	2,136.0	2,498.7	2,385.1	113.6	113.6	-	2,802.2	113.6	1,479.3	1,592.9
Total 1951	7,485.0	7,359.4	7,935.3	7,062.0	873.3	873.3	-	3,736.4	873.3	6,271.2	7,144.5
1952											
Military Assistance	5,744.0	5,267.6	6,027.3	5,591.2	436.1	436.1	-	2,385.9	436.1	7,997.2	8,433.3
Economic Assistance	1,540.4	2,015.1	2,128.7	1,962.8	165.9	165.9	-	2,147.8	165.9	1,294.3	1,460.2
Total 1952	7,284.4	7.282.7	8,156.0	7,554.0	602.0	602.0	-	4,533.7	602.0	9,291.5	9,893.5
1953											
Military Assistance	4,219.8	4,098.1	4,534.2	2,512.1	2,022.1	1,905.9	-116.2	3,953.1	1,905.9	6,556.2	8,462.1
Economic Assistance	1,782.1	1,914.1	2,080.0	1,864.1	215.3	210.4	-5.5	1,766.6	210.4	1,391.8	1,602.2
Total 1953	6,001.9	6,012.2	6,614.2	4,376.2	2,238.0	2,116.3	-121.7	5,719.7	2,116.3	7,948.0	10,064.3
1954											
Military Assistance	3,230.0	3,219.1	5,125.0	2,383.8	2,741.2	2,422.5	-318.7	3,629.5	2,422.5	5,310.5	7,733.0
Economic Assistance	1,301.5	1,504.5[c]	1,714.9	1,646.0	68.9	41.1	-27.8	1,246.9	41.1	1,790.9	1,832.0
Total 1954	4,531.5	3,723.6	6,839.9	4,029.8	2,810.1	2,463.6	-346.5	4,876.4	2,463.6	7,101.4	9,565.0
1955											
Military Assistance	1,192.7	1,141.4	3,563.9	3,354.5	209.4	33.9	-175.5	2,277.8	33.9	6,387.2	6,421.1
Less: Unliquidated Obligations Transferred to Economic Assistance	-	-261.3	-261.3	-261.3	-	-	-	-	-	-261.3	-261.3
Subtotal	1,192.7	880.1	3,302.6	3,093.2	209.4	33.9	-175.5	2,277.8	33.9	6,125.9	6,159.8
Direct Forces Support (Common-Use)	60.0	70.0	70.0	70.0	-	-	-	19.4	-	50.6	50.6
Total Military Assistance	1,252.7	950.1	3,372.6	3,163.2	209.4	33.9	-175.5	2,297.2	33.9	6,176.5	6,210.4
Economic											
Economic Assistance	1,528.8	1,593.9	1,635.0	1,593.5	41.5	14.7	-26.8	1,953.1	14.7	1,431.3	1,446.0
Add: Unliquidated Obligations Transferred from Military Assistance	-	261.3	261.3	261.3	-	-	-	-	-	261.3	261.3
Total Economic Assistance	1,528.8	1,855.2	1,896.3	1,854.8	41.5	14.7	-26.8	1,953.1	14.7	1,692.6	1,707.3
Total 1955	2,781.5	2,805.3	5,268.9	5,018.0	250.9	48.6	-202.3	4,250.3	48.6	7,869.1	7,917.7

ECONOMIC AND MILITARY ASSISTANCE PROGRAMS

SUMMARY OF AVAILABILITY, OBLIGATIONS, EXPENDITURES, AND BALANCES FOR BUDGETED PROGRAMS

PART II (continued)

(In millions of dollars)

	Appropriated by Congress	Appropriations Adjusted for Transfers and Other Receipts	Total Available for Obligation and Reservation	Net Obligations[a] and Reservations[b]	Unobligated/Unreserved Balance: Total	Unobligated/Unreserved Balance: Carried Forward to Subsequent Year	Unobligated/Unreserved Balance: Returned or Reserved for Return to Treasury	Gross Expenditures	Unexpended Balance Carried Forward to Subsequent Year: Unobligated	Unexpended Balance Carried Forward to Subsequent Year: Unliquidated	Unexpended Balance Carried Forward to Subsequent Year: Total Unexpended
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1956											
Military Assistance	705.0	713.1	747.0	573.5	173.5	159.7	-13.8	2,511.5	159.7	4,187.9	4,347.6
Direct Forces Support	317.2	311.2	311.2	275.2	36.0	35.8	-0.2	108.6	35.8	217.2	253.0
Total Military Assistance	1,022.2	1,024.3	1,058.2	848.7	209.5	195.5	-14.0	2,620.1	195.5	4,405.1	4,600.6
Economic Assistance.	1,681.1	1,687.5	1,702.2	1,510.3	191.9	142.6	-49.3	1,585.3	142.6	1,617.6	1,760.2
Total 1956	2,703.3	2,711.8	2,760.4	2,359.0	401.4	338.1	-63.3	4,205.4	338.1	6,022.7	6,360.8
1957											
Military Assistance[d]	2,017.5	2,022.0	2,217.5	1,664.5	553.0	538.8	-14.2	2,356.3	538.8	3,713.3	4,252.1
Economic Assistance	1,749.1	1,749.9	1,892.5	1,631.1	261.4	225.4	-36.0	1,601.5	225.4	1,647.2	1,872.6
Total 1957	3,766.6	3,771.9	4,110.0	3,295.6	814.4	764.2	-50.2	3,957.8	764.2	5,360.5	6,124.7
1958											
Military Assistance[d]	1,340.0	1,317.3	1,856.1	1,828.3	27.8	21.5	-6.3	2,189.8	21.5	3,351.8	3,373.3
Economic Assistance:											
Development Loan Fund[e]	300.0	300.0	300.0	267.4	32.6	32.6	-	1.5	32.6	265.9	298.5
Other	1,128.9	1,158.0	1,383.4	1,355.4	28.0	12.0	-16.0	1,430.3	12.0	1,572.3	1,584.3
Total Economic Assistance	1,428.9	1,458.0	1,683.4	1,622.8	60.6	44.6	-16.0	1,431.8	44.6	1,838.2	1,882.8
Total 1958	2,768.9	2,775.3	3,539.5	3,451.1	88.4	66.1	-22.3	3,621.6	66.1	5,190.0	5,256.1
1959											
Military Assistance[d]	1,515.0	1,542.8	1,564.3	1,512.2	52.1	52.1	-	2,368.1	52.1	2,495.9	2,548.0
Economic Assistance:											
Development Loan Fund[e]	550.0	550.1	582.7	569.3	13.4	13.4	-	66.6	13.4	768.6	782.0
Other	1,228.1	1,231.4	1,243.4	1,214.7	28.7	28.7	-	1,432.0	28.7	1,354.9	1,383.6
Total Economic Assistance	1,778.1	1,781.5	1,826.1	1,784.0	42.1	42.1	-	1,498.7	42.1	2,123.5	2,165.6
Contingency Fund	155.0	155.0	155.0	154.8	0.2	0.2	-	30.4	0.2	124.4	124.6
Total 1959	3,448.1	3,479.3	3,545.5	3,451.0	94.4	94.4	-	3,897.2	94.4	4,743.8	4,838.2
1960											
Military Assistance[d]	1,300.0	1,357.2	1,409.3	1,358.4	50.9	50.9	-	1,635.4	50.9	2,219.0	2,269.9
Economic Assistance:											
Development Loan Fund[e]	550.0	552.2	565.6	521.7	43.9	43.9	-	204.5	43.9	1,085.8	1,129.7
Other:	1,220.8	1,223.4	1,252.1	1,220.4	31.7	22.5	-9.2	1,286.2	22.5	1,289.2	1,311.7
Less: Unliquidated Obligations Transferred to Contingency Fund		-14.8	-14.8	-14.8	-	-	-		-	-14.8	-14.8
Total, Other	1,220.8	1,208.6	1,237.3	1,205.6	31.7	22.5	-9.2	1,286.2	22.5	1,274.4	1,296.9
Total Economic Assistance	1,770.8	1,760.8	1,802.9	1,727.3	75.6	66.4	-9.2	1,490.7	66.4	2,360.2	2,426.6
Contingency Fund:	155.0	124.1	124.3	123.8	0.5	0.5	-	129.4	0.5	118.8	119.3
Add: Unliquidated Obligations Transferred from Economic Assistance		14.8	14.8	14.8	-	-	-	-	-	14.8	14.8
Total, Contingency Fund	155.0	138.9	139.1	138.6	0.5	0.5	-	129.4	0.5	133.6	134.1
Total 1960	3,225.8	3,256.9	3,351.3	3,224.3	127.0	117.8	-9.2	3,255.5	117.8	4,712.8	4,830.6

