INTERNATIONAL DEVELOPMENT
and HUMANITARIAN ASSISTANCE ACT of 1971

Presentation to the Congress

PROPOSED FY 1972 PROGRAM

INTERNATIONAL DEVELOPMENT AND HUMANITARIAN ASSISTANCE ACT PROGRAMS

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NEW DIRECTIONS
FOR THE 1970s

NEW DIRECTIONS FOR THE 1970's --

A GENERATION OF DEVELOPMENT

In response to the report by the Task Force on International Development, which called for a renewal of this nation's involvement in the way mankind manages its common problems, President Nixon proposed a major transformation of our foreign assistance programs in his message to the Congress on September 15, 1970. In that message the President also called for a new partnership among nations in pursuit of a truly international development effort. On April 21, 1971, the President sent to the Congress detailed legislative proposals to carry out the transformation and create the framework for the new partnership.

Excerpts from the President's Message:

U.S. foreign assistance is central to U.S. foreign policy in the 1970s in three ways:

First, we must help to strengthen the defense capabilities and economies of our friends and allies. This is necessary so that they can increasingly shoulder their own responsibilities, so that we can reduce our direct involvement abroad, and so that together we can create a workable structure for world peace. This is an essential feature of the Nixon Doctrine.

Second, we must assist the lower income countries in their efforts to achieve economic and social development. Such development is the overriding objective of these countries themselves and essential to the peaceful world order which we seek. The prospects for a peaceful world will be greatly enhanced if the two-thirds of humanity who live in these countries see hope for adequate food, shelter, education and employment in peaceful progress rather than in revolution.

Third, we must be able to provide prompt and effective assistance to countries struck by natural disaster or the human consequences of political upheaval. Our humanitarian concerns for mankind require that we be prepared to help in times of acute human distress.

* * * *

-- Today the lower income countries are increasingly able to shoulder the major responsibility for their own security and development and they clearly wish to do so. We share their belief that they must take the lead in charting their own security and development. Our new foreign assistance programs must therefore encourage the lower income countries to set their own priorities and develop their own programs, and enable us to respond as our talents and resources permit.

-- Today the United States is but one of many industrialized nations which contribute to the security and development of the lower income countires. We used to furnish the bulk of international development assistance; we now provide less than half. The aid programs of other countries have grown because they recognize that they too have a major stake in the orderly progress which foreign assistance promotes, and because their capabilities to provide such assistance have grown enormously since the earlier postwar period.

-- Today the international institutions can effectively mesh the initiatives and efforts of the lower income countries and the aid efforts of all of the industrialized countries. We can thus place greater reliance on such institutions and encourage them to play an increasing leadership role in the world development process.

* * * *

This Nation can no more ignore poverty, hunger and disease in other nations of the world than a man can ignore the suffering of his neighbors. The great challenge to Americans of this decade, be they private citizens or national leaders, is to work to improve the quality of life of our fellow men at home and abroad.

We have a unique and unprecedented opportunity. We do not have all the answers to the questions of poverty, nor adequate resources to meet the needs of all mankind. We do possess the greatest scientific and technological capacity, and the most prosperous and dynamic economy, of any nation in history. More importantly, we have, as a vital element of the American character, a humanitarian zeal to help improve the lives of our fellow men.

We are therefor a nation uniquely capable of assisting other peoples in preserving their security and promoting their development. By doing so, we accomplish three major objectives:

-- We strengthen international cooperation for a peaceful world.

-- We help to relieve the poverty and misery of others less fortunate than ourselves.

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-- We help to build firm foundations of friendship between this Nation and the peoples of other nations.

I have seen for myself just how important is our aid in helping nations preserve their independence, and in helping men achieve the dignity of productive labor instead of languishing on crowded streets. I have seen its importance to children whose chances for a rewarding life have been increased because they have adequate nutrition, schools and books. It is right that we, the richest nation in the world, should provide our share of such assistance.

* * * *

. . . . Foreign assistance is quite clearly in our interest as a nation. We are a people whose sons have died, and whose great statesmen have worked, to build a world order which insures peace and prosperity for ourselves and for other nations. We are aware that this world order cannot be sustained if our friends cannot defend themselves against aggression, and if two-thirds of the world's people see the richer third as indifferent to their needs and insensitive to their aspirations for a better life. To these people it is critical that this be a generation of peace, and our foreign policy is directed at helping to make it so; and for the impoverished it is equally important that it be a generation in which their aspirations for a better life, improved health conditions, and adequate food supply can be realized -- a generation of development, a generation of hope.

Foreign policy is not a one-way street. It requires that other nations understand our problems and concerns, but it also requires that we understand theirs. We cannot ask the lower income countries of the world to cooperate with us to solve the problems which affect our vital interests unless we cooperate with them to help solve the problems critical to their vital interests -- the problems affecting their security and development, and thus affecting the quality of life of their people.

* * * *

I believe that this new approach is of major importance in promoting the national security and foreign policy interests of the United States in this decade and beyond. I believe that it is sound, and will blend as effectively as possible our special strengths with those of other nations and institutions. It is an approach through which we can focus the energies and resources of this great Nation on the security and development problems of those peoples living in poorer nations who wish to improve their lives, but lack the resources and the expertise to do so. I believe that this program is worthy of your support.

I therefore reaffirm my commitment, and the commitment of this administration, to seek an effective U.S. foreign assistance program for the 1970s. It is our objective to work for peace, not only in our time but for future generations, and we can make no better investment toward that end than to participate fully in an international effort to build prosperity and hope for a better tomorrow among all nations.

* * * *

The Need for Legislative Reform:

Development assistance for the needy countries of the developing world has been a basic part of United States foreign policy for more than two decades. It will continue to be an essential part of our foreign policy, but the needs of the times have changed considerably since the Marshall Plan and particularly since the last major revision of this program in 1961. To meet these changed needs and conditions, therefore, a new system for furnishing assistance is necessary.

Basic to the establishment of any such new system is a clarification and simplification of the types of assistance the United States is capable of furnishing and of the methods by which it is furnished. For this reason the assistance programs which have been administered by the Agency for International Development under the authority of the Foreign Assistance Act of 1961, as amended, will now be separated into three distinct categories representing the three basic purposes for which assistance is rendered -- development assistance, security assistance and humanitarian assistance. Security assistance is the subject of a separate bill and separate Congressional presentation. Humanitarian assistance is a part of the International Development and Humanitarian Assistance bill and is discussed in this presentation to the Congress.

The proposed reorganization of development assistance activities will strengthen the institutional framework and make it a more effective, long-term instrument in the international effort to improve the quality of life in the developing world in the decade of the 1970's. The underlying purpose of this development assistance program reflects the basic goal of this nation to help create a peaceful world in which all nations can work together for human betterment. To achieve this goal, developing nations must be given the opportunity to build self-reliant and productive societies in which people at all levels can realize their aspirations for justice, dignity and a better life. The revised organizational structure will provide the means for cooperating with these countries in their efforts to acquire the knowledge and resources essential for development and to build the economic, social and political institutions required to apply this knowledge and these resources effectively to the task of improving the quality of life in their societies.

Six fundamental principles will guide development assistance. These are:

(1) The developing countries themselves must establish their own priorities. Bilateral development assistance will be furnished in relation to the efforts the developing countries are making for their own progress;

(2) Development assistance should concentrate on those problems which most seriously impede the progress of the developing countries;

(3) Development should be a truly international effort. Our bilateral assistance will be coordinated with and complementary to assistance provided through multilateral institutions;

(4) U. S. programs will facilitate regional cooperation among the developing countries;

(5) Development assistance will seek to widen the use of private initiative, private skills and private resources in the developing countries; and

(6) Development assistance must include the building of social, labor and civic institutions as needed to assure wide participation in the development process.

These fundamental principles have guided the formulation of the proposed development assistance legislation.

Proposals for New Development Agencies:

Statutory authorities to carry out these programs will be vested in the President, who will have the power to create new agencies to implement the programs. The new agencies to be created under authorities of the International Development and Humanitarian Assistance bill are the International Development Institute -- to carry out an innovative technical cooperation and assistance program -- and the International Development Corporation -- to carry out the development lending program. The Institute will be an agency of the U.S. Government and the Corporation will be a government corporation created through an Executive Order authorized by the Congress and subject to the provisions of the Government Corporation Control Act. These two new agencies will be coordinated with the Overseas Private Investment Corporation (OPIC) and the Inter-American Social Development Institute (ISDI) (to be renamed the Inter-American Foundation) to provide the specialized instruments necessary for an effective means of meeting the development needs of the 1970's.

Each of these organizations will have a functional area of specialization and will provide the maximum benefits of a concentrated approach to particular development problems. The separate efforts of these four organizations will be closely coordinated to assure that the overall program produces an effective assistance effort for the developing nations and is in conformity with the long-range interests of U.S. foreign policy.

International Development Institute: The International Development Institute will implement technical cooperation and assistance programs with the developing nations. This Institute will be smaller and more specialized than the Agency for International Development. It will seek to concentrate on a limited number of key problem areas impeding development in which the United States has the greatest capacity to respond. It will offer the necessary continuity and stability of a long-range development effort recognized to be an essential factor in a successful development program.

Four principle means will be used to implement the technical cooperation program. These are:

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(1) The application of U.S. research competence in the social and physical sciences to the task of development, emphasizing the solution of specific problems and increasing the research competence of the developing countries themselves;

(2) Help in the building of institutions, in both the public and private sectors of developing countries, to deal effectively with those countries' own problems and carry out a wide range of development functions on a self-sustaining basis;

(3) Provision of necessary training for developing country personnel designed to upgrade their skills, strengthen their professional competence and enhance their capacity to manage their own development programs and to accelerate their economic growth; and

(4) Provision of skilled technical personnel to meet critical shortages limiting the capacity of developing countries, especially those least developed, to formulate and implement development programs.

The Institute will also be vitally concerned with population growth and voluntary family planning programs, which will be emphasized as a fundamental factor in development for all developing nations.

The Institute will follow certain principles in implementing its programs. These are:

(1) Developing countries must determine their own development priorities for assistance and initiate requests for technical assistance;

(2) Wherever feasible, the private sector, including foundations, universities and private firms, will be used in providing such assistance;

(3) Technical cooperation activities will be coordinated with those of the international development organizations with the goal of increasing the planning and coordination role of these organizations;

(4) The effect of assistance on the environment will be considered; and

(5) The number and functions of the Institute's overseas staff will be limited.

The basic authority to be exercised by the Institute is similar in many ways to that of the technical assistance program carried on by the Agency for International Development. It differs in that increased emphasis will be placed on seeking solutions to those key problems impeding development and that assistance will be provided not only directly to developing countries but also to and through multilateral, regional and private organizations for the benefit of developing countries.

The Institute will also establish a program of reimbursable technical assistance through which the Institute will be able to locate and provide technical services and commodities on an advance of funds or reimbursable basis to nations having the resources to pay for such assistance.

The Institute will also manage the American Schools and Hospitals Abroad program which provides assistance to schools outside the United States serving as study and demonstration centers for ideas and practices of the United States and to hospital centers for medical education and research outside of the United States.

The Institute will be organized as an agency of the U.S. Government. It will have a Board of Trustees who will be selected from both the Government and the private sector. Its Chief Executive Officer will also be a member of the Board of Trustees. A three-year authorization of funds has been requested for the Institute and appropriations will be sought on an annual basis.

International Development Corporation: U.S. bilateral development lending activities will be managed by the International Development Corporation. The Corporation will conduct its lending activities in accordance with seven principles. These are:

(1) Due regard shall be given to the ability of the borrower to obtain financing elsewhere on reasonable terms and conditions. This does not mean, however, that the Corporation will only be a lender of last resort, since lending decisions will fundamentally be based on the viability of any proposed project;

(2) Loans will be made on the basis of adequate loan proposals submitted by loan applicants;

(3) Consideration shall be given to whether the borrowers will be in a position to meet their obligations under the loan agreements and will have adequate resources to supervise, monitor and report on proposed loan activities;

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(4) Loans will be made to promote economy and efficiency in operations and to achieve maximum effectiveness for each dollar loaned;

(5) Borrowers will accept responsibility for efficient implementation of loan projects;

(6) Consideration shall be given to the effect of the loan activities on the environment; and

(7) Overseas staff of the Corporation will be limited to performing those functions which cannot be effectively performed in the United States.

The basic authority of the Corporation will be to make loans repayable in dollars to promote the economic and social development of friendly developing countries and areas. The minimum interest chargeable on any loans will be 1 per cent per annum. However, the amount of interest to be charged on each loan will be determined on the basis of the financial ability of the borrower. The Corporation will also be authorized to provide certain limited technical services designed primarily to assist in the identification and preparation of loan proposals and to provide technical assistance directly related to loans which the Corporation has approved or is administering. As a separate feature of the Corporation's loan program, it is authorized to make grants to loan recipients to pay differentials between the costs of U.S. and foreign flag vessels with respect to commodities financed by loans made or administered by the Corporation.

In carrying out its functions the Corporation will have three basic sources of funds. The first is direct annual appropriations for which an authorization of $1,500,000,000 is sought for the three-year period beginning July 1, 1971. A second source will be dollar receipts from loans made under the new legislation or made under the Foreign Assistance Act of 1961, as amended, or predecessor foreign assistance legislation. Foreign currencies used to repay such loans may be sold by the Secretary of the Treasury to other U.S. Government agencies and the dollar proceeds provided to the Corporation for its authorized activities.

The third major source of funds is the borrowing authority which is given to the Corporation by the proposed statute. The Corporation will be authorized to borrow up to $1,000,000,000 over a three-year period and to issue and sell obligations for that purpose. Such obligations will constitute obligations of the U.S. Government and will be backed by the full faith and credit of this government.

As a means of carrying out the Corporation's purposes, there will be established in the U.S. Treasury a revolving fund which will be divided into capital and income accounts. The capital account will be used exclusively for development loans, for payment of shipping differentials and for the repayment of borrowings. The capital account will consist of newly appropriated funds, amounts received from borrowings, principal repayments of dollar-repayable loans, proceeds from the sale or other disposition of loans or obligations made by the Corporation, undisbursed amounts previously appropriated and excess income and revenues transferred to the capital account from the income account.

The income account will be used to pay the administrative and operating expenses of the Corporation, those technical services provided by the Corporation and the interest on debt incurred by the Corporation. Excess income and revenues may be transferred to the capital account. The income account will consist of all income, revenues and other moneys transferred to or received by the Corporation, including interest earned from loans and obligations acquired by the Corporation and interest on all other dollar-repayable loans.

Until disbursed, borrowed funds may be invested in those obligations of the United States determined appropriate for such investment by the Secretary of the Treasury or may be invested in other obligations or securities as the Secretary of the Treasury may deem appropriate. Before making any such investments, however, monies other than those borrowed from the U.S. Treasury must be used to repay outstanding borrowings from the Treasury, including any outstanding interest.

The Corporation will also administer the housing guaranty program, which has now been reorganized on a world-wide basis. This program provides guaranties to eligible investors insuring against loss of loan investments in housing projects in friendly developing countries and areas and in credit institutions in such countries and areas engaged directly or indirectly in the financing of home mortgages. This guaranty program will be financed through a revolving fund in the U.S. Treasury which shall consist of those fees collected in connection with the housing guaranty program

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and funds realized from the sale of currencies and other assets in connection with such programs. It is anticipated that this program will be run by the Corporation on a self-sustaining basis and will require no appropriation of funds or use of other Corporation monies for administrative expenses.

The Corporation will be a government corporation subject to the provisions of the Government Corporation Control Act. It will have a Board of Directors appointed from public and private life. The President of the Corporation will be the chief executive officer who will also be a member of the Board of Directors.

Coordination of Development Assistance Programs: Since this new system of development assistance places increased emphasis on the specialization of functions of the implementing agencies, it is essential that all elements of the program be effectively coordinated. Such coordination is necessary not only to insure an effective and systematized assistance program but also to provide the public and the Congress a single focal point of responsibility for and information about the development assistance program. To achieve this system of coordination a coordinator of development assistance will be appointed the President, with the advice and consent of the Senate. The coordinator will report directly to the President and will be chairman of the Boards of the International Development Corporation, the Overseas Private Investment Corporation, and the International Development Institute, and a member of the Board of Trustees of the Inter-American Foundation.

As an additional means of effecting coordination, the coordinator will head an inter-agency committee composed of the chief executive officers of the four development assistance agencies. He will have a limited staff necessary to pursue his coordination role effectively and to be able to report fully to the Congress and to the public on the progress in implementing the development assistance program.

Existing Development Agencies and Related Programs:

Overseas Private Investment Corporation: Another important part of the new development program will be played by the Overseas Private Investment Corporation (OPIC). Created by the Congress in 1969, OPIC will continue its existing program of encouraging the development of the private sector in developing countries.

Inter-American Foundation: The Inter-American Social Development Institute (ISDI), also created by the Congress in 1969, will provide innovative social development assistance to the countries of Latin America. The Institute proposes to change its name to the Inter-American Foundation to reflect more accurately the nature of its operations and the type of program it implements.

International Organizations and Programs: As a part of the increased emphasis on support of the multilateral framework of assistance, assistance in the form of voluntary contributions to international organizations will be continued. This will be an expansion and reinforcement of similar programs which have been in effect under the Foreign Assistance Act of 1961, as amended.

Centralization of Humanitarian Assistance:

The principal components of U.S. humanitarian assistance -- disaster relief and rehabilitation, famine, and refugee and migration relief and assistance -- have been carried out through numerous offices in the U.S. Government. In the future the management of these programs will be consolidated under a single Assistant Secretary of State. Thus it will be possible to improve our capability to respond more quickly and effectively through improved planning, advance stockpiling and closer and better coordinated relationships with other agencies active in this field.

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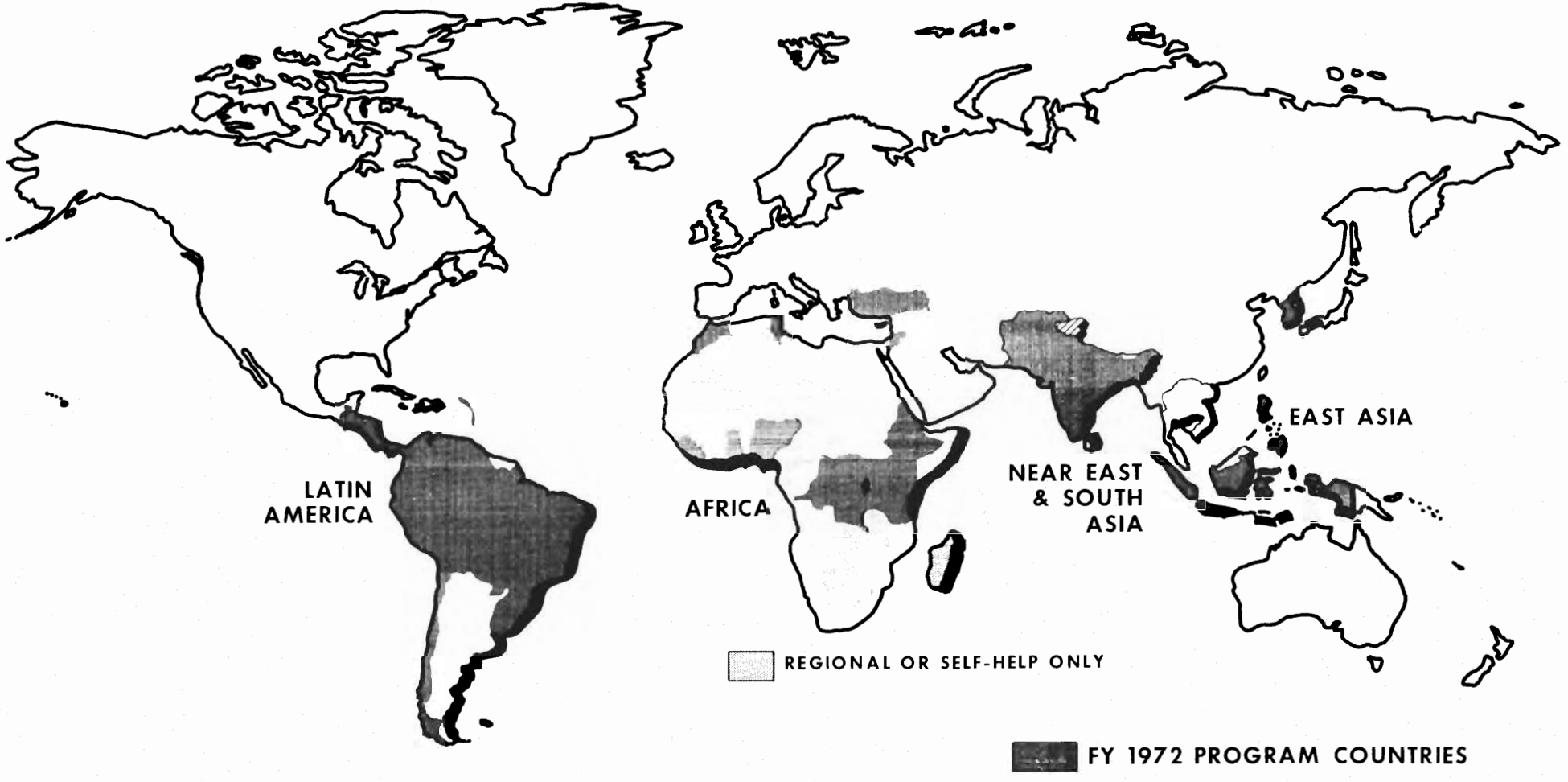
DEVELOPMENT
AID PROGRAM
FY 1972

INTERNATIONAL DEVELOPMENT ASSISTANCE PROGRAM



DEVELOPMENT ASSISTANCE PROGRAM--FY1972

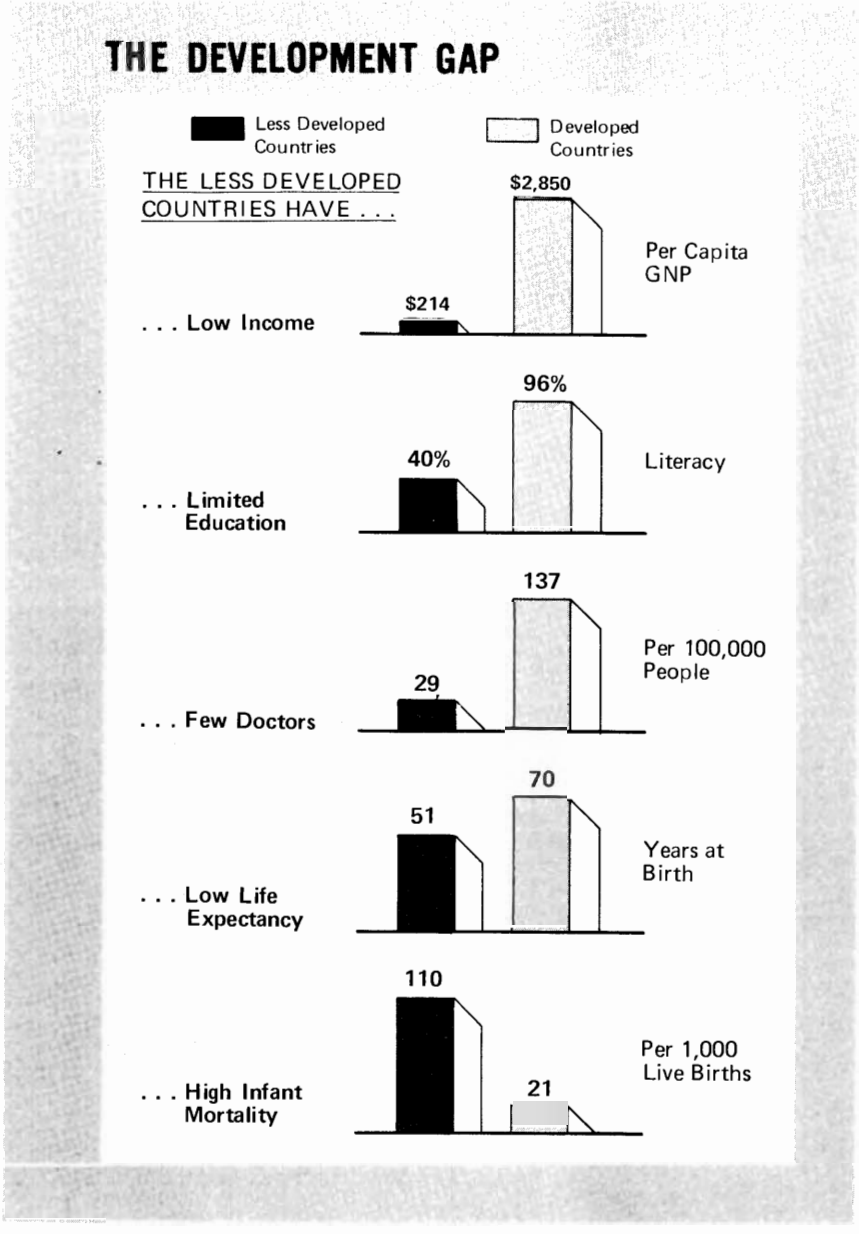
I. WORLDWIDE PROBLEM, WORLDWIDE EFFORT

Over two-thirds of the people of the world live in more than a hundred less developed countries. They enjoy only about one-eighth of the world's production of goods and services.

In the non-communist industrialized countries, the average annual gross national product is about $2,850 per person; in the less developed countries, it islittle more than $200 apiece.

Those raw numbers -- subject as they are to substantial distortion because of cost variations and differences of life styles between economically developed and less developed countries -- are nevertheless suggestive of the disparity that does exist. Behind the statistics lie the realities of living and dying in the developing countries -- widespread disease and malnutrition, high infant mortality, low life expectancy, extensive unemployment, wholesale illiteracy -- the whole catalogue of physical and social ills which measure the human frustration and misery that go hand in hand with underdevelopment.

-- Malnutrition or undernourishment affects most of the children in the less developed countries. In a few, as many as one-half of the children die before they reach the age of five -- primarily because they are malnourished and highly susceptible to "simple" infections and "childhood" diseases such as measles and whooping cough.



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REQUEST AND PROPOSED PROGRAMS UNDER THE INTERNATIONAL DEVELOPMENT AND HUMANITARIAN ASSISTANCE ACT
(In millions of dollars)

Assistance Category	Authorization Request	FY 1972 Appropriation Request (NOA)	FY 1972 Proposed Program a/
Technical Cooperation	1,275.0 b/	382.4 c/	401.5 d/
American Schools and Hospitals Abroad	35.0 b/	10.2	10.2
Development Lending	1,500.0 b/	655.0 e/	935.5 e/
International Organizations and Programs	141.0 f/	141.0 g/	141.1 g/
Indus Basin Grants	72.0 h/	15.0	15.0
Indus Basin Loans	(33.0) h/ i/	12.0	12.0
TOTAL	3,023.0	1,215.6	1,515.3

a/ Proposed program is the total of funds that would be available to carry out programs under the International Development and Humanitarian Assistance Act, consisting of the new appropriations requested and additional funds available for use in FY 1972, such as repayments on prior loans, reimbursements, and uncommitted or deobligated funds from prior years.

b/ For three fiscal years, FY 1972 - FY 1974.

c/ Includes an estimated $27.6 million for administrative expenses.

d/ Includes an estimated $29.6 million ($27.6 million in NOA and $2 million in reimbursements) for administrative expenses.

e/ Includes an estimated $20 million for administrative expenses.

f/ For FY 1972.

g/ Includes $13.3 million for UNRWA funded in FY 1971 from Supporting Assistance. Does not include $4.8 million proposed for the U.N. Force in Cyprus funded from Economic Supporting Assistance.

h/ For use beginning in FY 1972. Represents total remaining U.S. contribution.

i/ Partial reauthorization of $51.22 million already authorized in Foreign Assistance Act of 1967.

-- In some of these countries, there is only one doctor for every 20,000 or 30,000 or in extreme cases 50,000 people, compared to one for every 700 people in the United States.

-- One-fifth of the entire male labor force has either work that does not pay a living wage or no job at all.

-- Two-thirds of the adults are illiterate. Some 300 million school-age children get no schooling at all.

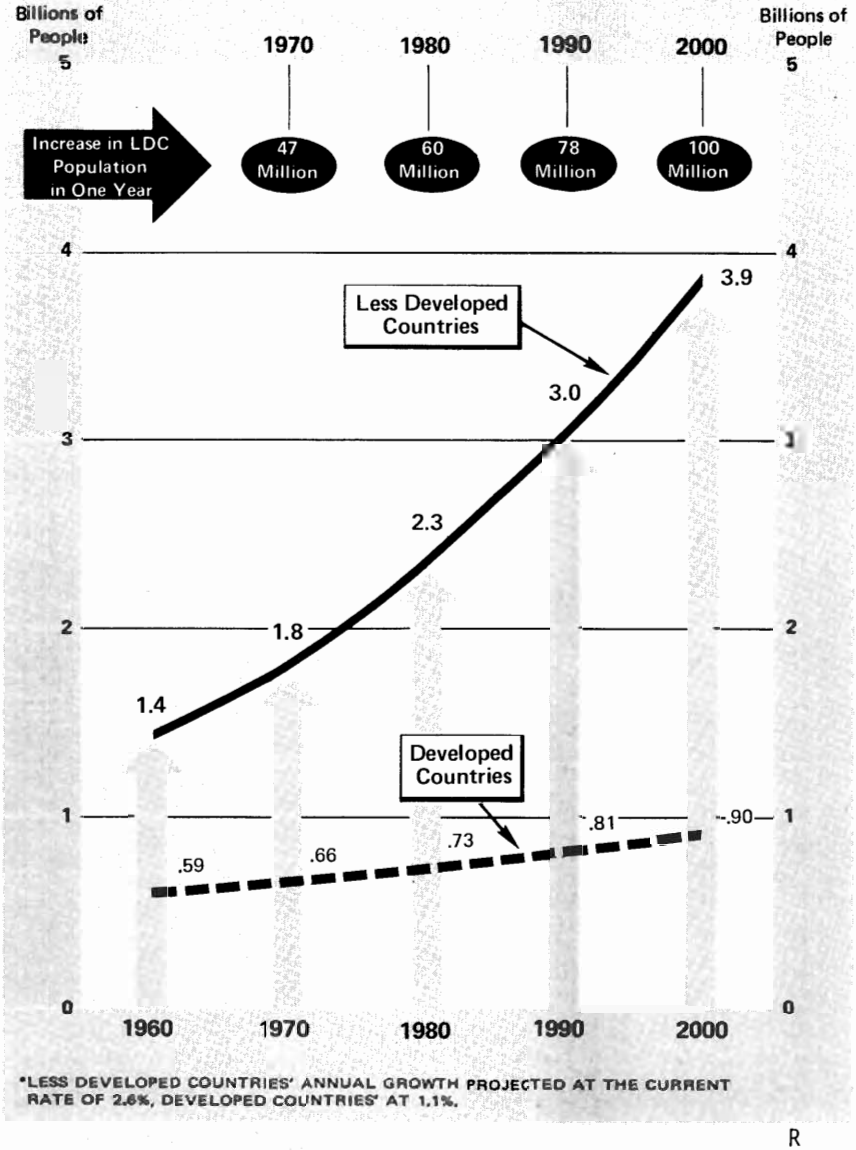
The problems that afflict the people in the less developed countries are not theirs alone -- for the world's problems are not contained by national boundaries. Disease ignores national boundaries, pollution flows across national boundaries; the impact of uncontrolled human reproduction vitally affects the well-being of all nations. Such problems cannot be bottled up. Neither can the sense of injustice, frustration and bitterness which will accrue if people in the less developed world are unable to see progress toward a better life.

For in a world where the poor, seeing affluence around them, are no longer resigned to perpetual poverty, violence is likely to be the result of economic stagnation and social indifference. And violence, too, flows across national borders.

There are now about 3.6 billion people in the world -- three times the population of 100 years ago. In another 100 years, at the present growth rate, there could be 25-30 billion people on the earth. If, by the year 2040, each family had on the average of no more than two children, the world population would stabilize 70 years later in 2110 at about 15 billion, an awesome figure more than four times the present world population. Even if the world could achieve the two-child family by the year 2000 (not an easy task by any means), the world population still would not stabilize until it reached 8.2 billion -- more than double the present population and an immense drain on the earth's limited resources.

We cannot ask ourselves where the rich countries will be in the years ahead without asking where the whole world will be. And we cannot imagine that as the world's increased population places an ever greater burden on the earth's resources -- and on man's capacity to live at peace with his fellow man -- we few in the economically developed countries can live comfortably here while across the continents of Asia, Africa and Latin America billions struggle desperately to eke out an existence. There can be no

POPULATION OF THE LESS DEVELOPED COUNTRIES OF THE NON-COMMUNIST WORLD



*LESS DEVELOPED COUNTRIES' ANNUAL GROWTH PROJECTED AT THE CURRENT RATE OF 2.6%, DEVELOPED COUNTRIES' AT 1.1%.

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assured peace for the rich countries unless we develop a world order based on social and economic progress.

The rich nations of the non-Communist world have responded to these stark facts by joining in a broad international aid effort to help the poorer countries meet the critical problems of development. Recognizing the self-interest, as well as the simple humanity involved, they have provided increasing amounts of assistance over the years to help the developing countries fulfill in greater measure the aspirations of their people for a better life.

The development assistance effort has now become a worldwide cooperative effort to which virtually every major industrial nation contributes -- compared to 15 years ago, when the United States provided the bulk of the aid.

The developing countries, too, are putting more money, talent and political muscle into the effort. Their contribution to their own development far surpasses all the help they receive from other countries. On the average, they are investing eight dollars from their own resources for every dollar which comes to them through foreign assistance.

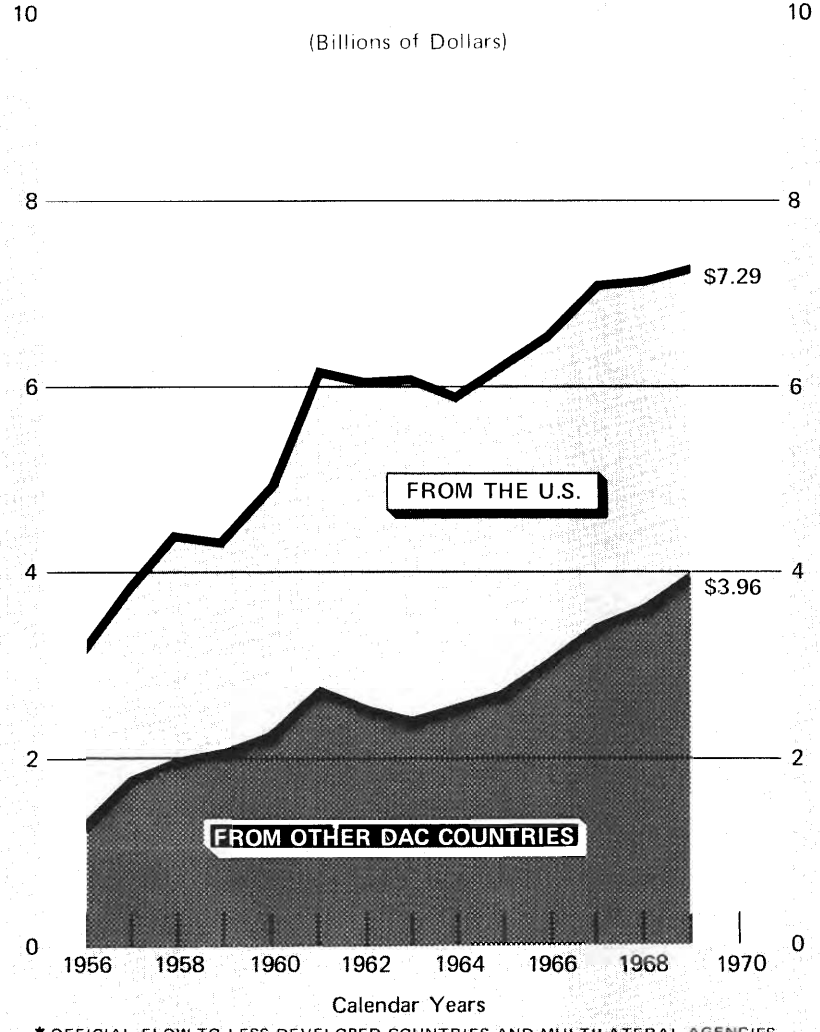
The result has been a sizeable measure of economic growth. The developing countries have increased their Gross National Product at a rate of more than 5% a year over the past decade. This is considerably faster than the growth rates estimated for the presently industrialized countries in the early stages of their development. This progress has not been confined to particular regions or to countries with particular resources, topography, or population.

A number of former aid recipients -- Taiwan, Argentina, Mexico, Iran, Greece, and Israel -- no longer need assistance. Korea and Turkey are candidates to join this group in a few years.

But the record of growth among developing countries is uneven. Major problems remain. Most countries will require some measure of concessional foreign assistance for the next decade, or more. There is now hope, however, on the basis of the record of the past 20 years, that the developing countries' aspirations for a better, more productive life for their citizens can be achieved.

While significant achievements have been realized, the struggle to raise living conditions to acceptable levels has a long way to go.

NET OFFICIAL FLOW* OF FINANCIAL RESOURCES
From the U.S. and Other DAC Countries



* OFFICIAL FLOW TO LESS DEVELOPED COUNTRIES AND MULTILATERAL AGENCIES BASED ON THE DAC DEFINITION OF RESOURCE FLOWS, WHICH INCLUDES, FOR THE U.S., ALL ECONOMIC ASSISTANCE PROGRAMS (A.I.D., PL 480, PEACE CORPS, AND CONTRIBUTIONS TO MULTILATERAL BANKS) PLUS SUCH OTHER RESOURCE TRANSFERS AS EXPORT IMPORT BANK LOANS, DATA FOR OTHER COUNTRIES ARE ON A COMPARABLE BASIS.

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As we have planned our development assistance program for the 1970's, we have tried to strengthen it with adjustments designed to build on past progress as well as deal realistically with the world of the coming decade.

The U.S. Role

For over 20 years the United States has played a leading role in the international development effort. We should continue to play a major role, for economic and social progress in the less developed world remains important to us, as it does to other industrialized countries and to the developing countries themselves. But the world has changed, and the United States no longer needs to play the dominant role.

In many of the poorer countries, the capability for planning and setting priorities has been improved to the point where they no longer need -- and are rejecting -- extensive guidance in development from others. They need access to new technology, and they need capital assistance, but they are increasingly capable of employing these inputs themselves.

Moreover, the growth of worldwide cooperation in development assistance has brought increased requirements for international and regional leadership. Many multilateral institutions have responded with strengthened capacities for the guidance of bilateral assistance programs such as ours and for the operation of truly international assistance programs.

Thus, today our contribution can best be made as part of the common effort in which the international agencies and the developing countries themselves increasingly take the lead.

The Types of Aid. The U.S. role in the international development effort takes several forms, of which foreign aid is the most obvious and direct. But only part of the total U.S. foreign aid program is designed to further development; foreign aid is also used to meet immediate human needs and to help other countries achieve greater security. The President's new proposals would divide the U.S. foreign aid program into three components -- development aid, humanitarian aid and security aid -- to distinguish more clearly the separate purposes of each. Although there may be some overlap among the three types of aid, there are clear distinctions to be drawn in the overriding purpose -- as well as in the nature of the results -- of each kind of aid.

What is Development Aid? Development aid is provided to assist the economic and social development of less developed countries, i.e. increase their economic growth and distribute available goods and services more widely. The provision of development aid may result in increased security or direct and immediate relief of human suffering, but those are not its main purposes. Similarly humanitarian aid and security aid often contribute to development, even though they are provided for other reasons.

Development aid is meant to support economic and social change -- to increase agricultural and industrial production, to educate and train people, to help prevent population growth from outrunning economic growth, to build lasting institutions, to reduce economic disparities and promote wider distribution of the benefits of economic progress. The aims of development aid are fundamentally long term; its goals can seldom be achieved quickly. It is not a very good instrument to try to achieve short-term political purposes, and it should not be measured against that standard.

In the long run, what happens in the developing world will determine in large part the fate of mankind. Our future cannot be separated from the future of the rest of the world. Development aid is a long-term investment in both.

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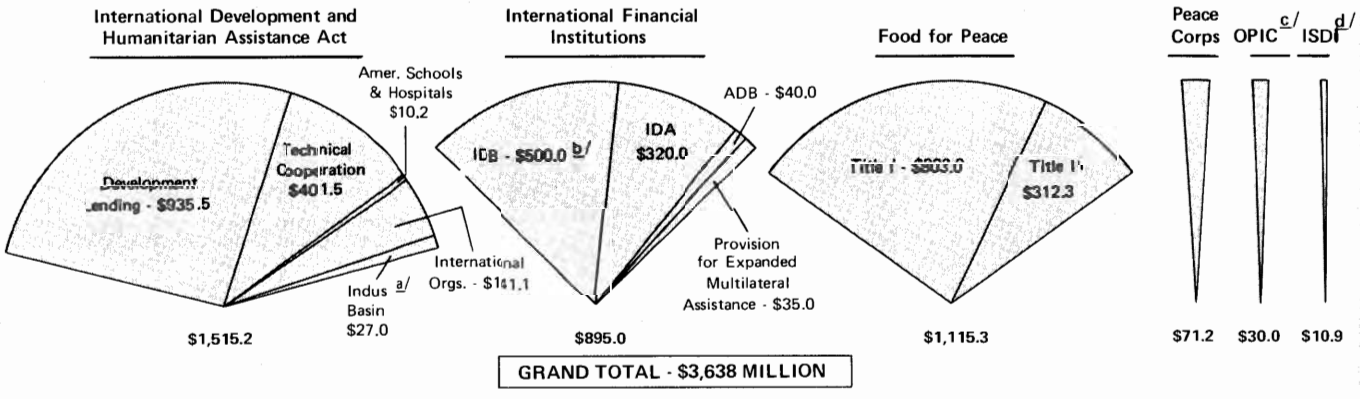
U.S. DEVELOPMENT ASSISTANCE PROGRAMS PROPOSED FOR FY 1972

(Millions of Dollars)



a/ $15 MILLION IN GRANTS AND $12 MILLION IN LOANS.
b/ $450 MILLION CONTRIBUTION TO FUND FOR SPECIAL OPERATIONS AND $50 MILLION SUBSCRIPTION TO PAID-IN ORDINARY CAPITAL.
c/ REPRESENTS ONLY OPIC'S ESTIMATED DIRECT LENDING PROGRAM; DOES NOT INCLUDE U.S. INVESTMENT ASSISTED BY OPIC INSURANCE AND GUARANTIES.
d/ TO BE RENAMED THE INTER-AMERICAN FOUNDATION.

II. U.S. INTERNATIONAL DEVELOPMENT ASSISTANCE PROGRAMS

The United States provides development aid under a variety of programs.

Authority for some of these programs -- primarily Technical Cooperation, Development Lending and Voluntary Contributions to International Organizations and Programs -- is now contained in the Foreign Assistance Act and is being sought for FY 1972 and beyond in the International Development and Humanitarian Assistance Act of 1971. This volume contains the basic Congressional presentation materials for those programs.

Authority for other programs -- contributions and subscriptions to international financial institutions, Food for Peace (P.L. 480), the Peace Corps, the Inter-American Social Development Institute (to be renamed Inter-American Foundation), and the Overseas Private Investment Corporation (OPIC) -- is contained in other legislation and presented to the Congress elsewhere.

Some of these programs are bilateral -- although often provided in a multilateral framework. Others -- contributions to UN technical assistance activities and to international banks -- are entirely multilateral.

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INTERNATIONAL DEVELOPMENT AND HUMANITARIAN ASSISTANCE ACT

Technical Cooperation

People -- their skills, their productivity, and the institutions they build and administer -- are the primary business of technical cooperation. Technical cooperation is the primary means of assisting the people of the developing countries to acquire, adapt and generate the knowledge, skills and institutions they require for economic and social growth and modernization. Started under the Point IV program in 1950, technical aid continues today to be a critical requirement for efficient use of a developing country's own resources or resources from abroad.

Self-sustaining growth depends on the effective use of natural resources, capital facilities and labor. Technical assistance is designed to accelerate the process by which people are educated, skills transferred and attitudes changed so that people can more effectively help themselves.

In the 1960's, technical assistance activities continued to emphasize the institutional bases for development -- for example, education and training systems, extension services, development banks and intermediate credit institutions, hospitals and clinics. By the end of that decade, several significant changes had occurred.

-- Most developing countries had made substantial improvement in their capacity to plot their courses and carry out their own development. Many of the institutions we helped to build in the 1950's and 60's are operational in the 1970's.

-- There was increased desire that overall economic development raise the quality of the lives of individual people in the developing countries.

-- The success of the Green Revolution had demonstrated the great potential of research and related technical activities.

How will technical cooperation change in response to these factors?

1. By responding to the initiatives of the developing countries on key problems they identify as the most pervasive bottlenecks in their modernization and growth. Major areas already recognized include

   -- inadequate quality and quantity of the food supply;

   -- rapid population growth;

   -- inadequate training capabilities, particularly for management and technical skills; and

   -- scarcity of institutions for the adaptation of technology to specific developing country situations.

2. By mobilizing U.S. strength in science and technology. We will involve government and non-government communities in the task of adapting and applying modern methods and appropriate technologies to specific problems.

3. By focussing attention on program planning, management and evaluation, to build institutional capacity for the long-term tasks of development.

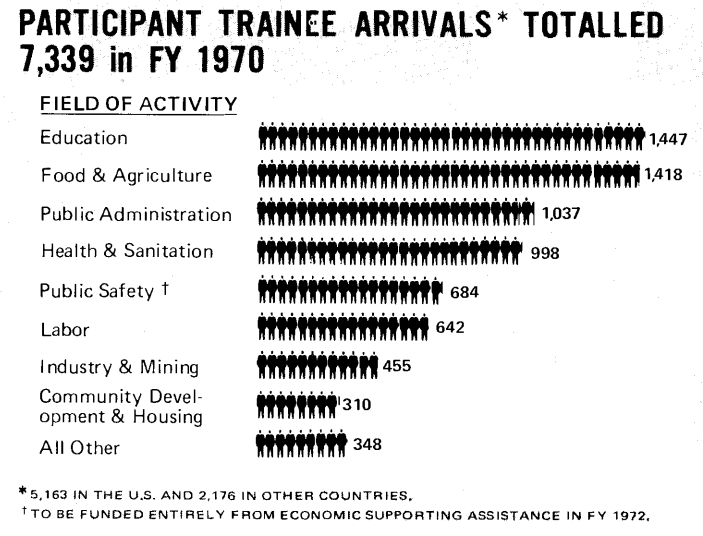
4. By improving coordination with other donors through collaboration with and support of multilateral technical assistance activities.

Technical assistance is of several types --

Research. Increasingly, U.S. research competence in both the social and physical sciences is being directed toward the solution of development problems, primarily to build institutional capacity for research within the developing countries and to be directly applied to their problems.

Institution building is the most lasting and far-reaching function of technical assistance. It is not accomplished quickly, but it is being accomplished. U.S. advisers, overseas training for foreign nationals, organizational and program planning insight, imagination, and time have helped developing countries establish institutions or improve existing ones. When the effort is successful, the institutions develop momentum and a capacity to evolve and renew themselves; they become able to respond to new problems.

Training is a direct investment in people. It includes formal education, training in skills from crop spraying to accounting, and accumulation of all kinds of experience in modern ways of doing things. Technical assistance is most effective if it enhances the capacity not only of people who receive direct training, but also of others to whom they pass on their new abilities.



The training of foreign nationals in the United States and third countries makes them effective agents of change. Since the beginning of the program, 20 years ago, almost 150,000 of these "participants" have received technical training under the U.S. economic assistance program. In FY 1970 the number of participants who started training was 7,339; about the same number is expected in FY 1971. When they return to their own countries, they contribute to modernization by using their new knowledge and skills and transmitting them to others.

Advisory Technical Services. For the foreseeable future, developing countries will require assistance in formulating development policies and programs, in defining investment and planning priorities and in improving the operations of government ministries and enterprises. They will also continue to need technical assistance to the private sector in the fields of research and institution building. In some cases the United States may clearly be the best source of the relevant skills, and it will be important to be responsive to such needs where there are significant opportunities to assist a country's development program.

The FY 1972 appropriation request for development assistance includes $382.4 million for Technical Cooperation.

American Schools and Hospitals Abroad

The American Schools and Hospitals program enables private, nonprofit institutions overseas, sponsored or founded by U.S. citizens, to maintain high standards and to operate in a manner which reflects favorably on the United States. To the extent that these U.S. institutions abroad help to convey the best elements of U.S. education and medicine, they attract the students that will ultimately emerge as leaders in their socieities and contribute to the economic and social progress of the areas where they are located.

Each institution receiving assistance has its own organization, plant, and private funds (raised here and abroad), and contributes a quality of leadership which the U.S. Government could not begin to command with the funds requested for FY 1972. Accordingly, in terms of cost, the United States gets much more than a dollar's value for each dollar of assistance given.

For FY 1972, we are requesting $10.1 million for the American Schools and Hospitals program.

Development Lending

Development loans finance a wide range of commodities and related technical services which less developed countries need for such facilities as schools, clinics, irrigation works and roads. They finance the import of products such as fertilizer, farm equipment, trucks, iron and steel, chemical and rubber products, industrial and electric machinery, raw materials and spare parts necessary for agricultural and industrial development.

There are three basic types of development loans -- project loans, program loans and sector loans.

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Project loans finance specific undertakings such as irrigation projects, fertilizer plants, roads, sewage systems, electric power plants or credit programs.

Program loans finance the import of commodities which are needed to sustain the overall development process, and are often associated with fiscal or monetary reforms or other self-help steps affecting the entire economy of the borrowing country.

Sector loans provide resources needed to help a country carry out an integrated program in one particular sector such as agriculture or education.

Development loans are repaid to the United States with interest in dollars. Interest rates charged to the borrowing country on development loans are lower than commercial rates, and maturities are longer. If they were not, the loans would not be aid at all.

Formerly 3/4% for the life of the loan, interest rates have gradually hardened and are now 2% during the grace period and 3% thereafter. While the United States has been hardening its loan terms, most of the other member countries of the OECD's Development Assistance Committee (DAC) have been softening theirs. Under the President's new proposals, loan terms would be more flexible, with a 1% minimum, in order to accommodate the differing needs and capabilities of the borrowing nations.

U.S. development lending is coordinated with the lending of other donors through consortia and consultative groups led by the World Bank and other international agencies, as well as through mechanisms such as the Inter-American Committee on the Alliance for Progress (CIAP). In the future, it is expected that the trend towards multilateral coordination of development lending will be further expanded, with the United States looking to international institutions to provide the framework for U.S. lending programs.

Housing Investment Guaranty Program

The Housing Investment Guaranty program provides a full U.S. Government guaranty to U.S. private investors making housing loans to the developing world. Authority to issue guaranties has been expanded annually and now amounts to $710.1 million, encompassing a worldwide program. A fee is charged for guaranties, and the income produced by this fee is available to meet administrative expenses and claims. The program operates without cost to the U.S. taxpayer.

The original authority to finance pilot demonstration projects was broadened in 1965 to include projects involving housing finance institutions, trade unions, cooperatives and lower-income housing. An increasingly large percentage of new guaranteed loans are now being granted to central housing finance institutions for relending to local savings and loan and other mortgage finance institutions. The effect of this policy has been to strengthen these local financing institutions.

INTER-AMERICAN SOCIAL DEVELOPMENT INSTITUTE

(Proposed To Be Renamed The Inter-American Foundation)

The Congress created the Inter-American Social Development Institute as a public corporation in the Foreign Assistance Act of 1969. The Institute represents a special effort to bring about a new approach to development in the Western Hemisphere, to satisfy the need for experimentation and innovation in social development.

The Institute is just coming into being as a functioning corporation, and work is beginning to evaluate current social development activities in Latin America and the Caribbean in order to launch a program consistent with Congressional intent.

Last October, study groups were appointed to prepare the various program, organizational and administrative options available. This spring the Board of the Institute plans to complete its review of these studies and set forth the criteria, guidelines and operating procedures to begin the Institute's activities in partnership with the peoples of Latin America and the Caribbean.

The major purpose of the Institute is to increase sharing by individual Latin Americans in development decisions and benefits. Working largely through private organizations, it will seek

- -- to strengthen the bonds of friendship and understanding among the people of this hemisphere;
- -- to support self-help efforts designed to enlarge opportunities for individual development;
- -- to stimulate and assist effective and increasing participation of the people in the development process;

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-- to encourage the establishment and growth of democratic institutions, both private and governmental, appropriate to the requirements of the individual sovereign nations of this hemisphere.

The Institute will establish criteria for determining the specific projects which it will support, based on the concepts spelled out by the House Foreign Affairs Subcommittee on Inter-American Affairs -- innovation, experimentation to overcome bottlenecks to progress, sensitivity to and support of the efforts of the Latin American and Caribbean people, independence of short-term political factors which affect the day to day course of U.S. Government policy, and responsible recognition and assumption of risks to help solve specific development problems primarily through and with the private sector.

In the Foreign Assistance Act of 1969, the Congress authorized $50 million from FY 1970 and FY 1971 economic assistance funds to be made available to the Institute. $30 million has been transferred to the Institute, and the Institute has requested transfer of the remaining $20 million authorized. With these resources, the Institute intends to fund its activities without new appropriations for an initial experimental period. The Institute has budgeted $5.8 million for its program in FY 1971, and $10.9 million is proposed for FY 1972.

OVERSEAS PRIVATE INVESTMENT CORPORATION (OPIC)

OPIC is a new U.S. Government corporation established in January 1971 to manage incentives to the investment of U.S. private capital and know-how in the developing countries. These incentives include

-- insurance against the political risks of expropriation; currency inconvertibility; and war, revolution or insurrection;

-- financial guaranties of loans or equity investments against default or loss from any cause other than fraud or misrepresentation by the investor;

-- direct loans in dollars or local currency;

-- pre-investment assistance in the form of information, counseling and financial cost-sharing.

Inheriting the overseas investment incentive programs previously administered by A.I.D., the corporation was created to operate on a businesslike basis, with a joint public-private Board of Directors. Its legislative charter charges OPIC to be financially self-sustaining in its financing operations, and to apply the principles of risk-management to its insurance program. To be eligible for OPIC assistance, projects must be new (or expansions), financially sound, competitive, welcome in the host country and responsive to the needs of social and economic development.

Insurance written since the beginning of the program in 1948, and currently in force as of December 31, 1970, was $2.5 billion for expropriation, $2.1 billion for war, revolution and insurrection, and $700 million for inconvertibility. In FY 1972, OPIC plans to commit $550 million for inconvertibility insurance, $850 million against expropriation, and $850 million covering war, revolution and insurrection, for a total maximum contingent liability of about $850 million.

The total of financial guaranties outstanding is $169 million, and $120 million more is planned for FY 1972. Also, the first direct loans, amounting to approximately $5 million, are planned for FY 1971, with an additional $30 million estimated for FY 1972. Local currency (Cooley Fund) loans outstanding total 225, the dollar-equivalent amount of which is $154 million.

Some 347 investment surveys have resulted in 52 projects involving a total planned investment of $104 million. In FY 1972, approximately $750,000 is planned for pre-investment assistance.

FOOD FOR PEACE (P.L. 480)

The Agricultural Trade Development and Assistance Act of 1954, commonly called the Food for Peace Act or P.L. 480, is multi-purpose legislation which authorizes the use of the abundant productivity of United States agriculture to expand international trade, develop and expand export markets for U.S. agricultural commodities, combat hunger and malnutrition and encourage economic development, and promote U.S. foreign policy.

P.L. 480, now in its 17th year of operation, has proved its value for all these purposes. Food for Peace commodities, while expanding export markets for U.S. farm products, augment resources for economic development and serve humanitarian needs in disaster and emergency situations.

Food assistance under P.L. 480 may take the form of sales for non-convertible local currencies (which will be discontinued after December 31, 1971), long-term credit sales at low interest rates repayable in dollars or convertible local currencies, or donations. Sales agreements are government-to-government. Donations are made to governments, multilateral institutions and private U.S. voluntary agencies. To date, nearly $20 billion in agricultural commodities has been provided under the program -- $14.1 billion in sales, $3.8 billion in donations and $1.7 billion in barter.

P.L. 480 program commitments are estimated at a level of just over $1.1 billion in FY 1972 -- about $850 million in Title I long-term dollar credit and sales for foreign currency and the remainder in food donations under Title II.

Title I Sales

Most developing countries now assign high priority to expanding local food production. However, in spite of significant progress, many must still rely on imports to meet the minimum food requirements of their people. Given their rapid rates of population growth and the obstacles to rapid expansion of food production, this situation will likely prevail for the foreseeable future. P.L. 480 helps these countries meet their food needs and minimize the diversion of scarce foreign exchange from development purposes to finance food imports. At the same time, local currencies generated under Title I sales agreements are used to support development efforts such as expanded food production.

Title II Donations

Donations of food are made under Title II of P.L. 480 to meet famine and other extraordinary relief requirements -- to combat malnutrition, especially among children, through school lunch and pre-school feeding programs -- and to promote economic and social development in less developed countries.

The Title II donations program is perhaps the most significant and dramatic example of "people-to-people" assistance. Title II commodity donations were extended to 79 million people in over 100 countries in 1970. The program provided food as payment or partial payment of wages to approximately 14 million workers and their families engaged in self-help projects that contribute to overall economic, community and social development. The program fed and substantially raised the level of nutrition of approximately 35 million school children and 10 million pre-school children and pregnant and nursing mothers. Another 2 million children benefitted from other feeding programs. In addition, Title II programs provided food assistance to over 4 million refugees, 12 million victims of natural and other disasters, and 2 million general relief recipients, most of whom are infirmed in institutions.

The availability of P.L. 480 resources is a major factor enabling us to respond promptly and effectively to such natural disasters as the Peruvian earthquake, floods in Romania, and the cyclone in East Pakistan.

Title II food donations are also channeled through the World Food Program, which uses food contributed by many countries to combat malnutrition and advance economic development. The global operations of the program have risen to an annual level of about $150 million at present, of which the U.S. contribution amounts to about 42%. By the mid-1970s, the program is expected to reach about $300 million a year.

PEACE CORPS

Peace Corps Volunteers are part of the U.S. development assistance effort. They provide needed services in less developed countries, improve the knowledge of the United States in these countries, and serve to broaden American understanding of the less developed world.

In 1962, the first full year of the Peace Corps, 2,816 Volunteers and trainees operated in 17 countries; by 1971, there were more than 10,000 in 61 countries. These volunteers offer a wide variety of skills -- volunteers are working in India to improve the quality of dairy herds and to develop small businesses; in Kenya to bring irrigation water to grasslands and upgrade medical education; in Iran, to teach vocational education in such areas as electronics, mechanics, carpentry and sheet metal work; in Venezuela, to teach hospital administration.

Although teaching remains the principal occupation of Volunteers, today the Peace Corps is moving toward placing Volunteers with backgrounds or degrees in technical areas to work in assignments which are better defined and integrated into the host country's programs.

A program of $71.2 million is proposed for the Peace Corps in FY 1972.

MULTILATERAL PROGRAMS

Multilateral cooperation in providing development assistance to the less developed countries is one of the fundamental tenets of U.S. aid policy and one of the major emphases of the President's new proposals. This policy reflects the principles that the industrialized countries must share the responsibilities and costs of the development effort, that pooling or coordinating use of resources and ideas can increase the effectiveness of aid, that international institutions should now take the lead in the worldwide development effort, and that international channels are especially advantageous in sensitive fields such as population programs. Multilateral aid coordination can heighten efficiency, minimize overlap and strengthen integration of aid from many sources to a particular recipient. It also helps strengthen international institutions which are essential to a more peaceful and progressive world.

One type of multilateral cooperation is embodied in the international agencies through which the United States provides a substantial amount of development assistance.

OFFICIAL DEVELOPMENT ASSISTANCE
PROVIDED BY INTERNATIONAL AID INSTITUTIONS TO
DEVELOPING COUNTRIES, CY1962-1969

(In millions of dollars)

	1962	1963	1964	1965	1966	1967	1968	1969
World Bank (IBRD)	507	636	574	822	603	569	1,048	1,162
International Development Association (IDA)	187	210	425	190	457	64	116	463
International Finance Corp. (IFC)	23	14	22	21	54	37	44	82
Inter-American Development Bank (IDB)	121	211	205	318	396	464	404	624
Asian Development Bank (ADB)	-	-	-	-	-	-	42	82
African Development Bank (AFDB)	-	-	-	-	-	3	3	8
European Development Fund (EEC/EIB)	-	23	19	52	49	51	52	45
United Nations Agencies a/	182	219	240	252	272	270	300	350
	1,198	1,369	1,562	1,880	1,976	1,595	2,146	2,973

a/ Expenditures or authorizations

VOLUNTARY CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS AND PROGRAMS

Under the International Development and Humanitarian Assistance Act, contributions are proposed for ten UN-related programs and to the Indus Basin Development Fund.

Multilateral Assistance Through The United Nations

The amount requested for FY 1972 for these activities is $141 million. The programs assisted include --

-- UN Development Program (UNDP). The UNDP is the focal point for the efforts of the whole UN system to provide assistance to developing countries. For FY 1972, $100 million is requested for the U.S. contribution to UNDP activities, which include surveys to attract investment capital, aid for development of institutions for economic and social growth, and technical advice.

-- UN Children's Fund (UNICEF). UNICEF provides supplies, equipment and training to help improve the health and welfare of children and mothers in over 100 developing countries.

-- UN Fund for Population Activities (UNFPA). UNFPA is a central coordinating and financing body for activities throughout the UN system which helps UN member countries identify and cope with population problems.

-- UN - FAO World Food Program. The World Food Program uses food aid on an international basis to improve nutrition, pay for work on development projects and feed victims of natural disasters.

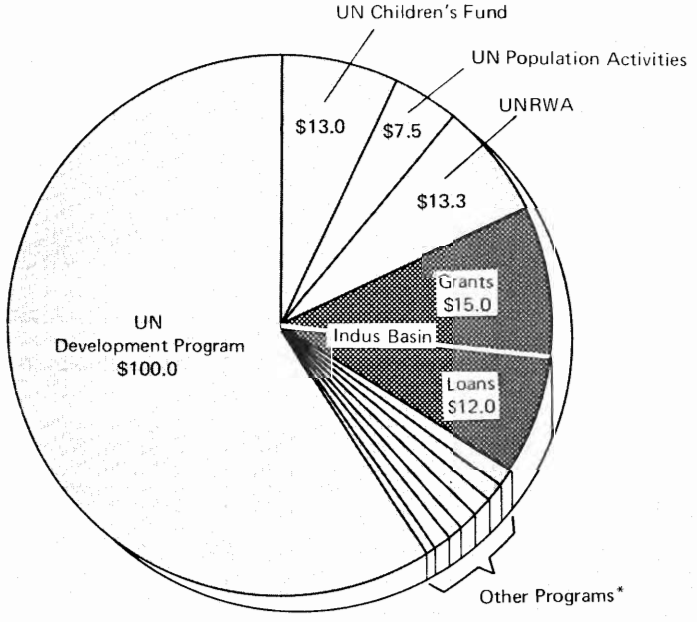
-- UN Fund for Drug Abuse Control. This is a new program to provide technical aid in controlling narcotics production and traffic, disseminating information on drug abuse, and treating and rehabilitating addicts.

-- UN Relief and Works Agency (UNRWA). Contributions to UNRWA help feed, house, educate and provide health services for Palestine refugees.

During the past decade the annual rate of commitments by the UN development agencies has more than tripled. At the same time contributing nations, especially the members of the Development Assistance Committee (DAC), have increased their support at a substantially higher rate than the United States.

VOLUNTARY CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS & PROGRAMS

PROPOSED FY 1972 PROGRAMS - $ Millions



TOTAL FY 1972 PROGRAMS
$168.1 Million

*INCLUDES THE FOLLOWING:
UN Narcotics Fund - $2.0
International Atomic Energy Agency-$1.6
UN FAO, World Food Program - $1.5
World Meteorological Org. - $1.5
UN Institute for Training & Research - $0.4
WHO Medical Research - $0.3
International Secretariat for Voluntary Services - $0.07

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Indus Basin Development Fund

The Indus Basin Fund was established by international agreement and is administered by the World Bank. It is financing construction of dams and other facilities to provide an equitable distribution of the waters of the Indus Basin between India and Pakistan. Begun in 1960, the project helped remove one serious source of friction between the two countries and is providing irrigation to over 50 million people.

The United States, seven other countries and the World Bank contribute to the $1.5 billion Fund. Estimated U.S. contributions in FY 1972 are $15 million in grants and $12 million in loans.

CONTRIBUTIONS TO MULTILATERAL BANKS

The United States contributes directly, under separate legislation, to international financial institutions such as the International Bank for Reconstruction and Development (IBRD) and its affiliate the International Development Association (IDA), the Inter-American Development Bank (IDB) and the Asian Development Bank (ADB), which pool contributions from member countries to provide capital assistance to developing countries. A total of $895 million is requested for such contributions in FY 1972.

Institutions such as these now supply over one-fourth of total official aid commitments from non-communist countries.

The World Bank Group of financial institutions -- the International Bank for Reconstruction and Development (IBRD), International Development Association (IDA), and International Finance Corporation (IFC) -- is the largest multilateral channel for aid.

IBRD loans made on hard terms increased substantially from $847 million in FY 1968 to $1.4 billion in FY 1969 and to $1.7 billion in FY 1970. In 1970 the United States supported a $3 billion increase in the capital of the Bank. Of the U.S. share of $246.1 million, only $24.6 million is paid-in capital, the balance being callable capital to be kept in the U.S. Treasury as backing for the Bank's bonds.

IDA credits rose from $385 million in FY 1968 to $606 million in FY 1970. World Bank transfers to IDA from net income amounted to $100 million in FY 1970. During 1970 the United States participated in international negotiations that led to agreement in principle on doubling donor inputs to IDA during FY 1972-FY 1974. The U.S. share of the total $2.4 billion third replenishment would remain 40%, or $960 million over the three-year period ($320 a year), while other countries would contribute the remaining 60%, or $1.44 billion. Legislation authorizing the U.S. contribution is being submitted to the Congress. Appropriation of the $320 million first installment of the U.S. share is proposed for FY 1972.

The Inter-American Development Bank (IDB), involving the 21 Latin American Republics and the United States, committed $644 million for Latin American economic and social development in 1970 -- $201 million in hard loans from ordinary capital and $443 million from the Fund for Special Operations (FSO). The FSO makes loans on flexible terms to member countries whose balance of payments situations will not sustain loans on conventional terms, or for projects of high social importance with a delayed or indirect rate of economic return.

During 1970 the United States joined with other members of the IDB in supporting an increase in the resources of the Bank. The Congress approved an $823 million increase in the U.S. subscription of ordinary capital, of which $150 million is to be paid in three equal installments during FY 1971 - FY 1973. The balance of $673.5 million is for callable capital, half in FY 1971 and half in FY 1973, to be kept in the U.S. Treasury as backing for the Bank's bonds. In addition, the Congress authorized the U.S. representative to the Bank to vote for a $1.5 billion replenishment of the FSO, of which the U.S. share would be $1 billion. The Congress also authorized appropriation of the $100 million first installment of the U.S. contribution, and appropriation of that amount is being requested in FY 1971. Pursuant to proposed authorizing legislation, the remaining $900 million would be paid in two equal installments in FY 1972 and FY 1973.

The Asian Development Bank (ADB) has 21 Asian regional members and 14 non-regional members, including the United States. By the end of 1970, the ADB had made loans totalling $245.6 million. The United States has now paid in fully its subscription to paid-in ordinary capital. Another $100 million in callable capital to enable the Bank to market the equivalent value of its bonds has also been appropriated. Authorization has been requested for a $100 million U.S. contribution to the Bank's Special Fund for concessional lending. Appropriation of $60 million is being sought in FY 1971 and $40 million in FY 1972.

The African Development Bank (AFDB) has a membership of 31 African countries. By the end of 1970, the AFDB had made loans totalling

$25.6 million. Negotiations are well under way for the creation in the Bank of a Special Fund for concessional lending. The United States and other non-member countries are currently considering contributions to this fund.

The President's FY 1972 budget contains provision for $35 million of additional multilateral assistance. Consideration is being given to using these funds for U.S. contributions to the African Development Bank, noted above, and to the International Finance Corporation, the private enterprise affiliate of the World Bank.

MULTILATERAL COORDINATION

The major bilateral and multilateral development aid programs described above are coordinated internationally through consortia and consultative groups for individual developing countries and through various arrangements for general consultation on assistance matters.

MULTILATERAL COORDINATION OF AID TO INDIVIDUAL DEVELOPING COUNTRIES

Consortia, consultative groups and similar mechanisms, normally led by the World Bank or other multilateral agencies, are the primary means used by donor countries and international institutions to coordinate development aid programs to individual countries. These coordinating groups provide a framework to assess the problems, requirements and performance of particular developing countries and a means of assuring donors that they are supporting consistent development goals and that aid resources are used efficiently.

Such groups, in which both donor countries and international agencies participate, link bilateral and multilateral financial assistance, but have had limited concern with technical assistance. The World Bank is a member of all the groups, while the International Monetary Fund (IMF), the UN Development Program (UNDP), the European Economic Community (EC) and the regional development banks participate as appropriate.

The coordinating groups have varying forms and procedures. The Indian Consortium and the Pakistan Consortium under the sponsorship of the World Bank and the Turkey Consortium under the auspices of the Organization for Economic Cooperation and Development (OECD) are highly structured groups. As a coordinating body, a consortium assesses the development plans and foreign exchange requirements of the recipient and obtains from donor members indications of levels and kinds of assistance; then commitments are made. Consortia have also been effective in focussing both donors' and recipients' attention on the development policies of the recipient government; for example, the Consortium for Turkey played a major role in encouraging the Turks to undertake their economic reforms of August 1970.

Consultative groups, which are less formally structured than consortia, do not require donors to indicate the amount of assistance to be provided. There are 10 active consultative groups under World Bank sponsorship for nine less developed countries and one three-country region -- Colombia, Korea, Malaysia, Morocco, Nigeria, Ceylon, Ghana, Thailand, Tunisia and East Africa (Kenya, Uganda, Tanzania).

The Indonesia aid coordination group has some of the features of a consortium. Chaired by the Netherlands, it receives staff support from both the World Bank and the IMF.

MULTILATERAL CONSULTATIONS

The Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD) is the main mechanism for general coordination of bilateral aid. The 16 members of the DAC -- including the United States -- provide over 90% of total worldwide official aid; the members consult frequently on volume, terms, methods and criteria, and review each other's aid programs every year. The United States actively participates in the DAC's work.

Other DAC members, in part as a result of U.S. encouragement, substantially expanded the volume and improved the terms of their aid programs during the 1960's.

The United States also participates actively in the Inter-American Committee on the Alliance for Progress (CIAP), which reviews development problems and progress and identifies resource gaps in Latin American countries.

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MEMBERSHIP IN CONSORTIA, CONSULTATIVE AND OTHER AID COORDINATION GROUPS a/
1969 OFFICIAL COMMITMENTS b/

(Millions of U.S. Dollars)

	Consortia			Consultative Groups									Other AID Coordination Groups	
	IBRD		OECD	IBRD									IBRD	
Receipient / Donor	India	Pakistan	Turkey	Colombia	East Africa	Ghana	Korea	Malaysia	Morocco	Nigeria	Thailand	Tunisia	Ceylon	Indonesia b/
IBRD	40.0	19.2	-	127.6	26.1	-	40.0	21.5	68.3	35.6	46.5	10.0	43.5	-
IDA	227.5	77.2	-	-	25.2	14.8	15.0	-	7.5	-	-	10.5	17.0	80.5
IDB				50.6										
African Dev. Bank					4.4				2.8	-		-		
Asian Dev. Bank	-	-					17.5	8.1			10.0		11.2	12.4
EEC			44.7											
Australia							0.2	4.7			10.0		0.2	6.7
Austria	1.4		2.1									12.0		
Belgium	3.0	1.0	1.5	-			-	-	-	-	-	-		1.2
Canada	106.8	54.3	-	15.5	7.5	10.9	2.3	1.5	0.4	2.1	0.9	7.2	7.1	
China														
Denmark	0.7		-	-	3.5	*		-			0.4	2.0	-	
Finland														
France	15.4	9.0	-	-	-	2.7	-	-	39.7		-	35.5	0.9	23.1
Germany	71.4	53.3	31.0	8.5	7.2	1.9	5.0	1.2	6.4	13.9	2.8	11.6	4.4	48.2
India														
Italy	16.2	5.4	25.3	2.8	10.5 /c	0.1	0.6	*	0.6	0.1	0.6	8.8	*	20.1
Japan	28.2	48.0	-	-		-	97.4	11.3		3.5	34.0			91.3
Kuwait												n.a.		
Libya												n.a.		
Netherlands	-	-	3.5	-	-	8.8	-	-	-	-	-	2.0		51.8
New Zealand								n.a.			n.a.			
Norway			0.6		4.2	0.3								
Spain				n.a.					n.a.			n.a.		
Sweden	2.9	5.6	0.1		13.8							3.6		
Switzerland			0.1	*		*		0.1	*	2.5	*	0.2		
United Kingdom	93.3	39.2	12.8	0.3	33.0	16.9	0.1	6.3	0.1	8.9	1.2	*	11.7	5.5
United States	387.6	76.7	91.5	147.2	17.8	22.6	290.5	4.9	42.0	56.0	34.2	56.8	27.7	223.0
Total	994.4	388.9	213.2	352.5	153.2	79.0	468.6	59.6	167.8	122.6	140.6	160.2	123.7	563.8

a/ Does not include the consortium for Greece, to which the United States does not belong, or the consultative groups for Sudan and Peru, which have not met in recent years and have no meetings scheduled.
b/ Multilateral data are U.S. FY 1970; bilateral data are calendar 1969.
c/ Intergovernmental Group for Indonesia chaired by the Netherlands.

Notes:
New consultative groups are being created by the IBRD for the Congo(k), Ethiopia and the Philippines.
* Less than $50,000
\- The dash means a member did not contribute.
n.a. Data not available

III. HOW MUCH DEVELOPMENT AID DOES THE UNITED STATES PROVIDE?

The amount of development assistance being provided by the United States is modest compared to this country's economic capacity and to the efforts of other economically developed countries.

International Development and Humanitarian Assistance Act Programs. The $1.2 billion appropriation request for development assistance programs to be carried out under the International Development and Humanitarian Assistance Act amounts to

-- only about half of one percent (0.5%) -- one two-hundredth -- of the Federal Budget, and

-- little more than 1/10th of one percent (0.1%) -- one thousandth -- of our Gross National Product (GNP).

The Total U.S. Development Assistance Program. The total U.S. development aid program proposed for FY 1972 -- both bilateral and multilateral -- amounts to $3.6 billion, or about 1-1/2% of the Federal Budget and less than one-third of one percent (0.3%) of our GNP.

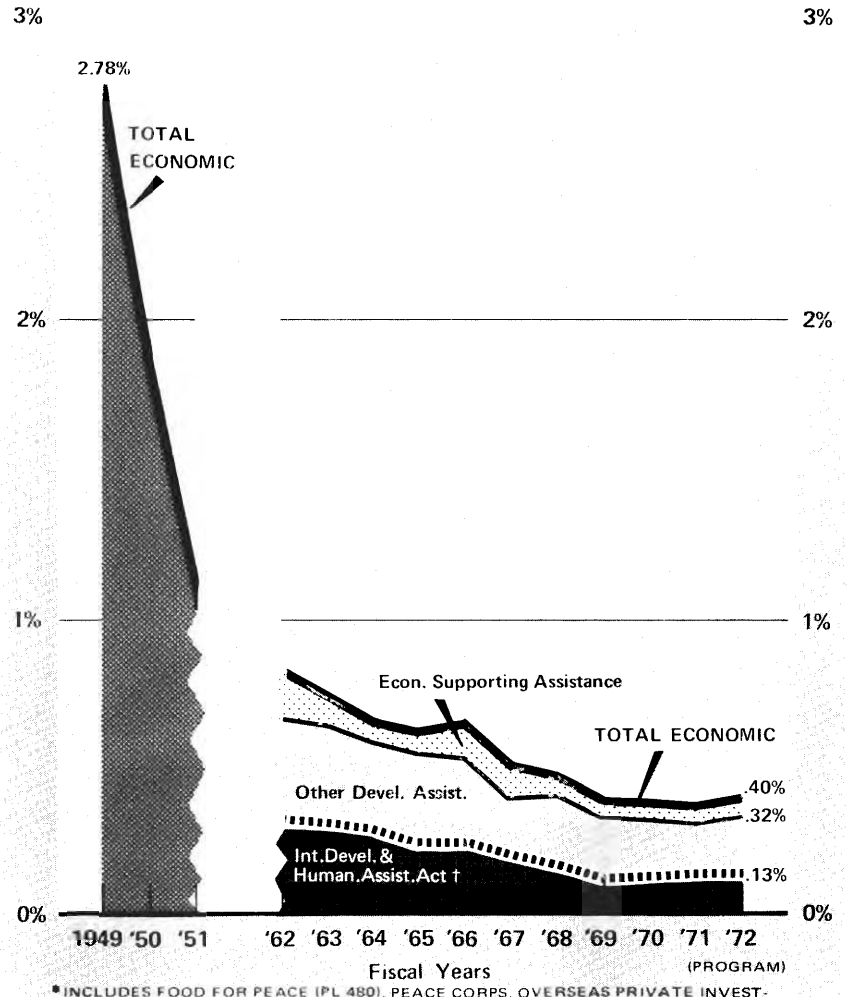
All U.S. Foreign Economic Aid. The total of all U.S. foreign economic aid proposed for FY 1972 -- whether development, humanitarian or security aid -- amounts to less than $4.5 billion. This is about 2% of the Federal Budget and well under 1/2 of 1% of our GNP, compared to about 6 times those percentages during the beginning of the Marshall Plan.

HOW THE UNITED STATES COMPARES
WITH OTHER COUNTRIES

The United States -- with a GNP greater than all the other DAC members combined -- now contributes less than half the economic aid going to less developed countries and multilateral agencies, with other countries' contributions expected to continue rising during the 1970's.

U.S. ECONOMIC ASSISTANCE as a PERCENT OF GNP

Net Obligations and Loan Authorizations



*INCLUDES FOOD FOR PEACE (PL 480), PEACE CORPS, OVERSEAS PRIVATE INVESTMENT CORPORATION DIRECT LENDING, INTER-AMERICAN SOCIAL DEVELOPMENT INSTITUTE, SOCIAL PROGRESS TRUST FUND, AND CONTRIBUTIONS TO INTERNATIONAL FINANCIAL INSTITUTIONS.
†PRIOR YEARS SHOWN ON A COMPARABLE BASIS.

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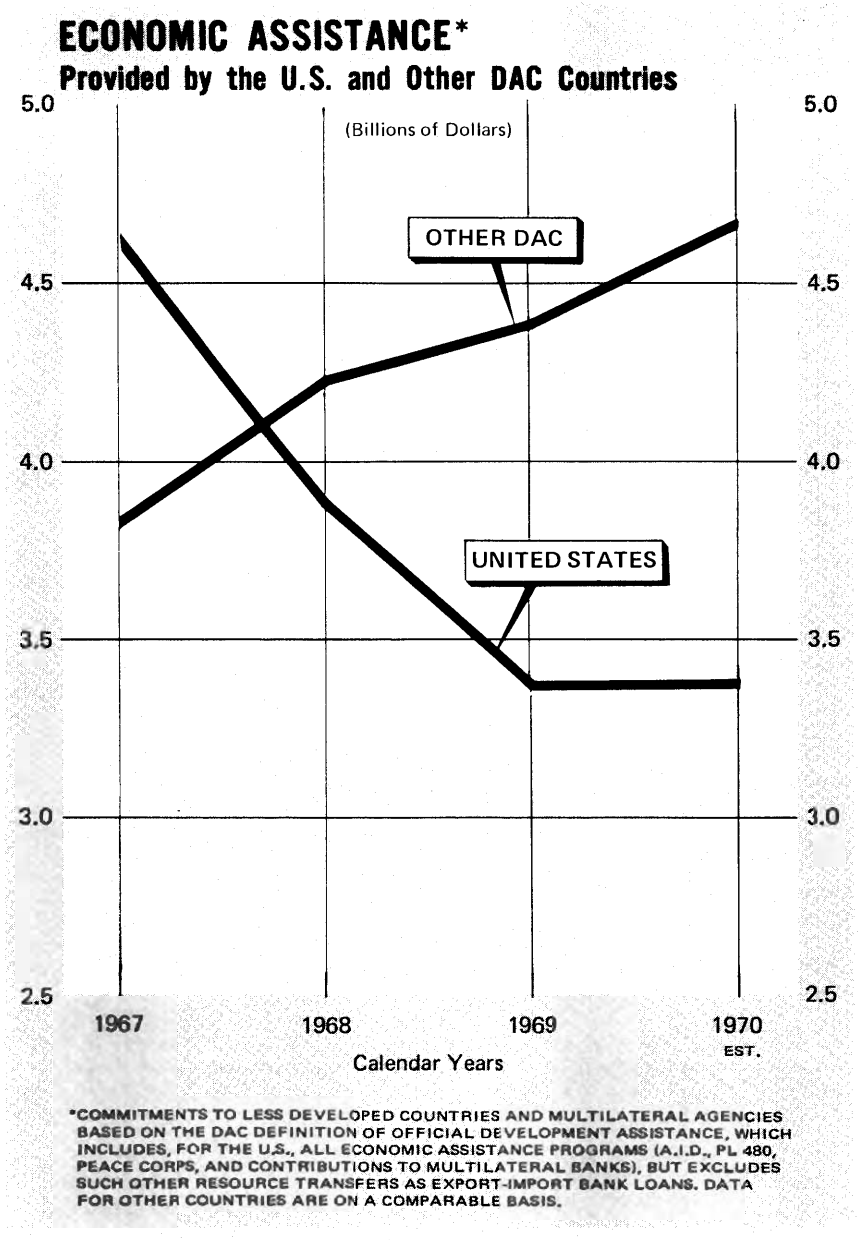
There are several ways of measuring foreign assistance -- not all of them very meaningful. The DAC and the UN have set 1% of Gross National Product as a goal for the industrialized countries, but count toward that target flows of private funds, as well as official government resource flows, and the latter include everything from hard-term export credits to outright grants. Seven of the 16 DAC member countries exceeded the 1% target in calendar year 1969, the latest year for which figures are available. Many DAC countries have five-year plans to reach the target. The United States has subscribed in principle to the 1% target, but has not set any time in which to achieve it. By this standard of total financial resource flows as a percent of GNP, the United States ranked last among DAC member countries in 1969.

Official Development Assistance. In the last few years, the DAC has been using a more meaningful concept, called "official development assistance" (ODA), which excludes not only private funds, but also most hard-term credits and financing provided primarily to finance exports rather than to benefit developing countries. By this standard (which is approximately equivalent to total U.S. economic assistance), the United States ranked in 11th place in 1969.

Even the concept of official development assistance is an imperfect measure of foreign aid, primarily because while it contains only assistance provided on concessional terms, the terms nevertheless vary considerably, from grants to a few quite hard loans. The United States also ranked 11th among the DAC countries in relative softness of the terms of aid provided in 1969.

In short, the United States, which has more, gives less, and our proportion of the economic aid provided by all countries is still declining.



IV. COSTS AND BENEFITS OF AID TO THE U.S. ECONOMY

Most foreign aid does not consist of giving money to other countries. Development assistance in particular is heavily weighted in favor of loans and credits, which are repayable with interest in U.S. dollars -- and which are being repaid. Most P.L. 480 Title I sales are now made for dollars or convertible local currencies, and of the $1.5 billion program proposed for FY 1972 under the International Development and Humanitarian Assistance Act, some three-fifths consists of dollar loans.

U. S. Procurement

The aid program for the most part sends U.S. goods and services to the developing countries. Aid dollars buy goods from over 4,000 American companies and pay some 1,000 private institutions, firms and individuals in all 50 states for technical and professional services to carry out projects overseas.

-- Commodity procurement. In FY 1970 A.I.D. funds bought $976 million worth from all over the United States, accounting for 98% of A.I.D.-financed commodity procurement.

-- Technical services contracts. As of June 30, 1970, A.I.D. had 1,284 active technical service contracts with private institutions, companies and individuals, valued at $632 million.

-- University contracts. Of these, 127 American colleges and universities held 332 contracts worth $242 million.

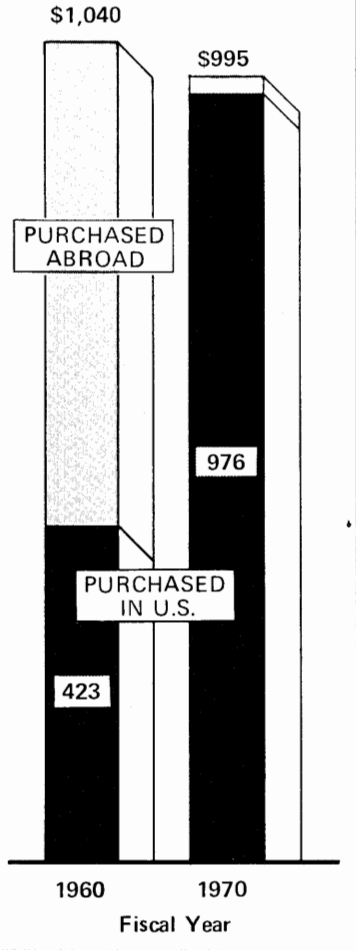
In addition, American carriers earned about $90 million in FY 1970 transporting A.I.D.-financed products to the less developed countries.

During the past 18 months two modifications of our tied aid policy were introduced. Since November 1, 1969, Latin American firms have been eligible to compete with U.S. firms for

A.I.D.-FINANCED COMMODITY EXPENDITURES

MAJOR COMMODITIES PURCHASED IN U.S.

FY 1970 vs. FY 1960 – Millions of Dollars



Major U.S. Purchases	FY 1960	FY 1970
Industrial Machinery	$19	$142
Chemicals	18	139
Iron & Steel Mill Products	14	106
Fertilizer	9	98
Motor Vehicles	41	90
Electrical Machinery	11	59
Nonferrous Metals	10	41
Engines & Turbines	4	41
Petroleum & Products	17	39
Agr. Equipment & Tractors	8	31
Pulp & Paper	3	25
Textiles	4	17
Rubber & Products	4	13

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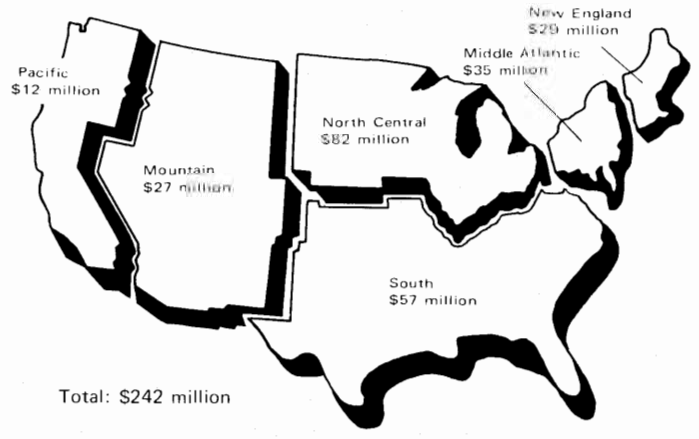
127 U.S. COLLEGES AND UNIVERSITIES WORKING IN 33 COUNTRIES UNDER TECHNICAL SERVICE CONTRACTS

Value of Contracts by Region, June 1970



procurement financed by Alliance for Progress Loans. To date this change in policy has not resulted in any significant shift in procurement from the United States to other sources. A similar change in aid tying policy became effective on September 15, 1970. Under this policy, loan-funded goods and services may be procured from most non-communist low-income countries as well as from the United States. Estimates of its effect on the U.S. balance of payments suggest a very limited impact.