ECONOMIC AND MILITARY ASSISTANCE PROGRAMS

SUMMARY OF AVAILABILITY, OBLIGATIONS, EXPENDITURES, AND BALANCES FOR BUDGETED PROGRAMS

PART II (continued)

(In millions of dollars)

	Appropriated by Congress	Appropriations Adjusted for Transfers and Other Receipts	Total Available for Obligation and Reservation	Net Obligations[a] and Reservations[b]	Unobligated/Unreserved Balance: Total	Unobligated/Unreserved Balance: Carried Forward to Subsequent Year	Unobligated/Unreserved Balance: Returned or Reserved for Return to Treasury	Gross Expenditures	Unexpended Balance Carried Forward to Subsequent Year: Unobligated	Unexpended Balance Carried Forward to Subsequent Year: Unliquidated	Unexpended Balance Carried Forward to Subsequent Year: Total Unexpended
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1961											
Military Assistance [d]	1,800.0	1,802.4	1,853.3	1,786.9	66.4	58.1	-8.3	1,466.2	58.1	2,539.6	2,597.7
Economic Assistance:											
Development Loan Fund [e]	600.0	611.5	655.4	655.4	-	-	-	270.0	-	1,471.2	1,471.2
Alliance for Progress:											
IAPSP	106.0	106.0	106.0	-	106.0	106.0	-	-	106.0	-	106.0
SPTF	394.0	394.0	394.0	-	394.0	394.0	-	-	394.0	-	394.0
Chilean Reconstruction & Rehabilitation	100.0	100.0	100.0	-	100.0	100.0	-	-	100.0	-	100.0
Total, Alliance for Progress	600.0	600.0	600.0	-	600.0	600.0	-	-	600.0	-	600.0
Other	1,181.4	1,172.4	1,194.9	1,112.5	82.4	47.8	-34.6	1,329.7	47.8	1,057.2	1,105.0
Total Economic Assistance	2,381.4	2,383.9	2,450.3	1,767.9	682.4	647.8	-34.6	1,599.7	647.8	2,528.4	3,176.2
Contingency Fund	250.0	277.5	278.0	268.8	9.2	9.2	-	210.1	9.2	192.3	201.5
Total 1961	4,431.4	4,463.8	4,581.6	3,823.6	758.0	715.1	-42.9	3,276.0	715.1	5,260.3	5,975.4
1962											
Military Assistance [d]	1,600.0	1,591.5	1,649.6	1,585.4	64.2	64.2	-	1,404.6	64.2	2,720.4	2,784.6
Economic Assistance:											
Development Loans	1,112.5	1,094.5 [f]	1,094.5	1,059.6	34.9	27.2	-7.7	431.0	27.2	2,099.8	2,127.0
Alliance for Progress:											
IAPSP	-	-	106.0	63.6	42.4	42.4	-	19.4	42.4	44.2	86.6
Chilean Reconstruction & Rehabilitation	-	-	100.0	100.0	-	-	-	51.2	-	48.8	48.8
SPTF	-	-	394.0	394.0	-	-	-	10.0	-	384.0	384.0
Total, Alliance for Progress	-	-	600.0	557.6	42.4	42.4	-	80.6	42.4	477.0	519.4
Contingency Fund	275.0	284.9	294.1	292.0	2.1	2.1	-	272.8	2.1	211.5	213.6
Add: Unliquidated Obligations Transferred from Other Economic Assistance	-	9.8	9.8	9.8	-	-	-	-	-	9.8	9.8
Total Contingency Fund	275.0	294.7	303.9	301.8	2.1	2.1	-	272.8	2.1	221.3	223.4
Other	927.1	941.5	989.3	969.5	19.8	17.8	-2.0	1,059.7	17.8	967.0	984.8
Less: Unliquidated Obligations Transferred to Contingency Fund	-	-9.8	-9.8	-9.8	-	-	-	-	-	-9.8	-9.8
Total Other	927.1	931.7	979.5	959.7	19.8	17.8	-2.0	1,059.7	17.8	957.2	975.0
Total Economic Assistance	2,314.6	2,320.9	2,977.9	2,878.7	99.2	89.5	-9.7	1,844.0	89.5	3,755.4	3,844.9
Total 1962	3,914.6	3,912.4	4,627.5	4,464.1	163.4	153.7	-9.7	3,248.6	153.7	6,475.8	6,629.5

ECONOMIC AND MILITARY ASSISTANCE PROGRAMS

SUMMARY OF AVAILABILITY, OBLIGATIONS, EXPENDITURES, AND BALANCES FOR BUDGETED PROGRAMS

PART II (continued)

(In millions of dollars)

	Appropriated by Congress (1)	Appropriations Adjusted for Transfers and Other Receipts (2)	Total Available for Obligation and Reservation (3)	Net Obligations[a] and Reservations[b] (4)	Unobligated/Unreserved Balance: Total (5)	Unobligated/Unreserved Balance: Carried Forward to Subsequent Year (6)	Unobligated/Unreserved Balance: Returned or Reserved for Return to Treasury (7)	Gross Expenditures (8)	Unexpended Balance Carried Forward to Subsequent Year: Unobligated (9)	Unexpended Balance Carried Forward to Subsequent Year: Unliquidated (10)	Unexpended Balance Carried Forward to Subsequent Year: Total Unexpended (11)
1963											
Military Assistance	1,325.0	1,404.3	1,468.5	1,442.7	25.8	25.8	*	1,767.2	25.8	2,395.9	2,421.7[g]
Economic Assistance:											
Development Loans	975.0	991.3	1,018.5	906.0	112.5	96.2	-16.3	776.9	96.2	2,228.9	2,325.1
Less: Unliquidated Obligations Transferred to Alliance for Progress Loans	-	115.1	115.1	115.1	-	-	-	-	-	115.1	115.1
Prior Year Expenditures Transferred to Alliance for Progress Loans	-	74.5	74.5	74.5	-	-	-	74.5	-	-	-
Total Development Loans	975.0	801.7	828.9	716.4	112.5	96.2	-16.3	702.4	96.2	2,113.8	2,210.0
Alliance for Progress:											
Loans	425.0	425.9	425.9	333.9	92.0	92.0	-	117.3	92.0	216.6	308.6
Add: Unliquidated Obligations Transferred from Development Loans	-	115.1	115.1	115.1	-	-	-	-	-	115.1	115.1
Prior Year Expenditures Transferred from Development Loans	-	74.5	74.5	74.5	-	-	-	74.5	-	-	-
Total, Alliance for Progress Loans	425.0	615.5	615.5	523.5	92.0	92.0	-	191.8	92.0	331.7	423.7
Technical Cooperation	100.0	91.2	91.2	88.5	2.7	2.7	-	31.6	2.7	56.9	59.6
IAPSP	-	-	42.4	40.8[h]	1.6	1.6	-	33.4	1.6	51.6	53.2
Chilean Reconstruction	-	-	-	-	-	-	-	31.0	-	17.8	17.8
Social Progress Trust Fund	-	-	-	-	-	-	-	49.0	-	335.0	335.0
Subtotal, Alliance for Progress	525.0	706.7	749.1	652.8	96.3	96.3	-	336.8	96.3	793.0	889.3
Contingency Fund	250.0	250.0	252.1	125.0	127.1	127.1	-	137.2	127.1	209.1	336.2
Other	823.9	843.0	860.8	803.5	57.3	56.8	-0.5	903.2	56.8	857.4	914.2
Total Economic Assistance	2,573.9	2,601.4	2,690.9	2,297.6	393.3	376.5	-16.8	2,079.7	376.5	3,973.2	4,349.7
Total 1963	3,898.9	4,005.7	4,159.4	3,740.3	419.1	402.3	-16.8	3,846.9	402.3	6,369.1	6,771.4
1964											
Military Assistance	1,000.0	1,167.3	1,193.1	1,188.6	4.4	4.4	-	1,533.4	4.4	2,051.1	2,055.5[i]
Economic Assistance:											
Development Loans	687.3	714.5	810.7	783.4	27.3	0.1	-27.2	796.8	0.1	2,100.4	2,100.5
Interest collections and receivables held for reappropriation [j]	-	(6.2)	(6.2)	-	(6.2)	(6.2)	-	-	(6.2)	-	(6.2)
Alliance for Progress:											
Loans	375.0	377.5	469.5	469.5	*	*	-	116.0	*	685.2	685.2
Interest collections and receivables held for reappropriation [j]	-	(2.8)	(2.8)	-	(2.8)	(2.8)	-	-	(2.8)	-	(2.8)
Technical Cooperation	80.0	80.2	82.9	81.4	1.5	1.5	-	66.5	1.5	71.8	73.3
IAPSP	4.0	4.0	5.6	5.0	0.6	0.6	-	19.9	0.6	36.7	37.3
Chilean Reconstruction	-	-	-	-	-	-	-	8.2	-	9.6	9.6
Social Progress Trust Fund	131.0	131.0	131.0	131.0	-	-	-	65.0	-	401.0	401.0
Subtotal, Alliance for Progress	590.0	592.7	689.0	686.9	2.1	2.1	-	275.6	2.1	1,204.3	1,206.4
Contingency Fund	50.0	-24.1 [k]	103.0 [l]	99.8	3.2	3.2	-	121.8	3.2	187.1	190.3
Other	672.7	663.0	719.8	697.3	22.5	22.5	-	846.4	22.5	708.2	730.8
Total Economic Assistance	2,000.0	1,946.1	2,322.5	2,267.4	55.2	27.9	-27.2	2,040.6	27.9	4,200.0	4,228.0
Total 1964	3,000.0	3,113.4	3,515.4	3,456.0	59.6	32.3	-27.2	3,574.0	32.3	6,251.1	6,283.5

ECONOMIC AND MILITARY ASSISTANCE PROGRAMS

SUMMARY OF AVAILABILITY, OBLIGATIONS, EXPENDITURES, AND BALANCES FOR BUDGETED PROGRAMS

PART II (continued)

(In millions of dollars)