To increase the effective value of aid to recipient countries and eliminate political frictions caused by tied aid, the President has proposed the untying of bilateral development loans on a fully reciprocal basis. Virtually all the industrialized countries have agreed to the principle of untying. Details of a system offering suppliers of all participating countries a fair and equitable basis for competition are now being worked out.

Balance of Payments

This nation's balance of payments and gold outflow problems result primarily from our large defense expenditures, U.S. investments abroad and tourist spending overseas -- not from the foreign aid program. In fact, there is currently a dollar inflow from the program, which results from an excess of payments of principal and interest on prior-year loans over the comparatively small dollar outflow caused primarily by occasional offshore procurement and purchases of local currencies. The inflow is expected to amount to an estimated $79 million in FY 1971. No reliable estimates can be made for future fiscal years.

Creating Future Markets

U.S. development assistance programs help build long-run demand for U.S. exports,

-- U.S. aid programs strengthen countries economically, making them better customers for U.S. exports.

-- U.S. products often are exported to countries for the first time through aid financing, paving the way for later commercial sales of those products.

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V. PROGRAM EMPHASES

AGRICULTURAL AND RURAL DEVELOPMENT

Progress in agriculture is fundamental to economic and social development. Perhaps the most basic task of development is to increase and diversify agricultural production to combat hunger and malnutrition, to provide income and employment to the rural masses who constitute 50% to 75% of the population of developing countries, to provide raw materials and capital for industrial development, and to provide exports to earn critical foreign exchange.

Food production in developing nations has expanded impressively in recent years. The most dramatic progress has been made since 1967, when technological breakthroughs were achieved in cereal food grains as a result of research financed by the Ford and Rockefeller Foundations and various aid donors, including A.I.D. Improved varieties of wheat and rice were developed; these varieties enabled significant production increases in certain climates, with particular resource environments and management, and with necessary accompanying government policies. Countries where these conditions were present experienced impressive increases in cereal grain output; these countries include India, Pakistan, Turkey, Philippines and Mexico.

U. S. Assistance

The United States is playing an important role in helping developing nations, both those affected by the Green Revolution and those who were not affected, to confront the numerous, severe problems of agriculture which still remain to be solved. The first is the basic problem of food production -- to help nations increase agricultural output to overcome the food deficits which exist in most poor countries. We are helping to finance a wide variety of essential inputs, including the new crop varieties, other seeds, fertilizer, irrigation facilities, pesticides, machinery and equipment. Our programs help less developed countries improve marketing systems. Through research and programs to increase plantings of new high-yield, high protein food crops, and by encouraging expansion of livestock production, the massive problem of malnutrition is being attacked. We are also conducting research in a wide variety of other areas important to agricultural development, including soil and water management, pesticides, livestock, education and training programs, and agricultural planning and analysis. In the past 10 years, we have trained more than 18,000 agricultural participants in the United States and assisted more than 100 agricultural schools in developing countries. Finally, we have advised the governments of numberous countries in policy formulation, particularly in the critical areas of pricing, resource allocation, taxation, import, credit and land tenure.

POPULATION AND HEALTH

Population, health and nutrition programs are three interrelated aspects of our effort to improve the quality of life of the people of the developing nations. The quality of a man's life is, in the first instance, determined by his physical health and the adequacy of his diet. It will not be possible to improve the quality of people's lives if rapidly increasing quantities of people place additional demands on limited resources. Similarly, the severe and widespread problems of disease and malnutrition will be intensified unless accelerated population growth is curtailed.

Population

The magnitude of the problem of rapid population growth is widely known; its full implications for every aspect of society, and thus for general development, are now beginning to be fully appreciated. This has resulted in a greater sense of urgency throughout the world and a new awareness of the need for comprehensive programs to confront the problem.

Yet the means to cope with this critical problem are not fully developed. Contraceptive technology still has a long way to go; simple, low-cost contraceptives have yet to be developed, and effective techniques for motivating couples to plan smaller families are still being studied. There are shortages of qualified doctors, nurses, administrators and planners. Population programs in most developing countries are only in their early stages -- although some countries like Korea, Taiwan and Singapore have made notable progress.

In recent years, the U.S. aid program has given high priority to assistance to help reduce population growth rates. The program has grown from $2 million in FY 1965 to $100 million planned for

FY 1972. The United States has played a significant role in assisting less developed countries to analyze their population problems, to develop their own family planning policies, and to design and implement action programs. This assistance is given only upon request and only to programs in which people are free to participate or not; compulsion plays no part in our program.

We are helping countries set up demographic sample survey systems, and participants from 31 countries are being trained in sample survey design and analysis and in census and data handling activities. One of the most important aspects of the population program is research in fertility control methods, which is attempting to develop more safe, effective, simple and inexpensive contraceptives. Support is also given for studies in population dynamics and the interrelationships between demographic and socio-economic variables. We are trying to improve the delivery of contraceptives and are providing supplies to more than 60 countries, as well as supporting government programs and international foundation projects to distribute these supplies and services. Finally, manpower training programs have been expanded for technical, administrative and professional personnel, and new programs have been initiated in public education and information.

Health

A nation's economic health is largely dependent on the physical health of its people. Disease reduces man's productivity, limiting his effectiveness for the whole range of development tasks. Disease is still a massive problem in many developing countries. To help combat that problem, U.S. aid programs emphasized the development of a modern health technology; malaria and smallpox control programs were extremely successful, and health training facilities and programs were expanded in many countries. We plan to continue these efforts in disease control and eradication, as well as programs to establish and operate safe water and sewerage systems. In addition, we will initiate programs to help developing countries extend health programs and facilities into the countryside to reach the rural people. This is essential for advancing family planning programs as well.

Nutrition

Good nutrition is essential to good health. Malnutrition is extremely widespread in developing countries. Malnutrition is a major cause of the high death rate of children; it stunts growth, reduces resistance to disease, and causes mental retardation. Our nutrition programs are largely exploratory attempts to deal with this severe problem. The programs emphasize the research to develop new and inexpensive protein supplies and fortified cereals, nutrition education and training programs, and the exchange of information among nutrition experts and field workers.

EDUCATION AND MANPOWER DEVELOPMENT

Education is a major component of U.S. assistance programs.

-- In FY 1970, there were more than 30 million students enrolled in schools or colleges around the world which have been assisted by the United States.

-- In the same year about 15,000 foreign nationals were receiving advanced training in the United States under our participant training program. More than 150,000 key personnel from the developing countries have now been trained in the United States under this program since its inception.

It is also one of the major concerns of the developing countries -- as much as two-thirds of the annual growth in national fiscal revenues was spent on education during the 50's and 60's. Despite great effort by donors and the developing countries, over half of the school age population in the less developed world is still not in school. School systems have doubled and tripled in size in the past 20 years, but the school age population has been increasing by 60% in the same period.

Furthermore, the greatest disparity is in the relationship of education to the central problems of development -- more productive agriculture and improved rural life, industrial technology and commercial productivity, efficient government, urbanization

and employment. Most traditional systems of education poorly prepare their graduates for the societies they will enter.

Nearly all present systems reach too few people with the wrong kind of education and at prohibitive costs. Thus the crucial issue for the '70s is not just education, but the kind of education -- and how to deliver it at reasonable cost to great numbers of people.

The U.S. aid program has been active in curriculum reform, integrating agriculture and technical arts into the normal course of study, modernizing the method of teaching reading and writing, and bringing modern concepts of mathematics and science into the curriculum. Assistance will continue to improve teaching standards at all levels and expand expertise in technical and managerial fields.

U.S. assistance is now shifting to new priority areas -- refinement and extension of reforms in formal education systems; increased emphasis on vocational and sub-professional training institutions outside the formal system, such as on-the-job training, apprenticeships, adult education programs, and extension services; expanded research and experimentation in instructional technologies; and investigation of improved means of educational finance and efficiency.

Experimental projects in the use of new technologies which developing countries cannot undertake alone are one such type of assistance; detailed research into educational and learning systems which highlights problems and acts as a catalyst is another. Some countries need personnel to work on innovative projects or fill temporary gaps. All countries need practical research and improved analysis to help them answer specific problems with rational solutions and a new integration between the researchers in education and the practitioners -- administrators, planners and teachers -- so that new ideas are quickly translated into action. All of them need help in identifying new ways of financing education and better measures of where educational investments will have the greatest value.

Even for the more advanced of developing countries, it will not be easy in the next decade to modernize and improve educational management, teaching and the curricula, as well as increase the emphasis on non-formal education. For the least developed countries, where the resources on which to build are sharply limited, the task will be even harder.

INDUSTRIAL AND URBAN DEVELOPMENT

Industrial Development

Industrialization, an essential element in development, is a complex process. An integrated industrial economy requires the concurrent development of physical infrastructure, such as transportation and electric power; productive industries, such as mining, manufacturing and construction; capital markets, including development banks and intermediate credit institutions; high levels of investment, both domestic and foreign; and a favorable balance of payments position, possible through steady exports and tourism.

In the past, our assistance has concentrated on physical infrastructure -- joint ventures between recipient countries and American companies have developed mining operations; fertilizer and aluminum plants have been established; thermal and hydroelectric power generating stations, and transmission and distribution systems have been built. In transportation, assistance has been directed to institution-building capital development inputs for roads and highway systems, navigation aids and communications facilities have been provided for air transport, and ports and harbours have been developed for water transport.

In recent years, there have been increased efforts to promote private industrial enterprise in the developing countries (1) by encouraging direct private investment from the United States, now through the OPIC, (2) by advising on the development of local capital markets and supporting credit institutions, and (3) by assisting in tourism and the identification of products which could be manufactured in the developing countries for export sales.

Development banks and intermediate credit institutions in less developed countries use loan funds provided by the United States to make subloans to local entrepreneurs. This system of lending, which expands existing credit institutions and establishes new ones, allows for lending on a small scale to small businessmen and permits the application of these institutions' local knowledge to the business of investment. Assistance is also provided to other financial institutions to mobilize capital for development and to broaden the ownership of industry.

In addition, we have furnished technical and financial assistance for management training centers, business schools, engineering schools, productivity institutes, industrial research centers,

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quality control and technical standards agencies, handicraft centers, small industry development centers, cooperative organizations, professional, trade and manufacturing associations, investment promotion organizations and credit institutions.

Urban Development

Only recently have the problems of rapid urbanization become evident; as a result, past assistance efforts have been largely ad hoc in nature. They have included the housing investment guaranty program; loans for construction of urban roads, water and sewerage facilities and low cost housing; efforts at developing urban planning and administrative skills; and attempts at urban community development.

PRIVATE ENTERPRISE

Private resources and individual energies must be applied to the task of development. Economic progress has been greatest in countries which have allowed private enterprise to flourish and enabled the individual to participate actively in the development process.

U.S. development aid programs strengthen private initiative in the developing countries in a number of ways. For example --

-- Technical Cooperation helps strengthen individual skills and knowledge and equips the individual to participate more effectively in the development process.

-- Technical Cooperation helps private enterprise directly through projects in, for example, management training, small industries development, tourism and development of local credit institutions.

-- Technical Cooperation supports private U.S. groups such as the International Executive Service Corps (IESC) and a number of U.S. cooperatives and other associations which provide technical, advisory and other services to private businessmen and organizations in developing countries.

-- Development Lending often permits governments to adopt sound economic policies which liberalize import and other restrictions hampering private economic growth and create a favorable climate for private investment.

-- Development Lending finances the importation of goods needed by private businessmen and farmers.

-- Development Lending helps build the power plants, roads, dams and other basic facilities required to support expanding private activity.

-- Development Lending provides resources for intermediate credit institutions, which are an important source of capital for businessmen, farmers and homeowners in developing countries.

-- Development Lending helps develop capital markets by providing assistance to financial institutions to mobilize capital for economic expansion and, especially, for investment in development.

-- Both Technical Cooperation and Development Lending are used to help less developed countries identify and manufacture products for which a world market exists and which can, therefore, increase countries' foreign exchange earnings through expansion of exports.

POPULAR PARTICIPATION IN DEVELOPMENT

Title IX of the Foreign Assistance Act emphasizes the importance of increasing popular participation in the development process through the encouragement of democratic private and local government institutions. Its substance has been incorporated into the proposed International Development and Humanitarian Assistance Act. Central to the legislation is the proposition that the people of the developing nations should be involved in decisions that affect their own lives, so that the benefits of progress will be shared by all.

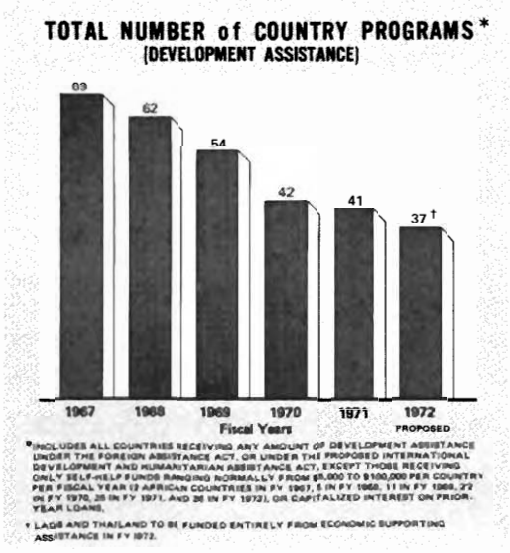
Popular participation can be increased by such activities as taxation to improve income distribution, land reform and other government policies to assist the small farmer or businessman, and motivational leadership and management training. It also requires development or strengthening of a wide variety of institutions which perform economic, social and civic functions at all levels of society. These institutions, including rural cooperatives, labor unions, women and youth groups, credit unions, legislatures and legal institutions, and many others, enable people to articulate their demands effectively and perform their tasks more efficiently, and cause governments to respond more effectively, to the needs of the people.

Through the development assistance program, we are trying to help developing countries move toward fulfillment of these purposes. We are currently analyzing existing operations, to define more precisely the inter-relationships between economic, social and civic development, to identify specific activities and institutions which are most effective in broadening possibilities for participation, and to devise development strategies which maximize popular participation. Next, we aim to apply these analyses operationally -- to develop planning, programming, implementation and evaluation techniques which focus on participatory factors. These techniques are being applied to increase the opportunities for popular participation in existing programs and to design new programs which even better involve the people in the tasks and the rewards of development.

VI. WHERE DOES DEVELOPMENT ASSISTANCE GO?

U.S. development assistance goes to less developed countries in the non-communist world.

Many of the countries in Europe and elsewhere which the United States assisted at one time since 1946 have not received aid for



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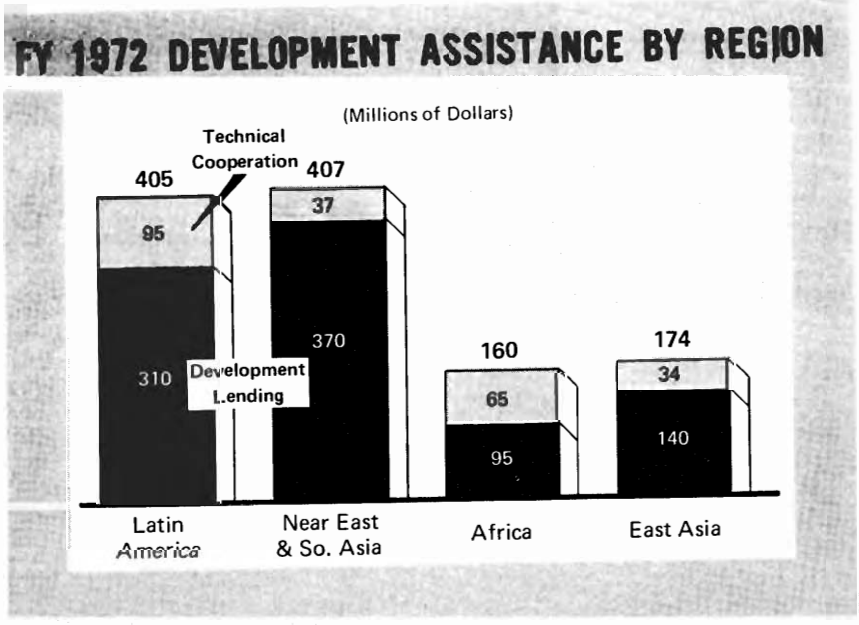
years. And no communist country receives any kind of foreign aid from the United States, except for limited emergency assistance to relieve human suffering in time of natural disasters.

Number of Countries Receiving Development Aid

The total number of countries receiving some form of development assistance under the Foreign Assistance Act or under the proposed International Development and Humanitarian Assistance Act will drop from 71 in FY 1967 to 63 in FY 1972. Over one-third of the FY 1972 total (26) are African countries which, apart from regional programs, will be eligible only for self-help funds ranging normally from $5,000 to $75,000 apiece.

Excluding the African countries receiving only self-help funds, the total number of countries where there are bilateral programs will drop from 68 in FY 1967 to 37 proposed for FY 1972.

Regular bilateral Technical Cooperation programs will have dropped during the same period from 65 to 37 (45 to 19 outside Latin America). Development Lending programs will have gone from 38 in FY 1967 to 30 in FY 1972 (23 to 15 outside Latin America).



Development Assistance Program by Region

Most development assistance funds are used directly for the four regions of the world in which programs are carried out.

Latin America. The FY 1972 program proposed for Latin America under the International Development and Humanitarian Assistance Act amounts to $405 million. Of this sum $222 million is proposed for Brazil, Colombia, Central America and Inter-American and regional activities.

Near East and South Asia. The proposed FY 1972 program for the Near East and South Asia is $407 million. Over 81% of the funds are for major programs in three countries -- India, Pakistan and Turkey -- where two-fifths of the people in the non-communist developing world live.

Africa. The proposed program for Africa is $160 million. Bilateral activities are proposed for FY 1972 for 10 African countries. Twenty-six others will be eligible for regional and multidonor aid (for which $47 million or 29% of the total program is proposed) and for self-help funds, ranging normally from $5,000 to $75,000 apiece, to be applied to one-time contributions to local projects.

East Asia. $174 million is proposed for East Asia for FY 1972, entirely for Indonesia, Korea, the Philippines and regional activities.

Other. In addition, some development assistance funds are used for activities not directly connected with a particular country or region. These include contributions to worldwide international organizations and programs, administrative expenses, and program activities such as research and support for private organizations involved in overseas development work.

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AGRICULTURAL
& RURAL
DEVELOPMENT

AGRICULTURAL AND RURAL DEVELOPMENT

Agriculture presents some of the most serious challenges to development as well as some of the greatest opportunities for achievement and progress. In agriculture the developing countries confront the fundamental task of conquering the timeless problems of hunger and malnutrition and of keeping ahead in their race with unprecedented population growth. At the same time, important technological gains have been made on important food crops in recent years, enabling dramatic increases in production in certain countries. Thus it is now realistic to expect that similar advances can be made in other developing countries, which, when combined with improvements in management and changes in government policies, can lead to even greater progress during the next decade.

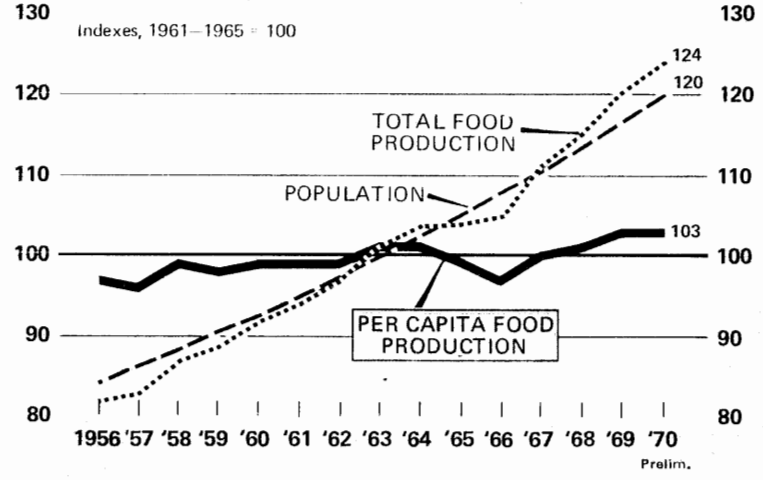
Catalyst for Change

The importance of these challenges and opportunities cannot be underestimated, for progress in agriculture constitutes the foundation for overall economic and social development. From 50% to 75% of the people of most developing nations work in, and earn their living from, agriculture. Yet many of these farmers presently practice subsistence agriculture and remain outside the money economy. While they constitute a majority of the population, farmers earn only one-third of the income of most developing nations. Thus, it is clear that progress in agriculture is essential if there is to be any improvement in the quality of life of the rural people. Moreover, the developing nations must depend on this large body of low-income rural people for increased revenues which are essential to expand basic services, such as health and education, and to finance development plans; the ability of rural people to pay new taxes will depend on their ability to increase production. Agriculture must provide adequate, increasing income for rural people to participate actively in the economic life of their nations and the jobs to absorb some of the rapidly increasing labor forces. Finally, agricultural products account for up to 85% of the export earnings of developing countries, with the exception of certain mineral producing nations. Foreign exchange provided by agricultural exports is essential to any development effort. Therefore, it is clear that growth in the agriculture sector is a fundamental necessity to progress, and indeed, serves as a dynamic catalyst to the whole development process. Continued stagnation in agriculture will obstruct or eradicate progress in other areas, and will condemn the people of the underdeveloped nations to a life of poverty, misery and frustration.

The Race Between Hunger and Population

The prospect of starvation or crippling undernourishment confronts

FOOD AND POPULATION TRENDS
In The Less Developed Non-Communist Countries



over half the people of the developing regions. Annual increases in food production in most of the developing countries can barely keep pace with population growth. In the 1950's and early 1960's, food production in the less developed countries expanded at approximately 2.9% annually; population growth rates averaged 2.5% and ranged as high as 3.4% in some countries. In some countries, population growth has outpaced food production, and famines have been averted only by relief imports of foods. Furthermore, with famine and starvation remaining as real threats, the equally compelling problem of nutritional deficiency cannot receive adequate attention. Thus, without sufficiently increased agricultural growth, each year new victims will be forced to join the others in poor countries who already suffer from debilitating malnutrition.

In the 1960's the Green Revolution brought substantial improvements in the food situation to some countries and offered new hope to others. The technological breakthroughs in food cereal grains made possible sharp increases in production of these food crops in certain countries, particularly in the Near East and South Asia, and East Asia. The increased output in these countries offered the hope that widespread hunger and malnutrition could be conquered. Today the goal is to extend this type of technological progress to other crops, in other agricultural zones and other regions and to confront simultaneously the broad range of remaining

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problems which are equally critical to agricultural development. This is the task for the 1970's.

Before the Green Revolution

During the 1940's and 1950's, there was limited progress in agriculture in the developing countries. This was due, in large part, to the low priority given to agriculture in government development programs. The critical significance of the role which the agriculture sector plays in the development process was not yet fully appreciated. In addition, there was little real hope of changing the dismally low rates of output which had persisted relatively unchanged for centuries. In fact, during these two decades, the depressing situation only worsened; in 1947, one acre of land in developing nations produced, on the average, one-fourth the amount of food produced on one acre in developed nations; by 1959, the gap had greatly widened as a result of rapid increases in technology of farming in developed countries. The progress which did occur during this period resulted primarily from expansion of land area under cultivation. As population expanded, people migrated to unused lands in less productive areas, and they generally applied the same, traditional methods of farming to produce crops at a subsistence level. Attempts to transfer directly the improved technology of food crop farming used in the U.S. or Europe to the widely varying conditions prevailing in developing countries met with more failures than successes. In addition, technology available at that time required economic conditions and rural organizations and institutions not existent in the developing countries.

By the early 1960's, unused land for additional expansion, where traditional farming methods could be reasonably successful, had become severely limited in many areas. In other areas, such lands were isolated and required large investment in infrastructure before farming was possible.

Early Agricultural Assistance

During the 1950's and the early 1960's U.S. bilateral assistance to agricultural development had three primary emphases: the provision of agricultural experts, the building of rural infrastructure, and the creation of agricultural institutions.

The agricultural experts worked in the developing regions on a wide variety of problems but were primarily concerned with increasing production. These advisors soon learned that their technology could not yield the same success as it had yielded in the United States. This was partially because institutions were inadequate and personnel had to be trained. While there were limited successes in increasing production, problems were identified and training programs were initiated.

Many elements of rural infrastructure were financed through projects which formed the base for later progress -- rural road networks, irrigation facilities, transport systems, and rural electric systems.

To create a rural institutional framework, numerous U.S. universities assisted in the growth of agricultural universities, research institutes, and extension services. Agricultural administrative and planning organizations were also started and others expanded. These efforts were to prove vital in providing local technical and administrative expertise in agriculture in the late 1960's.

The Green Revolution

In 1967, new technological breakthroughs in cereal food grains transformed the agriculture situation in several countries and produced new hope for similar progress in the other developing regions. Years of genetic research, based on previous success in Japan in dwarfing wheat and rice plants, had been carried out in the United States and at international research centers. Sponsored by the Ford and Rockefeller Foundation, the research centers which brought the breakthroughs to the developing countries are the International Maize and Wheat Improvement Center (CIMMYT) in Mexico, which worked on maize and wheat, and the International Rice Research Institute (IRRI) in the Philippines, which developed the new rice varieties. These two institutes introduced the first of the "miracle seeds," improved varieties of rice and wheat which are adaptable to sub-tropical and tropical latitudes and which produced more than four times as much as other varieties. Other improved varieties of rice and wheat, descendants of these CIMMYT and IRRI lines, were developed locally in different countries through research assisted by the foundations and various aid agencies, including A.I.D.

The introduction of these new seed varieties and the necessary government policy changes, particularly on agricultural pricing, formed the basis of the Green Revolution. Dramatic increases were made in rice and wheat production, particularly in India, Pakistan, Turkey, the Philippines, and Mexico. Within a four-year period after the introduction of the high yield varieties, over 30 million acres were planted in the new seeds. By 1970, this total was approximately 44 million acres -- over three-fourths in India and Pakistan. This figure represented about 25% of the

total wheat acreage and 10% of the total rice acreage of the Asian and North African countries which used the new varieties. In 1970 the new seeds and accompanying modern farming technology caused a 24% increase in India's agricultural output above the 1961-65 level; in Pakistan, output was 32% higher; and in Turkey, 23%. Wheat production in India and Pakistan in 1970 was 75% above the 1961-65 annual averages. The Philippines achieved self-sufficiency in rice production in 1968, after having imported an average of 300,000 metric tons annually during the previous five years. Pakistan's rice production in 1970 was about 25% higher than in the mid-1960's.

The new seed varieties were used by the large producers and many of the small farmers as well. Thus, there was some sharing of the increased benefits of the new productivity. However, the successes were confined primarily to better lands with adequate water from rainfall or irrigation, and did not affect farming on less fertile lands of arid regions and vast uplands unsuitable for wheat, corn and paddy rice. Thus, only a few countries offered conditions which were suitable for the application of the new seeds, and the introduction of the new technology.

The new technology offered farmers a realistic new optimism, based on the expectation of at least a doubling of output. Government extension agencies were stimulated to promote a highly productive technology. Local and international research institutions were challenged to develop new varieties in other crops. The sucess story proved to political and financial officials, and to international and bilateral donors, that investment in research, and in development in general, could be highly successful.

A.I.D. played a critical role in the Green Revolution, not only in assisting in the financing of research, but particularly in encouraging and providing means for the application of the new technology. A.I.D. programs financed the supply and distribution of the new seeds, fertilizer and other necessary inputs, and assisted in training the recipients in their use.

The results obtained in certain countries, particularly in India, Pakistan, Turkey, the Philippines and Mexico, did not directly affect many of the farmers in the developing world. Some countries, where the new varieties were adaptable, did not implement essential policy changes or supply critical inputs to accompany the new technology. Moreover, only about 10% of the land devoted to cereal grains in developing regions is well adapted to the new varieties available in 1970. However, the successes of the Green Revolution caused most developing countries to seek the level of progress possible with concentrated, coordinated effort.

The Problems of Agricultural Development

In spite of the impressive successes of the Green Revolution in certain areas, many of the traditional spectrum of problems of agriculture remain unaffected. In addition, the achievements of the Revolution introduced new problems or focused attention on particular tasks which must be confronted for continued agricultural growth. These problems are significant, in different degrees, to both those areas most affected by the Green Revolution and those regions where the new varieties were not suitable or adaptable. Some of these problems, which are receiving attention in the agriculture development programs for the recipient nations, are as follows:

1. Increased output of existing crops through the introduction of new high-yielding varieties and improvement of farming technology
2. Introduction of new crops and activities
3. Continued improvement of agricultural technology, including management of tropical soils and water
4. Increased availability of critical inputs, such as fertilizer and pesticides
5. Improved marketing systems
6. Expanded agricultural training and education
7. Improved administration and planning
8. The social and economic implications of agricultural development.

-- Increased output of existing crops

Despite the recent gains in the technology of rice and wheat major food deficits still exist in many developing countries. Food imports must continue in many areas, including those in which Green Revolution advances have been made. For example, Korea, which achieved an agricultural growth rate of 14% in 1969, still needed to import large quantities of rice in 1970. Similarly, India,

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which imported an average of over 10 million metric tons of food grains annually prior to the introduction of the high yielding seed varieties and new technology, continued to need imports of approximately 4 million metric tons in 1970.

While the gap between demand and supply of domestically produced food grains has been narrowed in many countries, this could be a temporary situation. Food demands continue to increase rapidly as population continues to expand and incomes begin to increase. According to estimates by the UN Food and Agricultural Organization and other international groups, food import requirements due to increases in population and demand will, by 1985, be far more than 100 million metric tons, with cost estimates ranging from $7 billion upward to $26 billion. Other estimates by A.I.D. show that the supplies of agricultural products must increase between 4% and 5% per year in the less developed countries in order to meet increasing demands for food. To sustain such high growth rates would be a task which few developing nations are capable at the present time.

One of the most important ways of increasing the agricultural output of developing countries will be to extend the use of the new high yielding varieties, or necessary modifications, to more countries. Some countries which attempted to introduce the new varieties could not improve soil and water management, set up disease and pest controls or implement government policies. In some cases, the technology was not applied because the seed varieties were not adaptable to the particular climatic conditions; rice and wheat were not the predominant crops under production; or necessary accompanying policy changes could not be implemented. Research is presently being conducted on the cereal grains, pulses, and other crops to develop new or improved varieties which are adaptable to the climates of some of these regions. Research is underway to develop high yielding varieties of other crops, particularly high protein crops, such as soybeans and peas.

All the developing countries could benefit from the introduction of new varieties of crops with improved nutritional qualities. Research is presently being conducted to improve the protein content of wheat, sorghum, maize and some root crops; other attempts are being made to fortify rice.

-- Introduction of new crops and activities

The improved technology has freed land resources and made possible the introduction of new crops and activities in some countries. The optimum utilization of land, water, and labor resources requires crop diversification. Excessive dependence on a single crop, or a few agricultural products, restricts trade opportunities for developing countries and makes them highly vulnerable to world price fluctuations and droughts which can unexpectedly eliminate their food supplies and expected export earnings. The introduction of new crops can provide greater domestic security, expand export possibilities, strengthen the trading position of agricultural exporting countries and increase their earnings of foreign exchange.

Agricultural diversification also offers new opportunities for attacking the severe and widespread problem of malnutrition, particularly through the introduction of new, high yielding high protein crops. In addition, one of the most promising new activities being emphasized in assistance programs is the expansion and improvement of livestock production. The potential for expansion has been made possible by additional land resources opened up by new road and irrigation systems, as well as land freed by technological change. Improvements in the production of livestock feed and forage crops, such as maize, sorghum, and some tropical grasses, has also increased the potential for livestock production. Where economical, livestock production also offers new possibilities for improving supplies of protein and thus, the nutritional content of diets. However, numerous constraints concerning animal diseases, cultural practices, marketing, transportation, processing, and adverse government policies must be eliminated before livestock production can be successfully expanded on a wide scale.

-- Continued improvement of agricultural technology

The successes of the Green Revolution proved that profound achievements could be made in agriculture through research and that such investment could be highly profitable. Yet, much remains to be accomplished. Adaptive research is imperative to extend use of the new varieties to different environments or cross the local varieties with new varieties in different regions to adapt to local conditions and to satisfy local quality preferences. For example, adaptive research was necessary in the transfer of the IRRI rice from the Philippines to India. Research will also be critical in the extension of Green Revolution achievements to possible new varieties of other crops to permit their application to different regions of the world.

A second major focus of research programs is to increase the protein content of cereal crops - wheat, maize, sorghum, and root

crops. Genetic science can be applied to increasing the yields of high protein crops, such as pulses (beans and peas), and soybeans which are presently low-yielding in developing countries. Until recently little research attention had been given to improving and expanding the production of these crops on a broad enough scale to compete with the new varieties of cereal grains.

A third major area of research focus is in scientific and engineering techniques to expand agricultural production for new land areas. In developing countries most undeveloped lands which have potential for cultivation are located in swampy flooded areas; in extremely arid regions, where water resources are limited and difficult to exploit; or in disease and pest ridden areas, such as the tsetse fly regions of Africa. Development of such lands for cultivation requires the application of new engineering techniques and scientific knowledge.

Other important areas where research efforts are concentrated include: tropical soils management, irrigation and water management, pesticide and biological control of insect pests and crop diseases, veterinary medicine for tropical livestock production, fish-farming, agricultural management practices, standards of vocational educational training, marketing and distribution, sector analysis, agricultural planning, and pricing.

The success of the application of this research will depend on adoption of appropriate government policies. Newly introduced technology has paid off in increased agricultural production where government policies did not impose constraints on farmers.

-- Increased availability of agricultural inputs

Limited supply and traditional methods of distribution of essential inputs are totally inadequate for the application of improved agricultural technology. Without increased quantities of modern inputs, such as seeds, fertilizers, irrigation facilities, pesticides and rural credit, agricultural development simply cannot occur. For example, in order to achieve the Green Revolution successes, it was necessary for India to increase fertilizer consumption an average of 20% to 25% per year over a four year period. Inability to obtain and distribute this fertilizer would have stifled possible increases in output, in spite of the availability of the new seed varieties and proper soil and water management. In addition, the distribution of increased fertilizer supplies places serious strains on input distribution systems as it did in India. Not only were India's existing transport, storage, and handling facilities already inadequate, but new distributive facilities were necessary to supply increased amounts of inputs. Similar situations and changes were faced in the Philippines and Pakistan. All developing countries must make improvements in availability and distribution of inputs in order to practice modern, commercial agriculture.

-- Improved marketing systems

An immediate obstacle to agricultural progress in areas where new seeds are being planted is the severely inadequate marketing systems. In the past, agricultural development focused primarily on expanding production and improving plant technology; much less attention and investment were directed toward the process of marketing. Yet improvement in the marketing systems -- crop handling, storage, transport, distribution, grading and processing -- is necessary to handle the increases in marketable production. Doubling of previous production can overwhelm a traditional, already strained marketing system. Inefficiencies in marketing systems cause incalculable losses yearly in agricultural output, thus severly reducing the gains made by improved technology and production methods. In the future agricultural development will be strongly influenced by changes to be made in marketing systems -- changes in marketing technology and increased investment to improve the capacity and efficiency of marketing facilities.

-- Expanded agricultural training

Progress depends on the availability and quality of technical and management specialists in the respective fields. The application of new production techniques, the introduction of new seed varieties, and the diversification of crops and livestock production require new technical expertise. Similarly, expanded and intensified research programs increase the demand for qualified agricultural scientists. While advancement has been made in training people to meet these needs, there are still shortages in most countries. The needs vary widely by country, reflecting progress and limitations in the development of local educational institutions, particularly higher education and vocational education for agriculture. Progress in the areas of the supply and distribution of inputs and in marketing the output will depend largely on the quality of management available. Thus, agricultural training and related education which have always been recognized as critical, must receive continued emphasis.

-- Improved agricultural administration and planning

The governments of many less developed countries are not able to cope adequately with the complex problems of agricultural development. This is especially true in view of the rapidly changing conditions of increased production, changed technology, expanded requirements for management skills, population growth, and the related social changes. Irrational pricing policies, improper allocation of resources, unnecessary taxation, import constraints, inadequate credit availability, inaccurate economic projections, or ineffective land tenure policies, by inexperienced or uninformed governments can severely restrain production, stifle technological progress, or remove incentives. On the other hand, measures such as appropriate pricing policies, tax incentives, and land reform can act as definite stimuli to production, as has been demonstrated by experiences of the Green Revolution in the successful countries. Thus, development of competence and improvement in agricultural administration, economic analysis, and planning are essential to continued progress in agricultural development.

-- The social and economic implications of agricultural development

Agricultural development causes a complex chain of social and economic effects. These factors have not been given adequate attention in the past and are not even now clearly understood. Increased attention must be directed towards their implications in the future. For example, the effect of agricultural development on employment is extremely complex - in some cases, improved technology displaces labor, causing unemployment; in other cases, new double and triple cropping and mechanization increase the demand for agricultural labor. The full effect of development on the labor force, especially in view of increased population growth, must be thoroughly evaluated. Other factors, such as the effect of increased agricultural output on income distribution, are important to government policies and to social development. Similarly, migration from traditional rural areas, either to urban areas or to newly open rural areas has an important impact on social development. Finally, the effects of land reform on agricultural development must be more comprehensively analyzed. The inter-relationship of such factors with agricultural development is a significant aspect which should receive increased attention in the future.

Attacking These Problem Areas:

A broad range of development activities are required to confront the complex problems of development of the agriculture. These problems are closely inter-related.

The Application of Research:

-- A regional vegetable research center financed by East Asian countries, with A.I.D. and Asian Development Bank Contributions is being established in Taiwan.

-- A.I.D. is providing continued assistance to the International Rice Research Institute in the Philippines.

-- A.I.D. is helping to finance research and training activities at CIMMYT on maize and wheat; this support has enabled CIMMYT to expand activities in the Near East, North Africa, and Latin America.

-- The Inter-American Center for Tropical Agriculture in Colombia is being financed by A.I.D. with the Ford, Rockefeller, and Kellog Foundations. The Center will concentrate on research to increase productivity in tropical food crops, particularly in crops other than rice and wheat, and in livestock.

-- In Nigeria, A.I.D. is supporting the International Institute of Tropical Africa (IITA), with the Ford and Rockefeller Foundations and Canada. The IITA is concentrating on research in soil and crop management, and in developing improved varieties of cereals, grain legumes, and root and tuber crops.

-- A.I.D. is emphasizing water resource technology and management in many countries, including Korea, Indonesia, the Philippines, India, Pakistan, Turkey, Tunisia, and Brazil. In addition during the past five years, A.I.D. has contributed to the construction of over 10,000 tube wells in Pakistan, and 100,000 in India.

-- Aquaculture is being emphasized with Thailand and the Philippines. A.I.D. is financing training for fishing crews at a regional center in Thailand and, in the Philippines, A.I.D. is assisting in the establishment of

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a fresh water and brackish water research center for fisheries production.

Increasing the availability of inputs and improving the marketing of outputs

-- A.I.D. is assisting many countries in the development of fertilizer production facilities, seed processing facilities, and distribution systems for these inputs. A.I.D. also often finances the purchase of inputs and the establishment of local facilities for fertilizer production and seed processing, such as to India, Brazil, Indonesia, and several countries of Africa.

-- A.I.D. is assisting in the Central West African regional grain stabilization project, which will improve the grain storage and distribution system, establish more realistic pricing policies, and develop new seed varieties.

Expanding efforts to improve agricultural training and administration

-- A.I.D. is assisting four Brazilian agricultural colleges and Indian agricultural universities to develop graduate programs and to improve their capacities in teaching, research and extension.

-- In Guatemala, A.I.D. is assisting in sector analyses, crop research, expansion of credit availability, development of the improvement of the marketing system and the agricultural cooperatives system, and government administration of rural development programs.

Expanding programs designed to analyze the social and economic implications of agricultural development

-- In 1970, an extensive review of land reform was sponsored Numerous experts met to discuss the land reform experience in thirty countries; they particularly emphasized the relationship of land reform to productivity, rural employment, and political stability.

-- A.I.D. supports research at the Land Tenure Center at the University of Wisconsin at Madison. The Center is investigating a variety of topics concerning the social and economic implications of rural development. Experts in Washington are continuing to investigate the relationship of rural development with income distribution and employment.

Participation in the International Cooperative Effort

Maintaining the research and technical assistance needed for agricultural development requires international cooperation among the bilateral donors, multilateral agencies and private foundations. The United States is actively participating in these efforts. The various donors have recently joined together to create an international Consultative Group for agricultural research under the aegis of IBRD to be served by a Technical Advisory Committee with headquarters at FAO. The Consultative Group will be composed of members of donor organizations and countries, including the United States. The Group will organize and coordinate long-term financial support for international institutes for agricultural research and consider additional measures for strengthening the international research network. Current plans call for two new centers; one for livestock research in Africa, and the other for research on upland crops in Asia.

The new emphasis on international cooperation, particularly in international research programs, will supplement research programs which are now in progress in grain cereals and other crops. A.I.D. is already participating in several of these existing research programs, which include CIMMYT for wheat and maize in Mexico, IRRI for rice in the Philippines, CIAT in Colombia, and IITA in Nigeria for livestock, soils, and tropical roots and other tropical crops. In addition, A.I.D.-financed agricultural research programs, which are being conducted in the United States and in recipient nations with the help of U.S. government agencies, are coordinated with the work of these centers and with the work of other donors.

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The quality and quantity of human life are inseparable aspects of the problem of poverty. Improvement in the quality of life is simply not possible if a rapidly increasing quantity of people intensify demands on already scarce resources. Problems, such as debilitating disease and malnutrition, will only be intensified unless the excessive expansion of population is curtailed. At the personal level, chances for improving the quality of life for an individual family will be greatly influenced by their ability to determine the size of their own family. Furthermore, malnutrition cannot be overcome, even if sufficient supplies of nutritious food were available, as long as intestinal diseases prevent the retention of protein. Conversely, health programs to cure serious diseases offer little hope for the people of poor countries if some later die of starvation. Thus, family planning, health and nutrition are inter-related areas in which serious efforts are being made to confront the compelling challenge of improving the quality of life of the people of the developing nations.

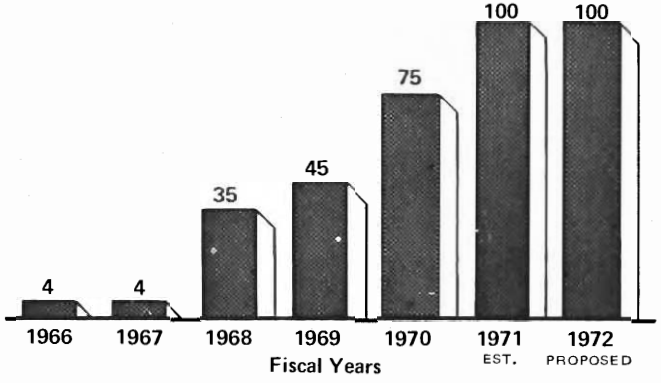
Population, health, and nutrition programs are also often interrelated operationally. In the absence of adequate systems to provide family planning services, commodities and information, in many countries existing health facilities are used to provide family planning services. However, in some countries family planning programs have deliberately been separated from health programs. In others, family planning programs are carried out entirely in the private sector by voluntary organizations.

There is a particular sense of concern throughout the world, in developed and developing countries alike, with the extensive, retarding effects of unchecked population growth and its implications for all aspects of development. This concern has resulted in a widespread and rapid acceleration of action programs designed to reduce population pressures. Substantial achievements are being made. Nevertheless, most of the work needed to resolve the population crisis still lies ahead. Because of the fundamental relationship of population growth to any attempts to improve the quality of human life, this crisis must be resolved.

I. POPULATION

The present rapid increase in world population constitutes one of the most formidable challenges confronting mankind. If the present annual growth rate of 2 percent continues unchecked, the world's present population of 3.6 billion will be doubled by the year 2000.

POPULATION PROGRAMS



Progress in economic development can be severely retarded by rapid population growth. The effects of this growth pervade every aspect of life: housing, education, the supply and distribution of food, the pollution and destruction of world resources, employment, rising expectations that remain unfulfilled, and unrest among the young. In the developing world, major cities are rapidly increasing in population by natural increase and because many rural people move to urban areas each year. A high percentage of the labor force is unemployed or underemployed. The number of illiterate adults rises steadily. The already serious problem of malnutrition afflicts vast numbers of new victims each year.

The impact of high population growth rates on the whole spectrum of economic development must be clearly assessed and clearly understood. The major question is whether man will limit his reproduction soon enough to prevent the inevitable clash of excessive population growth and limited resources; whether his government and institutions will bring to bear the initiatives and action required to deter this conflict. Many nations of the world cannot, at present, even provide the resources necessary to meet basic human needs for food, education, shelter, and employment. Yet additional resources must also be found for essential improvements in levels of living and social services.

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POPULATION AND HEALTH

The Government of India, has estimated that its annual population increase of nearly 15 million demands 12,500 additional schools, 400,000 teachers, 2.5 million houses, and 4 million jobs each year. Obviously it is an extremely difficult task for any developing country to meet comparable demands. It then becomes almost impossible to accumulate the capital which is necessary for investments in future development.

Technically and socially, the world is now better equipped to deal with population problems than in the past. Recent research has produced new and better methods of contraception; an increasing number of nations have initiated and expanded family planning programs. Improvement in the world food supply has provided some additional time in which solutions can be found to challenge population growth and the economic and social problems it engenders.

Fortunately, the dangers and difficulties inherent in too rapid population growth are now widely recognized, and support for remedial action by the world community is increasing. The tidal wave of population increase in the less developed countries, generated by the precipitous drop in death rates and continued high birth rates, provoked an intense adaptive research response during the 1960's which could lead to substantial progress toward resolution of the problem during the 1970's.

Recent Population Programs: In recent years, A.I.D. has given high priority to assistance to population and family planning programs, along with aid to food production, as essential elements in economic and social development. In this way the United States has played an important role in supporting efforts of the developing countries to analyze their population situations, develop population policies and undertake population programs.

Population-family planning assistance is one of A.I.D.'s newer programs although the Agency and its predecessors have helped on related statistical and health matters for 20 years or more. Population program assistance by A.I.D. began in FY 1965 with $2 million; in FY 1966 and 1967, between $4 million and $5 million was committed each year. With Congressional earmarking for population-family planning activities, funds used for this program rose to $35 million in FY 1968, $45 million in FY 1969, and $75 million in FY 1970. The FY 1971 program is expected to total $100 million. The same level is proposed for FY 1972.

The population program has always been guided by the precept that all people should be free to determine the number and spacing of their children, and that society has a major responsibility for influencing the rate of population growth because of its significant effects on economic and social development and the quality of life. A.I.D. also believes that the quality of human life and family stability are improved when men and women have at their disposal safe and effective means to determine the number and spacing of their children.

A.I.D.'s population-family planning assistance programs, since their inception, have been governed by the following principles:

-- Family planning programs must be host nation programs not U.S. programs; the United States must respect the sovereignity and sensibilities of the nations it assists.

-- Assistance is provided only upon request, and in accordance with the type of program chosen by the host nation and institutions.

-- Family planning is not made a condition of aid, and no family planning program is supported unless it is voluntary, as far as the individual citizen is concerned.

Specific strategy directions which were established early in the programming of family planning served to:

(1) alert nations to the hazards of unrestricted population growth and help them to identify conditions needing correction;
(2) assist them in developing action programs and institutions to provide services to combat that growth;
(3) develop United States technical competence and institutional capacity in this field; and
(4) finance the procurement of contraceptives and related commodities to support a rapid expansion of family planning service capabilities.

In recent years, the kinds of projects and programs inaugurated under A.I.D. auspices to serve these and other purposes have included demographic data development, bio-medical research, training programs, program management development, and grants to international non-profit family planning organizations.

Proposed FY 1972 Program: The proposed program for FY 1972 totals $100 million. Of this total, $86 million has been programmed for reasonably firm requirements. The balance of $14 million has been left unprogrammed, to be allocated as additional requirements are precisely defined and developed. Several possible areas of additional activity which are being reviewed could make an important contribution to the population program. These possibilities

include funding of local costs of population programs, further research on motivational factors in family planning, and the extension of family planning activities through local institutions engaged in such areas as education, health, agriculture and labor whose programs could relate in a substantial way to population matters.

The total proposed regional and country programs are presently budgeted at $44.5 million in FY 1972. The non-regional programs total $41.5 million, of which $7.5 million is for the United Nations Fund for Population Activities (UNFPA).

The proposed program for population assistance is directed to the following high priority areas:

-- Obtaining data to define and describe the problem;

-- Analyzing the effects of rapid population growth on development;

-- Developing more effective fertility control techniques;

-- Improving and supporting the delivery of family planning services and commodities;

-- Expanding training programs and communication systems; and

-- Developing improved management and evaluation systems for family planning programs.

Data Collection: Improvement in the quality and quantity of demographic and social data in the developing countries is a prerequisite to the development of appropriate policy, planning, and program decisions. In many countries, the lack of even minimal reliable data greatly handicaps formulation of appropriate policies.

-- In many countries we support census and sampling activities as well as research to develop new methods of analysis and to improve the accuracy of descriptive and predictive demographic information. Considerable support is being provided to demographic institutions, particularly in Latin America and Africa.

-- In cooperation with the Bureau of the Census, A.I.D. provides census and statistical assistance in the form of participant training, advisory services, and financial support. This year participants from 31 developing countries are being trained in designing census and survey questionnaires, census taking, data processing and compilation, analysis and publication of findings.

-- To improve the reliability and predictive value of data for population and family planning assistance programs, one project helps establish population laboratories in recipient country universities and research institutions to develop and test improved techniques for measuring demographic change and related phenomena. These include surveys, development of experimental data collection systems and special studies on reproductive history, attitudes and migration.

Population and Development Policies: The development of adequate national policies affecting population growth requires an understanding of multiple independent variables of population dynamics and its relationship to the other aspects of development and the decision making process.

All developing nations have customs, policies or programs which influence fertility practices, such as laws regarding age at marriage, abortion, sale of contraceptives, employment opportunities for women, social security, and tax effects of children. Many of these policies were adopted without consideration of the effect on population growth, while others were often designed to stimulate population growth. Recently, many countries have initiated studies of these customs and policies, with the hope of influencing or changing those which stimulate population growth.

A variety of behavioral and social science studies in population dynamics are supported to develop understanding of the interrelationship among the significant development and demographic variables, how these relationships can be affected, and the actual effectiveness of specific population policies.

Fertility Research: New fertility control techniques, more suitable for developing countries than current methods, are needed. A major step toward solving this problem would be the development of an ideal contraceptive which can be defined as "a non-toxic and completely effective substance that when self-administered on a single occasion would ensure a state of non-pregnancy at the completion of the monthly cycle."

Support of research for this ideal means of fertility control is currently among the most important elements in A.I.D.'s research

program. If such an ideal method could be developed, control of fertility in all countries could be attained far more quickly, with greater reliability, and at a much lower cost than is possible with current methods. In the search for new methods and information to maximize the effectiveness of population programs in developing countries, A.I.D. obligated approximately $8 million in FY 1971, and plans a broad range of population research activities at approximately the same level in FY 1972.

A.I.D. emphasizes the support of applied or "goal directed" research and product development, and the development of collaborative research networks in the LDC's to facilitate early and appropriate utilization of these technologies. Support for more fundamental research will be limited to that needed to buttress applied research and family planning program activities. In addition, strengthening institutional capabilities for research within less developed countries will continue to be an important goal of A.I.D. population programs.

Improved Family Planning Services: Family planning clinics are now operating in almost all developing countries; many of these clinics are assisted by contributions from foundations, private individuals, and governments which may be assisted by A.I.D. Cooperating organizations which are the major recipients of A.I.D. support and which assist many nations throughout the world are the International Planned Parenthood Federation, Pathfinder Fund and the Population Council. Through these and other programs, a total of more than 60 nations receive commodities and other support.

The private and government-sponsored family planning programs are making a special effort to reach low income families who are unable to obtain family planning information and services through regular commercial channels and private medical facilities. Without these programs, the cost of family planning services in the developing countries would be beyond the means of the majority of the population.

Several types of contraceptives are ordinarily made available for use by recipients and individual families. Thus, the family and the medical personnel administering the program locally can select the most satisfactory methods to meet their needs.

Training and Communications Programs: Population and family planning programs require well trained leadership and expertise in many technical, administrative, and related professional fields. A.I.D. is currently expanding its manpower development programs, which provide training in a wide variety of population-related subjects to participants from over 30 developing countries. These programs include seminars, workshops, correspondence courses, academic training in both U.S. universities and third country facilities, and on-the-job training in the recipient nations.

Since the success of the population programs of developing countries is clearly dependent upon massive voluntary action of millions of people, A.I.D. actively encourages attention to program needs for information, education and communication support, especially through mass communication channels. Continuing assistance is being given to these support elements of programs in India, Pakistan, Philippines, Korea, Tunisia, Morocco, Kenya, Ghana, and other countries. In addition, aid for the improvement of information systems is provided regionally and interregionally through assistance to the International Planned Parenthood Federation, the Pathfinder Fund, the Population Council, World Education Incorporated, the World Assembly of Youth, the East West Center, and other private institutions. International and country program actions in this sphere are also being assisted through cooperation with the United Nations and its specialized agencies, other donor countries, U.S. educational institutions, and private foundations.

Several programs are assisted which support the improvement of training and communications systems, in addition to assisting general areas, such as research, programming, and administration.

Improved Management and Evaluation: To improve the effectiveness and efficiency of family planning programs, the application of management science to the operation is being studied. The projects include systems of data collection to provide program administrators with the information needed for management decisions, assistance in the interpretation of data, and assistance in deciding appropriate actions in response to specific items of information.

Regional Programs: Family planning programs in over 30 developing nations are being supported through bilateral programs, and in an additional 30 countries through private or international organizations supported by A.I.D.

In Near East and South Asia, the bulk of assistance is channeled into two major programs, India and Pakistan, although programs in Turkey and Afghanistan are expanding. In these four countries, U.S. technical assistance will continue for such activities as training, evaluation, research and mass communications. A regional project will continue support for intermediary organizations implementing family planning activities and for special training and research projects.

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In Latin America, family planning activities involve bilateral programs with some 18 countries, and regional support to such organizations as the Pan American Health Organization. Programming strategy underscores the need to improve education, to increase motivation and to establish or strengthen health delivery systems in order to provide family planning services, encourage the collection and analysis of more adequate demographic data and support the expansion of information and education programs.

In East Asia, the bulk of population assistance is concentrated in bilateral programs in Korea, Indonesia, and Philippines. This bilateral aid assists integrated health programs in the areas of training, advisory services, research, data collection, and the financing of commodities, including contraceptives. In addition to the bilateral programs, several regional population programs are funded. These include the Population Institute at the East-West Center, which emphasizes training for Asians; the Population Council, which conducts field adaptive research, pilot projects, and regional family planning training programs in Asia; a consortium of nine Southeast Asian countries to develop field population programs; and regional seminars and conferences to promote understanding of the population problem.

In Africa, Ghana has established the first official government family planning program. Family planning information is now being disseminated in many other African countries and services are being provided under the auspices of private groups aided by international organizations, and supported by local governments. In FY 1972 assistance will be provided to Ghana and local voluntary programs in seven other countries. Most of these groups work through existing maternal and child health care systems whose capabilities will be improved or expanded. In addition, a regional program will assist in the organization of health ministries and establishment of population training programs. Other regional programs, including a population center at the University of Ghana, improved demographic data collection, and training of medical and para-medical personnel will be assisted.

While important gains have been made in the worldwide effort to focus attention on population and to extend family planning services, most of the work needed for resolution of the population crisis still lies ahead. At present, institutions concerned with the population problem, are still engaged in preliminary efforts to develop the knowledge, resources, national commitments and public acceptance necessary to reduce population growth rates. But these organizations, and the people of the developing nations where the population threat is most grave, are looking forward to the day when it is socially, legally, technically and fiscally possible to deal with the world population crisis on a scale commensurate with its magnitude and urgency.

II. HEALTH

One of the most fundamental aspects of the development goal of improving the quality of life of people in developing countries is to improve the health of these people. Ill health obstructs development, ill health reduces productivity, thus limiting the effectiveness of human resources available for the whole range of development tasks. Good health is also a basic human value in all societies, and, with nutrition, the most obvious and immediate means of determining the quality of life.

The Overwhelming Prevalence of Disease: The prevalence of disease and illness is so massive that it is almost impossible to define. Over two-thirds of the people of the developing regions suffer from some form of intestinal disease; 25% of the total deaths in poor countries are caused by these diseases. In addition, illnesses like tuberculosis, trachoma and leprosy also affect hundreds of millions of these people. For example, schistosomiasis (snail fever), which affects 400 million people, continues to spread through the irrigation channels used in agriculture. Onchocerciasis (river blindness) infects 20 million West Africans and prevents the use of fertile river valleys. Cholera, a severe intestinal disease, has recently spread, in the seventh worldwide epidemic, from Southeast Asia to the Middle East and Africa without any effective barrier to prevent its transmission.

Children suffer most severely from these diseases. While children under five years of age constitute about 17% of the total population of the developing countries, over 50% of the recorded deaths are from this age group. This compares with a comparable figure of 5% for this age group in the United States. Furthermore, of the 30 million children under five who die each year in poor countries, about half die of intestinal infections compounded by poor nutrition.

Past Experience: Following World War II, health assistance focused on the development of a modern health technology. Curative and preventive medicine campaigns were directed against several of the great killers of the past, especially malaria, yellow fever, and smallpox. Research programs were emphasized, and bilateral

donors and international organizations cooperated in the dissemination of new technology.

During the past decade, A.I.D. invested approximately $100 to $150 million annually in loans and grants to assist recipient nations in developing health programs. During that time, good health was seen largely as an end in itself; its fundamental role in economic and social development was not yet fully appreciated.

During this period, great progress was made in conquering some of the diseases and illnesses which plagued the poor nations. Malaria was eliminated from 600 million people throughout the world. Another 600 million people are protected by current programs. Smallpox was conquered in 20 countries of West Africa. In Latin America, 70% of all urban dwellers are now served by piped water supply systems. A.I.D. assisted in the establishment of intensive medical training programs in ten countries. New nursing schools were created in 19 countries and sub-professional nursing training expanded in 42 countries.

These accomplishments of the past are notable. Yet, in proportion to the incredible prevalence of disease and illness in the developing countries, past assistance efforts have only been marginal to the tasks which remain.

The Strategy of Health and Development: Faced with the extraordinary magnitude of the health problem and the inevitable limitation of resources to contribute toward its solution, the international donors and the recipient nations have together reassessed both the purpose and the strategy of programs in the health sector in relation to national development goals. Health as a determinant of the quality of human life remains a significant end in itself. In addition, however, health is equally important to the goals of national development. Nations seek a rise in productivity with the expectation that a rise in the levels of living standards will result. The consequence is not automatic. Rapid population growth may reduce per capital income. However, even where real per capita economic gains occur, these gains may not be shared widely enough; thus frustration and unrest result.

The clear failure of the great majority of people of developing nations to experience the expected benefits of modern health technology has led to the same frustration that is also seen with imbalance of food availability and educational services. The achievement of social goals and of higher productivity are inhibited by these failures because individuals are less productive and, therefore, resources cannot be effectively developed. When man is debilitated by epidemic diseases which prevail, like malaria, snail fever, river blindness, his land cannot be efficiently cultivated, nor can his roads be effectively built. Unsanitary environments with polluted water and open sewage induce intestinal disease which waste the food supply by preventing the efficient human utilization of scarce food resources. Where children are severely malnourished, the physical and mental effects compromise the quality of a new generation and its ability to contribute to development. These are the factors which have led to a rethinking of the role of health programs and the implications of these programs on general development.

Proposed FY 1972 Program: In FY 1972, approximately $66.2 million will be invested in health programs. Almost all these programs will be coordinated, as in the past, with the activities of international organizations. The funds will be distributed among several inter-related areas:

- Disease control and eradication
- Health facilities and delivery systems
- Environmental health
- Assistance to international health programs

Disease Control and Eradication: A.I.D. has conducted or assisted in extensive programs to control or eradicate malaria in a number of countries in cooperation with international organizations. At present, support for malaria eradication programs is provided to 18 countries, where more than 900 million people are being freed from this dreaded threat. In the future, technical assistance in malaria eradication will be carried out by the World Health Organization but U.S. development loans for commodities will continue.

The smallpox eradication and measles control program now covers 20 West African countries. Here, where measles formerly killed 10% of the children affected, over 17 million children have been vaccinated. Similarly, smallpox, which used to kill up to 40% of its victims, is now being conquered; over 105 million people have been vaccinated.

Health Systems: Most developing countries have inadequate health facilities to provide even the most basic health services to their growing populations, especially those outside urgent areas. Medical programs have concentrated on the urban areas, due to

shortages of trained manpower and limited financial resources. Now, with increased attention to health problems, a concerted effort is being made to extend health programs to reach the people in rural areas.

With our support, the Pan American Federation of Medical Schools (PAFAMS) is extending its community medicine delivery system, recently developed in Colombia, into rural areas of other Latin American countries. The system could serve as a model health delivery and rural family planning program which could be extended to other regions of the world.

In Cameroon, the new University Center for Health Sciences is being assisted and funds will be provided for construction and staffing of an out-patient facility and a maternal and child health clinic.

Environmental Health: Pollution of soil and water with human waste, and the presently inadequate availability of safe water and waste-disposal systems, is a frequent cause of disease. These water and sewage supply problems are aggravated in urban areas by the constant migration of people into the cities; already limited systems are strained far beyond their meager capacity. Assistance to establish, operate and maintain water and sewerage systems will continue.

International Health Programs: Assistance and cooperation with the multilateral health organizations, such as the UN, WHO and the Pan American Health Organization, will continue. The activities of these organizations are becoming increasingly important as the United States moves toward greater reliance on the multilateral assistance framework.

III. NUTRITION

The problem of malnutrition, primarily protein deficiency, exists in every developing country. The United Nations, among other agencies, has continuously attempted to stimulate international action to confront the massive problem.

Currently over 300 million children suffer from insufficient protein and calories. As a result, they have grossly retarded physical growth and development, and for many of these, mental development, learning and behavior may be impaired as well. Protein-calorie deficiencies also directly affect the health and economic productivity of adult populations. The protein problem is reaching a critical stage. The present gap between world protein needs and protein supplies must be closed and continued widespread protein deficiency in future generations must be prevented.

Malnutrition is a major contributor to the extremely high death toll among children in developing countries. Approximately one-half of the children of these countries die during childhood; of those who survive, a majority are seriously undernourished. Such statistics clearly illustrate the needs for concentration on nutrition as an intimate part of development assistance.

Current programs in nutrition are largely exploratory attempts to find new ways of dealing with these massive problems. The program focuses on:

- -- attempts to develop new and inexpensive protein supplies
- -- research in the fortification of traditional cereals with supplementary vitamins, minerals and proteins
- -- educational programs to overcome ignorance about nutrition
- -- nutrition motivation and training programs for mothers
- -- improving the exchange of nutrition information among specialists and field workers.

Development of Protein Supplies: Protein is required to maintain body tissues and normal life functions, resist infection, achieve optimum growth, and avoid problems during pregnancy and lactation. Infants, pre-school age children, and pregnant and lactating women are the groups most vulnerable to the serious consequences of protein malnutrition and are, therefore, the primary target groups of the nutrition program. The primary objective is to alleviate chronic protein deficiency and supplement mineral and vitamin intake.

Protein sources common in the developed countries are often too expensive for the people most in need. Support is being given to organizations which are attempting to devise new and inexpensive protein food products readily acceptable to the dietary habits of the low income consumer. In the past, U.S. food companies have been encouraged to attempt to develop such products. However, the current and future strategy emphasizes encouraging local production and marketing of these low cost, highly nutritious foods in the developing countries themselves. Successful new products

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which have been developed by both U.S. and local companies include fortified bread in India, high protein soft drinks in Latin America, fortified pasta products in Brazil, and improved baby food for use throughout the world. High protein food grains are also being developed.

Cereals Fortification Research: Because of the great resistance to changing dietary habits to consume newly developed fortified foods, research programs are being undertaken to fortify familiar basic cereal foods with amino acids, protein concentrates, vitamins and minerals. In Thailand, a field research program is under way to fortify rice with a synthetic rice granule containing essential additional protein, vitamins, and minerals. In Tunisia, research is being conducted on the addition of nutrients to flour at the mills to assure the improved quality of wheat products. Preliminary work has been completed on corn fortification, and a field study on corn will begin soon in Guatemala. Similarly, a pilot program is now under way in Brazil to add protein to cassava flour to improve the diets of the people who consume it as a staple -- generally the lowest income groups.

Nutrition Educational Programs: The lack of awareness and concern on the part of consumers as to what constitutes a good diet is a major deterrent to the improvement of nutrition in developing countries. Thus, general programs of nutrition education are essential, especially since most consumers have limited financial resources. Korea provides an example of an excellent education program -- a voluntary agency working with the Korean Government has produced radio programs, calendars, and wall-charts to sell the idea of good nutrition and to guide the consumer to wiser choices in food purchasing and consumption.

Nutrition Training Programs: Since pregnant and nursing mothers and pre-school children are especially vulnerable to the effects of malnutrition, training programs directed specifically at this problem are needed. Such programs train mothers in the appropriate use of locally available foods and introduce into schools and maternal and child health centers additional knowledge on good nutrition and how it may be achieved within existing economic conditions. Maternal and child health centers in the Philippines are particularly successful examples of this technique. At these centers, mothers whose children are suffering from severe malnutrition are taught how to restore their children to health by proper feeding with total reliance on low-cost, locally available foods.

Exchange of Technical Information: A key element of the nutrition program is the establishment of a network for the dissemination of technical and educational information on nutrition to scientists, technologists, and field workers in the less developed countries. An advisory committee composed of leading U.S. food technologists, nutrition scientists, and officials from industry and universities has been established. This committee, in conjunction with a group of experts from the National Academy of Science, provides necessary expertise and guidance on improvement of the exchange of nutrition information among specialists and field workers.

FOREIGN ASSISTANCE ACT ECONOMIC PROGRAMS

POPULATION/FAMILY PLANNING PROGRAMS
FISCAL YEARS 1970, 1971, 1972
(In thousands of dollars)

	TOTAL			TECHNICAL COOPERATION			DEVELOPMENT LENDING			OTHER PROGRAMS		
	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
GRAND TOTAL	74,575	100,000	100,000	-	-	90,035	56,391	96,267	-	18,184	3,733	9,965
LATIN AMERICA - TOTAL	10,956	15,596	17,574	-	-	17,574	10,956	15,596	-	-	-	-
Bolivia	145	335	335	-	-	335	145	335	-	-	-	-
Central American Reg. Org. (ROCAP)	260	265	326	-	-	326	260	265	-	-	-	-
Chile	465	78	60	-	-	60	465	78	-	-	-	-
Colombia	470	588	510	-	-	510	470	588	-	-	-	-
Costa Rica	273	388	305	-	-	305	273	388	-	-	-	-
Ecuador	864	1,272	818	-	-	818	864	1,272	-	-	-	-
El Salvador	518	439	322	-	-	322	518	439	-	-	-	-
Guatemala	344	777	997	-	-	997	344	777	-	-	-	-
Honduras	499	523	575	-	-	575	499	523	-	-	-	-
Jamaica	420	510	575	-	-	575	420	510	-	-	-	-
Nicaragua	594	400	590	-	-	590	594	400	-	-	-	-
Panama	282	700	438	-	-	438	282	700	-	-	-	-
Paraguay	332	471	427	-	-	427	332	471	-	-	-	-
Peru	113	360	350	-	-	350	113	360	-	-	-	-
Uruguay	-	223	31	-	-	31	-	223	-	-	-	-
Venezuela	118	25	-	-	-	-	118	25	-	-	-	-
Regional Programs	5,260	8,242	10,915	-	-	10,915	5,260	8,242	-	-	-	-
AFRICA - TOTAL	2,663	5,424	7,665	-	-	7,665	2,663	5,424	-	-	-	-
Burundi	-	-	-	-	-	-	-	-	-	-	-	-
Dahomey	-	-	-	-	-	-	-	-	-	-	-	-
Ethiopia	1	30	200	-	-	200	1	30	-	-	-	-
Ghana	790	983	886	-	-	886	790	983	-	-	-	-
Central West Africa Regional	-	-	700	-	-	700	-	-	-	-	-	-
Kenya	164	150	500	-	-	500	164	150	-	-	-	-
Liberia	294	228	219	-	-	219	294	228	-	-	-	-
Morocco	170	120	600	-	-	600	170	120	-	-	-	-
Tunisia	665	350	450	-	-	450	665	350	-	-	-	-
Tanzania	-	-	535	-	-	535	-	-	-	-	-	-
Uganda	400	165	336	-	-	336	400	165	-	-	-	-
Regional	179	3,398	3,239	-	-	3,239	179	3,198	-	-	-	-
NEAR EAST/SOUTH ASIA - TOTAL	23,186	7,421	6,435	-	-	6,435	23,186	7,421	-	-	-	-
Afghanistan	130	1,700	318	-	-	318	130	1,700	-	-	-	-
India	20,318	530	1,050	-	-	1,050	20,318	530	-	-	-	-
Nepal	413	706	695	-	-	695	413	706	-	-	-	-
Pakistan	2,000	2,840	2,880	-	-	2,880	2,000	2,840	-	-	-	-
CENTO	47	40	85	-	-	85	47	40	-	-	-	-
Regional Programs	278	1,605	1,159	-	-	1,159	278	1,605	-	-	-	-
Turkey	-	-	248	-	-	248	-	-	-	-	-	-
EAST ASIA - TOTAL	9,296	10,710	12,440	-	-	10,325	9,296	10,710	-	-	-	2,115
Indonesia	430	1,750	1,825	-	-	1,825	430	1,750	-	-	-	-
Korea	888	800	800	-	-	800	888	800	-	-	-	-
Laos	1,112	925	515	-	-	-	1,112	925	-	-	-	515[a]
Philippines	4,948	5,000	5,100	-	-	5,400	4,948	5,000	-	-	-	-
Thailand	1,295	1,395	1,600	-	-	-	1,295	1,395	-	-	-	1,600[a]
Regional Programs	623	840	2,300	-	-	2,300	623	840	-	-	-	-
VIETNAM	180	233	350	-	-	-	-	-	-	180[a]	233[a]	350[a]
UN POPULATION PROGRAM	4,000	7,500	7,500	-	-	-	-	4,000	-	4,000[a]	3,500[b]	7,500[b]
INTERREGIONAL PROGRAMS	24,293	29,715	34,085	-	-	34,085	10,289	29,715	-	14,004[a]	-	-
UNDISTRIBUTED	-	23,401	13,951	-	-	13,951	-	23,401	-	-	-	-

Note: Detail may not add to total due to rounding.

a/ Funded from Supporting Assistance in fiscal years 1970 and 1971 and from Economic Supporting Assistance in FY 1972.
b/ Funded from Multilateral Technical Assistance in fiscal year 1971 and from International Organizations and Programs in FY 1972.

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EDUCATION &
MANPOWER
TRAINING

EDUCATION AND MANPOWER TRAINING

After intense effort in the 1950's and '60's to improve and expand their educational systems, the developing countries are still faced with an almost insurmountable problem--traditional systems of education fail to reach over half the children in the developing world and fail to prepare their graduates for the society they will enter. The problem calls for a two-pronged attack: the kind of education must be changed so that it relates to the present real needs and circumstances of development, and technologies must be utilized to deliver this education to vastly increased numbers of people at reasonable cost.

Past Progress

In the 1960's, education was one of the principal tasks of development. After centuries of economic and social stagnation and neglect of their human resources, education was seen by most developing countries as the tool to rapid economic, social and political development. Schooling was expected to produce leaders in every field, foster social integration, eliminate illiteracy and expand the opportunity for change. The people of the developing world and the experts in assisting countries sought the answer to all development problems through education: those of unproductive farming, shortages of skills and leadership, rapidly increasing population; health and nutrition and employment.

Many countries reflected their concern by increasing the resources allocated to education. The costs of these efforts were high--in some cases, as much as two-thirds of the annual growth in national revenues was spent on education during the 1950's and 1960's. In the late 1960's, Latin American governments spent twice as much on education as on agriculture. Latin American countries also built more than a quarter of a million primary school classrooms and secondary school enrollment grew three times as fast as primary. In an effort to make their educational systems better serve their societies, developing countries also tried to enrich their curricula with illustrations drawn from local experience, set up new vocational schools to meet manpower needs, and expanded teacher and staff training programs.

A.I.D. assisted in these efforts in the 1960's and will continue to do so in the '70's:

-- Curriculum Reform: The need has been evident for curriculum reform to make the educational system more relevant and responsive to the society it serves. The A.I.D. program is designed to introduce modern methods and approaches, incorporate the contemporary world into the curriculum, modernize the method of teaching reading and writing, integrate agriculture and technical arts into the normal course of study and bring modern concepts of science and mathematics into the curriculum.

-- In Afghanistan the focus is on improving the primary school curriculum and preparing modern textbooks and teaching materials. In FY 1966 the Afghan Government asked for help to reform its primary school curriculum. At the end of an eight year program, primary texts will be revised to add health, agriculture and mechanical arts to the traditional subjects of reading, writing and mathematics. The Afghan Education Ministry will undertake textbook writing, testing, and printing as well as distribute the texts to the entire country. The reform also involves the introduction of new methods of teaching mathematics and the social studies and simplifies the teaching of language and writing. As a result, there will be significant improvements in the organization in the Ministry of Education Elementary School Department.

-- In India assistance is focused on the teaching of science and mathematics. Expert consultants have helped develop a new project using programmed instruction in science and mathematics in the Bombay elementary school system. A.I.D. will support a new five-year program to develop curricula in science and mathematics for grades I through V. Texts will be prepared in sequential form so that students can learn more of the fundamentals at home and teaching staffs will be trained in methods of discussion based on the new texts.

-- In El Salvador, we are assisting a major program of reform through a nationwide instructional television system which includes modernization of the curriculum and teacher retraining, with the television hardware for studio and classrooms being provided through A.I.D. loans and technical assistance and evaluation of the system being provided through an A.I.D. contract with Stanford University.

-- In Guatemala, U.S. efforts are now focused on a study of curriculum innovation and teaching methods in rural areas to test in-service rural teacher training, methods of supervisory training, and improvement of related programs of adult education, particularly the teaching of Spanish to Indians.

-- In Ecuador, A.I.D. is supporting innovative efforts to bring educational opportunities to low income groups which are not reached by the traditional education system through non-formal community literacy and adult education programs.

Teacher and Staff Training Programs: By the late 1950's most educators agreed that too little attention had been paid to the

quality of instruction as a result of poor teacher training, especially for the secondary level. Most foreign assistance activities began to concentrate on increasing the supply of teachers and other skilled manpower. More effort also was devoted to revising textbooks and reducing the shortage of teaching materials.

-- In Pakistan the Institutes of Education and Research were set up in each province to provide graduate degree training to teachers and educational administrators in modern methods of instruction and related management skills. Today they are important elements in modernizing the educational program, and the Institute in East Pakistan has published a definitive study of the educational system in that province.

-- In Africa, where shortages are the most serious, our assistance has helped African countries to expand their formal educational institutions. Assistance, primarily through contracts with U.S. universities, will accelerate Africanization of the staffs of agriculture universities, faculties of education, teacher training institutions and institutes of public administration. In FY 1972 more than half of the new and continuing educational projects are aimed at upgrading the skills of employed persons. In the future more emphasis will be placed on technical manpower development as current assistance efforts are completed.

Vocational and Related Training Programs: One of the most fundamental problems in developing societies which affects all areas of endeavor is the lack of trained and competent manpower. This deficiency permeates all levels of society and is one of the major tasks of foreign assistance.

-- In the Near East and South Asia, programs have been implemented to create new institutions of higher education to train future administrators, managers, scientists and skilled technicians. A.I.D. continues to finance graduate and undergraduate training at the American University of Beirut. During FY 1972, 500 participants will receive A.I.D.-funded scholarships to pursue graduate training. Slightly more than half of the students come from Pakistan, Jordan, and Afghanistan; the rest come from other countries throughout the region -- including Lebanon, Cyprus, Iran and Nepal. Over half of the participants will pursue studies in agriculture and education, with the remainder studying engineering, public and business administration and public health and nursing.

-- In East Asia, A.I.D. will be assisting the Government of Korea in its educational plans to take account of the effects of rapid industrialization. Advanced training of Korean engineers, scientists, industrial and commercial managers and private and public executives is required as Korea moves away from its traditional agricultural orientation toward an industrially-based economy affected by international competition.

To help meet the massive need for education for out-of-school populations, A.I.D. is sponsoring a series of seminars and case studies in six East Asian countries through a contract with the South East Asia Development Assistance Group, a U.S. based, non-profit institution.

-- Through a contract with the American Institute for Free Labor Development, labor union training programs now operate in 16 countries in Latin America to assist in collective bargaining and union organization.

-- The African-American Labor Center has supported vocational training through the Confederation of Ethiopian Labor Unions, workers education in Lome (Togo), and skills training at the Institute of Tailoring and Cutting in Kenya encouraged by both employers and the Kenya Government. The Motor Drivers and Mechanics Vocational School in Lagos is training drivers, including a group to operate and service a fleet of Greyhound buses linking Nigeria's major cities. During 1970 the Pan African Cooperative Training Center in Cotonou, Dahomey provided courses for participants from 16 African countries. The AALC has also supplied mobil medical or dental clinics for labor union social welfare programs in Congo (Kinshasa), the Gambia and Ivory Coast.

Similarly, in East Asia, the Asian-American Free Labor Institute has joined trade union centers in sponsoring workers education programs. In the Philippines, AAFLI works closely with the Free Farmers' Federation to raise the productivity of rural labor through worker education and the utilization of tractors and irrigation equipment.

Current Problems

These programs have not been ineffective, and faith in education was not wholly misplaced, but a variety of problems were obscured. Traditional methods and subject matter proved ill-suited to the needs of development; growth of population and popular demand for education far outstripped the resources available for it. Despite great progress, the countries of the developing world still cannot meet either the social demand for education or the developmental demand for adequately prepared manpower. Traditional education systems have proved inadequate and too expensive; other development demands in such fields as agriculture, industry and health are increasing -- a better solution to educational problems must be found.

EDUCATION AND MANPOWER TRAINING

In the non-communist developing countries there are still 270 million children aged 5-14 not in school -- considerably more than those who are. In most countries in Africa south of the Sahara, less than 10% of secondary school aged youths were in school at the end of the 1960's; in the other regions of the developing world, only a third were enrolled.

But even with these discouraging percentages, in many countries job opportunities did not keep pace with educational output, and they were faced with what to do with their "educated unemployed." The new vocational schools often turned out people who were marginally qualified for jobs that did not exist.

The greatest problem, however, is that only a minority of those students enrolled ever advance far enough to be literate. For instance, in India and Pakistan in 1966, fewer than one-third of all pupils enrolled in the first grade ever reached the fifth grade, the last year of primary school. In Latin America, fewer than one-half reached the fourth grade and in equatorial and tropical Africa, less than one-quarter of the first graders ever completed the fourth grade.

This is caused partially by limited family resources and opposition to education, poor instruction and irrelevant examination systems, but primarily by the lack of accessible schools. In only rare instances do developing countries offer complete primary education to rural children within reach of their homes.

To enroll all school age youth, the developing countries would have to double or treble their education budgets -- a price that they simply cannot pay. And in terms of their relevance, many countries are still faced with a tradition-bound education system that remains seriously out of place with the society it serves. These systems reach too few people with the wrong kind of education and at prohibitive costs.

Thus, the need has become obvious for 1) innovations to permit far greater numbers of children to be educated at much less cost, and 2) fundamental reform in the goals of the system and the methods used to achieve them.

The framework for this reform is not education per se, but a system of human resource development which developing nations can use to achieve their economic and social goals. The scope includes formal education and non-formal education such as agricultural extension, adult-literacy courses, in-service staff training, apprenticeship programs and correspondence courses.

In order for their systems of education to bear fruit, developing countries must:

-- determine the share of their resources which should be allocated to education over the other pressing needs;

-- increase the efficiency of educational management and the teaching process;

-- exploit new educational technologies to make up for poor teaching and environment without increasing costs;

-- reconcile society's need for practical, work-oriented middle level personnel -- managers, technicians and skilled craftsmen -- with the concept of equal educational opportunity for all; and

-- utilize all non-formal educational tools to develop human resources outside the formal system.

Future Action

International assistance will be increasingly used to help in the discovery of solutions to those problems, through professional collaboration and financial support. U.S. assistance is shifting to three new priority areas:

-- refinement and extension of reforms in formal educational systems and non-formal vocational and sub-professional training institutions,

-- expanded research in and experimentation with instructional technologies, and

-- investigation of improved means of educational finance and efficiency.

Experimental projects in the use of new technologies which the developing countries cannot undertake alone are one such type of assistance. Detailed research into educational and learning systems which highlights problems and acts as a catalyst is another. Some countries need personnel to work on innovative projects or fill temporary gaps. All countries need practical research and improved analysis to help them answer specific problems with rational solutions and a new integration between the researchers in education and the practitioners -- administrators, planners and teachers -- so that new ideas are quickly translated into action. All

of them need help in identifying new ways of financing education and better measures of where educational investments will have the greatest value. Even for the more advanced of developing countries, it will not be easy in the next decade to modernize and improve educational management, teaching and the curricula, as well as increase the emphasis on non-formal education. For the least developed countries, where the resources on which to build are sharply limited, more drastic action is needed.

Some comprehensive programs have already been mounted:

-- In 1970 Brazil launched a comprehensive modernization program with the help of A.I.D. capital and technical assistance. The program's objectives are to improve the efficiency and broaden the coverage of the primary and secondary systems as well as make the curriculum more relevant to manpower needs. A total of $5 million, half provided by Brazil and half by the United States, is reserved for design and testing of innovative approaches. A consolidated fund has been set up to provide federal support to public schools and offer incentives to the states which lowered the cost per unit of learning achievement and which engaged in successful experimentation. The program includes advanced administrative training, preparation of uniform achievement tests, and the revision of syllabuses and instructional guides.

Research

Compared with other fields of development, relatively little has been done in educational research to illuminate problems, measure inefficiency and identify better means to do the job in the developing countries. Such research requires a high degree of professional skill and money, both in short supply. Moreover, such research does not produce a clearly defined product, such as new strains of wheat. In addition, the whole educational system is highly sensitive politically. Research is, however, playing an increasing role in current operational programs:

-- In 1968, A.I.D. began a five-year plan of assistance to Turkey to help the Ministry of Education to create a research and evaluation unit.

-- A.I.D. is supporting a Center for Educational Innovation and Technology in East Asia to promote research and experimentation in six Asian countries. U.S. resources are being mobilized to assist developing countries in researching their problems of educational finance and efficiency.

-- A major grant has been made to Florida State University for a five-year program of research, teaching and technical assistance in devising and testing new instructional technologies.

-- A consultant team will be funded in FY 1972 to assess Indonesian needs and priorities in science and technical education as a basis for designing future year activities. With Ford Foundation assistance, Indonesia is currently completing an overall assessment of its educational priorities and projects. This assessment is expected to provide the basis for a long-term strategy for educational development.

-- In Latin America, there is increasing emphasis on detailed analysis of the education system as a prerequisite to the preparation of adequate plans. The available information base is being expanded considerably in order to better measure the magnitude of problems of internal and external efficiencies, and to assist in the design of strategies to overcome these deficiencies. Experimentation aimed at the lowering of education output cost is also being given considerable emphasis. Such measures, which involve both the short and the long-run, and present and future pay-offs, have received their greatest emphasis under sector loans in Brazil, Colombia and Panama.

Because of the desperate need for innovation in education -- both in subject matter and methodology -- experiments with new ideas and techniques are being made a component of as many of our bilateral assistance programs as possible.

Development Administration

Effective governmental services are needed by every nation, and a commitment to development requires a simultaneous commitment to dynamic administration.

Substantial advances in public administration have been made in most of the developing countries in the past decade. But managerial skills must match the requirements imposed by development. For example, modern commercial agriculture presents many requirements for administrative techniques not present in subsistence agriculture.

Organizational inadequacies and severe shortages of public and private managerial talent continue to plague the developing nations.

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EDUCATION AND MANPOWER TRAINING

Development plans have repeatedly failed to meet their targets as administrative machinery proved inadequate to the task of program execution. Extending from top levels down through middle management and first-line supervisors, these managerial deficiencies are particularly severe at provincial and local levels.

In the past public administration activities provided assistance to local government units and central government ministries in the fields of budget planning, personnel, taxation, customs and related services. A major element of past assistance has been to help establish strong education and training institutions. Over the past decade more than 20 U.S. universities have been involved in the long-term institution building efforts overseas to help establish modern schools and institutes of public and business administration. Among the many universities involved in this work have been Southern California, Michigan State, Illinois, Washington of St. Louis, Pittsburgh and Syracuse. As the overseas institutions have gained in experience and fully qualified staff have been trained, emphasis has shifted from basic curriculum building to the introduction of modern management techniques. There will be a continuing need to update education and training activities to take advantage of emerging concepts and practices and to adapt to the dynamics of development. In most places the emphasis will be on joint professional work between U.S. and overseas institutions to introduce and apply modern management techniques, for example, data processing or agriculture and health services management.

Other projects emphasized organization and methods, statistics and census, and civil service training. U.S. non-profit institutions such as the Public Administration Service and the Institute for Public Administration have provided much overseas assistance, as have U.S. consulting firms.

Since FY 1969 technical cooperation inputs were made a part of development loans for selected local and municipal government activities. City management, financial management, and infrastructure and facilities management (markets, slaughterhouses, libraries) are included.

In recent years A.I.D. public administration activities have shifted toward approaches involving new managerial techniques, particularly managerial and organizational support of the major development sectors. These new programs have been characterized by concern for shortfalls in the implementation of development plans, and for the role of administration in rural development, agriculture, health and family planning, and other substantive programs. For example, in the Philippines, a project with provincial organizations and officials is directed toward improvement of the administration and coordination of agricultural production and marketing, infrastructure, and other rural programs.

In the years ahead there will be a continuing need for updating of administrative and managerial techniques in both public and private sector programs. Systems perspectives, management information systems, behavioral and quantitative approaches will be employed. These modern management techniques and strategies will be increasingly applied to programs producing economic benefits or services for large numbers of people.

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INDUSTRIAL AND URBAN DEVELOPMENT

The Process of Industrialization

In order for lower income countries to move from a traditional economy into and beyond the "take-off" stage, it is necessary to industrialize. This has been the story of the advanced countries, a story the poor nations are very conscious of, and wish to emulate. While leaders and governments of the developing countries aspire to improved living conditions for their people, their conviction that industrialization of the economy will provide the quickest -- perhaps the only -- route to these goals does not, unfortunately, yield a ready answer on how to go about it. Industrialization policies vary a great deal in their efficiency and effectiveness, and there is a growing awareness among aid donors and recipients of the need for policies appropriate to each country.