	Appropriated by Congress	Appropriations Adjusted for Transfers and Other Receipts	Total Available for Obligation and Reservation	Net Obligations[a] and Reservations[b]	Unobligated/Unreserved Balance: Total	Unobligated/Unreserved Balance: Carried Forward to Subsequent Year	Unobligated/Unreserved Balance: Reserved for Return to Treasury	Gross Expenditures	Unexpended Balance Carried Forward to Subsequent Year: Unobligated	Unexpended Balance Carried Forward to Subsequent Year: Unliquidated	Unexpended Balance Carried Forward to Subsequent Year: Unexpended
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1965											
Military Assistance	1,130.0	1,193.0	1,197.4	1,174.7	22.7	22.2	.5	1,272.6	22.2	1,953.2	1,975.4[m]
Economic Assistance:											
Development Loans	773.7	807.6	807.7	682.5	125.2	91.3	33.9	794.3	108.2	1,988.6	2,096.8
Interest collections and receivables held for appropriations [j]	-	(10.7)	(16.9)	-	(16.9)	(16.9)	-	-			
Alliance for Progress:											
Loans	425.0	425.0	425.0	395.3	29.7	29.7	-	203.9	36.7	876.6	913.3
Interest collections and receivables held for appropriation [j]	-	(4.2)	(7.0)	-	(7.0)	(7.0)	-	-			
Technical Cooperation	84.7	85.0	86.5	80.9	5.6	5.6	-	69.5	5.6	83.2	88.8
IAPSP	-	-	0.6	-	0.6	0.6	-	18.9	0.6	17.8	18.4
Chilean Reconstruction	-	-	-	-	-	-	-	9.5	-	0.1	0.1
Social Progress Trust Fund	-	-	-	-	-	-	-	67.0	-	334.0	334.0
Subtotal Alliance for Progress	509.7	510.0	512.1	476.2	35.9	35.9	-	368.8	42.9	1,311.7	1,354.6
Contingency Fund	99.2	44.2	47.4	43.3	4.1	4.1	-	153.3	4.1	77.1	81.2
Other	812.4	820.9	843.4	822.9	20.4	17.2	3.2	779.3	17.2	752.0	769.2
Total Economic Assistance	2,195.0	2,182.8	2,210.7	2,025.0	185.7	148.5	37.2	2,095.8	172.5	4,129.3	4,301.8
Total 1965	3,325.0	3,375.8	3,408.1	3,199.7	208.4	170.7	37.7	3,368.4	194.7	6,082.5	6,277.2
1966											
Military Assistance	1,470.0	1,591.6	1,613.8	1,150.8	463.0	463.0	*				
Less: Amounts transferred to Dept. of Defense for Vietnam War	-	620.4	620.4	173.5	446.9	446.9	-				
Total Military Assistance	1,470.0	971.2	993.4	977.3	16.1	16.1	*	1,114.3	16.1	1,816.2	1,832.3 [m]
Economic Assistance:											
Development Loans	618.2	663.4	771.6	685.0	86.6	59.1	-27.5	722.3	59.1	1,951.3	2,010.4
Alliance for Progress:											
Loans	435.1	440.8	477.5	469.2	8.3	8.3	-	295.7	8.3	1,050.1	1,058.4
Technical Cooperation	75.0	75.3	80.9	80.3	0.6	0.6	-	90.0	0.6	73.5	74.1
IAPSP	-	-	0.6	0.5	0.1	0.1	-	9.3	0.1	9.0	9.1
Chilean Reconstruction	-	-	-	-	-	-	-	0.1	-	-	-
Social Progress Trust Fund	-	-	-	-	-	-	-	68.8	-	265.2	265.2
Subtotal Alliance for Progress	510.1	516.1	559.0	550.0	9.0	9.0	-	463.9	9.0	1,397.8	1,406.8
Contingency Fund:											
General	150.0	149.8	153.9	118.2	35.7	35.7	-	101.9	35.7	93.4	129.1
Southeast Asia program	89.0	89.0	89.0	89.0	-	-	-	31.9	-	57.1	57.1
Other	1,095.7	1,105.0	1,122.2	1,100.6	21.6	21.6	*	882.5	21.6	970.0	991.6
Total Economic Assistance	2,463.0	2,523.3	2,695.7	2,542.8	152.9	125.4	-27.5	2,202.5	125.4	4,469.6	4,595.0
Total 1966	3,933.0	3,494.5	3,689.1	3,520.1	169.0	141.5	-27.5	3,316.8	141.5	6,285.8	6,427.3
1967											
Military Assistance	792.0	1,361.2	1,377.3	1,351.3	26.0	26.0	-	1,055.1	26.0	2,112.4	2,138.4
Economic Assistance:											
Development Loans	500.0	558.9	618.0	574.1	43.9	10.2	-33.7	718.5	10.2	1,806.9	1,817.1
Alliance for Progress:											
Loans	420.3	430.1	438.4	434.1	4.3	4.3	-	418.5	4.3	1,065.8	1,070.1
Technical Cooperation	87.7	88.0	88.6	88.0	0.6	0.6	-	94.7	0.6	66.7	67.3
IAPSP	-	-	0.1	0.1	-	-	-	5.8	-	3.3	3.3
Social Progress Trust Fund	-	-	-	-	-	-	-	63.2	-	202.0	202.0
Subtotal, Alliance for Progress	508.0	518.1	527.1	522.2	4.9	4.9	-	582.2	4.9	1,337.8	1,342.7
Contingency Fund:											
General	35.0	35.0	70.7	41.2	29.5	29.5	-	59.1	29.5	75.4	104.9
Southeast Asia Program	-	-	-	-0.2	0.2	0.2	-	39.5	0.2	17.5	17.7
Other	1,100.5	1,153.9	1,175.4	1,155.0	20.4	19.7	-0.7	982.0	19.7	1,143.0	1,162.7
Total Economic Assistance	2,143.5	2,265.9	2,391.2	2,292.3	98.9	64.5	-34.4	2,381.3	64.5	4,380.5	4,445.0
Total 1967	2,935.5	3,627.1	3,768.5	3,643.6	124.9	90.5	-34.4	3,436.4	90.5	6,492.9	6,583.4

ECONOMIC AND MILITARY ASSISTANCE PROGRAMS

SUMMARY OF AVAILABILITY, OBLIGATIONS, EXPENDITURES, AND BALANCES FOR BUDGETED PROGRAMS

PART II (continued)

(In millions of dollars)

	Appropriated by Congress	Appropriations Adjusted for Transfers and Other Receipts	Total Available for Obligation and Reservation	Net Obligations[a] and Reservations[b]	Unobligated/Unreserved Balance: Total	Unobligated/Unreserved Balance: Carried Forward to Subsequent Year	Unobligated/Unreserved Balance: Returned or Reserved for Return to Treasury	Gross Expenditures	Unexpended Balance Carried Forward to Subsequent Year: Unobligated	Unexpended Balance Carried Forward to Subsequent Year: Unliquidated	Unexpended Balance Carried Forward to Subsequent Year: Total Unexpended
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1968											
Military Assistance	500.0	707.7	733.7	726.5	7.2	5.0	-2.2	754.8	5.0	1,823.0	1,828.0
Transferred out of Military Assistance Program c/	-	-261.0	-261.0	-	-	-	-	-	-	-261.0	-261.0
Military Assistance (Adjusted)	500.0	446.7	472.7	726.5	7.2	5.0	-2.2	754.8	5.0	1,562.0	1,567.0
Economic Assistance:											
Development Loans	435.0	509.2	519.4	483.4	36.0	0.1	-35.9	670.0	0.1	1,620.2	1,620.3
Alliance for Progress:											
Loans	389.0	406.0	410.3	405.6	4.8	4.8	-	328.6	4.8	1,142.0 n/	1,146.7 n/
Technical Cooperation	80.0	80.3	80.9	80.9	*	*	-	88.2	*	59.4	59.4
Partners of the Alliance	0.3	0.3	0.3	0.2	0.1	0.1	-	0.2	0.1	*	0.1
IAPSP	-	-	*	*	*	*	-	1.7	*	1.6	1.6
Social Progress Trust Fund	-	-	-	-	-	-	-	45.5	-	156.5	156.5
Subtotal Alliance for Progress	469.3	486.6	491.5	486.7	4.9	4.9	-	464.2	4.9	1,359.5	1,364.3
Contingency Fund:											
General	10.0	7.0	36.5	19.0	17.4	17.4	-	42.2	17.4	52.3	69.7
Southeast Asia Program	-	-	0.2	-2.5	2.7	2.7	-	1.1	2.7	13.9	16.6
Other	981.3	1,021.1	1,040.8	940.5	100.3	99.9	-0.4	914.5	99.9	1,169.0	1,268.9
Total Economic Assistance	1,895.6	2,023.9	2,088.4	1,927.0	161.4	125.0	-36.3	2,092.0	125.0	4,214.8	4,339.8
Total 1968	2,395.6	2,470.6	2,561.0	2,653.5	168.6	130.0	-38.5	2,846.8	130.0	5,776.8	5,906.8
1969											
Military Assistance:											
Grant Assistance	375.0	381.3	386.3	381.1	5.1	5.1	-	616.9	5.1	739.0	744.2
Foreign Military Credit Sales	296.0	295.9	295.9	239.7	56.3	-	-56.3	264.1	-	823.8	823.8
Total Military Assistance	671.0	677.2	682.2	620.8	61.3	5.1	-56.3	881.0	5.1	1,562.8	1,568.0
Economic Assistance:											
Development Loans	300.0	382.4	382.5	345.3	37.2	2.2	-35.0	611.2	2.2	1,354.3	1,356.6
Alliance for Progress:											
Loans	255.0	268.0	272.8	223.1	49.7	49.7	-	311.3	49.7	1,053.7	1,103.4
Technical Cooperation	81.5	82.3	82.3	81.9	0.5	0.5	-	75.9	0.5	65.4	65.9
Partners of the Alliance	-	-	0.1	*	-	*	-	0.1	*	*	*
IAPSP	-	-	-	-0.2	0.2	0.2	-	1.2	0.2	0.2	0.4
Social Progress Trust Fund	-	-	-	-	-	-	-	71.9	-	84.5	84.5
Subtotal Alliance for Progress	336.5	350.3	355.2	304.8	50.4	50.4	-	460.4	50.4	1,203.8	1,254.2
Contingency Fund:											
General	5.0	6.8	24.2	7.3	16.9	16.9	-	24.9	16.9	34.7	51.5
Southeast Asia Program	-	-	2.7	2.5	0.2	0.2	-	3.3	0.2	13.1	13.3
Other	739.1	781.9	881.7	820.7	61.0	61.0	-	1,000.3	61.0	989.5	1,050.5
Total Economic Assistance	1,380.6	1,521.4	1,646.5	1,480.7	165.8	130.8	-35.0	2,100.1	130.8	3,595.3	3,726.1
Total 1969	2,051.6	2,198.6	2,328.7	2,101.5	277.0	135.9	-91.3	2,981.1	135.9	5,158.1	5,294.1
1970											
Military Assistance:											
Grant Assistance	350.3	355.7	360.8	357.2	3.6	3.6	-	552.8	3.6	543.4	547.0
Foreign Military Credit Sales	70.0	67.7	67.7	67.1	.6	-	-.6	253.3	-	637.6	637.6
Total Military Assistance	420.3	423.4	428.5	424.3	4.2	3.6	-.6	806.1	3.6	1,181.0	1,184.6
Economic Assistance:											
Development Loans	300.0	432.4	438.5	438.3	.2	.2	-	569.5	.2	1,223.2	1,223.4
Alliance for Progress:											
Loans	255.0	251.7	301.4	300.4	1.0	1.0	-	312.1	1.0	1,042.0	1,043.0
Technical Cooperation	81.5	81.9	82.4	81.6	.8	.8	-	77.4	.8	69.6	70.4
IAPSP	-	-	.2	.2	-	-	-	-.1	-	.4	.4
Social Progress Trust Fund	-	-	-	-	-	-	-	56.5	-	28.0	28.0
Subtotal Alliance for Progress	336.5	333.6	384.0	382.2	1.8	1.8	-	445.9	1.8	1,140.0	1,141.8
Contingency Fund:											
General	12.5	5.7	22.6	19.6	3.0	3.0	-	28.6	3.0	25.7	28.7
Southeast Asia	-	-	.2	-.3	.5	.5	-	4.4	.5	8.4	8.9
Other	775.9	840.7	901.8	878.9	22.9	22.9	-	858.9	22.9	1,009.3	1,032.2
Total Economic Assistance	1,424.9	1,612.4	1,747.1	1,718.7	28.4	28.4		1,907.3	28.4	3,406.6	3,435.0
Total 1970	1,845.2	2,035.8	2,175.6	2,143.0	32.6	32.0	-.6	2,713.4	32.0	4,587.6	4,619.6