U.S. assistance to lower income countries in the industrial sector has declined in recent years. In most instances industry depends upon agriculture to supply products, food, and foreign exchange and to act as a market. With the increased realization that industrialization needs a healthy agricultural base from which to operate -- as well as healthy and educated people to fill its jobs -- donors and recipient countries have increasingly placed priority emphasis on the other sectors.

However, U.S. assistance, which has varied from cottage industries to steel mills, continues. Efforts are being made to mobilize assistance from the private sector and to pinpoint those areas in which our assistance can do the most good. An integrated industrial economy requires the concurrent development of physical infrastructure, including transportation and electric power; productive industries, such as mining, manufacturing and construction; capital markets, including development banks and intermediate credit institutions; high levels of investment, both domestic and foreign; and a good balance of payments position, possible through steady exports and tourism. All of this constitutes a community of complex interrelationships.

Private Enterprise

In recent years, there have been increased efforts to promote private enterprise in the developing countries by encouraging direct private investment from the United States, largely through the investment guaranty program, by advising on the development of local capital markets, and by assisting in the identification of products which could be manufactured in the lower income countries for export sales.

Promotion of Foreign Investment: No government or public agency has adequate technical skills to meet the vast needs of the lower income countries. Therefore, private business, both here and abroad, must be encouraged to join the business of development. When it is coordinated with developmental goals, foreign private investment is profitable for both the investor and the country in which the investment is made -- new businesses are established, jobs created and income generated.

The United States has operated an investment guaranty program for many years to insure repayment of loans made by American lending institutions to a wide variety of enterprises. These loans are to be guarantied against specific risks such as losses due to (a) war (b) inconvertibility (c) expropriation; and/or against extended risks, i.e. failure of the borrower to repay if the project is unsuccessful for almost any reason except fraud on the part of the lender. Last year, the Overseas Private Investment Corporation was established and began administration of these programs on a much larger scale. Only the applications which have the greatest development impact are accepted, thereby insuring that both parties benefit.

Growth of Intermediate Credit Institutions: Private investment has also been encouraged by financial support for national and regional intermediate credit institutions. Using loan funds provided by aid donors, these institutions have in turn made subloans to various entrepreneurs for the establishment of a wide variety of projects.

Loans to intermediate credit institutions for re-lending are made by A.I.D. and other donors for three basic reasons:

-- They expand existing credit institutions in the developing countries and help to establish new ones which, when they become viable, continue to perform a crucial function for development.

-- They allow lending on a scale that is too small for an international donor to handle efficiently thus credit flows to the small businessman and farmer.

-- Local intermediate credit institutions are much closer to the needs of their communities and of the businesses in them. They can apply this local knowledge effectively in their lending operations. For example, in many of the coastal developing countries, where fishing is an important industry, the financing of fishing boats, or motors for such boats, is common of local entrepreneurship

promotion. The promotion of fishing necessarily also requires cold storage warehousing and refrigerated distribution trucks to market the product. This again generates a need for more small loans.

On the more complex projects, management may be American or third country nationals with extensive experience in the type of project being financed. However, the host country investor with experience and capability is sought to the maximum extent possible. In any event the general policy is to turn the project over to the nationals - in its entirety - as quickly as possible.

As an example, a nylon fiber plant was established in Korea about 10 years ago. Korean management has now taken over completely. Currently a new addition to manufacture nylon tire cord is in the final engineering stages and construction will be built and operated entirely by Koreans.

Developing Capital Markets in Less Developed Countries: In addition to assistance to development banks and other intermediate credit institutions, assistance has been provided to financial institutions to mobilize capital for the expansion of the economy and, specifically, for development purposes. The principal objective of these projects is to broaden the ownership of industry by expanding the number of individuals who own shares in industrial enterprises while generating domestic resources for financing industrialization by channeling the savings of the population into productive enterprises.

Involvement in capital market activities often leads to involvement in financial reform measures in areas not necessarily directly related to a particular institution. The founding of one investment corporation led to several major reforms in stock exchange operations and substantial improvements in the regulation of corporate behavior, such as an adequate dividend policy for shareholders, minimum disclosure of financial information and regulation of conflict of interest.

At the request of three countries - Korea, Pakistan and Turkey -- where capital market activities have been promoted, strong emphasis has been placed on decreasing government involvement in capital market activities. The success of the Pakistan program indicated the desirability of attempting similar types of programs in other countries. Starts have been made in Korea and Turkey. In both cases a small team of experts assisted in formulating programs leading to a more rapid development of their capital markets. During those visits, suggestions were made on better organization of financial institutions and offices dealing with investment banking and securities and exchange activities and the team assisted in the drafting of legislation related to capital market activities. Similar efforts will be extended in the near future to other countries, particularly in Latin America.

Export Promotion: Activities in the field of export development focus on identification of products for which a world market exists and which can be manufactured in acceptable quality and sufficient quantity in lower income countries. In many cases this is preferable to a policy of focusing on production for import substitution, as it avoids the problem of the limited market which import-substitution production must often contend with. However, it is necessary to encourage investment and transfer technology to those countries in order to produce and market these products. There has already been considerable success in recent experiences in India and Korea where specific programs and policy proposals have been discussed with private business and government officials. Similar efforts are being undertaken in both Africa and Asia. Wherever possible, recipient countries are encouraged to seek assistance from multilateral agencies. U.S. assistance is offered where a specific capability exists in the United States and where the multilateral agencies are not able to help.

Physical Infrastructure

Infrastructure supports these developing industries, as well as helping to improve the people's well-being by providing mobility, long distance communication and power generating capacity. Processing and manufacturing plants convert products of mining and agriculture to consumables. Construction builds the facilities which produce the goods.

Manufacturing and Mining: In the field of mining and mineral resources, many developing countries are fortunate in having large reserves of valuable ores of fossil fuels. In addition to supplying the basic raw materials of industrialization, these resources usually provide substantial foreign exchange earnings to the country possessing them, for example, copper in the Congo(K), iron in India and Brazil, oil in Venezuela, phosphate in Morocco, tin in Bolivia and in Thailand. Such countries are starting to exploit these resources through exploration, evaluation, and development. Normally, the development of a mining operation is technologically complex and highly expensive. For these, joint ventures between the local government and an American company are encouraged in setting up mining operations.

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Transportation: In general, assistance in transportation has been most heavily directed to institutional and capital development of roads and highway systems with particular emphasis on road and equipment maintenance. Road transport is, or is becoming, the most important mode in nearly all developing countries since this is the most economical and effective way in which large numbers of people and quantities of light goods can be moved. The second largest area of transportation assistance has been made to railroads. Even in developed countries railroads provide the most economical and effective means for moving heavy bulk goods over land and many countries have surprisingly efficient railway systems. Assistance in this field has usually been concentrated on upgrading existing facilities and supplying modern equipment replacements, rather than on constructing new lines.

Airways and waterways, in that order, have received the next most important increments of transportation assistance. In the field of air transport host governments are encouraged to foster the growth of their domestic or regional airlines as against the extension or creation of an international airline. Assistance has been almost exclusively directed to establishing communications facilities and navigation aids, providing technical assistance for management, operations, and equipment maintenance of domestic airlines. In water transport, the major emphasis has been on capital improvements of ports and harbors with intent to accelerate the movement of imports and exports, and, in some instances, to augment the development of a geographical segment of the economy. Assistance has been directed to inland and coastal waterways and to ship operations.

By far the largest capital assistance in railroads has been to India through seven "railway loans" to India's nine railroads. These loans, totalling $185 million, financed the import of locomotives and steel materials for the manufacture of freight car and locomotive components, track and bridge materials and shop tools. From this, there evolved a major Indian industry -- a diesel-electric locomotive manufacturing plant at Varnasi, a joint venture with the American Locomotive Company. Railroad line construction has been accomplished with capital assistance for the CENTO railway linking Iran and Turkey and the Trans-Cam railway in Cameroon.

-- Sector Loan Assistance: In Brazil a sector loan has been authorized to provide capital assistance to various states and municipalities in upgrading roads, streets, structure, and maintenance facilities. In the Congo(K) two sector loans will assist the government in restoring the operational and navigation facilities related to the Congo River Transport System and its existing system of roads. Each of these sector loan projects represents an input into a much larger overall multi-donor project.

Power: Energy in all its forms is an essential ingredient for industrial and agricultural growth and for the development of the economy of a nation. The principal sources of energy are fossil fuels (lignite, coal, natural gas and oil) falling water and nuclear energy. Although all of these may be used directly, the conversion of these sources of heat or mechanical energy to electric energy provides the most versatile form of energy for industrial and domestic purposes.

Electricity requires extensive and expensive generation, transmission and distribution facilities and is the most capital intensive of all, although economic returns are commensurate. With electric service available, industries can expand or start up, small business can grow, agriculture can produce and the way of life of all citizens can be upgraded.

A prime example is the current effort in Central Java and the North Sumatra area of Indonesia where we are taking the lead in overall planning and development while the World Bank is doing the same in Djakarta and West Java. Jointly supported by the United States and other international donors, systematic planning, engineering, financing and management development aimed at area wide availability of electric power is being carried out.

Not only have the industrial and urban needs for electric power been met, but in recent years attention has been directed to rural electrification. Successful pilot programs for rural electric cooperatives have been financed in Costa Rica, Nicaragua, Peru and the Philippines and utility lines have been extended in rural areas in Colombia and Korea.

This involves the use of U.S. type rural electric cooperatives and the U.S. practice of urban utilities extending lines into agricultural areas. After technical guidance, Nicaragua and Guatemala chose separate courses of action for country-wide rural electrification programs. Guatemala plans to extend the lines of the government power agency; whereas Nicaragua plans on a country-wide program of rural electric cooperatives based on a successful U.S. financed, pilot rural electric cooperative.

In the Philippines, we financed two pilot rural electric cooperatives -- one on Mindanao and the other on Negroes -- which has stimulated the government to a commitment of nationwide rural electrification. Technical advisors helped prepare legislation to set up a National Electrification Administration similar to the U.S. Government Rural Electrification Administration.

Telecommunications: Assistance in telecommunications has been to fund feasibility studies, finance limited backbone micro-wave facilities, and provide management development for these facilities. Examples of technical facilities are the CENTO micro-wave link from Turkey through Iran to Pakistan, a similar telecommunication line in Southeast Asia and supplemental facilities to complete the telecommunication interconnections among the West African countries. Since, by and large, the capital investment per capita for telecommunication facilities is low, and the principal users are the governments and commercial interests, the revenues generally justify borrowing at commercial bank rates. Hence, except for a few instances such as cited above, most telecommunications facilities are now financed by the Export-Import Bank, the IBRD or commercial credits.

Urban Development

The world is being transformed rapidly from a predominantly rural to a predominantly urban human environment. If population growth rates continue at their present level, there will be about 7 billion people around the year 2000, over half of whom will live in cities. Thus, in 30 years, urban areas will have to accommodate the same number of people who now populate the globe -- 3.6 billion. The great bulk of this growth will take place in the less developed regions of the world, those areas least equipped to cope with this phenomenon.

Urbanization on such a scale is inevitable. It is a natural concomitant of modernization and brings with it a number of advantages complementary to development; among them:

- accessibility to markets, services, information, and specialized skills
- creation of an environment for rapid diffusion o knowledge and social standards
- creation of increased opportunity for learning, innovation and risk-taking
- capability of supporting larger operations for lower costs per unit, and
- creation of a more equitable distribution of the fruits of modernization to the residents of cities and of their hinterlands.

Rapid urbanization also produces problems which are serious challenges to development. These include:

- the need for the creation of millions of new urban employment opportunities in the face of sluggish and capital intensive industrialization and reservoirs of manpower with skills not marketable on the growing urban scene
- production and distribution of food for millions of new urban residents
- essential shelter and community services for this population
- control of the pollution generated by such massive gatherings of humanity, and
- political and administrative management of cities of ten million and more population.

The challenge is to gain control over these problems while exploiting to the utmost those aspects of urbanization complementary to development. It is central to the relationship between urban growth and national development, a relationship which has been recognized only recently by most major international aid donors.

In the past our assistance efforts in urban development have been largely ad hoc and sectoral in nature. These activities have included, among others:

- implementation of the housing investment guarantee loan provisions of the Foreign Assistance Act
- loans for construction of urban roads, water supplies, power facilities, sewage disposal plants and low cost housing.
- scattered efforts at fostering the growth of urban planning and administrative skills through participant training, institutional development, and consultations
- development of financial and other institutions to encourage housing construction and other urban development
- limited assistance in urban community development

- projects aimed at development of indigenous low-cost housing materials and techniques, and

- occasional research projects.

In addition to continuing many of these sectoral efforts and expanding the housing investment guarantee program, we are now trying to identify the critical issues and problems of urban development, define the process of rapid urbanization and its consequences to overall development, and determine an effective supportive role for U.S. assistance with the efforts of developing countries. Key problem areas will be isolated to provide the focus for future assistance activities. Determination of the key problem areas will be based on an assessment of developmental bottlenecks, the areas of U.S. technical strength in this field, the priorities of the developing countries, the gaps in other donor programs, and a recognition of U.S. policies, program priorities, and resources.

Capital assistance loans for urban development cover a wide range of activities in virtually all of the regions. Loans are aimed at such areas as: urban water supply, sewage treatment facilities, inter-city highways, and urban transportation and planning.

In Latin America especially, capital assistance loans have assisted the development of national housing banks and finance agencies in several countries and are providing financial resources with which to finance low-cost housing, squatter and slum clearance and rehabilitation, and municipal development.

Proposed for FY 1972 are additional urban sector loans -- for Bolivia and Colombia -- which will be allocated in part for the support of the following activities:

- strengthening and modernizing local government

- encouraging the development of intermediate-sized cities

- infusing industry and local finance into the urban sector

- developing municipal infrastructure, and

- promoting low-income housing and slum rehabilitation.

Housing

To date, the primary means of attacking urban problems in many countries has been through the housing guaranty program. The program was set up in FY 1962 with authority to guaranty $10 million in private U.S. investment in housing projects, initially in Latin America. That authority has been increased annually and now exceeds $710 million on a worldwide basis. Total reserves now available for claims and operations are in excess of $50 million which should be sufficient to carry out an expanded program for the foreseeable future.

When first started, the program's principal activity was to promote housing projects which would act as "pilot demonstrations", the rationale being that large-scale housing projects, usually involving a U.S. builder, would result in a transfer of technological skills. This approach was substantially broadened in 1965 to include projects involving housing finance institutions, trade unions, cooperatives, lower-income housing, and local long-term investors. Specific housing projects proposed by private builders are considered on a competitive basis, while an increasing percentage of projects by non-profit sponsors (mostly host country housing finance institutions) are considered on a negotiated basis. In 1970, for example, 82% of the contracts signed were with Latin American housing finance institutions, principally savings and loan associations. As a result, the developing nations have significantly strengthened their own institutional capacity to deal with their housing problems and promote investment in housing.

Latin America: On December 30, 1970, after nearly seven years of operation in Latin America, 69 housing projects totalling $291 million in guarantied loans were under contract with disbursements totalling $153,677,154 for the construction of 42,217 dwelling units.

One of the major accomplishments in Latin America has been the creation of a network of savings and loan systems and associations throughout the region. Most of these came into being as a result of U.S. technical assistance and concessional loans from A.I.D. The housing guaranty loans have provided for continuing lines of credit to these newly formed thrift institutions.

Africa, Near East, South and East Asia: The housing guaranty program was expanded to cover other regions in 1970. Potential housing projects and programs are being evaluated in Africa and Asia where institutional considerations and development strategies will be incorporated from the very beginning.

INDUSTRIAL AND URBAN DEVELOPMENT

In most new countries, A.I.D. now conducts pre-investment surveys prior to the receipt of applications in order to direct the available resources to priority needs from the outset. Projects in five African countries -- Ivory Coast, Tunisia, Senegal, Kenya and Ethiopia -- total $20 million and provide for the construction of 2,708 dwelling units. An additional $100 million may be authorized within the next twelve months. In East Asia, where previous housing guaranty projects in Taiwan and Thailand amounted to $10 million, an estimated $30 million may be authorized. Some countries in South Asia -- India and Pakistan -- will likely use some of the large quantities of local currency owned by the United States for housing projects. However, other countries in the region are expected to seek substantial dollar guaranty authority during the next year.

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INTERNATIONAL DEVELOPMENT ASSISTANCE

Consolidated Availability and Program FY 1971 and FY 1972

(In thousands of dollars)

	FY 1971							FY 1972						
	Unobl. Bal. Brought Fwd.	Appropriation	Transfers 3/	Receipts and Reimbursements	Recoveries	Total Avail. for Obliga.	FY 1971 Program		Unobl. Bal. Brought Fwd.	Appropriation	Receipts and Reimbursements	Recoveries	Total Avail. for Obliga.	FY 1972 Program
Technical Assistance	(1,717)	(249,625)												
Technical Assistance - Worldwide	870	166,750	-	3,070	15,134	269,546	269,546 1/	Technical Cooperation	-	382,425	4,440	14,610	401,475	401,475 1/
Technical Assistance - Alliance for Progress	847	82,875												
American Schools and Hospitals Abroad	24	12,895	500	-	-	13,419	13,419	American Schools and Hospitals Abroad	-	10,175	-	-	10,175	10,175
Development Loans	(1,154)	(707,500)												
Development Loans-Worldwide	141	420,000	-53,006	170,669	30,984	857,301	857,301 1/	Development Lending	-	655,000	192,385	88,115	935,500	935,500 2/
Alliance for Progress Loans	1,013	287,500												
International Organizations and Programs	(62)	(116,715)	(-)	(-)	(7,016)	(123,793)	(123,793)	International Organizations and Programs	(-)	(168,000)	(-)	(135)	(168,135)	(168,135)
Multilateral Technical Assistance	62	103,810	-	-	7,016 2/	110,888	110,888	Internat'l Org. and Prog.	-	141,000	-	135	141,135	141,135 3/
UNRWA (Arab Refugees)	-	1,000	-	-	-	1,000	1,000	Indus Basin, Grants	-	15,000	-	-	15,000	15,000
Indus Basin, Grants	-	4,925	-	-	-	4,925	4,925	Indus Basin, Loans	-	12,000	-	-	12,000	12,000
Indus Basin, Loans	-	6,980	-	-	-	6,980	6,980							
Prototype Desalting Plant	20,000	-	-	-	-	20,000	-	Prototype Desalting Plant	20,000	-	-	-	20,000	-
Administrative Expenses, A.I.D. 4/	1,104	51,000	6,800	1,290	750	60,944	60,944 4/							
Total	24,061	1,137,735	-45,706	175,029	53,884	1,345,003	1,325,003	Total	20,000	1,215,600	196,825	102,860	1,535,285	1,515,285

1. The Technical Assistance-Worldwide and Technical Assistance-Alliance for Progress amounts exclude $96,267,000 of population technical assistance activities financed with Development Loan and Alliance Loan funds.

2. Consists of prior year deobligated amounts from the Loan accounts.

3. Transfers are as follows:

   a) American Schools and Hospitals Abroad -- $500,000 transferred from Supporting Assistance
   b) Administrative Expenses, A.I.D. -- $6,800,000 transferred from Development Loans for pay raise costs
   c) Development Loans: Transfers out of $6,800,000 to Administrative Expenses, A.I.D.; $6,000,000 to State for Czech Refugees; $20,000,000 to OPIC; $20,000,000 transferred to Inter-American Development Institute (IDBI); and $206,000 to Administrative and other Expenses, State for pay raise costs.

4. In FY 1972 Administrative Expenses are included in the Technical Cooperation, Development Lending, and Economic Supporting Assistance accounts.

1. Includes $90,015,000 for population technical assistance and an estimated $29,600,000 ($27,600,000 in new obligational authority and $2,000,000 in reimbursements) for administrative expenses.

2. Includes an estimated $20,000,000 (of new obligational authority) for administrative expenses.

3. Includes $13,300,000 for UNRWA financed in FY 1971 from Supporting Assistance.

INTERNATIONAL DEVELOPMENT ASSISTANCE - SUMMARY OF PROGRAMS BY AREA

FISCAL YEARS 1970, 1971, and 1972
(In thousands of dollars)

	TOTAL			TECHNICAL COOPERATION			DEVELOPMENT LENDING			OTHER PROGRAMS		
	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
SUMMARY - ALL PROGRAMS	1,328,899	1,325,003	1,515,285	266,205	269,546	401,475	863,619	857,301	935,500	199,074	198,156	178,310
LATIN AMERICA	410,402	340,596	405,074	79,997	80,000	95,074	330,405	260,596	310,000	-	-	-
AFRICA	125,129	146,692	159,915	57,475	58,268	64,915	67,654	88,424	95,000	-	-	-
NEAR EAST AND SOUTH ASIA	404,750	358,561	407,335	30,763	31,140	37,335	373,987	327,421	370,000	-	-	-
EAST ASIA	119,011	159,451	173,825	38,315	37,391	33,825	80,696	122,060	140,000	-	-	-
INTERNATIONAL ORGANIZATIONS AND PROGRAMS	113,508	127,793	168,135	-	-	-	-	4,000	-	113,508	123,793	168,135
AMERICAN SCHOOLS AND HOSPITALS ABROAD	26,464	13,419	10,175	-	-		-	-	-	26,464	13,419	10,175
SURVEYS OF INVESTMENT OPPORTUNITIES	185	-	-	-	-	-	-	-	-	185	-	-
ADMINISTRATIVE EXPENSES, A.I.D.	58,918	60,944	49,600	-	-	29,600	-	-	20,000	58,918	60,944	-
(Regular Expenses)	(56,841)	(59,654)	(47,600)	-	-	(27,600)	-	-	(20,000)	(56,841)	(59,654)	-
(Reimbursable Costs)	(2,077)	(1,290)	(2,000)	-	-	(2,000)	-	-	(-)	(2,077)	(1,290)	-
DEVELOPMENT RESEARCH	4,234	3,500	8,500	4,234	3,500	8,500	-	-	-	-	-	-
INSTITUTIONAL GRANTS, SEC. 211(d)	5,415	4,500	4,500	5,415	4,500	4,500	-	-	-	-	-	-
PROGRAM SUPPORT AND INTERREGIONAL ACTIVITIES	60,883	85,162	114,275	50,006	54,747	113,775	10,877	30,415	500	-	-	-
UNDISTRIBUTED a/	-	24,385	13,951	-	-	13,951	-	24,385	-	-	-	-

Note: Detail may not add to total due to rounding.

a/ Includes undistributed population

INTERNATIONAL DEVELOPMENT ASSISTANCE - SUMMARY OF PROGRAMS BY AREA AND COUNTRY

FISCAL YEARS 1970, 1971, and 1972
(In thousands of dollars)

Area and Country	TOTAL			TECHNICAL COOPERATION			DEVELOPMENT LENDING		
	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
LATIN AMERICA - TOTAL	410,402	340,596	405,074	79,997	80,000	95,074	330,405	260,596	310,000
Inter-American Organizations	10,192	13,000	17,675	10,192	13,000	17,675	-	-	-
Regional Programs	23,129	21,297	28,200	12,869	13,055	23,200	10,260	8,242[a]	5,000
Argentina	974	509	-	974	509	-	-	-	-
Bolivia	2,970	3,585	13,285	2,825	3,250	3,285	145	335[a]	10,000
Brazil	88,003	68,700	70,325	12,979	11,200	10,325	75,024	57,500	60,000
Central American Economic Community:									
Central America Regional Organization (ROCAP)	44,056	9,665	13,526	3,796	3,400	3,526	40,260	6,265	10,000
Costa Rica	19,547	6,180	1,205	1,874	1,592	1,205	17,673	4,588	-
El Salvador	10,280	11,964	12,622	1,962	2,025	2,122	8,318	9,939	10,500
Guatemala	28,302	14,427	18,872	2,858	3,450	3,872	25,444	10,977	15,000
Honduras	5,454	5,248	12,375	2,255	2,725	3,375	3,199	2,523	9,000
Nicaragua	2,331	7,600	12,490	1,737	2,200	2,490	594[a]	5,400	10,000
Chile	18,014	1,728	1,310	2,549	1,650	1,310	15,465	78[a]	-
Colombia	75,767	78,938	78,010	3,597	2,750	3,010	72,170	76,188	75,000
Dominican Republic	5,175	11,572	16,800	3,425	2,572	1,800	1,750	9,000	15,000
Ecuador	23,172	14,322	17,718	2,858	3,050	3,718	20,314	11,272	14,000
Guyana	1,258	7,250	4,690	1,258	1,250	1,190	-	6,000	3,500
Jamaica	765	12,060	11,000	345	450	1,000	420[a]	11,610	10,000
Panama	11,836	20,050	28,588	3,054	3,450	3,588	8,782	16,600	25,000
Paraguay	7,126	4,741	8,427	2,169	2,270	2,427	4,957	2,471	6,000
Peru	3,942	7,010	14,100	3,829	3,650	4,100	113[a]	3,360	10,000
Uruguay	16,922	20,015	13,406	1,522	1,792	1,406	15,400	18,223	12,000
Venezuela	1,093	725	350	975	700	350	118[a]	25[a]	-
Eastern Caribbean Regional Program	10,099	10	10,100	99	10	100	10,000	-	10,000

a/ Population only.

INTERNATIONAL DEVELOPMENT ASSISTANCE - SUMMARY OF PROGRAMS BY AREA AND COUNTRY

FISCAL YEARS 1970, 1971, and 1972
(In thousands of dollars)

Area and Country	TOTAL			TECHNICAL COOPERATION			DEVELOPMENT LENDING		
	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
AFRICA - TOTAL	125,129	146,692	159,915	57,475	58,268	64,915	67,654	88,424	95,000
Regional Programs:									
Africa Regional	14,995	17,789	21,789	7,716	12,391	19,289	7,279	5,398	2,500
Central and West Africa	7,465	13,715	14,537	7,465	7,716	7,537	-	6,000	7,000
East Africa	4,470	8,665	1,745	4,470	1,165	1,745	-	7,500	-
Southern Africa	359	10,930	9,400	359	2,230	2,400	-	8,700	7,000
Country Programs:									
Congo	9,282	13,278	5,543	1,282	1,278	543	8,000	12,000	5,000
Ethiopia	15,571	13,502	16,899	4,970	5,272	4,899	10,601	8,230	12,000
Ghana	17,652	17,735	17,310	1,862	1,752	2,310	15,790	15,983 [a]	15,000
Kenya	5,845	2,123	2,174	2,181	1,973	2,174	3,664 [a]	150 [a]	-
Liberia	4,934	4,576	8,331	4,640	4,348	4,331	294 [a]	228 [a]	4,000
Morocco	10,294	9,657	13,350	2,124	1,737	2,350	8,170	7,920	11,000
Nigeria	12,263	14,496	24,430	10,563	9,496	8,430	1,700 [d]	5,000 [d]	16,000
Somalia	2,221	360 [f]	-	2,221	360 [f]	-	-	-	-
Tanzania	3,019	3,210	5,819	2,019	2,410	2,819	1,000	800	3,000
Tunisia	12,645	12,330	12,358	1,890	1,980	2,358	10,755	10,350	10,000
Uganda	2,531	2,875	4,780	2,131	2,710	2,280	400 [a]	165 [a]	2,500
Self-Help Programs: [e]									
Botswana	30	[c]	[c]	30	[c]	[c]	-	-	-
Burundi	51	[c]	[c]	51	[c]	[c]	-	-	-
Cameroon	100	[c]	[c]	100	[c]	[c]	-	-	-
Central African Republic	100	[c]	[c]	100	[c]	[c]	-	-	-
Chad	54	[c]	[c]	54	[c]	[c]	-	-	-
Dahomey	101	[c]	[c]	101	[c]	[c]	-	-	-
Equatorial Guinea	-	[c]	[c]	-	[c]	[c]	-	-	-
Gabon	25	[c]	[c]	25	[c]	[c]	-	-	-
Gambia	25	[c]	[c]	25	[c]	[c]	-	-	-
Guinea	75	[c]	[c]	75	[c]	[c]	-	-	-
Ivory Coast	25	[c]	[c]	25	[c]	[c]	-	-	-
Lesotho	12	[c]	[c]	12	[c]	[c]	-	-	-
Malagasy	110	[c]	[c]	110	[c]	[c]	-	-	-
Malawi	50	[c]	[c]	50	[c]	[c]	-	-	-
Mali	80	[c]	[c]	80	[c]	[c]	-	-	-
Mauritania	-	[c]	[c]	-	[c]	[c]	-	-	-
Mauritius	80	[c]	[c]	80	[c]	[c]	-	-	-
Niger	75	[c]	[c]	75	[c]	[c]	-	-	-
Rwanda	26	[c]	[c]	26	[c]	[c]	-	-	-
Senegal	215 [b]	[c]	[c]	215 [b]	[c]	[c]	-	-	-
Seychelles	-	-	[c]	-	-	[c]	-	-	-
Sierra Leone	100	[c]	[c]	100	[c]	[c]	-	-	-
Swaziland	33	[c]	[c]	33	[c]	[c]	-	-	-
Togo	100	[c]	[c]	100	[c]	[c]	-	-	-
Upper Volta	100	[c]	[c]	100	[c]	[c]	-	-	-
Zambia	15	[c]	[c]	15	[c]	[c]	-	-	-
Total Self-Help	(1,417)	1,450	1,450	(1,417)	1,450	1,450	-	-	-

a/ Population only.
b/ Includes $165,000 for final funding of a bilateral project.
c/ Included in self help total.
d/ Amendments to prior year loans only.
e/ For number of self-help program countries excluded from limitation on number of countries receiving Technical Cooperation under Section 211(a) of the Foreign Assistance Act, see page C-25.
f/ Funds programmed only for necessary expenses of winding up programs terminated under Section 617 of the Foreign Assistance Act.

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INTERNATIONAL DEVELOPMENT ASSISTANCE - SUMMARY OF PROGRAMS BY AREA AND COUNTRY

FISCAL YEARS 1970, 1971, and 1972
(In thousands of dollars)

Area and Country	TOTAL			TECHNICAL COOPERATION			DEVELOPMENT LENDING		
	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
NEAR EAST AND SOUTH ASIA - TOTAL	404,750	358,561	407,335	30,763	31,140	37,335	373,987	327,421	370,000
Afghanistan	6,822	8,700	7,018	6,692	7,000	7,018	130[a]	1,700[a]	-
India	223,722	184,530	230,050	8,404	9,000	10,050	215,318	175,530	220,000
Jordan	1,470	1,000	750	1,470	1,000	750	-	-	-
Nepal	2,263	2,631	2,695	1,850	1,925	2,695	413[a]	706[a]	-
Pakistan	123,700	88,840	118,330	5,900	6,000	8,330	117,800	82,840	110,000
Turkey	43,284	68,385	43,948	3,284	3,385	3,948	40,000	65,000	40,000
CENTO	553	420	585	506	380	585	47[a]	40[a]	-
Regional Programs	2,935	4,055	3,959	2,657	2,450	3,959	278[a]	1,605[a]	-
EAST ASIA - TOTAL	119,011	159,451	173,825	38,315	37,391	33,825	80,696	122,060	140,000
Indonesia	56,219	63,532	107,325	4,389	5,432	7,325	51,830	58,100	100,000
Korea	24,955	59,200	24,100	4,067	3,400	4,100	20,888	55,800	20,000
Laos	8,275	7,525	-	7,163	6,600	-	1,112[a]	925[a]	-
Philippines	9,046	9,300	29,100	4,098	4,300	9,100	4,948[a]	5,000	20,000
Thailand	7,683	7,495	-	6,388	6,100	-	1,295[a]	1,395[a]	-
Regional Programs	12,835	12,399	13,300	12,212	11,559	13,300	623[a]	840[a]	-

a/ Population only.

INTERNATIONAL DEVELOPMENT ASSISTANCE - SUMMARY OF INTERNATIONAL ORGANIZATIONS AND PROGRAMS

FISCAL YEARS 1970, 1971, and 1972
(In thousands of dollars)

	TOTAL			DEVELOPMENT LENDING			OTHER PROGRAMS		
	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
INTERNATIONAL ORGANIZATIONS AND PROGRAMS	113,508	127,793	168,135	-	4,000	-	113,508	123,793	168,135
MULTILATERAL ORGANIZATIONS - TOTAL	104,978	114,888	127,835	-	4,000	-	104,978	110,888	127,835
International Atomic Energy Agency-Operational Program	1,378	1,550	1,550	-	-	-	1,378	1,550	1,550
International Secretariat for Voluntary Service	70	70	73	-	-	-	70	70	73
Special Contributions for Vietnam	692	950	-	-	-	-	692	950	-
UN Children's Fund	13,000	13,000	13,000	-	-	-	13,000	13,000	13,000
UN Development Program	86,268	86,268	100,000	-	-	-	86,268	86,268	100,000
UN Food and Agriculture Organizations World Food Program	1,300	1,500	1,500	-	-	-	1,300	1,500	1,500
UN Institute for Training and Research	400	400	400	-	-	-	400	400	400
UN Population Program	a/	7,500	7,500	-	4,000	-	a/	3,500	7,500
UN Technical and Operational Assistance to the Congo	220	-	-	-	-	-	220	-	-
UN Fund for Drug Abuse Control	-	2,000	2,000	-	-	-	-	2,000	2,000
World Health Organizations Medical Research	150	150	312	-	-	-	150	150	312
World Meteorological Organization-Voluntary-Assistance Program	1,500	1,500	1,500	-	-	-	1,500	1,500	1,500
UN RELIEF AND WORKS AGENCY	a/	a/	13,300	-	-	-	a/	a/	13,300
ARAB REFUGEE VOCATIONAL TRAINING	1,000	1,000	b/	-	-	-	1,000	1,000	b/
INDUS BASIN DEVELOPMENT, LOANS	-	6,980	12,000	-	-	-	-	6,980	12,000
INDUS BASIN DEVELOPMENT, GRANTS	7,530	4,925	15,000	-	-	-	7,530	4,925	15,000

a/ Financed from Supporting Assistance.
b/ Included in UNRWA total for FY 1972.

INTERNATIONAL DEVELOPMENT ASSISTANCE

Estimated Gross Expenditures and Unexpended Balances by Appropriation

For Fiscal Years 1971 and 1972

(In thousands of dollars)

	Unexpended Balance 6/30/70	Appropriations FY 1971	Receipts, Transfers, Reimbursements	Total Available for Expenditure	Estimated Gross Expenditures FY 1971	Estimated Unexpended Balance 6/30/71	Requested Appropriations FY 1972	Receipts, Transfers, Reimbursements	Total Available for Expenditure	Estimated Gross Expenditures FY 1972	Estimated Unexpended Balance 6/30/72
Budgeted Programs											
Bilateral Technical Assistance:											
World-wide	198,209	166,750	2,800	327,759	155,000	172,759	-	-	172,759	105,000	67,759
Alliance for Progress	70,391	82,875	270	153,536	90,000	63,536	-	-	63,536	47,500	16,036
American Schools and Hospitals Abroad	25,985	12,895	500	39,380	15,000	24,380	10,175	-	34,555	22,000	12,555
Technical Cooperation							188,425	4,440	396,865	192,000	204,865
Administrative Expenses, A.L.D.	10,838	51,000	8,090	69,928	61,820	8,108	-	-	8,108	8,108	-
Prototype Desalting Plant	20,000	-	-	20,000	-	20,000	-	-	20,000	-	20,000
Development Loans:											
World-wide	1,225,321	420,000	90,647	1,733,968	575,000	1,158,968	-	-	1,158,968	500,500	658,468
Alliance for Progress	1,043,957	287,500	-20,000	1,310,957	305,000	1,005,957	-	-	1,005,957	298,700	707,257
Development Lending							655,000	192,385	847,385	40,000	807,385
Multilateral Technical Assistance:											
Multilateral Organizations	153,402	103,810	7,016	264,228	110,000	154,228	-	-	154,228	135,000	19,228
Indus Basin, Grants	7,530	4,925	-	12,455	8,500	3,955	15,000	-	18,955	14,000	4,955
Indus Basin, Loans	1,661	6,980	-	8,641	8,641	-	12,000	-	12,000	12,000	-
UNRWA (Arab Refugees)	1,000	1,000	-	2,000	1,000	1,000	-	-	1,000	1,000	-
International Organizations and Programs							141,000	-	141,000	18,000	123,000
Total Budgeted Programs	2,715,794	1,137,735	89,323	3,942,852	1,329,961	2,612,891	1,215,600	196,825	4,025,316	1,336,763	2,688,553
Social Progress Trust Fund	28,010	-	-	28,010	15,000	13,010	-	-	13,010	13,010	-

BEST AVAILABLE

U.S. FOREIGN ECONOMIC ASSISTANCE PROGRAMS - SUMMARY OF PROGRAMS BY AREA [a]/
Fiscal Years 1970, 1971 and 1972

(In thousands of dollars)

	TOTAL ECONOMIC			FOREIGN ASSISTANCE ACT ECONOMIC PROGRAMS			PL - 480			PEACE CORPS		
	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
SUMMARY - ALL PROGRAMS	3,070,426	3,206,301	3,532,445	1,876,729	1,937,112	2,445,985	1,102,921	1,186,089	1,115,260	90,776	83,100	71,200
LATIN AMERICA	589,511	474,844	578,156	421,714	343,442	410,924	146,454	111,894	151,130	21,343	19,508	16,102
AFRICA	269,140	279,223	287,628	155,171	164,392	165,865	93,717	96,481	106,230	20,252	18,350	15,533
NEAR EAST AND SOUTH ASIA	858,387	861,143	873,708	404,750	363,561	437,585	444,631	490,126	429,881	9,006	7,456	6,242
EAST ASIA	500,302	628,103	707,799	191,538	285,167	376,575	293,830	329,774	320,124	14,934	13,162	11,100
VIETNAM	505,063	534,128	647,600	365,877	396,075	565,000	139,186	138,053	82,600	-	-	-
EUROPE	6,080	13,221	14,968	-	-	-	6,070	13,190	14,900	10	31	68
NEW COUNTRIES	-	-	300	-	-	-	-	-	-	-	-	300
INTERNATIONAL ORGANIZATIONS AND PROGRAMS	136,808	147,093	172,935	136,808	147,093	172,935	-	-	-	-	-	-
INDUS BASIN PROGRAM	(7,530)	(11,905)	(27,000)	(7,530)	(11,905)	(27,000)	-	-	-	-	-	-
AMERICAN SCHOOLS AND HOSPITALS ABROAD	27,964	13,419	10,175	27,964	13,419	10,175	-	-	-	-	-	-
SURVEY OF INVESTMENT OPPORTUNITY	185	-	-	185	-	-	-	-	-	-	-	-
ADMINISTRATIVE EXPENSES	77,529	80,972	77,585	58,918	60,944	59,600	-	-	-	18,611	20,023	17,985
Regular Expenses	(75,452)	(79,682)	(75,585)	(56,841)	(59,654)	(57,600)	-	-	-	(18,611)	(20,028)	(17,985)
Reimbursable Costs	(2,077)	(1,290)	(2,000)	(2,077)	(1,290)	(2,000)	-	-	-	-	-	-
ADMINISTRATIVE AND OTHER EXPENSES, STATE	4,036	4,372	4,400	4,036	4,372	4,400	-	-	-	-	-	-
DEVELOPMENT RESEARCH	8,932	8,500	8,500	8,932	8,500	8,500	-	-	-	-	-	-
INSTITUTIONAL GRANTS	5,415	4,500	4,500	5,415	4,500	4,500	-	-	-	-	-	-
PROGRAM SUPPORT AND INTERREGIONAL ACTIVITIES	95,907	100,027	118,545	89,287	95,462	114,675	-	-	-	6,620	4,565	3,870
UNDISTRIBUTED	-	24,385 [b]/	13,951 [b]/	-	24,385	13,951	-	-	-	-	-	-
CONTINGENCY FUND	6,134	25,800	101,300	6,134	25,800	101,300	-	-	-	-	-	-
ADJUSTMENT TO NET ASSISTANCE - PL - 480	-20,967	6,571	10,395	-	-	-	-20,967	6,571	10,395	-	-	-

a/ Excludes (1) contributions to International Financial Institutions (see page C-31); (2) Inter-American Social Development Institute (proposed to be renamed the Inter-American Foundation) which has a program in FY 1971 of $5,806,000 and proposed in FY 1972 of $10,944,000; and (3) the Overseas Private Investment Corporation which has a loan program of $5,000,000 in FY 1971 and estimated $30,000,000 in FY 1972, exclusive of its insurance and guaranty programs.

b/ Includes undistributed population.

U.S. FOREIGN ECONOMIC ASSISTANCE PROGRAMS - SUMMARY OF PROGRAMS BY AREA AND COUNTRY
Fiscal Years 1970, 1971 and 1972

(In thousands of dollars)

	TOTAL ECONOMIC			FOREIGN ASSISTANCE ACT ECONOMIC PROGRAMS			PL - 480			PEACE CORPS		
	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
LATIN AMERICA - TOTAL	589,511	474,844	578,156	421,714	343,442	410,924	146,454	111,894	151,130	21,343	19,508	16,102
Inter-American Organizations	10,746	13,000	17,675	10,746	13,000	17,675	-	-	-	-	-	-
Regional Programs	26,161	22,831	29,518	24,129	21,297	28,200	-	-	-	2,032	1,534	1,318
Argentina	974	509	-	974	509	-	-	-	-	-	-	-
Barbados	-	632	-	-	-	-	-	632	-	-	-	-
Bolivia	5,552	12,667	23,169	2,970	3,585	13,400	1,184	7,885	8,730	1,398	1,197	1,039
Brazil	159,989	111,909	128,817	88,003	68,700	70,499	68,373	40,392	55,890	3,613	2,817	2,428
Central American Economic Community:												
Central America Regional Organization (ROCAP)	44,300	10,024	13,836	44,056	9,665	13,526	39	108	90	205	251	220
Costa Rica	20,607	7,211	2,234	19,547	6,180	1,403	474	387	270	586	644	561
El Salvador	12,549	14,093	14,715	10,280	11,964	12,678	1,731	1,650	1,620	538	479	417
Guatemala	32,125	17,598	22,156	29,090	14,486	19,249	2,385	2,565	2,430	650	547	477
Honduras	7,124	6,855	14,092	5,454	5,248	12,546	896	864	900	774	743	646
Nicaragua	3,133	8,861	13,641	2,331	7,600	12,581	405	729	594	397	532	466
Chile	26,066	9,022	8,308	18,014	1,728	1,310	6,898	6,593	6,390	1,154	701	608
Colombia	114,359	89,776	101,449	75,767	78,938	78,350	36,723	9,635	22,050	1,869	1,203	1,049
Dominican Republic	20,712	26,810	31,534	5,175	11,572	17,170	14,884	14,705	13,900	653	533	464
Ecuador	25,729	19,635	24,952	23,172	14,322	17,853	1,533	4,429	6,330	1,024	884	769
Guyana	1,593	7,830	5,879	1,258	7,250	4,789	41	356	1,065	294	224	25
Haiti	3,660	6,027	6,600	1,570	2,787	3,000	2,090	3,240	3,600	-	-	-
Jamaica	2,013	13,695	14,105	765	12,060	11,096	338	449	1,980	910	1,186	1,029
Panama	13,448	21,478	29,394	11,836	20,050	28,791	903	675	603	709	753	-
Paraguay	8,121	10,855	13,292	7,126	4,741	8,427	536	5,664	4,475	459	450	390
Peru	16,981	19,348	33,575	11,342	7,010	14,100	4,217	10,280	17,690	1,422	2,058	1,785
Surinam	45	45	45	-	-	-	45	45	45	-	-	-
Trinidad & Tobago	-	104	99	-	-	-	-	104	99	-	-	-
Uruguay	19,476	20,457	15,970	16,922	20,015	13,631	2,418	293	2,208	136	149	131
Venezuela	2,710	2,411	2,015	1,093	725	550	-	-	-	1,617	1,686	1,465
Eastern Caribbean Regional Programs	11,332	1,143	11,072	10,099	10	10,100	330	196	157	903	937	815
Other West Indies	11	18	14	-	-	-	11	18	14	-	-	-

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U.S. FOREIGN ECONOMIC ASSISTANCE PROGRAMS - SUMMARY OF PROGRAMS BY AREA AND COUNTRY
Fiscal Years 1970, 1971 and 1972

(In thousands of dollars)

	TOTAL ECONOMIC			FOREIGN ASSISTANCE ACT ECONOMIC PROGRAMS			PL - 480			PEACE CORPS		
	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
AFRICA - TOTAL	269,140	279,223	287,628	155,171	164,392	165,865	93,717	96,481	106,230	20,252	18,350	15,533
Regional Programs												
Africa Regional	16,284	19,055	24,116	14,995	17,789	21,889	6	9	1,009	1,283	1,257	1,218
Central West Africa	7,465	13,716	14,537	7,465	13,716	14,537	-	-	-	-	-	-
East Africa	4,470	8,665	1,745	4,470	8,665	1,745	-	-	-	-	-	-
Southern Africa	959	11,430	9,700	959	11,430	9,700	-	-	-	-	-	-
Country Programs												
Congo (Kinshasa)	14,963	15,458	8,027	9,282	13,278	6,559	5,659	1,996	1,080	22	184	388
Ethiopia	18,970	15,440	18,581	15,571	13,502	16,899	1,331	679	630	2,068	1,259	1,052
Ghana	32,993	21,093	36,981	17,652	17,735	17,416	13,921	1,441	18,075	1,420	1,917	1,490
Kenya	8,722	4,766	4,375	5,845	2,123	2,174	782	720	630	2,095	1,923	1,571
Liberia	8,037	6,376	10,094	4,934	4,576	8,534	1,359	450	441	1,744	1,350	1,119
Morocco	29,465	45,628	45,165	10,294	9,657	13,350	18,302	35,085	31,095	869	886	720
Nigeria	47,452	36,548	34,380	39,705	31,696	28,530	7,387	4,733	5,850	360	119	-
Somalia	3,148	540	540	2,221	360 d/	-	612	180	540	315	-	-
Tanzania	4,784	5,048	7,799	3,019	3,210	5,819	1,719	1,838	1,980	46	-	-
Tunisia	38,911	34,178	32,780	14,645	12,330	12,483	23,680	21,443	19,980	586	405	317
Uganda	3,266	3,521	5,385	2,531	2,875	4,780	201	180	225	534	466	380
Self-Help Programs c/												
Algeria	2,180	-	-	-	-	-	2,180	-	-	-	-	-
Botswana	1,491	1,660	1,614	30	b/	b/	1,089	1,350	1,350	372	310	264
Burundi	578	299	189	51	b/	b/	527	299	189	-	-	-
Cameroon	633	582	507	100	b/	b/	48	36	27	485	546	480
Central African Republic	415	177	198	100	b/	b/	315	177	198	-	-	-
Chad	600	555	537	54	b/	b/	112	121	148	434	434	389
Congo (Brazzaville)	244	-	-	-	-	-	244	-	-	-	-	-
Dahomey	455	420	775	101	b/	b/	-	-	405	354	420	370
Equatorial Guinea	314	-	-	-	b/	b/	314	-	-	-	-	-
Gabon	144	117	117	25	b/	b/	119	117	117	-	-	-
Gambia	312	897	444	25	b/	b/	98	488	90	189	409	354
Guinea	497	5,756	7,722	75	b/	b/	-	5,017	7,100	422	739	622
Ivory Coast	801	1,051	909	25	b/	b/	38	270	270	738	781	639
Lesotho	4,960	1,892	3,743	12	b/	b/	4,571	1,727	3,600	377	165	143
Libya	367	-	-	-	-	-	-	-	-	367	-	-
Malagasy	663	180	180	110	b/	b/	553	180	180	-	-	-
Malawi	808	491	442	50	b/	b/	40	180	180	718	311	262
Mali	350	3,331	1,412	80	b/	b/	207	3,249	1,188	63	82	224
Mauritania	798	1,708	720	-	b/	b/	798	1,708	720	-	-	-
Mauritius	1,105	2,000	1,602	80	b/	b/	855	1,774	1,400	170	226	202
Niger	1,238	1,043	1,817	75	b/	b/	623	503	1,368	540	540	449
Rwanda	577	450	360	26	b/	b/	551	450	360	-	-	-
Senegal	3,608	2,598	3,149	215 a/	b/	b/	2,783	1,917	2,583	610	681	566
Seychelles	23	36	36	-	-	b/	23	36	36	-	-	-
Sierra Leone	2,434	2,453	2,244	100	b/	b/	588	857	1,035	1,746	1,596	1,209
Sudan	36	63	63	-	-	-	36	63	63	-	-	-
Swaziland	634	3,538	175	33	b/	b/	332	3,316	-	269	222	175
Togo	1,038	1,076	963	100	b/	b/	326	346	360	612	730	603
Upper Volta	1,718	3,890	1,965	100	b/	b/	1,174	3,498	1,638	444	392	327
Zambia	229	48	90	15	b/	b/	214	48	90	-	-	-
Total Self-Help	(1,417)	1,450	1,450	(1,417)	1,450	1,450	-	-	-	-	-	-

a/ Includes $165,000 for final funding of a bilateral project
b/ Included in self-help total.
c/ For number of self-help program countries excluded from limitation on number of countries receiving Technical Cooperation under Section 211(a) of the Foreign Assistance Act, see page C-25.
d/ Funds programmed only for necessary expenses of winding up programs terminated under Section 617 of the Foreign Assistance Act.

U.S. FOREIGN ECONOMIC ASSISTANCE PROGRAMS - SUMMARY OF PROGRAMS BY AREA AND COUNTRY
Fiscal Years 1970, 1971 and 1972

(In thousands of dollars)

	TOTAL ECONOMIC			FOREIGN ASSISTANCE ACT ECONOMIC PROGRAMS			PL - 480			PEACE CORPS		
	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
NEAR EAST AND SOUTH ASIA - TOTAL	858,387	861,143	873,708	404,750	363,561	437,585	444,631	490,126	429,881	9,006	7,456	6,242
Afghanistan	8,516	13,320	11,886	6,822	8,700	7,018	750	3,720	4,110	944	900	758
Ceylon	4,253	17,406	23,420	-	-	-	3,930	17,360	23,420	323	46	-
Cyprus	-	349	360	-	-	-	-	349	360	-	-	-
India	455,472	403,385	414,752	223,722	184,530	230,050	227,838	215,235	181,670	3,912	3,620	3,032
Iran	1,396	15,697	7,481	-	-	-	-	14,400	6,400	1,396	1,297	1,081
Iraq	216	180	90	-	-	-	216	180	90	-	-	-
Israel	46,206	58,770	56,133	-	-	-	46,206	58,770	56,133	-	-	-
Jordan	2,283	10,250	33,838	1,470	6,000	30,750	813	4,250	3,088	-	-	-
Lebanon	7,831	765	3,565	-	-	-	7,831	765	3,565	-	-	-
Nepal	3,636	4,139	4,301	2,263	2,631	2,695	154	180	450	1,219	1,328	1,156
Pakistan	216,149	202,040	220,530	123,700	88,840	118,580	92,449	113,200	101,950	-	-	-
Southern Yemen	14	63	45	-	-	-	14	63	45	-	-	-
Syria	61	90	72	-	-	-	61	90	72	-	-	-
Turkey	91,566	106,525	71,001	43,284	68,385	43,948	47,310	38,070	27,000	972	70	53
Yemen	170	2,390	738	-	-	-	170	2,390	738	-	-	-
Cento	553	420	585	553	420	585	-	-	-	-	-	-
Regional	20,064	25,354	24,911	2,935	4,055	3,959	16,889	21,104	20,790	240	195	162
EAST ASIA - TOTAL	500,302	628,103	707,799	191,538	285,167	376,575	293,830	329,774	320,124	14,934	13,162	11,100
Burma	453	675	540	-	-	-	453	675	540	-	-	-
Cambodia	16	78,509	130,009	-	70,000	110,000	16	8,509	20,009	-	-	-
China (Taiwan)	-	20,000	4,500	-	-	-	-	20,000	4,500	-	-	-
Hong Kong	472	540	180	-	-	-	472	540	180	-	-	-
Indonesia	203,808	218,396	239,075	56,219	63,532	107,325	147,589	154,864	131,750	-	-	-
Korea	159,754	177,624	129,534	34,955	59,200	24,100	123,175	116,117	103,490	1,624	2,307	1,944
Laos	53,811	46,389	52,260	51,941	45,925	50,550	1,870	464	1,710	-	-	-
Malaysia	4,445	3,429	3,369	-	-	-	1,749	855	1,215	2,696	2,574	2,154
Philippines	26,859	39,799	65,550	9,046	10,800	29,900	15,250	26,765	33,760	2,563	2,234	1,890
Ryukyu Islands	1,763	-	1,980	-	-	-	1,763	-	1,980	-	-	-
Singapore	147	112	90	-	-	-	147	112	90	-	-	-
Thailand	29,121	25,552	62,223	26,545	23,095	40,000	1,244	873	20,900	1,332	1,584	1,323
Western Samoa	495	492	425	-	-	-	-	-	-	495	492	425
Regional	19,161	16,586	18,064	12,835	12,615	14,700	102	-	-	6,224	3,971	3,364
VIETNAM - TOTAL	505,063	534,128	647,600	365,877	396,075	565,000	139,186	138,053	82,600	-	-	-
Country Program	493,596	524,053	637,600	354,410	386,000	555,000	139,196	138,053	82,600	-	-	-
Expanded Vietnam Program:												
Administrative	4,729	3,600	3,600	4,729	3,600	3,600	-	-	-	-	-	-
Program Support	6,738	6,475	6,400	6,738	6,475	6,400	-	-	-	-	-	-
EUROPE - TOTAL	6,080	13,221	14,968	-	-	-	6,070	13,190	14,900	10	31	68
Hungary	1,157	-	-	-	-	-	1,157	-	-	-	-	-
Iceland	-	1,300	900	-	-	-	-	1,300	900	-	-	-
Malta	10	31	68	-	-	-	-	-	-	10	31	68
Poland	2,679	-	-	-	-	-	2,679	-	-	-	-	-
Portugal	114	1,000	4,000	-	-	-	114	1,000	4,000	-	-	-
Romania	2,120	7,590	-	-	-	-	2,120	7,590	-	-	-	-
Spain	-	3,300	10,000	-	-	-	-	3,300	10,000	-	-	-

FOREIGN ASSISTANCE ACT ECONOMIC PROGRAMS-SUMMARY OF PROGRAMS BY AREA

FISCAL YEARS 1970, 1971, and 1972

(In thousands of dollars)

	TOTAL			TECHNICAL COOPERATION			DEVELOPMENT LENDING			ECONOMIC SUPPORTING ASSISTANCE			CONTINGENCY FUND			OTHER PROGRAMS		
	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
SUMMARY - ALL PROGRAMS	1,876,729	1,937,112	2,445,985	266,196	269,546	401,475	863,619	857,301	935,500	522,838	580,437	825,000	20,966	27,300	101,300	203,110	202,528	182,710
LATIN AMERICA	421,714	343,442	410,924	79,997	80,000	95,074	330,405	260,596	310,000	1,980	2,846	5,850	9,332	-	-	-	-	-
AFRICA	155,171	164,392	165,865	57,475	58,268	54,915	67,654	88,424	95,000	26,042	17,700	5,950	4,000	-	-	-	-	-
NEAR EAST AND SOUTH ASIA	404,750	363,561	437,585	30,763	31,140	37,335	373,987	327,421	370,000	-	5,000	30,250	-	-	-	-	-	-
EAST ASIA	191,538	285,167	376,575	38,315	37,391	33,825	80,696	122,060	140,000	72,527	124,216	202,750	-	1,500	-	-	-	-
VIETNAM	365,877	396,075	565,000	-	-	-	-	-	-	365,877	396,075	565,000	-	-	-	-	-	-
INTERNATIONAL ORGANIZATIONS AND PROGRAMS	136,808	147,093	172,935	-	-	-	-	4,000	-	23,300	19,300	4,800	-	-	-	113,508	123,793	168,135
AMERICAN SCHOOLS AND HOSPITALS ABROAD	27,964	13,419	10,175	-	-	-	-	-	-	-	-	-	1,500	-	-	26,464	13,419	10,175
SURVEYS OF INVESTMENT OPPORTUNITIES	185	-	-	-	-	-	-	-	-	-	-	-	-	-	-	185	-	-
ADMINISTRATIVE EXPENSES, A.I.D.	58,918	60,944	59,600	-	-	29,600	-	-	20,000	-	-	10,000	-	-	-	58,918	60,944	-
(Regular Expenses)	(56,841)	(59,654)	(57,600)	-	-	(27,600)	-	-	(20,000)	-	-	(10,000)	-	-	-	(56,041)	(59,654)	-
(Reimbursable Costs)	(2,077)	(1,290)	(2,000)	-	-	(2,000)	-	-	-	-	-	-	-	-	-	(2,077)	(1,290)	-
ADMINISTRATIVE AND OTHER EXPENSES, STATE	4,036	4,372	4,400	-	-	-	-	-	-	-	-	-	-	-	-	4,036	4,372	4,400
DEVELOPMENT RESEARCH	8,932	8,500	8,500	4,234	3,500	8,500	-	-	-	4,698	5,000	-	-	-	-	-	-	-
INSTITUTIONAL GRANTS, SEC. 211 (d)	5,415	4,500	4,500	5,415	4,500	4,500	-	-	-	-	-	-	-	-	-	-	-	-
PROGRAM SUPPORT AND INTERNATIONAL ACTIVITIES	89,287	95,462	114,675	43,996	54,747	113,775	10,877	30,415	500	28,414	10,300	400	-	-	-	-	-	-
UNDISTRIBUTED	-	24,385 a/	13,951	-	-	13,951	-	24,385 a/	-	-	-	-	-	-	-	-	-	-
CONTINGENCY FUND	6,134	25,800	101,300	-	-	-	-	-	-	-	-	-	6,134	25,800	101,300	-	-	-

a/ Includes Undistributed Population

FOREIGN ASSISTANCE ACT ECONOMIC PROGRAMS - SUMMARY OF PROGRAMS BY AREA AND COUNTRY

FISCAL YEARS 1970, 1971, and 1972
(In thousands of dollars)

Area and Country	TOTAL			TECHNICAL COOPERATION			DEVELOPMENT LENDING			ECONOMIC SUPPORTING ASSISTANCE			CONTINGENCY FUND		
	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
LATIN AMERICA - TOTAL	421,714	343,442	410,924	79,997	80,000	95,074	330,405	260,596	310,000	1,980	2,846	5,850	9,332	-	-
Inter-American Organizations	10,746	13,000	17,675	10,192	13,000	17,675	-	-	-	-	-	-	554	-	-
Regional Programs	24,129	21,297	28,200	12,869	13,055	23,200	10,260	8,242 a/	5,000	-	-	-	1,000	-	-
Argentina	974	509	-	974	509	-	-	- a/	-	-	-	-	-	-	-
Bolivia	2,970	3,585	13,400	2,825	3,250	3,285	145 a/	335 a/	10,000	-	-	115	-	-	-
Brazil	88,003	68,700	70,499	12,979	11,200	10,325	75,024	57,500	60,000	-	-	174	-	-	-
Central American Economic Community:															
Central America Regional Organization (ROCAP)	44,056	9,665	13,526	3,796	3,400	3,526	40,260	6,265	10,000	-	-	-	-	-	-
Costa Rica	19,547	6,180	1,403	1,874	1,592	1,205	17,673	4,588	-	-	-	198	-	-	-
El Salvador	10,280	11,964	12,678	1,962	2,025	2,122	8,318	9,939	10,500	-	-	56	-	-	-
Guatemala	29,090	14,486	19,249	2,858	3,450	3,872	25,444	10,977	15,000	410	59	377	378	-	-
Honduras	5,454	5,248	12,546	2,255	2,725	3,375	3,199 a/	2,523	9,000	-	-	171	-	-	-
Nicaragua	2,331	7,600	12,581	1,737	2,200	2,490	594 a/	5,400	10,000	-	-	91	-	-	-
Chile	18,014	1,728	1,310	2,549	1,650	1,310	15,465	78 a/	-	-	-	-	-	-	-
Colombia	75,767	78,938	78,350	3,597	2,750	3,010	72,170	76,188	75,000	-	-	340	-	-	-
Dominican Republic	5,175	11,572	17,170	3,425	2,572	1,800	1,750	9,000	15,000	-	-	370	-	-	-
Ecuador	23,172	14,322	17,853	2,858	3,050	3,718	20,314	11,272	14,000	-	-	135	-	-	-
Guyana	1,258	7,250	4,789	1,258	1,250	1,190	-	6,000	3,500	-	-	99	-	-	-
Haiti	1,570	2,787	3,000	-	-	-	- a/	-	-	1,570	2,787	3,000	-	-	-
Jamaica	765	12,060	11,096	345	450	1,000	420 a/	11,610	10,000	-	-	96	-	-	-
Panama	11,836	20,050	28,791	3,054	3,450	3,588	8,782	16,600	25,000	-	-	203	-	-	-
Paraguay	7,126	4,741	8,427	2,169	2,270	2,427	4,957	2,471	6,000	-	-	-	-	-	-
Peru	11,342	7,010	14,100	3,829	3,650	4,100	113 a/	3,360	10,000	-	-	-	7,400	-	-
Uruguay	16,922	20,015	13,631	1,522	1,792	1,406	15,400 a/	18,223 a/	12,000	-	-	225	-	-	-
Venezuela	1,093	725	550	975	700	350	118 a/	25 a/	-	-	-	200	-	-	-
Eastern Caribbean Regional Program	10,099	10	10,100	99	10	100	10,000	-	10,000	-	-	-	-	-	-

a/ Population only

FOREIGN ASSISTANCE ACT ECONOMIC PROGRAMS - SUMMARY OF PROGRAMS BY AREA AND COUNTRY

FISCAL YEARS 1970, 1971, and 1972
(In thousands of dollars)

	TOTAL			TECHNICAL COOPERATION			DEVELOPMENT LENDING			ECONOMIC SUPPORTING ASSISTANCE			CONTINGENCY FUND		
	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
AFRICA - TOTAL	155,171	164,392	165,865	57,475	58,268	64,915	67,654	88,424	95,000	26,042	17,700	5,950	4,000	-	-
Regional Programs:															
Africa Regional	14,995	17,789	21,809	7,716	12,391	19,289	7,279	5,398	2,500	-	-	100	-	-	-
Central and West Africa	7,465	13,716	14,537	7,465	7,716	7,537	-	6,000	7,000	-	-	-	-	-	-
East Africa	4,470	8,665	1,745	4,470	1,165	1,745	-	7,500	-	-	-	-	-	-	-
Southern Africa	959	11,430	9,700	359	2,230	2,400	-	8,700	7,000	600	500	300	-	-	-
Country Programs:															
Congo	9,282	13,278	6,559	1,282	1,278	543	8,000	12,000	5,000	-	-	1,016	-	-	-
Ethiopia	15,571	13,502	16,899	4,970	5,272	4,899	10,601	8,230	12,000	-	-	-	-	-	-
Ghana	17,652	17,735	17,416	1,862	1,752	2,310	15,790	15,983	15,000	-	-	106	-	-	-
Kenya	5,845	2,123	2,174	2,181	1,973	2,174	3,664 a/	150 a/	-	-	-	-	-	-	-
Liberia	4,934	4,576	8,534	4,640	4,348	4,331	294 a/	228 a/	4,000	-	-	203	-	-	-
Morocco	10,294	9,657	13,350	2,124	1,737	2,350	8,170	7,920	11,000	-	-	-	-	-	-
Nigeria	39,705	31,696	28,530	10,563	9,496	8,430	1,700 d/	5,000 d/	16,000	25,442	17,200	4,100	2,000	-	-
Somalia	2,221	360 f/	-	2,221	360 f/	-	-	-	-	-	-	-	-	-	-
Tanzania	3,019	3,210	5,819	2,019	2,410	2,819	1,000	800	3,000	-	-	-	-	-	-
Tunisia	14,645	12,330	12,483	1,890	1,980	2,358	10,755 a/	10,350 a/	10,000	-	-	125	2,000	-	-
Uganda	2,531	2,875	4,780	2,131	2,710	2,280	400 a/	165 a/	2,500	-	-	-	-	-	-
Self-Help Programs: e/															
Botswana	30	e/	e/	30	e/	e/	-	-	-	-	-	-	-	-	-
Burundi	51	e/	e/	51	e/	e/	-	-	-	-	-	-	-	-	-
Cameroon	100	e/	e/	100	e/	e/	-	-	-	-	-	-	-	-	-
Central African Republic	100	e/	e/	100	e/	e/	-	-	-	-	-	-	-	-	-
Chad	54	e/	e/	54	e/	e/	-	-	-	-	-	-	-	-	-
Dahomey	101	e/	e/	101	e/	e/	-	-	-	-	-	-	-	-	-
Equatorial Guinea	-	e/	e/	-	e/	e/	-	-	-	-	-	-	-	-	-
Gabon	25	e/	e/	25	e/	e/	-	-	-	-	-	-	-	-	-
Gambia	25	e/	e/	25	e/	e/	-	-	-	-	-	-	-	-	-
Guinea	75	e/	e/	75	e/	e/	-	-	-	-	-	-	-	-	-
Ivory Coast	25	e/	e/	25	e/	e/	-	-	-	-	-	-	-	-	-
Lesotho	12	e/	e/	12	e/	e/	-	-	-	-	-	-	-	-	-
Malagasy	110	e/	e/	110	e/	e/	-	-	-	-	-	-	-	-	-
Malawi	50	e/	e/	50	e/	e/	-	-	-	-	-	-	-	-	-
Mali	80	e/	e/	80	e/	e/	-	-	-	-	-	-	-	-	-
Mauritania	-	e/	e/	-	e/	e/	-	-	-	-	-	-	-	-	-
Mauritius	80	e/	e/	80	e/	e/	-	-	-	-	-	-	-	-	-
Niger	75	e/	e/	75	e/	e/	-	-	-	-	-	-	-	-	-
Rwanda	26	e/	e/	26	e/	e/	-	-	-	-	-	-	-	-	-
Senegal	215 b/	e/	e/	215 b/	e/	e/	-	-	-	-	-	-	-	-	-
Seychelles	-	-	e/	-	-	e/	-	-	-	-	-	-	-	-	-
Sierra Leone	100	e/	e/	100	e/	e/	-	-	-	-	-	-	-	-	-
Swaziland	33	e/	e/	33	e/	e/	-	-	-	-	-	-	-	-	-
Togo	100	e/	e/	100	e/	e/	-	-	-	-	-	-	-	-	-
Upper Volta	100	e/	e/	100	e/	e/	-	-	-	-	-	-	-	-	-
Zambia	15	e/	e/	15	e/	e/	-	-	-	-	-	-	-	-	-
Total Self-Help	(1,417)	1,450	1,450	(1,417)	1,450	1,450	-	-	-	-	-	-	-	-	-

a/ Population only.
b/ Includes $165,000 for final funding of bilateral project.
c/ Included in self-help total.
d/ Amendments to prior year loans only.
e/ For number of self-help program countries excluded from limitation on number of countries receiving Technical Cooperation under Section 211(a) of the Foreign Assistance Act, see page C-25.
f/ Funds programmed only for necessary expenses of winding up programs terminated under Section 617 of the Foreign Assistance Act.

FOREIGN ASSISTANCE ECONOMIC PROGRAMS - SUMMARY OF PROGRAMS BY AREA AND COUNTRY
Fiscal Years 1970, 1971, and 1972

(In thousands of dollars)

AREA AND COUNTRY	TOTAL			TECHNICAL COOPERATION			DEVELOPMENT LENDING			ECONOMIC SUPPORTING ASSISTANCE			CONTINGENCY FUND		
	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
NEAR EAST AND SOUTH ASIA - TOTAL	404,750	363,561	437,585	30,763	31,140	37,335	373,987	327,421	370,000	-	5,000	30,250	-	-	-
Afghanistan	6,822	8,700	7,018	6,692	7,000	7,018	130 a/	1,700 a/	-	-	-	-	-	-	-
India	223,722	184,530	230,050	8,404	9,000	10,050	215,318	175,530	220,000	-	-	-	-	-	-
Jordan	1,470	6,000	30,750	1,470	1,000	750	-	-	-	-	5,000	30,000	-	-	-
Nepal	2,263	2,631	2,695	1,850	1,925	2,695	413 a/	706 a/	-	-	-	-	-	-	-
Pakistan	123,700	88,840	118,580	5,900	6,000	8,330	117,800	82,840	110,000	-	-	250	-	-	-
Turkey	43,284	68,385	43,948	3,284	3,385	3,948	40,000	65,000	40,000	-	-	-	-	-	-
Cento	553	420	585	506	380	585	47 a/	40 a/	-	-	-	-	-	-	-
Regional Programs	2,935	4,055	3,959	2,657	2,450	3,959	278 a/	1,605 a/	-	-	-	-	-	-	-
EAST ASIA - TOTAL	191,538	285,167	376,575	38,315	37,391	33,825	80,696	122,060	140,000	72,527	124,216	202,750	-	1,500	-
Cambodia	-	70,000	110,000	-	-	-	-	-	-	-	70,000	110,000	-	-	-
Indonesia	56,219	63,532	107,325	4,389	5,432	7,325	51,830	58,100	100,000	-	-	-	-	-	-
Korea	34,955	59,200	24,100	4,067	3,400	4,100	20,888	55,800	20,000	10,000	-	-	-	-	-
Laos	51,941	45,925	50,550	7,163	6,600	-	1,112 a/	925 a/	-	43,666	38,400	50,550	-	-	-
Philippines	9,046	10,800	29,900	4,098	4,300	9,100	4,948 a/	5,000 a/	20,000	-	-	800	-	1,500	-
Thailand	26,545	23,095	40,000	6,388	6,100	-	1,295 a/	1,395 a/	-	18,862	15,600	40,000	-	-	-
Regional Programs	12,835	12,615	14,700	12,212	11,559	13,300	623 a/	840 a/	-	-	216	1,400	-	-	-
VIETNAM - TOTAL	365,877	396,075	565,000	-	-	-	-	-	-	365,877	396,075	565,000	-	-	-
Country Program	354,410	386,000	555,000	-	-	-	-	-	-	354,410	386,000	555,000	-	-	-
Expanded Vietnam Program:															
Administrative	4,729	3,600	3,600	-	-	-	-	-	-	4,729	3,600	3,600	-	-	-
Program Support	6,738	6,475	6,400	-	-	-	-	-	-	6,738	6,475	6,400	-	-	-

a/ Population only.

FOREIGN ASSISTANCE ACT ECONOMIC PROGRAMS - SUMMARY OF INTERNATIONAL ORGANIZATIONS AND PROGRAMS
FISCAL YEARS 1970, 1971, and 1972
(In thousands of dollars)

	TOTAL			DEVELOPMENT LENDING			ECONOMIC SUPPORTING ASSISTANCE			OTHER PROGRAMS		
	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
INTERNATIONAL ORGANIZATIONS AND PROGRAMS	136,808	147,093	172,935	-	4,000	-	23,300	19,300	4,800	113,508	123,793	168,135
MULTILATERAL ORGANIZATIONS - TOTAL	108,978	114,888	127,835	-	4,000	-	4,000	-	-	104,978	110,888	127,835
International Atomic Energy Agency-Operational Program	1,378	1,550	1,550	-	-	-	-	-	-	1,378	1,550	1,550
International Secretariat for Voluntary Service	70	70	73	-	-	-	-	-	-	70	70	73
Special Contributions for Vietnam	692	950	-	-	-	-	-	-	-	692	950	-
UN Children's Fund	13,000	13,000	13,000	-	-	-	-	-	-	13,000	13,000	13,000
UN Development Program	86,268	86,268	100,000	-	-	-	-	-	-	86,268	86,268	100,000
UN Food and Agriculture Organization-World Food Program	1,300	1,500	1,500	-	-	-	-	-	-	1,300	1,500	1,500
UN Institute for Training and Research	400	400	400	-	-	-	-	-	-	400	400	400
UN Population Program	4,000	7,500	7,500	-	4,000	-	4,000	-	-	-	3,500	7,500
UN Technical and Operational Assistance to the Congo	220	-	-	-	-	-	-	-	-	220	-	-
UN Fund for Drug Abuse Control	-	2,000	2,000	-	-	-	-	-	-	-	2,000	2,000
World Health Organization-Medical Research	150	150	312	-	-	-	-	-	-	150	150	312
World Meteorological Organization-Voluntary Assistance Program	1,500	1,500	1,500	-	-	-	-	-	-	1,500	1,500	1,500
UN FORCE IN CYPRUS	6,000	6,000	4,800	-	-	-	6,000	6,000	4,800	-	-	-
UN RELIEF AND WORKS AGENCY	13,300	13,300	13,300	-	-	-	13,300	13,000	-	-	-	13,300[b]
ARAB REFUGEE VOCATIONAL TRAINING	1,000	1,000	[a]	-	-	-	-	-	-	1,000	1,000	-
INDUS BASIN DEVELOPMENT, LOANS	-	6,980	12,000	-	-	-	-	-	-	-	6,980	12,000
INDUS BASIN DEVELOPMENT, GRANTS	7,530	4,925	15,000	-	-	-	-	-	-	7,530	4,925	15,000

a/ Included in UNRWA total for FY 1972.
b/ Financed from Supporting Assistance in FY 1971.

PUBLIC LAW 480 SALES AGREEMENTS AND DONATIONS PROGRAMS BY TITLE AND AREA

Actual FY 1970
(In thousands of dollars)

	Title I Sales Agreements (Market Value)				Title II Donations (CCC Costs)			Total Title II Mkt.. Value	Total Incl. Title I Initial Payments & U.S. Uses	Total Excl. Title I Initial Payments & U.S. Uses
	Initial Payments in Dollars	U.S. Uses	Country Use	Total	Transfer Authorizations	Voluntary Agencies	Total			
SUMMARY - ALL PROGRAMS	8,994	78,458	697,971	785,423	141,793	207,365	352,775	317,498	1,102,921	1,015,469
LATIN AMERICA	2,497	2,858	46,600	51,955	64,785	40,214	104,999	94,499	146,454	141,099
NEAR EAST AND SOUTH ASIA	5,200	24,100	335,800	365,100	35,235	53,133	88,368	79,531	444,631	415,331
AFRICA	1,297	1,200	32,171	34,668	33,479	32,131	65,610	59,049	93,717	91,220
EAST ASIA	-	22,300	207,700	230,000	56,203	14,719	70,922	63,830	293,830	271,530
VIETNAM	-	28,000	75,700	103,700	39,428	-	39,428	35,486	139,186	111,186
EUROPE	-	-	-	-	3,560	3,184	6,744	6,070	6,070	6,070
ADJUSTMENTS:	-	-	-	-	-90,897	63,984	-23,296	-20,967	-20,967	-20,967
GRANTS OF TITLE I CURRENCIES, SEC. 204 OF TITLE II	-	-	-	-	-	-	3,617	-	-	-
OCEAN FREIGHT, VOLUNTARY AGENCIES	-	-	-	-	-	46,087	46,087	-	-	-
VOLUNTARY AGENCIES SHIPMENTS AGAINST TA'S	-	-	-	-	-17,897	17,897	-	-	-	-
FUTURE YEAR SHIPMENTS AGAINST CURRENT YEAR AUTHORIZATIONS	-	-	-	-	-73,000	-	-73,000	-	-	-

PUBLIC LAW 480 SALES AGREEMENTS AND DONATIONS PROGRAMS BY TITLE AND COUNTRY

Actual FY 1970
(In thousands of dollars)

	Title I Sales Agreements (Market Value)				Title II Donations (CCC Costs)			Total Title II Mkt. Value	Total Incl. Title I Initial Payments & U.S. Uses	Total Excl. Title I Initial Payments & U.S. Uses
	Initial Payments in Dollars	U.S. Uses	Country Use	Total	Transfer Authorizations	Voluntary Agencies	Total			
LATIN AMERICA - TOTAL	2,497	2,858	46,600	51,955	64,785	40,214	104,999	94,499	146,454	141,099
Bolivia	-	-	-	-	244	1,072	1,316	1,184	1,184	1,184
Brazil	1,235	1,235	22,222	24,692	40,516 a/	8,019	48,535	43,681	68,373	65,903
British Honduras	-	-	-	-	-	43	43	39	39	39
Chile	-	-	-	-	4,835	2,829	7,664	6,898	6,898	6,898
Colombia	811	1,623	13,792	16,226	13,084	9,690	22,774	20,497	36,723	34,289
Costa Rica	-	-	-	-	-	527	527	474	474	474
Dominican Republic	451	-	8,561	9,012	619	5,905	6,524	5,872	14,884	14,433
Ecuador	-	-	-	-	249	1,454	1,703	1,533	1,533	1,533
El Salvador	-	-	-	-	350	1,573	1,923	1,731	1,731	1,731
Guatemala	-	-	-	-	-	2,650	2,650	2,385	2,385	2,385
Guyana	-	-	-	-	-	45	45	41	41	41
Haiti	-	-	-	-	1,419	903	2,322	2,090	2,090	2,090
Honduras	-	-	-	-	167	829	996	896	896	896
Jamaica	-	-	-	-	-	376	376	338	338	338
Nicaragua	-	-	-	-	-	450	450	405	405	405
Panama	-	-	-	-	-	1,003	1,003	903	903	903
Paraguay	-	-	-	-	127	469	596	536	536	536
Peru	-	-	-	-	3,125	1,561	4,686	4,217	4,217	4,217
Surinam	-	-	-	-	50	-	50	45	45	45
Uruguay	-	-	2,025	2,025	-	437	437	393	2,418	2,418
Eastern Caribbean Reg.	-	-	-	-	-	367	367	330	330	330
Other West Indies	-	-	-	-	-	12	12	11	11	11
NEAR EAST/SOUTH ASIA - TOTAL	5,200	24,100	335,800	365,100	35,235	53,133	88,368	79,531	444,631	415,331
Afghanistan	-	-	-	-	398	435	833	750	750	750
Ceylon	-	-	-	-	2,886	1,481	4,367	3,930	3,930	3,930
India	-	6,900	184,600	191,500	-	40,375	40,375	36,338	227,838	220,938
Iraq	-	-	-	-	-	240	240	216	216	216
Israel	2,200	-	41,000	43,200	-	3,340	3,340	3,006	46,206	44,006
Jordan	-	-	-	-	226	677	903	813	813	813
Lebanon	400	-	6,800	7,200	543	158	701	631	7,831	7,431
Nepal	-	-	-	-	171	-	171	154	154	154
Pakistan	-	4,200	82,700	86,900	5,252	914	6,166	5,549	92,449	88,249
Southern Yemen	-	-	-	-	-	16	16	14	14	14
Syria	-	-	-	-	-	68	68	61	61	61
Turkey	2,600	13,000	20,700	36,300	6,816	5,417	12,233	11,010	47,310	31,710
Yemen	-	-	-	-	177	12	189	170	170	170
UNRWA	-	-	-	-	18,766	-	18,766	16,889	16,889	16,889

PUBLIC LAW 480 SALES AGREEMENTS AND DONATIONS PROGRAMS BY TITLE AND COUNTRY

Actual FY 1970
(In thousands of dollars)

	Title I Sales Agreements (Market Value)				Title II Donations (CCC Costs)			Total Title II Mkt. Value	Total Incl. Title I Initial Payments & U.S. Uses	Total Excl. Title I Initial Payments & U.S. Uses
	Initial Payments in Dollars	U.S. Uses	Country Use	Total	Transfer Authorizations	Voluntary Agencies	Total			
AFRICA - TOTAL	1,297	1,200	32,171	34,668	33,479	32,131	65,610	59,049	93,717	91,220
Algeria	-	-	-	-	-	2,422	2,422	2,180	2,180	2,180
Botswana	-	-	-	-	1,210	-	1,210	1,089	1,089	1,089
Burundi	-	-	-	-	568	18	586	527	527	527
Cameroon	-	-	-	-	-	53	53	48	48	48
Central African Republic	-	-	-	-	335	15	350	315	315	315
Chad	-	-	-	-	109	15	124	112	112	112
Congo (Kinshasa)	300	800	4,500	5,600	66	-	66	59	5,659	4,559
Congo (Brazzaville)	-	-	-	-	271	-	271	244	244	244
Equatorial Guinea	-	-	-	-	349	-	349	314	314	314
Ethiopia	-	-	-	-	1,255	224	1,479	1,331	1,331	1,331
Gabon	-	-	-	-	123	9	132	119	119	119
Gambia	-	-		-	-	109	109	98	98	98
Ghana	500	300	11,500	12,300	598	1,203	1,801	1,621	13,921	13,121
Ivory Coast	-	-	-	-	26	16	42	38	38	38
Kenya	-	-	-	-	-	869	869	782	782	782
Lesotho	-	-	-	-	4,576	503	5,079	4,571	4,571	4,571
Liberia	100	100	700	900	320	190	510	459	1,359	1,159
Malagasy Republic	-	-	-	-	184	430	614	553	553	553
Malawi	-	-	-	-	-	44	44	40	40	40
Mali	-	-	-	-	218	12	230	207	207	207
Mauritania	-	-	-	-	887	-	887	798	798	798
Mauritius	-	-	-	-	950	-	950	855	855	855
Morocco	-	-	-	-	10,551	9,785	20,336	18,302	18,302	18,302
Niger	-	-	-	-	692	-	692	623	623	623
Nigeria	-	-	-	-	-	8,208	8,208	7,387	7,387	7,387
Rwanda	-	-	-	-	-	612	612	551	551	551
Seychelles	-	-	-	-	-	26	26	23	23	23
Senegal	-	-	-	-	1,037	2,055	3,092	2,783	2,783	2,783
Sierra Leone	-	-	-	-	-	653	653	588	588	588
Somali Republic	-	-	-	-	680	-	680	612	612	612
Sudan	-	-	-	-	-	40	40	36	36	36
Swaziland	-	-	-	-	363	6	369	332	332	332
Tanzania	-	-	-	-	351	1,559	1,910	1,719	1,719	1,719
Togo	-	-	-	-	223	139	362	326	326	326
Tunisia	397	-	15,471	15,868	6,473	2,207	8,680	7,812	23,680	23,283
Upper Volta	-	-	-	-	603	702	1,305	1,174	1,174	1,174
Uganda	-	-	-	-	223	-	223	201	201	201
Zambia	-	-	-	-	238	-	238	214	214	214
Regional Programs	-	-	-	-	-	7	7	6	6	6

PUBLIC LAW 480 SALES AGREEMENTS AND DONATIONS PROGRAMS BY TITLE AND COUNTRY

Actual FY 1970
(In thousands of dollars)

	Title I Sales Agreements (Market Value)				Title II Donations (CCC Costs)			Total Title II Mkt. Value	Total Incl. Title I Initial Payments & U.S. Uses	Total Excl. Title I Initial Payments & U.S. Uses
	Initial Payments in Dollars	U.S. Uses	Country Use	Total	Transfer Authorizations	Voluntary Agencies	Total			
EAST ASIA - TOTAL		22,300	207,700	230,000	56,203	14,719	70,922	63,830	293,830	271,530
Burma	--	-	-	-	-	503	503	453	453	453
Cambodia	--	-	-	--	-	18	18	16	16	16
Hong Kong/Macao	-	-	-	-	-	525	525	472	472	472
Indonesia	--	-	123,800	123,800	22,988	3,444	26,432	23,789	147,589	147,587
Korea		18,300	77,900	96,200	28,243	1,729	29,972	26,975	123,175	104,875
Laos	-	--	-	-	1,938	140	2,078	1,870	1,870	1,870
Malaysia	-	-	--	-	847	1,096	1,943	1,749	1,749	1,749
Philippines	-	4,000	6,000	10,000	2,187	3,647	5,834	5,250	15,250	11,250
Ryukyu Islands	-	-	-	-	-	1,959	1,959	1,763	1,763	1,763
Singapore	-	-	-	-	-	163	163	147	147	147
Thailand	-	-	-	-	-	1,382	1,382	1,244	1,244	1,244
Regional	-	-	-	-	-	113	113	102	102	102
VIETNAM - TOTAL	-	28,000	75,700	103,700	39,428	-	39,428	35,486	139,186	111,186
EUROPE - TOTAL	-			-	3,560	3,184	6,744	6,070	6,070	6,070
Hungary	-	-	-	-	1,205	80	1,285	1,157	1,157	1,157
Poland	-	-	-	-	-	2,977	2,977	2,679	2,679	2,679
Portugal	-	-	-	-	-	127	127	114	114	114
Romania	-	-	-	-	2,355	-	2,355	2,120	2,120	2,120

a/ Includes a $26.8 million two-year school feeding program.