ECONOMIC AND MILITARY ASSISTANCE PROGRAMS

SUMMARY OF AVAILABILITY, OBLIGATIONS, EXPENDITURES, AND BALANCES FOR BUDGETED PROGRAMS

PART II (continued)

(In millions of dollars)

	Appropriated by Congress	Appropriations Adjusted for Transfers and Other Receipts	Total Available for Obligation and Reservation	Net Obligations[a] and Reservations[b]	Unobligated/Unreserved Balance: Total	Unobligated/Unreserved Balance: Carried Forward to Subsequent Year	Unobligated/Unreserved Balance: Returned or Reserved for Return to Treasury	Gross Expenditures	Unexpended Balance Carried Forward to Subsequent Year: Unobligated	Unexpended Balance Carried Forward to Subsequent Year: Unliquidated	Unexpended Balance Carried Forward to Subsequent Year: Total Unexpended
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1971											
Military Assistance:											
Grant Assistance	690.0	761.2	764.9	759.1	5.8	5.8	--	521.1	5.8	781.4	787.2
Foreign Military Credit Sales	700.0	698.5	698.5	695.8	2.7	--	-2.7	540.1	--	793.3	793.3
Total Military Assistance	1,390.0	1,459.7	1,463.4	1,454.9	8.5	5.8	-2.7	1,061.2	5.8	1,574.7	1,580.5
Economic Assistance:											
Development Loans	420.0	529.1	529.2	453.7	75.5	75.5	--	633.5	75.5	1,032.0	1,107.5
Alliance for Progress:											
Loans	287.5	228.9	229.9	228.4	1.5	1.5	--	1,004.4	1.5	1,002.9	1,004.4
Tech. Coop.	82.9	83.3	84.1	83.6	0.4	0.4	--	153.6	0.4	62.6	63.0
IAPSP	--	--	--	--	--	--	--	0.2	--	0.2	0.2
Soc. Prog Tr Funds	--	--	--	--	--	--	--	9.7	--	18.4	18.4
Sub Total Alliance for Progress	370.4	312.2	314.0	312.0	1.9	1.9	--	1,167.9	1.9	1,084.1	1,086.0
Contingency Fund:											
General	22.5	20.1	23.1	22.6	0.5	0.5	--	22.4	0.5	25.9	26.4
South East Asia	--	-0.5	--	--	--	--	--	4.1	--	4.3	4.3
Other	921.0	941.4	1,069.9	991.2	78.8	78.8	--	149.2	78.8	1,064.9	1,143.7
Total Economic Assistance	1,733.9	1,802.3	1,936.2	1,779.5	156.7	156.7	--	1,977.1	156.7	3,211.2	3,367.9
Total 1971	3,123.9	3,262.0	3,399.6	3,234.4	165.2	162.5	-2.7	3,038.3	162.5	4,785.9	4,948.4
1948-1971 Cumulative											
Military Assistance	40,276.0	39,834.0	39,124.7	39,112.6	N.A.	5.8	-715.7	37,537.9	5.8	1,574.1	1,580.5
Economic Assistance:											
Development Loans	8,121.7	8,528.3	8,311.2	8,235.5	N.A.	75.5	-217.2	7,192.1	75.5	1,032.0	1,107.5
Alliance for Progress:											
Loans	3,266.9	3,450.5	3,451.5	3,449.1	N.A.	1.5	--	3,183.0	1.5	1,002.9	1,004.4
Technical Cooperation	753.3	747.5	748.3	747.1	N.A.	0.4	--	747.4	0.4	62.6	63.0
Partners of the Alliance	0.3	0.3	0.3	0.3	N.A.	--	--	0.5	--	--	--
IAPSP	110.0	110.0	110.0	110.0	N.A.	--	--	109.5	--	0.2	0.2
Chilean Reconstruction	100.0	100.0	100.0	100.0	N.A.	--	--	100.0	--	--	--
Soc. Prog. Tr. Fund	525.0	525.0	525.0	525.0	N.A.	--	--	506.7	--	18.4	18.4
Sub Total Alliance	4,755.5	4,933.3	4,935.1	4,931.5	N.A.	1.9	--	4,647.1	1.9	1,084.1	1,086.0
Contingency Fund:											
General	1,469.2	1,360.6	1,363.6	1,360.0	N.A.	0.5	--	1,334.2	0.5	25.9	26.4
Southeast Asia	89.0	88.5	89.0	88.5	N.A.	--	--	84.3	--	4.3	4.3
Other	35,629.0	36,981.2	36,897.5	36,795.9	N.A.	78.8	-212.2	34,944.4	78.8	1,064.9	1,143.7
Adjusted for Prior Year Capitalized Interest	--	29.2	29.2	29.2	N.A.	--	--	29.2	--	--	--
Total Economic Assistance	50,064.4	51,921.2	51,625.6	51,440.6	N.A.	156.7	-429.4	48,231.3	156.7	3,211.2	3,367.9
Total 1948-1971	90,340.4	91,755.1	90,750.3	90,553.2	N.A.	162.5	-1,145.1	85,769.2	162.5	4,785.9	4,948.4
1972 Estimate Congressional Presentation[p]											
Military & Security Supporting Assistance											
Grant Assistance	500.0	45.0	545.0	540.0	5.0	5.0	--	648.3	5.0	642.9	647.9
Foreign Military Credit Sales	400.0	150.0	550.0	700.0	--	--	--	445.9	--	747.4	747.4
Supporting Assistance[p]	550.0	33.1	583.1	583.1	--	--	--	584.0	--	590.6	590.6
Total Military & SA	1,450.0	228.1	1,678.1	1,673.1	5.0	5.0	--	1,678.2	5.0	1,980.9	1,985.9
Economic Assistance:											
Development Loans	200.0	193.3	393.3	393.3	--	--	--	330.8	--	1,071.0	1,071.0
Alliance for Progress											
Loans	150.0	83.1	233.1	233.1	--	--	--	211.0	--	1,013.2	1,013.2
Technical Cooperation	80.0	3.9	83.9	83.9	--	--	--	82.8	--	61.0	61.0
SPTF	--	--	--	--	--	--	--	9.4	--	9.0	9.0
Sub Total Alliance	230.0	87.0	317.0	317.0	--	--	--	303.2	--	1,083.3	1,083.3
Contingency Fund:											
General	30.0	-.9	29.1	29.1	--	--	--	18.4	--	36.6	36.6
Southeast Asia	--	--	--	--	--	--	--	4.3	--	--	--
Other	708.2	46.7	754.9	754.9	--	--	--	659.4	--	1,151.9	1,151.9
Total Economic Assistance	1,168.2	326.1	1,494.3	1,494.3	--	--	--	1,316.1	--	3,342.8	3,342.8
Total 1972	2,618.2	554.2	3,172.4	3,167.4	5.0	5.0	--	2,994.3	5.0	5,323.7	5,328.7