PUBLIC LAW 480 SALES AGREEMENTS AND DONATIONS PROGRAMS
BY TITLE AND AREA

(In thousands of dollars)

	Estimated FY 1971						Proposed FY 1972					
	Title I	Title II			Total		Title I	Title II			Total	
	Sales Agreements (Market Value)	Transfer Authorizations (CCC Costs)	Voluntary Agencies (CCC Costs)	Total Title II (CCC Costs)	Title II (Market Value)	Grand Total (Market Value)	Sales Agreements (Market Value)	Transfer Authorizations (CCC Costs)	Voluntary Agencies (CCC Costs)	Total Title II (CCC Costs)	Title II (Market Value)	Grand Total (Market Value)
SUMMARY - ALL PROGRAMS	850,389	173,699	199,301	373,000	335,700	1,186,089	802,960	151,040	195,960	347,000	312,300	1,115,260
LATIN AMERICA	46,295	21,871	51,017	72,888	65,599	111,894	47,400	65,890	49,365	115,255	103,730	151,130
NEAR EAST AND SOUTH ASIA	361,100	90,349	53,484	143,833	129,026	490,126	340,700	43,800	55,290	99,090	89,181	429,881
AFRICA	30,544	51,279	21,985	73,264	65,937	96,481	47,960	46,150	18,595	64,745	58,270	106,230
EAST ASIA	291,850	28,323	13,815	42,138	37,924	329,774	282,000	30,650	11,710	42,360	38,124	320,124
VIETNAM	115,000	25,570	-	25,570	23,053	138,053	70,000	11,000	3,000	14,000	12,600	82,600
EUROPE	5,600	7,590	-	7,590	7,590	13,190	14,900	-	-	-	-	14,900
ADJUSTMENTS :	-	-51,283	59,000	7,717	6,571	6,571	-	-46,450	58,000	11,550	10,395	10,395
GRANTS OF TITLE I CURRENCIES, SEC. 204 OF TITLE II	-	-	6,000	6,000	-	-	-	-	2,000	2,000	-	-
OCEAN FRIEGHT, VOLUNTARY AGENCIES	-	-	40,000	40,000	-	-	-	-	44,000	44,000	-	-
VOLUNTARY AGENCIES SHIPMENTS AGAINST TA'S	-	-13,000	13,000	-	-	-	-	-12,000	12,000	-	-	-
FUTURE YEAR SHIPMENTS AGAINST CURRENT YEAR AUTHORIZATIONS	-	-38,283	-	-38,283	-	-	-	-34,450	-	-34,450	-	-

PUBLIC LAW 480 SALES AGREEMENTS AND DONATIONS PROGRAMS
BY TITLE AND COUNTRY

(In thousands of dollars)

	Estimated FY 1971						Proposed FY 1972					
	Title I	Title II			Total		Title I	Title II			Total	
	Sales Agreements (Market Value)	Transfer Authorizations (CCC Costs)	Voluntary Agencies (CCC Costs)	Total Title II (CCC Costs)	Title II (Market Value)	Grand Total (Market Value)	Sales Agreements (Market Value	Transfer Authorizations (CCC Costs)	Voluntary Agencies (CCC Costs)	Total Title II (CCC Costs)	Title II (Market Value)	Grand Total (Market Value)
LATIN AMERICA - TOTAL	46,295	21,871	51,017	72,888	65,599	111,894	47,400	65,690	49,565	115,255	103,730	151,130
Barbados	-	702	-	702	632	632	-	-	-	-	-	-
Bolivia	5,343	1,200	1,624	2,824	2,542	7,885	5,400	1,500	2,200	3,700	3,330	8,730
Brazil	23,700	10,204	8,343	18,547	16,692	40,392	16,200	37,100 a/	7,000	44,100	39,690	55,890
British Honduras	-	-	120	120	108	108	-	-	100	100	90	90
Chile	-	444	6,882	7,326	6,593	6,593	-	400	6,800	7,200	6,390	6,390
Colombia	-	94	10,612	10,706	9,635	9,635	5,400	8,500	9,900	18,400	16,650	22,050
Costa Rica	-	-	430	430	387	387	-	-	300	300	270	270
Dominican Republic	7,595	900	7,000	7,900	7,110	14,705	7,600	1,000	6,000	7,000	6,300	13,900
Ecuador	-	600	4,321	4,921	4,429	4,429	3,000	700	3,000	3,700	3,330	6,330
El Salvador	-	533	1,300	1,833	1,650	1,650	-	600	1,200	1,800	1,620	1,620
Guatemala	-	50	2,800	2,850	2,565	2,565	-	100	2,600	2,700	2,430	2,430
Guyana	302	60	-	60	54	356	300	850	-	850	765	1,065
Haiti	-	2,500	1,100	3,600	3,240	3,240	-	3,000	1,000	4,000	3,600	3,600
Honduras	-	200	760	960	864	864	-	300	700	1,000	900	900
Jamaica	-	499	-	499	449	449	-	2,200	-	2,200	1,980	1,980
Nicaragua	-	110	700	810	729	729	-	110	550	660	594	594
Panama	-	-	750	750	675	675	-	-	670	670	603	603
Paraguay	4,355	200	1,254	1,454	1,309	5,664	2,900	250	1,500	1,750	1,575	4,475
Peru	5,000	3,500	2,367	5,867	5,280	10,280	5,000	9,000	5,100	14,100	12,690	17,690
Surinam	-	50	-	50	45	45	-	50	-	50	45	45
Trinidad & Tobago	-	15	100	115	104	104	-	20	90	110	99	99
Uruguay	-	-	326	326	293	293	1,600	-	675	675	608	2,208
Eastern Caribbean Regional	-	-	218	218	196	196	-	-	175	175	157	157
Other West Indies	-	10	10	20	18	18	-	10	5	15	14	14
NEAR EAST/SOUTH ASIA - TOTAL	361,100	90,349	53,484	143,833	129,026	490,126	340,700	43,800	55,290	99,090	89,181	429,881
Afghanistan	3,000	800	-	800	720	3,720	3,300	900	-	900	810	4,110
Ceylon	14,000	2,235	1,500	3,735	3,360	17,360	20,000	2,300	1,500	3,800	3,420	23,420
Cyprus	-	397	-	397	349	349	-	400	-	400	360	360
India	150,000	33,484 b/	39,000	72,484	65,235	215,235	140,000	5,000	41,300	46,300	41,670	181,670
Iran	14,400	-	-	-	-	14,400	6,400	-	-	-	-	6,400
Iraq	-	-	200	200	180	180	-	-	100	100	90	90
Israel	58,400	-	414	414	370	58,770	55,800	-	370	370	333	56,133
Jordan	1,200	2,590	800	3,390	3,050	4,250	1,000	1,600	720	2,320	2,088	3,088
Lebanon	-	750	100	850	765	765	2,800	800	50	850	765	3,565
Nepal	-	200	-	200	180	180	-	500	-	500	450	450
Pakistan	90,700	23,610	1,400	25,010	22,500	113,200	93,400	7,000	2,500	9,500	8,550	101,950
Southern Yemen	-	-	70	70	63	63	-	-	50	50	45	45
Syria	-	-	100	100	90	90	-	-	80	80	72	72
Turkey	29,400	3,636	6,000	9,636	8,670	38,070	18,000	4,500	5,500	10,000	9,000	27,000
Yemen	-	2,641	20	2,661	2,390	2,390	-	800	20	820	738	738
UNRWA	-	20,006	-	20,006	17,612	17,612	-	20,000	-	20,000	18,000	18,000
Regional	-	-	3,880	3,880	3,492	3,492	-	-	3,100	3,100	2,790	2,790

PUBLIC LAW 480 SALES AGREEMENTS AND DONATIONS PROGRAMS
BY TITLE AND COUNTRY

(In thousands of dollars)

	Estimated FY 1971						Proposed FY 1972					
	Title I Sales Agreements (Market Value)	Title II Transfer Authorizations (CCC Costs)	Title II Voluntary Agencies (CCC Costs)	Total Title II (CCC Costs)	Total Title II (Market Value)	Grand Total (Market Value)	Title I Sales Agreements (Market Value)	Title II Transfer Authorizations (CCC Costs)	Title II Voluntary Agencies (CCC Costs)	Total Title II (CCC Costs)	Total Title II (Market Value)	Grand Total (Market Value)
AFRICA - TOTAL	30,544	51,279	21,985	73,264	65,937	96,481	47,960	46,150	18,595	64,745	58,270	106,230
Botswana	-	1,500	-	1,500	1,350	1,350	-	1,500	-	1,500	1,350	1,350
Burundi	-	322	10	332	299	299	-	200	10	210	189	189
Cameroon	-	-	40	40	36	36	-	-	30	30	27	27
Central African Republic	-	177	20	197	177	177	-	200	20	220	198	198
Chad	-	120	15	135	121	121	-	150	15	165	148	148
Congo	-	1,418	800	2,218	1,996	1,996	-	400	800	1,200	1,080	1,080
Dahomey	-	-	-	-	-	-	-	200	250	450	405	405
Ethiopia	-	534	220	754	679	679	-	500	200	700	630	630
Gabon	-	120	10	130	117	117	-	120	10	130	117	117
Gambia	-	442	100	542	488	488	-	-	100	100	90	90
Ghana	-	101	1,500	1,601	1,441	1,441	16,500	500	1,250	1,750	1,575	18,075
Guinea	4,600	463	-	463	417	5,017	7,100	-	-	-	-	7,100
Ivory Coast	-	300	-	300	270	270	-	300	-	300	270	270
Kenya	-	-	800	800	720	720	-	-	700	700	630	630
Lesotho	-	919	1,000	1,919	1,727	1,727	-	3,000	1,000	4,000	3,600	3,600
Liberia	-	300	200	500	450	450	-	300	190	490	441	441
Malagasy Republic	-	200	-	200	180	180	-	200	-	200	180	180
Malawi	-	150	50	200	180	180	-	150	50	200	180	180
Mali	-	3,610	-	3,610	3,249	3,249	-	1,320	-	1,320	1,188	1,188
Mauritania	-	1,898	-	1,898	1,708	1,708	-	800	-	800	720	720
Mauritius	-	1,971	-	1,971	1,774	1,774	500	1,000	-	1,000	900	1,400
Morocco	16,024	12,579	8,600	21,179	19,061	35,085	13,500	12,550	7,000	19,550	17,595	31,095
Niger	-	559	-	559	503	503	-	1,520	-	1,520	1,368	1,368
Nigeria	-	3,459	1,800	5,259	4,733	4,733	-	5,000	1,500	6,500	5,850	5,850
Rwanda	-	-	500	500	450	450	-	-	400	400	360	360
Senegal	-	1,130	1,000	2,130	1,917	1,917	-	2,120	750	2,870	2,583	2,583
Seychelles	-	-	40	40	36	36	-	-	40	40	36	36
Sierra Leone	200	130	600	730	657	857	360	150	600	750	675	1,035
Somali Republic	-	200	-	200	180	180	-	600	-	600	540	540
Sudan	-	-	70	70	63	63	-	-	70	70	63	63
Swaziland	-	3,684	-	3,684	3,316	3,316	-	-	-	-	-	-
Tanzania	-	242	1,800	2,042	1,838	1,838	-	400	1,800	2,200	1,980	1,980
Togo	-	185	200	385	346	346	-	200	200	400	360	360
Tunisia	9,720	10,826	2,200	13,026	11,723	21,443	9,000	11,000	1,200	12,200	10,980	19,980
Uganda	-	200	-	200	180	180	-	250	-	250	225	225
Upper Volta	-	3,487	400	3,887	3,498	3,498	-	1,420	400	1,820	1,638	1,638
Zambia	-	53	-	53	48	48	-	100	-	100	90	90
Regional	-	-	10	10	9	9	1,000	-	10	10	9	1,009

PUBLIC LAW 480 SALES AGREEMENTS AND DONATIONS PROGRAMS
BY TITLE AND COUNTRY

(In thousands of dollars)

	Estimated FY 1971						Proposed FY 1972					
	Title I	Title II			Total		Title I	Title II			Total	
	Sales Agreements (Market Value)	Transfer Authorizations (CCC Costs)	Voluntary Agencies (CCC Costs)	Total Title II (CCC Costs)	Title II (Market Value)	Grand Total (Market Value)	Sales Agreements (Market Value)	Transfer Authorizations (CCC Costs)	Voluntary Agencies (CCC Costs)	Total Title II (CCC Costs)	Title II (Market Value)	Grand Total (Market Value)
EAST ASIA - TOTAL	291,850	28,323	13,815	42,138	37,924	329,774	282,000	30,650	11,710	42,360	38,124	320,124
Burma	-	-	750	750	675	675	-	-	600	600	540	540
Cambodia	8,500	-	10	10	9	8,509	20,000	-	10	10	9	20,009
China (Taiwan)	20,000	-	-	-	-	20,000	-	5,000	-	5,000	4,500	4,500
Hong Kong/Macao	-	-	600	600	540	540	-	-	200	200	180	180
Indonesia	147,800	3,549	4,300	7,849	7,064	154,864	125,000	3,500	4,000	7,500	6,750	131,750
Korea	95,250	20,986	2,200	23,186	20,867	116,117	87,200	17,000	1,100	18,100	16,290	103,490
Laos	-	355	160	515	464	464	-	1,900	-	1,900	1,710	1,710
Malaysia	-	150	800	950	855	855	-	550	800	1,350	1,215	1,215
Philippines	20,300	3,283	3,900	7,183	6,465	26,765	29,800	500	3,900	4,400	3,960	33,760
Ryukyu Isands	-	-	-	-	-	-	-	2,200	-	2,200	1,980	1,980
Singapore	-	-	125	125	112	112	-	-	100	100	90	90
Thailand	-	-	970	970	873	873	20,000	-	1,000	1,000	900	20,900
VIETNAM - TOTAL	115,000	25,570	-	25,570	23,053	138,053	70,000	11,000	3,000	14,000	12,600	82,600
EUROPE - TOTAL	5,600	7,590	-	7,590	7,590	13,190	14,900	-	-	-	-	14,900
Iceland	1,300	-	-	-	-	1,300	900	-	-	-	-	900
Portugal	1,000	-	-	-	-	1,000	4,000	-	-	-	-	4,000
Romania	-	7,590	-	7,590	7,590	7,590	-	-	-	-	-	-
Spain	3,300	-	-	-	-	3,300	10,000	-	-	-	-	10,000

a/ Includes a proposed two-year agreement of $35,100 for a bilaterial program.
b/ Includes a three-year Transfer Authorization program for CARE - 1971-73.

FOREIGN ASSISTANCE ACT

Programs Subject to the "Number of Country" Limitations
Contained in the Foreign Assistance Act*

	Number of Countries					
	FY 1967	FY 1968	FY 1969	FY 1970	FY 1971	FY 1972
Development Loans						
Near East and South Asia	7	3	5	3	3	3
Africa	13	7	6	7	6	9
East Asia	3	3	2	2	2	3
Total Development Loans	23	13	13	12	11	15
Technical Cooperation						
Near East and South Asia	7	6	6	6	6	6
Africa	35	28	28	29	29	31
East Asia	6	6	6	5	5	3
Total Technical Cooperation	48	40	40	40	40	40
Economic Supporting Assistance						
Latin America	5	5	4	4	2	1
Near East and South Asia	2	1	-	-	1	1
Africa	4	2	2	2	1	1
East Asia	4	3	3	3	4	3
Vietnam	1	1	1	1	1	1
Total Supporting Assistance	16	12	10	10	9	7 **

* Includes countries receiving Contingency Funds in accordance with the provisions applicable to the relevant funding category.

Excludes countries receiving only: (1) amendments of prior year loans without change of scope, (2) funds programmed for necessary expenses of winding up terminated programs under Section 617 of the Foreign Assistance Act, (3) self-help funds totaling $600,000 or less for countries over 40 in FY 1968 through FY 1972 (5 African countries in FY 1968, 4 in FY 1969, 5 in FY 1970, 6 in FY 1971 and 5 in FY 1972), (4) capitalized interest on prior year loans, or (5) funds used for population programs under Title X of the Foreign Assistance Act. Countries for which the only Supporting Assistance proposed for FY 1972 is for public safety are not counted against the Supporting Assistance limitation.

** Excludes countries for which the only Supporting Assistance proposed for FY 1972 is for public safety.

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U.S. DEVELOPMENT AND SECURITY ASSISTANCE PROGRAMS PROPOSED FOR FY 1972

SEC. 634(a) TABLES

(in thousands of dollars)

Country and Programs	International Development Assistance				International Security Assistance					Total Development & Security Assistance
	Development Assistance	P.L. 480	Peace Corps	Total	Economic	Military Assistance	Military Credit Sales	Total Military	Total Security Assistance	
SUMMARY - ALL PROGRAMS	1,515,285	1,115,260	71,200	2,701,745	930,700	731,500	582,000	1,313,500	2,244,200	4,945,945
LATIN AMERICA	405,074	151,130	16,102	572,306	5,850	9,868	70,000	79,868	85,718	658,024
AFRICA	159,915	106,230	15,533	281,678	5,950	19,009	17,000	36,009	41,959	323,637
NEAR EAST AND SOUTH ASIA	407,335	429,881	6,242	843,458	30,250	167,000	420,000	587,000	617,250	1,460,708
EAST ASIA	173,825	320,124	11,100	505,049	202,750	501,100	75,000	576,100	778,850	1,283,899
VIETNAM	-	82,600	-	82,600	565,000	-	-	-	565,000	647,600
EUROPE	-	14,900	68	14,968	-	14,082	-	14,082	14,082	29,050
NEW COUNTRIES	-	-	300	300	-	-	-	-	-	300
INTERNATIONAL ORGANIZATIONS AND PROGRAMS	141,135	-	-	141,135	4,800	-	-	-	4,800	145,935
INDUS BASIN PROGRAM	27,000	-	-	27,000	-	-	-	-	-	27,000
AMERICAN SCHOOLS AND HOSPITALS ABROAD	10,175	-	-	10,175	-	-	-	-	-	10,175
ADMINISTRATIVE EXPENSES	49,600	-	17,985	67,585	10,000	-	-	-	10,000	77,585
Regular Expenses	(47,600)	-	(17,985)	(65,585)	(10,000)	-	-	-	(10,000)	(75,585)
Reimbursable Costs	(2,000)	-	-	(2,000)	-	-	-	-	-	(2,000)
ADMINISTRATIVE AND OTHER EXPENSES, STATE	-	-	-	-	4,400	-	-	-	4,400	4,400
DEVELOPMENT RESEARCH	8,500	-	-	8,500	-	-	-	-	-	8,500
INSTITUTIONAL GRANTS	4,500	-	-	4,500	-	-	-	-	-	4,500
PROGRAM SUPPORT AND INTER-REGIONAL ACTIVITIES	114,275	-	3,870	118,145	400	-	-	-	400	118,545
CONTINGENCY FUND	-	-	-	-	101,300	-	-	-	101,300	101,300
NON-REGIONAL	-	-	-	-	-	20,441	-	20,441	20,441	20,441
UNDISTRIBUTED POPULATION GRANTS	13,951	-	-	13,951	-	-	-	-	-	13,951
ADJUSTMENT TO NET ASSISTANCE - P.L. 480	-	10,395	-	10,395	-	-	-	-	-	10,395

U.S. DEVELOPMENT AND SECURITY ASSISTANCE PROGRAMS PROPOSED FOR FY 1972

SEC. 634(d) TABLES

(in thousands of dollars)

Country and Programs	International Development Assistance				International Security Assistance					Total Development & Security Assistance
	Development Assistance	P.L. 480	Peace Corps	Total	Economic	Military Assistance	Military Credit Sales	Total Military	Total Security Assistance	
LATIN AMERICA - TOTAL	405,074	151,130	16,102	572,306	5,850	9,868	70,000	79,868	85,718	658,024
Inter-American Organizations	17,675	-	-	17,675	-	-	-	-	-	17,675
Regional Programs	28,200		1,318	29,518	-	191	←	Data Classified	→	
Argentina	-	-	-	-	-	←			→	
Bolivia	13,285	8,730	1,039	23,054	115	←			→	
Brazil	70,325	55,890	2,428	128,643	174	←		Data Classified	→	
Central American Economic Community Regional Office of Central America and Panama (ROCAP)	13,526	90	220	13,836	-	-	-	-	-	13,836
Costa Rica	1,205	270	561	2,036	198	-	-	-	198	2,234
El Salvador	12,622	1,620	417	14,659	56	←			→	
Guatemala	18,872	2,430	477	21,779	377	←			→	
Honduras	12,375	900	646	13,921	171	←		Data Classified	→	
Nicaragua	12,490	594	466	13,550	91	←			→	
Chile	1,310	6,390	608	8,309	-	←			→	
Colombia	78,010	22,050	1,049	101,109	340	←			→	
Dominican Republic	16,800	13,900	464	31,164	370	←		Data Classified	→	
Ecuador	17,718	6,330	769	24,817	135	←			→	
Guyana	4,690	1,065	25	5,780	99	-	-	-	99	5,879
Haiti	-	3,600	-	3,600	3,000	-	-	-	3,000	6,600
Jamaica	11,000	1,980	1,029	14,009	96	-	-	-	96	14,105
Mexico	-	-	-	-	-	←			→	
Panama	28,588	603	-	29,191	203	←			→	
Paraguay	8,427	4,475	390	13,292	-	←		Data Classified	→	
Peru	14,100	17,690	1,785	33,575	-	←			→	
Surinam	-	45	-	45	-	-	-	-	-	45
Trinidad and Tobago	-	99	-	99	-	-	-	-	-	99
Uruguay	13,406	2,208	131	15,745	225	←			→	
Venezuela	350	-	1,465	1,815	200	←		Data Classified	→	
Eastern Caribbean Regional Programs	10,100	157	815	11,072	-	-	-	-	-	11,072
Other West Indies	-	14	-	14	-	-	-	-	-	14

U.S. DEVELOPMENT AND SECURITY ASSISTANCE PROGRAMS PROPOSED FOR FY 1972

SEC. 634(d) TABLES

(in thousands of dollars)

Country and Programs	International Development Assistance				International Security Assistance					Total Development & Security Assistance
	Development Assistance	P.L. 480	Peace Corps	Total	Economic	Military Assistance	Military Credit Sales	Total Military	Total Security Assistance	
AFRICA - TOTAL	159,915	106,230	15,533	281,678	5,950	19,009	17,000	36,009	41,959	323,637
Africa Regional Programs	(47,471)	(1,009)	(1,218)	(49,698)	(100)	(100)	-	(100)	(200)	(49,898)
Regional Programs	21,789	1,009	1,218	24,016	100	100	-	100	200	24,216
Central West Africa Regional	14,537	-	-	14,537	-	-	-	-	-	14,537
East Africa Regional Activities	1,745	-	-	1,745	-	-	-	-	-	1,745
Southern Africa Regional	9,400	-	-	9,400	300	-	-	-	-	9,700
CONUS Training Countries	-	-	-	-	-	Data Classified				
Development Emphasis Countries:										
East Africa										
East Africa Regional Activities	(1,745)	-	-	(1,745)	-	-	-	-	-	(1,745)
Kenya	2,174	630	1,571	4,375	-	-	-	-	-	4,375
Tanzania	5,819	1,980	-	7,799	-	-	-	-	-	7,799
Uganda	4,780	225	380	5,385	-	-	-	-	-	5,385
Ghana	17,310	18,075	1,490	36,875	106	Data Classified				
Tunisia	12,358	19,980	317	32,655	125					
Ethiopia	16,899	630	1,052	18,581	-					
Liberia	8,331	441	1,119	9,891	203					
Morocco	13,350	31,095	720	45,165	-					
Nigeria	24,430	5,850	-	30,280	4,100					
Congo (Kinshasa)	5,543	1,080	388	7,011	1,016					
Other African Countries:										
Botswana	*	1,350	264	1,614	-	-	-	-	-	1,614
Burundi	*	189	-	189	-	-	-	-	-	189
Cameroon	*	27	480	507	-	-	-	-	-	507
Central African Republic	*	198	-	198	-	-	-	-	-	198
Chad	*	148	389	537	-	-	-	-	-	537
Dahomey	*	405	370	775	-	-	-	-	-	775
Equatorial Guinea	*	-	-	-	-	-	-	-	-	-
Gabon	*	117	-	117	-	-	-	-	-	117
Gambia	*	90	354	444	-	-	-	-	-	444
Guinea	*	7,100	622	7,722	-	-	-	-	-	7,722
Ivory Coast	*	270	639	909	-	-	-	-	-	909
Lesotho	*	3,600	143	3,743	-	-	-	-	-	3,743
Malagasy Republic	*	180	-	180	-	-	-	-	-	180
Malawi	*	180	262	442	-	-		-	-	442
Mali	*	1,188	224	1,412	-	Data Classified				
Mauritania	*	720	-	720	-	-	-	-	-	720
Mauritius	*	1,400	202	1,602	-	-	-	-	-	1,602
Niger	*	1,368	449	1,817	-	-	-	-	-	1,817
Rwanda	*	360	-	360	-	-	-	-	-	360
Senegal	*	2,583	566	3,149		Data Classified				
Seychelles	*	36	-	36	-	-	-	-	-	36
Sierra Leone	*	1,035	1,209	2,244	-	-	-	-	-	2,244
Somali Republic	-	540	-	540	-	-	-	-	-	540
Sudan	-	63	-	63	-	-	-	-	-	63
Swaziland	*	-	175	175	-	-	-	-	-	175
Togo	*	360	603	963	-	-	-	-	-	963
Upper Volta	*	1,638	327	1,965	-	-	-	-	-	1,965
Zambia	*	90	-	90	-	-	-	-	-	90
Self-Help Projects	1,450	-	-	1,450	-	-	-	-	-	1,450

* Self-Help funds only

a/ Included in total shown for Conus Training only countries.

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U.S. DEVELOPMENT AND SECURITY ASSISTANCE PROGRAMS PROPOSED FOR FY 1972

SEC. 634(d) TABLES

(in thousands of dollars)

Country and Programs	International Development Assistance				International Security Assistance					Total Development & Security Assistance
	Development Assistance	P.L. 480	Peace Corps	Total	Economic	Military Assistance	Military Credit Sales	Total Military	Total Security Assistance	
NEAR EAST/SOUTH ASIA - TOTAL	407,335	429,881	6,242	843,458	30,250	167,000	420,000	587,000	617,250	1,460,708
Afghanistan	7,018	4,110	758	11,886	-	← Data Classified →				
Ceylon	-	23,420	-	23,420	-	-	-	-	-	23,420
Cyprus	-	360	-	360	-	-	-	-	-	360
Greece	-	-	-	-	-	←				→
India	230,050	181,670	3,032	414,752	-	←				→
Iran	-	6,400	1,081	7,481	-	← Data Classified →				
Iraq	-	90	-	90	-	-	-	-	-	90
Israel	-	56,133	-	56,133	-	←				→
Jordan	750	3,088	-	3,838	30,000	←				→
Lebanon	-	3,565	-	3,565	-	← Data Classified →				
Nepal	2,695	450	1,156	4,301	-	←				→
Pakistan	118,330	101,950	-	220,280	250	← Data Classified →				
Syria	-	72	-	72	-	-	-	-	-	72
Saudi Arabia	-	-	-	-	-	← Data Classified →				
Southern Yemen	-	45	-	45	-	-	-	-	-	45
Turkey	43,948	27,000	53	71,001	-	← Data Classified →				
Yemen	-	738	-	738	-	-	-	-	-	738
CENTO	585	-	-	585	-	-	-	-	-	585
Regional Programs	3,959	20,790	162	24,911	-	19	-	19	19	24,930
CONUS Training Only Countries	-	-	-	-	-	← Data Classified →				
EAST ASIA - TOTAL	173,825	320,124	11,100	505,049	202,750	501,100	75,000	576,100	778,850	1,283,899
Burma	-	540	-	540	-	-	-	-	-	540
Cambodia	-	20,009 b/	-	20,009	110,000	←				→
China (Taiwan)	-	4,500	-	4,500	-	← Data Classified →				
Hong Kong	-	180		180	-	-	-	-	-	180
Indonesia	107,325	131,750	-	239,075	-	←				→
Korea	24,100	103,490 b/	1,944	129,534	-	← Data Classified →				
Laos	-	1,710	-	1,710	50,550	-	-	-	50,550	52,260
Malaysia	-	1,215	2,154	3,369	-					
Philippines	29,100	33,760	1,890	64,750	800	← Data Classified →				
Ryukyu Islands	-	1,980	-	1,980	-	-	-	-	-	1,980
Singapore	-	90	-	90	-	←				→
Thailand	-	20,900	1,323	22,223	40,000	-	-	-	40,000	62,223
Western Samoa	-	-	425	425	-	-	-	-	-	425
Regional Program	13,300	-	3,364	16,664	1,400	76	-	76	1,476	18,140
VIETNAM - TOTAL	-	82,600 b/	-	82,600	565,000	-	-	-	565,000	647,600
Country Programs	-	82,600	-	82,600	555,000	-	-	-	555,000	637,600
Expanded Vietnam Program:										
Administrative Expenses	-	-	-	-	3,600	-	-	-	3,600	3,600
Program Support	-	-	-	-	6,400	-	-	-	6,400	6,400
EUROPE - TOTAL	-	14,900	68	14,968	-	14,082	-	14,082	14,082	29,050
Austria	-	-	-	-	-	←				→
Finland	-	-	-	-	-	← Data Classified →				
Iceland	-	900	-	900	-	-	-	-	-	900
Malta	-	-	68	68	-	-	-	-	-	68
Portugal	-	4,000	-	4,000	-	←				→
Spain	-	10,000	-	10,000	-	← Data Classified →				
Europe Region	-	-	-	-	-	57	-	57	57	57
CONUS Training Only Countries	-	-	-	-	-	← Data Classified →				

a/ Included in total shown for CONUS Training Only Countries. Amounts for each country not definitized in budget year.

b/ Includes sales for local currencies which may be used in part for common defense support costs under PL 480 section 104 (c). The amounts to be used for such costs will be determined during FY 1972.

U.S. DEVELOPMENT AND SECURITY ASSISTANCE PROGRAMS PROPOSED FOR FY 1972

SEC. 634(d) TABLES

(in thousands of dollars)

Country and Programs	International Development Assistance				International Security Assistance					Total Development & Security Assistance
	Development Assistance	P.L. 480	Peace Corps	Total	Economic	Military Assistance	Military Credit Sales	Total Military	Total Security Assistance	
INTERNATIONAL ORGANIZATIONS AND PROGRAMS	168,135	-	-	168,135	4,800	-	-	-	4,800	172,935
MULTILATERAL TECHNICAL ASSISTANCE - TOTAL	127,835	-	-	127,835	-	-	-	-	-	127,835
International Atomic Energy Agency - Operational Program	1,550	-	-	1,550	-	-	-	-	-	1,550
International Secretariat for Voluntary Services	73	-	-	73	-	-	-	-	-	73
UN Children's Fund	13,000	-	-	13,000	-	-	-	-	-	13,000
UN Development Program	100,000	-	-	100,000	-	-	-	-	-	100,000
UN Food and Agriculture Organization-World Food Program	1,500	-	-	1,500	-	-	-	-	-	1,500
UN Institute for Training and Research	400	-	-	400	-	-	-	-	-	400
UN Fund for Drug Abuse Control	2,000	-	-	2,000	-	-	-	-	-	2,000
UN Population Program	7,500	-	-	7,500	-	-	-	-	-	7,500
World Health Organization - Medical Research	312	-	-	312	-	-	-	-	-	312
World Meteorological Organization - Voluntary Assistance Program	1,500	-	-	1,500	-	-	-	-	-	1,500
UN FORCE IN CYPRUS		-	-	-	4,800	-	-	-	4,800	4,800
UN RELIEF AND WORKS AGENCY	13,300	-	-	13,300	-	-	-	-	-	13,300
INDUS BASIN DEVELOPMENT, LOANS	12,000	-	-	12,000	-	-	-	-	-	12,000
INDUS BASIN DEVELOPMENT, GRANT	15,000	-	-	15,000	-	-	-	-	-	15,000

SECTION 634(d) TABLES

SUBSCRIPTIONS AND CONTRIBUTIONS
TO MULTILATERAL FINANCIAL AGENCIES
FOR FY 1971 AND PROPOSED FOR FY 1972
(In thousands of dollars)

	FY 1971	FY 1972
International Bank for Reconstruction and Development (IBRD)	24,600 (221,500)	-
The $246.1 million U.S. share of a $3 billion increase in the Bank's subscribed capital is contained in a proposed FY 1971 supplemental appropriation, which the Congress authorized in 1970. Of the $246.1 million requested, only $24.6 million is paid-in capital. The balance of $221.5 million is callable capital, to be kept in the U.S. Treasury as backing for the Bank's bonds.		
International Development Association (IDA)	160,000	320,000
Appropriation of the $320 million first installment of a three-year, $960 million U.S. contribution to the $2.4 billion third replenishment of IDA resources is proposed for FY 1972. Legislation authorizing the U.S. contribution is being submitted to the Congress. The third and final $160 million installment of the U.S. contribution to the $1.2 billion second replenishment, for which the total U.S. share was $480 million, was appropriated in FY 1971.		
Inter-American Development Bank (IDB)		
Ordinary Capital	50,000 (336,760)	50,000
In 1971 the Congress authorized a $823.5 million increase in the U.S. subscription to the ordinary capital of the Bank. Of that amount, $150 million is to be paid in over a three year period -- $50 million from a FY 1971 supplemental appropriation, $50 million from a proposed FY 1972 appropriation, and the final $50 million in FY 1973. The balance of $673.5 million is for callable capital, of which $336.76 million is being requested in a FY 1971 supplemental appropriation, with the remaining $336.76 million to be requested in FY 1973. (U.S. subscriptions of callable capital are kept in the U.S. Treasury, enabling the IDB to market the equivalent value of its bonds. None of it has ever been spent.)		
Fund for Special Operations (FSO)	100,000	450,000
Legislation passed by the Congress in 1970 authorized the U.S. Governor of the Bank to vote for a $1.5 billion replenishment of the FSO, of which the U.S. share would be $1 billion. The Congress also authorized appropriation of the $100 million first installment of the U.S. contribution, and that amount is being requested as a supplemental appropriation in FY 1971. Pursuant to proposed authorizing legislation, an appropriation of $450 million for the second installment is proposed for FY 1972, the remainder to be requested in FY 1973.		
Asian Development Bank (ADB)		
Ordinary Funds	20,000	-
The fifth and final installment of a $100 million U.S. subscription to paid-in ordinary capital was appropriated in FY 1971. (Another $100 million in callable capital to enable the Bank to market the equivalent of its bonds was appropriated in FY 1966.)		
Special Funds	60,000	40,000
Legislation authorizing a $100 million U.S. contribution to the special funds of the Bank has been submitted to the Congress. A FY 1971 supplemental appropriation of $60 million is being requested for the first installment of the U.S. contribution. The remaining installment of $40 million is proposed for FY 1972.		
Provision for Expanded Multilateral Assistance	-	35,000
When internationally agreed proposals have been formulated, legislation will be recommended to the Congress to authorize U.S. contributions for expanded economic assistance to be provided through international financial institutions. Consideration is being given to U.S. contributions to the Special Fund of the African Development Bank and to the International Finance Corporation, the private enterprise affiliate of the World Bank.		

EXPORT-IMPORT BANK LONG-TERM LOANS[a] AUTHORIZED IN FY 1970
Authorizations by Region, Country, Obligor, Purpose, Interest Rate, and Final Maturity Date

Region, Country and Obligor	Purpose	Amount ($ millions)	Interest Rate (Percent)	Final Maturity Date
GRAND TOTAL		$1,227.1		
Latin America		186.5		
Argentina		22.4		
Aerolineas Argentinas (Banco Ind. de la Rep. Argentina)	Commercial jet aircraft	12.6	6[b]	8-15-80
Establecimientos Metalurgicos Santa Rosa, S.A.	Expansion of steel production plant	7.0	6	10-31-81
Siamdi Tella Limitada	Production of pipe products	1.4	5 3/4	6-20-71
Amco Argentina S.A.I.C. (Armco Steel Corp.)	Facility for coating steel products	1.0	6	8-15-76
La Qxigena S.A. Comercial y Industrial	Industrial oxygen plant, equip, spare parts & svcs.	0.4	6	5-15-77
Bahamas		3.8		
Government of the Bahama Islands	Telephone expansion program	3.8	6	6-15-85
Brazil		65.6		
S.A. Empresa de Viacao Aerea Rio Grandense (Banco Nacional do Desenvolvimento Economico)	Commercial jet aircraft	11.5	6[b]	8-15-80
Cruzeiro do Sul (Banco Nacional do Desenvolvimento Economico)	Commercial jet aircraft	8.6	6[b]	8-15-80
Banco Real de Investimento, S.A.	Relending for capital equipment purchases	6.0	6	1-15-76
Industria e Comercio de Minerios, S.A. (Bethlehem Steel Corp.)	Construction of manganese pellet plant	5.5	6	2-15-79
Rede Ferroviarie Federal, S.A.	Components for locomotives	5.3	6	7-31-79
Banco Bradesco de Investimento S.A.	Relending to private enterprises for equip. & svcs.	5.0	6	7-15-76

EXPORT-IMPORT BANK LONG-TERM LOANS[a] AUTHORIZED IN FY 1970
Authorizations by Region, Country, Obligor, Purpose, Interest Rate, and Final Maturity Date

Region, Country and Obligor	Purpose	Amount ($ millions)	Interest Rate (Percent)	Final Maturity Date
Latin America (Cont'd)				
Brazil (Cont'd)				
Banco Cretisul de Investimento, S.A.	Relending to private enterprises for equip. & svcs.	5.0	6	5-15-76
Banco de Investimento do Brazil, S.A.	Relending to private enterprises for equip. & svcs.	5.0	6	5-15-76
Pirelli, S.A. Companhia Industrial Brasileira	Expansion of tire plant	4.4	6	12-31-77
Companhia Siderurgica Nacional (Federative Rep. of Brazil)	Expansion & Improvement of steel plant	2.8	6	10-15-82
Pollo lefinas, S.A. Industria e Comercio (Banco do Brasil)	Construction of polyethylene plant	2.5	6	5-15-77
Banco Federal Itau de Investimento S.A.	Relending to private enterprises for equip.& svcs.	2.0	6	5-15-76
Banco de Investimento Industrial, S.A.	Relending to private enterprises for equip.& svcs.	1.0	6	5-15-76
Banco Brasileiro de Desenvolvimento, S.A.	Relending to private enterprises for equip.& svcs.	1.0	6	5-15-76
Chile		3.3		
Compania Manufacturera de Papeles y Cartones S.A.	Expansion of paper mill	3.3	6	5-15-80
Colombia		13.4		
Rep. of Colombia	Road maintenance equipment	5.0	6	6-15-78
Electrificadora del Altantico, S.A. (Banco de la Republica or the government of Colombia)	Construction of electric generating plant	4.2	6	8-15-80
Empresa Nacional de Telecommunicaciones de Colombia (Rep. of Colombia)	Construction of earth satellite station	1.7	6	5-15-78

EXPORT-IMPORT BANK LONG-TERM LOANS[a] AUTHORIZED IN FY 1970
Authorizations by Region, Country, Obligor, Purpose, Interest Rate, and Final Maturity Date

Region, Country and Obligor	Purpose	Amount ($ millions)	Interest Rate (Percent)	Final Maturity Date
Latin America (Cont'd)				
Colombia (Cont'd)				
Corporacion Electrica de la Costa Atlantica (Rep. of Colombia)	Gas turbine generating unit	1.0	6	2-15-79
Empresa de Ecueducto Y Alcantarillado Bogota d.e. do	Improvement & expansion of water supply	1.0	6	2-15-80
Pro-Hoteles, S.A. (Instituto de Fomento Industrial)	Construction of hotel	0.3	6	5-15-78
Monomeros Colombo-Venezolanos, S.A. (Instituto de Fomento Ind.)	Construction of petrochemical plant	0.3	6	12-31-78
Costa Rica		0.5		
Bank of America, S.A.	Relending to private enterprises for parts & svcs.	0.5	6	7-15-76
Ecuador		3.0		
Compania Financiera	Relending to private enterprises for parts & svcs.	3.0	6	5-15-76
Haiti		0.1		
Societe Haitiano Americaino Development Agricola (Government of Haiti)	Assist in irrigation and agriculture development	* [a]	3	6-15-83
Societe Haitiano Americaino Development Agricola (Government of Haiti)	Assist in irrigation and agriculture development	0.1[a]	3	6-15-92
Honduras		2.0		
Banco Financiera Hondurena, S.A.	Relending to private enterprises for parts & svcs.	2.0	6	1-15-76

EXPORT-IMPORT BANK LONG-TERM LOANS[a] AUTHORIZED IN FY 1970
Authorizations by Region, Country, Obligor, Purpose, Interest Rate, and Final Maturity Date

Region, Country and Obligor	Purpose	Amount ($ millions)	Interest Rate (Percent)	Final Maturity Date
Latin America (Cont'd)				
Jamaica				
Rose Hall Int'l Hotels, Ltd. (Government of Jamaica)	Construction of hotel	7.0 3.5	6	2-15-85
Jamaica Telephone Co., Ltd. (Continental Telephone Corp.)	Expansion of telephone system	3.5	6	2-15-82
Mexico				
Compania Mexicana de Aviacion, S.A. (Nacional Financiera, S.A.)	Commercial jet aircraft	40.4 9.6	6[b]	11-15-80
Nacional Fianciera, S.A. (United Mexican States)	U.S. equipment & svcs. for railways	5.4	6	2-15-79
Univex, S.A.	Construction capro/actam plant	5.0	6	11-15-79
Comision Federal de Electricidad (Nacional Financiera, S.A.)	Expansion of electric power sector	5.0	6	11-15-82
Comision Federal de Electricidad	Gas Turbine Units	4.8	6	11-15-79
Financiera Banamex, S.A. Financiera Bancomer, S.A., Cia. Gen. de Aceptaciones, S.A., & Financiera Comermex, S.A.	Relending to private enterprises for tools & equip.	2.8	6	2-28-75
Compania Mexicana de Aviacion, S.A. (Nacional Financiera, S.A.)	Used commercial jet aircraft	1.6	6[b]	8-15-77
Nacional Financiera, S.A.	Expansion of iron and steel facilities	1.5	6	12-15-80
Compania Fundidora del Norte, S.A. (cia. Compania General de Aceptaciones	Malleable iron foundry, spare parts & svcs.	1.3	6	5-15-79
Aceros Nacionales, S.A.	Expansion of wire products	1.2	6	6-15-77
Comision Federal de Electricidad	Mobile gas turbine generator units	1.0	6	2-15-78

EXPORT-IMPORT BANK LONG-TERM LOANS[a] AUTHORIZED IN FY 1970
Authorizations by Region, Country, Obligor, Purpose, Interest Rate, and Final Maturity Date

Region, Country and Obligor	Purpose	Amount ($ millions)	Interest Rate (Percent)	Final Maturity Date
Latin America (Cont'd)				
Mexico (Cont'd)				
Altos Hornos of Mexico, S.A.	Electrolytic tinning line, equipment	0.7	6	5-17-78
Alumex, S.A. de C.V.	Continuous caster & rolling mill	0.5	6	8-15-76
Pañama		2.5		
Rowan International, Inc.	Mobile drilling unit	2.5	6	6-30-76
Venezuela		16.0		
Banco Industrial de Venezuela, C.A.	Relending to private enterprises for parts & svcs.	5.0	6	7-15-76
Compania Anonima Nacional telefonos de Venezuela (Rep. of Venezuela)	Construction of satellite ground station	4.2	6	11-15-79
C.A. Venezolana de Pulpa y Papel	Expansion paper mill	2.9	6	8-15-80
Compania Anonima Energia Electrica de Venezuela	Expansion of turbine power plants	2.8	6	11-15-78
Aerovias Venezolanas, S.A. ("Casa Boulton" group)	Used commercial jet aircraft	1.4	6[b]	2-15-75
ROCAP		6.5		
ADELA Investment Co., S.A.	Relending to private enterprise for equip. & svcs.	5.0	6	7-15-76
Various Central American Companies	Relending to private enterprise for equip. & svcs.	1.5	6	3-15-76

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EXPORT-IMPORT BANK LONG-TERM LOANS[a] AUTHORIZED IN FY 1970
Authorizations by Region, Country, Obligor, Purpose, Interest Rate, and Final Maturity Date

Region, Country and Obligor	Purpose	Amount ($ millions)	Interest Rate (Percent)	Final Maturity Date
Near East and South Asia		122.0		
Ceylon		0.3		
Hotel Services Limited	Hotel	0.3	6	9-01-84
Greece		4.0		
Hellenic Telecommunications Organization, S.A. (Bank of Greece)	Construction of an earth satellite station	2.0	6	5-15-78
Polyetma, Ltd. (National Bank of Greece)	Polyester filament yarn plant	2.0	6	3-31-82
India		47.5		
Air India Corporation (Government of India)	Commercial jet aircraft	18.0	6[b]	5-15-79
Government of India	Relending for programs and projects	15.0	6	8-15-81
Indian Airlines Corp.	Commercial jet aircraft	12.5	6[b]	
Shree Synthetics, Ltd. (Union Bank of India, Ltd. et al)	Nylon yarn plant	1.9	6	8-15-81
Iran		46.8		
Imperial Government of Iran	Diesel locomotives and related equipment	15.2	6	2-15-81
Imperial Government of Iran	Expansion of National Telecommunications	14.7	6	9-01-82
Imperial Government of Iran	Commercial jet aircraft	9.0	6[b]	2-15-77
Bank Melli	Relending to private enterprise for machinery & svcs.	5.0	6	1-15-76
Imperial Government of Iran	Construction of hotel	1.9	6	2-15-84

EXPORT-IMPORT BANK LONG-TERM LOANS[a] AUTHORIZED IN FY 1970
Authorizations by Region, Country, Obligor, Purpose, Interest Rate, and Final Maturity Date

Region, Country and Obligor	Purpose	Amount ($ millions)	Interest Rate (Percent)	Final Maturity Date
Near East and South Asia (Cont'd)				
Iran (Cont'd)				
Iranians Bank	Relending to private enterprise for machinery & svcs.	1.0	6	1-15-76
The Foreign Trade Bank of Iran	Relending to private enterprise for machinery & svcs.	1.0	6	1-15-76
Imperial Government of Iran	Commercial jet aircraft	-0.9	6	
Israel		10.0		
Industrial Development Bank of Israel, Ltd.	Construction of phosphoric acid plant	5.0	6	7-31-78
Industrial Development Bank of Israel, Ltd.	Relending to private enterprise for equipment and services	5.0	6	7-15-76
Jordan		8.3		
Royal Jordanian Airlines (Government of the Hashemite Kingdom of Jordan)	Commercial Jet Aircraft	8.3	6[b]	5-15-78
Pakistan		5.1		
Pakistan Industrial Credit & Investment Corp., Ltd. (Government of Pakistan)	Relending to private enterprises for equipment and services	3.6	6	1-15-79
Pakistan International Airlines Corp. (Islamic Rep. of Pakistan)	Flight simulator and training	1.5	6	2-15-75
AFRICA		27.4		
Guinea		0.4		
Ministry of Transport of the Rep. of Guinea (Banque Centrale de la Republique de Guinea et al)	Bus equipment	0.4	6	2-21-75

EXPORT-IMPORT BANK LONG-TERM LOANS[a] AUTHORIZED IN FY 1970
Authorizations by Region, Country, Obligor, Purpose, Interest Rate, and Final Maturity Date

Region, Country and Obligor	Purpose	Amount ($ millions)	Interest Rate (Percent)	Final Maturity Date
AFRICA (Cont'd)				
Ivory Coast		16.4		
Air Afrique (guarantors satisfactory to EIB)	Commercial jet aircraft	13.7	6[b]	11-15-84
Rep. of Ivory Coast	Land clearing & agriculture equipment	2.5	6	5-15-77
Air Afrique (Rep. of the Ivory Coast)	Commercial jet aircraft	0.3	6	6-15-77
Kenya		3.6		
Firestone East Africa (1969) Limited	Construction of tire and tube plant	3.6	6	10-15-77
Morocco		2.7		
Campagnie Nationale de Transports Aeriens (Kingdom of Morocco, Ministry of Finance)	Commercial jet aircraft	2.7	6[b]	5-15-78
Nigeria		4.1		
Federal Rep. of Nigeria	Communication satellite	4.1	6	8-15-79

EXPORT-IMPORT BANK LONG-TERM LOANS[a] AUTHORIZED IN FY 1970
Authorizations by Region, Country, Obligor, Purpose, Interest Rate, and Final Maturity Date

Region, Country and Obligor	Purpose	Amount ($ millions	Interest Rate (Percent)	Maturity Date
East Asia		355.8		
Brunei		14.0		
Brunei LNG Ltd. (Government of Brunei, et al)	Operation of a liquid gas plant	14.0	6	5/15/81
China, Republic of		72.2		
Taiwan Power Co. (Rep. of China)	Construction of nuclear power plant	69.3	6	11/15/90
Cheng Tai Cement Corp. (Central Trust of China. & United Asia Business Group)	Metric ton cement plant	3.0	6	5/15/77
Indonesia		2.5		
Rep. of Indonesia	Refunding maturities	2.5[a]	3	12/31/80
Japan		169.2		
Kansai Electric Power Co., Inc. (Japan Development Bank)	Construction of nuclear power plant	30.2	6	10/1/89
Japan Airlines Co., Inc. (Government of Japan)	Commercial jet aircraft	29.8	6[b]	2/15/78
All Nippon Airways Co., Ltd.	Commercial jet aircraft	28.8	6[b]	5/15/78
Tokyo Electric Power Co., Inc. (Japan Development Bank)	Construction of thermal power plant	27.0	6	3/15/89
Japan Airlines Co., Ltd. (Government of Japan)	Commercial jet aircraft	25.5	6[b]	2/15/82
All Nippon Airways, Ltd. (Japan Development Bank)	Commercial jet aircraft	10.8	6[b]	8/15/77
Tokyo Electric Power Co., Inc. (The Japan Development Bank)	Improvement of Nuclear Power Station	6.2	6	11/1/80
Atomic Power Co. (Japan Development Bank)	Fabrication of second core nuclear fuel	5.0	6	11/1/75
Kansai Electric Power Co. (Japan Development Bank)	Nuclear fuel for power station	2.9	6	12/15/78
Okura Trading Co. (Industrial Bank of Japan)	RCA electronic composition systems	2.3	6	9/15/78
Ube Ammonia Industries Co. (Industrial Bank of Japan)	Ammonia plant	0.8	6	2/15/77

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EXPORT-IMPORT BANK LONG-TERM LOANS[a/] AUTHORIZED IN FY 1970
Authorizations by Region, Country, Obligor, Purpose, Interest Rate, and Final Maturity Date

Region, Country and Obligor	Purpose	Amount ($ millions)	Interest Rate (Percent)	Maturity Date
East Asia (Cont'd)				
Korea		85.0		
Korea Electric Co. (Government of Korea)	Construction of nuclear power plant	47.3	6	11/30/89
Korea Electric Co. (Government of Korea)	Construction of oil fired power plant	26.6	6	11/15/85
Kyung-In Energy Co., Ltd.	Construction of thermal power plant	10.0	6	5/15/76
Korea Electric Co. (Korea Exchange Bank)	Construction of oil fired power plant	1.1	6	11/15/85
Philippines		9.6		
Central Azucarera de la Carlota (Development Bank of Philippines)	Modernization of suger mill	1.6	6	9/30/77
Manila Electric Power Co.	Expansion Transmission facilities	8.0	6	12/31/82
Thailand		3.2		
Goodyear (Thailand) Ltd.	Construction of tire and tube plant	1.2	6	8/15/75
Bangkok Bank, Ltd.	Relending to private enterprises for equipment and services	1.0	6	5/15/76
The Thai Farmers Bank, Ltd.	Relending to private enterprises for equipment and services	1.0	6	5/15/76

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EXPORT-IMPORT BANK LONG-TERM LOANS [a] AUTHORIZED IN FY 1970
Authorizations by Region, Country, Obligor, Purpose, Interest Rate, and Final Maturity Date

Region, Country and Obligor	Purpose	Amount ($ millions)	Interest Rate (Percent)	Final Maturity Date
Europe		453.6		
Austria		0.2		
Heinzel & Nicolaus Aktiengessellschaft (creditanstalt bank verein)	Paper products manufacturing plant	0.2	6	11-15/75
Belguim		15.8		
Societe Anonyme Belge Dexploitation De La Navigation Aerienne (Government of Belgium)	Commercial jet aircraft	15.8	6[b]	11/15/80
Finland		7.6		
Finnair OY (Rep. of Finland)	Commercial jet aircraft	5.7	6[b]	2/15/79
Pekema OY (Government of Finland)	Construction of photochemical plant	1.9	6	5/15/77
France		58.5		
Campagnie Nationale Air France (Rep. of France)	Commercial jet aircraft	30.9	6[b]	2/15/82
Union de transports Aeriens, S.A.C. (Campagnie Maritime des Chargeurs Reunis, et al)	Commercial jet aircraft	12.1	6[b]	5/15/88
Campagnie Nationale Air France (Rep. of France)	Commercial jet aircraft	11.5	6[b]	5/15/78
Union de Transports Aeriens, S.A.	Commercial jet aircraft	4.0	6[b]	9/30/73
Italy		121.8		
Instituto Mobiliare Italiano	Equipment and services for steel mill	55.0	6	5/15/83
Instituto Mobiliare Italiano	Commercial jet aircraft	23.5	6[b]	5/15/77
Alitalia-Linee Aeree Ilaliane, S.P.A.	Commercial jet aircraft	21.0	6[b]	11/15/77
Instituto Mobiliare Italiano	Commercial jet aircraft	10.2	6[b]	1/15/78
Instituto Mobiliare Italiano	Commercial jet aircraft	8.1	6[b]	2/15/78
Instituto Mobiliare Italiano	Commercial jet aircraft	4.0	6[b]	2/15/79

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EXPORT-IMPORT BANK LONG-TERM LOANS[a/] AUTHORIZED IN FY 1970
Authorizations by Region, Country, Obligor, Purpose, Interest Rate, and Final Maturity Date

Region, Country and Obligor	Purpose	Amount ($millions)	Interest Rate (Percent)	Final Maturity Date
Europe(Cont'd)				
Netherlands				
Koninklijke Luchtvaart Maatschappij N.V. (Kingdom of the Netherlands)	Commercial jet aircraft	49.0 33.4	6[b/]	5/15/83
Koninklijke Luchtvaart Maatschappij N. V. (KLM Royal Dutch Airlines)	Commercial jet aircraft	12.0	6[b/]	9/30/73
Martins Luchtvervoermaatschappij N.V. (Bank Mees and Hope N.V.)	Commercial jet aircraft	3.5	6[b/]	12/31/78
Norway				
Braathens South American and Far East Air transport A.S. (Den Norske Credit bank, Oslo)	Commercial jet aircraft	2.2 2.2	6[b/]	5/15/78
Portugal				
Transportes Aeros Portugueses, S.A.R.L. (Rep. of Portugal)	Commercial jet aircraft	4.2 4.2	6[b/]	2/15/77
Spain				
Hydroelectrica Espanola, S.A. (Banco Espanol de Credito, et al)	Thermal power	63.9 27.0	6	5/15/77
Iberia Lineas Aereas de' Espana (Government of Spain)	Commercial jet aircraft	10.4	6[b/]	5/31/77
Iberia Lineas Aereas de' Espana (S.A.)	Commercial jet aircraft	6.8	6[b/]	6/30/78
Hydroelectrica del Cantabrico, S.A. (Spanish State or Banco Espanol de credito et al)	Equipment and services for a thermal power plant	5.3	6	11/15/82
Termicas del Besos, S.A. (Spanish State)	Expansion of thermal power plant	5.0	6	8/15/81
Banco Espanol de Credito, Banco Hispano Americano, Banco Atlantico, Banco Urquiso, & Banco de Viscaya	Relending to private enterprise, packaging, air-conditioning, etc.	4.5	6	9/15/75
Union Electrica S.A. (Banco Hispano Americano)	Nuclear fuel for Power Station	2.6	6	2/15/78

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EXPORT-IMPORT BANK LONG-TERM LOANS[a/] AUTHORIZED IN FY 1970
Authorizations by Region, Country, Obligor, Purpose, Interest Rate, and Final Maturity Date

Region, Country and Obligor	Purpose	Amount ($ millions)	Interest Rate (Percent)	Final Maturity Date
Europe(Cont'd)				
Spain (Cont'd)				
Gasy Electricidad, S.A.(Government of Spain)	Thermal electric generating units	2.3	6	5/15/78
Switzerland		45.4		
Swiss Air Transport Co. Ltd. (Fed. Rep. of Switzerland)	Commercial jet aircraft	33.4	6[b/]	2/15/85
Swiss Air Transport Co. Ltd. (Fed. Rep. of Switzerland)	Commercial jet aircraft	12.0	6[b/]	9/30/75
United Kingdom		73.3		
British Overseas Airways Corp. (Government of U.K. of Great Britain & N. Ireland)	Commercial jet aircraft	58.3	6[b/]	5/15/79
British Overseas Airways Corp. (Government of U.K. of Great Britain & N. Ireland)	Commercial jet aircraft	7.4	6[b/]	2/15/78
British Overseas Airways Corp. (Government of U.K. of Great Britain & N. Ireland)	Commercial jet aircraft	5.8	6[b/]	4/1/77
The Int'l Synthetic Rubber Co. Limited	Manufacturing plant	1.8	6	5/15/77
Yugoslavia		11.7		
Zeljeznicko Transportno Preduzece (Investment Bank of Sarajivo)	Diesel electric locomotives	3.7	6	1/15/82
Jugoslovenski Aerotransport (Yugoslav Investment Bank)	Commercial jet aircraft	1.2	6	7/1/78
Interexport (Yugoslav Bank for Foreign Trade)	Commercial jet aircraft	0.3	6	11/30/77
*Govt. of Yugoslavia Fertilizer Plants		6.5		

* Transferred from Guaranties

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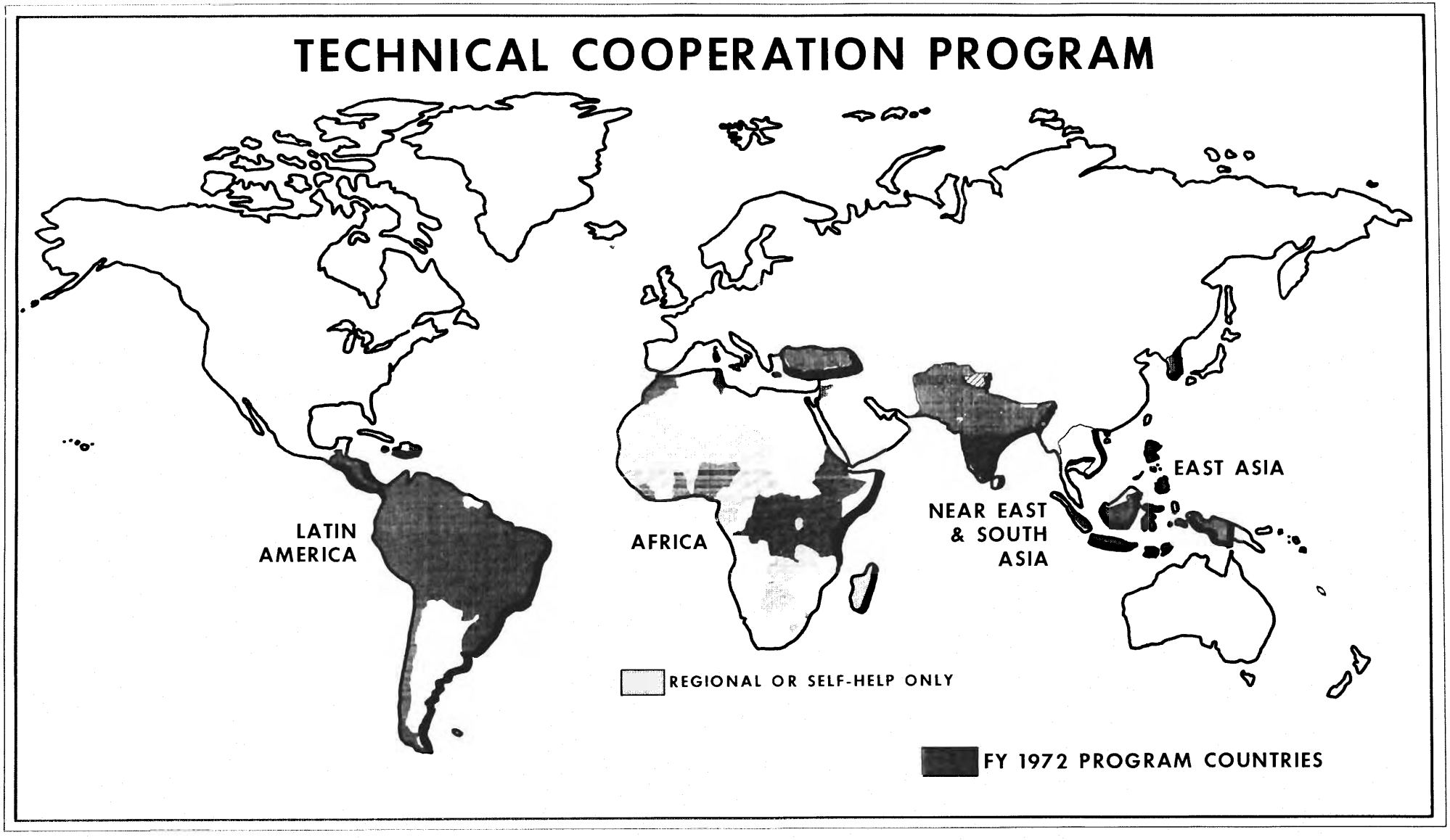
EXPORT-IMPORT BANK LONG-TERM LOANS[a] AUTHORIZED IN FY 1970
Authorizations by Region, Country, Obligor, Purpose, Interest Rate, and Final Maturity Date

Region, Country and Obligor	Purpose	Amount ($ millions)	Interest Rate (Percent)	Maturity Date
Canada		21.0		
Fording Coal Limited (Canadian Pacific Investments Limited)	Coal mine development	10.0	6	5/15/77
Canadian Pacific Railway Co.	Commercial jet aircraft	4.7	6[b]	5/15/78
Great Northern Capital Corp. Ltd. (Toronto Dominion Bank)	Commercial jet aircraft	2.8	6[b]	5/15/77
Nordair Limited (Bank of Montreal)	Commercial jet aircraft	1.8	6[b]	5/15/77
Calgary Power, Ltd. (guarantor satisfactory to Eximbank)	Electric generating svcs.	1.6	6	2/15/82
Oceania - Australia		37.4		
Commonwealth of Australia	Commercial jet aircraft	26.6	6[b]	11/15/78
Commonwealth of Australia	Commercial jet aircraft	4.5	6[b]	8/1/79
Commonwealth of Australia	Commercial jet aircraft	0.9	6[b]	5/1/77
Ansett Transportation Industries (Operations) Pty. Ltd.	Commercial jet aircraft	5.4	6[b]	6/30/72
Oceania - New Guinea (Papua)		23.4		
Bougainville Copper Pty. Ltd.	Copper ore mining project	23.4		2/15/78

NOTE: Data represent authorizations for loans of five years or more maturity, less cancellations or terminations and less individual loans bought by private banks and other institutions. The data exclude all export guaranties and insurance authorized by the Bank.

a/ Capitalized interest on prior year loans.
b/ Rate may be increased to 7% to obtain a sale.


TECHNICAL COOPERATION PROGRAM
LATIN AMERICA
AFRICA
NEAR EAST & SOUTH ASIA
EAST ASIA
REGIONAL OR SELF-HELP ONLY
FY 1972 PROGRAM COUNTRIES

TECHNICAL COOPERATION

PROGRAM SUMMARY
(In millions of dollars)

Region	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
Latin America	86.4	91.7	95.1
Near East and South Asia	33.2	38.2	37.3
East Asia	30.4	33.3	33.8
Africa	59.2	62.7	64.9
Interregional and other	121.9	120.8	136.8
Total	331.1	346.7	367.9

People are the basis of development. Their level of education, their technical skills, their ability to organize themselves to accomplish their goals determine their rate of progress.

Technical Cooperation is the primary means of assisting the people of the developing countries to acquire, modify and generate the knowledge, skills and institutions they require for their economic and social growth and modernization. It is a deliberate effort to accelerate the modernization process through which these nations are going.

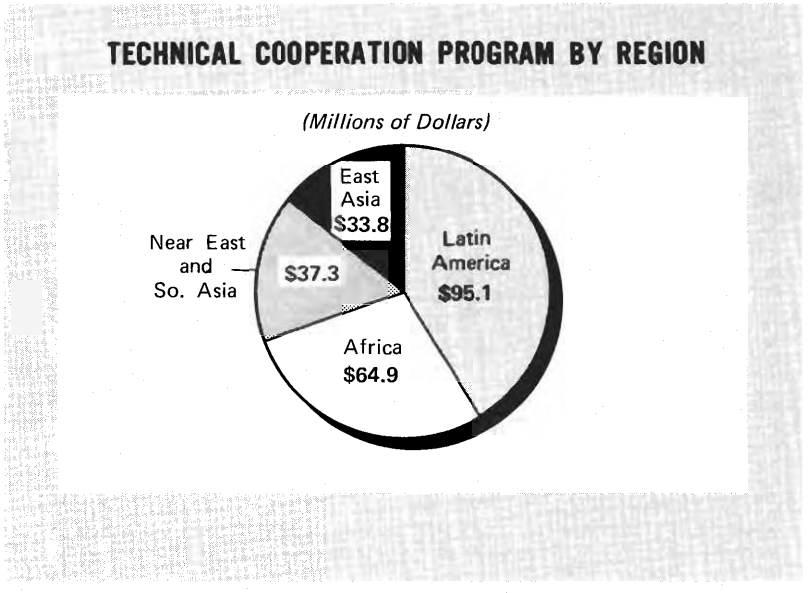
Self-sustaining growth of a nation depends upon the effectiveness with which it applies and exploits its natural resources, capital facilities, and labor. Technical assistance is designed to accelerate the process by which people are educated, skills transferred, and attitudes changed so that people can more effectively help themselves.

Technical Cooperation deals with the human side of the development process. Highly skilled Americans from all parts of the country join to work with people of the developing countries, to transfer the knowledge and techniques essential to development. Citizens from these countries come to the United States for training. Technical cooperation fosters relationships and channels of contact between individuals, groups, and institutions in the United States and the developing countries.

The United States has pioneered in developing technical assistance concepts and programs. Technical cooperation, as an organized governmental activity, began in 1942 with the Institute of Inter-American Affairs. The Point IV program, initiated by President Truman in his inaugural address of 1949, challenged the American people to pool their knowledge and energies with those of the peoples of the developing countries for the general betterment of mankind. These themes were carried out in the 1950's by the Foreign Operations Administration and the International Cooperation Administration which were followed in the 1960's by the Agency for International Development.

A good deal has been learned about the complexities of the development process over the three decades of this experience. The Point IV approach was dominated by simple, man-to-man, "know-how, show-how" methods and relationships based upon the view that we could transfer the knowledge and techniques of the United States to the societies of Asia, Africa, and Latin America and thus help the people of these countries catch up with us in the use of technology and the organization of human activities. We did not fully appreciate the difficulty of overcoming the problems later encountered, nor did we see that these problems were long range and required imaginative solutions and refined and adapted tools and approaches.

A major lesson of the 1950's was that the needs of the poor countries had to be measured more precisely. As we began to perceive that the transfer of skills was not enough, we became more concerned with internal savings and transfers of economic resources. Thus we focused our energies on effective planning



for and utilization of resources during the 1960's. Technical assistance programs were designed to make the overall assistance effort more effective. We relied heavily on economic growth to sustain the new institutions and create a growing demand for their services. Although technical assistance was integrated into the comprehensive country level programming of U.S. assistance, its contribution did not always match its potential.

During this period, work on the institutional bases for development -- the educational and training systems, the extension systems, the credit institutions -- continued. By the end of the 1960's several significant changes had occurred in the map of development problems.

-- There has been a continuous and substantial improvement in the capacity of most LDCs to plot their own courses of development. Thus the need for external guidance has diminished.

-- The United States has become only one of many providers of assistance. There is now a wide array of alternative sources for development advice and support; other bilateral donors and international organizations have expanded their programs and are able to offer a comprehensive range of assistance.

-- We have become more concerned that overall economic growth lead to improved quality of the lives of people and reduced social and economic disparities within the developing countries. As the recipient countries become more able in their efforts to determine development priorities, there is less need for a direct involvement in this effort on our part.

-- The success of the Green Revolution demonstrates the potentially great payoff from creatively managed, innovative and collaborative technical assistance activities. The Ford and Rockefeller Foundations have given long-term support to adaptive research aimed at removing one of the major obstacles to economic development in the poorer countries -- the low yields of food grains. The availability of new strains of wheat and rice combined with sustained efforts to teach techniques and develop extension services and the availability of increased amounts of fertilizer and water produced an extraordinary increase in production. This striking achievement stimulated further interest in development of effective vehicles of technical assistance. It became clear that the immense resources of the industrialized world's scientific and technological skills and the techniques of organized problem solving could make significant contributions to rapid growth.

NEW DIRECTIONS

How will technical cooperation change in response to these factors?

Concentration on Problems Affecting the Quality of People's Lives: The basic objective of helping people of developing countries to help themselves has been validated. In the future greater stress will be placed on activities which improve the well-being of people, increase their ability to participate in and contribute to the growth and modernization of their societies, and permit them to share more fully in the benefits of technological, social, and economic progress.

We will respond to the initiatives of the lower income countries on key problems identified as the most pervasive bottlenecks to their modernization and growth, including major areas already recognized:

-- inadequate food supply, both qualitatively and quantitatively;

-- rapid population growth;

-- provision of training facilities, particularly in the areas of management and technical skills; and

-- adaptation of industrial technology.

Resources will be concentrated on common key problems which impede progress and adversely affect the quality of life in the developing countries. In this way:

-- essential scientific and technological expertise required for innovative breakthroughs would be easier to mobilize,

-- program management would focus on achievement of significant results, and

-- coordination of our efforts with other donors in an international framework would be improved.

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Mobilization of Scientific and Technological Expertise: The United States has an undoubted comparative advantage in the availability of large numbers of highly trained and experienced scientists and high level technologists. This comparative advantage is further strengthened by the ability to organize such people into effective interdisciplinary teams for systematic attack on problems.

The new program will involve government and non-government scientific and technological communities more deeply in the task of adapting and applying modern methods and appropriate technologies to specific problems of developing nations. Particular emphasis will be upon helping the developing countries strengthen their own research capabilities.

Focus of Program Management on Achievement: The executives and the staff of the technical assistance agency will focus their attention and skills upon program planning, management, and evaluation. Private organizations, universities, commercial firms, and other government departments will provide the personnel and services required to carry out assistance projects. Thus, it will be possible to reduce the number of official American personnel overseas. This new framework of technical assistance management will provide the continuity and stability of technical and professional effort needed to pursue the long-term tasks of research and institution building, as well as short-term, high priority tasks, in an effective and creative manner.

Improvement of Coordination with Other Donors: U.S. efforts over the past decade to stimulate a larger assistance role by private organizations, other governments, and international organizations have paid off. The expanded efforts of other donors now require that we give more attention to the coordination of our assistance with theirs to avoid unnecessary duplication of activities and insure maximum impact on key development problems. This will not only improve the results from our own efforts, but will provide a cohesive framework within which international assistance efforts can operate more effectively.

In many instances, multinational projects, on both the donor and recipient side, are more effective in carrying out technical assistance efforts, particularly in the field of research. Multilateral sponsorship by the international agencies will also strengthen their role in technical assistance and multi-country projects have the special benefit of promoting cooperation between countries on common development problems.

Extension of the Benefits of Progress: By developing the capacity of the institutions of the developing countries in applied research and using modern technology more effectively, we will support their efforts to share the benefits of technological, economic and social progress. Technological skills which will upgrade small and medium industry capabilities and contribute to rural development and employment opportunities are receiving new attention. Indigenous scientific capabilities in chemistry, biology, hydrology, meteorology, geology, oceanography, electronics, metallurgy, and petrochemistry are rapidly becoming of considerable importance to economic development in a number of developing countries.

We will sharpen our focus on selected areas which offer the most promise of high payoff. Worldwide technological programs will be undertaken by the National Academies of Sciences and Engineering and by the National Bureau of Standards. In East Asia several regional programs will stress building research capabilities and in Latin America we will continue strong support of the OAS science and technology efforts, as well as supporting a number of bilateral projects in the technological field. In the Near East and South Asia and in Africa, emphasis is being placed on the contribution of technology to the development of land, water, and mineral resources.

Response to Initiatives of Developing Countries: There will be increasing reliance upon the developing countries themselves to define their priorities and identify their needs. The U.S. aid organization will reduce its involvement in analysis of the development priorities of the developing countries and rely on their capabilities to identify specific problem areas. In addition, the international assistance organizations will be increasingly able to provide an overall coordinating framework for technical cooperation in much the same way as they do now for capital assistance. Thus, U.S. involvement will be reduced in two ways: by pursuing a less activist role, and by limiting the number of direct U.S. Government employees of the assistance agency involved in executing the assistance effort.

MAJOR TYPES OF TECHNICAL ASSISTANCE

Adaptation of technical cooperation to concentrate management attention and program resources will result in more attention to the following major types of assistance activities:

R

Research

Based on the experience of recent years and the success of the Green Revolution, it is imperative that U.S. research competence, in both the social and physical sciences, be directed toward the solution of critical development problems.

Research will generally be undertaken jointly with the developing countries and stress improvement of their research competence. More importantly it will be action-oriented rather than of a generalized nature. In this way the research capability of the developing countries will be directly applied to the existing problems and linked to improved management of development programs. Thus, immediate benefits will be derived by the people of the developing countries.

In finding solutions to problems of high priority in the developing countries we will support two types of activity:

-- adaptive research aimed at modifying existing knowledge and techniques to make them applicable to the special circumstances of developing countries.

-- developing and demonstrating how to put the adaptive research findings into actual operation in specific country situations -- given the local resources, skills, policy and cultural constraints.

Attention will be paid to joining the research efforts in the developing countries to similar work in the United States and in other countries, developed and underdeveloped. The creation of such research networks can magnify the effectiveness of the effort in each country.

Institution Building

We will continue and intensify our efforts to foster the adaptation of new ideas and skills in host country institutions. The most productive result of technical cooperation will be the growth of the developing countries' capabilities, in both the private and public sectors, to deal with their own problems and to attain important development goals on a self-sustaining basis. The essential tests of the success of "institution-building" are:

-- does the institution have the capacity to deal effectively with the tasks for which the assistance project was designed;

-- is it concerned with the solution of a major development roadblock;

-- can the institution maintain this capacity after the termination of external assistance; and

-- will the capability grow and the institution adapt itself to new circumstances?

Aid in agricultural training and research, education, and public health institution-building has been a major and successful element in past U.S. technical assistance. It is a clear embodiment of the principle of helping people to help themselves.

The ultimate hallmark of successful institution building is achieved when the host country organization demonstrates its competence to become the source of assistance by that country to other developing countries. There are many instances of such successful technical cooperation accomplishment in the past activities of U.S. technical assistance:

-- students from many countries attend the Indian Institute of Technology in Kanpur;

-- the agricultural universities of the Indian States provide education in agricultural science for trainees from Nepal; and

-- students from most Latin American countries attend the Monterey Institute of Technology in Mexico.

Training

Training has contributed significantly to the supply of skilled manpower and is an essential element to development. Much of the training is geared to expanding the number and competence of technical specialists who will serve in development projects, such as agricultural or industrial extension or credit agencies, fertilizer distribution organizations, family planning or health service institutions, or educational institutions. Some training relates to the design and management of development programs and training institutions.

Training may take place in the recipient country or another developing country as well as in the United States. Heavy stress will be placed, throughout the training program, on developing

managerial capabilities and aiding developing countries to create their own training resources.

Provision of Advisers

Many of the least developed countries, particularly in Africa but elsewhere as well, must look to the United States and other international donors as a source of skilled manpower until more of their own people can gain the necessary skills to adapt modern technology and employ modern research methods to the solution of their problems. In some instances of need the United States may be the best source of advisory assistance help and we must be able to respond. However, the developing countries would be responsible for the supervision and administrative support of such personnel. Our financial contribution would range upwards from zero in countries fully able to pay to almost the full cost of the foreign advisers in the poorest countries.

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LATIN AMERICA

TECHNICAL COOPERATION - REGIONAL SUMMARY

PROGRAM SUMMARY
(In millions of dollars)

FY	Agricultural & Rural Development	Population & Health	Education & Manpower Training	Industrial & Urban Development	Program Development & Support	Total
1970	12.7	11.3[a/]	25.0	7.8	29.6	86.4[b/]
1971	14.0	15.9[a/]	20.9	8.4	32.5	91.7[b/]
1972	13.4	17.9	19.7	8.6	35.5	95.1

a/ Includes Development Loan funded grants of $10,956,000 in FY 1970 and $15,596,000 in FY 1971 for population programs under Title X of the Foreign Assistance Act.
b/ Excludes Public Safety of $3,825,000 in FY 1970 and $3,321,000 in FY 1971, which is included in the Economic Supporting Assistance presentation for FY 1972.

A Concern for People

In his second annual review of U.S. foreign policy in February of this year, President Nixon stressed again the U.S. commitment to support the development efforts of Latin American countries:

> "...For (the people of Latin America) the predominant issues in their relations with us are the content and style of our economic relations. The United States has traditionally responded to these aspirations. We will continue to do so believing that our own purposes are advanced when other governments can meet the needs of their peoples..."

Latin America enters the 1970's on a promising note: the region achieved an average per capita GNP growth rate of 3% or more in 1968, 1969, and, in all probability, 1970. However, behind this regional average lies a great diversity in country productive capacity and efficiency, saving and investment levels, population and employment, and income and opportunity distribution. Per capita income still remains low for the region as a whole; the $500 per capita average cloaks wide divergencies ranging from $201 in Bolivia to $974 in Venezuela. Within each country, this divergence in income and opportunity is echoed. The subsistence farmer and the unskilled city laborer have been only marginally affected by economic change, and there has been only limited progress in terms of improving the quality of his life. This is the major challenge to development for the 1970's.

Progress and Problems

Persistent poverty in Latin America centers around three problems:

-- First, low productivity, particularly among the poorest classes, keeps per capita incomes low and limits opportunities for better-paying jobs.

-- Second, there is rising disparity between rural and urban incomes. The incomes of the rural population are significantly lower than those of their urban counterparts and have failed to increase proportionately with rises in GNP.

-- Third, rapid population growth contributes to persistent poverty. The higher birth rate among poorer families has distorted income distributions even more over time and has matched, almost step for step, increases in agricultural productivity during the past decade.

The rural-urban imbalances poses today, and for the foreseeable future, the most serious obstacle to Latin American development.

Low productivity has not only meant that the agricultural sector has failed to keep up with the overall economy. It has also generated historically unparalleled migration to urban centers, attended by acute underemployment and unemployment and acute inadequacies in housing, health, water, schooling and other facilities.

Although population growth has thwarted progress in virtually every sector, its effects have been most particularly pervasive in educational development. To date A.I.D. experience points to the need for a comprehensive approach in which outside aid complements the efforts of the recipient country, and attacks a whole range of related problems simultaneously. Breakthroughs in the technology of learning and the organization of education are needed and must be sought to reduce costs and meet existing needs.

If Latin American efforts are to succeed, substantial external support will be required. While we can anticipate that other donors will provide the bulk of needed assistance on a multilateral basis, our bilateral effort will be increasingly directed toward innovative approaches to development problems, principally to develop human resources.

Determining Assistance Priorities

Development assistance priorities in Latin America are determined within the multilateral framework of the Inter-American Committee of the Alliance for Progress (CIAP). Country reviews, held under the auspices of CIAP, provide opportunities for A.I.D. and the international agencies to exchange views and analyses with each assisted government on needs, policies, and programs. Within this broad framework, A.I.D. and the other agencies frame their respective assistance programs; thus, the U.S. assistance programs proposed for FY 1972 funding have taken into account our own priorities, host country needs and priorities, and what other agencies are providing and plan to provide.

Country requests for assistance constitute the necessary -- but not the sufficient -- conditions for U.S. determinations of the composition and magnitudes of assistance programs. The final decisions on the programs proposed for FY 1972 funding reflect, for each country, an assessment of the country's economic and managerial absorptive capacity--the effectiveness with which it can use available resources, internal as well as external, to promote its development--and also of the country's commitment to development, as demonstrated by its willingness to institute reforms where necessary.

The FY 1972 Program

Technical assistance programs of $95.1 million are proposed in Fiscal Year 1972. Major areas of concentration are education, agriculture and population. Stress is also given export development, tourism, and transfer of scientific and technological knowledge. These latter areas, already singled out by the Latin American countries as requiring major intensified self-help efforts, have been designated by President Nixon as meriting increased U.S. technical assistance efforts. Therefore, they and the complex issues related to urbanization will be given increased emphasis as experience with current assistance efforts accumulates and as assistance techniques and country institutions and policies in these key areas mature.

This year's proposal also reflects our growing reliance upon multilateral programs which offer the best avenue to attack problems of mutual interest. Within the proposed $95.1 million, some $17.7 million is programmed in support of CIAP and OAS assistance activities in education and science, capital markets and export promotion. This level of assistance channeled through the OAS is almost double the level in FY 1968.

The multilateral focus has also increased in Central America. Technical Assistance is being provided to SIECA (the Common Market Secretariat), and ODECA (Organization of Central American States). The Central American Bank (CABEI) receives A.I.D. support primarily through loans.

A.I.D. support to SIECA has included technical assistance in such areas as agricultural planning, industrial and infrastructive planning, fiscal and monetary planning, and customs policy. A highly competent staff of economists, planners and technicians has been developed in SIECA to advise member governments on policies and programs affecting regional integration. Starting in FY 1972, assistance to SIECA will be channeled through a single project, with contract technical assistance provided to help carry out studies in specialized areas.

Assistance to ODECA focuses on policy formulation for regional manpower development, textbook development, health and demographic studies.

To minimize duplication by coordinating national efforts, additional support is being given to help develop regional federations of public and private universities and regional schools of veterinary medicine, sanitary engineering, business administration, as well as a Food Marketing Institute.

Assistance to the small countries of the Caribbean is channeled primarily through regional organizations such as the Caribbean Development Bank and the University of the West Indies.

Conclusion

The technology, managerial competence, research capabilities and productive know-how of the United States are vital parts of the resources needed for the economic development of Latin America. Latin American leaders have placed a high priority on obtaining these inputs and are investing their national energies and resources increasingly in these areas. The programs proposed herein are based on these premises and years of experience of operating projects on the ground in Latin America. They will have a development impact significant to Latin Americans and to U.S. national interest.

LATIN AMERICA

AGRICULTURAL AND RURAL DEVELOPMENT

PROGRAM SUMMARY (In millions of dollars)			
	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
Technical Cooperation	12.7	14.0	13.4

The current program in Guatemala exemplifies such an effort to combine technical and capital assistance. The program is designed to provide part of the essential external resources needed to assure the success of Guatemala's 5 year, $150 million rural development plan. This major effort of the Guatemalan Government, A.I.D., IDB and other external lending agencies aims to increase and diversify agricultural production in the rural areas, particularly in the Guatemalan highlands where development needs and opportunities are greatest.

Past efforts to improve Latin American agriculture have been directed primarily toward the transfer and adaptation of the production technologies of developed nations, partially through the development of research and training programs. In recent years, it has become increasingly apparent that discrete technical assistance projects in agriculture have limited impact unless they are viewed as an integral part of the agriculture sector as a whole. Attention must be given to such factors as inefficient marketing nets, expensive inputs, limited credit, low farm prices, and distortions of relative capital and labor cost. Hence, our technical assistance programs are increasingly being considered within a framework which views all aspects of the agricultural sector --social, economic, technical, and administrative -- in the same context.

A.I.D.'s contribution to the 5-year program will concentrate on improving production credit and marketing techniques and developing programs for training extension agents, supervised credit agents, and rural community development leaders.

U.S. technical assistance is also helping to set up a self-sufficient federation of agricultural cooperatives which will provide a full range of agricultural services to their members.

In El Salvador, A.I.D. helped finance a detailed agricultural sector survey. As a result of the survey, the Government of El Salvador has reorganized its services to farmers and with A.I.D. assistance is creating a new Center for Agricultural Technology, similar to a U.S. land-grant university. A.I.D.-assisted research programs have developed high yield, disease resistant beans and local hybrid corn. A new and expanded extension program which has promoted large scale use of fertilizer, improved seed, and plant protection, has resulted in increased yields of both these important staple food crops. Corn production for 1971 is expected to be 35% greater than the record 1970 crop. These efforts, and a new project aimed at improving fresh water fish culture as a source of low-cost protein will continue in FY 1972.

As we increasingly focus on an integrated approach to agricultural problems, individual projects will continue to deal with specific bottlenecks and seek to increase productivity for individual commodities, discrete geographic areas or groups of farmers. For example: A team of livestock specialists from New Mexico State University is assisting Paraguay to improve beef production. A Livestock Development Center and an experimental station have already been developed there through A.I.D. assistance. In Fiscal Year 1972, long-range research studies on Paraguayan beef production will be continued, and a beef cattle extension team will be mobilized.

In another project in Paraguay, the goal of A.I.D. technical advisors and credit assistance is to double the production of wheat; soybeans and rice by 1975 as compared with 1969. In 1970, increases in these crops were 33%; 50% and 17% respectively over the previous year, indicating that the 1975 goals are not unrealistic. An increase of 200% in credit to small farmers by 1976 is expected to result in a 33% increase in their annual output. In 1972, 10 new credit cooperatives are expected to be formed and the reorganization of 25 others completed.

Major research and training efforts are underway in Brazil, a country with considerable untapped agricultural potential. Supported by an A.I.D. development loan, a 5-year technical assistance program to assist Brazilian research capacity will focus on accelerated production of specific food crops, such as corn, rice and beans. This major effort is complemented by two smaller technical assistance projects designed to improve

the protein content of Brazilian corn and to increase the fresh water fish resources in Northeast Brazil. Both projects will help offset large scale protein deficiencies in the diet of low income Brazilians. Assistance is also being provided to assist Brazil develop a more effective seed production and distribution system and A.I.D. is assisting four Brazilian agricultural colleges to develop graduate programs and improve their institutional capacities in teaching, research and extension.

In addition, we have supported research centers responsible for the development of high-yield agricultural products. The Inter-American Center for Tropical Agriculture in Colombia is being financed by the Ford, Kellogg, and Rockefeller Foundations and A.I.D. Research on increasing yields already suggests the likelihood of significant breakthroughs in swine, yucca, and rice production. A North Carolina State University contract team will assist Latin American countries with soil fertility testing, and provide training in this important specialty.

In addition, through the Latin America regional program we support development of a high-quality graduate level training center at Castelar Agricultural School in Argentina to serve southern South America. Other ways to reinforce Argentina's emerging role as a source of technical assistance to her neighboring countries are under consideration.

LATIN AMERICA

POPULATION AND HEALTH

PROGRAM SUMMARY (In millions of dollars)			
	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
Technical Cooperation	11.3 a/	15.9 a/	17.9

a/ Includes Development Loan funded grants of $10,956,000 in FY 1970 and $15,596,000 in FY 1971 for population programs under Title X of the Foreign Assistance Act.

Population programs in Latin America are aimed at (1) increasing the recognition by individuals and leaders of the social burden imposed by high population growth rates; (2) introducing population as an input in long-range social and economic planning; and (3) helping to make economical family planning services widely accessible to all elements of society. To achieve these objectives a three-fold strategy is being used within Latin America:

-- Expansion of information and educational programs to encourage attitudes favorable to limiting family size, to motivate the public to seek medical help for birth limitations, and to make the public aware of the location of clinics and services.
-- Improvement of demographic data and program evaluation techniques in order to define the nature of the population problem, provide the means for more precise planning in social and economic sectors, and evaluate the progress of the overall effort; and
-- Improvement of health delivery systems, focussing on the provision of family planning clinical services by developing new institutions and manpower resources and strengthening traditional health service facilities.

In Latin America, the population programs which A.I.D. supports are largely carried out by international, public and private organizations which receive funds from many donors, including European governments, foundations, and individuals. In FY 1970, these organizations contributed almost $10 million from private funds to population programs in Latin America. During the same period A.I.D.-financed activities in demographic research and related projects amounted to almost $11 million. Latin American governments and private Latin American groups have continued to furnish facilities and commodities, medical and administrative manpower, and research and training.

Health Delivery Systems: The Pan American Health Organization (PAHO) plays a leading role in the improvement of health delivery systems and the extension of family planning through Ministry of Health Programs. Member governments and some European nations contribute to a multilateral fund for a hemisphere-wide education and training program, for improvement of program administration and for the development and implementation of such efforts as post-partum and clinical family planning services. Supported by A.I.D. regional funds, these PAHO programs form an integral part of existing national health programs, including maternal and child health services.

A.I.D. will also continue its bilateral support to private and public institutions, including maternal and child care programs, and Ministries of Health and Social Security in selected countries such as El Salvador.

One of the deficiencies of family planning clinics, maternal and child health services and post-partum programs is that they are largely urban systems and demand scarce medical skills. In order to reach the rural sector and economize on scarce manpower skills, new community medicine delivery systems have been developed. One such system is a comprehensive community-wide medical program which includes family planning as part of the maternal and child health services. Through its affiliated medical faculties, the Pan American Federation of Medical Schools (PAFAMS) with A.I.D. support encourages extension of this system on a pilot basis in other Latin American countries.

A.I.D. supports the International Planned Parenthood Federation (IPPF), a private, non-profit association of national voluntary family planning organizations which has 32 affiliates in Latin America. Clinics specializing in family planning were largely initiated in the private sector with the assistance of IPPF and the Pathfinder Fund. In some cases, these clinics have been absorbed, or are being partially supported, by Latin American public funds and private donations.

Demographic Data: A persistent impediment to population programs and national development planning is the lack of timely and adequate demographic data. Quality data are required to define the scope of the population problem and to enable objective evaluation of performance in ongoing and proposed family planning programs.

Goals in the demographic and evaluation area are: (1) to obtain national commitments to take timely and accurate censuses and intercensal surveys; (2) to incorporate the concept of evaluation in all family planning delivery systems; (3) to gain national support for the inclusion of the population problem in social and economic planning; and (4) to establish a national capacity to do research on factors that influence individual family decisions with respect to family size.