ECONOMIC AND MILITARY ASSISTANCE PROGRAMS

SUMMARY OF AVAILABILITY, OBLIGATIONS, EXPENDITURES, AND BALANCES FOR BUDGETED PROGRAMS

PART II (continued)

(In millions of dollars)

	Appropriated by Congress (1)	Appropriations Adjusted for Transfers and Other Receipts (2)	Total Available for Obligation and Reservation (3)	Net Obligations[a] and Reservations[b] (4)	Unobligated/Unreserved Balance: Total (5)	Carried Forward to Subsequent Year (6)	Returned or Reserved for Return to Treasury (7)	Gross Expenditures (8)	Unexpended Balance Carried Forward to Subsequent Year: Unobligated (9)	Unliquidated (10)	Total Unexpended (11)
1948-1972 Cumulative											
Military & Security Supporting Assistance.	41,726.0	40,062.1	40,802.8	40,785.7	N.A.	5.0	-715.7	39,216.1	5.0	1,980.9	1,985.9
Economic Assistance:											
Development Loans	8,321.7	8,721.6	8,704.5	8,628.8	N.A.	--	-217.2	7,522.9	--	1,071.0	1,071.0
Alliance for Progress:											
Loans	3,416.9	3,533.6	3,684.6	3,682.2	N.A.	--	--	3,394.0	--	1,013.2	1,013.2
Technical Cooperation	833.3	751.4	832.2	831.0	N.A.	--	--	830.2	--	61.0	61.0
Partners for the Alliance	0.3	0.3	0.3	0.3	N.A.	--	--	0.5	--	--	--
IAPSP	110.0	110.0	110.0	110.0	N.A.	--	--	109.5	--	--	--
Chilean Reconstruction	100.0	100.0	100.0	100.0	N.A.	--	--	100.0	--	--	--
Social Progress Trust Funds	525.0	525.0	525.0	525.0	N.A.	--	--	516.1	--	9.0	9.0
Sub Total Alliance	4,985.5	5,020.3	5,252.1	5,248.5	N.A.	--	--	4,950.3	--	1,083.3	1,083.3
Contingency Fund											
General	1,499.2	1,359.7	1,392.7	1,389.1	N.A.	--	--	1,352.6	--	36.6	36.6
Southeast Asia	89.0	88.5	89.0	88.5	N.A.	--	--	88.4	--	--	--
Other	36,337.2	37,027.9	37,652.4	37,550.8	N.A.	--	-212.2	35,603.8	--	1,151.9	1,151.9
Adjusted for Prior Year											
Capitalized Interest	--	29.2	29.2	29.2	N.A.	--	--	29.2	--	--	--
Total Economic Assistance	51,232.6	52,247.4	53,119.9	52,934.9	N.A.	--	-429.4	49,547.4	--	3,342.8	3,342.8
Total 1948-1972	92,958.6	92,309.3	93,922.7	93,720.6	N.A.	5.0	-1,145.1	88,763.5	5.0	5,323.7	5,328.7

Detail may not add to totals due to rounding.

NOTE: The Foreign Assistance Program, as reflected in this schedule, includes the Mutual Security Program and selected antecedent programs and excludes others. For the most part, major foreign aid programs authorized since 1948, exclusive of GARIOA and Korean Civilian Relief and Rehabilitation funds, are included in this schedule. The general "guideline" for including or excluding funds originally appeared in the "Mutual Security Act of 1951" in the form of language bringing forward unexpended balances from certain antecedent program.

NA--Not applicable.

*Less than $50,000.

a/ Obligations reflected in this report are on a net basis and represent commitments made against current year appropriations and unobligated balance continued available, plus reobligations of deobligated prior year funds, minus deobligations. For loan funds, amounts used represent loan commitments rather than actual loan obligations. For Military Assistance, amounts include credit sales.

b/ "Reservations" represent funds earmarked and set aside in the military assistance account to reimburse the regular military services for procurement of equipment to be used in the MAP program.

c/ Includes $200 million transfer from funds available to the Department of Defense as provided in P.L. 83-207, dated August 7, 1953.

d/ Includes program formerly called Direct Forces Support (the unexpended balance of "Direct Forces Support, Executive, 1956" was transferred to "Military Assistance, Executive, 1957.") "Common-use" remains a separate account but is included under the functional heading of "Military Assistance."

e/ As a Government Corporation, Development Loan Fund availability included not only cash receipts but also accrued interest not yet collected. For this table only dollar fund activity is included.

f/ Excludes $27.1 million unobligated balance and $0.7 million unliquidated balance transferred to the Investment Guaranty Program.

g/ Includes obligational authority granted in advance of receipts (collections) FY 1963--$32.9 million.

h/ Includes $4.4 million loan reservations.

i/ Includes obligational authority granted in advance of receipts (collections) FY 1964--$62.0 million.

j/ Represents loan receipts not available for programming in FY 1964 and FY 1965, but held in account pending reappropriation. P.L. 89-273 appropriated them for use in FY 1966.