LATIN AMERICA

POPULATION AND HEALTH

Along with Latin American and international organizations we will continue to help strengthen the capacity of the Latin American Demographic Center in Chile and its nucleus of trained demographers to undertake demographic research and provide technical assistance to Latin American Governments in relating demographic data to economic planning and resource allocation.

Guatemala has taken the lead with A.I.D. support in developing program evaluation methodology utilizing the resources of the family planning staff at the Center for Disease Control in Atlanta, Georgia. Other Latin American countries, particularly in Central America, are expected to adopt the Guatemala program as a prototype for their own evaluation systems. In addition, information and education programs are being formulated to reach men and women of reproductive age with information on responsible parenthood and family planning techniques.

EDUCATION AND MANPOWER TRAINING

PROGRAM SUMMARY (In millions of dollars)			
	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
Technical Cooperation	25.0	20.9	19.7

During the 1960's, primary education enrollment increased by 72%; 92% more teachers were employed; and the number of primary school graduates rose by 124%, reflecting a steady improvement in the proportion of children in primary school remaining in school through graduation.

But these impressive gains in enrollment have barely kept pace with the increasing number of school-age children. Enrollment in the 1970's must be increased by 50% more than during the 1960's. Unless this is accomplished, the number of school-age children not attending school will once again start to grow by 1980.

In the post-primary levels, the expansion of enrollment during the 1960's was even greater than at the primary level. However, although general secondary and university level enrollment has more than tripled since 1960, the proportion of the population ages 15-24 years attending such schools has yet to pass 20%.

A correlated problem is to make the educational system responsive and relavant to the needs of development -- to graduate competent, trained personnel with specialized skills.

For the future, both in education and agriculture, it is clear that efforts based on traditional approaches to improve quality will have to be supplemented by innovative and more comprehensive approaches.

U.S. technical assistance in countries such as Brazil, Colombia, and the Dominican Republic is coordinated with sector loans to provide U.S. expertise in education management, planning, technology and evaluation. In these programs, particular attention is given to: (1) improving the management technique of data collection, manipulation, monitoring analysis, and evaluation for use in plans, policies, budgets and operations; (2) exploring and experimenting with alternative techniques of education and of education technologies, and comparing relative costs and benefits; and (3) combining capital and technical assistance programs under a single broad education sector strategy.

Through the Regional Technical Aids Center (RTAC), more than 9 million copies of technical books have been distributed throughout Latin America to various educational institutions. Because of the high cost and continuing scarcity of books, university students are often unable to carry out an adequate study program. To alleviate these problems and in conjunction with the RTAC program, small grants of $5,000 to $15,000 each have been provided to establish university cooperative bookstores which have been able to reduce book costs by volume purchases.

Supported by A.I.D., a primary school textbook writing and publications program in six countries of Central America provided over 14 million elementary level textbooks in science, math, reading, language and social studies for the six elementary grades. Coordinated curriculum development activities will continue in the future with assistance from A.I.D., the Central American governments and the OAS.

A separate region-wide contract with Florida State University is evaluating innovations in the learning process to determine their applicability to Latin American education systems. Also on a regional basis, 250 American colleges and universities have joined with A.I.D. in the Latin American Scholarship Program at American Universities (LASPAU), under which approximately 200 Latin American college and graduate students are trained annually in the U.S., in preparation for teaching positions on Latin American university faculties.

-- In Brazil, U.S. assistance will finance contracts with the State University of New York and the San Diego State College Foundation. Through these contracts assistance will be furnished for the purpose of strengthening the administrative and managerial capacity of state secretariats of education and for assisting the Ministry of Education in planning for primary and secondary education. Similar efforts are underway in Colombia.

Other U.S. assistance programs in Brazil focus on higher education, such as master's degree programs in economics at selected universities, and the development of a core group of competent research chemists.

In other countries technical assistance is more concentrated in a particular part of the education system upon which the government has placed special priority. For example:

-- In El Salvador, A.I.D. is assisting a nationwide instructional television system, with the television hardware for studio and classrooms being provided through A.I.D. loans.

-- In Panama, a new project proposed for FY 1972 funding will

provide short-term training in agriculture, education, industry and housing for both the public and private sectors. This program would complement an existing IDB loan for longer-term training.

-- In Guatemala, U.S. efforts are now focused on a study of curriculum innovation and teaching methods in rural areas to test in-service rural teacher training, study methods of supervisory training, and improve related programs of adult education, particularly the teaching of Spanish to Indians.

-- In Ecuador, A.I.D. is supporting non-formal community literacy and adult education programs to bring educational opportunities to low income groups who are not reached by the traditional education system.

-- Programs in Bolivia will assist cooperative bookstores and help the Government publish a series of basic textbooks for use in primary schools. In-service training for teachers in advanced educational techniques and assistance to the Ministry of Education are other important elements of the program.

Also under consideration is a proposal from Mexico for a middle-level technical worker exchange to be funded by the two governments and private U.S. funds.

Development Administration: Proposed U.S. bilateral assistance will continue to provide advisory services and training in public administration. Through an agreement with the U.S. Internal Revenue Service, experts are advising 14 Latin American tax collection agencies. Most assistance is concentrated in the areas of administrative improvements, tax audits and collection methods, the introduction of electronic data processing, and personnel administration. The Internal Revenue Service has also established in-country and U.S. training courses for Latin American tax officials. These bilateral programs complement OAS and other international agency financed tax programs aimed at policy and legislative changes.

Other areas of public administration assistance include advice to planning bodies, statistics training, and strengthening of budget and fiscal capabilities.

In addition to bilateral programs, A.I.D. is working through multilateral organizations for regional programs in education and manpower development. As part of this, the US will continue to support its share of the expanded OAS Special Multilateral Fund to finance a variety of educational, scientific and technological activities. A contribution of approximately $8.6 million is planned for FY 1972.

Manpower development: The training of labor union leaders continues to be an important part of U.S. programs in education and training. Through contracts with the American Institute for Free Labor Development (AIFLD), labor union training programs now operate in 16 countries. These programs are aimed at strengthening the free democratic trade union forces in Latin America by emphasizing collective bargaining and union organization. As part of the program, AIFLD also undertakes small community social development projects to improve the lot of the working man. These projects range from equipping a dentist's office in a community center to providing a small loan to allow a fish cooperative to buy a motor boat. Over 15,000 workers receive training annually, either through in-country seminars or more advanced programs in the United States. Approximately 20 qualified workers are selected each year for training in labor economics to enable them to assist their unions and federations more effectively in negotiations and analyses of economic problems within their countries.

-- Under a contract with the Overseas Education Fund of the League of Women Voters, a leadership training program provides U.S. training and field internships for Latin American women who help organize women's groups within their own countries.

LATIN AMERICA

INDUSTRIAL AND URBAN DEVELOPMENT

PROGRAM SUMMARY
(In millions of dollars)

	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
Technical Cooperation	7.8	8.4	8.6

The Latin American countries are increasingly aware of the need to maximize their foreign earnings while mobilizing and channeling domestic savings more effectively. Thus, both in multilateral and bilateral discussions they have assigned renewed priority to export development, capital markets, and tourism activities. In response to this new emphasis, President Nixon has stressed our willingness to help where U.S. assistance can make a meaningful contribution through multilateral mechanisms. For FY 1972, in addition to regular bilateral efforts, other contributions in these key areas will be channeled, to the extent feasible, through the OAS.

In addition to U.S. support of the OAS activities in education and science, we plan to respond to Presidentially endorsed Latin American initiatives agreed upon at last year's IA-ECOSOC meetings. In FY 1972 A.I.D. will assist the OAS-sponsored "Year of the Americas" effort to promote tourism throughout the hemisphere with a grant of up to $500,000. A contribution of $2 million is earmarked for CIAP for capital markets studies. The U.S. will also provide an estimated $675,000 in FY 1972 to support the Inter-American Export Promotion Center - (CIPE) located in Colombia. Limited grant assistance (up to $200,000) to the Andean Development Corporation to assist in establishing efficient management and organization systems and research capability and facilities, and to finance preparatory work for the Corporation's anticipated future development program is also under consideration.

Other Bilateral Programs:

-- In Panama A.I.D. will assist an industrial development project aimed at investment, export, and tourism promotion, fresh water fish and shrimp agriculture, and capital market development, principally through contractual services and participant training.

-- In Brazil, short-term consultants will help the Central Bank of Brazil and the Brazilian Capital Market Institute (IBMEC) to establish a capital markets research center and conduct specialized seminars relating to capital markets. Using American advisors in credit and business management, the development agency for Northeast Brazil (SUDENE) will start programs to stimulate investment in small and medium industries in order to create more employment.

-- In Honduras A.I.D. will assist the Cooperative Technical Industrial Center (CCTI) in carrying out a survey and inventory of manpower resources in order to project manpower needs. CCTI provides courses ranging from vocational skills training to executive management. Specialized training programs will strengthen the staff of CCTI which will extend technical assistance to the Honduras private sector.

-- Cooperatives play an important part in mobilizing resources for development activities in agriculture, housing and other areas. The aim is to establish self-sufficient federations capable of continued growth and serving as an effective instrument for the improvement of productivity and living standards, particularly in the rural areas. The Credit Union National Association, the Federation for Cooperative Housing, and the Cooperative League of the USA work with cooperative groups in Honduras to train qualified leaders and to develop viable local cooperative institutions. Ecuador has also developed a wide-ranging program of civic leadership training with A.I.D. support.

-- As an additional means of enlisting support for private enterprise development, A.I.D. provides support to the National Association of the Partners of the Alliance. The state chapters work with Latin American countries on a broad spectrum of joint activities, ranging from teacher exchanges to investigations of investment and marketing potentials. To date 40 U.S. states are paired with 18 Latin American countries.

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LATIN AMERICA - BASIC DATA

COUNTRY	POPULATION		AREA		LABOR FORCE	GNP[a]	TRADE		HEALTH AND EDUCATION			
	TOTAL (MID-1970)	ANNUAL GROWTH RATE	TOTAL	AGRICULTURAL LAND	IN AGRICULTURE	PER CAPITA (1970 EST.)	TOTAL EXPORTS (1969)	MAIN EXPORTS	PEOPLE PER DOCTOR	LIFE EXPECTANCY	LITERACY RATE	STUDENTS AS % 5-19 AGE GROUP[b]
	MILLIONS	PERCENT	1,000 SQ. MILE	PERCENT OF AREA	PERCENT	DOLLARS	$ MILLIONS	ITEM	NUMBER	YEARS	PERCENT	PERCENT
Bolivia	4.7	2.4	424	13	48	201	182	Tin	2,710	50	32	49
Brazil	91.9	2.7	3,286	16	52	366	2,311	Coffee	1,620	57	61	48
Chile	9.3	1.9	292	19	27	682	1,075	Copper	1,530	61	84	71
Colombia	21.1	3.2	440	17	47	313	671	Coffee	2,270	60	73	45
Costa Rica	1.7	3.2	20	30	49	509	194	Coffee	1,660	65	84	69
Dominican Republic	4.1	3.0	19	40	61	332	184	Sugar	1,690	58	65	52
Ecuador	6.1	3.4	109	17	53	294	183	Bananas	2,590	52	68	50
El Salvador	3.4	3.4	8	59	60	288	202	Coffee	4,590	58	49	49
Guatemala	5.3	2.9	42	23	65	326	255	Coffee	4,540	49	38	21
Guyana	0.8	3.0	83	15	33	317[c]	121	Sugar, bauxite, & alumina	4,410	61	80	74
Honduras	2.7	3.4	43	38	67	249	166	Bananas	4,230	49	45	39
Jamaica	2.0	1.9	4	42	36	556	257	Bauxite, alumina & sugar	1,490	65	82	53
Nicaragua	1.9	3.2	50	14	60	390	155	Cotton	2,100	50	50	42
Panama	1.4	3.0	29	18	40	693	117	Petroleum & bananas	1,730	66	78	58
Paraguay	2.4	3.1	157	27	54	245	51	Meat & wood	1,580	58	74	52
Peru	13.6	3.1	496	23	45	396	864	Fish & copper	2,070	54	61	63
Uruguay	2.9	1.3	72	84	21	705	200	Wool & meat	800	69	91	78
Venezuela	10.4	3.5	352	24	32	973	2,892	Petroleum	1,090	66	76	57

a - 1970 in 1969 prices converted at 1969 exchange rates.
b - Primary and secondary students.
c - 1969 in 1969 prices.

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COUNTRY SUMMARY OF SECTOR ASSISTANCE

REGION: LATIN AMERICA

(In thousands of dollars)

COUNTRY	Total			Agricultural and Rural Development			Population and Health			Education and Manpower Training			Industrial and Urban Development			Program Development and Support		
	1970	1971	1972	1970	1971	1972	1970	1971	1972	1970	1971	1972	1970	1971	1972	1970	1971	1972
Brazil	12,364	10,830	10,325	3,650	2,815	2,728	341	353	291	5,605	4,394	4,029	178	101	303	2,590	3,167	2,974
Colombia	3,800	3,078	3,010	828	390	340	470	588	510	1,076	806	675	362	130	50	1,064	1,164	1,435
Central American Economic Community:																		
ROCAP	4,056	3,665	3,526	66	120	50	260	265	326	2,095	1,576	1,496	787	756	749	848	948	905
Costa Rica	1,917	1,780	1,205	616	605	235	273	388	305	103	159	342	144	227	150	781	401	173
El Salvador	2,395	2,400	2,122	411	863	1,050	516	439	322	833	621	343	201	119	75	434	358	332
Guatemala	2,861	3,837	3,922	352	1,047	1,031	344	777	997	687	992	849	837	339	310	641	682	735
Honduras	2,647	3,127	3,375	296	503	580	499	523	575	603	827	907	595	566	621	654	708	692
Nicaragua	2,331	2,482	2,490	438	399	470	594	400	590	530	566	380	147	452	426	622	665	624
Bolivia	2,761	3,442	3,285	781	1,038	891	145	335	335	962	1,209	1,142	361	342	437	512	518	480
Chile	2,908	1,711	1,310	-	-	-	465	78	60	713	166	175	232	-	-	1,498	1,467	1,075
Dominican Republic	3,039	2,194	1,800	1,291	795	607	-	-	-	530	387	376	24	-	-	1,194	1,012	817
Eastern Caribbean	99	10	100	-	-	-	-	-	-	-	-	-	-	-	-	99	10	100
Ecuador	3,569	4,180	3,718	212	238	270	864	1,272	818	206	321	256	368	271	257	1,919	2,078	2,117
Guyana	1,109	1,104	1,140	442	446	471	-	-	-	236	271	252	-	-	25	431	387	392
Jamaica	690	890	1,000	29	-	-	420	510	575	-	111	190	-	-	-	241	269	235
Panama	3,205	3,986	3,588	327	512	357	324	700	438	838	692	721	650	964	716	1,066	1,118	1,356
Paraguay	2,501	2,741	2,427	731	781	640	332	471	427	497	624	609	190	282	286	751	583	465
Peru	3,915	4,010	4,100	1,391	1,310	1,380	113	360	350	1,048	995	965	600	515	495	763	830	910
Uruguay	1,236	1,391	1,406	152	300	440	-	223	31	676	360	400	89	114	195	319	394	340
Venezuela	809	539	350	-	-	-	118	25	-	489	301	350	-	-	-	202	213	-
L.A. Regional	18,129	21,297	23,200	700	1,811	1,863	5,260	8,242	10,915	7,317	5,503	5,207	2,070	3,247	3,550	2,782	2,494	1,665
Contributions to Inter-American Organizations	10,192	13,000	17,675	-	-	-	-	-	-	-	-	-	-	-	-	10,192	13,000	17,675
Total	86,533	91,694	95,074	12,713	13,973	13,403	11.338	15.949	17,865	25,044	20,881	19.664	7,835	8,425	8 645	29,603	32,466	35,497

TECHNICAL COOPERATION
A.I.D. PROGRAM COUNTRIES IN LATIN AMERICA
NET OBLIGATIONS AND LOAN AUTHORIZATIONS
(Millions of Dollars)

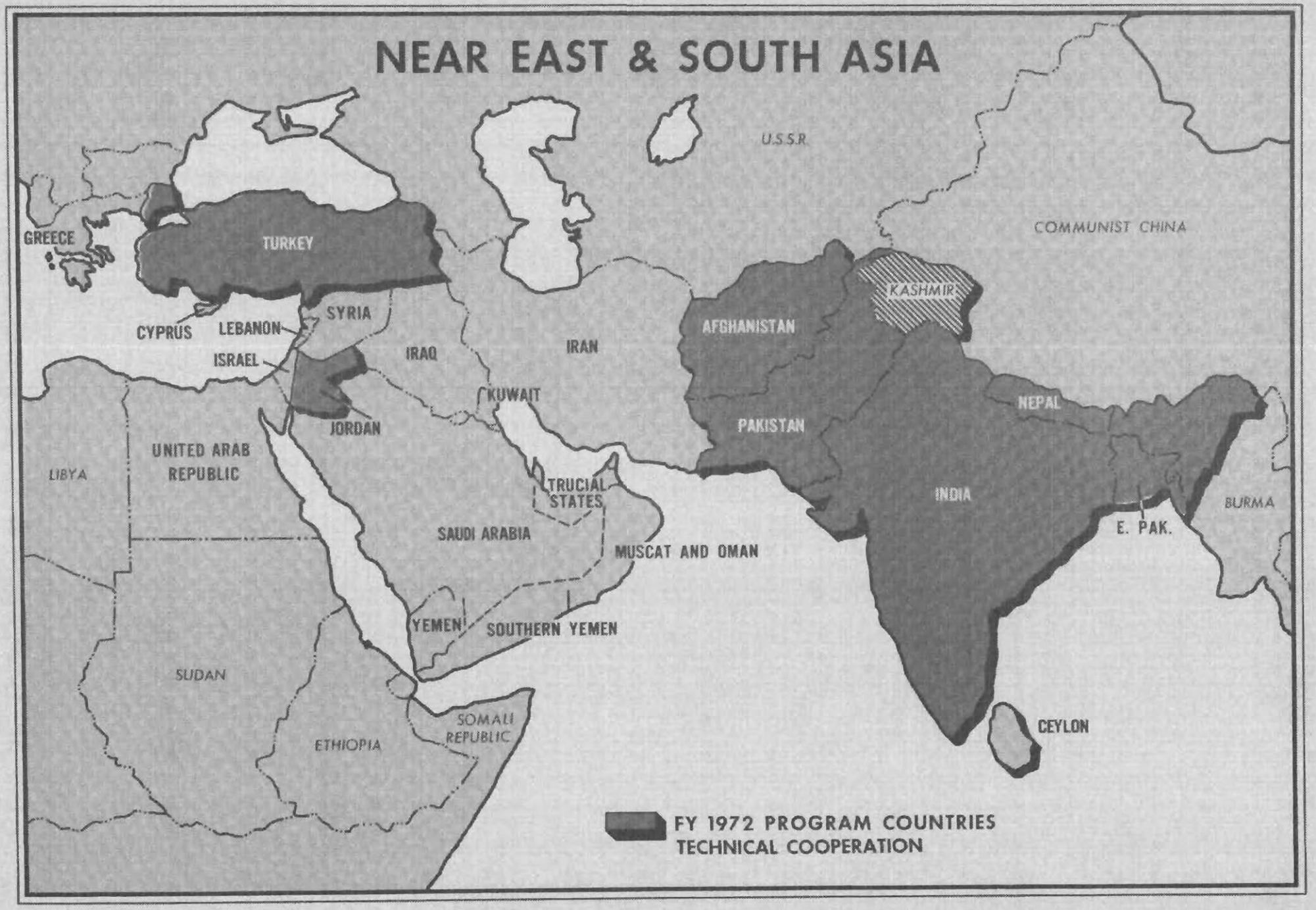
COUNTRY	FISCAL YEAR 1970								
	U.S. OVERSEAS LOANS AND GRANTS						ASSISTANCE FROM INTERNATIONAL AGENCIES[b]	OTHER FREE WORLD-OECD (EXCLUDING U.S.)[c]	COMMUNIST BLOC ASSISTANCE[d]
	A.I.D.	OTHER OFFICIAL DEVELOPMENT ASSISTANCE	OTHER OFFICIAL (EXPORT-IMPORT)	TOTAL ECONOMIC	MILITARY[a]	TOTAL ECONOMIC AND MILITARY			
TOTAL PROGRAM COUNTRIES. . .	**286.8**	**166.2**	**113.3**	**566.3**	**46.3**	**612.6**	**979.0**	**156.8**	**116.0**
Bolivia.	0.6	4.6	--	5.2	1.2	6.4	31.5	6.9	28.0
Brazil	61.2	71.6	65.6	198.4	13.0	211.4	380.3	25.7	--
Chile.	17.2	8.7	3.3	29.2	12.8	42.0	76.4	23.4	--
Colombia	74.1	39.7	13.4	127.2	3.9	131.1	184.8	13.7	--
Costa Rica	17.4	0.7	0.5	18.6	--	18.6	42.4	0.8	10.0
Dominican Republic	4.6	15.5	--	20.1	2.1	22.2	25.5	0.2	--
Ecuador.	23.0	2.7	3.0	28.7	2.0	30.7	12.9	7.9	--
El Salvador.	10.2	2.5	--	12.7	0.2	12.9	0.5	2.1	--
Guatemala.	28.7	3.2	--	31.9	2.0	33.9	17.3	1.2	--
Guyana	1.1	0.3	--	1.4	--	1.4	0.3	8.3	--
Honduras	5.2	1.8	2.0	9.0	0.3	9.3	14.0	0.2	--
Jamaica.	0.7	1.3	7.0	9.0	--	9.0	3.4	10.9	--
Nicaragua.	2.3	0.8	--	3.1	1.1	4.2	1.0	0.2	--
Panama	7.3	1.7	2.5	11.5	0.4	11.9	53.0	0.5	--
Paraguay	7.1	1.1	--	8.2	0.8	9.0	33.8	2.9	--
Peru	8.2	5.9	--	14.1	1.9	16.0	11.2	40.1	53.0
Uruguay.	16.8	2.5	*	19.3	1.9	21.2	13.9	10.3	15.0
Venezuela.	1.1	1.6	16.0	18.7	2.7	21.4	76.8	1.5	10.0

* Less than $50,000.
a/Data represent deliveries.
b/Data include CY 1969 figures for UN programs other than the UNDP - Special Fund.
c/Data are gross bilateral expenditures in CY 1969.
d/Data are for CY 1970.

TECHNICAL COOPERATION
A.I.D. PROGRAM COUNTRIES IN LATIN AMERICA
NET OBLIGATIONS AND LOAN AUTHORIZATIONS
(Millions of Dollars)

COUNTRY	CUMULATIVE THROUGH JUNE 30, 1970								
	U.S. OVERSEAS LOANS AND GRANTS						ASSISTANCE FROM INTERNATIONAL AGENCIES [b]	OTHER FREE WORLD-OECD (EXCLUDING U.S.) [c]	COMMUNIST BLOC ASSISTANCE [d]
	A.I.D.	OTHER OFFICIAL DEVELOPMENT ASSISTANCE	OTHER OFFICIAL (EXPORT IMPORT)	TOTAL ECONOMIC	MILITARY [a]	TOTAL ECONOMIC AND MILITARY			
TOTAL PROGRAM COUNTRIES. . .	**4,606.7**	**2,669.7**	**3,082.9**	**10,359.3**	**1,060.6**	**11,419.9**	**5,732.9**	**1,136.1**	**536.0**
Bolivia.	344.1	136.2	44.9	525.2	23.9	549.1	152.9	35.1	28.0
Brazil	1,327.0	942.9	1,353.3	3,623.2	350.8	3,974.0	1,651.2	429.2	312.0
Chile.	639.8	317.8	602.1	1,559.7	143.9	1,703.6	566.3	257.5	60.0
Colombia	678.7	285.2	260.9	1,224.8	108.6	1,333.4	1,104.6	37.1	2.0
Costa Rica	96.5	77.2	34.5	208.2	1.8	210.0	137.2	3.3	10.0
Dominican Republic	316.0	108.4	31.8	456.2	26.9	483.1	82.2	1.5	--
Ecuador.	154.8	87.7	44.8	287.3	53.6	340.9	152.4	16.8	10.0
El Salvador.	81.7	47.0	12.8	141.5	6.6	148.1	99.0	5.8	--
Guatemala.	166.4	85.4	90.3	342.1	17.6	359.7	126.1	8.8	--
Guyana	56.9	5.5	--	62.4	--	62.4	19.0	67.9	--
Honduras	87.2	28.1	5.2	120.5	8.1	128.6	132.6	5.6	--
Jamaica.	20.0	29.1	32.5	81.6	1.1	82.7	55.6	63.4	--
Nicaragua.	98.6	47.8	20.9	167.3	12.8	180.1	125.2	1.1	--
Panama	156.5	65.8	32.3	254.6	4.0	258.6	106.3	14.5	--
Paraguay	78.2	41.6	13.4	133.2	11.0	144.2	147.4	17.1	--
Peru	171.8	182.3	277.0	631.1	141.4	772.5	371.9	118.8	59.0
Uruguay.	63.1	65.8	8.2	137.1	42.7	179.8	186.0	10.3	45.0
Venezuela.	69.4	115.9	218.0	403.3	105.8	509.1	517.0	42.3	10.0

a/Data represent cumulative programs for FY 1950-1970.
b/Data include figures for UN programs other than the UNDP - Special Fund only through December 31, 1969 and ten years only for UNICEF.
c/Data are gross bilateral expenditures for CY 1960-1969.
d/Data are cumulative for CY 1954-1969.


NEAR EAST & SOUTH ASIA
U.S.S.R.
COMMUNIST CHINA
GREECE
TURKEY
KASHMIR
SYRIA
CYPRUS
LEBANON
ISRAEL
IRAQ
IRAN
AFGHANISTAN
KUWAIT
NEPAL
JORDAN
PAKISTAN
UNITED ARAB REPUBLIC
LIBYA
TRUCIAL STATES
INDIA
BURMA
SAUDI ARABIA
E. PAK.
MUSCAT AND OMAN
YEMEN
SOUTHERN YEMEN
SUDAN
SOMALI REPUBLIC
ETHIOPIA
CEYLON
FY 1972 PROGRAM COUNTRIES
TECHNICAL COOPERATION

NEAR EAST AND SOUTH ASIA

TECHNICAL COOPERATION - REGIONAL SUMMARY

PROGRAM SUMMARY
(In millions of dollars)

FY	Agricultural & Rural Development	Population & Health	Education & Manpower Training	Industrial & Urban Development	Program Development & Support	Total
1970	9.1	3.9[a/]	9.6	.8	9.8	33.2[b/]
1971	9.9	8.0[a/]	10.2	1.0	9.1	38.2[b/]
1972	10.6	6.7	10.8	.6	8.6	37.3

a/ Includes Development Loan funded grants of $3,186,000 in FY 1970 and $7,421,000 in FY 1971 for Population Programs under Title X of the Foreign Assistance Act.
b/Excludes Public Safety of $794,000 in FY 1970 and $345,000 in FY 1971, which is included in the Economic Supporting Assistance presentation for FY 1972.

A.I.D. provides bilateral technical assistance to six countries in the Near East and South Asia, all of which are committed to long-term social and economic development programs. They are at significantly different stages of development, but they still share several obstacles to social and economic growth:

-- Their predominately rural societies are largely illiterate and undernourished.

-- Their rapid population growth rate erodes the pace of development.

-- Their lack of skilled manpower weakens the capacity of the public and private sector to manage their resources and programs.

Although these countries are committed to achieving self-reliance, none has reach the capacity to overcome these problems of development without external assistance.

To achieve economic and social development they require the basic capital infrastructure and must pursue effective economic policies. But development also requires an accumulation of human knowledge and skills. Technical assistance is the primary means of helping the countries of Near East and South Asia to achieve the advanced level of knowledge and manpower skills needed to address problems of development.

In FY 1972 we propose a technical assistance program of $30.9 million for non-population projects. This program is heavily concentrated in agriculture and education where the most critical problems lie. About two-thirds of the assistance goes to India, Afghanistan and Pakistan. The remainder is for Turkey, Nepal, Jordan, and regional programs such as CENTO and the American University of Beirut. We also propose $6.4 million of grant assistance for major population programs in India and Pakistan, and for limited programs in Afghanistan, Nepal and Turkey.

The primary problem in the region in recent years has been the need to increase food production to avoid danger of famine and to improve the diets of the millions of people who are ill-fed Consequently, about 35% of the region's technical assistance project funds in recent years have been for development of the agriculture sector. In FY 1972 $10.6 million is planned for this sector. The advent of new seed varieties has provided the basis for a Green Revolution in South Asia. U.S. capital assistance has provided fertilizer, pesticides and other inputs necessary to maximize production from the new seeds, but a broad base of technical knowledge and skills must be created to sustain the success of the "revolution".

In the past, much of our assistance has helped develop the institutional base--universities, extension services, research stations--for promoting agricultural growth. Assistance of this kind will continue, but emphasis will now be placed on developing the capacity of government officials, educators, and farmers to apply new knowledge and techniques to food production problems. In particular, major assistance will be given to adapting research expertise. Our assistance will support critical research on rice and oilseeds in Pakistan, on water resources and rice in India, and on wheat in Turkey and Nepal.

The growing population in the region has also created more pressure to increase and broaden educational opportunity. About 35% of the technical assistance program in FY 1972 will be for education and manpower training projects. The assistance is concentrated in Afghanistan and Turkey, and participants from many NESA countries being trained at the American University of Beirut.

The challenge of modernizing education is complex and long-range. The transfer of knowledge about curriculum structure, teaching philosophy, and teaching techiques poses problems far more difficult than the mechanical procedures for planting seeds and applying fertilizer, or for operating farm equipment. At the same time, the needs are so great and varied that A.I.D. can provide assistance only in a limited area where American expertise can be most effective.

TECHNICAL COOPERATION - REGIONAL SUMMARY

In Nepal and Afghanistan, where less than 10% of the people are literate, our assistance is focused on modernization of primary school curriculum and preparation and distribution of student textbooks. In India A.I.D. will continue financing a project in improving science and math teaching. In Turkey, whose literacy is about 50%, we are providing training in the United States for the teaching staffs of several higher education institutions to enable them to meet the growing demand for university education.

In addition to fostering growth of formal education and training institutions in the Near East and South Asia, there is a need to improve the skills of the existing manpower in public and private sector agencies. A number of A.I.D. projects are focused on on-the-job or mid-career training needs. For example, the Budget Administration Improvement projects in Turkey provides for on-the-job training with New York State's budget division. In Pakistan, Afghanistan, and India training will be provided in the United States for personnel of government agencies in the fields of economics, manpower planning, and tax administration.

Efforts to grow enough food and provide enough trained manpower to achieve development goals will probably not succeed as long as the population growth rates continue at the present high rates in the countries of Near East and South Asia. Population in the A.I.D.-assisted countries of the region will reach 1.5 billion people, or double the current population level, within the next 30 years unless there is a decline in the rate of increase. As in the agricultural and education sectors, the basic need is for more knowledge to understand population problems and more skilled manpower to manage effective programs.

India and Pakistan have large-scale national family planning programs underway, and both countries are planning expansion of their programs. Initial successes in spreading the programs were stimulated by advances in contraceptive technology and the determination of the governments to tackle the problem.

Continued progress rests on gathering more data and information, better trained staff, and more effective management of family planning services. A.I.D. assistance in FY 1972 will help India and Pakistan strengthen their capacity to analyze and evaluate data on population and to improve management of their operating programs. For projects in these two countries, A.I.D. has proposed $3.9 million in family planning assistance.

In the other countries of the region, A.I.D. will primarily assist efforts to obtain and analyze basic demographic data essential for the planning of population programs. For Nepal, Afghanistan, and Turkey, and regional projects we propose $2.5 million in FY 1972.

In the industrial and urban development sector, A.I.D. is providing only limited technical assistance. FY 1972 funding is planned for small projects in Afghanistan, Pakistan and Jordan.

NEAR EAST AND SOUTH ASIA

AGRICULTURAL AND RURAL DEVELOPMENT

PROGRAM SUMMARY (In millions of dollars)			
	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
Technical Cooperation	9.1	9.9	10.6

Agriculture represents nearly one-half of the total national product of the countries in the region and, because of continuing low farm productivity, provides an inadequate livelihood for most farm families.

Before the early 1960's agriculture grew much less rapidly than industry, in large part because too little money was allocated for investment in the agricultural sector. The limited growth that did occur resulted from opening up new lands and expanding existing irrigation systems. There was little change in agricultural technology; extension efforts and research activities contributed little to the introduction of new techniques or the solution of production problems.

Agriculture was essentially marking time when the "miracle seeds", the result of long years of research, were first introduced to the subcontinent in the mid-1960's. The new seeds created the basis of a Green Revolution whose success story is well known. The South Asian countries had to reorder their priorities and invest increasingly in fertilizer, pumps, tube wells, and drainage systems -- all vital to the use of the new seeds. This advance was possible in good measure because these countries were able to draw on the knowledge and experience of the growing number and better staffs of agriculture universities, and the expanding and more qualified staffs of extension services and research stations throughout the region. These institutions, many of which were created or improved by American help under the technical assistance program, are now able to help solve the problems posed by the Green Revolution.

The dramatic changes in the production of food grains have resulted from the new seeds, the additional inputs required to make them grow, and new techniques of farming. Changed national investment policies have supported the Green Revolution, since the countries have learned the lesson that agriculture must grow for the whole economy to grow. Governments have not only invested additional funds but have also removed restraints on the agriculture sector and have increased the purchase price of grains to encourage farmers to grow more food.

In the five years since new seeds were first sown, agricultural output has turned strikingly upward. Of the 44 million acres devoted to the new varieties of wheat and rice throughout the world, 37 million acres are in this region -- 26 million in India alone. Total agricultural output in India in 1970 was 24% above 1961-65; in Pakistan it was 32% higher; and in Turkey 23%. Wheat output in India and Pakistan in 1970 is estimated to be 79% and 74% respectively above the annual average of 1961-65. In Pakistan rice production is 25% higher than five to ten years ago.

To sustain this growth, fertilizer consumption in India and Pakistan has been rising by 20 to 25% in each of the past four years. West Pakistan has three and one-half times the number of tubewells it had six years ago while East Pakistan has placed 10 to 15,000 low lift pumps in operation each year since 1967.

The Main Tasks for the Future

-- Additional adaptive research is needed to test the new seed varieties and modify them to suit the particular soil and climatic conditions of the Asian countries.

-- The dependence of the new varieties on adequate water requires a much larger effort in the solution of drainage and water management problems.

-- Increased food grains output rests on adequate supplies and timely distribution of fertilizer and other inputs. This means that the countries must create or allow the free development of better marketing arrangements and more effective public and private marketing institutions.

-- Increased food grain output gives the countries, which have in the past feared famine, the chance to invest safely in new crops, such as soybeans and other oil seeds. These new crops require research on farm production and processing and studies of the pricing of final products.

-- Finally, governments must re-examine their general policy framework for agriculture -- that is, questions of pricing, credit, land tenure, and other matters which affect the flow and distribution of investment and the pace of innovation in agriculture. The question of income distribution within the agriculture sector, and between agriculture and other sectors of the economy, also requires further study.

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AGRICULTURAL AND RURAL DEVELOPMENT

About 35% of the technical assistance program in the Near East and South Asia region is devoted to the agricultural sector -- to eliminate production bottlenecks, design more effective research programs, and develop better agriculture marketing and distribution systems. In the past our assistance was directed toward the creation of institutions, such as universities, extension services, research stations, and other public and quasi-public bodies whose purpose was to improve the condition of the agriculture sector. This institutional base, now largely completed, was essential in dealing with the new issues and problems emerging in the agricultural sector in the last few years. The problems posed by the Green Revolution, the changes which have taken place in agriculture investment and policy, and the increasing awareness of the importance of research in the identification of key issues can now be addressed by these countries with the help of our technical assistance.

Agricultural Research ($3 million)

In Turkey and Afghanistan A.I.D. will continue assistance to the extension services and the research stations in the selection of new wheat varieties adapted to the particular soil and climatic conditions of these two countries. In the case of Turkey, progress has been rapid in the irrigated coastal areas: over 1.5 million acres were sown a year ago compared to 200,000 in 1967. At present Turkish specialists are testing Mexican, Turkish and Russian seed varieties in the drier rain-fed central plateau with the help of a contract team from Oregon State University. In Afghanistan growing conditions and soils in different parts of the country vary widely. Consequently, the accelerated wheat production program, which was first undertaken three years ago, has made slower progress than expected. A.I.D.-financed agronomists, plant pathologists, and soil specialists will continue to help test and develop new seeds for that country.

The introduction of new varieties is further advanced in India and Pakistan. Consequently, present efforts in agricultural research in these countries are directed toward development of more new disease resistant varieties which are better suited to consumer demands. A major effort in India is through the "Agriculture Production Project," started in 1967, for which we are requesting $900 thousand in FY 1972. American university contract teams of four to five advisors in Indian states are helping research facilities of state ministries of agriculture and the state agriculture universities to carry out production-oriented research programs, particularly in the areas of variety modification, plant protection, fertilizer application, and farm implement design. American specialists and their Indian counterparts form "field problem units" which visit extension research stations, demonstration plots, government farms, and privately owned farms to identify problems created by the new technology. The field units turn over their initial diagnoses to specialists in the research stations and agriculture universities which are responsible for longer term research activities. A.I.D. also supports a major research effort on rice in India. The first new rice strains developed in the Philippines by the International Rice Research Institution (IRRI) were not well suited to the subcontinent. An Indian Coordinated Rice Improvement Program was established to work with IRRI to test the new rice strains and develop modifications better suited to Indian climate (especially the cyclone winds) and soils. The Government of India has given this effort a very high priority and has contributed adequate resources to the program. Although rice production continues to lag behind the dramatic increase in wheat, rice varieties now being developed appear to respond well under Indian and Pakistani growing conditions.

A new agriculture research project in Pakistan will bolster previous limited efforts in adaptive research and counter the problems posed by the new agriculture technology. This five year program will help the new Pakistan Agriculture Research Council, which is responsible for coordinating all agricultural research, adapt imported seeds to Pakistan's climate and soils, improve domestic varieties, identify diseases attacking the new varieties, and carry out research in new crops, especially oil seeds. Preliminary studies undertaken by local scientists, assisted by A.I.D. advisors and consultants, indicate that peanuts may become an important source of oils in Pakistan. Similar studies, carried out by the staffs of A.I.D.-assisted Indian agriculture universities, have demonstrated the potential of soybeans in the subcontinent.

Water Management ($1.3 million)

In cooperation with the Indian Central Groundwater Board, A.I.D. is assisting in a six-year effort to help improve water management in India. Twenty experts from the U.S. Soil Conservation Service are working with Indian specialists in pilot studies of basic soil and water problems. One study involves water management problems of a newly irrigated plateau area in Central India. Another will identify the fundamental drainage problems in a major water basin. A third study will evaluate water management problems associated with a canal irrigation system and privately

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owned tube wells in the Punjab. The project also finances a ground water survey in several states. Up to 50 Indian soil and water resources specialists will be trained annually in the United States during the next six years.

In Turkey a U.S. Soil Conservation Service team has assisted the Turkish Irrigation Department since 1966 to develop and implement training programs for farmers in the better use of water. Through such direct contact with farmers, existing water supplies are used more efficiently by demonstrating proper water spreading techniques and implementing equitable water use prices. In addition, simple land-leveling devices have been developed which can be manufactured by small village shops and used by small land holders.

Marketing and Distribution ($1 million)

One of the biggest problems in the past several years has been a serious lack of agricultural supplies when needed. In both India and Pakistan, advisors under contract and from other U.S. government agencies are working with the governments and local private organizations to improve marketing methods and distribution and storage systems of fertilizers and seeds. These projects will give the private sector an opportunity to play a larger role in the distribution of agricultural inputs -- fertilizer, seeds, and farm implements -- in order to ensure that small farmers as well as larger land owners will be able to obtain required supplies in adequate amounts and at the proper time.

Government Policy ($0.3 million)

One of the major factors affecting agricultural production is the need for changes in government policy. Some of these changes are related to the structure and the relationship of different government organizations, some with the relationship of the government to the private sector, some with the pricing of inputs and products. In Turkey A.I.D. is supporting a new five-year project which will deal with government agricultural policy and the administration of government programs. A university contract team will help the Ministry of Agriculture (1) design a social and economic research program to study the effect of present tax and price policies in the agriculture sector; (2) improve the management of the purchase and storage of food stuffs under the government price support program; and (3) improve the organization and, therefore, the effectiveness of the Ministry.

In India, A.I.D. is financing with local currency economic studies of the economic and social effects of the Green Revolution. Recent studies in the Punjab region suggest, contrary to conjecture, that both the small farmer and the large landowner are benefiting from the technological revolution in agriculture. Thus it is possible that the Green Revolution and its higher production levels will not have an adverse effect on agricultural employment.

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NEAR EAST AND SOUTH ASIA

POPULATION AND HEALTH

PROGRAM SUMMARY (In millions of dollars)			
	FY 1970 Actual a/	FY 1971 Estimated a/	FY 1972 Proposed
Technical Cooperation	3.9	8.0	6.7

a/ Includes Development Loan funded grants of $3,186,000 in FY 1970 and $7,421,000 in FY 1971 for population programs under Title X of the Foreign Assistance Act.

In the countries of Near East and South Asia which receive A.I.D. support in population programs, the birth rates exceed 40 per thousand -- more than double the U.S. birth rate -- and none of these countries has reached the stage of economic or social development which would tend to push birth rates downward. Total population in these countries is now estimated at about 750 million, and at present trends, will be 1.5 billion by the end of the century. With the growing awareness of the impact of population growth on social and economic development, countries in the region are initiating and expanding population programs to slow the present rapid growth rates. Nevertheless, traditional patterns in large measure continue to prevail, threatening to erode the hard won rewards of economic development.

The widely disparate conditions in the countries of the region are reflected in the varying stages of program planning and development in the population field. In India and Pakistan, where the overall economic development effort is relatively advanced and the burden of the population problem is apparent, population policies and major programs are an integral part of their Five-Year Development Plans. In these two countries, the development of physical facilities and organizations for population programs is well underway; current emphasis is being placed on improving program management, staff development, and evaluation. Afghanistan and Nepal, where the most basic demographic data are lacking, are in the initial stages of analyzing and defining the nature of the population problem. In Turkey, the primary effort has been directed at expanding educational and informational activities and increasing professional competence.

India, with the largest population in the region (over 550 million), first endorsed family planning in 1951. However, budget allocations for population which were still about $2 million equivalent in 1963-64, rose to about $55 million equivalent at the end of the 1960s. About 10% of the fertile couples are now practicing family planning. Over eight million people have been sterilized; 1.5 million are now using the IUD; and 1.9 million are using conventional contraceptive methods. Although birth rates have dropped in some urban and rural localities, the program has not yet reduced the national birth rate significantly. But the Government of India is determined to expand and improve its family planning program. Simplified procedures for allocation and expenditure of budgeted family planning funds are now in operation. Mass media advertising has been liberally used to create acceptance for the small family norm. Over five million condoms are being sold monthly through a subsidized commercial distribution program. At the Government of India's request, a significant number of Indian institutions are conducting special studies on family planning motivation, training problems, and factors in influencing the effectiveness of family planning services. Family planning programs of Indian voluntary agencies are being encouraged and financed with grants in aid from the Government of India.

The report of a U.N. Study Mission to India in 1969 identified additional administrative and organizational problems, suggested areas for more rapid program expansion, and provided guidelines for external assistance in the population field. Stimulated by this report, the Indian Government quadrupled projected financing for family planning during the Fourth Plan (1969-74) over the previous five years. The United States, within the context of the IBRD Consortium, provided a grant of $20 million under Title X in FY 1970 to help the Government of India expand financial outlays for family planning beyond the projected Fourth Plan levels. This grant finances imports for the general economy enabling India to meet a part of the added local costs associated with the expanded population program. The United States has indicated a willingness to consider additional grants to help India to step up the pace.

Since 1966, the United States has also been providing technical assistance focusing on training, demographic research, the use of oral contraceptives, and the expansion of mass communications. This project assistance will continue in FY 1972 at an estimated cost of $1 million.

Pakistan faces population problems very similar to those of India -- its population of 130 million will double within 26 years at the present growth rate of about three percent. Under the Third Plan (1965-70), the Government launched a major long-term effort to increase public awareness and to reduce the birth rate. After an impressive start, the momentum of the family planning program faltered, and the program fell short of the Government's Third Plan targets. The slippage was in part due to political uncertainties existing since early 1969 and in part to

the efforts to expand the program too rapidly. By the end of the Third Plan, about three million IUD's had been inserted; nearly one million sterilizations performed and half a billion conventional contraceptives distributed.

Considerable progress has been made in extending knowledge about family planning. Voluntary family planning associations in East and West Pakistan have launched imaginative programs using puppet shows and radio contests and have established model clinics and family planning motivation centers in cooperatives and other urban industrial enterprises.

The Government program is now at a critical stage in developing facilities necessary to provide family planning services to a larger segment of the eligible population in order to achieve a faster and sustained demographic impact. The field operations are being restructured around a smaller but better qualified staff of field workers. Pilot efforts testing a new delivery system are underway. Added emphasis is being given to training, research, and program evaluation. Recognizing the large task ahead, the Government increased the Fourth Plan allocation for family planning to about $145 million -- almost twice the Third Plan amount.

Since 1964 A.I.D. has provided advisory services, training, and commodities to support the overall family planning program. In FY 1972, this assistance ($2.9 million) will be focused on training Pakistanis in research and evaluation in improving demographic statistics and on commodities. A general import program, similar to the India grant, may also be considered to permit the Government to meet the increased local costs of accelerating the program beyond present Fourth Plan levels.

In Turkey, where the population will double to 70 million in 28 years at the present growth rate, the Government has not yet launched a major population program. Dissemination of information and distribution of contraceptives was specifically prohibited until 1965 when the passage of legislation established a population program which has centered on educational and informational activities. Interest in population research and improvement of family planning services is increasing. An Institute of Population Studies has been created at Hacettepe University. Attitudinal surveys have been undertaken and voluntary family planning organizations organized. For FY 1972 A.I.D. is considering assisting a demographic education program which will incorporate new concepts of population education and health.

In Afghanistan and Nepal, A.I.D. supports country efforts to obtain the basic demographic data necessary to formulate population objectives and programs. In FY 1971 A.I.D. financed contracts with major United States universities to help gather and analyze demographic information in both countries through sample censuses and surveys, and to help carry out population and family planning research.

A.I.D. also supports a regional population project which provides research advisory services, commodities, and local currency support for projects. Emphasis is on small, innovative research projects which can be applied throughout the region. Private organizations, such as the Pathfinder Fund and the Population Council, and several United States universities provide services in countries such as Iran. Projects include post partum programs and a survey of demographic patterns in Middle East countries. Using United States-owned Egyptian pounds, A.I.D. will support the Social Research Institute of the American University in Cairo in a comprehensive research program on family planning in the Moslem culture.

Nutrition

Malnutrition depresses the quality of life for millions of people in the region. Protein malnutrition among children of low-income families inhibits growth during the early years, a problem especially pernicious for the very young for whom protein inadequacy can cause impairment of brain growth and mental development. Improved nutrition can also make an important contribution to lowering the high levels of child mortality, believed to be a factor influencing fertility levels.

In India, A.I.D. activities have been designed to (1) raise the level of awareness of the benefits of improved nutrition, (2) help introduce and apply recent advances in food technology through fortification of popular foods with protein, vitamin and mineral supplements, (3) develop indigenous sources of proteins, vitamins and minerals, (4) develop more nutritious commercial foods, and (5) support nutrition research and educational innovation. In addition, A.I.D. has helped the Indian Government, and the State of Tamil Nadu (formerly Madras) in particular, to develop new approaches to comprehensive nutrition planning.

The nutrition project in India has made an important contribution to the development of nutrition consciousness and the

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institutionalization of nutrition planning and technology both in the Indian Government and in the private sector. The specific assistance activities and accomplishments include: (1) a survey in the State of Tamil Nadu of agriculture production patterns, distribution problems, dietary customs and other factors which play a part in nutrition so as to create a model for nutrition planning; (2) fortification of atta -- a whole wheat flour staple consumed by the urban poor -- with a vitamin-mineral premix and groundnut protein, in Bombay and Calcutta; (3) work on a process to add iron to salt; (4) technical advice to processors and utilizers of cottonseed and soybean protein flours; and (5) investigations of the production and marketing feasibility of several products including Vitamin A fortified tea and vegetable protein enriched tapioca.

The current project will terminate in FY 1972 as planned, having substantially accomplished the objectives of helping introduce awareness of the importance of nutrition in India, and assisting in improved nutrition technology and nutrition planning. India is now entering a second phase of approach to its nutrition problems, emphasizing a comprehensive approach to malnutrition, massive child-feeding and mass application of low-cost techniques such as fortification. A new project, involving United States assistance in this new area may develop in the future.

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NEAR EAST AND SOUTH ASIA

EDUCATION AND MANPOWER TRAINING

PROGRAM SUMMARY (In millions of dollars)			
	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
Technical Cooperation	9.6	10.2	10.8

Just as in the United States, education means access to better jobs and an escape from poverty in the Near East and South Asia. Governments in the region are under great pressure to accommodate more children in the primary school system, open new secondary schools and create new technical and other higher schools for growing numbers who qualify for higher education. In the last decade primary school enrollment more than doubled in India, Pakistan and Turkey--an increase of 30 million children. The doubling of enrollment, which also occurred in secondary schools and colleges, required annual increases in budgets for new schools, additional teachers and more equipment and books. Despite efforts to expand and improve the educational system, serious problems remain. The countries are attacking these with the help of foreign donors, including the United States and the United Nations.

Assistance to Formal Education Systems:

A.I.D.'s technical assistance program for education in the Near East and South Asia region, which is one-fourth of our total bilateral regional program, is designed to:

-- raise the quality of elementary school curriculum by (a) introducing modern methods and approaches, (b) incorporating the contemporary world into the teaching of reading and social studies, (c) modernizing the method of teaching reading and writing, and (d) introducing the study of science, agriculture and technical arts into primary schools -- with the objective of achieving literacy by the fourth grade -- so that ten-year olds will have greater competence in handling ordinary problems of life and work;

-- bring modern concepts of science and mathematics into the secondary school curriculum, thus preparing graduates for employment or enrollment in higher technical and scientific schools;

-- create new institutions of higher education to train future administrators, managers, scientists and skilled technicians;

-- upgrade and expand staffs of existing higher educational institutions so they can enroll increasing numbers of young people desiring and capable of achieving a higher education;

-- improve the competence of ministries of education in order to plan and evaluate education programs more effectively.

In Afghanistan and Nepal our focus is on the improvement of the primary school curriculum; in India and Pakistan on science and mathematics at the secondary school and college levels; in Turkey, on the training of university faculty members and improvement of research, evaluation and budgeting in the Ministry of Education. Contract teams from the engineering schools of major American universities are completing assistance to the Indian Institute of Technology at Kanpur in FY 1971 and to the Faculty of Engineering of Kabul University in FY 1972.

Improving Elementary School Curriculum: ($1.6 million)

In FY 1966 Afghanistan asked for help to reform its primary school curriculum. A team of eight advisors from Teachers College of Columbia University is now in the third year of an eight-year program to revise the texts used in the six primary grades, and to add health, agriculture and mechanical arts to the traditional subjects of reading, writing and mathematics. The reform also involves the introduction of new methods of teaching mathematics and the social studies and simplifies the teaching of language and writing. Since this will be the first time texts will be distributed to primary schools throughout Afghanistan, the program also requires the Afghan Education Ministry to organize textbook writing, testing, printing and distribution. For the first time new texts, using stories and examples from contemporary Afghan life and illustrated by Afghan artists, will be tested in schools before being printed and distributed. Thus, the program requires significant improvement in the entire organization in the Ministry of Education Elementary School Department.

The Teacher Education project in Nepal has been refocused to provide support for a textbook reform on the same order as in Afghanistan. American advisers will assist in revising primary school curriculum and in improving the distribution and utilization of textbooks throughout the mountain country.

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EDUCATION AND MANPOWER TRAINING

In India expert consultants have helped develop a new project using "programmed instruction" in science and mathematics in the Bombay elementary school system. A.I.D. will support a new five-year program, the minimum time needed to develop curricula in science and mathematics for grades I through V. Given the relatively poor mathematics and science training of many grade school teachers, texts will be prepared in sequential form so that students can learn more of the fundamentals at home and thus reach a higher level of academic competence than at present. During the five-year period, the "programmed texts" will be prepared and tested and the teaching staff will be trained in methods of discussion based on the new texts the students will be using at home.

Secondary School and College Science and Mathematics: ($0.8million)

Since FY 1964, under a project coordinated by the National Science Foundation, American teachers and their Indian counterparts have directed "summer teacher training institutes" to improve science and mathematics teaching in secondary schools and universities. The "summer school" techniques developed in the United States by National Science Foundation consultants have been modified to suit the Indian situation. Each summer between 150 and 250 American specialists with their Indian counterparts have taught Indian secondary school and college teachers of the sciences and mathematics in new approaches and the integration of laboratory techniques into the curriculum; by 1970 when A.I.D. phased out its support of this element of the project, 31,000 Indian teachers had been trained. This has been a major and highly successful effort in the introduction of new approaches and the application of them in a classroom situation. NSF consultants will now assist state ministries of education in the preparation of texts and teaching guides. A similar program, but on a smaller scale, has been carried out in East Pakistan since FY 1967 by the International Institute of Education under A.I.D. contract. By June 1970, over one-third of all East Pakistani college-level teachers of science and mathematics had been trained in the new methods.

Higher Education: ($2.6 million)

In Afghanistan, Kabul University's Faculties of Engineering and Agriculture are examples of successful assistance to new institutions of higher education. When A.I.D.-funded assistance to these two Afghan faculties ends in FY 1972, 45 faculty members in the School of Agriculture and 55 in the Engineering School will have studied in the United States. The curricula of the two schools have been fully developed through the cooperative efforts of the American advisors and the Afghan faculty, including the returned participants; laboratory and practical work is fully integrated in the curricula; and research projects are a part of the fourth year course structure. Enrollment in the Faculty of Agriculture, which now has a "demonstration farm" where students work each year, has grown from 100 students in 1965 to 480 at present. The 80 Afghans who are graduating annually from the School are entering the Ministry of Agriculture's extension and research stations and the Ministry of Education's vocational schools. The Faculty of Engineering has about 400 students and graduates 75 students a year who work in the Ministries of Public Works and Agriculture designing roads, bridges, dams and irrigation systems.

In FY 1972 A.I.D. will begin to help Nepal plan its first college of agriculture, modeled on similar institutions in India and Pakistan.

Two projects in Turkey are designed primarily to train new faculty members in the college-level Academies of Commerce and the Middle East Technical University. The Academies are Turkey's main source of accountants, financial analysts and other trained middle-level technicians for the private sector. From FY 1965 to FY 1969, A.I.D. provided a team of American advisors who taught courses, wrote texts and developed course materials. Between FY 1967 and FY 1970, over thirty-five participants received higher degrees in the United States and returned to teach in the Academies. By FY 1973 an additional seventy participants, who will have achieved masters' degrees or doctorates from American institutions under this project, will be appointed as new faculty members.

Several years ago, the United States agreed to help the Middle East Technical University achieve the goals of its five-year expansion program. A loan of $4.5 million was made to purchase books and equipment in FY 1967. In addition, American science and technical instructors were provided under technical assistance until a Turkish faculty could complete graduate studies in U.S. institutions. The university has also received assistance from the U.N., the OECD and other country donors for training faculty members abroad and financing expatriate faculty members.

Improving Government Capacity to Plan and Evaluate Education Program: ($0.2 million)

In FY 1968 A.I.D. began a five-year program of assistance to the Turkish Ministry of Education to create a research and evaluation unit. The creation of this new unit represented a profound change

for the Ministry since it involved the concept of a central staff to advise the Minister on the relative merits of programs developed by autonomous technical departments and develop alternative approaches for Ministry consideration. The unit is studying past investment in education and the implication of present curricula to help the Ministry decide on revised education goals and how to achieve them.

Assistance in Training for Development: ($5.0 million)

The scarcity of analytical and managerial skills in the countries of the Near East and South Asia weakens the capacity of the private and public sectors to create and direct development programs. A.I.D. funds major participant training projects both in the United States and in the American University of Beirut to increase the number of economists, planners, and administrators who can assume leadership roles in the management of development programs.

In Afghanistan and Turkey, projects are focused on assisting government agencies to increase and improve the management of government budget resources. The Financial Administration Improvement project in Afghanistan provides training and a team of four advisors to improve the administration of revenue collections. It is planned to train 35 to 50 Ministry of Finance staff members in the United States and Iran over the next three years. The project also will develop a permanent inservice training institution within the Ministry of Finance. In Turkey, A.I.D. is drawing on the expertise of New York State's Budget Division to provide consultant services to help the Turkish Budget Directorate develop a program budget system. Under this five-year project begun in FY 1970 with projected total funding of $500 thousand, New York State budget officers are helping the Turks establish an in-country summer training program which has already graduated nearly 300 Turkish budget personnel; an additional 150 officers are to be trained in FY 1972. In addition, on-the-job training is provided in Albany for selected middle and top management Ministry of Finance personnel and budget personnel from other Turkish agencies.

In every country in the region there are critical shortages of trained government civil servants to design and administer development programs. The demand for managerial personnel in Turkey is expected to increase by a third between FY 1965 and FY 1972 with the sustained growth of the private sector. The reorganization of West Pakistan into 4 provinces, and the increasing demand generated by the Green Revolution in India and Pakistan for more and better government services in the rural areas, increases the need for trained civil servant development-oriented managers. To help meet this growing and as yet unsatisfied demand, we are financing development administration training projects in Afghanistan, India, Pakistan, Turkey, and Jordan. In FY 1972 an estimated 165 civil servants from these countries will receive long or short-term training in the United States in selected management fields. In Turkey, participants are drawn from the staffs in the Ministry of Finance and the State Planning Organization, both key institutions in directing the long-range development plan. There will also be training in other important areas such as export promotion and tourism as well as graduate training in business administration for about 20 participants a year from the private sector. This program is managed by the Turkish Education Foundation (TEF), a private organization of businessmen and educators, which is developing the capacity to finance its own overseas training program. All private sector trainees will contribute the equivalent cost in Turkish currency to a TEF fund which will finance additional training scholarships. The training for Pakistanis, Indians, and Jordanians includes such fields as manpower planning, tax administration, personnel administration, and banking. A new project will begin in Afghanistan to provide graduate-level training for civil servants to upgrade their skills in economics and program planning. An increasing number of Afghan participants are attending the Faculty of Public and Business Administration at Tehran University. This excellent institution was established in FY 1956 with U.S. assistance as an Institute of Public Administration attached to the Faculty of law. In less than fifteen years it has evolved into a full fledged faculty in its own right. High quality curricula are offered in regular academic programs for Bachelors' and Masters' Degrees. In addition, a summer institute program has been set up for specialized training.

A.I.D. continues to finance graduate and undergraduate training at the American University of Beirut. During FY 1972, 475 participants will receive A.I.D.-funded scholarships to pursue graduate training. Slightly more than half of the students come from Pakistan, Jordan, and Afghanistan; the rest come from other countries throughout the region -- including Lebanon, Cyprus, Iran and Nepal. Over half of the participants will pursue studies in agriculture and education, with the remainder studying engineering, public and business administration and public health and nursing.

INDUSTRIAL AND URBAN DEVELOPMENT

PROGRAM SUMMARY (In millions of dollars)			
	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
Technical Cooperation	0.8	1.0	0.6

In prior years A.I.D. has provided substantial support for industrial development through development loan assistance, Technical Assistance programs have been limited to institutional development and staff training, export promotion, small industry development, and feasibility studies for industrial projects.

In FY 1972, A.I.D. will provide $650 thousand for industrial development projects in Afghanistan, Pakistan, Jordan, and Cento. All of the projects are carried out under contract with U.S. private firms or universities.

In Afghanistan, a project initiated in FY 1971 will assist private sector small industry. A United States contract team will help the government devise incentives for mobilizing private investors and an Investment Advisory Center which provides technical and managerial expertise for Investors.

In Pakistan we assist two projects. The government has recently established two regulatory agencies to implement new financial legislation on sale of securities and control of monopolies designed to improve the capital market. In FY 1971 A.I.D. began a Financial Legislation project which provides an American advisor, under university contract, to help the Securities and Exchange Authority develop administrative procedures and professional staff competence to carry out the legislation. The other project, which will terminate in FY 1972, has helped develop, through on-the-job training and advisory services, a core of Pakistanis capable of conducting feasibility studies and project analyses on small industry development in East Pakistan. In late 1970, the World Bank provided an I.D.A. loan of $3 million for small industry development. As a result of United States advisory assistance, the East Pakistan Small Industries Corporation has been able to utilize over $2 million of the I.D.A. loan which will be drawn down a year ahead of schedule. U.S. advisors will complete assistance to the Corporation by helping it establish formal training programs in industrial engineering and marketing.

In Jordan we plan limited assistance for feasibility studies, including highway development and a glass factory.

The CENTO organization is currently considering the establishment of a Regional Industrial Development Fund. The Fund, which will be administered by the CENTO Secretariat, will be used to promote industrial development activities which would benefit two or more of the regional members by financing prefeasibility studies, consultants and interregional training. Activities are expected to be concentrated in those areas which would promote regional trade, increased exports and tourism. In FY 1972 $75,000 has been planned as A.I.D.'s share of this multilateral fund.

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NESA - BASIC DATA

BASIC DATA	UNIT	AFGHANISTAN	INDIA	JORDAN	NEPAL	PAKISTAN	TURKEY
POPULATION							
Total (mid. 1970)	Millions	16.9	550.9	2.2	11.1	130.2	35.3
Annual Growth Rate	Percent	2.3	2.6	3.0	2.0	2.7	2.5
AREA							
Total	1,000 Sq. Mi.	250	1,262	38	54	366	301
Agricultural Land	Percent of Area	21	54	14	30	30	68
LABOR FORCE IN AGRICULTURE	Percent	87	73	35	94	68	72
GROSS NATIONAL PRODUCT							
Per Capita (1969 Est.)	Dollars	85	88[a]	286[b]	80	129[c]	378
TRADE							
Total Exports (1969)	$ Millions	82[d]	1,884[a]	41	40[E,e]	676	537
Main Exports	Item	Fruits & Nuts	Jute & Cotton Manufactures	Fruits & Vegetables	Rice	Jute & Jute Manufactures	Cotton
HEALTH AND EDUCATION							
People per Doctor	Number	21,360	4,860	3,890	39,780	6,300	2,760
Life Expectancy	Years	n.a.	50	52	n.a.	51	54
Literacy Rate	Percent	8	28	35-40	5-10	20	47
Students as % of 5-19 Age Group ..... (Primary & Secondary)	Percent	9	38	54	13	22	39

E - Estimate. n.a. - Not available.

a - Fiscal years beginning April 1.

b - 1967 in 1967 prices.

c - Fiscal year beginning July 1.

d - Fiscal year beginning March 22.

e - Fiscal year beginning July 16.

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REGION: NEAR EAST and SOUTH ASIA

COUNTRY SUMMARY OF SECTOR ASSISTANCE
(in thousands of dollars)

COUNTRY	Total			Agricultural and Rural Development			Population and Health			Education and Manpower Training			Industrial and Urban Development			Program Development and Support		
	1970	1971	1972	1970	1971	1972	1970	1971	1972	1970	1971	1972	1970	1971	1972	1970	1971	1972
Afghanistan	6,822	8,700	7,018	1,953	1,637	1,312	130	1,700	318	2,203	2,870	3,110	199	320	200	2,337	2,173	2,078
India	8,722	9,530	10,050	4,924	5,662	6,045	702	790	1,276	968	1,155	904	363	265	-	1,765	1,658	1,825
Jordan	1,370	935	750	358	68	130	29	-	-	203	295	300	-	100	160	780	472	160
Nepal	2,263	2,631	2,695	411	502	612	536	859	695	677	569	748	-	-	-	639	701	640
Pakistan	7,206	8,560	8,330	887	1,470	1,825	2,178	2,995	2,880	797	939	750	209	300	215	3,135	2,856	2,660
Turkey	3,284	3,385	3,948	533	605	726	-	-	248	1,883	1,744	2,074	-	-	-	868	1,036	900
CENTO	553	420	585	-	-	-	47	40	85	450	340	375	-	-	75	56	40	50
NESA Regional	2,935	4,055	3,959	-	-	-	278	1,605	1,159	2,387	2,260	2,500	-	-	-	270	190	300
Total	33,155	38,216	37,335	9,066	9,944	10,650	3,900	7,989	6,661	9,568	10,172	10,761	771	985	650	9,850	9,126	8,613

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TECHNICAL COOPERATION
A.I.D. PROGRAM COUNTRIES IN NEAR EAST AND SOUTH ASIA
NET OBLIGATIONS AND LOAN AUTHORIZATIONS
(Millions of Dollars)

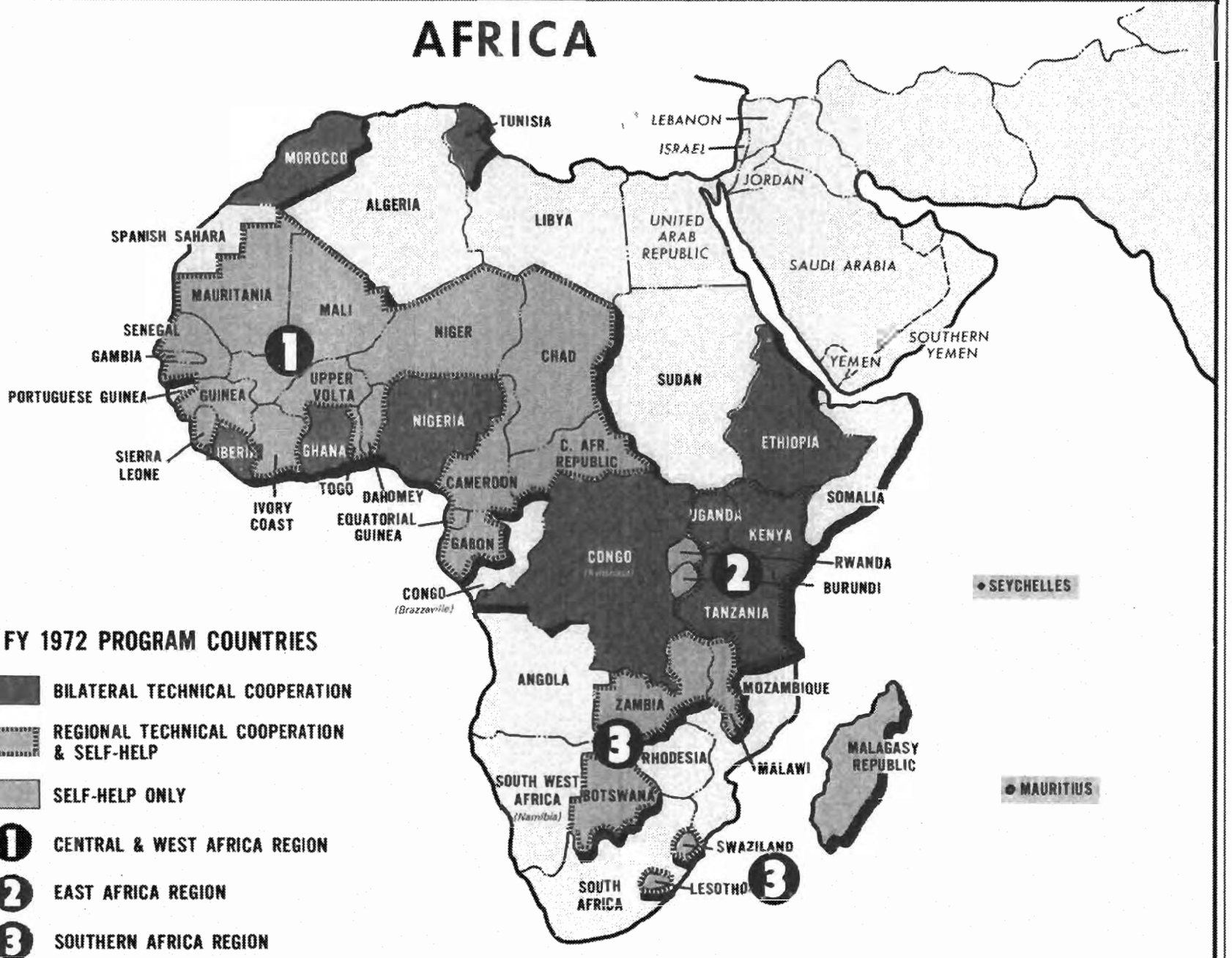
COUNTRY	FISCAL YEAR 1970								
	U.S. OVERSEAS LOANS AND GRANTS						ASSISTANCE FROM INTERNATIONAL AGENCIES[b]	OTHER FREE WORLD-OECD (EXCLUDING U.S.)[c]	COMMUNIST BLOC ASSISTANCE[d]
	A.I.D.	OTHER OFFICIAL DEVELOPMENT ASSISTANCE	OTHER OFFICIAL (EXPORT-IMPORT)	TOTAL ECONOMIC	MILITARY[a]	TOTAL ECONOMIC AND MILITARY			
TOTAL PROGRAM COUNTRIES. . .	**327.2**	**385.3**	**60.9**	**773.4**	[i]	[i]	**470.3**	**580.5**	**213.0**
Afghanistan.	6.2	1.7	--	7.9	0.2	8.1	10.0	9.8	3.0
India.	159.0	232.4	47.5	438.9	1.6	440.5	279.8	322.6	--
Jordan	1.3	2.0	8.3	11.6	[i]	[i]	2.4	8.1	--
Nepal.	1.6	13.4	--	15.0	*	15.0	11.1	3.9	--
Pakistan	118.7	88.9	5.1	212.7	1.6	214.3	104.3	143.4	210.0
Turkey	40.4	46.9	--	87.3	116.6	203.9	62.7	92.7	--

See footnotes below.

COUNTRY	CUMULATIVE THROUGH JUNE 30. 1970								
	U.S. OVERSEAS LOANS AND GRANTS						ASSISTANCE FROM INTERNATIONAL AGENCIES[f]	OTHER FREE WORLD-OECD (EXCLUDING U.S.)[g]	COMMUNIST BLOC ASSISTANCE[h]
	A.I.D.	OTHER OFFICIAL DEVELOPMENT ASSISTANCE	OTHER OFFICIAL (EXPORT-IMPORT)	TOTAL ECONOMIC	MILITARY[e]	TOTAL ECONOMIC AND MILITARY			
TOTAL PROGRAM COUNTRIES. . .	**8,638.5**	**6,992.0**	**758.7**	**16,389.2**	[i]	[i]	**4,309.3**	**4,782.3**	**3,840.0**
Afghanistan.	234.0	133.5	33.0	400.5	4.0	404.5	55.5	86.1	740.0
India.	3,564.7	4,605.6	508.7	8,679.0	[i]	[i]	2,533.0	2,953.9	1,980.0
Jordan	486.0	105.2	10.1	601.3	[i]	[i]	30.1	92.9	--
Nepal.	49.6	102.8	--	152.4	[i]	[i]	24.8	15.3	82.0
Pakistan	2,280.6	1,507.4	129.3	3,917.3	[i]	[i]	1,190.4	1,061.4	648.0
Turkey	2,023.6	537.5	77.6	2,638.7	3,132.4	5,771.1	475.5	572.7	390.0

* Less than $50,000.
a/Data represent deliveries.
b/Data include CY 1969 figures for UN programs other than the UNDP - Special Fund.
c/Data are gross bilateral expenditures in CY 1969.
d/Data are for CY 1970.
e/Data represent cumulative programs for FY 1950-1970.
f/Data include figures for UN programs other than the UNDP - Special Fund only through December 31, 1969 and ten years only for UNICEF.
g/Data are gross bilateral expenditures for CY 1960-1969.
h/Data are cumulative for CY 1954-1969.
i/Military data classified.

AFRICA



FY 1972 PROGRAM COUNTRIES

- BILATERAL TECHNICAL COOPERATION
- REGIONAL TECHNICAL COOPERATION & SELF-HELP
- SELF-HELP ONLY
- 1 CENTRAL & WEST AFRICA REGION
- 2 EAST AFRICA REGION
- 3 SOUTHERN AFRICA REGION

TECHNICAL COOPERATION - REGIONAL SUMMARY

PROGRAM SUMMARY
(In millions of dollars)

FY	Agricultural & Rural Development	Population & Health	Education & Manpower Training	Industrial & Urban Development	Program Development & Support	Total
1970	14.6	7.5 a/	19.5	2.4	15.2	59.2b/
1971	17.2	8.7 a/	17.8	4.5	14.5	62.7b/
1972	18.4	10.0	15.6	5.1	15.8	64.9

a/ Includes Development Loan funded grants of $2,666,000 in FY 1970 and $5,424,000 in FY 1971 for population programs under Title X of the Foreign Assistance Act.
b/ Excludes Public Safety of $943,000 in FY 1970 and $978,000 in FY 1971 which is included in the Economic Supporting Assistance presentation for FY 1972.

The decade of the 1960's marked the independence of most African countries. It also marked progress toward a better and more productive life for the African peoples -- higher incomes, greater opportunities for education and improved social services. However, Africa's tremendous requirements have not yet been met.

African countries are demonstrating a willingness to make sacrifices and face the difficult policy decisions required for economic and social growth. In the past decade they have gained experience in mobilizing their own resources and setting their own development priorities. In the decade of the 1970's, donors will need to respond increasingly to those needs and priorities identified by Africans.

-- Although the annual rate of growth exceeds 5 percent in some countries, this growth is offset by increases in population. Indeed, in some instances the net per capita growth rate is less than one percent. The average annual per capita product in the developing countries of Africa is about $140, but in 15 of these countries, it is less than $100, and in five it is under $55.

-- Although only about one-third of the young people of primary school age are in school, there are insufficient places in secondary schools for primary school graduates, and many of those who attend secondary school often find they have not acquired skills needed to fill productive jobs and earn a living.

-- In more than 15 countries there are more than 20,000 persons to be served by each physician and in some as many as 70,000 -- and in most rural areas hundreds of thousands have no access to medical services.

-- Although total crop production has increased 2.5 percent annually over the past decade, food crops have increased at a lower rate and per capita food production has actually decreased.

-- The demand for meat production is increasing faster than supply. In seven countries of West Africa alone, by 1980 the shortfall will be an estimated 262,000 metric tons of beef with a consequent import bill of $140 million. Increases in the food crop and livestock production are essential for economic development and to meet the basic nutritional requirements.

During the 1960's many educational, agricultural, research and service institutions were established or expanded. A base of administrative and management personnel for both the public and the private sector was created. In the 1970's Africans must be trained to staff the institutions and their curricula must be made more relevant to local requirements. More effective methods are needed for training large numbers of African technicians, administrators and managers so that there is less dependence on foreigners.

Production and income must expand more rapidly in order to provide an adequate resource base to support development programs and meet increased demands for social services. Resources must be more equitably allocated between rural and urban development. Research in tropical agriculture must be greatly expanded and integrated with production and marketing programs so that the traditional farmer can move into the money economy.

In the health field, the focus must be on low cost delivery systems for preventive rather than curative medicine if the minimal health services, including maternal and child care and family planning, are to be made available to the general population. There is a growing recognition by African governments that more must be done about the adverse effects of rapid population growth upon development prospects and the quality of life for individual Africans.

In FY 1972 our technical assistance will focus increasingly on a limited number of basic development problems in which the United States has a special competence, which have been identified by the recipients as high priority activities, and which have the greatest prospect for improving the quality of life of African peoples. As a result of efforts focused on these problems, the number of projects funded declined from 235 in FY 1970 to 180 in

TECHNICAL COOPERATION - REGIONAL SUMMARY

FY 1972: In many projects technical assistance will be provided in conjunction with capital assistance, combining human and financial resources to mount significant efforts in a particular sector or subsector.

The largest part of our program will be in agriculture, the source of livelihood of 80 percent of Africans. We will concentrate on livestock production, crop and land utilization, and research and field trials. We will cooperate in the development of integrated package production projects that will emphasize (1) management and coordination of related inputs such as labor, credit, seed, fertilizer and improved production practices, (2) the training of agricultural technicians and scientists, and (3) the organization of effective marketing systems.

The second thrust of the program will be in education where our main goals are to (1) help develop institutions to train technicians, managers and administrators in selected skills, and (2) help provide special education in manual and craft skills.

Smaller but important programs will be carried out in health and family planning and urban growth and unemployment, which are becoming matters of increasing concern for African governments.

The bulk of technical assistance in Africa is provided by other donors, particularly France, Great Britain and the UNDP. Many of the projects included in the proposed $65 million program for FY 1972 are multidonor activities, which reflect our increasing collaboration with other bilateral donors and international organizations. Some involve cooperation among neighboring groups of recipient countries in Africa, especially among the smaller, poorer countries of Central, West and Southern Africa where important advances have been made in implementing multi-country programs.

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AGRICULTURAL AND RURAL DEVELOPMENT

PROGRAM SUMMARY (In millions of dollars)			
	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
Technical Cooperation	14.6	17.2	18.4

The self-help capacity of Africans to improve the quality of their lives rests largely on their increasing agricultural productivity and income and their ability to make rural life more attractive. Furthermore, most African governments must increase their revenues to maintain or expand development programs and basic health and education services. These revenues will have to come primarily from increased agriculture production.

By applying modern technology, African countries have the potential to increase the productivity of food crops that will meet near-term population requirements and provide improved nutrient quality, and of other crops to provide export earnings and raw material for the small but growing manufacturing industry. Livestock production can be increased to meet growing demand within the continent and supply exports to the Middle East and Europe.

However, for Africa to achieve its agricultural potential, there must be research, planning, credit and, above all, training -- not only of African agricultural scientists, extension workers, and planners but also of the individual farmers. In order to sustain development, millions of African farmers must become more effective as commercial producers to provide increased flows of produce through their marketing channels, which also need improvement.

The largest part of our program will be for our agriculture assistance efforts which has three principal thrusts in the areas of livestock and food crop production:

(1) It is directed toward the elimination of bottlenecks so that production can be increased to provide higher individual and governmental income;

(2) It stresses research in tropical African agriculture and adaptation of new seeds, fertilizers, and cattle strains developed in other areas to African conditions; and

(3) It concentrates on development of the African Institutions and the training of people to apply this research work on the land through a flow of training and information to African farmers.

Livestock

The demand for meat in the coastal areas of West Africa has resulted in rapid increases in imports from outside the continent. At the same time, thousands of African herdsmen make only a meager living from their herds in the savannah belt of West and Central Africa, where wealth is traditionally measured in numbers of cattle rather than size and weight because large numbers of cattle have appeared to be the best hedge against natural disasters. Disease, shortages of food and water, and unfavorable price policies hamper efforts and incentives to improve or sell more cattle.

A livestock project initiated with the Entente Council (Ivory Coast, Dahomey, Niger, Upper Volta, Togo) will assist the cattle raisers of these five countries to change this situation. U.S.-financed advisors will work with the recently established Livestock Community of the Entente to prepare and implement agreements among member countries concerning customs duties, common health standards and cattle grading. At the same time funds generated by the sale of U.S. commodities imported under a loan authorized in FY 1971 will be allocated by the Community to finance the building of feed and water points and inspection stations in each of the five member countries. France is also providing livestock and marketing experts and vehicles for this project. In FY 1972 a similar livestock project will begin in Central Africa involving Nigeria, Chad, Cameroon, Central African Republic and Congo(K).

U.S. technicians are assisting Uganda in East Africa in a major integrated livestock production and marketing project that will build upon the successes achieved in an A.I.D.-sponsored pilot ranching project in the southwestern part of the country through which 2,000 square miles of potential grazing lands were cleared of the disease-carrying tsetse fly, access roads were constructed and 80 ranches were put into production.

Large areas of Africa are better suited to pasturing livestock than to any other agricultural use. Yet inadequate knowledge of livestock management and cattle diseases inhibit Africa from realizing its full livestock potential. The International Livestock Development Institute to be established in FY 1972 in West Africa by a consortium of private and governmental donors will undertake a concentrated research program on all aspects of livestock production. The Institute will develop and carry out a

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cooperative research program in close collaboration with existing livestock research stations, many of which receive substantial assistance from France and the United Kingdom. A related disease research laboratory to be established in East Africa will concentrate on East Coast Fever and other damaging livestock diseases. To help provide trained livestock technicians and veterinarians, A.I.D. will continue to support the veterinary school at the University of Nairobi serving East Africa and the college of veterinary medicine at Ahmadu Bello University of Nigeria.

Food Crops

Although Africa is generally self sufficient in food crops, the balance is precarious -- droughts can lead to famine. Moreover, production must be increased to meet the growing food demand of African cities, to improve the quality of life in rural areas and to promote intra-African agricultural trade.

In Central and West Africa little had been done to increase production and distribution of local cereals until recently. The main U.S. contribution has been emergency P.L. 480 food shipments for drought relief. The United States is now sponsoring projects to increase outputs of basic grains -- sorghum and millet -- by establishing more realistic price incentives and grain storage and distribution systems among participating countries. In conjunction with technical assistance in establishing and managing cereal boards, P.L. 480 commodities will be used to provide initial stabilization stocks and generate local currency to finance new storage facilities. Simultaneously, grain stabilization projects will be undertaken in cooperation with the Senegal River States (Senegal, Mali, Mauritania and Guinea), the countries of the Chad Basin Commission (Chad, Central African Republic, Gabon and Cameroon), and the five Entente States. At the same time, U.S.-sponsored research is underway to improve these local grain varieties for higher yields and field trials will be carried out in a number of West African countries in FY 1972.

During the past several years the Mexican dwarf wheat varieties have been moved from the field trial stage to seed multiplication and now to large-scale production in Morocco and Tunisia. U.S. technical assistance is providing technicians to help bring an integrated production program of credit, new farm practices, fertilizer and new seed to thousands of small farmers. In both countries, U.S. universities are also under contract to strengthen local agricultural institutions so they can train agronomists, plant breeders, and others needed to support these agricultural programs.

The dramatic results of the Green Revolution have highlighted the need for further research into the problems of tropical agriculture. In addition to introduction of the new crop varieties, an essential requirement is development of an agricultural system to replace slash-and-burn shifting cultivation and other low yield systems.

U.S. support for the new International Institute of Tropical Agriculture (IITA) in Nigeria will continue along with that of the Ford and Rockefeller Foundations, Canada and possibly other donors. The IITA has begun research on soil and crop management and improvement in varieties of cereals, grain legumes and root and tuber crops. The Institute has held seminars of African experts to exchange information on research on various crops, as well as on agricultural systems.

Fourteen West African countries have now formally organized the West African Rice Development Association (WARDA) to encourage research on all aspects of rice production and marketing, to assist governments in making these results available to individual farmers and to provide training to African research and extension workers. A.I.D. has encouraged the initiatives of those countries to establish WARDA and, with the UNDP, FAO, and other bilateral donors, will assist the new organization to establish the headquarters of its secretariat and undertake its work program.

Rural Development

If the migration of rural people to the towns and cities is to be even partially slowed, more employment and better conditions of life must be developed in rural Africa. The Government of Kenya has mounted an imaginative attack on this broad problem through a special rural development program, supported by various donors, including IBRD, Sweden, United Kingdom, and the United States, to be carried out in five areas of the country. An A.I.D.-financed team will assist officials in the Vihiga district of western Kenya to undertake programs to improve corn production, develop other cash crops, improve marketing, develop new ways to provide credit to small farmers and identify opportunities to establish agricultural processing and other light industries. Training programs will also be developed to prepare rural youth for employment in these new agricultural and industrial activities.

In Ethiopia, a combination of technical and capital assistance to new agricultural production programs is being organized in two selected rural areas. The package approach will offer credit, agricultural machinery, instruction in improved farm practices, and access to marketing facilities to farmers in an attempt to move them from the traditional into the monetary economy.

POPULATION AND HEALTH

PROGRAM SUMMARY (In millions of dollars)			
	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
Technical Cooperation	7.5 a/	8.7 a/	10.0

a/ Includes Development Loan funded grants of $2,666,000 in FY 1970 and $5,424,000 in FY 1971 for population programs under Title X of the Foreign Assistance Act.

African governments are faced with inadequate facilities to provide basic health services to their widely dispersed populations. Severe shortages of trained personnel and financial resources limit their ability to expand these services. On the average, there is only one physician for every 17,000 people, but because health personnel, clinics and hospitals are concentrated in urban areas, most rural residents have practically no access to modern health care. A.I.D. has supported major disease eradication campaigns against measles and smallpox in 20 countries of West Africa and against malaria in Ethiopia. In FY 1972 these campaigns will be nearing completion, and our attention will shift to training of nurses and paramedical personnel to extend preventive health care and education to the rural areas.

African recognition of problems created by rapid population growth is growing slowly. A.I.D.'s assistance to population-related activities in Africa, though modest, has doubled in each of the last three years. As a result of high birth rates and declining infant mortality, as much as 40 percent of the people of many African countries are under the age of 15. The impact of this youthful population in the form of demands for education and jobs and other services to improve human conditions is creating enormous budgetary pressures and is therefore receiving increasing official attention. A.I.D. plans to respond to this concern through support of demographic research and programs to train health workers and others to provide information on child spacing and by supplying vehicles and commodities to local groups providing family planning services.

Demography

A central objective of our population activities is to provide African planners with better information and greater understanding of their demographic situation. The serious shortage of detailed demographic information is compounded by a general lack of understanding of the impact rapid population growth has on real economic growth, living standards, and family life. These problems will be approached at two levels:

Census projects are nearing completion in Uganda and Kenya and demographic surveys are being analyzed in Morocco and Liberia. The Population Council, assisted by an A.I.D. grant, will continue to carry out selected demographic studies and to provide demographic training. The U.S. Bureau of the Census, in cooperation with the U.N. Economic Commission for Africa and the U.N. Fund for Population Activities, is assisting African governments to obtain reliable demographic data through a combination of head counts and sample surveys. This system can be used when more detailed census information is beyond a country's financial capacity.

African universities are being encouraged to establish interdisciplinary population centers to expand and coordinate the work of various faculties that are teaching and doing research on population dynamics. The traditional insularity of departments of geography, economics, statistics and demography, medicine and public health can thus be overcome by consultation, joint offering of courses and exchange of students. The first such population center will be inaugurated at the University of Ghana in FY 1971.

Maternal and Child Health and Family Planning

Some African countries have already recognized that better child spacing is needed because of the adverse effect frequent births have on the health of mothers and children. We respond to their concerns by helping to extend maternal and child health services and to broaden them to include provision of family planning information and services. A.I.D. is assisting Tunisia, Liberia and Uganda to provide basic and in-service training for maternal and child health personnel. In FY 1972 we will also help Tunisia expand maternal and child health facilities and extend family services throughout the country in conjunction with a substantial World Bank loan for this purpose. Contraceptives and clinical equipment will be provided to Ghana's National Family Planning Program.

Survey teams are developing plans for a project initially covering Lesotho, Cameroon, Nigeria, Dahomey, Mali and Gambia to assist health ministries to upgrade the staffs of their rural clinics and to provide training in family planning. Experience gained in the first group of countries will provide a valuable approach which can be adapted for use in other countries. In Cameroon, training activities under this project will be closely associated with the work of the new University Center for Health Sciences which, with A.I.D. support, will staff clinics and train health workers in maternal and child health and family planning.

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AFRICA

POPULATION AND HEALTH

There is an urgent need to train African medical and para-medical personnel to staff the growing African network of health services and equip them to provide family planning assistance. A survey team from a consortium of U.S. universities is visiting several medical schools in Africa to discuss ways and means of expanding and improving their training in family planning. In FY 1972 assistance to several African medical schools will be initiated. The A.I.D.-supported seminar on family planning which the African Medical School Association plans to hold in late 1971 is expected to stimulate interest in family planning training among African medical school directors and others in charge of schools and government-sponsored training programs for para-medical personnel.

In the area of family planning, we support government programs and those of private local organizations that are encouraged by their governments to provide family planning information and services. A.I.D. makes grants to organizations such as the Pathfinder Fund, the Population Council and the International Planned Parenthood Federation to facilitate their work with private groups in Africa. A special Population Activities Fund initiated in FY 71 offers direct U.S. assistance to small local groups running small maternity clinics and providing family planning services.

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EDUCATION AND MANPOWER TRAINING

PROGRAM SUMMARY
(In millions of dollars)

	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
Technical Cooperation	19.5	17.8	15.6

The goal of our program in education and training is to help develop the capabilities of Africans to manage their own growth and reduce their dependence on foreign experts. Today there are over 110,000 foreign teachers and others in operational government jobs in Africa. France provides the largest number of these -- almost 40,000 technicians, of whom 27,000 are teachers: Great Britain finances approximately 6,000 teachers and 7,500 operational and advisory personnel.

During the past ten years A.I.D. has supported the expansion of secondary school systems and the establishment or expansion of faculties of eight higher education and 26 subprofessional institutions, including teacher training institutions, throughout the continent. Over 15,000 new classrooms now house 800,000 students, and institutions of higher and professional education in the important fields of agriculture, education and veterinary medicine have granted degrees to over 3,000 and diplomas or certificates to another 14,000. Demonstration schools of the comprehensive high school type were founded in Uganda and Nigeria, and a consolidated school system was created in Monrovia, Liberia.

Although only one-fourth of the 5 to 19 year age group is enrolled in schools in Africa, we believe that our resources will be most effective if they are used to help develop the institutions and in-service training needed for Africans to replace foreign personnel and relieve critical manpower shortages. We will also continue to support initiatives to modify curricula and examination requirements to make them relevant to the backgrounds and needs of Africans and to develop practical job-related training programs. And we will train middle level management in the public and private sectors through seminars, demonstrations and special and recurring courses.

Education and Training Institutes

A.I.D. assistance, primarily through contracts with U.S. universities, will accelerate Africanization of the staffs of African educational and training institutes. Among these are agricultural schools in various parts of the region -- the Superior School of Agriculture in Morocco, also aided by the French and Belgians; agriculture and veterinary faculties in Uganda, Kenya and Nigeria; and agriculture divisions at Njala University in Sierra Leone and Bunda College in Malawi. Other U.S.-assisted institutions include faculties of education, teacher training institutes and institutes of public administration. Once the institution building period and the training of Africans for the staff have been completed, we will enrich their programs through such means as visiting professors and research grants.

We also help African institutions improve curricula and examinations to relate them to job requirements and the changing conditions of Africa. In East and West Africa, the two major examinations councils are being assisted to develop matriculation requirements and examinations that are relevant to effective, practical education, especially in science and mathematics. In FY 1972 a new program will be launched in Botswana, Lesotho and Swaziland to help make their primary school education consistent with the needs of the daily life and occupations of the people.

We are also providing technical and professional staff in operational positions in universities, agricultural organizations, public works ministries and customs services. The continued support of such operational personnel, who will give on-the-job training to their counterparts, many of whom will have studied in the United States, is an important complement to programs aimed at developing African capabilities for training increasing numbers of skilled Africans. University scholarship aid is provided to over 300 graduate students through the African Graduate Program of American Universities (AFGRAD). The Inter-African Scholarship Program (INTERAF) also sponsors over 800 students undertaking courses of study available to them at African universities in other countries.

Development Administration

Training the people and building the institutions necessary for administration of development programs will be emphasized and redirected in FY 1972. Emphasis will be placed on integrated and systematic approaches to economic planning and administration by introducing modern management tools and practical senior and middle level managerial training.

Specialized training for top and middle level officials will be initiated at the new Institute of Public Administration planned in Liberia, and the programs already established in institutes in Uganda and Nigeria will be strengthened. Relationships between these national institutes and institutions in the United States

will be encouraged through student and faculty exchanges.

In Morocco, Ethiopia, Liberia and Ghana, other projects will stress the relationships between planning, budgeting and project management by training ministry officials responsible for developmental programs. In Cameroon, assistance to the regional Pan-African Institute for Development will strengthen its programs for middle-level managers of rural projects and cooperatives. An A.I.D.-financed expert in local government will continue his work at the Center for Research and Training in Administration for Development at Tangier, Morocco, and training will be provided to the staff of the East African Community secretariat at Arusha, Tanzania.

Labor

Continued support is planned for the program of the African American Labor Center (AALC) to train African workers and improve the organization of their trade union activities so they can participate more fully in national development and play a responsible role in collective bargaining. Partially financed by the AFL-CIO, the AALC program essentially provides direct assistance from American labor unions to African unions. The activities focus heavily on training of workers in manual skills and trade union leadership but include the establishment and operation of craft institutes such as the Kenya Tailoring Institute and guidance in union activities in cooperatives and community services.

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AFRICA

INDUSTRIAL AND URBAN DEVELOPMENT

PROGRAM SUMMARY (In millions of dollars)			
	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
Technical Cooperation	2.4	4.5	5.1

As in other regions, Africa is experiencing the transfer of underemployment in rural areas to unemployment in the cities where the problem becomes far more visible and demanding. Consequently, policy-oriented research and technical assistance are needed to identify ways to expand training and work opportunities for growing urban populations. The urban and industrial sectors are closely interrelated with rural areas. Urban markets and urban services contribute to the process of rural modernization, and, conversely, rural programs such as agricultural mechanization affect the rate of influx into urban areas. Regional planning assistance may be required to assist African governments in assessing these reciprocal relationships and the consequences of rural and urban investment decisions.

The Opportunities Industrialization Centers, now operating in Nigeria and Ghana with A.I.D. support, exemplify one means of mobilizing private industry in the training of urban residents to fulfill job requirements in expanding local industries. In addition, A.I.D.'s housing investment guaranty program, which is expanding in Africa, will encourage investment in low cost housing as well as stimulate employment in construction and related activities.

Within the constraints of limited resources and personnel, and the competition from other priorities, A.I.D. can provide only limited assistance to African urban and industrial development. Care will be taken, therefore, to identify the areas in which this assistance can have greatest impact. A.I.D. does not plan to embark on urban projects as such, but rather to introduce an awareness of urban problems into existing agricultural and industrial project activities. The exception will be in Morocco where rapid urbanization and all the attendant problems have become a major national concern. Although the main thrust of U.S. assistance to Morocco remains in the rural sector, A.I.D. plans to provide advisory services in an urban improvement program. Counterpart funds, food aid, and an investment guaranty for low cost housing will be combined to help the government undertake a comprehensive program to upgrade slum communities.

A.I.D. efforts to stimulate industrial development in Africa have focused primarily on the promotion of private investment, both U.S. and local. Although current U.S. private investment is largely in petroleum and in mining for copper, nickel, iron ore, and uranium, small but growing amounts of U.S. private capital are going into tourism and agro-business ventures. Many of these U.S. enterprises were launched by surveys financed by A.I.D. and $30 million in loan funds have been made available to 700 African firms by A.I.D.-supported intermediate credit institutions in Tunisia, Morocco, Ivory Coast and Ethiopia. Such sub-loans to local private businessmen have created jobs and generated urban incomes. In FY 1972 technical advice and capital assistance will be provided to intermediate credit institutions to further stimulate private industrial development and tourism.

SELF HELP FUND ($1.45 million)

Limited Technical Cooperation funds will continue to be used to augment local resources for small, worthwhile projects supported by private or local organizations in the African countries eligible for A.I.D. assistance. These programs range from $5,000 to $75,000 in each of up to 30 African countries.

AFRICA - BASIC DATA

COUNTRY	POPULATION		AREA		LABOR FORCE	GNP	TRADE		HEALTH AND EDUCATION			
	TOTAL (MID-1970)	ANNUAL GROWTH RATE	TOTAL	AGRICULTURAL LAND	IN AGRICULTURE	PER CAPITA (1969 EST.)	TOTAL EXPORTS (1969)	MAIN EXPORTS	PEOPLE PER DOCTOR	LIFE EXPECTANCY	LITERACY RATE	STUDENTS AS % 5-19 AGE GROUP[a]
	MILLIONS	PERCENT	1,000 SQ. MILE	PERCENT OF AREA	PERCENT	DOLLARS	$MILLIONS	ITEM	NUMBER	YEARS	PERCENT	PERCENT
Congo (Kinshasa)	17.8	2.4	906	31	69	96	695	Copper	27,100	45	35-40	42
Ethiopia	25.3	2.3	472	67	88	65	119	Coffee, hides & skins	74,600	35	5	6
Ghana	8.8	2.7	92	12	56	260	390	Cocoa, aluminum	13,300	45	25	57
Kenya	11.2	3.4	225	10	88	132	272	Coffee, tea, petrol. products	9,700	47	20-25	39
Liberia	1.5	3.3	43	37	80	196	196	Iron ore, rubber	12,100	41	9	24
Morocco	15.9	3.2	172	35[b]	54	203	485	Phosphates, citrus fruits	13,100	55	14	27
Nigeria	56.5	2.8	357	52	80	88	905	Petroleum & products, cocoa	26,200	39	25	23
Tanzania	13.3	2.7	363	60[c]	95	95[d]	251	Cotton, coffee	36,300[e]	45	15-20	20
Tunisia	4.9	2.8	63	47	60	242	166	Phosphates, petroleum	7,000	52	30	51
Uganda	9.7	2.5	91	42	89	118	225	Coffee, cotton, copper	8,900	46	20	23
CENTRAL-WEST AFRICA												
Entente States												
Dahomey	2.5	2.1	43	18	84	80	26	Palm kernels & products	30,000	38	20	17
Ivory Coast	4.2	2.8	125	52	86	308	456	Coffee, wood	17,300	39	20	28
Niger	3.7	2.9	489	11	96	90	24	Peanuts	53,500	37	5	6
Togo	1.9	2.6	22	42	79	124	44	Phosphates, cocoa	19,800	40	5-10	29
Upper Volta	5.1	1.8	106	85	87	50	21	Livestock, cotton	71,300	36	5-10	7
Senegal River States												
Gambia	0.4	2.0	4	53	87	100	16	Peanuts & products	18,700	43	10	16
Guinea	4.1	3.0	95	n.a.	85	100	57[E]	Alumina	42,500	43	5-10	16
Mali	5.1	2.4	479	34	90	90	17	Livestock, cotton	37,000	50	5	11
Mauritania	1.2	2.2	398	38	89	150	77	Iron ore	30,000	40	1-5	7
Senegal	3.9	2.4	76	58	74	185	123	Peanuts & products	17,300	45	5-10	21
Sierra Leone	2.7	2.1	28	82	75	164	106	Diamonds	16,600	n.a.	10	15
Chad Basin Group												
Cameroon	5.8	2.1	183	35	84	150	226	Coffee, cocoa	26,000	49	10-15	60
Central African Rep	1.5	2.2	241	10	90	140	36	Diamonds, cotton	35,700	35	5-10	30
Chad	3.6	1.6	496	40	92	66	31	Cotton	71,000	35	5-10	17
Gabon	0.5	1.2	103	20	84	325	142	Petroleum, wood	5,900	39	12	59
SOUTHERN AFRICA												
Botswana	0.6	3.0	232	69	91	100	10[f]	Meat, hides & skins	19,700	n.a.	20	33
Lesotho	1.0	2.8	12	94	n.a.	90	5	Wool & mohair, livestock	23,300	48	n.a.	61
Malawi	4.5	2.5	45	30	81	63	53	Tobacco, tea	44,700	47	15	26
Swaziland	0.4	2.9	7	88	31	175	62	Sugar, iron ore	7,300	48	36	37
Zambia	4.3	3.1	291	51	81	398	1,073	Copper	11,600	44	15-20	33
OTHER												
Burundi	3.5	2.0	11	64	95	54	12	Coffee	55,800	39	10	17
Eq. Guinea	0.3	1.7	11	12	n.a.	260	27[g]	Cocoa	5,100	n.a.	20[E]	44
Malagasy Republic	7.3	2.2	227	63	84	106	113	Coffee, vanilla	10,400	40	39	35
Mauritius	0.8	1.8	1	60	38	225	66	Sugar	4,200	64	61	59
Rwanda	3.6	3.0	10	71	95	75	14	Coffee, tin	57,000	46	10	38

E - Estimate.
n.a. - Not available.

a - Primary and secondary students.
b - Includes large amounts of rough grazing land.
c - Almost 80% is rough grazing land.
d - Does not include Zanzibar.
e - Calculated on basis of physicians actually practicing.
f - 1968.
g - 1967.

COUNTRY SUMMARY OF SECTOR ASSISTANCE

REGION: AFRICA

(In thousands of dollars)

COUNTRY	Total			Agricultural and Rural Development			Population and Health			Education and Manpower Training			Industrial and Urban Development			Program Development and Support		
	1970	1971	1972	1970	1971	1972	1970	1971	1972	1970	1971	1972	1970	1971	1972	1970	1971	1972
AFRICA REGIONAL	9,314	17,139	20,739	1,557	1,495	1,977	226	3,403	3,239	5,009	6,977	6,290	579	1,354	2,960	1,943	3,910	6,273
CENTRAL/WEST AFRICA REGIONAL	7,465	7,716	7,537	719	1,890	2,351	3,171	2,175	1,500	1,752	1,865	1,597	18	306	500	1,805	1,480	1,589
SOUTHERN AFRICA REGIONAL	359	2,230	2,400	-	45	500	-	-	-	81	985	1,550	-	850	-	278	350	350
EAST AFRICA REGIONAL	4,470	1,165	1,745	1,339	563	700	-	-	-	2,480	185	175	-	-	-	651	417	870
CONGO	902	713	543	159	72	5	-	-	-	297	215	100	-	-	-	446	426	438
ETHIOPIA	4,922	5,302	4,899	1,290	1,558	1,892	410	174	252	2,082	2,663	1,967	182	-	-	958	907	788
GHANA	2,652	2,735	2,310	610	745	684	790	983	886	380	164	281	-	-	39	872	843	420
KENYA	2,327	2,123	2,174	904	1,490	1,259	164	150	500	379	81	-	183	-	-	697	402	415
LIBERIA	4,658	4,338	4,331	190	266	265	971	1,025	1,419	1,712	732	738	438	1,281	1,109	1,347	1,034	800
MOROCCO	2,295	1,857	2,350	961	850	930	171	120	600	416	160	-	96	140	360	651	587	460
NIGERIA	10,563	9,496	8,430	3,788	4,442	4,180	-	-	-	2,585	2,140	1,955	515	264	155	3,675	2,650	2,140
SENEGAL	165	-	-	165	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SOMALI REPUBLIC	2,077	360	-	455	20	-	260	20	-	343	50	-	420	-	-	599	270	-
TANZANIA	2,019	2,410	2,819	796	1,373	1,705	-	-	535	953	501	290	20	270	-	250	266	289
TUNISIA	2,479	2,255	2,358	640	717	659	918	512	730	248	346	306	-	-	-	673	680	663
UGANDA	2,531	2,875	2,280	1,010	1,694	1,291	400	165	336	794	735	370	-	-	-	327	281	283
Total	59,198	62,714	64,915	14,583	17,220	18,398	7,481	8,727	9,997	19,511	17,799	15,619	2,451	4,465	5,123	15,172	14,503	15,778

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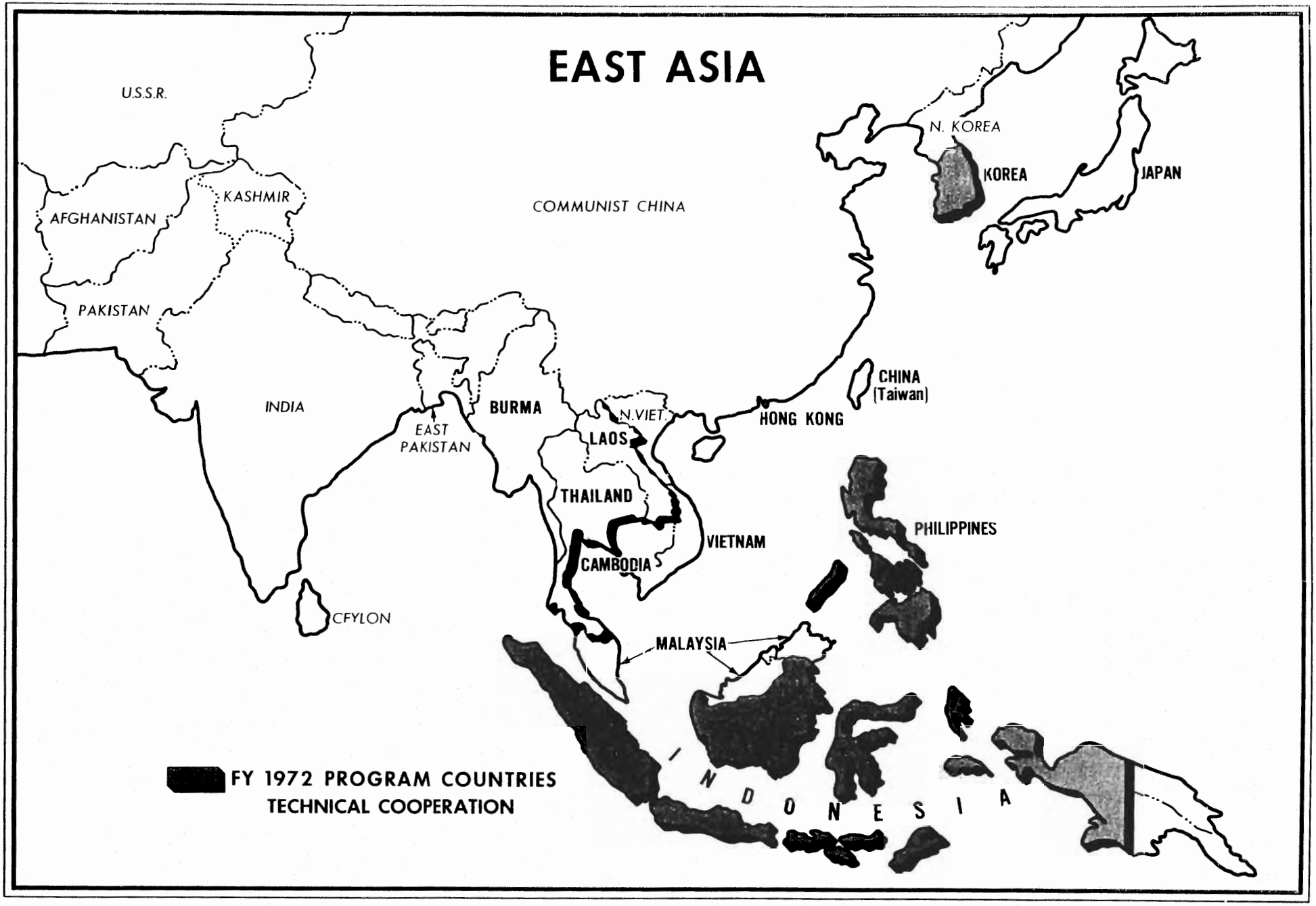
TECHNICAL COOPERATION
A.I.D. PROGRAM COUNTRIES IN AFRICA
NET OBLIGATIONS AND LOAN AUTHORIZATIONS
(Millions of Dollars)

COUNTRY	FISCAL YEAR 1970								
	U.S. OVERSEAS LOANS AND GRANTS						ASSISTANCE FROM INTERNATIONAL AGENCIES[b/]	OTHER FREE WORLD-OECD (EXCLUDING U.S.)[c/]	COMMUNIST BLOC ASSISTANCE[d/]
	A.I.D.	OTHER OFFICIAL DEVELOPMENT ASSISTANCE	OTHER OFFICIAL (EXPORT-IMPORT)	TOTAL ECONOMIC	MILITARY[a/]	TOTAL ECONOMIC AND MILITARY			
TOTAL PROGRAM COUNTRIES. . .	**112.1**	**95.2**	**10.4**	**217.7**	**29.1**	**246.8**	**269.8**	**362.4**	**252.0**
Congo (Kinshasa)	8.6	5.5	--	14.1	3.1	17.2	19.6	51.0	--
Ethiopia	15.1	3.5	--	18.6	11.2	29.8	9.7	16.1	--
Ghana.	17.4	14.5	--	31.9	0.1	32.0	15.7	36.6	--
Kenya.	5.6	3.0	3.6	12.2	--	12.2	50.2	40.1	--
Liberia.	4.3	3.1	--	7.4	0.4	7.8	8.9	18.0	--
Morocco.	9.9	19.9	2.7	32.5	8.9	41.4	78.4	52.2	44.0
Nigeria.	32.9	9.7	4.1	46.7	*	46.7	41.5	48.3	7.0
Tanzania	2.7	2.0	--	4.7	-	4.7	8.9	23.7	201.0
Tunisia.	13.2	33.3	--	46.5	5.4	51.9	24.6	60.4	--
Uganda	2.4	0.7	--	3.1	--	3.1	12.3	16.0	--

See footnotes below.

COUNTRY	CUMULATIVE THROUGH JUNE 30, 1970								
	U.S. OVERSEAS LOANS AND GRANTS						ASSISTANCE FROM INTERNATIONAL AGENCIES[f/]	OTHER FREE WORLD-OECD (EXCLUDING U.S.)[g/]	COMMUNIST BLOC ASSISTANCE[h/]
	A.I.D.	OTHER OFFICIAL DEVELOPMENT ASSISTANCE	OTHER OFFICIAL (EXPORT-IMPORT)	TOTAL ECONOMIC	MILITARY[e/]	TOTAL ECONOMIC AND MILITARY			
TOTAL PROGRAM COUNTRIES. . .	**1,713.1**	**1,196.8**	**228.4**	**3,138.3**	**294.5**	**3,432.8**	**1,512.2**	**3,005.0**	**972.0**
Congo (Kinshasa)	276.0	143.6	--	419.6	25.8	445.4	251.2	631.2	--
Ethiopia	169.6	50.9	25.3	245.8	158.4	404.2	175.6	86.0	119.0
Ghana.	143.1	81.4	56.2	280.7	0.2	280.9	102.6	184.5	231.0
Kenya.	35.2	39.5	3.6	78.3	--	78.3	130.4	444.7	62.0
Liberia.	136.5	33.1	99.1	268.7	8.4	277.1	28.6	148.4	--
Morocco.	330.1	361.5	29.5	721.1	66.9	788.0	194.5	399.4	123.0
Nigeria.	255.7	86.2	10.6	352.5	1.5	354.0	320.0	330.9	21.0
Tanzania	30.8	38.9	--	69.7	--	69.7	86.2	272.8	280.0
Tunisia.	302.1	356.6	4.1	662.8	33.3	696.1	163.8	318.5	105.0
Uganda	34.0	5.1	--	39.1	--	39.1	59.3	188.6	31.0

*Less than $50,000. a/Data represent deliveries. b/Data include CY 1969 figures for UN programs other than the UNDP - Special Fund. c/Data are gross bilateral expenditures in CY 1969. d/Data are for CY 1970. e/Data represent cumulative programs for FY 1950-1970. f/Data include figures for UN programs other than the UNDP - Special Fund only through December 31, 1969 and ten years only for UNICEF. g/Data are gross bilateral expenditures for CY 1960-1969. h/Data are cumulative for CY 1954-1969.


EAST ASIA
U.S.S.R.
KASHMIR
AFGHANISTAN
PAKISTAN
INDIA
EAST PAKISTAN
BURMA
COMMUNIST CHINA
N. KOREA
KOREA
JAPAN
CHINA (Taiwan)
HONG KONG
N.VIET.
LAOS
THAILAND
VIETNAM
CAMBODIA
PHILIPPINES
MALAYSIA
CEYLON
INDONESIA
FY 1972 PROGRAM COUNTRIES
TECHNICAL COOPERATION

EAST ASIA

TECHNICAL COOPERATION - REGIONAL SUMMARY

PROGRAM SUMMARY
(In millions of dollars)

FY	Agricultural & Rural Development	Population & Health	Education & Manpower Training	Industrial & Urban Development	Program Development & Support	Total
1970	5.8	8.0[a/]	10.0	1.1	5.5	30.4[b/]
1971	8.1	9.3[a/]	8.6	0.9	6.4	33.3[b/]
1972	6.9	11.3	9.4	0.9	5.3	33.8

a/ Includes Development Loan funded grants of $6,889,000 in FY 1970 and $8,390,000 in FY 1971 for population programs under Title X of the Foreign Assistance Act.

b/ Excludes Public Safety of $1,216,000 in FY 1970 and $1,247,000 in FY 1971, which is included in the Economic Supporting Assistance presentation for FY 1972.

FY 1972 technical assistance is proposed for three countries in East Asia -- Indonesia, Korea, and the Philippines. In addition, technical assistance is requested for a regional program which involves several East Asia countries working together on common problems such as education, agricultural research and river basin planning.

Although each of the three countries has made significant economic progress over the recent past, continued growth will depend upon constantly expanding technology and the continued development of human skills and abilities to apply the new technology to developmental tasks. Improvements in the well-being of the people of the region will also depend upon achieving a population growth rate which is less than the increase in output of goods and services. It is to these goals that U.S. technical assistance programs are addressed.

Apart from family planning projects, our technical assistance in East Asia focusses on the priority areas of agriculture and education. The bulk of the population in each of the three countries receiving U.S. technical assistance gains its livelihood from agriculture. Despite the successes of the Green Revolution which produced rapid increases in grain production, protein malnourishment continues to be widespread. Despite lower costs of production, the benefits have not accrued to the farmers. Further production increases necessary to raise rural incomes continue to depend upon the use of improved plant strains, fertilizers, insecticides, and better techniques of cultivation. These improvements in turn require adaptive research and supporting institutions. Furthermore, equitable distribution of increased income can depend upon enlightened fiscal governmental policies.

Thus, we are assisting each of the countries in agriculture, working to strengthen their research capability and their supporting institutions, but concentrating primarily on training the people necessary to develop and spread the improved technology. Additionally, we are working as closely as possible with all levels of government in the formulation of enlightened policies to promote increases in agricultural production and the equitable distribution of the resulting increases in income.

In 1972, we plan to assign 48 Americans to work in agriculture and rural development activities in East Asia. We also plan to train a total of 118 nationals of the three countries either in the United States or in a third country. Of the total of $33.8 million requested for technical assistance in the region in FY 1972, we plan to spent $6.9 million in agriculture and rural development.

In Indonesia and Korea, the scarcity of skilled manpower constitutes a real brake on the pace of economic and social development. Thus, our largest programs of technical assistance in those two countries are in the fields of education and training.

The need for specialized skills and talents in Indonesia is particularly acute in the field of agriculture. Thus, we have concentrated our educational assistance there in (a) helping two advanced universities in graduate agricultural teaching, research, and extension, and (b) providing training abroad for Indonesians in agriculture and also in other fields which are critical to achievement of development goals.

Rapid economic development in Korea has outpaced the ability of the educational system to supply needed technical and managerial skills. This rapid economic growth has also been accompanied by increasingly urgent socio-economic problems such as inadequate housing, medical services, and other imbalances due to over-rapid urbanization. Thus, our technical assistance in education in Korea is focussed on helping (a) improve the planning for accelerated expansion of the educational system, and (b) develop institutions which will lead to better understanding of social problems and actions needed to resolve them.

In total, we plan to provide $9.4 million in FY 1972 technical assistance funds for education and training purposes, including

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the funding of 51 United States technicians and 397 participants.

With much of the benefits of economic growth being absorbed by rapidly expanding populations, there seems little chance of materially improving the well-being of the East Asians unless current population growth rates are reduced. Thus, the largest share of the FY 1972 technical assistance funds requested for the area will be allocated to family planning and health projects.

Family planning programs are underway in each of the three countries -- Indonesia, Korea, and the Philippines. We plan to allocate $10.3 million in FY 1972 to support those country programs and a regional family planning program designed to provide training and research activities which have significance to more than one country.

The basic thrust of our assistance is to help each country expand its family planning services to reach as many women of child-bearing age as possible. Thus, we assist in training personnel, providing supplies, developing data and evaluation systems, and undertaking research programs.

In addition to the assistance outlined above, we plan to provide limited technical assistance in FY 1972 in the field of industrial and urban development. We propose a total of $931,000 primarily to assist with (a) a geological survey and a promotional center for private investment in Indonesia, and (b) the modernization of Korean money and capital markets, and governmental planning for the further development of Korean science and technology.

EAST ASIA

AGRICULTURAL AND RURAL DEVELOPMENT

PROGRAM SUMMARY (In millions of dollars)			
	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
Technical Cooperation	5.8	8.1	6.9

In 1970 total food production in East Asia was about 25% higher than it was in 1960. On a per capita basis, however, food production in 1970 was only 5% higher than it was in 1960, a growth rate of less than 1/2% per year, for the decade of the 1960s. Moreover, there was extensive malnourishment in the region in 1960, and the marginal increase in per capita production has done little to alleviate the problem.

Gains in total agricultural production during the 1960's were about the same as those achieved in food production alone. However, agricultural production on a per capita basis actually declined in Indonesia, due largely to the severe disruptions of the last years of the Sukarno regime, and remained about the same in the Philippines.

In view of the fact that the period witnessed a major breakthrough in the development of high-yielding rice strains the resulting performance was particularly modest. While the potential of the Green Revolution has not been fully realized, it did account for a portion of the increased production..

The performance in East Asia in increasing agriculture production reflects a number of continuing problems:

(1) With the development of high-yielding rice strains, attention has been focussed on rice production with little effort to expand other crops. A much greater effort must be launched in research and extension to develop and disseminate improved seeds and technology for other crops.

(2) The full potential of improved technology in rice as well as in other crops (the use of improved seeds, fertilizer, and cropping practices) depends upon expansion of existing institutions and facilities to meet the greater credit, storage, milling, distribution, and marketing needs.

(3) Farmers must be assured of adequate return on their investment to motivate widescale adoption of both the new rice strains and other crops such as sorghum, corn, etc.

Research

We are providing advisory assistance, training and limited commodity support to help develop a more effective research capability in Indonesia. A contract with the International Rice Research Institute (IRRI) of the Philippines will finance a share of this multi-donor effort which includes Japan, the Netherlands and the Ford Foundation. As a first step in improving coordination and administration of overall food crop research in Indonesia, advisory assistance will be provided to the Ministry of Agriculture to strengthen research administration. The FY 1972 cost of this project is $305,000.

In the Philippines, techniques and methodology successfully employed to achieve rice self-sufficiency will be adapted to the production of corn, sorghum, fruits and vegetables. Specific programs to increase swine and poultry production are being developed in that country. A project begun there in FY 1971 to establish two inland fisheries research facilities, one for fresh-water fish and one for brackish-water fish, will be continued in FY 1972.

Additional feasibility studies for rural electrification cooperatives in the Philippines will be undertaken under a program designed to eventually establish 24-36 cooperatives.

While Korean agricultural research has been successful in developing a high-yielding rice variety adapted to Korean conditions, further research is needed on a broad front to develop improved seeds and technology in other areas. Under a joint project, A.I.D. will furnish advisors to the Koreans in the planning and coordination of their research efforts.

A number of research programs have been launched on a regional basis with benefits expected for more than one country. These are receiving multilateral support and merit U.S. assistance.

A total of $1,375,000 in Technical Assistance funds is proposed in FY 1972 for these activities:

-- support for maintenance and expansion of research and training at the IRRI in the Philippines at an annual rate of $750,000. The Ford and Rockefeller Foundations are each contributing equal amounts and additional support is expected from other donors.

-- support for the regional Asia Vegetable Center in Taiwan ($525,000) which will develop new varieties of vegetable seeds and improved technology adapted to the conditions of Southeast Asia.

-- support for the Japanese-initiated Southeast Asia Fisheries Development Center ($100,000). The Center includes a research department in Singapore and a training department in Bangkok. Japan, Thailand and Singapore have all contributed to this project and have also shared operational costs.

Infrastructure

Both Korea and the Philippines have concentrated on the development of infrastructure as the primary incentive to greater agriculture production. As a result, while strains have appeared, particularly in the Philippines, in individual elements, the supporting services and facilities demanded for the rapid increase in rice production in these two countries have on the whole done an adequate job.

Milling, storage, and marketing systems have been pressed sorely in the Philippines by the Green Revolution, and we plan to continue to provide support in the form of advisory services, training, and essential commodities to the Philippines Government to assist in expanding and upgrading these systems. The whole marketing process in Korea will be studied in connection with U.S. supported efforts to build a Korean research and planning capability as a basis for national policies.

In Indonesia, however, the institutions and facilities needed for expanded agricultural production are inadequate across a broad spectrum of educational, credit, distribution, and marketing sectors. Thus, the United States is assisting the Indonesian Government's Agriculture Extension (BIMAS) program which aims to increase food production, particularly rice, by accelerating application of modern technology, expanding and increasing the efficiency of the agri-business sector in providing new production inputs, expanding the availability of production credit on reasonable terms, and increasing the capability of the marketing system to merchandise the additional production at terms equitable to both producer and consumer.

While assistance is continuing in farmer education, our joint project will increasingly emphasize distribution of inputs, marketing, credit availability, and the broad area of agricultural incentives. An A.I.D.-financed Tennessee Valley Authority (TVA) team is providing short-term management assistance to the Government's fertilizer distribution agency and will be conducting a training course in fertilizer marketing. In addition, an A.I.D.-financed contract team is currently conducting a study of rice marketing, storage, and processing prior to major capital investment in these important areas. Short-term assistance is also being provided in the preparation of legislation concerning seed certification and criteria. In FY 1972 funding of $185,000 is required for these activities.

Rural Development

Policies of central governments towards rural areas and the effectiveness of rural and provincial governments continue to be major concerns in East Asia. Generally, industrial and commercial growth has outstripped that of agricultural, and rural/urban disparities in incomes and living conditions continue to grow. At times, price ceilings on agricultural products have benefitted the politically-vocal urban consumer to the detriment of the rural farmer. The benefits of increased productivity are often not returned to the farmer to the extent necessary to induce greater output. There is at best a very sensitive balance between farmer subsidization (either directly as price supports or indirectly as improved infrastructure or irrigation systems) and consumer protection in terms of price ceilings and lower general taxes. However, the balance becomes much more delicate in basically agricultural countries where over half the population derives its livelihood from agricultural pursuits.

A.I.D. is helping to identify problems and to seek solutions in these areas in both Korea and the Philippines. In Korea, one project includes advisory services and training in both production techniques and the whole area of governmental agricultural policy, including such subjects as land rearrangement, agri-business activities and marketing systems. Under other projects, the United States assists in both undertaking research on Korean socio-economic problems and developing the Korean research capability to improve governmental policies, many of which effect the pace and direction of rural development.

EAST ASIA

AGRICULTURAL AND RURAL DEVELOPMENT

In the Philippines, U.S. technicians are working with national agencies, universities, private institutions, and provincial governors to improve local government administration and services. The establishment of Provincial Development Councils and 3 to 4-year development plans are being encouraged. Research and demonstration activities are being undertaken in cooperation with the University of the Philippines, private organizations, and local governments. These activities include testing and evaluating developmental problems, new methods of improving tax assessments and collections, and the development of more effective organizational systems. Training programs are also being developed with the University of the Philippines. We plan to allocate a total of $725,000 to this project in FY 1972.

As a quite different aspect of rural development, we also intend to assist the Mekong Basin Program as a multilateral planning effort for rural areas of four riparian countries--Laos, Thailand, Cambodia, and South Vietnam. For FY 1972, $1,417,000 in technical assistance is being requested to support this program.

The Mekong program assists the Mekong Coordinating Committe (MCC) in planning the development of the Lower Mekong River Basin. The Mekong River is the major single natural resource of mainland Southeast Asia. Exploitation of its hydro-power and irrigation potential could transform the Mekong Basin into a great power and food-producing region. As one of 27 countries, in addition to 12 United Nations agencies, participating in the Mekong Committee's work, the United States has contributed approximately 17% of the total resources so far devoted to the Committee's program.

The plan's aim is to identify development strategies and project priorities and recommend administrative and financial arrangements. United States-financed data and computerized systems analysis used by the MCC have helped in the completion of a first draft of an indicative Mekong Basin plan. The Committee is also expected to identify additional planning and research requirements needed to supplement economic and engineering project feasibility studies.

POPULATION AND HEALTH

PROGRAM SUMMARY (In millions of dollars)			
	FY 1970 a/ Actual	FY 1971 a/ Estimated	FY 1972 Proposed
Technical Cooperation	8.0	9.3	11.3

a/ Includes Development Loan funded grants of $6,889,000 in FY 1970 and $8,390,000 in FY 1971 for population programs under Title X of the Foreign Assistance Act.

In 1950, the population of the less developed countries of East Asia (excluding Communist China and Japan) totalled 185 million people. In 1965, it was 275 million - an increase of nearly 50%. By 1980, it will, if present growth rates continue, be over 400 million. At the same time, however, food production is growing only at a moderate rate.

Approximately 190 million people live in Indonesia, Korea, and the Philippines, the East Asian countries in which we are supporting family planning programs with technical assistance funds. Almost two-thirds of these people live in Indonesia whose population of about 120 million is growing at a rate of about 2.6% per year. Korea's population of 31.8 million is growing at a lower rate, 2.2% per year, and the Philippines' population of 38.4 million is growing at the fastest rate of the three, estimated at 3.4% per year.

Active family planning programs are underway in each country. The United States is increasing its support to these programs and plans to allocate $11.3 million in FY 1972 technical assistance funds, or one-third of the total for the region, to the Population and Health sector.

Indonesia is the sixth most populous country in the world. At present growth rates, 2.6% per year, its population of about 120 million would double in 27 years. Two thirds of the population live on 7% of the land -- the islands of Java, Madura, and Bali which have a population density of about 1,500 people per square mile. This is the world's highest concentration of population engaged in agriculture and compares to a figure of about 700 people per square mile in the highly industrialized State of Massachusetts.

In recognition of the need for family planning services, the private Indonesian Planned Parenthood Association began programs in the late 1950's. However, official endorsement and support of family planning programs by the Government of Indonesia did not come until 1967 when President Suharto adopted a positive policy that laid the groundwork for the establishment of public bodies to provide coordination and leadership for a national program.

In 1970, a National Family Planning Coordination Board was established by the Indonesian Government. The Board drew up a five-year plan (based on study jointly undertaken by IBRD/UNDP/WHO) which was approved by the Indonesian Government in late 1970. The targets of this plan are to have five million women practicing family planning by 1976 and a reduction in the population growth rate to 2% per year by that date.

The national program is concentrated on Java and Bali and will require both increased budget allocation by the Government (up 200% in 1971-1972 over the previous fiscal year) and continued support from foreign donors.

In FY 1972 the United States proposes to allocate $1,825,000 to continue strengthening family planning medical/clinical services in Indonesia through the provision of advisory services, training and commodities. Commodity assistance will include contraceptives, vehicles, and equipment for the rapidly increasing number of clinics offering family planning services.

To further support family planning services, two closely related sub-activities are being started in FY 1971. The first will help train health educators required to staff Indonesia's expanding family planning program. The second will help develop Indonesia's ability to process, collect and evaluate statistical data essential to an effective family planning effort.

Korea was the first of the three countries to recognize officially the need for family planning. Faced with the resettlement of some six million refugees from North Korea and a post-war "baby boom," the country's population had reached a growth rate of 3% per year by 1960.

In 1962, the Korean Government initiated a ten-year national family planning program which has brought the population growth rate down to about 2.2% per year. This reduction was achieved by the establishment of a network of family planning health centers throughout the country. 850 such centers had been set up by June 1970. A national training and research center has been constructed and equipped with aid from the Swedish International Development Authority.

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POPULATION AND HEALTH

A major goal of the Korean Third Five-Year Plan, which starts in 1972, is to reduce the population growth rate to 1.5% by 1976. Notwithstanding the record of progress to date, achievement of this goal will require revitalization of the family planning program. In FY 1972 A.I.D. plans to allocate $800,000 for essential technical services, research and commodities.

The Philippines has a higher population growth rate, 3.4% per year, than either Indonesia or Korea. For a variety of reasons such as religious constraints and economic and cultural values favorable to large families, the Philippines Government did not adopt a national policy on family planning until 1970. However, numerous public as well as private institutions have been active in developing family planning services since the early 1960's.

U.S. assistance began in FY 1967 with a grant of $210,000. Since then, our assistance in population programs has rapidly expanded, reaching $5 million in FY 1971. Our aid provides support for numerous public and private institutions engaged in information and education activities, training programs, population research, demographic studies, and clinical services. At present some 224 public and private family planning clinics are active in the Philippines, with the annual rate of acceptors having reached 300,000 women of child-bearing age in 1971. An additional 400 clinics are planned for FY 1972. The Philippines Government has established a Population Commission comprised of senior representatives from both the public and private sectors and has submitted proposed legislation to the Philippine Congress for an appropriation of funds to support the national Population Program. Included as an element of the program is a child nutrition activity that is designed simultaneously to educate Filipino mothers on family planning and on nutritional feeding of pre-school children.

A total of $5.4 million is proposed for population and health programs in the Philippines for FY 1972. The United States will also continue its support to the Philippines Malaria Eradication program.

The A.I.D. regional program will help international organizations develop and maintain expanded family planning programs in East Asia. In FY 1972 $2.3 million is proposed to finance: (1) a contract with the Population Council for advisory services and other assistance to countries in the region, (2) a family planning advisor working with the Colombo Plan, (3) continued support for the population program at the East-West Center in Hawaii, and (4) regional projects for the newly established Regional Population Program initiated at a meeting of Southeast Asian countries in Kuala Lumpur in November, 1970. This program includes demographic studies, training of key Asians, research, including evaluation of experience with contraceptives in Southeast Asia, and information activities.

EDUCATION AND MANPOWER TRAINING

PROGRAM SUMMARY (In millions of dollars)			
	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
Technical Cooperation	10.0	9.6	9.4

Although significant improvements were made during the past decade in the educational systems of the less developed countries of East Asia, these systems have not kept pace either with accelerating popular demands for education or with the demand for skills to satisfy the manpower needs of the expanding economies. The literacy rate for the region as a whole, excluding Communist countries and Japan, is only 57% and only about half of the school-age children are in school.

For FY 1972 28% of the proposed East Asia Technical Cooperation funds, or $9.4 million, will address needs in education and training. These funds will be used in three broad areas: (1) specialized needs in the area of educational planning, research, and higher education; (2) basic training needs to meet shortages of administrative and technical manpower; and (3) regional needs in education through programs designed to help East Asian cooperative efforts involving the several countries working together on common problems.

Indonesia has a 43% literacy rate and only 38% of the age group between 5 and 19 attends school. Clearly, a large task lies ahead in developing an adequate educational system.

To provide a sound basis for long-range educational planning and development, the Indonesian Government is now engaged in a National Assessment of Education, with Ford Foundation assistance. In addition to providing a broad overview of educational problems and priorities, the assessment will also include in-depth studies of key educational sub-sectors by special task forces. The task force studies will cover the various levels and types of education, as well as educational planning, administration, and finance. A number of other donors, such as UNESCO, UNICEF, the World Bank, the Ford Foundation, are expected to provide assistance to this effort. In view of the present serious weaknesses in basic science education, its importance in the creation of skilled manpower, and U.S. expertise in this field, we have also been asked to provide assistance in this area. Thus we plan FY 1972 funding of $45,000 to cover the costs of a consultant team to assess Indonesian needs and priorities in this field, as a basis for designing future year activities.

In view of the urgent need for specialized skills in agriculture, A.I.D. also assists graduate education and research at two leading Indonesian agricultural institutions, Gadjah Mada University and the Bogor Agricultural Institute. These institutions will serve as primary centers which in turn will provide assistance to the newer provincial universities. U.S. assistance totalling $1.5 million in FY 1972 is to be provided through a contract with the Mid-West Universities Consortium for International Activities.

Korea has a relatively high literacy rate of 71% and about 65% of the Koreans between the ages of 5 and 19 years are attending school. However, needs for specialized education and training are emerging as the Korean economy continues its rapid growth. Further, the general quality of education is low and uneven, reflecting overcrowded classrooms, poorly planned and unrelated curriculum content, undertrained and underpaid teachers, and a scarcity of educational materials. Thus, the Koreans are planning a major effort to upgrade their educational system.

Modest U.S. technical assistance will support this effort in FY 1972, helping the Koreans to (a) develop an educational planning competence and (b) identify and adopt educational innovations which are practicable and effective. This assistance will include both technical advisors to the Korean Ministry of Education and training in the United States in education technology and development.

The rapid economic development of Korea has also created a number of socio-economic problems which the Korean Government must address. These include such problem areas as social welfare and social security for the newly-created work force, environmental quality, urbanization, and the provision of public services. To assist the Koreans in addressing these problems, the United States is providing advisors to work with Koreans on these problems and is helping establish a Development Institute which conducts research on public issues of national significance.

East Asia regional education programs will also be supported in FY 1972. The regional education program is helping to establish regional centers for advanced training, education and research in selected fields and to encourage Asian cooperation in education.

Most of the regional centers are sponsored by the Southeast Asia Ministers of Education Council (SEAMEC), formed following a meet-

ing in 1965 of the Ministers of Education of seven countries (Indonesia, Laos, Malysia, Philippines, Singapore, Thailand and Vietnam). Cambodia has recently been accepted by SEAMEC as the eighth member country.

The SEAMEC projects are moving from planning and interim operations toward full implementation and we propose $2,625,000 in FY 1972 to support them. A three-party agreement (SEAMEC, U.S., and Singapore) was signed in May, 1969 providing for construction and operations (over five years) of the Regional English Language Center in Singapore. The Regional Center for Graduate Study and Research in Agriculture in the Philippines began operations in July 1969, and the related construction of additional facilities was covered by an agreement signed in September 1969. The operational program of the Regional Center for Education in Science and Mathematics in Penang, Malaysia, began in July 1970, with agreement on related construction signed in May 1970. The five-year operational program of the Regional Tropical Medicine and Public Health program began in July 1970, and development plans of related national centers are under study. Interim activities of the Regional Center for Educational Innovation and Technology are under way at temporary quarters in Singapore, pending a move to Saigon. The Regional Center for Tropical Biology at Bogor, Indonesia, is now undertaking interim activities.

The Trustees of the Asian Institute of Technology (AIT) in January 1969 authorized a construction program of approximately $5.5 million, after receiving pledges equivalent to over half of this amount from the Thais, Australians, and British, with the remainder planned for U.S. financing. For FY 1972 we are requesting $908,000 for support of AIT.

Assistance is also proposed for other regional education and training programs in the amount of $1,575,000. This will include: (1) support for the Southeast Asia Development Advisory Group and an A.I.D. research program ($625,000), (2) financing for the Asian-American Free Labor Institute activities ($800,000), and (3) the initial A.I.D. contribution to a regional management training center ($150,000).

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INDUSTRIAL AND URBAN DEVELOPMENT

PROGRAM SUMMARY (In millions of dollars)			
	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
Technical Cooperation	1.1	0.9	0.9

U.S. technical assistance in the Industrial and Urban Development sector in East Asia has been limited as Indonesia, Korea, and the Philippines, have been able to meet most of their needs for such aid in connection with capital loans and from other sources. For FY 1972 we propose $931,000 to support that sector, primarily in activities designed to attract domestic and foreign investments.

Indonesia's mineral deposits, forestry resources, large labor force and vast market potential provide the basis for considerable private investment. The Indonesian Government considers such investment an essential source for domestic income, employment and foreign exchange and has given it an important place in its Five Year Development Plan. The U.S. technical assistance program is helping Indonesia develop these resources.

A Geological Survey Assistance Project, requiring $353,000 in FY 1972, is intended to increase the Indonesian capacity to survey, map and appraise the country's vast, but as yet largely uncharted, geological and natural resources. The U.S. Geological Survey (USGS) supplemented by short-term experts, are helping train geologists, geophysicists and mapping specialists on the staff of the Indonesian Geological Survey (IGS). With USGS help, the IGS is accelerating the compilation of maps and interpretive reports in order to identify promising areas for further mineral investigation and development. This project also provides U.S. training for several IGS personnel each year and limited amounts of essential laboratory and field equipment.

To help Indonesia promote the orderly development of its rich forestry resources, A.I.D. is currently providing two short-term experts in forestry service organization and concesssions management.

Beginning in FY 1972, we will provide assistance in the establishment of an Indonesian Private Investment Center. The Center is intended to facilitate both domestic and foreign private investment by providing advice and information on potentially attractive investment possibilities, aiding private entrepreneurs in preparation of investment applications and in their search for partners, and assisting them in obtaining necessary government approvals. U.S. contract advisors provided preliminary assistance to the Indonesian Government in reviewing investment laws and policies, updating an Investment Handbook, and developing the organizational plan for the Center.

Continued development of Korean industry will be dependent in large measure on the ability of the country to mobilize increasing amounts of domestic savings for investment in the private sector and to attract greater amounts of foreign equity and loan capital. We will provide technical advisors and consultants to modernize Korean money and capital markets and advise the Government on legislative measures and on governmental procedures to enhance the environment for foreign capital. In 1972, the technical assistance project for private enterprise development will require $148,000.

Also of critical importance is the ability of Korean industry to remain internationally competitive. As Korean wage levels rise, the factors of technological efficiency, quality control and innovativeness will determine whether export markets are maintained and expanded. We will assist by providing technical assistance to Korean institutions involved in science and technology. For this, $170,000 is programmed in FY 1972 for a U.S. technical advisor, short-term consultants, contract services and U.S. training of Korean scientists.

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EAST ASIA - BASIC DATA

BASIC DATA	UNIT	INDONESIA[a]	KOREA	PHILIPPINES
POPULATION				
Total (Mid-1970)	Millions	119.6	31.8	38.4
Annual Growth Rate	Percent	2.6	2.2	3.4
AREA				
Total	1,000 Sq. Mi.	735	38	116
Agricultural Land	Percent of Area	7	24	38
LABOR FORCE				
In Agriculture	Percent	70	50	53
GROSS NATIONAL PRODUCT				
Per Capita (1969 Est.)	Dollars	104	228	219
TRADE				
Total Exports (1969)	$ Millions	975	622	855
Main Exports	Item	Petroleum & products Rubber	Veneer & plywood Fish	Coconuts Wood Sugar
HEALTH AND EDUCATION				
People per Doctor	Number	27,780	2,300	1,390
Life Expectancy	Years	48	58	55
Literacy Rate	Percent	43	71	72
Students as % of 5-19 Age Group.. (Primary & Secondary)	Percent	38	65	57

a - West Irian not included, except for population, area, and student data.

COUNTRY SUMMARY OF SECTOR ASSISTANCE

REGION: EAST ASIA

(in thousands of dollars)

COUNTRY	Total			Agricultural and Rural Development			Population and Health			Education and Manpower Training			Industrial and Urban Development			Program Development and Support		
	1970	1971	1972	1970	1971	1972	1970	1971	1972	1970	1971	1972	1970	1971	1972	1970	1971	1972
Indonesia	4,819	7,182	7,325	227	399	490	430	1,750	1,825	1,775	2,306	2,767	221	380	393	2,166	2,347	1,850
Korea	4,564	3,853	4,100	897	616	862	888	800	800	952	1,130	1,343	779	511	318	1,048	796	777
Philippines	8,239	9,900	9,100	1,650	3,530	2,225	5,448	5,325	5,725	74	75	175	61	-	-	1,006	970	975
East Asia Regional Development	12,815	12,399	13,300	3,096	3,556	3,358	1,296	1,489	2,950	7,174	5,084	5,108	-	-	220	1,249	2,270	1,664
Total	30,437	33,334	33,825	5,870	8,101	6,935	8,062	9,364	11,300	9,975	8,595	9,393	1,061	891	931	5,469	6,383	5,266

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TECHNICAL COOPERATION
A.I.D. PROGRAM COUNTRIES IN EAST ASIA
NET OBLIGATIONS AND LOAN AUTHORIZATIONS
(Millions of Dollars)

COUNTRY	FISCAL YEAR 1970								
	U.S. OVERSEAS LOANS AND GRANTS						ASSISTANCE FROM INTERNATIONAL AGENCIES[b/]	OTHER FREE WORLD-OECD (EXCLUDING U.S.)[c/]	COMMUNIST BLOC ASSISTANCE[d/]
	A.I.D.	OTHER OFFICIAL DEVELOPMENT ASSISTANCE	OTHER OFFICIAL (EXPORT-IMPORT)	TOTAL ECONOMIC	MILITARY[a/]	TOTAL ECONOMIC AND MILITARY			
TOTAL PROGRAM COUNTRIES. . .	**93.5**	**274.3**	**97.1**	**464.9**	**236.0**	**700.9**	**250.8**	**331.1**	**--**
Indonesia.	54.8	150.7	2.5	208.0	4.0	212.0	98.9	153.5	--
Korea.	30.7	107.5	85.0	223.2	216.3	439.5	78.2	118.2	--
Philippines.	8.0	16.1	9.6	33.7	15.7	49.4	73.7	59.4	--

See footnotes below.

COUNTRY	CUMULATIVE THROUGH JUNE 30, 1970								
	U.S. OVERSEAS LOANS AND GRANTS						ASSISTANCE FROM INTERNATIONAL AGENCIES[f/]	OTHER FREE WORLD-OECD (EXCLUDING U.S.)[g/]	COMMUNIST BLOC ASSISTANCE[h/]
	A.I.D.	OTHER OFFICIAL DEVELOPMENT ASSISTANCE	OTHER OFFICIAL (EXPORT-IMPORT)	TOTAL ECONOMIC	MILITARY[e/]	TOTAL ECONOMIC AND MILITARY			
TOTAL PROGRAM COUNTRIES. . .	**3,669.8**	**3,745.0**	**486.3**	**7,901.1**	**3,735.8**	**11,636.9**	**700.3**	**1,726.1**	**740.0**
Indonesia.	454.9	626.4	175.4	1,256.7	81.7	1,338.4	187.5	919.9	740.0
Korea.	2,905.5	2,073.5	107.6	5,086.6	3,086.4	8,173.0	229.0	437.9	--
Philippines.	309.4	1,045.1	203.3	1,557.8	567.7	2,125.5	283.8	368.3	--

a/Data represent deliveries.
b/Data include CY 1969 figures for UN programs other than the UNDP - Special Fund.
c/Data are gross bilateral expenditures in CY 1969.
d/Data are for CY 1970.
e/Data represent cumulative programs for FY 1950-1970.
f/Data include figures for UN programs other than the UNDP - Special Fund only through December 31, 1969 and ten years only for UNICEF.
g/Data are gross bilateral expenditures for CY 1960-1969.
h/Data are cumulative for CY 1954-1969.

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INTERREGIONAL TECHNICAL COOPERATION PROGRAMS

PROGRAM SUMMARY

	FY 1970 Actual ($000)	FY 1971 Estimated ($000)	FY 1972 Proposed ($000)
Interregional Technical Cooperation			
Population Program	16,732	21,442	26,110
Other Interregional T.C. Programs	7,293	7,820	8,190
Participant Training	3,745	3,939	3,575
Private Development Assistance			
International Executive Service Corps	2,200	3,200	3,500
Asia Foundation	2,800	3,765	3,750
Development of Cooperatives	970	955	955
Other Private T.C. Support	492	271	271
Ocean Freight - Voluntary Agency Support	5,193	5,024	5,024
Other Programs			
Institutional Development Grants	5,415	4,500	4,500
Development Research(Non-pop)	8,932	8,500	8,500
Development Research (Population)	7,258	7,708	7,500
Transitional Costs	-	-	15,000
Program Support			
Washington Program Support	31,462 a/	37,349 a/	36,900 a/
Construction of Facilities	416	389	300
Dependent Education	2,499	2,500	2,500
Total Interregional and Other Technical Cooperation	95,407 b/	107,362 c/	126,575
American Schools and Hospitals Abroad	27,964	13,419	10,175

a/ Excludes amounts for the Washington program staff which supports the expanded Vietnam program. This amount is included in the Vietnam program totals in the Economic Supporting Assistance presentation.

b/ In FY 1970 the Interregional and Other Technical Cooperation Activities were funded as follows: TC-$59,480,000; DL-$10,289,000 and SA-$25,638,000.

c/ In FY 1971 the Interregional and Other Technical Cooperation Activities were funded as follows: TC-$62,547,000; DL-$29,715,000 and SA-$15,100,000.

Interregional technical cooperation activities fall into three basic categories: Development Research, Grants to U.S. Research and Educational Institutions (Section 211(d)) and General Technical Services. All these centrally-financed technical assistance activities provide guidance and support for development assistance to the lower income countries. The program is worldwide in purpose; it deals only with those activities which either cannot be handled on a regional or country basis, or have significance for more than one region.

The Development Research program mobilizes the talents of U.S. institutions to attack one of the principal problems of developing countries -- the lack of technical expertise. The program emphasizes collaborative efforts at research (1) to adapt U.S. technology to the various situations of the developing countries and (2) to build institutional capabilities in those countries through the creation of international research networks.

The third type of interregional activity is focused on strengthening of U.S. institutions and their capacity to participate in economic development programs. Such grants stimulate the development of new talent and new institutional resources in the United States.

The primary function of the General Technical Services program has been, (1) to identify key problem areas which are common in a number of developing countries, and thus worldwide in scope and (2) to seek common solutions to these problems which are within the sphere of U.S. technical assistance activities. Programs are designed, supported and evaluated which seek to increase quality and quantity of foods, to improve health and education standards, to develop and implement population programs, to combat malnutrition and to train participants. Field support is the second area of General Technical Service activity -- non-profit organizations such as the National Education Association and the American Library Association are assisted in financing the administration of their foreign programs. Third, ad hoc guidance and support activities are undertaken in those areas which are so new that data is not available for the comprehensive key problem approach. Such areas include urban development and the introduction of science and technology.

Agricultural and Rural Development

A total of $2.4 million is requested to implement interregional technical assistance activities in agriculture. These activities include support for agriculture specialists to work on identification of constraints affecting agriculture on a worldwide basis and

to mobilize U.S. scientific resources to assist regional bureaus, country missions, and governments of developing countries in overcoming these problems. In addition, specialized services are provided through contractual arrangements with other government agencies and universities to supplement direct technical services. In addition, through the interregional program, technical assistance activities are backed by and coordinated with agricultural research programs. These interregional activities differ from regional programs in that they: (1) are worldwide in scope and can be applied to any region or country of the world receiving U.S. assistance; (2) form the focal point for conceptualization of U.S. development assistance policy in agriculture, where methods of agricultural development can be compared and coordinated; and, (3) provide greater flexibility in the selection of services for standardization of plants, seeds, fertilizers, and pesticides furnished the developing countries through agricultural assistance programs.

Plant Materials and Seed Technology: Current efforts continue to focus on food grain production. A.I.D. seeks to extend the successes of the Green Revolution through wider application of the new high-yielding varieties of rice, wheat, and corn. In addition, emphasis is continuing on agricultural research programs to improve the protein content of wheat, sorghum, and corn and to increase their productivity. Through this research, and similar productivity research in high protein crops such as legumes, it may be possible to alleviate the problem of protein shortage and malnutrition in the developing countries. The newly introduced seed varieties are more susceptible to diseases and pests than were the traditional varieties. Expanded production of the new cereals increases these and other production problems. Contracts with several universities and the USDA provide technical assistance on a worldwide basis to attack these problems.

Demands for additional information about and supplies of seeds are accelerating with increasing use of new technology and crop diversification. Through a contract with a U.S. university, technical assistance is provided on plant materials, seeds, and seed technology. In addition, under an agreement with the Department of Agriculture, plant and seed materials, suitable for use in developing countries, are collected and disseminated to interested countries. Projects which are also being conducted to develop new crops for application in tropical regions will create additional opportunities for diversification.

The continuing seed technology program provides assistance in processing and storage of seeds used for crop production. Services consist of consultation visits to developing countries, training of participants in the United States, and supplying information to recipients. Numerous participants have been trained and extensive storage facilities have been constructed under this activity.

A new dimension to the activity is being developed to establish private seed industries in developing nations for their own domestic needs. The need for these industries has resulted from the additional strains placed on government nurseries by the spread of the new high-yielding grain varieties, thus the development of private sector industries to produce a majority of seed supplies is required.

Soil and Water: Assistance on soil and water management problems is provided through research, technical assistance contracts and Section 211(d) grants. These aim primarily at problems in tropical and sub-tropical zones, encompassing most developing countries which receive U.S. assistance. Continued expansion of crop and livestock production in recipient nations depends on conservation and efficient use of limited arable land and water resources. A key part of this program is the establishment of soils laboratories in several countries in Latin America.

Another activity which is being completed involves the assembling of scientific information from worldwide sources on tropical soils through a contract with the Nation Academy of Science. A.I.D. and the recipient nations are also studying the side effects that changes in natural resource use have, or could have, on local environments. Wherever feasible, such findings are used for planning corrective measure.

Fertilizer and Other Chemicals: With the introduction of new cereal grain varieties and general agricultural development, the consumption of fertilizer and pesticides is increasing. The continuing fertilizer study program provides assistance through a contract with the Tennessee Valley Authority to help develop fertilizer plants, determine fertilizer consumption requirement, make feasibility studies for fertilizer production plants in requesting countries, plan and develop production facilities, plan and implement fertilizer storage distribution and sales systems, develop training programs for fertilizer producers and planners and provide training to participants in the United States.

Because of the increased demand for pesticides and the difficulties in their application, a new program on pesticides is being developed with a leading of university. The program will include training on the safety aspects of handling, shipping, storing,

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and use of pesticides. In addition, measures to study the environmental effects of pesticides will be included.

The new pesticides program is being coordinated with our rodent control research program. The findings of the rodent control program have stimulated increased activities in Latin America and East Asia, including a training program now being planned on rat problems and control.

Weed control by chemicals and other means is increasingly important to the application of unproved technology and the development of commercial agriculture. A university contract provides both technical assistance and research on land weed control to determine suitable control measures and to help recipient nations develop extension services and plan and execute their own research programs. Problems with aquatic weeds, particularly in East Asia and Africa, will be increasingly studied in the future.

Grain Drying, Processing, and Storage: Under a university contract, assistance is being provided on a world wide basis to requesting countries to improve technology and facilities for drying, processing, and storing grain. The assistance, which includes training as an important component, is provided for strategic storage terminal facilities and for necessary farm facilities.

Food Utilization of Soybeans: A university contract will provide technical assistance in the preparation of soybeans. A newly developed process, which permits use of soybeans as food in the unprocessed bean form, offers new potential for soybean consumption. This would enable the soybean, which is high in protein, to be used as a home-cooked staple food in developing countries.

Agricultural Economic Seminars: Under a contract with the Agricultural Development Council, a series of seminars is being held with participants from U.S. and overseas institutions. These seminars aim to make agricultural economics curricula for trainees more relevant to local conditions in developing countries. Started in 1970, this program is coordinated closely with those universities which received Section 211(d) grants for developing additional competence in agricultural economics applicable to development.

Aquaculture: There is increasing interest in and demand for fisheries development as countries with adequate water resources realize their importance for nutrition and trade.

Assistance in aquaculture is provided, under a university contract, to regional bureaus and requesting countries for development of fresh and brackish water fisheries. This assistance includes feasibility studies, surveys, consultation and planning visits to developing countries for project development, university backstopping of country projects, and training.

Livestock: A program is being developed that will use a systems approach to determine research and technical assistance solutions to problems affecting livestock production and marketing. This program seeks to find solutions to constraints imposed by markets, cultural factors, social and political questions, as well as technical difficulties of livestock production.

Support of International Research Centers: A.I.D. is participating in several international research programs. One of the most important programs is the International Maize and Wheat Improvement Center (CIMMYT) in Mexico. Our support of CIMMYT helps in the expansion of the Center's activities into a worldwide research and training program. Training is being carried out at CIMMYT and at nurseries in other developing nations in adaption trials for the new seed varieties developed at CIMMYT. The principal research scientist at the Center is Dr. Norman Borlaug, who won the Nobel Prize in 1970 for his research contributions to development of the high-yielding wheat variety which formed the basis of the Green Revolution and his worldwide missionary work which helped develop the use of the seeds.

A.I.D. is also supporting two additional centers for research on livestock in Africa and upland crops in East Asia.

A.I.D. limits its dollar contribution to 25% of the additional capital and future operating costs of CIMMYT, the two proposed centers, and other centers. This assistance is limited to a maximum total contribution of $7 million in any one year.

Future Efforts: While increasing food production must remain our major goal in agriculture, we must also give attention to other problems of agriculture.

The complexities of the problems of development demand attention to social and economic factors which influence, and are influenced by, the agricultural sector. Social inequities, income distribution, land tenure systems, distribution of resources between rural and urban areas, and rural unemployment are serious

problems; thus it is essential that assistance to agriculture contribute to a solution of these problems, and not make them more serious.

To address these needs we are working on identification of problems and mobilizing outside scientific talent to form a task force of talent to focus effectively on key problem areas in agriculture. The principal problem areas in agriculture selected for this approach are: developing agricultural research competence in the recipient nations, utilizing worldwide research networks on specific crops and animals, improving management of water and tropical soils, expanding production of high protein crops and livestock, focusing on agricultural planning and sector analysis, improving marketing systems and examining the role of agriculture in trade, income distribution, and employment.

Population and Health

Population:

A.I.D.'s inter-regional population program attempts to:

-- provide a focus in identifying key problems obstructing efforts to control fertility, and in finding solutions to these problems;

-- support private non-profit and multi-national family planning organizations; and

-- provide technical experts who can help the developing nations analyze their demographic situtations and strengthen and improve their capabilities to provide family planning services and information.

In FY 1972, the centrally funded program will require $23.5 million, excluding $7.5 million for population research. The proposed program will continue a broad range of activities including:

-- Organizational Grants: Grants to private U.S. international family planning organizations will be increased. In addition to continuing grants to the International Planned Parenthood Federation, the Pathfinder Fund and the Population Council, grants to other large non-profit organizations are being planned. Terms of grants to non-profit organizations, such as, International Planned Parenthood Federation, which have demonstrated their management capacity will be liberalized to permit management flexibility within limits set by current legislation. Large scale grants will be made to other competent, experienced, non-governmental organizations, such as Planned Parenthood Federation of America, to enable them to assist smaller private family planning organizations and reduce the operating burden on A.I.D. staff.

-- Manpower and Institutional Development: A.I.D. is helping to define the types of services needed to plan appropriate programs in manpower and institutional development. Special technical services are provided through institutions such as the Population Centers of the Universities of North Carolina, Johns Hopkins, Michigan, and Tulane. The training of nurse-midwife faculties from developing nation training institutions is continuing at the Down State Medical Center in New York. A.I.D. also supports recipient nation professional personnel in U.S. university programs to develop a population/family planning focus for training and research in developing countries.

A.I.D. is continuing to provide assistance for the development of educational materials to introduce population subject matter into formal school systems in recipient nations. This includes curriculum development for specialized training courses for paramedical, clinical, field workers and supervisory personnel. A.I.D. technical assistance will emphasize the utilization of manpower resources for population/family planning programs, and improvement of the financial management of family planning programs. The testing of modern teaching techniques and methods to improve the cost-effectiveness of population/family planning training programs will continue.

-- Information, Education and Communication (IE&C): A.I.D. will assist two U.S. educational institutions to expand their capability to support IE&C activities in family planning programs in developing countries. An inventory and analysis of the IE&C activities of major population institutions, agencies, and host country programs will be continued. Support will be given to programs to inform and motivate youth groups in developing countries on population problems and family planning, and to promote the use of population and family planning information in adult literacy programs of about thirty countries. Activities to widen public understanding of economic and social necessities for family planning will also continue.

Production will begin on an audio-visual training film and teaching materials for use in population and family planning program work. Regional workshops will formulate training requirements to stimulate and increase the number of mid-

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wives prepared to encourage family planning, motivation, and to provide population information and services. International training seminars, and consultations among communications experts will be held to advise on particular problems in population communications. A.I.D. will expand orientation and training seminars with U.S. and international voluntary agencies and strengthen operational liaison with IE&C elements of other government and multilateral agencies.

-- Analysis and Evaluation Expertise: Through an agreement with the Bureau of the Census, A.I.D. will expand its program to increase host country capacity to collect and analyze demographic data and to utilize this data in the evaluation and planning of their population programs. Increased expert assistance will be made available to conduct censuses and demographic surveys, as well as to establish and maintain effective systems of family planning records for program guidance. Assistance will focus on census and survey design and on rapid methods of processing and publishing census and survey results. Increased efforts will be made to strengthen the role of international organizations, such as the United Nations and its specialized agencies, in the development of adequate demographic data and analysis capabilities.

-- Direct Field Support Activities: Consultation services are being provided under a contract with the American Public Health Association (APHA). Field testing of prototype training aids and clinical equipment will be expanded and formalized by setting up formal agreements with selected institutions in the regions.

The provision of professional and technical documents, training films and other equipment in support of LDC programs will be continued in FY 1972. Technical liaison with the United Nations Fund for Population Activities (UNFPA) and the specialized agencies of the UN will continue to improve the coordination of donor inputs and the focus and quality of external assistance.

Health:

The total estimated program for interregional health activities in FY 1972 is $870,000. The main focus of interregional health programs is directed towards the following activities:

-- Identification and Solution of Key Problems: A.I.D. and the recipients are concerned about the absence of effective delivery systems through which health services, including family planning and preschool nutrition services, can be made available to the 90% of the population in developing countries who do not now have access to such facilities. Specific demonstrations of health delivery systems will be carried out on a regional basis in several countries under a new contract.

Two interregional projects address the problem of expertise of health planning personnel. One concerns the training of health planners in the techniques and methods of planning health programs as an integral part of development; under the other project, a health planning model is being constructed to assist planners in relating health to development.

Under an A.I.D. contract, a study has been initiated which analyzes the wastage of food resulting from intestinal diseases and an unsanitary environment. Research is also being carried out which aims at the exact measurement of nutrient losses through food malabsorption by populations without satisfactory water supplies or sewage disposal facilities.

-- Mobilization of U.S. Expertise: The search for new methods to attack health problems requires the attention of U.S. and international experts. Interregional activities will continue to mobilize U.S. institutional and professional services to support both research for problem solving and operational field programs. These efforts include contracts for manpower advisory services with the Association of American Medical Colleges; consultation on health facilities administration by the American Hospital Association; and support activities in economic analysis, nursing, sector studies, health education, and environmental engineering by the Department of Health, Education, and Welfare.

-- Disease Control Activities: The interregional role in malaria activities will focus on the transfer of A.I.D.'s role in malaria control advisory programs to the World Health Organization and research on improved technical methodology in malaria control.

In cholera control, A.I.D. is coordinating a long-range plan to prevent the repeated occurrence of worldwide epidemics which have originated in Southeast Asia, extended to Africa, and now threaten the American hemisphere.

The interregional activities for the control of smallpox, measles, yellow fever, schistosomiasis, onchocerciasis, and other diseases include: coordination of A.I.D.'s disaster

relief operations with the international health agencies (World Health Organizations, Pan American Health Organization, and UNICEF), and with the Department of Health, Education and Welfare; research and demonstration programs; and the conduct of scientific and professional services and conferences.

Nutrition

Since pregnant and lactating mothers and the pre-school child are the groups most vulnerable to malnutrition, A.I.D. nutrition programs will focus on these groups. Very young children may suffer permanent physical damage and irretrievable mental retardation as a result of malnutrition, which is an extremely severe and widespread problem.

Assistance activities for FY 1972 will total $785,000 and will focus on four problems which have been identified as being key barriers to the alleviation of malnutrition.

-- Development of Nutritional Foods: Particular attention will be given to nutritional food development in the less developed countries. Local private food companies will be encouraged to develop and market high protein low cost foods; A.I.D. grants will assist this effort. These programs will be carried out through local food companies which are already established as commercially profitable enterprises. In Brazil a program will be developed for the fortification of cassava; locally available high protein materials will be used as a supplement to this nutritionally deficient food.

-- Pre-school Child Feeding: The experience gained through the child-feeding programs conducted under Title II of Public Law 480 will be evaluated, particularly to determine the ways in which these techniques can be extended to other programs. Grants will continue through voluntary agencies such as C.A.R.E., Catholic Relief Services, and Church World Service, to encourage these organizations to change their child feeding programs to include nutrition programs.

-- Motivation of Leadership: Both public and private leadership in the less developed countries are generally unconcerned about malnutrition. For the most part, they are unaware of the negative economic, political, and social implications of the continuance of widespread malnutrition and the inhibiting effect on national development. Through research into the economics of malnutrition, and conferences and workshops involving planners and decision makers, the program proposes to generate the interest and concern in the problems of nutrition on the part of leadership.

-- Consumer Awareness: The lack of knowledge as to what constitutes a good diet is one of the deterrents to the improvement of nutrition in developing countries. Through the provision of information and the support of nutrition education programs, A.I.D. and the recipient nations plan to disseminate realistic and practical information to be used by field workers and families. Paralleling these programs in nutrition education will be an examination of past nutrition education programs to determine the most effective methods and techniques to be used in present programs in the less developed countries.

Education and Manpower Training

Education

Because of the interest in both the Congress and A.I.D. to develop a breakthrough in educational development through the use of modern educational technology, several important projects have been initiated. One study is mapping the necessary research to fill knowledge gaps; another is defining the planning steps needed before effective space satellite experiments may be undertaken in Brazil and India. On-site investigation is being conducted to evaluate El Salvador's major educational reform through educational TV and establish research and development priorities for the use of TV and radio in major educational projects in other less developed countries. Also, a project nearing completion will bring basic information on this technology to developing countries and A.I.D. planners through a film, handbook and seminars.

A total of $1,190,000 is proposed for interregional educational activities in FY 1972.

In FY 1971, two additional key areas of promise were selected: non-formal education systems, such as in-service training, work-study programs, apprenticeships, adult education, home study courses and on-the-job training; and education finance and

measurement. Non-formal education exists in some manner in all societies. It greatly broadens the base of education for work and life, can respond more flexibly and quickly to the changing manpower needs in a developing society than can the relatively large and complex school systems of developed countries and does not require long-term institution building before results are visible.

At the same time, however, the formal school system's planners and managers in the developing countries are faced with pressures to improve and expand the nation's educational systems. Since revenues are not increasing nearly as fast as the demand for schooling, the dilemma is forcing planners' and administrators' attention to the economics of education and to the use of economic measurement tools to assess costs and benefits, evaluate results, and decide among competing proposals for use of limited education financing.

By encouraging the decision makers of developing nations to exploit the possibilities of non-formal education and training and the techniques of educational economics and measurement, we hope to take the first step toward meeting the almost insoluble problem of exploding populations and limited educational resources.

In addition to these activities, modest centrally-funded contract services and expertise will continue to be provided in teacher education, science education, book and library development, and educational administration. During FY 1972 these activities will be reviewed to determine their possible contributions as resources for the three key areas of concentration.

Development Administration

These interregional activities for which $475,000 is proposed in FY 1972, help developing countries improve their managerial capacity to meet program needs, particularly in agriculture, health, and family planning at national, regional and local levels; and develop more capacity for local action, particularly delivery systems for public services essential to economic growth and human well-being. In both areas, the application of managerial knowledge and techniques to systematic problem-solving and institution-building are crucial.

Development Administration activities will be carried out mainly by U.S. contractors working with institutions and professional schools in the developing countries.

Last fall, A.I.D. and the State Department hosted the United Nations Seminar on the Use of Modern Management Techniques in the Public Administration of Developing Countries. This seminar laid the groundwork for a multilateral effort on the problems lower income countries encounter in implementing development programs. It also provided sound documentation for training programs.

New projects dealing with agricultural management and modern management approaches applicable to all fields of development activity, especially health and family planning and education, are being initiated in FY 1971. The agricultural mangement project will emphasize agri-business, rural program management, and central government guidance of agricultural development. The modern management project will cover management techniques and training materials in such areas as project management and evaluation, management information systems, and budgeting.

These projects will draw lessons of experience from previous or ongoing development programs. For example, an assessment of recent experience with rural development institutions is underway to identify new approaches for application overseas. In addition, a new business venture exporting fresh produce to the United States from Central America is being monitored as a "field laboratory" in agri-business management methods. Overseas business and agricultural schools will cooperate with U. S. contractors in this effort.

In FY 1972, a third project will be initiated to help solve the management problems of local development programs and find better means to improve local action capacity in the developing countries.

Labor

The labor and manpower development program provides for follow-up action on the recommendations of regional and interregional conferences of Ministers of Labor for international technical cooperation to strengthen labor ministry services in fields affecting productivity and living standards. Assistance is provided in cooperation with other donor countries and agencies and in ministry-to-ministry programs concerning worker skills improvement, industrial health and safety, labor statistics, with emphasis on developing reporting on levels of employment and levels of living, employment services, labor standards and

wage policy, problems of working women and children, social security, manpower migration, manpower and employment planning and general human resource development. The program also provides support for flexible programs of union-to-union assistance and of joint efforts of trade unions, employers and governments to find solutions to international labor-management problems brought about by rapid advances in technology, such as the introduction of containerization in the transportation sector. In FY 1972, $350,000 is required for these activities.

Industrial and Urban Development

Engineering Services will require $190,000 in FY 1972 to continue a worldwide study of problem soils, updating and improving standards and procedures for engineering and economic feasibility studies, development of standard engineering designs for various types of projects, including urban facilities and applications of water desalination plants, study of methods for electric power market projections, study of project cost factors and post-completion project evaluation for feedback purposes, engineering/economic studies of environmental effects of projects and solutions therefore, and other engineering studies of worldwide and regional impact.

Science and Technology

In FY 1972 a total of $1,525,000 is proposed to support activities designed to (1) strengthen the capability of developing countries to formulate and implement national policies for science and technology, (2) develop and use local technologies effectively, and (3) acquire and adapt foreign technologies to their needs. Practical steps to improve the institutional base for research and development in applied science and industrial technology are of primary interest. New programs will develop and demonstrate the best means to transfer technology to these countries and apply technology within them. These efforts will also encourage application of available technology to the solution of specific development problems.

Bilateral workshops will be conducted in the developing countries under the auspices of the National Academy of Sciences and the National Academy of Engineering. Recent workshops in Ghana, Chile, Indonesia, and India have demonstrated the value of joint identification and analysis of important problem areas. These academies will also convene ad hoc advisory panels and special groups as may be necessary in selected scientific fields to formulate new concepts, suggest new approaches, and help evaluate specific field project proposals. Areas of current concern include technical information, labor intensive technologies, and the role of engineering education.

Other activities will include projects to (1) determine the impact of development activities on environmental quality in selected developing countries, (2) initiate specialized training programs in the fields of oceanography and industrial standards, and (3) adapt advanced technologies, including remote sensing and computer technology, to developing country needs.

Urban Development

There is increasing worldwide concern with the problems created by the transformation of peoples' lives from a largely rural to a predominantly urban environment. This transformation is creating unprecedented requirements for new jobs, low cost housing, community services, improved urban administration, control of urban pollution, and, related to all of these, improved urban planning and urban development strategies. This phenomenon, a natural concomitant of modernization, is occurring without sufficient awareness at all levels of the potentially serious problems and significant developmental opportunities inherent in the urbanization process.

Urban development, in its total relationship to economic, social, and overall national development, is a new concern of A.I.D. technical assistance. Rather than continuing to approach urban development on an individual problem basis -- housing, sewage, transportation, etc. -- an attempt is being made to identify major bottlenecks to urban development and treat them as an integrated whole, thereby providing greater developmental impact.

No specific funding is proposed for FY 1972, as the program is not yet fully developed. However, we are in the initial phase of defining problems and are considering:

-- strengthening training institutions with an urban development orientation in the U.S. and developing countries

-- developing and encouraging mechanisms for the exchange of experience, ideas, technological breakthroughs and other information

-- sponsoring research in areas bearing on policy and strategy

-- creating an awareness of A.I.D.'s sectoral activities on the nature and scope of urban development.

Other Program Development Activities

Title IX of the Foreign Assistance Act directs A.I.D. to seek new approaches to improving the quality of life for people of less developed countries. It encourages greater stress on social and civic development and development of programs to ensure that the broad masses of people participate in and benefit from the development process. Five main areas of concentration for carrying out the purposes of Title IX have been outlined:

(1) Research in the US and developing countries about the interrelationships between social, political and economic development.

(2) The analysis of strategies of economic development that tend to maximize popular participation.

(3) The promotion, the consideration and analysis of social and political development objectives, as well as their implications for economic development, in policy and program planning, implementation, and evaluation.

(4) Encouraging recipient nation personnel and institutions to incorporate consideration of the participatory factors of development in their program planning, implementation, and evaluation.

(5) Identification of specific institutions and programs which can have the effect of broadening participation, such as to legislatures, public policy institutions, and legal systems.

In the past several years, several types of programs designed to carry out these goals have been started. These programs include two major areas of focus: first, the review of present policies and projects in developing countries and the development of projects in important new areas which could make a substantial contribution to the expansion of participation and second, the continuation and initiation of research contracts with several U.S. universities to study selected aspects of participation and develop training programs in which their research is operationally applied.

Review of present policies and programs, and development of new projects

-- Land reform review: In the spring of 1970 A.I.D. carried out an extensive review of land reform experience in thirty countries. The review analyzed both the necessity for land reform and problems which it encounters. Special emphasis was made on the relationship of land reform to rural employment, productivity, and political stability. New guidelines on land reform have now been issued.

-- Rural Cooperatives review: A review of cooperatives is now underway to determine the conditions which have led to the success of cooperatives programs, particularly in promoting the participation of small farmers in Taiwan, East Pakistan (Comilla), Japan, and Ceylon. The review will also closely examine the reasons for the failure of cooperative programs elsewhere. Several possible programs are now under study for the promotion of more successful cooperative movements in the future.

-- Current overseas programs: There are numerous current overseas projects in various sectors which contribute to the expansion of popular participation. For example, a local government program and a pilot land reform project have been started with A.I.D. support in the Philippines. A rural leadership training project was approved in 1971 for Guatemala. Similarly, a new A.I.D. project started this year, which emphasizes motivational and technical training of local officials in Northeast Brazil, has met with enthusiastic response from local officials and Brazilian training institutions. In Korea, efforts are under way to establish an economic research institution, which will enable young, well-trained social scientists to have a more significant role in national development programs.

-- Programs in the development of legislatures: In May, 1970 A.I.D. concluded a contract with the Comparative Development Studies Center, State University of New York at Albany, to study the need for and possibly to design training programs in the development of legislatures. The study will assess the interest in such programs in the developing nations, and will examine the scope and content which might be appropriate, as well as administrative and financial aspects of the programs. The contractor will then design a multi-year training program. During 1971, the contractor studied legislatures in seven developing countries. It is hoped that the International Parliamentary Union and various developed nations will participate in the project.

In addition, Duke University has investigated the feasibility of an international program of research and training concerning the strengthening of the contribution of legislatures to popular participation. The recently concluded report included a description of possible procedures for establishing, implementing, and evaluating

programs for recipient nations' scholars of legislatures and actual members of legislatures. A grant to establish a collaborative program between U.S. and local universities to implement these recommendations is currently under review by A.I.D.

-- Program to establish public policy institutions: The Brookings institution is conducting a survey on the feasibility of encouraging the establishment of public policy education and research institutions. The findings would enable A,I.D. to determine the feasibility of assisting the development of such institutions in the developing nations, and the type of technical assistance required. Brookings representatives have visited eight countries this year; a final report is expected in May, 1971.

-- Programs in the role of law: New York University is studying the prospects for greater use of legal assistance programs as mechanisms for strengthening the role of law in development, particularly as it pertains to increasing opportunities for popular participation in the development process. Survey teams will visit up to eight developing countries; teams have already visited Zambia, Botswana, and Korea. A final report to A.I.D. is expected in the fall of 1971.

Research and training programs

-- The Fletcher School of Law and Diplomacy, Tufts University, is developing educational and training materials for Title IX activities, under a grant provided under Section 211(d) of the Foreign Assistance Act. The project will evaluate A.I.D.'s experience in social and civic development activities and plan curriculum for A.I.D. officials.

Started in June 1968, this project will end in 1973. The Fletcher School has to date provided year-long courses of study to fifteen A.I.D. officials, analyzed community development programs in the Dominican Republic, done research on civic education and the role of international institutions in Title IX, and begun development of a framework for analysis of political - economic relationships in the developing countries.

-- Northwestern University has largely completed a major piece of research into the implementation of Title IX objectives. This project was designed to provide a data base of participatory factors, a set of more clearly defined and measurable criteria of participation, and, from analysis of this data and criteria, new hypotheses regarding the interaction of political, social and economic participation. The results should assist A,I.D. in settling objectives and measuring progress in the implementation of Title IX as well as in the designing of new research on the relationship of participation to development. Extensive cross-country analyses of political participation and of income distribution and their inter-relationship, in the developing nations have been performed. Results indicate that during the early and middle stages of modernization, the primary income beneficiaries are the middle and upper-middle classes. The report also finds little direct, short-term relationship between increased equity of income distribution and increases opportunities for political participation, except as social mobility is increased. The project director concludes that greater emphasis on human resource development is the key to increased social mobility and thereby to greater participation in benefits of development and decision-making.

-- Since 1969, Harvard University has been exploring further the interrelationships between different forms of participation in modernizing societies. Building on existing research concerning social, political, and economic participation, and doing more in-depth country studies, it is seeking to identify distinctive patterns of participation in modernizing societies. Among the types of broad issues which are being investigated are the extent to which economic participation is a precondition or a substitute for political participation; whether and under what conditions different forms of participation predominate; and which groups are likely to participate in different ways as modernization proceeds.

-- Under Section 211(d) of the Foreign Assistance Act, a grant was made to Yale University Law School, in cooperation with the Department of Economics and Political Science, to establish a program of teaching and research on the relationship between legal systems and modernization. In addition to support for faculty teaching and research, the grant will help provide the means to train lawyers and social scientists from the United States and developing countries in the role of legal systems in modernization, to provide a relevant course of study for U.S. law students who anticipate careers which relate to development and to permit advanced study by officials of organizations involved in legal aspects of modernization. Yale has already concluded papers on law and capital market development in Brazil, and the law structure of Kenya. In addition, the grant will enable the Law School substantially to augment its Legal Institutions collection.

Social Science Development focuses primarily on studies designed to provide insight and formulate guidelines, prior to implementation at the country level, which will enhance A.I.D.'s effectiveness in furthering popular participation in civic and social development at the country level. Work will continue in establishing specific recommendations for mission programs. The FY 1972 estimate also provides for new programs to promote civic participation to be carried out by private U.S. institutions. At the same time steps will be taken to analyze and strengthen the Agency's evaluation system in various respects. A small amount will be required to finance publication of the Development Digest and a variety of miscellaneous activities, such as small ad hoc conferences and the procurement of special services and commodities. The total amount required in FY 1972 is $650,000.

In support of programs described above, as well as regional and country programs, Other Federal Agencies Technical Support and consultation services will be provided in the United States on a continuing basis. Where the use of private resources is not feasible, A.I.D. relies on the facilities and technical skills of these agencies on a reimbursable basis under Participating Agency Support Agreements. The cost of these services for FY 1972 is estimated at $2.5 million.