k/ Reflects the net of the appropriation of $50 million and reimbursements of $2.5 million offset by the transfer of $75 million to Military Assistance and $1.6 million to American Schools and Hospitals Abroad. The $127.1 million in unobligated balances as of 6/30/63 continued available provided sufficient funds for the transfer. (See footnote l/). Since prior year unobligated balances carried forward are not included in this column this results in a negative balance for this line but permits the reflection of the proper total for 1964 and the cumulative total thru 6/30/64.

l/ Reflects the net of the appropriation of $50 million, reimbursements of $2.5 million and unobligated carryover of $127.1 million offset by the transfer of $75 million to Military Assistance and $1.6 million to American Schools and Hospitals Abroad.

m/ Includes obligational authority granted in advance of receipts (collections) of $25.9 million.

n/ Excludes $0.8 million expenditures for capitalized interest which should have been included in FY 1967 but which were erroneously included in 6/30/67 unliquidated balance.

o/ Transfer out of Military Assistance to Department of Defense appropriations as follows: $148.5 million for Infrastructive and $112.5 million for Laos and Thailand.

p/ Beginning FY 1972 Supporting Assistance is removed from "other" under Economic Assistance and entered under Military & Security Supporting Assistance.

SPECIAL REVOLVING FUNDS

Housing Guaranty Fund

Status of Fund Availability - Fiscal Years 1948 through 1973

	Fiscal Year Transactions	Net Fiscal Year Availability	Net Cumulative Availability
Master Account: "Economic Cooperation Act of 1948 (P.L. 80-472)"			
Fiscal Year 1948			
Public debt authority under P.L. 80-472, dated 4/3/48, Section III(b)(3) - III(c)(2)	$300,000,000	$300,000,000	$300,000,000
Fiscal Year 1949			
P.L. 81-47, dated 4/19/49, Section 6(b)(6) amended P.L. 80-472 by decreasing public debt authority for investment guarantees from $300,000,000 to $150,000,000.	-150,000,000		
Current year fees:			
In			
Informational media guarantees (Net).	423		
Industrial guarantees	16,763	-149,982,814	150,017,186
Fiscal Year 1950			
P.L. 81-535, dated 6/5/50, Section 103(e) amended P.L. 80-472, as amended, by increasing public debt authority from $150,000,000 to $200,000,000.	50,000,000		
Current year fees:			
Informational media guarantees.	24,436		
Industrial guarantees	172,609	50,197,045	200,214,231
Fiscal Year 1951			
Current year fees:			
Informational media guarantees.	81,375		
Industrial guarantees	205,663	287,038	200,501,269
Fiscal Year 1952			
Current year fees:			
Informational media guarantees.	93,451		
Industrial guarantees	227,584	321,035	200,822,304
Fiscal Year 1953			
Current year fees:			
Informational media guarantees.	75,527		
Industrial guarantees	216,680	292,207	201,114,511
Fiscal Year 1954			
Current year fees:			
Informational media guarantees.	61,674		
Industrial guarantees	205,662	267,336	201,381,847

ECONOMIC AND MILITARY ASSISTANCE PROGRAMS

SPECIAL REVOLVING FUNDS

PART III

Housing Guaranty Fund
Status of Fund Availability - Fiscal Years 1948 through 1973

	Fiscal Year Transactions	Net Fiscal Year Availability	Net Cumulative Availability
Fiscal Year 1955			
Current year fees:			
Informational media guarantees	$ 76,946		
Industrial guarantees	235,687	$ 312,633	$201,694,480
Fiscal Year 1956			
Transfer of informational media guarantees and related public debt authority to USIA, pursuant to P.L. 84-726, dated 7/18/56 (70 Stat. 556)	-38,428,479		
Transfer of accumulated informational media guarantee fees as of 6/30/56 to USIA, pursuant to P.L. 84-726, dated 7/18/56 (70 Stat. 556)	-530,712		
Increase in public debt authority (industrial guarantees), pursuant to P.L. 84-726, dated 7/18/56 (70 Stat. 556)	37,500,000		
Current year fees:			
Informational media guarantees	116,880		
Industrial guarantees	330,873	-1,011,438	200,683,042
Fiscal Year 1957			
Current year fees	416,515	416,515	201,099,557
Fiscal Year 1958			
Current year fees	654,482	654,482	201,754,039
Fiscal Year 1959			
Current year fees	1,367,334	1,367,334	203,121,373
Fiscal Year 1960			
Current year fees	1,356,227	1,356,227	204,477,600
Fiscal Year 1961			
Current year fees	1,672,830	1,672,830	206,150,430
Fiscal Year 1962			
Cash transferred from "Development Loan Fund (Liquidation Account)," pursuant to Public Law 87-195, dated 9/4/61 (75 Stat. 431)	27,747,864		
Prior year fees transferred from "Development Loan Fund (Liquidation Account)," pursuant to Public Law 87-195, dated 9/4/61 (75 Stat. 431)	108,469		
Current year fees transferred from "Development Loan Fund (Liquidation Account)," pursuant to Public Law 87-195, dated 9/4/61 (75 Stat. 431)	5,663		
Proceeds from sale of foreign government assets	2,298,860		
Disbursements (Payments)	-659,922	29,509,032	235,659,462

ECONOMIC AND MILITARY ASSISTANCE PROGRAMS

SPECIAL REVOLVING FUNDS

Housing Guaranty Fund

PART III

Status of Fund Availability - Fiscal Years 1948 through 1973

	Fiscal Year Transactions	Net Fiscal Year Availability	Net Cumulative Availability
Fiscal Year 1963			
New obligational authority - appropriation	$ 30,000,000		
Current year fees	2,926,017		
Disbursements (Acquisition of local currency as collateral)	-7,627		
Sale of acquired collateral	8,063	$32,926,453	$268,585,915
Fiscal Year 1964			
Current year fees	4,674,441		
Disbursements (Acquisition of local currency as collateral)	-51,459		
Sale of acquired collateral	54,360	4,677,342	273,263,257
Fiscal Year 1965			
Current year fees	7,855,326		
Disbursements (Acquisition of local currency as collateral)	-8,167		
Sale of acquired collateral	10,316	7,857,475	281,120,732
Fiscal Year 1966			
Current year fees	10,179,534		
Disbursements:			
Operating expenses	-1,043		
Acquisition of acquired security as collateral	-190,650		
Sale of acquired collateral	8,467	9,996,308	291,117,040
Fiscal Year 1967			
Current year fees	10,572,841		
Sale of acquired security	201,795		
Disbursements:			
Guarantee claim payments	-59,903		
Claims investigations	-38,718		
Acquisition cost of acquired security or collateral	-6,465		
Adjustments in prior year income:			
Fees received in prior fiscal year applicable to FY 1967	-3,673,704		
Fee income overslated in FY 1966	-1,040,319	5,955,527	297,072,567
Fiscal Year 1968			
Current year fees	12,955,087		
Income from other Agencies	40,165		
Disbursements:			
Administrative costs and contract services	-1,090,346		
Guarantee claims payments	- 438,464		
Acquisition costs of acquired security or collateral	- 185,000		
Borrowing authority rescinded by Act of 90th Congress	-199,071,521	-187,790,079	109,282,488
Fiscal Year 1969			
Current year fees	18,732,720		
Sale of acquired security	15,842		
Disbursements:			
Administrative costs and contract services	-1,937,668		
Acquisition costs of acquired security or collateral	-10,214,415		
Interest expense	-7,800	6,588,679	115,871,167