A.I.D.'s participant training program is an investment in the people of the developing countries, conducted to help carefully-selected, qualified foreign nationals acquire needed skills not available in their own countries. The program is one of the most direct ways to help developing countries help themselves. It responds to the rapid advance of technology, the desire of developing countries to take more responsibility for their own development, and U.S. policy of encouraging local self-reliance. One of the most important aspects of the program is that the foreign national agrees to return and use his newly acquired education or skills in the development of his own country.

The United States first began training foreign nationals in 1942, when it was confined to Latin Americans. It was expanded under the Marshall Plan as part of the rehabilitation of Europe following World War II; extended later through the Point Four Program with a gradual shift of emphasis to the less developed countries of Asia, Africa and Latin America.

In September 1970, the 150,000th foreign national arrived in the United States for training under this program. The participants have been trained in a variety of fields affecting the development process: agriculture, education, health, family planning, public administration, public safety, labor, youth leadership, industry. They have been educated or trained in literally hundreds of U.S. colleges, universities, private industries, local governments, labor unions, cooperatives and a variety of other training institutions in the 50 states, the District of Columbia and Puerto Rico, as well as in other foreign countries.

Over the past three years, A.I.D. has had in training an average of slightly more than 14,000 foreign nationals annually. More than one-fourth of the participants have been trained in education, followed closely by agriculture; with large numbers enrolled in public administration, health, industry, labor and other programs.

The objectives of the participant training program are:

(1) the improvement of the technical and productive capabilities of foreign nationals through the acquisition of new technical knowledge and skills;

(2) broadening the outlook of the foreign national through exposure to modernization, change and the democratic process;

(3) a better understanding by foreign nationals of the United States, particularly its people and its way of life through observation and participation in the civic, social and economic activities of U.S. communities.

The Participants: A foreign national must meet important criteria before he is selected for A.I.D.-sponsored training. The host country must confirm the need for the desired skills in their development program. The candidate must be a citizen of the country he represents, belong to no unlawful organization, be in good health, be technically and educationally qualified for the proposed training, have gone beyond the level of training available at home in his field and be employed in this field or reasonably assured of such employment on his return. He must be proficient in the English language, except for short-term training for which interpreters are provided; he must be mature enough to represent his country abroad and able to adjust to a foreign culture without too much difficulty.

By prior mutual agreement, upon completion of his program he must return to apply his training toward the achievement of his country's development goals and train others. This agreement -- which the participant makes with his government and the United States -- is seldom broken. The effect of the "brain drain" on the program over the years has been almost negligible -- less than one half of one percent. Indeed, on the basis of reviews of past trainees, more than 85% have put their training into direct use in the development of their countries. The fact that so few have failed to return can be attributed, at least in part, to careful selection and preparation, the motivation of the participants, careful monitoring of the program while they are in the United States and the relevance of the program itself.

Four types of training are offered:

(1) Academic training at an accredited institution which may or may not lead to a degree. In FY 1970, 51% of the total were in some form of academic training in 380 U.S. educational institutions.

(2) Observation training of short duration, usually for higher level participants who cannot be away from their countries for a long period of time.

(3) On-the-job training to learn by doing, side-by-side with an experienced person.

(4) Specialized training a combination of academic, on-the-job, and observation training to meet the needs of the participants. For example, some 150 U.S. industrial firms have provided opportunities for participants to work with U.S. management and labor to learn new skills and technology.

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In some instances, training is provided in other countries which have attained a sufficient momentum in a particular area to offer training closer geographically to the participant's own country; involving less cultural shock; often in the same language, and at less cost. This type of training also encourages developing countries to help each other. Mexico, Taiwan, Israel, Iran and Lebanon, which were once recipients of U.S. foreign assistance, now offer training to other nationals as do three present recipients -- India, Thailand and the Philippines.

With more than 10,000 participants in the United States in a given year, close contact is maintained with community organizations and college campuses throughout the country. In a series of special programs, an effort has been made to make the participant aware of the value of civic participation (Title IX) activities in the United States and how he might apply the lessons learned in this country to make his own community a better place in which to live. An effort is made to familiarize the participant with community activities and institutions and other social and cultural aspects of American society. Simple home hospitality, offered freely throughout the United States, plays a very important role in participant training.

The Cost: The participant training program costs relatively little. Except for the operation of the Office of International Training itself, the program is financed mainly through the technical assistance program to the cooperating country. The average cost per participant is about $3,000 for an average of six months' training during a fiscal year. The host countries themselves share in the total cost of participant training. Most countries pay the international travel costs for their participants. During FY 1970, international travel costs were just over $5 million; of this, host countries paid over $3.5 million. They also bear most of the costs of preparing the participant for departure, such as travel from his home to the point of departure, English language training, and medical examinations. More importantly, many countries also maintain the participant's family at home through continuing salary payments during the training period.

Priorities: A.I.D. already recognizes several areas that will require major attention over the next several years. Foremost among these is the problem of how to reduce population pressures. In response to this problem, A.I.D. has greatly expanded its training of participants who will train others in clinical procedures and demographic and other studies. In FY 1970, more than 800 participants received training in family planning under A.I.D. sponsorship. This figure is expected to rise sharply in the future. Agriculture, education, and health will also continue to require major attention. The demand for greater social and economic progress cannot be met without the basic knowledge and skills necessary for development. It is with this condition as a backdrop and in the belief that development of human resources -- man himself--is vital to progress.

Results: The best way to understand the results of the participant training program is through examples of what it has accomplished in the developing countries themselves:

-- Indonesia, one of the key developing nations of East Asia, has a special need for qualified teachers and administrators. In FY 1970, 547 A.I.D.-sponsored Indonesian participants were in training; mostly in education, health, agriculture and public administration. The administration of the University of Agriculture at Bogor has been reorganized and the entire new top leadership now consists of A.I.D.-trained personnel.

-- Prior to 1965, all Nigerian veterinarians had to be trained abroad. In that year, the Government of Nigeria and the A.I.D. mission began planning the development of a school of veterinary medicine at Ahmadu Bello University. As their planning progressed, it was determined that it would be of real value to other countries of West Africa. Seven Nigerians presently on the faculty are graduates of U.S. universities and two A.I.D.-sponsored participants, currently pursuing advanced study at Kansas State University, are scheduled to join the staff on completion of their training.

-- A.I.D. has long recognized the essential role of the fertilizer industry in Indian development; by 1970, 145 Indian participants had been trained in the fertilizer field, involving training in educational institutions, on-the-job, observation and specialized training. Many accomplishments have been made as a result of new skills acquired by the participants, including improved production planning and control, improved plant maintenance, institution of modern planning and inventory control techniques, improved personnel and financial management, implementation of modern marketing systems, installation of better soil-testing facilities and research in soil-test fertilizer response correlation and establishment of grandular mixture plants and mechanical compost plants for the manufacture of good quality organic manure out of urban waste. The cost of

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training the 145 participants was approximately $600,000. However, the increased production from improved practices and the economies in maintenance cost and inventories at only four installations are estimated to be over $10 million with an additional saving in capital cost of another installation of about $4 million--about 16 times the amount spent on training.

Although training in Population Control and Family Planning has been offered for only a short period of time, the interest of the developing countries in finding ways to meet the problem of population growth is increasingly evident. Teacher training in the various aspects of family planning clinic operations have been provided for participants from Pakistan, Korea, India, Indonesia, Philippines, Jamaica and other countries where fertility control has been accorded official and public sanction. Seminars and other programs, generally short-term, for higher level officials who will be involved in planning and management of national programs for population control have been attended by participants from many countries, including Uganda, Liberia, Cameroon, Nigeria, Sierra Leone, Nepal, Pakistan, India, Mauritius, Afghanistan, Jordan, Korea, Indonesia, Thailand, the Philippines, Jamaica, Colombia, and Chile. As a matter of policy, short-term exposure to the implications of population change, as it relates to every aspect of development is now being given to all A.I.D. participants undergoing higher level training in all fields.

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Coordination between A.I.D. and other groups and institutions involved in foreign aid, both public and private, is essential. A.I.D. established the Office for Private Overseas Programs to meet this need and to involve the creative flexibility characteristic of many independent, non-governmental U.S., multinational, and host country organizations in the development effort.

This coordination of public and private programs greatly adds to the effectiveness of the development effort by (1) directly mobilizing otherwise unavailable private resources; and (2) enabling the expansion of existing non-governmental developmental assistance capabilities. The increased use of both grants and contracts to private non-profit organizations will permit them to expand their ongoing programs and make these programs more innovative.

Asia Foundation: A.I.D. will provide $4 million to the Asia Foundation, a privately managed organization which works with individuals, community and professional groups, and private and public agencies. Through small grants and professional advisory services, the programs of the Foundation emphasize social and institutional development requiring matching self-help efforts by the groups with which it works. The main areas of focus are in growth and development of education, legal studies and administration, book and library programs, science, science teaching and transfer of technology, rural development, and Asian regional collaboration. In addition, increasing attention is being given to manpower and unemployment problems.

International Executive Service Corps (IESC): An A.I.D. support grant of $3.5 million will be provided for the overseas operations of the IESC, a private organization directed and managed by leading businessmen. Experienced business executives, who serve without salary, provide short term advisory assistance to locally owned enterprises, which pay a nominal fee for expenses. Assistance has been provided to nearly 80 types of businesses, including agriculture and food processing, manufacturing, transportation, service and communications industries, chemical production and processing, wood and paper products, wholesale and retail trades, insurance and banking, tax administration, and hospital management. Last year over 750 requests were received from businesses in 45 countries. From a roster of over 6,000 persons, volunteers were recruited to assist 525 organizations. Administrative costs in the US are supported by members of the U.S. business community.

Volunteers for International Technical Assistance (VITA): Grant support of $125,000 for FY 1972 is being proposed to VITA, a private volunteer organization concerned with the transfer of technology to developing countries. From a roster of 7,000 volunteers -- scientists, engineers, educators, and businessmen -- free expert advice is provided by mail in response to inquiries from all over the world. Responses have been made to more than 2,500 inquiries per year. Past services range from simple plans for a village bridge in Latin America to the complex design and on-site advice for a small respiratory disease hospital in the Middle East. In addition, a wide range of technical publications are distributed, and research is conducted on several technical issues.

Local counterpart organizations are being developed in six countries: the Philippines, Ceylon, the Dominican Republic, Colombia, Guatemala and Ecuador. Short term, on-site, volunteer consulting services are being planned in these countries to help small industries and other technical operations.

Major support for VITA comes from U.S. companies, foundations and individuals.

Cooperative Development Programs: A.I.D will provide a total of $755,000 to continue support to cooperative organizations through grants and contracts. These include five major programs as follows:

The Agricultural Cooperative Development International (ACDI), a group composed of 26 major U.S. cooperatives, assists in improving the agriculture production, supply, marketing functions of credit cooperatives, and the training of staff and management. Programs are underway in Honduras, Guatemala, Thailand, Philippines, Nepal, Uganda, and Vietnam.

The Credit Union National Association (CUNA), a national organization of U.S. credit unions, specializes in helping to organize local credit unions, federations and confederations which mobilize capital and extend credit in both urban and rural areas. CUNA has assisted in the organization or development of many of the credit unions in Latin America, which have 933,000 members with savings of $94 million in 16 countries. A regional program is underway in Africa to develop and service credit unions in 19 countries.

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Cooperative League of the U.S.A. (CLUSA), supported by numerous U.S. cooperative members, provides assistance in insurance, the development of consumer cooperatives, agribusiness, and the organization, management and finance of producer cooperatives. Through its own programs and through programs contracted by A.I.D., CLUSA has worked in many countries. Presently, it assists programs in Chile, Ecuador, Panama, Peru and India.

National Rural Electric Cooperative Association (NRECA), draws on its 1,000 U.S. member organizations to assist in the development of rural electric cooperatives in developing countries. Assistance is provided in planning, organizing, managing and operating rural electric systems. Programs are presently underway in Afghanistan, Bolivia, Nicaragua, India and the Philippines.

Volunteer Development Corps (VDC), supported by major U.S. cooperatives, will provide top level cooperative specialists who volunteer for short term advisory assistance to requesting organizations in developing countries. Primary emphasis is being placed on projects to help develop management skills and improve operational efficiency of existing cooperatives. Projects have been completed in Chile and Jamaica. In FY 1972, programs will also focus on increasing collaboration with multinational cooperative organizations and international agencies.

Support to other private programs totalling $245,000 include:

--The Technical Assistance Information Clearing House (TAICH) of the American Council of Voluntary Agencies in Foreign Service which provides a service to and directory of U.S. private non-profit organizations operating overseas programs.

--Council for International Progress in Management (CIPM) to continue its assistance in the development of local management training institutions in Africa, Asia and Latin America.

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Grants to U.S. Institutions

Under Section 211(d) of the Foreign Assistance Act, A.I.D. supports a program designed to greatly increase the capacity of the United States to assist the development of the lower income countries. Through grants authorized by this section, U.S. universities are able to strengthen their capacity to participate in the planning and execution of economic development programs. Related to the A.I.D. research program, which mobilizes existing research talent of the universities, the Section 211(d) grants program stimulates the development of new talent and new institutional resources in the United States for long term collaboration in the development process.

Grants are made to universities that have demonstrated a commitment to achieve a capability in a particular area. Usually this capability is based on previous work on domestic problems. Examples are Auburn University in fish production and the University of Wisconsin in land tenure. The grant, made for a period of five years, enables a university to add an international economic development dimension to its existing capability. Recipients contribute as much, or more, from other sources as they receive from the grant.

In carrying out this effort, administrative procedures have been simplified to permit assumption of most of the management responsibility by the recipient institution. Thus a highly productive relationship is built between A.I.D. and the university.

Universities have demonstrated a serious commitment to development far in excess of what might be available under a standard procurement contract. Library collections in land tenure at the University of Wisconsin and in water management at Utah State University have been supported by funds provided by the universities.

Contacts have been made with foreign institutions through graduate students trained at U.S. universities. New productive relationships have been established by direct contact with these and other institutions. In addition, training foreign students enables a university to build its development capability. Through requests from overseas missions, other organizations such as the Peace Corps, other governments, and Foundations, the capabilities of the recipient institutions are further enhanced.

Agriculture is the largest area of concentration of the grants programs. Six universities working in India under institution building contracts in agricultural development were the first recipients of grants. More recently, five universities received grants to develop a competence in tropical soils. While the grants are made individually, the recipients will work cooperatively. Three other universities have received grants to concentrate on water management problems in the less developed countries, including work on the organization of water districts. These universities are also cooperating in a consortium arrangement with a fourth university supported by a grant from a private foundation.

Tropical livestock problems related to the economic and social framework within which livestock is produced and marketed are being studied by three universities. Two other universities have received grants to work on fish production problems, with one concentrating on ocean fish and the other on inland fish. Four universities have received grants to develop a competence in agricultural economics work, especially in policy determination, and a fifth is the recipient of a grant on land tenure and reform problems.

Health, Population, and Nutrition is an area in which grants have been made to the Universities of Michigan, North Carolina and Johns Hopkins. Because of the nature of the problem, these have been the largest grants made. These universities have experienced heavy demands from A.I.D. missions and other international organizations to respond to health and population needs around the world.

Two grants have been made for education. One to Florida State University will help that institution develop a leadership capacity in the field of educational technology and new educational systems for the less developed countries. This is a key element in the strategy to develop new and efficient means of education relevant to the situations of the less developed countries. Another grant has been made to the University of California to increase its work in Latin American educational problems.

One grant has been made on urban and industrial development to Cornell University. This grant will enable Cornell to extend its program of science policy which so far has been oriented to domestic problems.

In response to Title IX of the Foreign Assistance Act, seven grants have been made in the fields of political and social participation. Grants have been made to Yale University and Stanford University to increase U.S. competence in the field of law and legal systems in the development process. A grant to Duke University aims to create a competence in world legislative problems, and one to Tufts University aims at building a competence to work in

institutional needs for democratic development. Another grant in institutional development and technical assistance methodology has been made to the Midwest University Consortium for International Activities, to which five universities belong. The University of Michigan has received a grant to work in economic policy and development problems peculiar to Africa, and Southern Illinois University has a grant to develop a competence in the social and economic development problems of Vietnam.

The University grants program is new, with 34 grants having been made since the end of FY 1968. As a relatively new element in our bilateral development assistance effort it seeks to enlist the universities as full partners in the task of development, rather than merely as contractors for specific tasks. This program reflects growing concern that a more meaningful collaboration be established with overseas institutions in order to help the universities and research institutions of less developed countries support the efforts of their own governments in economic development. The program will be modified in FY 1972 to cover other areas, such as urban development, administration of development programs, and new educational systems.

Development Research

A.I.D.'s central research program was designed to focus on one of the major constraints in development -- technical inefficiency. This technical inefficiency is found throughout the underdeveloped areas of the world in production, administration, education, and government. For example, poor soil is not usually as important in limiting crop yields as are crop varieties which are inefficient users of land, poor use of fertilizer and water, or low quality fertilizers mixed by inaccurate formulas. In other cases poorly organized educational systems use scarce money and manpower in inefficient methods of teaching, often in subjects that have little relevance to the problems of society.

The United States has a great store of knowledge which has been applied to its own development. But research is necessary to adapt U.S. technology to the needs and environments of the developing countries. The central research program was designed primarily to build on this store of U.S. competence by providing knowledge of more direct usefulness to the less developed parts of the world.

However, the less developed countries need their own competence to solve problems and develop new technologies to continue their economic and social development. This competence is growing through general institution building projects, and the collaborative efforts of research contractors with research institutions and the numerous scientists of the less developed countries who were educated in the United States, many under A.I.D. sponsorship. The FY 1972 research program will emphasize this collaboration and encourage the creation of international research networks, involving one or more research entities from the United States and the less developed countries.

-- In Colombia, for example, the national agricultural research group has increased its staff and budget to work in weed control with Oregon State University; in vertebrate pest control with the Department of the Interior and in irrigation with Utah State University. Thus the scope and effectiveness of the research programs are increased and the application of research results facilitated. In each case the U.S. contractor also collaborates with institutions in other countries. For example, to solve irrigation problems in Colombia, Utah State University is coordinating a network with three other U.S. agricultural colleges which have international programs in water resource management.

In another emerging network, A.I.D. is contracting with the University of Makerere in Uganda to do research in contraceptives, a field in which it collaborates with several other U.S. organizations.

The University of Nebraska, under an A.I.D. contract to improve the protein quality of wheat, has established an international network; the network, which includes 26 countries and the International Center for Wheat and Corn Improvement (CIMMYT) in Mexico, aims to test the entire world stock of winter wheat genetic materials. Purdue University has a similar network for sorghums testing.

These collaborative networks have been emerging informally with encouragement from A.I.D. In FY 1972 research contracts will provide for more participation by developing country institutions, to work more closely with these groups in designing research projects, and to attempt to create more formal, effective networks that will survive after the expiration of the A.I.D. contract.

The A.I.D. research program is executed by U.S. universities, research institutions and other private organizations under contract and by reimbursable agreements with other Government agencies. A total of 142 projects have been approved since the program started in 1962, of which 65 are still active. These projects have involved 28 universities, 15 research institutions, and the Departments of Agriculture, Interior, and Health, Education and Welfare.

Agriculture: The research program has concentrated primarily on agriculture, both because of the importance of agriculture in economic development and because of the extensive experience the U.S. agricultural scientific community has had in problems of development. Its work can be grouped into five categories: plant breeding, pest control, water and soil development, livestock production, and economic aspects.

-- To provide a solution to the widespread problem of malnutrition, plant breeding emphasizes efforts to increase the protein content of various crops. Research is being done to improve varieties of wheat, corn, sorghums, cassava, and the grain legumes (especially beans and peas). This work, particularly the work in cereals, is being carried out largely by international groups. New seed lines have been developed by scientists in various projects; these can now be developed into new varieties.

-- Research into weeds, vertebrate pests, and the tsetse fly form our pest control programs. Male sterility methods of insect control developed in the United States, have been adapted to combat the tsetse fly, an insect which prevents the development of millions of acres of good rangeland in Africa. The methods need extensive field testing before application, which is now being planned under FAO. Weed control research in Colombia has resulted both in a wider use of herbicides where necessary, and a wiser, more efficient use in all areas. Such research increases agricultural production and protects the environment against overuse of chemicals. The introduction of soybeans into the fertile Cauca Valey of Colombia was meeting serious obstacles from bird damage. In response to a request from the Colombian Government, A.I.D. researchers are now attempting to control the bird problem. Similarly, in the Philippines, where rat damage is serious, and in Mexico, where cattle diseases are transmitted by bats, A.I.D. pest control research programs are being conducted.

-- Soil and Water resources studies are another important area of agricultural research. Limited water resources and bad management are often the most serious constraints on agriculture. Two research contractors -- Colorado State and Utah State Universities -- are working on water resource management. These universities are collaborating with the Universities of Arizona and California in these projects. In addition, Cornell and North Carolina State Universities are engaged in research on tropical soils management; Cornell is studying management problems, while North Carolina State is investigating the particular problems of savannah type soils. Under this savannah soils project, in collaboration with a Brazilian University, a fertilization system has been developed which has increased grain production four-fold in an area of previously declining production. Finally, the Tennessee Valley Authority is coating fertilizers for use in tropical areas, so that various nutrients will be released at different times as needed by the particular crops.

-- In livestock production, the University of Florida is working on special problems of cattle nutrition in the tropics, and Texas A&M University is working on special problems of cattle diseases. Research in this area will be emphasized more in the future.

-- Economic and social problems of agriculture are receiving increased attention, partly in response to progress in rural development and partly in response to age-old problems like uneven income and land distribution. Cornell University is studying income distribution and the employment effects of the production increases resulting from the adoption of new varieties of wheat and rice and possible government policies to adjust inequities. Michigan State is studying planning methods to help national governments cope with the economic and social problems of rural development. The University of Wisconsin has completed a long-range research project in land tenure and is using the findings to advise Latin American governments on land distribution schemes. Ohio State is presently engaged in a study of capital formation in agriculture.

Population research is one of the most difficult areas of A.I.D.'s research program. Not only is the population technology inadequate, but major problems also are encountered in the deficiency of demographic information, government policies, and the widely varying social customs of the developing countries.

The technology of population control is receiving the most attention. Much of A.I.D.'s research is aimed at improving conventional fertility control methods, such as the pill, the interuterine device, foams and medications, and sterilization. One line of research, for example, seeks to develop methods of reversible sterilization, since the finality of present methods is an obstacle to wider acceptance of the practice. In addition, other research on foams emphasizes their potential in disease control, as well as in birth prevention. In the new area of once-a-month medication, four research contractors are seeking better ways of production, more knowledge of the effects, and more effective ways of application. Another line of technological research aims at finding methods to improve delivery of contraceptives in countries where clinical facilities and trained medical personnel are scarce.

Demography and population dynamics are another important area of research in which A.I.D. is attempting to develop a new methodology. Developing countries face serious problems in collecting population data and in its analysis and application. North Carolina State University has a contract to conduct research in this area. Research is also being conducted in patterns of growth in order to help countries in their planning of population programs.

Operational research is becoming more important in the population program; efforts are being made to determine best ways to implement family planning programs and to widely diffuse a contraceptive technology. The operational research is being conducted in collaboration with WHO and other organizations; coordinated programs for gathering information regarding present population control practices, attitudes toward family planning measures, and the organization and administration of national family planning programs are presently being implemented.

Health research has placed heavy emphasis on supporting the world-wide malaria eradication program. The Department of Health Education and Welfare has three important projects in the United States, Central America and Thailand which are seeking to find alternatives to DDT control and are studying the ecology of mosquitoes and the effects of population migration in the spread of malaria. The University of Illinois has a long-range research project to develop a vaccine against malaria. A vaccine which they have developed has been tested successfully on rodents, but will require several years to perfect for human application. Other tropical diseases, such as schistosomiasis, will also receive attention in research programs.

Nutrition research has concentrated heavily on the protein fortification of basic cereals such as corn, wheat, and rice. Laboratory work has been completed in these three grains, and extensive field trails will be instituted in 1972. A major breakthrough may result from research at Kansas State University, which has developed formulas for greatly enriched native foods, such as local types of breads and cakes, which can be baked without significant changes in taste and appearance. The corn-soy milks, which have been marketed in several countries as high-protein alternatives to conventional soft drinks, have also been a development of A.I.D.-sponsored research with the U.S. Department of Agriculture.

Education and Manpower Development: Educational research has been limited in the past to a limited number of studies in teacher training methods, curriculum reform for Africa, educational surveys in Latin America, and evaluation of the A.I.D. programs of training personnel from the less developed countries. A new area of research with significant potential will be emphasized beginning in FY 1972.

This new research concerns communications technology, including research on educational systems and organization needed to utilize the relevant technology. This research emphasizes that the educational needs of the developing countries are so large in relation to resources that the high-cost conventional educational systems often are impractical.

Urban and Industrial Development: An area of research which has received little attention in the past is urban and industrial development. This partially reflects the lack of interest and awareness in the United States in the past of the problems of urban and industrial development. However, it is expected that research in this field will expand in the next few years. Research contracts are now contemplated in methods of analyzing industrial potential and the means of searching for geothermal energy. One project on specific problems of urban development will be initiated in 1972.

Policy, Program Organization, and Administration: Limitations of organizational and administrative capabilities are often as serious in hindering economic development as those in biological and physical technology. These areas have received additional emphasis in research in policy issues such as trade, employment, exchange controls, transportation, and pricing, all of which are critical economic factors. Research in policy issues more specifically related to individual sectors and to other smaller units will be emphasized in the future. Problems of income distribution and civic participation, both of which are extremely important in development, will also be stressed. A contract with Rice University aims specifically to analyze the role of income distribution in economic development and its relationship to political factors. Research is also being planned now in the areas of legislatures and law, both highly important, not only to overall development, but also to problems of equity and political participation. Research in these areas will also focus on lower levels of government and administration, particularly in relation to problems which might be encountered in developing delivery systems to extend health, agriculture, nutrition, and family planning services to small communities and individuals. General technical support activities are already being implemented in these areas. As important problem areas are defined, additional research projects will be designed.

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Technical Cooperation Transition Costs: While the broad operating concepts of the International Development Institute and International Development Corporation are now agreed, these concepts must be translated into program detail. The FY 1972 Technical Cooperation request is based largely on existing A.I.D. technical assistance activity. Recognizing that many changes in individual programs and projects will occur over the next several months, we have allowed virtually no increase in funding of individual projects between FY 1971 and FY 1972 for non-population technical assistance activities and very little allowance has been made for new projects on the grounds that the new IDI management would wish to choose its own new projects.

However, a small amount of technical assistance funds -- $15 million -- will be required to cover probable added costs of the transition to new technical assistance arrangements. This sum is not programmed against specific technical assistance projects but, rather, will be used to cover such additional requirements as:

-- extra costs to accelerate certain projects so they can be completed earlier than planned

-- extra costs associated with terminating certain technical assistance contracts ahead of schedule

-- extra costs incurred in bringing additional direct hire technicians home ahead of schedule.

INTERREGIONAL AND OTHER

Washington Program Support

Program support costs primarily represent those activities in Washington which directly support field operations. They are basic operating costs which may be broadly defined as indirect (Washington) overhead expenses of the program activities for which economic assistance funds are appropriated. The majority of these costs (over 60% of the proposed FY 1972 total) are for salaries and benefits of Washington-based professional employees, such as contract officers, training officers, program officers, research personnel, and technicians. Also included are travel costs (including Congressional travel to review programs in the field), contractual services such as technicians provided by other Government Agencies, maintenance of automatic data systems and related equipment, employee training, and other miscellaneous support costs. In addition, the estimate includes the prorata share of costs for common services furnished by the Department of State such as translating and interpreting, transportation, health, custodial services, and telegraphic communications. Also included are expenses to cover participation in the Development Assistance Committee (DAC) of the Organization of Economic Cooperation and Development (OECD) and the World Food Program staff in Rome. Increases in these program support costs are largely attributable to pay raises. The FY 1972 is $36.9 million.

Portions of these costs are directly related to and support Technical Cooperation, Development Lending and Economic Supporting Assistance activities. The analysis necessary to separate individual functions and properly identify and attribute financing to each of these appropriations will be done as the program is carried out during FY 1972, when these program support costs will be distributed among the three accounts.

These proposed amounts do not include costs related to the expanded Vietnam program, which have been included, as in previous years, in the Vietnam program under the request for Economic Supporting Assistance.

Construction of Facilities

Section 636(c) of the Foreign Assistance Act of 1961, as amended, permits the use of up to $3 million of foreign assistance funds in any fiscal year to construct or acquire essential living quarters, office space and necessary supporting facilities for use of personnel overseas carrying out activities under the Act. In FY 1972 a proposed $300,000 is planned to be utilized for construction of residences in Laos, Tanzania and Kenya. The distribution of this amount among Development Lending, Technical Cooperation, and Economic Supporting Assistance accounts will be made during FY 1972.

Dependent Education

Section 636(d) of the Foreign Assistance Act of 1961, as amended, authorizes the use of foreign assistance funds to assist schools already established (or to be established) or for other types of educational assistance to assure educational opportunities equivalent to those available in the United States for dependents of personnel carrying out activities authorized by the Act. Thus this authority has enabled U.S. Government agencies to recruit and retain the high caliber personnel required in carrying out foreign assistance programs in the less developed areas of the world.

The Dependent Education Program directs its major attention to support of staffing, teaching materials and educational facilities. Funds must be made available for such support if the dependent children of personnel stationed abroad are to have adequate educational opportunities. In FY 1972, the $2.5 million authorized is required. The distribution of this amount among Development Lending, Technical Cooperation and Economic Supportin Assistance accounts will be made during FY 1972.

AMERICAN SCHOOLS AND HOSPITALS ABROAD

Section 214 of the Foreign Assistance Act of 1961, as amended, authorizes assistance to schools and libraries outside the United States founded or sponsored by U.S. citizens and serving as study and demonstration centers for ideas and practices of the United States. Assistance also may be provided to hospital centers for medical education and research. The principal objective of the program is to strengthen such private, non-profit educational and medical institutions abroad and enable them to maintain high standards and to operate in a manner which brings credit to the United States. Moreover, by conveying the best elements of U.S. education and medicine, they attract the students that will ultimately emerge as leaders in their societies and thus are exposed to an aspect of America which will inevitably shape their lives and their attitudes toward our own country.

Significantly, some of the U.S. institutions for which support is proposed in FY 1972 are located in countries to which economic assistance has been terminated. As schools and medical institutions in the United States have discovered, it is difficult to raise funds. The institutions for which new obligational authority is sought in FY 1972, cannot rely upon the same sources of funds as domestic U.S. institutions. Moreover, American schools and hospital centers are by definition alien institutions in the countries where they are located. As such, they are not able to attract support from the governments of these countries, which are hard pressed to meet the demands of their own national institutions. Understandably, also, American institutions overseas want to retain their American character by hiring well qualified U.S. personnel who require standard American salaries. Yet no American institution abroad can charge tuition fees comparable to those in the United States -- even moderate increases tend to exclude students from middle class backgrounds whose attendance is most desirable, as they are often the future leaders of their countries. Nevertheless, in order to remain in a leadership position, several institutions are obliged to expand enrollment, upgrade curriculum by adopting the best in American education and medicine and maintain a high quality of staff. All of these factors have meant increasing pressures upon the already strained finances of the institutions.

Thus the administration of the program has stressed identification of clearly defined objectives, and development of operational and physical plans which will either enable them to achieve a self supporting status or maintain a reasonable degree of financial independence. All grant recipients agree in principle that, where possible, use of U.S. public funds for operating budget support is not desirable. However, use of grant funds for this purpose has become unavoidable since neither education nor health services are income producing. Since all Section 214 grant recipients have some income of their own, A.I.D. has concluded that the most effective control of support requirements does not lie in a differentiation between operating and capital budgets. Effective understandings are achieved through close working relationships with the recipient institutions. Support levels are developed through joint examination of all resources available to the institutions, including the U.S. Government contribution. Such examinations focus on the overall role and objectives of the institution, its fund raising capabilities, and its management of its own objectives and U.S. economic and political interests in the areas where the institution is located.

While efforts will continue to be made to prevent increases in U.S. Government support, we are persuaded that the institutions receiving support are a clear asset to the United States. Some are clearly of greater significance than others, and our objective should be to distinguish between these. In the future, we will aim toward a more equitable geographic distribution of Section 214 support without necessarily decreasing support to schools and hospitals located in the Near East.

American schools and hospitals abroad represent to a marked degree private foreign assistance programs, managed and financed by dedicated and effective U.S. citizens, who recognize the need for a useful, unofficial U.S. presence abroad and which, in many instances, preceded official U.S. foreign aid efforts. Without exception, their purpose is to contribute to the economic and social progress of the nations where they are located. Most importantly, they make genuine, lifetime friends for the United States both among present leadership and the youth they serve. They are involved in programs which deserve the help given by the U.S. Government. In terms of cost, the United States gets much more than a dollar's value for each dollar granted. Each of the recipients not only has its own organization, plant, and private funds, raised here and abroad, but contributes a quality of leadership which the U.S. Government could not begin to command with the $10,175,000 requested for FY 1972.

The American University of Beirut (AUB), Beirut, Lebanon $5,785,000

The American University of Beirut provides a showcase of American higher education in the Middle East. Teaching in the English language, the University offers undergraduate and graduate

degrees in the arts and sciences, medicine, agriculture, engineering and architecture. The University's training, research, consultation and advisory services are an integral part of the Middle East.

The University's most important role is the training of men and women capable of playing an active role in business, government and education throughout the Middle East. For instance, 19 AUB graduates were delegates to the 25th anniversary session of the United Nations.

Presently, 4,000 students from 62 countries are enrolled at AUB, 78% of the students are from Arab countries and 28% are women. The faculty is comprised of 550 professors and instructors, 25% of whom are from the United States and Canada. The majority of the faculty are from Middle East countries and have earned advanced degrees in American universities.

But AUB provides other kinds of services to the people and countries of the Middle East.

-- AUB is engaged in a cooperative program with the College of Petroleum and Minerals in Dhahran, Saudi Arabia, which includes lectures and consultations in fields as diverse as the history of Arabic science and the most modern developments in organic and inorganic chemistry.

-- The University has collaborated with UNICEF in developing a food processing plant in Lebanon to manufacture the AUB developed food supplement, Laubina. The AUB charter for manufacture of Laubina was made available to the Governments of Libya, Sudan, UAR, and India, all of which are considering production of this supplement for infant feeding.

-- AUB's Faculties of Medical Sciences provided advice on curriculum development to the Medical School of the University of Baghdad, and consultation on the development of medical libraries to Kuwait University and the University of Baghdad.

During the past two years, funds have been made available by A.I.D. for construction of the third, and concluding, phase of AUB's Medical Center. Construction is now underway on a basic science building, a new medical library, and the renovation of several old facilities. These facilities will complement the 440 bed teaching hospital which opened in 1970, and research and clinical teaching facilities which were completed in 1968.

In addition to funds for new facilities in the past three years contributions toward AUB's overall operating expenses have been limited to $5.5 million -- 36% of the total operating expenses for 1969/1970, and 34% for 1970/1971. However, operating expenses have continued to increase and, despite a 10% increase in tuition and fees for 1971/1972, make it necessary to propose a grant of $5,785,000 to cover AUB's operating deficit for FY 1972.

Robert College, Istanbul, Turkey $1,900,000

Robert College provides secondary and higher education for 2,000 students, over 90% of whom are Turkish nationals.

The College is entering a transition period which will last until 1975. During this period its higher education program will be phased out and its separate boys and girls secondary facilities will be merged on one of the two existing campuses. However, recent changes in Turkey's government have delayed beginning the transition. The merger of the two secondary schools has not yet taken place, nor has the Government of Turkey decided whether it wishes to continue the university level education now offered by Robert and take over one of the two campuses for its own purposes. Accordingly, since much of the future planning will depend to a large degree on actions of the Turkish Government, we are pressing for resolution of issues related to the transformation of Robert College.

A.I.D. anticipates a decreasing need for support of Robert College during the phase-out years. For example in 1972 enrollment will be reduced from 4 to 3 classes at the college level. At this time requirements for Robert College are estimated at $1.9 million in FY 1972.

Project HOPE $1,500,000

The People-to-People Health Foundation, through Project HOPE, brings the skills and techniques developed by the U.S. medical, dental, and paramedical professions to the people of developing nations. This is accomplished through operation of its teaching-training program on the hospital ship S. S. HOPE, and follow-up training programs in countries previously visited.

The majority of the Foundation's expenses have always been met from private contributions; in 1970, these financed over 80% of the Foundation's total expenditures. A.I.D.'s assistance to the Foundation is to help cover the cost of operating the S. S. HOPE. To date, A.I.D. grants have provided approximately $1.5 million

for each voyage undertaken by the S. S. HOPE. We propose $1.5 million to help the Foundation undertake its tenth voyage, which is planned for Brazil, during FY 1972.

The American Farm School, Thessaloniki, Greece $200,000

The American Farm School was founded in 1904 to disseminate knowledge of modern agriculture in a Macedonia region. The School has an enrollment of 200 boys and 50 girls at the secondary level and continues to make a very real contribution to the development of rural Greece by providing training in agriculture and "practical arts".

As a result of Greece's general economic progress and agricultural modernization, the School is having a difficult time maintaining its leadership role. Therefore, it has requested additional funds in FY 1972 to enable it to make improvements in its training equipment, facilities and curriculum which will enable it to continue as a pilot school. A.I.D. requests $200,000 in FY 1972 to enable the Farm School to initiate the modernization program, to meet some scholarship costs, and to improve its English language training program.

American University in Cairo (AUC), Cairo, Egypt $200,000

The American University in Cairo provides a vital, cultural link between the United States and the people of the UAR. The University provides undergraduate and graduate (masters) education for 1,400 full-time students; 75% of these students are Egyptians, 14% are from other Arab countries and the remainder from 40 countries around the world. In addition to its regular degree program, AUC offers non-degree courses to 4,000 students through its financially self-sustaining evening school. English language instruction accounts for nearly two-thirds of the enrollment in this popular program, which also highlights management courses.

AUC's faculty totals 131, including 54 American members for whom AUC requires dollars in addition to excess Egyptian pounds. The FY 1970 and 1971 grants of $200,000 each year provided approximately 23% of dollar requirements. Because of overall budgetary restrictions on the Section 214 program, the request for FY 1972 support is limited to $200,000. However, this level of support will also limit AUC's ability to operate effectively and will thus require it to draw on its dollar endowment as well as reduce needed American personnel.

In view of the significance of AUC's role in Egypt, the quality of its leadership and staff, and the widespread support which it has earned in Egypt through its educational efforts, A.I.D. intends to examine AUC's overall plans and financial posture to determine future levels of support needed to maintain AUC as an effective American institution in the leading country of the Arab world.

Escuela Agricola Panamericana, Tegucigalpa, Honduras $200,000

Founded in 1941, the Pan American Farm School in Honduras is the only private endowed agricultural school in Latin America and provides post-secondary, sub-professional agricultural training to about 200 students from throughout Central and South America. Only about 23% of its graduates are Hondurans.

Because of its outstanding performance and leadership role in Latin American agriculture since its founding, it is in the U.S. interest to continue support for expansion of the school's physical plant and its scholarship program, and strengthening the quality and content of its teaching. A total of $200,000 is proposed for FY 1972.

Anatolia College, Thessaloniki, Greece $100,000

Anatolia College provides secondary education to approximately 1,000 students. Over 70% of these students proceed to universities in Europe or the United States.

Recently Anatolia College has been under some pressure from Greek sources to assume an even greater leadership role in the community which it serves. This has led to re-examination of its facilities which need renovation and the cost of refurbishing the school is estimated now at over $300,000.

A.I.D. requests $100,000 in FY 1972 to enable Anatolia College to start its physical renovation program for which it is also raising funds privately.

Pierce College, Athens, Greece $100,000

Pierce College in Athens, Greece, provides secondary education to about 750 students and higher education to about 400, mostly women. Emphasis at the university level has been upon social work and commercial subjects.

Pierce College, which has built a new campus with U.S. Government help is seeking further U.S. support for books, laboratory

equipment, language laboratories, staff and student housing and scholarships. The Pierce Board has approved a five year development plan which is expected to cost approximately $1.5 million.

Recently Pierce College has been beset by internal managerial problems, an unanticipated drop in income, and differing views on its role in Greek education.

A.I.D. has accordingly not allocated the full amount anticipated for Pierce College in FY 1971 pending resolution of outstanding policy and management problems. However, given the institution's potential, we propose to provide up to $100,000 in FY 1972. Of this amount $15,000 would be reserved to defray the cost of technical assistance to Pierce to help define objectives and growth limits which reflect the real financial prospects of the college.

Admiral Bristol Hospital - Istanbul, Turkey $40,000

The Admiral Bristol Hospital, to which A.I.D. provided funds some years ago, is now self-supporting. Recent A.I.D. grants have helped finance the auxiliary Nurse Training School, which has continued to operate at a loss.

An expansion program calling for construction of a five story wing has been made possible by a private donation in late 1970. This expansion is expected to make Admiral Bristol Hospital and its Nursing School financially self-sustaining upon completion.

At this time, a grant of $40,000 is proposed to enable the Admiral Bristol Hospital to balance its budget during FY 1972. If construction of the new wing is completed on schedule and income therefrom meets expectations, this may be the last year for which funds will be requested. Otherwise, one more year will complete the phasing out of our assistance.

Program Support $150,000

FY 1972 funding totaling $150,000 is requested for the staff of the American Schools and Hospitals Office, including travel, and consultant services required to monitor projects for which funds are requested, as well as a number of activities funded in prior years which are in various stages of implementation.

On-going Activities: In addition to the institutions for which assistance is proposed in FY 1972, a number of other institutions are presently planning or improving facilities as a result of past Section 214 appropriations. These include 15 institutions in Israel, one each in Lebanon, Nigeria, Poland and Morocco, and the International Eye Foundation.

Grants totalling $5,986,000 equivalent in Israeli pounds were made to five institutions in Israel in FY 1968. Three of these institutions -- Or Hachayim, Bayit Lepletot and Ch'san Sofer Chasan Yecheskel -- are presently building new facilities. Two other institutions -- Jerusalem School for Applied Sciences and Jerusalem College for Women -- have purchased dormitory facilities and are completing plans for construction of other facilities.

In FY 1970, eight more Israeli institutions received grants totalling $12.5 million. Grants were made to the Hadassah Medical Center and the Feinberg Graduate School of the Weizmann Institute for the purpose of procuring U.S. medical, scientific and computer equipment; both institutions are presently engaged in that process. Grants were also made for the construction of new facilities for five secondary schools for girls. These include the Beth Yaacov Avat Girls School, Kfar Eliyahu (two campuses), Haifa Institute of Education, Amana Ulpanat (two campuses) and the Educational Center of Galilee. All these institutions are working on their final plans and anticipate that construction will begin in the second half of 1971. The eighth Israeli institution receiving assistance, the Ramat Havrah Center (Hospital and Home for the Aged), is working on its plans and has scheduled construction to begin at the end of 1971.

In FY 1971, five Israeli institutions (including three prior recipients -- Feinberg Graduate School of the Weizmann Institute, Or Hachavim, and the Ramat Havrat Center) will receive grants totalling $2.5 million as appropriated. In addition, a grant of $200,000 will be made to the International Eye Foundation.

In Lebanon, a prestigious preparatory school, the International College of Beirut, will complete construction this summer of a new campus south of Beirut. The new campus is being built from $2.6 million in grants made during the 1960's and over $1 million from private sources.

The Chemke Mercy Hospital, to be located in Gboko, Nigeria, received a $500,000 grant in FY 1970 to assist in building a new facility. The Hospital is still planning this project and construction is not likely to begin before the end of 1971.

The University of North Africa Association (UNAA) is completing planning for the establishment of a new university in Morocco with

a $100,000 local currency grant made in FY 1969. The remaining local currency funds, totalling $4.9 million equivalent appropriated in FY 1968 and 1970 for UNAA and reappropriated in subsequent years, will be released to the Association as soon as adequate alternative financial support is available to ensure operation of the institution without further recourse to the U.S. Government for the proposed program.

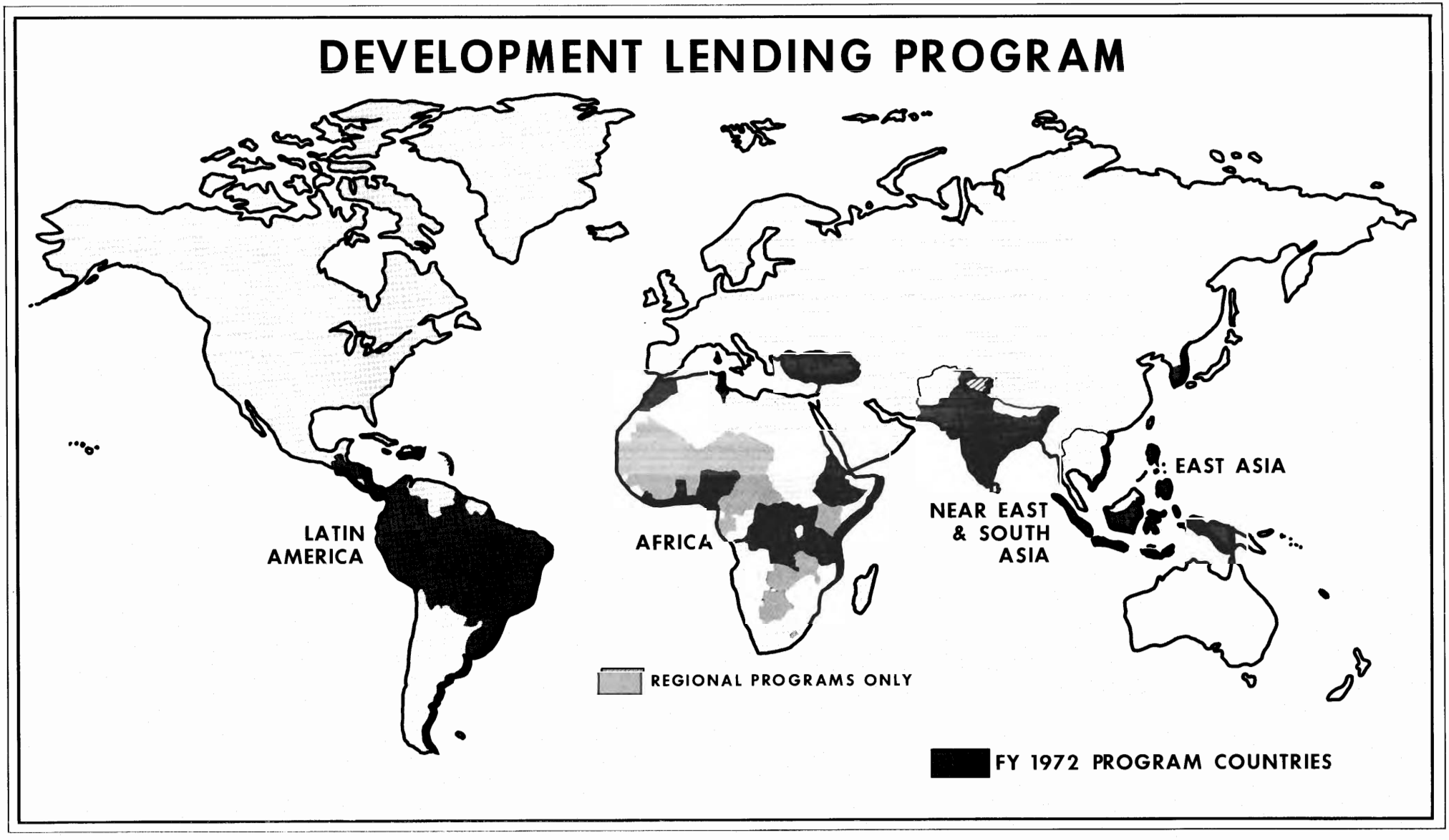
In Poland, the Polish Children's Hospital has concluded final plans for Phase II of the hospital, which will round out the existing facilities opened in 1965. The Hospital is presently negotiating with the Polish construction organization for building the Phase II facility.

AMERICAN SCHOOLS AND HOSPITALS ABROAD

	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
1. American University of Beirut, Lebanon	$10,990,000	$ 6,300,000	$ 5,785,000
2. Robert College, Istanbul, Turkey	2,300,000	2,600,000	1,900,000
3. Project HOPE	500,000	1,000,000	1,500,000
4. The American Farm School, Greece	112,000	180,000	200,000
5. American University in Cairo, UAR	200,000	200,000	200,000
6. Escuela Agricola Panamericana, Honduras	200,000	200,000	200,000
7. Pierce College, Athens, Greece	-	30,000	100,000
8. Anatolia College, Thessaloniki, Greece	-	-	100,000
9. Admiral Bristol Hospital, Istanbul, Turkey	75,000	50,000	40,000
10. International Eye Foundation	-	200,000	-
11. Feinberg Graduate School of Weizmann Institute, Israel	2,500,000	500,000	-
12. Igud Leiluf Hanoar, Israel	-	750,000	-
13. Or Hachayim	-	500,000	-
14. Ramat Havraah (Hospital and Home for Aged), Israel	650,000	500,000	-
15. Sedi-Chemed Vocational School for the Underprivileged, Israel	-	250,000	-
16. Amana Ulpanat, Israel	600,000	-	-
17. Beth Yaacov Avat, Israel	1,200,000	-	-
18. Chemke Mercy Hospital, Nigeria	500,000	-	-
19. Educational Center of Galilee, Israel	800,000	-	-
20. Hadassah Medical Center, Israel	4,850,000	-	-
21. Haifa Institute of Education (MLI), Israel	550,000	-	-
22. Kfar Eliyahu, Youth Village & Teacher's Training Institue (MLI), Israel	1,350,000	-	-
23. Polish Children's Hospital, Krakow, Poland	575,000 1/	-	-
24. University of North Africa, Morocco	-	- 1/	-
Program Support	12,000	159,000	150,000
Total	$27,964,000	$13,419,000	$10,175,000
Local Currency 1/	($ 2,100,000)	($ 4,900,000)	

1/ The above dollar totals do not include local currency amounts as follows: $2.1 million equivalent in FY 1970 for the Polish Childrens Hospital and $4.9 million equivalent in FY 1971 for the University of North Africa, Morocco.

R


DEVELOPMENT LENDING PROGRAM
LATIN AMERICA
AFRICA
NEAR EAST & SOUTH ASIA
EAST ASIA
REGIONAL PROGRAMS ONLY
FY 1972 PROGRAM COUNTRIES

DEVELOPMENT LENDING

PROGRAM SUMMARY (In millions of dollars)	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
Latin America	319.5	245.0	310.0
Near East and South Asia	350.8	320.0	370.0
Africa	65.0	83.0	95.0
East Asia	71.4	111.4	140.0
Total	806.7	749.4	915.0

Economic growth requires sound and productive investment of resources. Development loans provide part of such resources needed to support the self-help efforts of recipient countries and underwrite the successful planning and execution of their development programs. These loans finance the commodities and technical services necessary for the construction of essential facilities, such as schools, clinics, roads, dams and irrigation facilities and factories, and the import of a wide range of products such as fertilizer, farm equipment, chemical products, iror and steel products, motor vehicles, industrial and electrical machinery, petroleum, and other products.

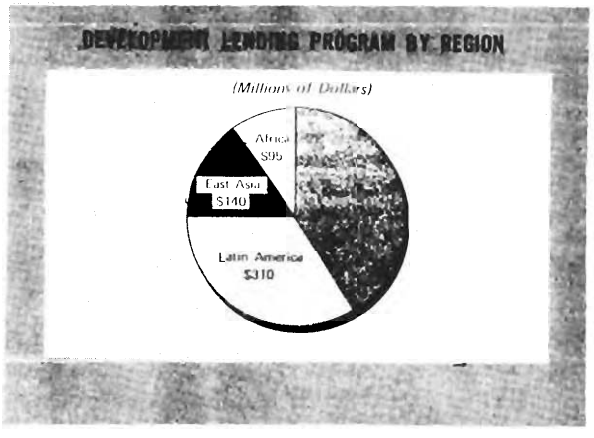
Loans can have an impact on the borrower's development greater than the actual amount of capital lent might suggest. Backed by development loans, recipient countries are able to introduce new policies for more effective use of all resources, control inflation, remove import restrictions, expand investment opportunities for private enterprise, and reallocate funds to emphasize vital sectors such as education, agriculture and population. Our loans may also stimulate the flow of resources from other bilateral and international lending agencies.

Terms of Loans

A decade ago, U.S. development loans were on softer terms than those of other donors. However, in recent years, our development loan terms have hardened as other donors, particularly the membe of the Development Assistance Committee (DAC) of the Organizatio for Economic Cooperation for Development (OECD), have softened their loan terms by lengthening their repayment periods and lowering their interest rates.

Today a number of developing countries are increasingly faced with debt repayment problems. Their debt burden has grown rapidly in the past several years, in large part because past loans were made at relatively high interest rates and short maturities. Thus, the problem of debt burden could jeopardize the basic objective of assistance to the developing countries: achievement of self-sustained growth -- free of aid on concessional terms -- in the shortest possible time. However, if a proportionately larger share of their resources is absorbed by debt servicing, they will require more time to achieve financial independence -- which means more external aid.

Since 1961 development loans have been repaid to the United States in dollars. Today most loans to recipient governments are on 40-year terms, including a 10-year grace period. Interest rates have increased in recent years to 2% during the grace period and 3% thereafter. In the future, we propose to use more flexible terms which will be determined by the prospects for each recipient country's development and will take into account its per capita income, its long-term foreign exchange earning prospects, and its medium to long-term debt service burden. Thus, the more advanced of the developing countries may pay 4-5% interest while interest rates for other less developed countries will vary from 1 to 3%. The grace period also would vary up to a maximum of 10 years and



BEST AVAILABLE

the maturity period would be up to a maximum of 40 years. In many cases the lending period would be shorter than these maximums.

Criteria for Lending

The principle objective of development loans is to promote sustained economic growth of the recipient nation. Objective economic criteria -- cost benefit ratios, economic rates of return, availability of management and other skills, availability of necessary resources and repayment capacity of the borrower -- are considered in reviewing loan requests. However, loan requests must also be appraised in terms of social and policital impact and their relevance to overall economic and social objectives and priorities of the recipients. Similarly the environmental impact of each proposed loan will be considered.

Increasingly we will not seek to determine aggregate country lending levels in advance, nor will we consider ourselves the lender of last resort. Instead, total annual lending to any particular country will be the result of:

-- the quality of loan proposals made by the country

-- the availability of assistance from other sources

-- the need for external assistance, and

-- the performance of the country, based on the assessment of the international financial institutions wherever available.

The Proposed FY 1972 Program

The proposed development loan program for FY 1972 totals $915.0 million. This compares with the program planned for FY 1971 of $759.4 million. As in the past, this assistance will be concentrated in countries which face critical economic and social problems, have demonstrated their capacity to utilize the funds effectively, play a significant role in their region's development, and are important to U.S. interests. These countries include India, Pakistan, Turkey, Korea, Indonesia, Colombia and Brazil.

As shown in the table below, regional distribution of development loan funds has remained relatively constant over the past several years.

	Fiscal Year							
	1969 Actual	%	1970 Actual	%	1971 Estimated	%	1972 Proposed	%
	(Millions of dollars)							
Near East-South Asia	335.8	48	350.8	43	320.0	42	370.0	41
East Asia	70.3	10	71.5	9	111.4	15	140.0	15
Africa	64.0	8	64.9	8	83.0	11	95.0	10
Latin America	237.3	34	319.5	40	245.0	32	310.0	34
Total	707.4	100	806.7	100	759.4	100	915.0	100

Types of Lending

A combination of three types of loans has been employed in recent years: program, project and sector.

Program Loans

This type of loan is designed to finance the import of crucial products essential to sustained economic activity. Such imports may include raw materials, industrial equipment and machinery, components and spare parts and agricultural supplies, such as fertilizer, pesticides and pumps. Program loans have been an important aspect of U.S. bilateral development assistance because they contribute to three important areas:

1. Closing the foreign exchange gap and therewith promoting the effective utilization of existing industrial capacity;

2. Stimulating new private sector investment; and

3. Enabling the adoption of sound economic policies.

Closing the foreign exchange gap: As recipient nations develop, they require an expanding variety and level of imports. Without these vital imports, the development process is slowed. Yet developing countries, through their own exports, may not increase their foreign exchange enough in the short term to finance their expanding requirements for imports. External assistance helps meet these requirements. Such assistance may also promote more effective use of existing industrial capacity. Without raw materials, spare parts, equipment and machinery, existing enterprises are forced to operate at below full productive capacity, cut employment, or halt operations entirely and thus restrict the availability of products essential to the operation of other businesses within their economy or which earn vital foreign exchange as exports.

Stimulating new private sector investment: Program loans are designed to meet the needs of the multitude of private entrepreneurs who comprise the main productive capacity of most developing nations, even those with large government enterprises. Such loans have proven to be an effective source and, in many cases, almost the only source of foreign exchange for imported capital goods available to support investment by these entrepreneurs.

Enabling the adoption of sound economic policies: Program loans help to avoid or to minimize government controls which might otherwise be necessary. The loan funds and the commodities to be imported may be designed to support the introduction of specific policies and measures agreed to by the recipient, usually with one of the international agencies. The loans are made on the understanding that such self-help measures to improve the performance of the economy are actually enacted. Such measures might include adopting more realistic or flexible exchange rates, removing or reducing restrictions on imports, providing incentives to exports, increasing revenues through new or increased taxation or better tax administration, limiting the size or increases in the size of the money supply, and undertaking land reform and other institutional changes essential to development.

A.I.D. extends program loans to only a small number of countries which are able to effectively utilize the assistance in the three areas outlined above. In FY 1970, program loans totalling $398 million were distributed to nine countries -- India, Pakistan, Turkey, Korea, Ghana, Tunisia, Colombia and Uruguay -- and represented 49% of the total value of all A.I.D. loans authorized in the year.

Project Loans

Project loans are used to finance major capital investments which are necessary to build the capital base, particularly infrastructure such as roads, schools, power dams, railways, sewage systems, or irrigation systems. The machinery and equipment required for a particular project and related technical services and training necessary to make the capital investment effective are a part of the loan financing. They may also be used to support intermediate credit institutions, such as industrial development banks or rural credit programs. Such loans may also finance the services of teams of technical specialists who carry out research or help government agencies implement major development programs in irrigation and water resource development or power distribution.

Project loans offer great flexibility since they focus on a specific bottleneck to development. In addition, like program loans, project loans support self-help measures. Specific policies or reforms are often agreed to as a part of the proposed loans. For example, in conjunction with a project loan for a power plant, the recipient might be stimulated to rationalize electric power rates or improve power service.

Project loans authorized in FY 1970 totalled nearly $308 million, or nearly 38% of the loan program.

Sector Loans

Used since 1967, sector loans have become an important form of loan assistance, particularly in Latin America. Such loans provide related capital investment and technical assistance focused on one particular sector of the economy, such as education or agriculture.

Like the other types of development lending, sector loans provide import financing. The imports may be of two types -- those required for use only in the involved sector, or general imports from whose sale the local currency proceeds are allocated for use in the particular sector. Sector loans also often provide for technical assistance services which may be essential to the development of the sector. As with program and project loans, sector loans contribute to the introduction of new policies or reforms by the recipient with the emphasis of the reforms being upon the particular sector. The reforms may involve improved sector planning and increased allocation of host country resources to that sector.

In FY 1970 sector loans totalled over $101 million, or nearly 13% A.I.D. loans.

Changes in Composition of Loan Program

There are substantial differences among the regions in the composition of the loan programs. These differences reflect differences in country problems, requirements, capacities and development plans. In the Near East and South Asia program loans are emphasized. There we assist countries with well organized development programs and important self-help policies. The key constraints in the countries is a shortage of general imports and foreign exchange to obtain these imports.

The countries of East Asia and Africa have mixed loan programs, with project loans as the largest part.

In Indonesia, emphasis is placed on priority requirements for the rehabilitation and development of the country's infrastructure -- fertilizer and cement plants, electric power rehabilitation and new highways. Korea's rapid growth has not been uniform and the A.I.D. development lending program will focus on the two sectors that have lagged behind -- agriculture and education. In the Philippines, a loan for rural electrification will attempt to reduce the disparities between urban and rural living conditions.

In Africa the loan program is formulated within the context of Consultative Groups chaired by the World Bank and now focuses more on program and sector lending. Project loans are still used on a selective basis for the creation of both social and physical infrastructure. The majority of the project loans are concentrated in higher education, transportation and communications. For the latter two categories, most of the projects are multi-country in nature and are being undertaken in conjunction with other donors.

Sector loans, primarily in the fields of agriculture and transportation are being undertaken in close cooperation with the World Bank in such places as the Congo and in Ethiopia and with other donors, such as the U.K. in Southern Africa. Program lending continues to be provided to countries with severe balance of payment problems such as Ghana, Tunisia, and Morocco.

The Latin America loan program also combines the three types of loans, but now places greater emphasis on sector loans. In the past the larger country programs utilized program loans to support stabilization efforts and general development objectives, while the smaller country programs used project loans.

Changes in Activities Financed by the Loan Program

With these shifts in the composition of the development loan program, there have also been changes in types of activities and programs financed. In the early 1960's large infrastructure investments -- transportation, communication, power, and industry -- were emphasized and received most of the loan funds. In recent years there has been a dramatic shift towards programs designed to develop human resources. Such a shift was possible partially because of increased concentration on infrastructure lending by the international financial institutions.

Coordination with Other Donors

U.S. bilateral development lending is increasingly coordinated with other donors through consultative groups and consortia. The United States belongs to seventeen aid coordinating groups, of which twelve are led by the World Bank. We have agreed to join three others now being started. Approximately two-thirds of our development loans are to countries where aid coordinating and consultative groups now exist. In FY 1970 all U.S. bilateral loans to the Near East and South Asia and the East Asia regions, and almost all loans to Africa, were made to countries for which aid coordinating groups either existed or were under consideration. In Latin America, Colombia is the only country with an aid coordinating group. However, the United States participates actively in the Inter-American Committee for the Alliance for Progress (CIAP), which conducts annual reviews of development performance and assistance requirements of each country.

DEVELOPMENT LOANS

ANALYSIS OF LOAN ACTIVITY BY FISCAL YEARS AND REGIONS

(Fiscal Year 1971 and Cumulative Totals are as of 12/31/70)

(In thousands of dollars)

	Number of Loans		Amount				
	Authorized	Obligated	Authorized	Obligated	Disbursed	Repaid	Collected
ALL REGIONS							
FY 1958	30	6	267,386	102,100	1,500	-	-
FY 1959	72	62	563,670	516,706	65,564	75	263
FY 1960	49	45	522,100	378,400	202,857	7,469	3.701
FY 1961	58	59	628,885	677,860	267,726	16,587	13,570
FY 1962	52	52	1,086,900	921,500	430,851	23,068	23,687
FY 1963	109	62	1,239,672	1,027,922	893,288	46,022	38,272
FY 1964	140	114	1,250,347	1,135,607	904,686	68,775	51,062
FY 1965	70	116	1,077,423	1,410,218	995,714	77,100	63,570
FY 1966	81	95	1,153,891	1,094,146	1,016,446	82,356	70,311
FY 1967	114	82	1,007,796	1,043,954	1,135,868	102,645	79,581
FY 1968	68	98	904,188	947,331	1,025,379	107,292	129,166
FY 1969	60	56	540,344	676,080	864,327	74,792	96,273
FY 1970	53	58	666,366	677,452	926,249	144,252	127,713
FY 1971 (to 12/31/70)	7	19	84,259	120,224	414,401	55,521	62,253
Total	963	924	10,993,227	10,729,500	9,144,856	805,954	759,422
LATIN AMERICA							
FY 1958	3	1	8,500	5,000	-	-	-
FY 1959	15	12	57,290	44,190	3,073	-	9
FY 1960	7	6	28,600	23,400	25,430	274	450
FY 1961	26	12	133,270	53,445	18,309	444	1,494
FY 1962	12	21	188,860	202,160	93,749	622	2,249
FY 1963	39	27	332,658	303,983	151,667	1,408	3,882
FY 1964	77	50	465,454	311,404	148,686	6,102	6,131
FY 1965	28	47	386,929	478,329	230,886	7,070	8,767
FY 1966	40	42	466,949	503,734	309,588	5,721	10,517
FY 1967	45	38	433,026	375,322	425,129	11,584	14,146
FY 1968	35	39	394,049	285,474	334,958	14,079	23,671
FY 1969	31	32	198,684	303,798	314,993	10,170	20,974
FY 1970	28	26	266,921	202,715	306,946	11,370	25,178
FY 1971 (to 12/31/70)	2	10	8,044	88,294	130,255	6,055	14,666
Total	388	363	3,369,234	3,181,248	2,493,669	74,899	132,134
NEAR EAST AND SOUTH ASIA							
FY 1958	16	5	208,350	97,100	1,500	-	-
FY 1959	25	21	264,050	276,450	59,367	75	243
FY 1960	27	20	352,550	237,650	144,046	6,664	3,045
FY 1961	14	28	378,192	439,942	168,547	10,980	9,836
FY 1962	31	22	756,200	586,400	234,137	17,608	16,435
FY 1963	43	27	758,078	663,853	631,920	32,105	25,304
FY 1964	36	31	689,330	663,380	662,683	46,686	33,680
FY 1965	26	42	587,536	792,931	665,793	53,860	41,202
FY 1966	12	22	540,691	420,571	563,851	55,990	45,265
FY 1967	24	18	441,318	585,885	551,947	59,749	49,295
FY 1968	7	26	411,358	542,571	545,305	61,492	76,986
FY 1969	8	9	252,154	298,531	442,851	37,543	52,936
FY 1970	14	8	279,413	226,155	479,033	102,575	82.717
FY 1971 (to 12/31/70)	-	2	22,377	91,877	202,858	36,334	36,827
Total	283	281	5,941,597	5,923,296	5,353,838	521,661	473,771

(TABLE DIVIDED IN TWO PARTS)

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DEVELOPMENT LOANS

ANALYSIS OF LOAN ACTIVITY BY FISCAL YEARS AND REGIONS

(Fiscal Year 1971 and Cumulative Totals are as of 12/31/70)

(In thousands of dollars)

	Number of Loans		Amount				
	Authorized	Obligated	Authorized	Obligated	Disbursed	Repaid	Collected
FAR EAST							
FY 1958	8	-	38,236	-	-	-	-
FY 1959	17	18	135,490	114,126	2,513	-	11
FY 1960	9	11	53,650	50,000	13,045	125	167
FY 1961	5	8	46,250	106,200	34,232	1,233	963
FY 1962	5	2	56,242	20,892	39,321	3,099	2,350
FY 1963	3	4	53,940	33,790	60,853	8,477	3,522
FY 1964	4	6	18,347	47,597	57,312	9,297	4,516
FY 1965	3	7	60,534	90,084	40,327	7,921	6,174
FY 1966	11	9	76,672	68,172	51,325	10,931	6,029
FY 1967	9	7	46,002	41,302	81,493	15,909	6,763
FY 1968	14	9	52,118	60,218	87,655	11,984	10,125
FY 1969	5	5	66,699	55,499	39,543	15,329	9,946
FY 1970	2	6	67,487	49,187	63,135	14,469	8,446
FY 1971 (to 12/31/70)	1	4	27,860	62,460	49,594	5,020	4,547
Total	96	96	799,527	799,527	620,348	103,794	63,559
AFRICA							
FY 1958	2	-	9,300	-	-	-	-
FY 1959	8	7	31,540	28,840	50	-	-
FY 1960	3	3	46,450	24,300	7,780	36	2
FY 1961	11	7	53,294	37,394	8,715	85	126
FY 1962	4	7	85,598	112,048	22,148	153	337
FY 1963	24	4	95,188	26,488	26,604	742	1,617
Fy 1964	23	27	77,218	113,228	25,596	1,619	1,936
FY 1965	13	20	42,690	49,140	51,048	1,827	2,455
FY 1966	18	22	69,872	101,962	90,160	2,752	3,596
FY 1967	36	19	87,652	41,647	76,972	8,152	4,742
FY 1968	12	24	46,663	59,068	57,152	12,142	14,064
FY 1969	16	10	22,807	18,252	66,580	4,178	8,428
FY 1970	9	18	52,503	58,708	77,054	7,921	12,017
FY 1971 (to 12/31/70)	4	3	26,021	18,281	31,663	4,024	218
Total	183	171	746,796	689,356	541,522	43,631	49,538
EUROPE							
FY 1958	1	-	3,000	-	-	-	-
FY 1959	7	4	75,300	53,100	561	-	-
FY 1960	3	5	40,850	43,050	12,556	370	111
FY 1961	2	4	17,879	40,879	37,923	3,845	1,077
FY 1962	-	-	-	-	41,496	1,586	2,316
FY 1963	-	-	(192)	(192)	22,244	3,290	3,947
FY 1964	-	-	(2)	(2)	10,409	5,071	4,799
FY 1965	-	-	(266)	(266)	7,660	6,422	4,972
FY 1966	-	-	(293)	(293)	1,522	6,962	4,904
FY 1967	-	-	(202)	(202)	327	7,251	4,635
FY 1968	-	-	-	-	309	7,595	4,320
FY 1969	-	-	-	-	360	7,572	3,989
FY 1970	-	-	(1)	(1)	81	7,917	3,655
FY 1971 (to 12/31/70)	-	-	-	-	31	4,088	1,695
Total	13	13	136,073	136,073	135,479	61,969	40,420

Parenthesis denotes deobligation/deauthorization

(TABLE DIVIDED IN TWO PARTS)

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LATIN AMERICA
MEXICO
CUBA
HAITI
DOMINICAN REPUBLIC
EAST CARIBBEAN
HONDURAS
JAMAICA
GUATEMALA
NICARAGUA
TRINIDAD & TOBAGO
EL SALVADOR
COSTA RICA
VENEZUELA
GUYANA
SURINAM
FRENCH GUIANA
PANAMA
COLOMBIA
ECUADOR
PERU
BRAZIL
BOLIVIA
PARAGUAY
CHILE
ARGENTINA
URUGUAY
FY 1972 PROGRAM COUNTRIES
DEVELOPMENT LENDING

LATIN AMERICA

DEVELOPMENT LENDING - REGIONAL SUMMARY

PROGRAM SUMMARY
(In Thousands of Dollars)

Country	FY 1972 Development Loans
Colombia	75,000
Brazil	60,000
Central American Economic Community:	
Regional Office of Central America and Panama (ROCAP)	10,000
El Salvador	10,500
Guatemala	15,000
Honduras	9,000
Nicaragua	10,000
Bolivia	10,000
Dominican Republic	15,000
Ecuador	14,000
Guyana	3,500
Jamaica	10,000
Panama	25,000
Paraguay	6,000
Peru	10,000
Uruguay	12,000
Eastern Caribbean Regional	10,000
Regional	5,000
Total	310,000

A Time of Change

Development lending proposed for Latin America in FY 1972 is a result of intensive consultations within the inter-American community in which both the Latin American governments and the international lending agencies participated. The program is based on the substantial accomplishments of the people of Latin America and recognizes the compelling urgency of problems which now stand in the way of their further progress.

Progress and Problems

Latin America begins a new decade with more reason for optimism than it has known for some time. Whereas economic crisis and lagging growth were characteristic of the early 1960's, encouraging rates of economic growth (3% and better in per capita GNP), were registered in 1968 and 1969. The same appears to be true of 1970.

However, despite the many evident signs of progress, per capita growth rates vary widely. The regional average per capita income of $500 is still low. Moreover, income distribution while improving in many countries, continues to be highly inequitable. A large proportion of the Latin American population still lives just slightly above the subsistence level. And it is estimated that half of the people in Latin America earned under $150 in 1970 -- and about one-quarter -- or over 66 million people earned less than $100. Thus a substantial portion of the population have incomes below that considered necessary for a family to meet minimum needs for diet, clothing, health, housing and education. These data suggest the enormity of the development problem still existing in the Hemisphere, as well as the urgent need for assistance.

The major challenge of the 1970's is to accelerate the development momentum, and to find ways of assuring that gains made will be sustained and more equitably shared in by the poorest segments of the population.

Low productivity and deeply rooted social and political traditions work against more equitable distribution of opportunity and income. Unprecedented population growth compounds the difficulty of achieving real gains for ordinary citizens. For example, while agricultural production increased at an average annual rate of about 3.9% during the last decade, population increased at nearly the same rate. As a result, net per capita growth in Latin American

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agriculture was negligible. Half of the Latin Americans still live in rural areas. Most of them have incomes substantially lower than the bulk of those in urban areas -- and there is only limited opportunity for any significant improvement. Low agricultural productivity prevents the rural sector from making a proportionate contribution to the overall economy and, in turn, reinforces current heavy migration to urban centers which are ill prepared to receive it. Burgeoning cities, swollen both by high population growth rates as well as migration, offer limited employment opportunities and are unable to cope with intensifying pressures for housing, schooling, health and other services. Thus rapid urbanization intensifies already difficult development problems for much of Latin America.

The implications of the high rate of population growth show vividly in the education sector where otherwise dramatic accomplishments are largely nullified. In the past decade, for example, enrollment in primary education increased by 72%; the number of teachers employed rose 92%; and the number of primary school graduates rose 124%, reflecting major improvement in the proportion of children remaining in primary school through graduation. However, it is estimated that the number of children enrolled in primary schools will grow from 40 million to about 60-65 million during the next 10 years. If universal primary education is to be achieved by 1980, at current birth rates, at least 48 million additional children will have to be accommodated; 1.6 million more teachers will have to be trained (there are currently about 1.5 million), and the present number of classrooms will have to be doubled.

The rate of expansion in post-primary levels during the 1960's was significantly greater than at the primary level. Nevertheless, although secondary and university enrollments tripled, less than 20% of the population aged 15-24 years were attending such schools in 1970.

In both education and agriculture, past efforts of national programs to improve quality and increase quantity were hampered by what are now seen to have been piecemeal approaches to interrelated problems. Prior analyses of whole sectors, as well as procedures for evaluating progress and refining approaches, have been inadequate. Progress in the application of science and technology, a basic requisite to greater achievement in these and other sectors, has also been disappointing.

While official recognition of population and urban problems has been slow in many Latin American countries, concern about agriculture and education is already widespread. It is reflected in ever increasing percentages of central government expenditures devoted to these sectors. Between 1961 and 1969, the regional share of central government expenditures devoted to education increased from 8% to 12%, while the share obligated for agriculture rose from 4% to 6%. Despite increased government investment, however, absolute per capita amounts available are inadequate. A search for innovative, lower cost approaches to these problems is clearly essential for any long term solution.

Latin American gross investment grew apace with income during the 1960's and accounted for a nearly constant share (about 19%) of GNP. During the past decade, central government expenditures indicate some encouraging trends. Capital outlays, as a percentage of total expenditures, increased from 27% in 1961 to about 35% in 1969. However, the regional per capita gross investment of about $90, covers a range of performance. Even in countries with high rates of investment, the absolute per capita amounts are small -- ranging from a high of $230 in Venezuela to below $50 in Bolivia, Honduras and Paraguay.

Although certain Latin American countries have increased their exports significantly, the pace of growth for the region as a whole has shown little change over the past decade. Moreover, most of the products important in Latin America's export trade are raw materials or foodstuffs for which demand grows slowly. While exports of manufactured goods are gradually increasing, their share is still too small to influence total earnings.

Adequate government outlays for agriculture and education are beyond the means of these governments. Balance of payments considerations prevent most countries of the region from liberalizing money and credit policies enough to stimulate employment, output and investment effectively.

For the Hemisphere as a whole, more jobs are required for the rapidly growing labor force. New technologies are needed to use labor more productively and in the agricultural sector more intensively. As assistance from other donors serves an increasingly broad variety of needs in expanding productive capacity and infrastructure, bilateral programs will concern themselves with means of attacking the problems outlined above. A.I.D. will continue to (1) emphasize the transfer of relevant

American technologies and comprehensive sectoral investment, and (2) fill in gaps where needed assistance is not available from other donors.

Determining Assistance Priorities Within a Multilateral Framework

U.S.-financed activities are identified within the framework of the recipient's development plans, its resource availabilities and the plans of other donors. Reviews by the Inter-American Committee on the Alliance for Progress (CIAP) provide an opportunity for an exchange of views between donors and recipients and for the coordination of assistance policies. U.S. assistance proposals are based on requests which are carefully scrutinized to determine the priority of the need, and relationship of the activity to other donor assistance and the availability and use of the country's own resources. The assisted government must also be prepared to implement overall development policies needed to make the aided activity effective and productive.

Amounts: In FY 1964, IBRD and IDB authorizations to Latin America were 48% and 23% respectively, of A.I.D. loan authorizations for Latin America. By FY 1970 these relationships were reversed. IBRD authorizations were 2-1/4 times greater, and IDB authorizations more than twice the A.I.D. total. This pattern will be repeated in FY 1971 and FY 1972.

Types of Loans: A.I.D. has placed increased emphasis on sector loans in its lending to Latin America. Sector loans provide resources needed to help a government carry out an integrated program in a specific field of activity -- such as agriculture or education. In FY 1966, A.I.D. made no sector loans. That year 61.3% of A.I.D. development lending to Latin America went into program loans, which transfer resources primarily to fill foreign exchange gaps. The other 38.7% was for specific project loans. By FY 1970, 25% of A.I.D. funds lent to Latin American countries went into sector loans. Program loans had dropped to 12.5% of the total, reflecting improved balance of payments situations in countries which had received program loans, while project loans required 62.5% of available funds. In FY 1971 and FY 1972, more than one-third of the total development lending program is planned for sector lending Neither the IBRD nor the IDB has been active in sector lending and no significant change appears to be in the offing.

Sector Concentration Of U.S. Assistance: A.I.D. is the principal lending agency for programs of innovation and institution-building in agriculture and education, programs which are geared to strengthening the human rather than physical infrastructure -- people, institutions and knowledge. Over half the dollar value of A.I.D. loans made in the region in FY 1970, and expected in FY 1971 and FY 1972, are in the agriculture and education sectors.

Percentage of A.I.D. Development Loans for Latin America by Field of Activity (dollar value)

	FY 1964	FY 1970	FY 1972
Agriculture	7.5	23.1	39.2
Education	2.9	28.0	22.1
Transportation	22.7	0.1	1.6
Housing	10.4	0.3	9.7
Power	13.4	1.3	-
Program and Other	43.1	47.2	27.4

While both the IDB and the IBRD have become more active in these areas in recent years, the bulk of their loans continues to be in physical infrastructure, especially transportation and power.

Country Concentration: In recent years, A.I.D. loans have been concentrated in Colombia, Brazil, and the Central American Common Market countries. The major share (61%) of proposed A.I.D. development lending will continue to go to these countries in FY 1972. A.I.D. has made no loans recently to Argentina, Mexico and Venezuela.

COLOMBIA

BASIC DATA

Population *(millions – mid-1970)*	21.1
Annual Growth Rate *(percent)*	3.2
Area *(1000 square miles)*	440
Population Density per square mile	48
Agricultural Land as % of Total Area	17
Percent of Labor Force in Agriculture	47
Life Expectancy *(years)*	60
People per Doctor	2,270
Literacy Rate *(percent)*	73
Students as Percent of 5-19 Age Group *(Primary & Secondary)*	45

PROGRAM SUMMARY
(In millions of dollars)

	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
Development Loans	71.7*	75.6*	75.0

*Excludes $470,000 in FY 1970 and $588,000 in FY 1971 for population programs under Title X of the Foreign Assistance Act.

Following a period of financial instability which ended in late 1966, successive administrations of the Government of Colombia have pursued policies which have brought about economic stabilization and now impressive growth. During 1970, the growth in GNP in real terms was 7%; tax revenues increased 19% over 1969. Minor exports grew by 33% in 1969, but by only 4% in 1970.

The virtual elimination of the violence which terrorized the rural areas during the 1950's and early 1960's has aided the stabilization effort. With heightened popular expectations, Colombia is confronted increasingly with strident internal political demands for jobs, services, and reforms. Current governmental programs, which rely heavily upon comprehensive planning in policy setting and resource allocations, are designed to respond to this demand. The government is committed to expanding the gains of economic growth to the rural poor and the large numbers of urban unemployed.

A.I.D. assistance is designed to support Colombian efforts to (1) achieve fundamental reforms of agriculture, education and public administration; (2) accelerate economic growth, distributing its benefits more equitably and increasing employment in rural and urban areas; (3) expand and diversify exports; (4) increase public revenues and investment in needed human and physical infrastructure; and (5) stabilize prices. The proposed FY 1972 loan program for Colombia includes four sector loans totaling $75 million: agriculture ($25 million), education ($20 million), urban development ($20 million), and industry/capital markets ($10 million). With the exception of the capital markets project, this program would continue previous A.I.D. - supported sectoral programs.

The proposed $25 million agriculture loan is designed to support growth in agricultural production and employment with special stress on improvement in income for the smaller farmer. Substantial emphasis will be placed on measures to stimulate the small farmer's production and consumption role in the economy, and reduce urban migration through supervised credit, land titling programs, and feeder road projects.

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The education sector loan of $20 million will stress improved management of the educational system and improvement of the curricula. Past programs have supported comprehensive analyses of principal constraints on the efficiency and adequacy of the system which will be used as a basis for current plans. The loan is tied to the Government's 1970-1973 education plan under which Colombian resources devoted to education will be 30% higher in 1972 than in 1971.

In the urban development sector, FY 1971 A.I.D. capital assistance totalling $24 million will help municipal, departmental (state) and national government bodies develop and implement policies and programs designed to stem migration flows to the four major Colombian cities. The proposed FY 1972 urban sector loan will help increase jobs in intermediate sized cities, and improve administrative and planning capabilities in the departments and regions.

An industry/capital markets loan of $10 million is designed to address important constraints in the interrelated areas of industrial expansion and capital markets reform. As currently planned, the loan, combined with Colombian resources, will support:

1. Expanded and improved operations of the Development Credit Department of the Bank of the Republic, the central bank of Colombia;

2. Additional capitalization of the Private Investment Fund, in order to increase credit to firms emphasizing labor intensive exports;

3. The Governments' plan to establish employment services in industrial urban centers; and

4. The National Technological Service's efforts to encourage greater private sector utilization of modern technology.

IBRD and IDB are actively considering project loans totaling $274 million in 1972 in this sector also. Of this total, $171 million would support projects related to the A.I.D. lending proposals.

COLOMBIA - Economic Trend Data

	Calendar Years			
GROWTH INDICATORS	1967	1968	1969	1970P
Total GNP (*millions of 1969 dollars*)*	5,485	5,806	6,181	6,610
Per Capita GNP (*1969 dollars*)	286	293	302	313
Investment – *millions of 1969 $*	1,041	1,266	1,437	1,520
– *percent of GNP* †	18.7	21.6	23.2	23.0
Domestic Savings – *millions of 1969 $*	952	1,075	1,220	1,270
– *percent of Investment*††	93	84	82	83
Agricultural Production Index (*1961-65 = 100*)	111	116	119	119
Index per Capita	98	99	98	95
Rice, rough (1,000 MT)	685	790	700	660
Petroleum (1,000 MT)	9,600	8,830	10,690	11,060
INTERNATIONAL TRADE (*$ millions*)[a]				
Total Exports (*f.o.b.*)	548	596	671	770
Coffee	(333)	(366)	(371)	(470)
Total Imports (*c.i.f.*)	-525	-676	-722	-850
Trade Balance	23	-80	-51	-80
GOLD & FOREIGN EXCHANGE (*$ millions*)††				
Official Reserves	83	173	221	206
Commercial Bank Holdings	9	12	12	15(Jun)
CONSUMER PRICE INDEX (*1963 = 100*) (National index)	159	171	183	194

	– *Million Dollar Equivalents* –		
CENTRAL GOVERNMENT FINANCES*	1968	1969	1970P
Total Expenditures	681	761	886
(*Defense Expenditures*)	(81)	(79)	(97)
(*Capital Outlays*)	(344)	(308)	(368)
Total Domestic Revenues	514	652	769
As percent of GNP†	9.5	10.6	10.9
Deficit (–) or Surplus (+)	-167	-109	-117

*Converted at 17.4 pesos per U.S. $. a - Adjusted for unreported trade.
P - Preliminary.
†Based on data in current prices. ††Gross basis, end of year.

COLOMBIA

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

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS-NET OBLIGATIONS AND LOAN AUTHORIZATIONS			REPAYMENTS AND INTEREST	TOTAL LESS REPAYMENTS AND INTEREST
	1969	1970	TOTAL 1946-1970	1946-1970	
A. OFFICIAL DEVELOPMENT ASSISTANCE					
A.I.D. AND PREDECESSOR AGENCIES - TOTAL	99.1	74.1	678.7	37.6	641.1
Loans	96.1	70.3	622.2	37.6	584.6
Grants	3.0	3.9	56.5	-	56.5
FOOD FOR PEACE - TOTAL	7.0	38.2	203.0	15.9	187.1
Title I - Total	-	15.4	84.8	15.9	68.9
REPAYABLE IN U.S. DOLLARS - LOANS	-	15.4	36.6	2.3	34.3
PAYABLE IN FOREIGN CURRENCY-Planned for Country Use	-	-	48.1	13.6	34.5
(Loans)	(-)	(-)	(48.1)	(13.6)	(34.5)
(Grants)	(-)	(-)	(-)	(-)	(-)
Title II - Total	7.0	22.8	118.2	-	118.2
EMERGENCY RELIEF, ECON. DEVEL. & WORLD FOOD PROGRAM	0.5	13.1	17.3	-	17.3
VOLUNTARY RELIEF AGENCIES	6.5	9.7	100.9	-	100.9
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	2.2	1.5	82.2	12.5	69.7
PEACE CORPS	2.9	1.8	30.5	-	30.5
SOCIAL PROGRESS TRUST FUND	-0.7	-0.3	49.0	11.7	37.3
OTHER	-	*	2.7	0.8	1.9
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	108.3	113.9	963.8	66.0	897.8
Loans	95.4	85.4	756.8	66.0	690.8
Grants	12.9	28.5	207.0	-	207.0
B. OTHER OFFICIAL					
EXPORT-IMPORT BANK LONG-TERM LOANS	19.8	13.4	260.9	238.7	22.2
TOTAL ECONOMIC	128.1	127.2	1,224.8	304.7	920.1
Loans	115.2	98.8	1,017.7	304.7	713.0
Grants	12.9	28.5	207.0	-	207.0
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.)[a]	6.7	3.9	94.1	-	94.1
Credit Assistance	-	-	-	-	-
Grants	6.7	3.9	94.1	-	94.1
(Additional Grants from Excess Stocks)	(0.1)	(0.4)	(5.5)	(-)	(5.5)
OTHER MILITARY ASSISTANCE GRANTS	-	-	14.5	-	14.5
TOTAL MILITARY	6.7	3.9	108.6	-	108.6
TOTAL ECONOMIC AND MILITARY	134.8	131.1	1,333.4	304.7	1,028.7
Loans	115.2	98.8	1,017.7	304.7	713.0
Grants	19.6	32.4	315.6	-	315.6

OTHER PROGRAMS

ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1969	FY 1970	FY 1946-70
TOTAL	202.5	184.8	1,104.6
IBRD - World Bank	103.1	127.6	727.7
Int'l Dev. Association	-	-	19.5
Int'l Finance Corp.	1.0	2.9	18.6
Inter-American Dev. Bank	96.2	50.6	301.1
UNDP - Special Fund	0.7	2.3	20.8
UNDP - TA (CY)	0.5	0.4	7.7
Other UN (CY)	1.0	1.0	9.2

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

DONOR	CY 1968	CY 1969	CY 1960-69
TOTAL	9.2	13.7	37.1
Germany	4.1	11.5	22.7
Italy	2.2	0.4	4.6
Netherlands	0.6	-	4.2
Other	2.3	1.7	5.6

ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)

1969 (Calendar Year)	-
1970 (Calendar Year)	-
Cumulative thru 1970	2

*Less than $50,000.
a/ Annual data represent deliveries; total through 1970 is the cumulative program.