ECONOMIC AND MILITARY ASSISTANCE PROGRAMS

SPECIAL REVOLVING FUND

PART III

HOUSING GUARANTY FUND

Status of Fund Availability - Fiscal Years 1948 through 1973

	Fiscal Year Transactions	Net Fiscal Year Availability	Net Cumulative Availability
Fiscal Year 1970			
Current year fees (OPIC and Housing combined)	$24,049,693		
Sale of acquired securities	22,950		
Disbursements:			
Administrative costs and contract services (OPIC and Housing combined)	- 3,022,407		
Acquisition costs of acquired securities or collateral	- 5,740,358		
Unobligated balance transferred to Overseas Private Investment Corporation (OPIC)	-30,099,208	-14,789,330	101,081,837
Overseas Private Investment Corporation (OPIC) a/			(50,983,858)
Housing Investment Guaranty Fund			(50,097,979)
Fiscal Year 1971			
Current year fees (OPIC and Housing combined)	17,537,344		
Sale of acquired securities (OPIC only)	453,625		
Other income (OPIC only)	191,503		
Disbursements:			
General administrative expenses (OPIC and Housing)	- 3,942,416		
Acquisition costs of acquired securities or collateral (OPIC)	- 60,888		
Purchase of fixed assets (OPIC)	- 128,832		
Unobligated balance transferred to OPIC	-65,069,140	-51,018,804	50,063,033
Fiscal Year 1972 (estimated)			
Current year fees	2,400,000		
Operating costs	- 2,348,000	52,000	50,115,033
Fiscal Year 1973 (estimated)			
Current year fees	3,050,000		
Operating costs	- 2,735,000	315,000	50,430,033

a/ Under authority of the Foreign Assistance Act of 1969 enacted into law December 30, 1969, 1) the housing programs were to remain in the Foreign Investment Guaranty Fund, and 2) all obligations, assets, related rights and responsibilities for administering the non-housing programs were to be transferred to the Overseas Private Investment Corporation (OPIC). The Act provided that as of the date of its enactment $50 million in accumulated fees were to remain in the Foreign Investment Guaranty Fund as a reserve to discharge liabilities of the housing programs. In fiscal year 1971 all remaining assets and obligations of the nonhousing programs not transferred in fiscal year 1970 were transferred to OPIC.

Effective December 10, 1971 the name of the program remaining in and to be administered by A.I.D. was officially changed from "Foreign Investment Guaranty Fund" to "Housing Guaranty Fund".

ACQUISITION AND UTILIZATION OF U.S. GOVERNMENT-OWNED EXCESS PERSONAL PROPERTY

Policy: Pursuant to the Foreign Assistance Act of 1961, as amended, the policy of A.I.D. is to promote the optimum utilization of U.S. Government-owned domestic and foreign excess personal property in the implementation of A.I.D. projects and programs. Two major programs have been established for the acquisition of available domestic and foreign excess property to meet material requirements, the Section 608 Program and the Direct Acquisition Program.

Section 608 Program: The Foreign Assistance Act of 1961, as amended, authorizes a revolving fund of $5,000,000 to administer this program. From this fund, A.I.D. defrays personnel costs and the expenses which it incurs in transporting acquired property from owning agencies to A.I.D. storage facilities and in rehabilitating and storing such property. As reimbursement of the revolving fund to maintain its solvency, all property supplied under this program presently carries an A.I.D. service charge of (a) for rehabilitated property shipped from the A.I.D. storage facility -- the sum of the cost of inbound transportation, the cost of rehabilitation, and 10% of the original acquisition cost or (b) for unrehabilitated property shipped from the holding activity -- 6% of the original acquisition cost. Additional charges, covering packing and crating, inland transportation, port handling, and ocean transportation costs, will vary depending on the location of the property (domestic or overseas). On the basis of the source of funds for payment of these charges, the Section 608 Program is divided into two segments, A.I.D. Financed and Recipient Financed.

Direct Acquisition Program: Under this program, eligible recipients acquire excess property directly from owning agencies on an "as is - where is" basis. The recipient arranges and pays for any accessorial service which may be furnished in connection with the transfer of the property to its point of use. On the basis of the source of funds for paying for such service, the Direct Acquisition Program is divided into two segments, A.I.D. Financed and Recipient Financed.

UTILIZATION OF U.S. GOVERNMENT-OWNED EXCESS PERSONAL PROPERTY
(Original Acquisition Cost in Millions of Dollars)

PROGRAM	ACTUAL FY 1971			ESTIMATED FY 1972			ESTIMATED FY 1973		
	A.I.D. FINANCED	RECIPIENT FINANCED	TOTAL	A.I.D. FINANCED	RECIPIENT FINANCED	TOTAL	A.I.D. FINANCED	RECIPIENT FINANCED	TOTAL
SECTION 608	6.5	0.7	7.2	4.3	5.7	10.0	4.3	5.7	10.0
DIRECT ACQUISITION	10.8	4.4	15.2	*	*	*	*	*	*
TOTAL	17.3	5.1	22.4	*	*	*	*	*	*

*Not Applicable

ECONOMIC AND MILITARY ASSISTANCE PROGRAMS

Special Revolving Funds

ADVANCE ACQUISITION OF PROPERTY

(In millions of dollars)

	Appropriated by Congress	Appropriations Adjusted Transfers and Other Receipts	Total Available for Obligation and Reservation	Net Obligations and Reservations	Unobligated/Unreserved Balance			Gross Expenditures	Unexpended Balance Carried Forward to Subsequent Year		
					Total	Carried Forward to Subsequent Year	Returned or Reserved for Return to Treasury		Unobligated	Unliquidated	Total Unexpended
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1962	-	5.0	5.0	-	5.0	5.0	-	-	5.0	-	5.0
1963	-	0.1	5.1	1.4	3.7	3.7	-	0.9	3.7	0.6	4.3
1964	-	1.4	5.1	2.1	3.0	3.0	-	1.9	3.0	0.8	3.8
1965	-	2.8	5.8	2.0	3.8	3.8	-	1.6	3.8	1.2	5.0
1966	-	5.4	9.2	5.0	4.2	4.2	-	3.4	4.2	2.8	7.0
1967	-	7.0	11.2	7.2	4.0	4.0	-	6.7	4.0	3.3	7.3
1968	-	4.8	8.8	4.1	4.7	4.7	-	5.3	4.7	2.1	6.8
1969	-	3.7	8.4	3.2	5.3	5.3	-	3.6	5.3	1.6	6.9
1970	-	1.9	7.2	1.7	5.5	5.5	-	2.0	5.5	1.3	6.8
1971	-	3.3	8.8	5.9	2.9	2.9	-	5.6	2.9	1.6	4.5
1962-1971 Cumulative	-	35.4	35.4	32.6	2.9	2.9	-	31.0	2.9	1.6	4.5
1972 (estimate)	-	3.7	6.6	3.2	3.4	3.4	-	3.7	3.4	1.1	4.5
1973 (estimate)	-	3.7	7.1	3.6	3.5	3.5	-	3.6	3.5	1.1	4.6
1962-1973 (Cumulative)	-	42.8	42.8	39.4	3.5	3.5	-	38.3	3.5	1.1	4.6