BRAZIL

BASIC DATA

Population *(millions – mid-1970)*	91.9
Annual Growth Rate *(percent)*	2.7
Area *(1000 square miles)*	3,286
Population Density per square mile	28
Agricultural Land as % of Total Area	16
Percent of Labor Force in Agriculture	52
Life Expectancy *(years)*	57
People per Doctor	1,620
Literacy Rate *(percent)*	61
Students as Percent of 5-19 Age Group *(Primary & Secondary)*	48

PROGRAM SUMMARY
(In millions of dollars)

	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
Development Loans	75.0	57.5	60.0

Brazil entered the 1970's in many respects better prepared economically to meet modernization and self-sustaining growth goals than at any previous time in its history. Growth rates have continued to be high - 8.4% in 1968, 6.6% in 1969, and an estimated 8% for 1970. Inflation in 1970, as measured by the general price index, dropped below 20% for the first time since the revolution of 1964. International monetary reserves at the end of 1970 were slightly over $1.2 billion, an increase of $550 million since the end of 1969. Directed by capable planning and financial leadership, Brazilian economic policies since 1965 have proven exceptionally successful.

Even with these encouraging signs, Brazil continues to be plagued with many of the problems common to less developed countries -- inequitable income distribution, regional disparities in economic growth, a large portion of the population outside the monetary economy, an antiquated educational system, and a backward agricultural sector. The size and depth of the development tasks confronting Brazil remain formidable.

The investment climate in Brazil is favorable, and new private investment, both domestic and foreign, is increasing. International lending agencies, such as the IBRD and IDB, have increased their support of the Brazilian development effort. However, A.I.D. bilateral lending is still very important, particularly in the Northeast, where economic and social problems are most pronounced and where development lags far behind the rest of the country.

With the increase in total external resources flowing into Brazil since 1965, A.I.D. assistance has been substantially reduced. Contrasted with lending levels in FY 1966-68 of $229 million to $181 million, the proposed FY 1972 level is $60 million. Moreover our lending strategy has moved from one of concentrating on the physical infrastructure sectors such as power, roads, fertilizer plants, and program lending, to the areas of agriculture, education and health, which emphasize institutional and social development.

BRAZIL

DEVELOPMENT LENDING

The proposed FY 1972 lending program, which will concentrate largely in the Northeast, is designed (1) to assist in increased agricultural productivity, industrial modernization, export expansion, and the absorption of new entrants into the labor market; (2) to support modernization and extension of the educational system; and (3) to assist in reducing economic disparities among regions, especially between the Northeast and the remainder of the country.

Agriculture accounts for 66% of total employment in the Northeast, and crop yields and prospects for improvement under current techniques are so poor that many young farmers are leaving rural areas and moving to the cities, which are unable to accommodate the influx.

A $15 million loan is planned for agricultural credit and extension services to increase productivity of small farmers. Credit would be provided to farmers to help them institute farm improvement plans prepared by the Brazilian extension service. The Brazilian government would contribute $50 million to the program.

Another proposed loan will finance agricultural imputs through commercial banks in selected areas where prospects for increased crop production, in combination with ecological and marketing conditions, are good.

The large-scale industries, located in the Northeast as a result of fiscal incentives offered by the Government since 1961, have created a demand for small scale service and supply enterprises. To strengthen Northeast Brazil's industrial sector through an integrated program of financial and technical assistance, a loan of $10 million to the Bank of the Northeast is proposed. The funds would provide support to small and medium industry for modernization and increased production capacity. A special training program for industrial consultants will also serve a network of industrial assistance centers related to the lending activities of state development banks. Assistance to expand small and medium industry will help relieve high unemployment.

Health problems continue to plague the Northeast. Serious endemic diseases caused by malnutrition and inadequate water and sanitation facilities, principally in small communities and rural areas, are always present. A proposed loan of $15 million would support the construction and equipping of health clinics, including maternal and child health clinics, laboratories, and training institutions; the construction of water sanitation facilities in small communities not now receiving assistance under existing sanitation loans; and the training of public health doctors, nurses, medical auxiliaries, lab technicians, epidemiologists, state health planners, and other needed health personnel.

Education: Possible programs have been identified for FY 1972 financing which are country-wide in scope:

-- a $10 million loan to support the establishment and expansion of community colleges to help train sub-professional level personnel in programs relevant to specific community needs. Such institutions would offer full-time technical level training in specialized, development-related fields such as practical nursing, engineering aides, and laboratory technicians. Funds would also finance teacher training in the US and third countries, essential teaching aids, improvement or construction of facilities, and technical assistance.

-- a loan of $10 million to strengthen the government's three-year graduate education program, which gives particular stress to upgrading and expanding facilities for training secondary education level teachers. The loan would provide scholarships for study in the US or third countries for university professors and high level administrators in the Brazilian educational system, and some required technical assistance.

BRAZIL - Economic Trend Data

	Calendar Years 1967	1968	1969	1970 Est.
GROWTH INDICATORS				
Total GNP (*millions of 1969 dollars*)*	26,970	29,230	31,160	33,660
Per Capita GNP (*1969 dollars*)	316	334	348	366
Investment – *millions of 1969 $*	3,889	4,705	5,061	5,958
– *percent of GNP* †	15.3	17.5	16.2	17.7
Domestic Savings – *millions of 1969 $*	3,535	4,154	4,692	5,550
– *percent of Investment*†	92	91	94	94
Agricultural Production Index (*1961-65 = 100*)	113	115	120	121
Index per Capita	102	101	103	101
Food Production Index	119	125	127	136
Index per Capita	107	110	109	114
Rice, rough (1,000 MT)	6,790	6,650	6,390	7,350
Coffee (1,000 MT)	1,380	990	1,140	585
INTERNATIONAL TRADE (*$ millions*)				
Total Exports (*f.o.b.*)	1,654	1,881	2,311	2,711
Coffee	(705)	(775)	(813)	(913)
Total Imports (*c.i.f.*)	-1,667	-2,132	-2,242	-2,550
Trade Balance	-13	-251	69	161
GOLD & FOREIGN EXCHANGE (*$ millions*)††				
Official Reserves	199	257	657	1,207
Commercial Bank Holdings	123	154	142(Feb)	n.a.
CONSUMER PRICE INDEX (*1963 = 100*) (Guanabara)	586	716	874	1,077

CENTRAL GOVERNMENT FINANCES*	– Million Dollar Equivalents – 1968	1969 Est	1970 Est.
Total Expenditures	3,770	4,843	5,482
(*Defense Expenditures*)	(577)	(784)	(866)
(*Capital Outlays*)	(1,183)	(1,692)	(1,976)
Total Domestic Revenues	3,546	4,853	5,324
As percent of GNP†	14.8	15.6	13.2
Deficit (–) or Surplus (+)	-224	+11	-158

*Converted at 4.1 cruzeiros per U.S. $. n.a. - Not available.

†Based on data in current prices. ††Gross basis, end of year.

BRAZIL

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

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS-NET OBLIGATIONS AND LOAN AUTHORIZATIONS 1969	1970	TOTAL 1946-1970	REPAYMENTS AND INTEREST 1946-1970	TOTAL LESS REPAYMENTS AND INTEREST
A. OFFICIAL DEVELOPMENT ASSISTANCE					
A.I.D. AND PREDECESSOR AGENCIES - TOTAL	-11.7	61.2	1,327.0	29.3	1,297.7
Loans	-21.8	49.3	1,153.5	29.3	1,124.2
Grants	10.1	11.9	173.5	-	173.5
FOOD FOR PEACE - TOTAL	10.4	68.6	801.2	27.7	773.5
Title I - Total	-	20.1	524.4	27.7	496.7
REPAYABLE IN U.S. DOLLARS – LOANS	-	-	412.5	13.9	398.6
PAYABLE IN FOREIGN CURRENCY-Planned for Country Use (*Loans*)	(-)	(-)	(301.1)	(13.9)	(287.2)
(*Grants*)	(-)	(-)	(111.4)	(-)	(111.4)
Title II - Total	10.4	48.5	276.8	-	276.8
EMERGENCY RELIEF, ECON. DEVEL. & WORLD FOOD PROGRAM	2.6	40.5	133.7	-	133.7
VOLUNTARY RELIEF AGENCIES	7.8	8.0	143.1	-	143.1
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	6.6	3.0	141.7	61.1	80.6
PEACE CORPS	3.5	3.5	31.7	-	31.7
SOCIAL PROGRESS TRUST FUND	-	-0.6	61.5	14.3	47.2
OTHER	3.1	0.1	48.5	46.8	1.7
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	5.3	132.8	2,269.9	118.1	2,151.8
Loans	-18.7	69.0	1,670.1	118.1	1,552.0
Grants	24.0	63.9	599.8	-	599.8
B. OTHER OFFICIAL					
EXPORT-IMPORT BANK LONG-TERM LOANS a/	28.6	65.6	1,353.3	1,201.5	151.8
TOTAL ECONOMIC	33.9	198.4	3,623.2	1,319.6	2,303.6
Loans	9.9	134.5	3,023.4	1,319.6	1,703.8
Grants	24.0	63.9	599.8	-	599.8
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.) b/	19.0	13.0	293.7	29.0	264.7
Credit Assistance	12.4	8.7	72.7	29.0	43.7
Grants	6.6	4.3	221.0	-	221.0
(Additional Grants from Excess Stocks)	(0.1)	(0.1)	(27.6)	(-)	(27.6)
OTHER MILITARY ASSISTANCE GRANTS	-	-	57.1	-	57.1
TOTAL MILITARY	19.0	13.0	350.8	29.0	321.8
TOTAL ECONOMIC AND MILITARY	52.9	211.4	3,974.0	1,348.6	2,625.4
Loans	22.3	143.2	3,096.1	1,348.6	1,747.5
Grants	30.6	68.2	877.9	-	877.9

OTHER PROGRAMS

ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1969	FY 1970	FY 1946-70
TOTAL	189.7	380.3	1,651.2
IBRD-World Bank	74.9	205.0	838.0
Int'l Finance Corp.	9.4	8.4	49.5
Inter-Am. Dev. Bank	99.8	163.3	718.6
UNDP-Special Fund	4.0	2.3	23.8
UNDP-TA(CY)	1.0	0.6	11.3
OTHER UN(CY)	0.6	0.7	10.0

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

DONOR	CY 1968	CY 1969	CY 1960-69
TOTAL	37.6	25.7	429.2
Germany	17.6	19.6	179.5
Italy	2.3	0.8	85.8
Japan	16.5	0.6	79.6
Other	1.2	4.7	84.2

ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)

1969 (Calendar Year)..... -
1970 (Calendar Year)..... -
Cumulative thru 1970..... 312

*Less than $50,000. a/Excludes refunding of $384.4 million. b/Annual data represent deliveries; total through 1970 is the cumulative program.

BEST AVAILABLE

CENTRAL AMERICAN ECONOMIC COMMUNITY

BASIC DATA	COSTA RICA	EL SALVADOR	GUATE-MALA	HONDURAS	NICARA-GUA
Population *(millions – mid-1970)*	1.7	3.4	5.3	2.7	1.9
Annual Growth Rate *(percent)*	3.2	3.4	2.9	3.4	3.2
Area *(1000 square miles)*	20	8	42	43	50
Population Density per square mile ..	89	410	130	63	38
Agricultural Land as % of Total Area ..	30	59	23	38	14
Percent of Labor Force in Agriculture	49	60	65	67	60
Life Expectancy *(years)*	65	58	49	49	50
People per Doctor	1,660	4,590	4,540	4,230	2,100
Literacy Rate *(percent)*	84	49	38	45	50
Students as Percent of 5-19 Age Group . *(Primary & Secondary)*	69	49	31	39	42

The total proposed Central America program for FY 1972 is $54.5 million. Included is $10 million for Central American regional lending in all five countries, and $44.5 million for specific loans to four of the five countries in the region: El Salvador ($10.5 million), Guatemala ($15 million), Nicaragua ($10 million) and Honduras ($9 million).

Central American Economic Community

The United States is supporting efforts of the five Central American countries to establish a Central American Economic Community. For more than 10 years, they have been striving to create a workable Central American Common Market (CACM). The first treaties establishing the CACM removed trade restrictions on approximately 95% of the region's internal commerce. These measures make it possible for manufacturing and processing plants located in any of the Central American countries to sell freely in the other four. Measured by growth of trade within the CACM, progress has been rapid. Such trade increased nine times (from $31 million to $298 million) over the period 1960-70.

Development in Central America is taking place against a background of traditional agriculture oriented toward the production of a few export crops - coffee, cotton, bananas and sugar. The major change that has occurred with the development of CACM has been the rapid growth of manufacturing and related industries. The nature of this growth has created several problems and all five members have agreed to make changes in the structure of the CACM. The major difficulties are: (1) Benefits of trade within the CACM have been unevenly distributed. The less developed countries, Honduras and Nicaragua, are concerned that their purchases of industrial goods from their neighbors greatly exceed their sales. (2) The shift from dutiable to non-dutiable imports has had adverse fiscal effects. (3) Much of the new industry created has been based on imported materials with little "value-added" in terms of Central American contribution. Also, the level of protection for many products has been excessive, and prices are high. (4) There has been little progress toward achieving an effective regional market for agricultural products.

Agreement in principle on a basis for restructuring the CACM has yet to be reached, and Honduras is threatening to leave the Common Market. Moreover, trade between El Salvador and Honduras, broken during a conflict between these countries in 1969, has not been resumed.

CENTRAL AMERICAN ECONOMIC COMMUNITY

DEVELOPMENT LENDING

Nevertheless, trade within the CACM continues to grow, and regional progress has occurred in other fields. For example, the five Central Banks signed and put into operation an agreement to establish a regional monetary stabilization fund.

REGIONAL OFFICE OF CENTRAL AMERICA AND PANANA (ROCAP)

PROGRAM SUMMARY
(In millions of dollars)

	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
Development Loans	40.0	6.0	10.0

Assistance is provided to Central America on a regional basis where problems are clearly of a kind most susceptible to regional solution. Two such projects are under consideration for FY 1972 involving $10 million which would be channeled through CABEI, the Central American Bank. The first loan is designed to assist in development of the human resources required to plan, manage and implement regional economic and related social development programs ($7 million). This loan would accelerate development of manpower skills to meet industrial and agricultural needs, broaden educational and training opportunities for deserving and capable individuals, and assist in the preparation of competent technical and professional leaders in areas critical to regional development and integration.

A second loan of $3 million would strengthen Central American economic development and integration by financing priority tourism infrastructure projects.

EL SALVADOR

PROGRAM SUMMARY
(In millions of dollars)

	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
Development Loans	7.8*	9.5*	10.5

*Excludes $518,000 in FY 1970 and $439,000 in FY 1971 for population programs under Title X of the Foreign Assistance Act.

El Salvador has suffered economic dislocations since the 1969 war with Honduras, stemming from the need to accommodate the influx of returning refugees and the need to develop new trade arrangements. U.S. assistance has helped the economy absorb the shock of these dislocations.

Agriculture and education programs would receive the greatest emphasis in the proposed $10.5 million FY 1972 program. An A.I.D.-financed agricultural sector analysis published in December 1969 identified government actions and financial requirements needed to stimulate agricultural diversification, increase production, and improve distribution of income in the sector. A.I.D. loans would support these objectives, which together with governmental policies and investment, form a comprehensive, coordinated approach to agricultural development.

In FY 1972 a $5 million loan would finance agricultural education, research and extension activities. The National Center for Agricultural Technology would utilize this loan to construct and equip new research facilities as well as to staff and equip additional extension field offices. Scholarships to train Salvadoran faculty in the United States and technical assistance for in-country training activities would be financed.

Another agriculture-related loan of $3.5 million would finance a portion of the costs for constructing or improving nearly 200 miles of farm-to-market roads. The goal is to provide year-round access to markets and services for population pockets now lacking these basic, essential facilities.

A.I.D. has supported education development at the primary and high school level in El Salvador through grants and loans. Past activities include the introduction of instructional television, teacher re-training, curriculum revision, provision of textbooks, and school construction. A proposed $2 million loan for FY 1972 focuses on the university level. The loan would provide low interest sub-loans for technical training and graduate study, in the country and abroad, to qualified students. A revolving fund within an appropriate institutional framework would be set up to continue the project after all loan funds have been utilized.

GUATEMALA

PROGRAM SUMMARY (In millions of dollars)			
	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
Development Loans	25.1*	10.2*	15.0

*Excludes $344,000 in FY 1970 and $777,000 in FY 1971 for population programs under Title X of the Foreign Assistance Act.

As a predominantly agricultural country, Guatemala's development efforts are concentrated on integrating the small farmer into the national economy. Within an anticipated loan program for FY 1972 totalling $15 million, major projects currently under review are:

-- A rural electrification loan ($5.5 million) which would finance design and construction of transmission and distribution lines and transformer stations in rural areas along the Pacific Coast and eastern Guatemala.

-- A rural health loan ($1.5 million) designed to improve health infrastructure facilities in rural areas where facilities are presently highly deficient. Training for para-medical personnel is also included.

-- A loan ($1 million) in support of the government's education sector development program. The loan would finance the introduction of new teaching techniques, related in part to the use of educational television facilities.

-- A loan ($1 million) for construction and equipping of modern air cargo and customs facilities at the country's principal international airport. This loan would remove a bottleneck to the high volume of air freight for Guatemala and for transshipment throughout Central America.

-- A loan ($2 million) to assist in developing the major tourist potential of the ancient Mayan Tikal area.

-- Other loans would support activities in science and technology ($2 million) and urban housing ($2 million).

NICARAGUA

PROGRAM SUMMARY (In millions of dollars)			
	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
Development Loans	-*	5.0*	10.0

*Excludes $594,000 in FY 1970 and $400,000 in FY 1971 for population programs under Title X of the Foreign Assistance Act.

Loans totalling $10 million are proposed for education and agriculture are closely coordinated with other international lending agencies. In the education sector loans totalling $6 million would finance construction and equipping of new schools at each of the primary, vocational and junior high school levels, as well as technical assistance focused on improving the quality and management of education. The agriculture loan of $4 million would support local credit facilities. The lack of credit at reasonable rates of interest and repayment terms has been a major obstacle to increased productivity. Most of this credit would be used to finance irrigation equipment, farm machinery, transportation equipment, and agro-chemicals.

HONDURAS

PROGRAM SUMMARY (In millions of dollars)			
	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
Development Loans	2.7*	2.0*	9.0

*Excludes $499,000 in FY 1970 and $523,000 in FY 1971 for population programs under Title X of the Foreign Assistance Act.

Honduras, the least developed Central American country, suffers from sparse communications and internal market development, weak public institutions, and a shortage of trained manpower to implement effective private and public investments and programs.

For FY 1972 four projects totalling $9 million, currently under consideration, would provide assistance in rural development and institution building. These include two agriculture loans. The first ($2 million) is designed to provide needed agricultural and road maintenance equipment, the creation of equipment maintenance facilities, and increased funds for agricultural credit; the second ($3 million) will provide capital and technical assistance to the country's cooperative movement, thereby greatly increasing cooperative lending in rural areas.

Two loans related to housing are proposed. One loan ($3 million) would provide capital and technical assistance to help set up a central housing bank which would coordinate and finance the national savings and loan system. The other loan ($1 million) would finance installation of water, sewerage and electrical facilities at building sites for low-cost cooperative housing projects. A number of institutions working in the cooperative area would participate, including two large labor unions.

CENTRAL AMERICAN ECONOMIC COMMUNITY - Economic Trend Data

ITEM	CENTRAL AMERICAN ECONOMIC COMMUNITY		COSTA RICA		EL SALVADOR		GUATEMALA		HONDURAS		NICARAGUA	
	1969	1970E	1969	1970E	1969	1970E	1969	1970E	1969	1970E	1969	1970E
GROSS NATIONAL PRODUCT												
Total GNP (millions of 1969 dollars)	4,785	5,027	821	886	945	988	1,645	1,728	646	675	728	750
Per Capita GNP (1969 dollars)	327	333	487	509	285	288	319	326	246	249	391	390
AGRICULTURAL PRODUCTION INDEXES (1961-65 = 100)												
Total Production	120	124	150	164	115	110	112	114	124	131	105	108
Per Capita Production	99	99	124	131	94	87	94	93	101	103	87	87
INTERNATIONAL TRADE ($ millions)												
Exports (f.o.b.)	972	1,092	194	229	202	220	255	290	166	173	155	180
Intra-Community	(251)	(298)	(36)	(48)	(75)	(73)	(86)	(107)	(22)	(19)	(32)	(51)
Imports (c.i.f.)	-1,070	-1,233	-245	-318	-214	-214	-250	-280	-184	-221	-177	-200
Trade Balance	-98	-141	-51	-89	-12	6	5	10	-18	-48	-22	-20
GOLD & FOREIGN EXCHANGE ($ millions)*												
Official reserves	239.7	226.9	29.2	16.5	63.8	62.8	71.6	78.2	30.9	20.4	44.2	49.0P
Commercial Bank Holdings	25.1	31.8	9.6	10.9	4.3	9.0	4.8	4.1	2.0	2.1	4.4	5.7
CONSUMER PRICE INDEX (1963 = 100)	n.a.	n.a.	111	116	105	108	104	107	118	120	117	n.a.

E - Estimate. n.a. - Not available. P - Preliminary. * - Gross basis, end of year.

EL SALVADOR

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

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS-NET OBLIGATIONS AND LOAN AUTHORIZATIONS 1969	1970	TOTAL 1946-1970	REPAYMENTS AND INTEREST 1946-1970	TOTAL LESS REPAYMENTS AND INTEREST
A. OFFICIAL DEVELOPMENT ASSISTANCE					
A.I.D. AND PREDECESSOR AGENCIES - TOTAL	10.4	10.2	81.7	2.1	79.6
Loans	8.1	7.8	51.1	2.1	49.0
Grants	2.3	2.4	30.7	-	30.7
FOOD FOR PEACE - TOTAL	1.8	2.0	18.8	0.7	18.1
Title I - Total	-	-	0.6	0.7	- 0.1
REPAYABLE IN U.S. DOLLARS - LOANS	-	-	0.6	0.7	- 0.1
PAYABLE IN FOREIGN CURRENCY-Planned for Country Use	-	-	-	-	-
(Loans)	(-)	(-)	(-)	(-)	(-)
(Grants)	(-)	(-)	(-)	(-)	(-)
Title II - Total	1.8	2.0	18.2	-	18.2
EMERGENCY RELIEF, ECON. DEVEL. & WORLD FOOD PROGRAM	0.2	0.4	1.8	-	1.8
VOLUNTARY RELIEF AGENCIES	1.6	1.6	16.4	-	16.4
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	0.5	0.5	28.2	4.3	23.9
PEACE CORPS	0.6	0.5	4.3	-	4.3
SOCIAL PROGRESS TRUST FUND	- 0.1	-	22.0	4.3	17.7
OTHER	-	-	1.9	-	1.9
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	12.7	12.7	128.7	7.1	121.6
Loans	8.0	7.8	73.7	7.1	66.6
Grants	4.7	4.9	55.1	-	55.1
B. OTHER OFFICIAL					
EXPORT-IMPORT BANK LONG-TERM LOANS	1.0	-	12.8	10.1	2.7
TOTAL ECONOMIC	13.7	12.7	141.5	17.2	124.3
Loans	9.0	7.8	86.5	17.2	69.3
Grants	4.7	4.9	55.1	-	55.1
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp. a/	0.3	0.2	6.6	-	6.6
Credit Assistance	-	-	-	-	-
Grants	0.3	0.2	6.6	-	6.6
(Additional Grants from Excess Stocks)	(*)	(-)	(0.3)	(-)	(0.3)
OTHER MILITARY ASSISTANCE GRANTS	-	-	-	-	-
TOTAL MILITARY	0.3	0.2	6.6	-	6.6
TOTAL ECONOMIC AND MILITARY	14.0	12.9	148.1	17.2	130.9
Loans	9.0	7.8	86.5	17.2	69.3
Grants	5.0	5.1	61.7	-	61.7

OTHER PROGRAMS

ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1969	FY 1970	FY 1946-70
TOTAL	20.7	0.5	99.0
IBRD - World Bank	4.9	-	57.9
Int'l Dev. Association	-	-	8.0
Int'l Finance Corp.	0.9	-	1.1
Inter-Am. Dev. Bank	13.3	-	20.4
UNDP - Special Fund	1.1	-	4.6
UNDP - TA (CY)	0.2	0.2	3.4
Other UN (CY)	0.3	0.3	3.6

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

DONOR	CY 1968	CY 1969	CY 1960-69
TOTAL	2.0	2.1	5.8
Germany	0.2	0.3	1.7
United Kingdom	0.2	0.2	0.6
Japan	0.1	0.1	0.4
Other	1.5	1.5	3.0

ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)

1969 (Calendar Year)	-
1970 (Calendar Year)	-
Cumulative thru 1970	-

*Less than $50,000. a/ Annual data represent deliveries; total through 1970 is the cumulative program.

GUATEMALA

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

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS-NET OBLIGATIONS AND LOAN AUTHORIZATIONS 1969	1970	TOTAL 1946-1970	REPAYMENTS AND INTEREST 1946-1970	TOTAL LESS REPAYMENTS AND INTEREST
A. OFFICIAL DEVELOPMENT ASSISTANCE					
A.I.D. AND PREDECESSOR AGENCIES - TOTAL	5.8	28.7	166.4	8.3	158.1
Loans	2.6	25.1	65.6	8.3	57.3
Grants	3.2	3.6	100.8	-	100.8
FOOD FOR PEACE - TOTAL	2.2	2.6	21.4	0.3	21.1
Title I - Total	-	-	1.0	0.3	0.7
REPAYABLE IN U.S. DOLLARS - LOANS	-	-	1.0	0.3	0.7
PAYABLE IN FOREIGN CURRENCY-Planned for Country Use	-	-	-	-	-
(Loans)	(-)	(-)	(-)	(-)	(-)
(Grants)	(-)	(-)	(-)	(-)	(-)
Title II - Total	2.2	2.6	20.4	-	20.4
EMERGENCY RELIEF, ECON. DEVEL. & WORLD FOOD PROGRAM	-	-	3.2	-	3.2
VOLUNTARY RELIEF AGENCIES	2.2	2.6	17.2	-	17.2
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	0.8	0.6	64.0	2.1	61.9
PEACE CORPS	0.6	0.6	5.3	-	5.3
SOCIAL PROGRESS TRUST FUND	-	-	14.3	2.1	12.2
OTHER	0.2	-	44.4	-	44.4
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	8.8	31.9	251.8	10.7	241.1
Loans	2.7	25.1	81.0	10.7	70.3
Grants	6.1	6.8	170.8	-	170.8
B. OTHER OFFICIAL					
EXPORT-IMPORT BANK LONG-TERM LOANS	70.0	-	90.3	11.6	78.7
TOTAL ECONOMIC	78.8	31.9	342.1	22.3	319.8
Loans	72.7	25.1	171.3	22.3	149.0
Grants	6.1	6.8	170.8	-	170.8
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp. a/	1.1	2.0	17.6	0.2	17.4
Credit Assistance	-	-	0.5	0.2	0.3
Grants	1.1	2.0	17.1	-	17.1
(Additional Grants from Excess Stocks)	(*)	(0.1)	(1.1)	(-)	(1.1)
OTHER MILITARY ASSISTANCE GRANTS	-	-	-	-	-
TOTAL MILITARY	1.1	2.0	17.6	0.2	17.4
TOTAL ECONOMIC AND MILITARY	79.9	33.9	359.7	22.5	337.2
Loans	72.7	25.1	171.8	22.5	149.3
Grants	7.2	8.8	187.9	-	187.9

OTHER PROGRAMS

ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1969	FY 1970	FY 1946-70
TOTAL	27.6	17.3	126.1
IBRD - World Bank	6.3	-	46.5
Int'l Finance Corp	-	-	0.2
Inter- Am. Dev. Bank	19.0	15.5	65.1
UNDP - Special Fund	1.6	1.1	5.4
UNDP - TA (CY)	0.3	0.3	4.1
Other UN (CY)	0.4	0.4	4.8

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

DONOR	CY 1968	CY 1969	CY 1960-69
TOTAL	2.1	1.2	9.8
Germany	1.0	1.1	5.1
Austria	1.0	*	3.4
Other	0.1	0.1	0.3

ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)

1969 (Calendar Year)	
1970 (Calendar Year)	
Cumulative thru 1970	

*Less than $50,000. a/ Annual data represent deliveries; total through 1970 is the cumulative program.

NICARAGUA

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

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS-NET OBLIGATIONS AND LOAN AUTHORIZATIONS 1969	1970	TOTAL 1946-1970	REPAYMENTS AND INTEREST 1946-1970	TOTAL LESS REPAYMENTS AND INTEREST
A. OFFICIAL DEVELOPMENT ASSISTANCE					
A.I.D. AND PREDECESSOR AGENCIES - TOTAL	1.7	2.3	98.6	4.4	94.2
Loans	-*	-	71.9	4.4	67.5
Grants	1.7	2.3	26.6	-	26.6
FOOD FOR PEACE - TOTAL	0.3	0.4	8.3	-	8.3
Title I - Total	-	-	-	-	-
REPAYABLE IN U.S. DOLLARS - LOANS	-	-	-	-	-
PAYABLE IN FOREIGN CURRENCY-Planned for Country Use	-	-	-	-	-
(Loans)	(-)	(-)	(-)	(-)	(-)
(Grants)	(-)	(-)	(-)	(-)	(-)
Title II - Total	0.3	0.4	8.3	-	8.3
EMERGENCY RELIEF, ECON. DEVEL. & WORLD FOOD PROGRAM	-	-	-	-	-
VOLUNTARY RELIEF AGENCIES	0.3	0.4	8.3	-	-
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	0.2	0.4	39.5	2.5	37.0
PEACE CORPS	0.2	0.4	0.6	-	0.6
SOCIAL PROGRESS TRUST FUND	-	-	13.0	2.5	10.5
OTHER	-	-	25.9	-	25.9
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	2.2	3.1	146.4	6.9	139.5
Loans	-*	-	84.9	6.9	78.0
Grants	2.2	3.1	61.4	-	61.4
B. OTHER OFFICIAL					
EXPORT-IMPORT BANK LONG-TERM LOANS	-	-	20.9	17.0	3.9
TOTAL ECONOMIC	2.2	3.1	167.3	23.9	143.4
Loans	-*	-	105.8	23.9	81.9
Grants	2.2	3.1	61.4	-	61.4
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.) a/	0.7	1.1	12.8	-	12.8
Credit Assistance	-	-	-	-	-
Grants	0.7	1.1	12.8	-	12.8
(Additional Grants from Excess Stocks)	(*)	(0.1)	(0.3)	(-)	(0.3)
OTHER MILITARY ASSISTANCE GRANTS	-	-	-	-	-
TOTAL MILITARY	0.7	1.1	12.8	-	12.8
TOTAL ECONOMIC AND MILITARY	2.9	4.2	180.1	23.9	156.2
Loans	-*	-	105.8	23.9	81.9
Grants	2.9	4.2	74.2	-	74.2

OTHER PROGRAMS

ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1969	FY 1970	FY 1946-70
TOTAL	12.6	1.0	125.2
IBRD-World Bank	-	-	59.9
Int'l Dev. Association	-	-	3.0
Int'l Finance Corp.	-	-	2.1
Inter-Am Dev. Bank	12.2	0.2	50.0
UNDP-Special Fund	-	0.6	4.7
UNDP-TA (CY)	0.2	0.1	2.5
Other UN (CY)	0.2	0.1	3.0

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

DONOR	CY 1968	CY 1969	CY 1960-69
TOTAL	0.2	0.2	1.1
Germany	0.1	0.2	0.8
Austria	-	-	0.2
Other	*	*	0.1

ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)

1969 (Calendar Year)	-
1970 (Calendar Year)	-
Cumulative thru 1970	-

*Less than $50,000.

a/ Annual data represent deliveries; total through 1970 is the cumulative program.

HONDURAS

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

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS-NET OBLIGATIONS AND LOAN AUTHORIZATIONS 1969	1970	TOTAL 1946-1970	REPAYMENTS AND INTEREST 1946-1970	TOTAL LESS REPAYMENTS AND INTEREST
A. OFFICIAL DEVELOPMENT ASSISTANCE					
A.I.D. AND PREDECESSOR AGENCIES - TOTAL	2.5	5.2	87.2	8.1	79.1
Loans	0.5	2.7	52.6	8.1	44.5
Grants	2.1	2.5	34.5	-	34.5
FOOD FOR PEACE - TOTAL	0.8	1.0	8.3	-	8.3
Title I - Total	-	-	-	-	-
REPAYABLE IN U.S. DOLLARS - LOANS	-	-	-	-	-
PAYABLE IN FOREIGN CURRENCY-Planned for Country Use	-	-	-	-	-
(Loans)	(-)	(-)	(-)	(-)	(-)
(Grants)	(-)	(-)	(-)	(-)	(-)
Title II - Total	0.8	1.0	8.3	-	8.3
EMERGENCY RELIEF, ECON. DEVEL. & WORLD FOOD PROGRAM	-	0.2	0.7	-	0.7
VOLUNTARY RELIEF AGENCIES	0.8	0.8	7.6	-	7.6
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	0.8	0.8	19.8	1.6	18.2
PEACE CORPS	0.8	0.8	5.8	-	5.8
SOCIAL PROGRESS TRUST FUND	-*	-	7.6	1.5	6.1
OTHER	-	-	6.4	0.1	6.3
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	4.1	7.0	115.3	9.7	105.6
Loans	0.5	2.7	60.4	9.7	50.7
Grants	3.7	4.3	54.8	-	54.8
B. OTHER OFFICIAL					
EXPORT-IMPORT BANK LONG-TERM LOANS	-	2.0	5.2	3.4	1.8
TOTAL ECONOMIC	4.1	9.0	120.5	13.1	107.4
Loans	0.5	4.7	65.6	13.1	52.5
Grants	3.7	4.3	54.8	-	54.8
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.) a/	0.6	0.3	8.1	-	8.1
Credit Assistance	-	-	-	-	-
Grants	0.6	0.3	8.1	-	8.1
(Additional Grants from Excess Stocks)	(0.1)	(*)	(0.5)	(-)	(0.5)
OTHER MILITARY ASSISTANCE GRANTS	-	-	-	-	-
TOTAL MILITARY	0.6	0.3	8.1	-	8.1
TOTAL ECONOMIC AND MILITARY	4.7	9.3	128.6	13.1	115.5
Loans	0.5	4.7	65.6	13.1	52.5
Grants	4.3	4.6	62.9	-	62.9

OTHER PROGRAMS

ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1969	FY 1970	FY 1946-70
TOTAL	11.6	14.0	132.6
IBRD - World Bank	-	5.5	52.3
Int'l. Dev. Association	-	8.1	24.0
Int'l. Finance Corp.	*	*	0.5
Inter-Am. Dev. Bank	10.5	-	47.4
UNDP - Special Fund	0.6	-	2.4
UNDP - TA (CY)	0.3	0.2	3.4
Other UN (CY)	0.2	0.2	2.6

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

DONOR	CY 1968	CY 1969	CY 1960-69
TOTAL	0.4	0.2	5.6
United Kingdom	*	*	4.0
Germany	0.2	0.1	0.9
Austria	-	-	0.4
Other	0.1	0.1	0.3

ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)

1969 (Calendar Year)	-
1970 (Calendar Year)	-
Cumulative thru 1970	-

*Less than $50,000.

a/ Annual data represent deliveries; total through 1970 is the cumulative program.

BEST AVAILABLE

OTHER LATIN AMERICA - BASIC DATA

COUNTRY	POPULATION		AREA		LABOR FORCE	GNP[a]	TRADE		HEALTH AND EDUCATION			
	TOTAL (MID-1970)	ANNUAL GROWTH RATE	TOTAL	AGRICULTURAL LAND	IN AGRICULTURE	PER CAPITA (1970 EST.)	TOTAL EXPORTS (1969)	MAIN EXPORTS	PEOPLE PER DOCTOR	LIFE EXPECTANCY	LITERACY RATE	STUDENTS AS % 5-19 AGE GROUP[b]
	MILLIONS	PERCENT	1,000 SQ. MILE	PERCENT OF AREA	PERCENT	DOLLARS	$ MILLIONS	ITEM	NUMBER	YEARS	PERCENT	PERCENT
Bolivia	4.7	2.4	424	13	48	201	182	Tin	2,710	50	32	49
Dominican Republic	4.1	3.0	19	40	61	332	184	Sugar	1,670	58	65	52
Ecuador	6.1	3.4	109	17	53	294	183	Bananas	2,590	52	68	50
Guyana	0.8	3.0	83	15	33	317[c]	121	Sugar, bauxite, & alumina	4,410	61	80	74
Jamaica	2.0	1.9	4	42	36	556	257	Bauxite, alumina, & sugar	1,490	65	82	53
Panama	1.4	3.0	29	18	40	693	117	Petroleum & bananas	1,730	66	78	58
Paraguay	2.4	3.1	157	27	54	245	51	Meat & wood	1,580	58	74	52
Peru	13.6	3.1	496	23	45	396	864	Fish & copper	2,070	54	61	63
Uruguay	2.9	1.3	72	84	21	705	200	Wool & meat	800	69	91	78

a - 1970 in 1969 prices converted at 1969 exchange rates.
b - Primary and secondary students.
c - 1969 in 1969 prices.

OTHER LATIN AMERICA PROGRAMS

DEVELOPMENT LENDING

Nine other countries and two regional projects are to receive the balance (39%) of the loan program proposed for FY 1972. The loan level for this group, $120.5 million, will support agriculture, education, housing, banks, and a variety of other activities including tourism, feasibility studies, and transportation.

PANAMA

PROGRAM SUMMARY
(In millions of dollars)

	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
Development Loans	8.5*	15.9*	25.0

*Excludes $282,000 in FY 1970 and $700,000 in FY 1971 for population programs under Title X of the Foreign Assistance Act.

For FY 1972, A.I.D. proposes a total of $25 million. With 50% of the population dependent on agriculture which yields only 20% of the GNP, this sector has been bypassed by the country's recent economic buoyancy. Accordingly, a $12 million agriculture sector loan is planned to finance a series of interrelated investments designed to achieve targeted production goals and greatly expand the number of farm units. The program entails expansion of professional training, research, technical education, extension activities, credit availabilities and marketing infrastructure. Proposed IDB financing for feeder roads and agricultural credit is closely related to this proposed activity.

Another loan, for $5 million, would establish a credit fund in the National Bank to finance agribusiness, particularly in industries which generate exports and rural employment. The project would expand the availabilty of business credit for periods of more than 3 years.

Also under consideration are two smaller loans. One of $3 million for feasibility studies would be allocated primarily for project analysis related to closing the Darien Gap, the last link in the Pan American Highway. Another loan of $5 million for a tourism program would be used to establish an intermediate credit institution for small business projects designed to improve tourist facilities and tourist attractions, and to construct a convention center and a training facility for tourism trades.

JAMAICA

PROGRAM SUMMARY
(In millions of dollars)

	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
Development Loans	-*	11.1*	10.0

*Excludes $420,000 in FY 1970 and $510,000 in FY 1971 for population programs under Title X of the Foreign Assistance Act.

While maintaining a satisfactory growth rate in recent years based largely on bauxite/alumina and tourism, Jamaica continues to be plagued by problems of overpopulation, unemployment, a lagging agricultural sector and unsatisfied demands for improved social conditions.

For FY 1972, $10 million in loans are projected. Pending the outcome of a CIAP-financed feasibility study, a $5 million loan may be made to help finance establishment of a revolving fund for underwriting private equity share issues. Another loan of $5 million would help finance a forestry improvement project.

BOLIVIA

PROGRAM SUMMARY
(In millions of dollars)

	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
Development Loans	-*	-*	10.0

*Excludes $145,000 in FY 1970 and $335,000 in FY 1971 for population programs under Title X of the Foreign Assistance Act.

Bolivia, with a per capita GNP of $201, continues to require large amounts of external foreign assistance. The bulk of this is provided by the World Bank and the Inter-American Development Bank.

For FY 1972, four projects totalling $10 million are under consideration for A.I.D. financing. Among these activities is a $4 million loan to develop a financial institution which would channel funds to regional and city development groups for public sector projects. The loan would provide much needed impetus to the initiation of development activities and projects at the local level. Other proposals include a private investment fund loan ($3 million), a road maintenance equipment loan ($2 million) and a loan for rural electrification ($1 million).

DEVELOPMENT LENDING

ECUADOR

PROGRAM SUMMARY (In millions of dollars)			
	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
Development Loans	19.5*	10.0*	14.0

*Excludes $864,000 in FY 1970 and $1,272,000 in FY 1971 for population programs under Title X of the Foreign Assistance Act.

With per capita GNP of $294, Ecuador is among the region's least developed nations.

Three A.I.D loans totalling $14 million are proposed for FY 1972. Two of these loans are in the agriculture sector which engages 57% of Ecuador's population and accounts for 35% of GNP and 90% of its exports. A $2 million loan would finance data collection for a comprehensive agriculture census on which future national investment planning and policy formation can be based. A related loan objective is to develop a permanent capability for data collection and statistical analysis within the National Planning Board. Another loan would provide $10 million in agricultural credit and technical assistance to help small and medium-size farmers increase production.

A third FY 1972 loan under consideration ($2 million) is for feasibility studies to identify and evaluate priority infrastructure projects, such as hydroelectric resources; primary and secondary road networks; colonization needs; building materials; potential exports to other Andean Group countries; and education sector investment needs.

PARAGUAY

PROGRAM SUMMARY (In millions of dollars)			
	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
Development Loans	4.6*	2.0*	6.0

*Excludes $332,000 in FY 1970 and $471,000 in FY 1971 for population programs under Title X of the Foreign Assistance Act.

A $6 million program is proposed for FY 1972 consisting of a $4 million project loan to increase exports by reducing the costs of river transportation, and a $2 million loan to provide capital to a new savings and loan system. The objective of the first loan is to expand exports of limestone and agricultural products and thus increase foreign exchange earnings and provide reliable, year-round general cargo river transportation service at a reduced cost. In addition, the loan would contribute significantly to regional integration and demonstrate the effectiveness of privately operated transportation facilities. Loan funds would be utilized for the purchase of limestone quarrying equipment and barge and towing equipment, and to cover some local costs. The other loan proposal would assist a new Central Savings and Loan Fund, now being formed, to expand the country's savings and loan system. The goal is to mobilize private savings for the housing sector. A secondary benefit from the loan will be stimulation of the building materials and construction industries. The new institution will establish savings and loan operating rules and regulations, provide technical assistance, serve as a source of emergency liquidity, provide lending capital, and underwrite deposit and FHA-type mortgage insurance.

URUGUAY

PROGRAM SUMMARY (In millions of dollars)			
	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
Development Loans	15.4	18.0*	12.0

*Excludes $223,000 in FY 1971 for population programs under Title X of the Foreign Assistance Act.

Two loan proposals, for which $12 million is planned in FY 1972, are under consideration. The first, a supervised agriculture credit loan of $7 million would continue efforts to modernize the Uruguayan agriculture sector supported by an earlier A.I.D. loan. Recent studies of the sector highlight ist low productivity, the stagnation of output, and the lack of coordination in agricultural policies. These studies give high priority to expansion of agricultural credit and the need for consistent price policies which would make agricultural investment more profitable. The proposed loan would support the Uruguayan Government's small and medium farm sector program. Particular emphasis would be given to increasing production of exportable agricultural commodities in world demand. Production and investment credits would be provided as would foreign exchange for machinery imports. Complementing the proposed AID loan are a fourth IBRD Livestock loan and possible IDB loans related to the elimination of Hoof and Mouth Disease;

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the support of a colonization effort and a "small farmers" credit loan.

A second loan of up to $5 million would provide capital equipment and materials for export-related industries and facilitate development and expansion of non-traditional exports.

GUYANA

PROGRAM SUMMARY (In millions of dollars)			
	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
Development Loans	-	6.0	3.5

For FY 1972, two A.I.D. loans, totalling $3.5 million are proposed. The first, for $500,000, would finance pre-feasibility studies in agriculture to determine the necessary commodity, pricing, and technical inputs needed for a national agricultural strategy and assist in planning anticipated fundamental shifts in their traditional agriculture markets. A decline in sugar exports, the number one export commodity, plus a tightening external market for rice, the second largest export commodity have contributed to a widening trade gap. Overdependence on these two primary products highlights the need for export product diversification.

The second proposed loan of $3 million would continue support for expansion of the country's rural water supply system.

PERU

PROGRAM SUMMARY (In millions of dollars)			
	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
Development Loans	-*	3.0	10.0

*Excludes $113,000 in FY 1970 and $36,000 in FY 1971 for population programs under Title X of the Foreign Assistance Act.

Four loans totalling $10 million would help implement recently completed plans for reconstruction of the extensive area affected by the recent major earthquake. Loans for supervised agriculture credit, education, housing, and business reconstuction are proposed. The agricultural loan of $4 million would complement earlier assistance provided by A.I.D. in an area where agriculture provides the major source of income for the population. The proposed education loan of $2.5 million would assist in introducing a modernized educational program in the earthquake area to complement the extensive rehabilitation now underway. The housing loan totalling $2 million to the National Housing Bank would be used for the construction of community public facilities. The business reconstruction loan of $1.5 million would provide necessary financing for replacement of destroyed inventory and machinery and the reconstruction of small businesses and to provide employment for displaced persons.

DOMINICAN REPUBLIC

PROGRAM SUMMARY (In millions of dollars)			
	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
Development Loans	1.7	9.0	15.0

Although the Dominican economy has largely recovered from the effects of the 1965 revolution and the droughts of 1967 and 1968, real per capita GNP has barely reached the all-time high level of 1964 and the rate of unemployment continues very high. While there has been improvement in the balance of payments situation, pressures on the foreign exchange position continue to be a major problem. Because of the country's high import levels, export earnings must be increased significantly, particularly from nontraditional agricultural products and tourism.

Thus, $15 million has been allocated in the FY 1972 program for two projects: one for tourism and one for agriculture inputs. The tourism loan ($5 million) would provide part of the financing required to develop tourist infrastructure and services and thus increase foreign exchange earnings. There are major tourist possibilities in the northern and eastern areas of the country, but facilities such as roads and airports are lacking.

The $10 million agriculture loan would finance the importation of production inputs needed to promote increased food production, employment and exports. The inputs, such as fertilizer, tractors

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and agricultural machinery, would be sold to armers on reasonable credit terms.

LATIN AMERICA REGIONAL

PROGRAM SUMMARY (In millions of dollars)			
	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
Development Loans	5.0*	-*	5.0

* Excludes $5,260,000 in FY 1970 and $8,242,000 in FY 1971 for population programs under Title X of the Foreign Assistance Act.

A loan for the Coffee Diversification Fund ($5 million), in conjunction with a $2.5 million loan from the African A.I.D. program would complete the planned $15 million U.S. contribution to the Fund. The Fund, which also receives revenue from a tax on coffee sold by producing countries, will be used for loans to International Coffee Agreement member countries for projects to diversify agricultural production and to stabilize production within limits set by the Agreement.

EAST CARIBBEAN REGIONAL

PROGRAM SUMMARY (In millions of dollars)			
	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
Development Loans	10.0	-	10.0

Finally, a $10 million loan is under consideration in FY 1972 for the University of the West Indies. This loan would be used to strengthen faculty, improve curriculum and expand facilities at the two campuses to enable the university to become more significantly involved in development of the East Caribbean region.

Conclusion

The multilateral lending institutions have increased their role substantially in the past few years in Latin America. At the same time U.S. development lending support for the region has been declining proportionately. Increasingly, the U.S. is providing support when other donor support is not available and in pioneering innovative projects in agriculture and rural development, education and manpower training, health and population, and urban development. The lending program proposed for FY 1972 responds to initiatives by our partners in the Hemisphere in these critical sectors. Closely integrated with the assistance planned by the multilateral donors and U.S. technical assistance, it is a vital element in the sharing of U.S. technology, management systems and productive capacities which these countries recognize and want. Although the magnitude proposed here is substantially less than these countries have requested, the projects would help Latin American move to meet the challenges of confronting it, challenges significant to the whole of the Western Hemisphere.

OTHER LATIN AMERICA - ECONOMIC TREND DATA

COUNTRY	GROSS NATIONAL PRODUCT ($ millions, in 1969 prices)						AGRICULTURAL PRODUCTION (Indexes: 1961-65=100)						INTERNATIONAL TRADE ($ millions)						GOLD AND FOREIGN EXCHANGE*		
	Total GNP			Per Capita GNP			Total			Per Capita			Exports (f.o.b.)			Imports (c.i.f.)			($ millions)		
	1965	1969	1970E	1965	1969	1970E	1965	1969	1970P	1965	1969	1970P	1965	1969	1970E	1965	1969	1970E	1965	1969	1970
Bolivia	729	901	938	176	198	201	103	106	105	98	92	89	110	182	185	126	167	181	36	42	46
Dominican Rep.	980	1,272	1,351	276	321	332	93	114	120	88	96	98	126	184	214	100	243	306	51	40	32
Ecuador	1,335	1,644	1,792	259	279	294	108	114	127	101	93	100	180	183	234	168	262	248	46	65	83
Guyana	n.a.	235	n.a.	n.a.	317	n.a.	104	103	101	98	86	82	97	121	121	104	118	140	20	21	20
Jamaica	899	1,064	1,110	502	543	556	108	86	84	102	75	71	214	257	300	289	442	520	96	141	164
Panama	683	917	992	553	660	693	119	134	136	112	112	110	79	117	115	208	294	370	44	182	230
Paraguay	464	543	582	229	236	245	104	109	109	98	90	88	57	51	64	55	82	76	10	10	18
Peru	4,671	5,124	5,380	401	389	396	101	95	99	95	79	80	666	864	1,048	745	604	619	175	167	312[a]
Uruguay	1,892	1,944	2,036	697	682	705	104	94	100	101	87	92	191	200	227	150	197	233	179	184	176

E - Estimate. P - Preliminary. n.a. - Not available. * - Official reserves, gross basis, end of year
a - November.

PANAMA

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

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS-NET OBLIGATIONS AND LOAN AUTHORIZATIONS 1969	1970	TOTAL 1946-1970	REPAYMENTS AND INTEREST 1946-1970	TOTAL LESS REPAYMENTS AND INTEREST
A. OFFICIAL DEVELOPMENT ASSISTANCE					
A.I.D. AND PREDECESSOR AGENCIES - TOTAL	15.8	7.3	156.5	12.7	143.8
Loans	13.1	4.2	107.9	12.7	95.2
Grants	2.7	3.1	48.7	-	48.7
FOOD FOR PEACE - TOTAL	0.6	1.0	11.2	-	11.2
Title I - Total	-	-	-	-	-
REPAYABLE IN U.S. DOLLARS - LOANS	-	-	-	-	-
PAYABLE IN FOREIGN CURRENCY-Planned for Country Use	-	-	-	-	-
(Loans)	(-)	(-)	(-)	(-)	(-)
(Grants)	(-)	(-)	(-)	(-)	(-)
Title II - Total	0.6	1.0	11.2	-	11.2
EMERGENCY RELIEF, ECON. DEVEL. & WORLD FOOD PROGRAM	-	-	-	-	-
VOLUNTARY RELIEF AGENCIES	0.6	1.0	11.2	-	11.2
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	0.8	0.7	54.6	3.1	51.5
PEACE CORPS	0.8	0.7	6.3	-	6.3
SOCIAL PROGRESS TRUST FUND	-	-	12.9	3.1	9.8
OTHER	-	-	35.4	-	35.4
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	17.2	9.0	222.3	15.8	206.5
Loans	13.1	4.2	120.8	15.8	105.0
Grants	4.1	4.8	101.6	-	101.6
B. OTHER OFFICIAL					
EXPORT-IMPORT BANK LONG-TERM LOANS	-	2.5	32.3	22.2	10.1
TOTAL ECONOMIC	17.2	11.5	254.6	38.0	216.6
Loans	13.1	6.7	153.1	38.0	115.1
Grants	4.1	4.8	101.6	-	101.6
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.) a/	0.4	0.4	4.0	-	4.0
Credit Assistance	-	-	-	-	-
Grants	0.4	0.4	4.0	-	4.0
(Additional Grants from Excess Stocks)	(*)	(0.1)	(0.1)	(-)	(0.1)
OTHER MILITARY ASSISTANCE GRANTS	-	-	-	-	-
TOTAL MILITARY	0.4	0.4	4.0	-	4.0
TOTAL ECONOMIC AND MILITARY	17.6	11.9	258.6	38.0	220.6
Loans	13.1	6.7	153.1	38.0	115.1
Grants	4.5	5.2	105.6	-	105.6

OTHER PROGRAMS

ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1969	FY 1970	FY 1946-70
TOTAL	1.5	53.0	106.3
IBRD - World Bank	-	42.0	60.0
Inter-Am. Dev. Bank	-	9.8	34.0
UNDP - Special Fund	1.0	0.8	6.7
UNDP TA (CY)	0.3	0.2	2.7
Other UN (CY)	0.2	0.2	2.9

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

DONOR	CY 1968	CY 1969	CY 1960-69
TOTAL	1.3	0.5	14.5
Italy	1.2	0.2	13.8
Germany	0.1	0.1	0.5
Other	0.1	0.2	0.3

ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)

1969 (Calendar Year)	-
1970 (Calendar Year)	-
Cumulative thru 1970	-

*Less than $50,000. a/ Annual data represent deliveries; total through 1970 is the cumulative program.

JAMAICA

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

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS-NET OBLIGATIONS AND LOAN AUTHORIZATIONS 1969	1970	TOTAL 1946-1970	REPAYMENTS AND INTEREST 1946-1970	TOTAL LESS REPAYMENTS AND INTEREST
A. OFFICIAL DEVELOPMENT ASSISTANCE					
A.I.D. AND PREDECESSOR AGENCIES - TOTAL	-*	0.7	20.0	1.1	18.9
Loans	-0.9	-	10.7	1.1	9.6
Grants	0.9	0.7	9.3	-	9.3
FOOD FOR PEACE - TOTAL	0.6	0.4	24.2	-	24.2
Title I - Total	-	-	-	-	-
REPAYABLE IN U.S. DOLLARS - LOANS	-	-	-	-	-
PAYABLE IN FOREIGN CURRENCY-Planned for Country Use	-	-	-	-	-
(Loans)	(-)	(-)	(-)	(-)	(-)
(Grants)	(-)	(-)	(-)	(-)	(-)
Title II - Total	0.6	0.4	24.2	-	24.2
EMERGENCY RELIEF, ECON. DEVEL. & WORLD FOOD PROGRAM	-	-	7.8	-	7.8
VOLUNTARY RELIEF AGENCIES	0.6	0.4	16.4	-	16.4
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	0.7	0.9	4.9	-	4.9
PEACE CORPS	0.7	0.9	4.9	-	4.9
SOCIAL PROGRESS TRUST FUND	-	-	-	-	-
OTHER	-	-	-	-	-
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	1.3	2.0	49.1	1.1	48.0
Loans	-0.9	-	10.7	1.1	9.6
Grants	2.2	2.0	38.4	-	38.4
B. OTHER OFFICIAL					
EXPORT-IMPORT BANK LONG-TERM LOANS	15.2	7.0	32.5	2.9	29.6
TOTAL ECONOMIC	16.5	9.0	81.6	4.0	77.6
Loans	14.3	7.0	43.2	4.0	39.2
Grants	2.2	2.0	38.4	-	38.4
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.) a/	-	-	1.1	-	1.1
Credit Assistance	-	-	-	-	-
Grants	-	-	1.1	-	1.1
(Additional Grants from Excess Stocks)	(-)	(-)	(*)	(-)	(*)
OTHER MILITARY ASSISTANCE GRANTS	-	-	-	-	-
TOTAL MILITARY	-	-	1.1	-	1.1
TOTAL ECONOMIC AND MILITARY	16.5	9.0	82.7	4.0	78.7
Loans	14.3	7.0	43.2	4.0	39.2
Grants	2.2	2.0	39.5	-	39.5

OTHER PROGRAMS

ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1969	FY 1970	FY 1946-70
TOTAL	9.0	3.4	55.6
IBRD - World Bank	5.0	2.0	44.0
Int'l Finance Corp.	2.9	-	3.1
UNDP - Special Fund	0.8	1.2	5.6
UNDP - TA(CY)	0.3	0.2	2.1
Other UN(CY)	*	*	0.8

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

DONOR	CY [illegible]	CY 1969	CY 1960-69
TOTAL	11.7	10.9	63.4
United Kingdom	8.6	7.7	54.0
Canada	2.9	2.7	8.2
Other	0.3	0.6	1.2

ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)

1969 (Calendar Year)	-
1970 (Calendar Year)	-
Cumulative thru 1970	-

*Less than $50,000.
a/ Annual data represent deliveries; total through 1970 is the cumulative program.

BEST AVAILABLE

BOLIVIA

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

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS-NET OBLIGATIONS AND LOAN AUTHORIZATIONS 1969	1970	TOTAL 1946-1970	REPAYMENTS AND INTEREST 1946-1970	TOTAL LESS REPAYMENTS AND INTEREST
A. OFFICIAL DEVELOPMENT ASSISTANCE					
A.I.D. AND PREDECESSOR AGENCIES - TOTAL	8.0	0.6	344.1	8.3	335.8
Loans	5.1	-1.5	115.1	8.3	106.8
Grants	2.9	2.1	229.0	-	229.0
FOOD FOR PEACE - TOTAL	15.4	3.2	95.3	5.6	89.7
Title I - Total	14.2	-	52.1	5.6	46.5
REPAYABLE IN U.S. DOLLARS - LOANS	14.2	-	23.6	2.1	21.5
PAYABLE IN FOREIGN CURRENCY-Planned for Country Use	-	-	28.6	3.5	25.1
(Loans)	(-)	(-)	(28.6)	(3.5)	(25.1)
(Grants)	(-)	(-)	(-)	(-)	(-)
Title II - Total	1.2	3.2	43.2	-	43.2
EMERGENCY RELIEF, ECON. DEVEL. & WORLD FOOD PROGRAM	0.4	2.1	22.4	-	22.4
VOLUNTARY RELIEF AGENCIES	0.8	1.1	20.8	-	20.8
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	1.5	1.4	40.9	2.5	38.4
PEACE CORPS	1.5	1.4	15.7	-	15.7
SOCIAL PROGRESS TRUST FUND	-	-	14.6	2.5	12.1
OTHER	-	-	10.6	-	10.6
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	24.9	5.2	480.3	16.4	463.9
Loans	19.3	-1.5	181.8	16.4	165.4
Grants	5.6	6.7	298.5	-	298.5
B. OTHER OFFICIAL					
EXPORT-IMPORT BANK LONG-TERM LOANS	8.3	-	44.9 a/	14.2	30.7
TOTAL ECONOMIC	33.2	5.2	525.2	30.6	494.6
Loans	27.6	-1.5	226.7	30.6	196.1
Grants	5.6	6.7	298.5	-	298.5
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.) b/	1.6	1.2	23.9	-	23.9
Credit Assistance	-	-	-	-	-
Grants	1.6	1.2	23.9	-	23.9
(Additional Grants from Excess Stocks)	(0.1)	(*)	(1.4)	(-)	(1.4)
OTHER MILITARY ASSISTANCE GRANTS	-	-	-	-	-
TOTAL MILITARY	1.6	1.2	23.9	-	23.9
TOTAL ECONOMIC AND MILITARY	34.8	6.4	549.1	30.6	518.5
Loans	27.6	-1.5	226.7	30.6	196.1
Grants	7.2	7.9	322.4	-	322.4

OTHER PROGRAMS

ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1969	FY 1970	FY 1946-70
TOTAL	18.2	31.5	152.9
IBRD-World Bank	-	23.2	23.2
Int'l Dev. Association	7.4	1.4	25.8
Inter-American Dev. Bank	8.5	5.0	81.5
UNDP - Special Fund	1.4	1.3	10.8
UNDP - TA (CY)	0.6	0.4	8.1
Other UN (CY)	0.3	0.2	3.5

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

DONOR	CY 1968	CY 1969	CY 1960-69
TOTAL	12.9	6.9	35.1
Germany	3.8	3.3	19.7
United Kingdom	0.2	1.5	3.4
Other	8.8	2.1	12.0

ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)

1969 (Calendar Year)..... -
1970 (Calendar Year)..... 28
Cumulative thru 1970..... 28

*Less than $50,000. a/ Excludes refunding of $23.8 million.

b/ Annual data represent deliveries; total through 1970 is the cumulative program.

ECUADOR

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

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS-NET OBLIGATIONS AND LOAN AUTHORIZATIONS 1969	1970	TOTAL 1946-1970	REPAYMENTS AND INTEREST 1946-1970	TOTAL LESS REPAYMENTS AND INTEREST
A. OFFICIAL DEVELOPMENT ASSISTANCE					
A.I.D. AND PREDECESSOR AGENCIES - TOTAL	5.7	23.0	154.8	17.4	137.4
Loans	3.2	19.4	101.2	17.4	83.8
Grants	2.5	3.6	53.5	-	53.5
FOOD FOR PEACE - TOTAL	6.1	1.7	41.3	8.2	33.1
Title I - Total	3.2	-	18.0	8.2	9.8
REPAYABLE IN U.S. DOLLARS - LOANS	3.2	-	9.6	1.7	7.9
PAYABLE IN FOREIGN CURRENCY-Planned for Country Use	-	-	8.4	6.5	1.9
(Loans)	(-)	(-)	(8.4)	(6.5)	(1.9)
(Grants)	(-)	(-)	(-)	(-)	(-)
Title II - Total	2.9	1.7	23.3	-	23.3
EMERGENCY RELIEF, ECON. DEVEL. & WORLD FOOD PROGRAM	1.0	0.2	2.4	-	2.4
VOLUNTARY RELIEF AGENCIES	1.9	1.5	20.9	-	20.9
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	1.0	1.0	46.4	5.3	41.1
PEACE CORPS	1.3	1.0	15.2	-	15.2
SOCIAL PROGRESS TRUST FUND	-0.3	-*	27.5	4.8	22.7
OTHER	-	-	3.7	0.5	3.2
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	12.8	25.7	242.5	30.9	211.6
Loans	6.1	19.4	147.2	30.9	116.3
Grants	6.7	6.3	95.2	-	95.2
B. OTHER OFFICIAL					
EXPORT-IMPORT BANK LONG-TERM LOANS	-	3.0	44.8	33.6	11.2
TOTAL ECONOMIC	12.8	28.7	287.3	64.5	222.8
Loans	6.1	22.4	192.0	64.5	127.5
Grants	6.7	6.3	95.2	-	95.2
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.) a/	2.6	2.0	43.6	0.1	43.5
Credit Assistance	0.6	-	0.7	0.1	0.6
Grants	2.0	2.0	42.9	-	42.9
(Additional Grants from Excess Stocks)	(*)	(0.2)	(3.4)	(-)	(3.4)
OTHER MILITARY ASSISTANCE GRANTS	-	-	10.0	-	10.0
TOTAL MILITARY	2.6	2.0	53.6	0.1	53.5
TOTAL ECONOMIC AND MILITARY	15.4	30.7	340.9	64.6	276.3
Loans	6.7	22.4	192.7	64.6	128.1
Grants	8.7	8.3	148.1	-	148.1

OTHER PROGRAMS

ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1969	FY 1970	FY 1946-70
TOTAL	15.1	12.9	152.4
IBRD - World Bank	5.3	-	63.3
Intl. Dev. Association	-	1.5	14.6
Intl. Finance Corp.	0.3	-	2.2
Inter-Am. Dev. Bank	7.5	9.7	48.5
UNDP - Special Fund	1.1	0.7	9.9
UNDP - TA (CY)	0.7	0.5	8.7
Other UN (CY)	0.2	0.5	5.2

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

DONOR	CY 1968	CY 1969	CY 1960-69
TOTAL	4.2	7.9	16.8
Germany	1.2	6.8	10.1
Austria	*	-	1.7
Other	3.0	1.0	5.0

ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)

1969 (Calendar Year)..... 5
1970 (Calendar Year)..... -
Cumulative thru 1970..... 10

*Less than $50,000.

a/ Annual data represent deliveries; total through 1970 is the cumulative program.

R

PARAGUAY

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

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS-NET OBLIGATIONS AND LOAN AUTHORIZATIONS 1969	1970	TOTAL 1946-1970	REPAYMENTS AND INTEREST 1946-1970	TOTAL LESS REPAYMENTS AND INTEREST
A. OFFICIAL DEVELOPMENT ASSISTANCE					
A.I.D. AND PREDECESSOR AGENCIES - TOTAL	9.5	7.1	78.2	10.5	67.7
Loans	7.6	4.6	42.8	10.5	32.3
Grants	1.9	2.5	35.4	-	35.4
FOOD FOR PEACE - TOTAL	3.5	0.6	29.3	3.7	25.6
Title I - Total	2.0	-	18.6	3.7	14.9
REPAYABLE IN U.S. DOLLARS - LOANS	2.0	-	6.9	1.4	5.5
PAYABLE IN FOREIGN CURRENCY-Planned for Country Use	-	-	11.7	2.3	9.4
(Loans)	(-)	(-)	(8.4)	(2.3)	(6.1)
(Grants)	(-)	(-)	(3.3)	(-)	(3.3)
Title II - Total	1.5	0.6	10.7	-	10.7
EMERGENCY RELIEF, ECON. DEVEL. & WORLD FOOD PROGRAM	0.5	0.1	0.8	-	0.8
VOLUNTARY RELIEF AGENCIES	1.0	0.5	9.9	-	9.9
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	0.5	0.5	12.3	0.8	11.5
PEACE CORPS	0.5	0.5	1.6	-	1.6
SOCIAL PROGRESS TRUST FUND	-	-	7.8	0.8	7.0
OTHER	-	-	2.8	-	2.8
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	13.6	8.2	119.8	15.0	104.8
Loans	9.7	4.6	65.9	15.0	50.9
Grants	3.9	3.6	53.9	-	53.9
B. OTHER OFFICIAL					
EXPORT-IMPORT BANK LONG-TERM LOANS	3.0	-	13.4	9.4	4.0
TOTAL ECONOMIC	16.6	8.2	133.2	24.4	108.8
Loans	12.7	4.6	79.3	24.4	54.9
Grants	3.9	3.6	53.9	-	53.9
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.) a/	1.0	0.8	9.6	-	9.6
Credit Assistance	-	-	0.2	-	0.2
Grants	1.0	0.8	9.4	-	9.4
(Additional Grants from Excess Stocks)	(0.1)	(*)	(0.6)	(-)	(0.6)
OTHER MILITARY ASSISTANCE GRANTS	-	-	1.4	-	1.4
TOTAL MILITARY	1.0	0.8	11.0	-	11.0
TOTAL ECONOMIC AND MILITARY	17.6	9.0	144.2	24.4	119.8
Loans	12.7	4.6	79.5	24.4	55.1
Grants	4.9	4.4	64.7	-	64.7

OTHER PROGRAMS

ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1969	FY 1970	FY 1946-70
TOTAL	25.4	33.8	147.4
IBRD-World Bank	4.3	6.0	21.8
Int'l Dev. Association	4.3	-	21.4
Inter-Am. Dev. Bank	15.1	26.4	89.6
UNDP-Special Fund	1.0	0.8	5.3
UNDP-TA (CY)	0.4	0.3	6.0
Other UN (CY)	0.3	0.3	3.3

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

DONOR	CY 1968	CY 1969	CY 1960-69
TOTAL	2.2	2.9	17.1
Germany	1.3	2.1	8.2
Japan	0.1	*	4.1
Italy	0.4	0.4	3.8
Other	0.4	0.3	0.9

ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)

1969 (Calendar Year)..... -
1970 (Calendar Year)..... -
Cumulative thru 1970..... -

*Less than $50,000.

a/ Annual data represent deliveries; total through 1970 is the cumulative program.

URUGUAY

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

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS-NET OBLIGATIONS AND LOAN AUTHORIZATIONS 1969	1970	TOTAL 1946-1970	REPAYMENTS AND INTEREST 1946-1970	TOTAL LESS REPAYMENTS AND INTEREST
A. OFFICIAL DEVELOPMENT ASSISTANCE					
A.I.D. AND PREDECESSOR AGENCIES - TOTAL	1.3	16.8	63.1	5.0	58.1
Loans	-*	15.4	50.9	5.0	45.9
Grants	1.3	1.5	12.2	-	12.2
FOOD FOR PEACE - TOTAL	0.2	2.4	50.7	3.4	47.3
Title I - Total	-	2.0	44.3	3.4	40.9
REPAYABLE IN U.S. DOLLARS - LOANS	-	2.0	20.5	0.4	20.1
PAYABLE IN FOREIGN CURRENCY-Planned for Country Use	-	-	23.8	3.0	20.8
(Loans)	(-)	(-)	(23.8)	(3.0)	(20.8)
(Grants)	(-)	(-)	(-)	(-)	(-)
Title II - Total	0.2	0.4	6.4	-	6.4
EMERGENCY RELIEF, ECON. DEVEL. & WORLD FOOD PROGRAM	-	-	0.8	-	0.8
VOLUNTARY RELIEF AGENCIES	0.2	0.4	5.6	-	5.6
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	0.2	0.1	15.1	2.8	12.3
PEACE CORPS	0.1	0.1	2.1	-	2.1
SOCIAL PROGRESS TRUST FUND	-	-	10.5	0.9	9.6
OTHER	0.1	-	2.5	1.9	0.6
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	1.7	19.3	128.9	11.2	117.7
Loans	0.1	17.4	107.3	11.2	96.1
Grants	1.6	2.0	21.6	-	21.6
B. OTHER OFFICIAL					
EXPORT-IMPORT BANK LONG-TERM LOANS	2.0	*	8.2	4.6	3.6
TOTAL ECONOMIC	3.7	19.3	137.1	15.8	121.3
Loans	2.1	17.4	115.5	15.8	99.7
Grants	1.6	2.0	21.6	-	21.6
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.) a/	1.7	1.9	42.6	0.1	42.5
Credit Assistance	0.1	0.2	0.3	0.1	0.2
Grants	1.6	1.7	42.3	-	42.3
(Additional Grants from Excess Stocks)	(0.1)	(0.2)	(3.2)	(-)	(3.2)
OTHER MILITARY ASSISTANCE GRANTS	-	-	0.1	-	0.1
TOTAL MILITARY	1.7	1.9	42.7	0.1	42.6
TOTAL ECONOMIC AND MILITARY	5.4	21.2	179.8	15.9	163.9
Loans	2.2	17.6	115.8	15.9	99.9
Grants	3.2	3.7	64.0	-	64.0

OTHER PROGRAMS

ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1969	FY 1970	FY 1946-70
TOTAL	25.2	13.9	186.0
IBRD - World Bank	-	6.3	108.5
Inter-Am. Dev. Bank	24.5	6.0	67.2
UNDP-Special Fund	0.4	1.5	6.3
UNDP-TA (CY)	0.3	0.1	3.1
Other UN (CY)	*	*	0.9

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

DONOR	CY 1968	CY 1969	CY 1960-69
TOTAL	1.2	3.01	10.3
Germany	1.0	1.2	4.5
Italy	0.1	0.1	2.9
Netherlands	*	1.7	2.6
Other	0.1	0.1	0.3

ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)

1969 (Calendar Year)..... 20
1970 (Calendar Year)..... 15
Cumulative thru 1970..... 45

*Less than $50,000.

a/ Annual data represent deliveries; total through 1970 is the cumulative program.

BEST AVAILABLE

GUYANA

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

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS-NET OBLIGATIONS AND LOAN AUTHORIZATIONS			REPAYMENTS AND INTEREST	TOTAL LESS REPAYMENTS AND INTEREST
	1969	1970	TOTAL 1946-1970	1946-1970	
A. OFFICIAL DEVELOPMENT ASSISTANCE					
A.I.D. AND PREDECESSOR AGENCIES - TOTAL	16.5	1.1	56.9	0.3	56.6
Loans	15.4	-0.1	40.1	0.3	39.8
Grants	1.1	1.2	16.8	-	16.8
FOOD FOR PEACE - TOTAL	1.5	*	4.4	-	4.4
Title I - Total	1.0	-	1.0	-	1.0
REPAYABLE IN U.S. DOLLARS - LOANS	1.0	-	1.0	-	1.0
PAYABLE IN FOREIGN CURRENCY-Planned for Country Use	-	-	-	-	-
(Loans)	(-)	(-)	(-)	(-)	(-)
(Grants)	(-)	(-)	(-)	(-)	(-)
Title II - Total	0.5	*	3.4	-	3.4
EMERGENCY RELIEF, ECON. DEVEL. & WORLD FOOD PROGRAM	0.5	-	1.7	-	1.7
VOLUNTARY RELIEF AGENCIES	-	*	1.7	-	1.7
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	0.3	0.3	1.1	-	1.1
PEACE CORPS	0.3	0.3	1.1	-	1.1
SOCIAL PROGRESS TRUST FUND	-	-	-	-	-
OTHER	-	-	-	-	-
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	18.3	1.4	62.4	0.3	62.1
Loans	16.4	-0.1	41.1	0.3	40.8
Grants	1.9	1.5	21.3	-	21.3
B. OTHER OFFICIAL					
EXPORT-IMPORT BANK LONG-TERM LOANS	-	-	-	-	-
TOTAL ECONOMIC	18.3	1.4	62.4	0.3	62.1
Loans	16.4	-0.1	41.1	0.3	40.8
Grants	1.9	1.5	21.3	-	21.3
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.)	-	-	-	-	-
Credit Assistance	-	-	-	-	-
Grants	-	-	-	-	-
(Additional Grants from Excess Stocks)	(-)	(-)	(-)	(-)	(-)
OTHER MILITARY ASSISTANCE GRANTS	-	-	-	-	-
TOTAL MILITARY	-	-	-	-	-
TOTAL ECONOMIC AND MILITARY	18.3	1.4	62.4	0.3	62.1
Loans	16.4	-0.1	41.1	0.3	40.8
Grants	1.9	1.5	21.3	-	21.3

OTHER PROGRAMS

ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1969	FY 1970	FY 1946-70
TOTAL	11.1	0.3	19.0
IBRD - World Bank	7.9	-	8.8
Int'l. Dev. Association	2.9	-	2.9
UNDP - Special Fund	-	0.1	4.9
UNDP - TA (CY)	0.3	0.2	1.8
Other UN - (CY)	*	*	0.6

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

DONOR	CY 1968	CY 1969	CY 1960-69
TOTAL	7.9	8.3	67.9
United Kingdom	5.5	5.9	59.9
Canada	2.3	2.3	7.7
Other	0.1	0.1	0.3

ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)

1969 (Calendar Year)..... -
1970 (Calendar Year)..... -
Cumulative thru 1970..... -

*Less than $50,000.

PERU

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

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS-NET OBLIGATIONS AND LOAN AUTHORIZATIONS			REPAYMENTS AND INTEREST	TOTAL LESS REPAYMENTS AND INTEREST
	1969	1970	TOTAL 1946-1970	1946-1970	
A. OFFICIAL DEVELOPMENT ASSISTANCE					
A.I.D. AND PREDECESSOR AGENCIES - TOTAL	3.6	8.2	171.8	9.6	162.2
Loans	-*	-2.9	96.0	9.6	86.4
Grants	3.6	11.2	75.8	-	75.8
FOOD FOR PEACE - TOTAL	7.8	4.6	106.9	13.3	93.6
Title I - Total	-	-	29.4	13.3	16.1
REPAYABLE IN U.S. DOLLARS - LOANS	-	-	1.8	1.3	0.5
PAYABLE IN FOREIGN CURRENCY-Planned for Country Use	-	-	27.6	12.0	15.6
(Loans)	(-)	(-)	(27.4)	(12.0)	(15.4)
(Grants)	(-)	(-)	(0.2)	(-)	(0.2)
Title II - Total	7.8	4.6	77.5	-	77.5
EMERGENCY RELIEF, ECON. DEVEL. & WORLD FOOD PROGRAM	6.0	3.1	43.8	-	43.8
VOLUNTARY RELIEF AGENCIES	1.8	1.5	33.7	-	33.7
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	1.3	1.3	75.4	15.4	60.0
PEACE CORPS	1.3	1.4	19.7	-	19.7
SOCIAL PROGRESS TRUST FUND	-*	-0.1	45.1	8.5	36.6
OTHER	-	-	10.6	6.9	3.7
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	12.7	14.1	354.1	38.3	315.8
Loans	-	-3.0	175.8	38.3	137.5
Grants	12.7	17.2	178.3	-	178.3
B. OTHER OFFICIAL					
EXPORT-IMPORT BANK LONG-TERM LOANS	15.3	-	277.0	267.1	9.9
TOTAL ECONOMIC	28.0	14.1	631.1	305.4	325.7
Loans	15.3	-3.0	452.8	305.4	147.4
Grants	12.7	17.2	178.3	-	178.3
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.)[a]	2.9	1.9	108.6	21.9	86.7
Credit Assistance	-	-	20.1	21.9	-1.8
Grants	2.9	1.9	88.5	-	88.5
(Additional Grants from Excess Stocks)	(*)	(-)	(6.4)	(-)	(6.4)
OTHER MILITARY ASSISTANCE GRANTS	-	-	32.8	-	32.8
TOTAL MILITARY	2.9	1.9	141.4	21.9	119.5
TOTAL ECONOMIC AND MILITARY	30.9	16.0	772.5	327.3	445.2
Loans	15.3	-3.0	472.9	327.3	145.6
Grants	15.6	19.1	299.6	-	299.6

OTHER PROGRAMS

ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1969	FY 1970	FY 1946-70
TOTAL	2.4	11.2	371.9
IBRD-World Bank	-	-	214.1
Int'l Finance Corp.	-	-	8.7
Inter-Am Dev. Bank	-	9.0	119.1
UNDP-Special Fund	1.6	1.6	18.2
UNDP-TA (CY)	0.6	0.4	6.9
Other UN (CY)	0.2	0.2	4.9

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

DONOR	CY 1968	CY 1969	CY 1960-69
TOTAL	12.7	40.1	118.8
Germany	8.8	29.1	92.3
Italy	0.1	3.2	6.0
France	-	5.2	5.2
Other	3.8	2.5	15.3

ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)

1969 (Calendar Year)..... 6
1970 (Calendar Year)..... 53
Cumulative thru 1970..... 59

*Less than $50,000.
a/ Annual data represent deliveries; total through 1970 is the cumulative program.

DOMINICAN REPUBLIC

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

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS-NET OBLIGATIONS AND LOAN AUTHORIZATIONS			REPAYMENTS AND INTEREST	TOTAL LESS REPAYMENTS AND INTEREST
	1969	1970	TOTAL (1946-1970)	1946-1970	
A. OFFICIAL DEVELOPMENT ASSISTANCE					
A.I.D. AND PREDECESSOR AGENCIES - TOTAL	11.3	4.6	316.0	11.0	305.0
Loans	8.0	1.5	176.5	11.0	165.5
Grants	3.3	3.1	139.5	-	139.5
FOOD FOR PEACE - TOTAL	15.8	15.0	91.5	3.6	87.9
Title I - Total	9.0	8.6	40.7	3.6	37.1
REPAYABLE IN U.S. DOLLARS - LOANS	9.0	8.6	40.7	3.6	37.1
PAYABLE IN FOREIGN CURRENCY-Planned for Country Use	-	-	-	-	-
(Loans)	(-)	(-)	(-)	(-)	(-)
(Grants)	(-)	(-)	(-)	(-)	(-)
Title II - Total	6.8	6.4	50.8	-	50.8
EMERGENCY RELIEF, ECON. DEVEL. & WORLD FOOD PROGRAM	0.8	0.5	6.8	-	6.8
VOLUNTARY RELIEF AGENCIES	6.0	5.9	44.0	-	44.0
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	-0.9	0.5	16.9	1.6	15.3
PEACE CORPS	0.8	0.6	7.9	-	7.9
SOCIAL PROGRESS TRUST FUND	-1.7	-0.1	8.4	1.6	6.8
OTHER	-	-	0.6	-	0.6
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	26.2	20.1	424.4	16.2	408.2
Loans	15.3	10.0	225.6	16.2	209.4
Grants	10.9	10.1	198.8	-	198.8
B. OTHER OFFICIAL					
EXPORT-IMPORT BANK LONG-TERM LOANS	2.2	-	31.8	11.1	20.7
TOTAL ECONOMIC	28.4	20.1	456.2	27.3	428.9
Loans	17.5	10.0	257.4	27.3	230.1
Grants	10.9	10.1	198.8	-	198.8
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.) a/	2.2	2.1	25.9	-	25.9
Credit Assistance	-	-	-	-	-
Grants	2.2	2.1	25.9	-	25.9
(Additional Grants from Excess Stocks)	(*)	(0.1)	(1.1)	(-)	(1.1)
OTHER MILITARY ASSISTANCE GRANTS	-	-	1.0	-	1.0
TOTAL MILITARY	2.2	2.1	26.9	-	26.9
TOTAL ECONOMIC AND MILITARY	30.6	22.2	483.1	27.3	455.8
Loans	17.5	10.0	257.4	27.3	230.1
Grants	13.1	12.2	225.7	-	225.7

OTHER PROGRAMS

ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1969	FY 1970	FY 1946-70
TOTAL	9.0	25.5	82.2
IBRD - World Bank	-	25.0	25.0
Inter-Am. Dev. Bank	7.4	-	46.4
UNDP - Special Fund	1.1	-	5.8
UNDP - TA (CY)	0.4	0.3	2.3
Other UN (CY)	0.1	0.2	2.7

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

DONOR	CY 1968	CY 1969	CY 1960-69
TOTAL	0.4	0.2	1.5
Germany	0.4	0.2	1.2
Austria	-	-	0.2
Other	*	*	0.1

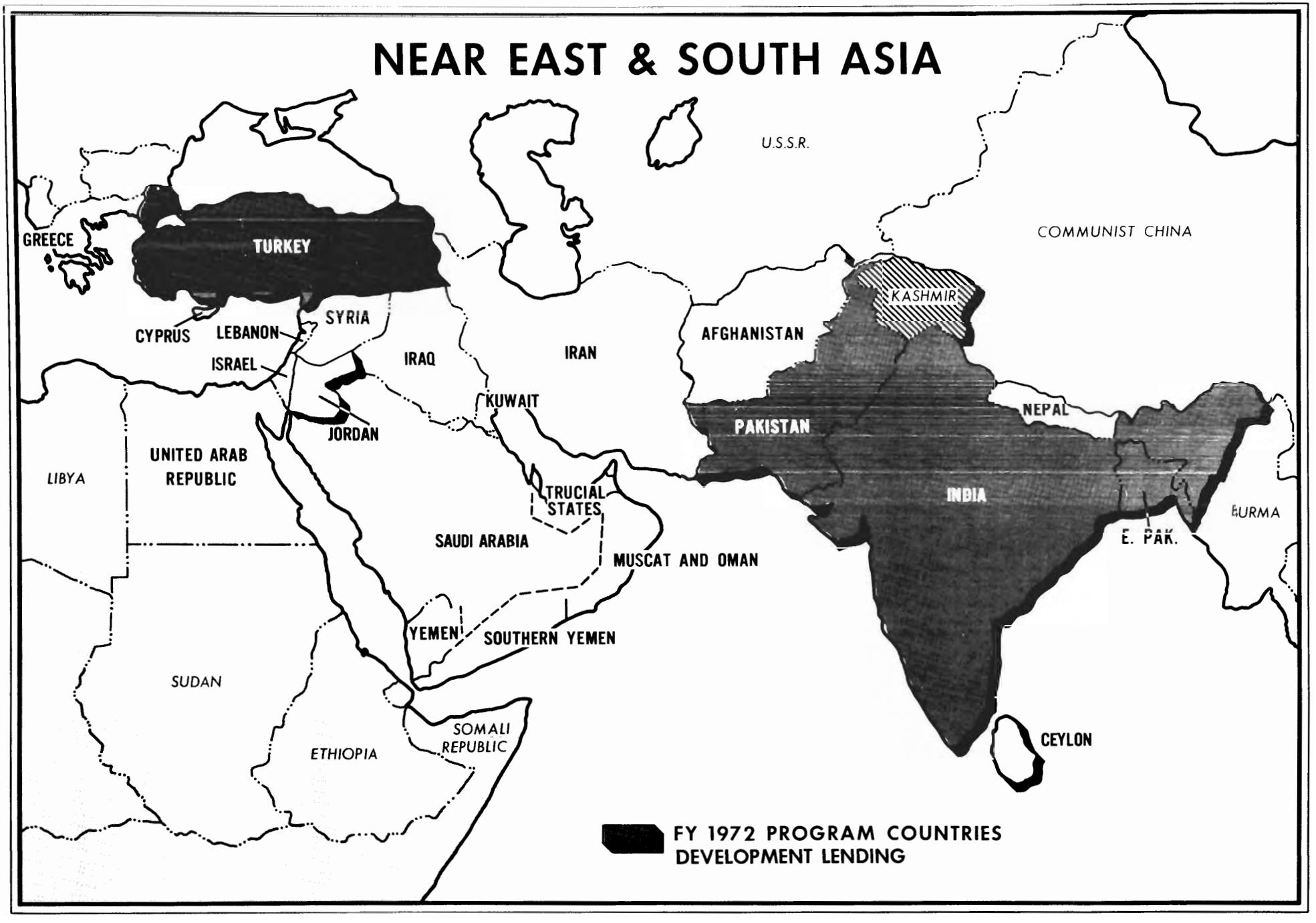
ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)

1969 (Calendar Year)..... -
1970 (Calendar Year)..... -
Cumulative thru 1970..... -

*Less than $50,000.

a/ Annual data represent deliveries; total through 1970 is the cumulative program.

BEST AVAILABLE


NEAR EAST & SOUTH ASIA
U.S.S.R.
COMMUNIST CHINA
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KUWAIT
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JORDAN
UNITED ARAB REPUBLIC
LIBYA
TRUCIAL STATES
INDIA
BURMA
E. PAK.
SAUDI ARABIA
MUSCAT AND OMAN
YEMEN
SOUTHERN YEMEN
SUDAN
SOMALI REPUBLIC
ETHIOPIA
CEYLON
FY 1972 PROGRAM COUNTRIES
DEVELOPMENT LENDING

NEAR EAST AND SOUTH ASIA

DEVELOPMENT LENDING - REGIONAL SUMMARY

PROGRAM SUMMARY (In Thousands of Dollars)	
Country	FY 1972 Development Loans
India	220,000
Pakistan	110,000
Turkey	40,000
Total	370,000

India, Pakistan and Turkey are scheduled to receive all development lending planned for FY 1972 in the Near East and South Asia Region. Development is an urgent matter in these countries, with economic and social progress a priority objective of public policy. Each of these countries seeks to spread more of the benefits of development to its very poor and is giving more attention to the needs of the small farmer and businessman, and to job opportunities, better housing and tax reform. Other countries in the area -- Afghanistan, Jordan, Ceylon and Nepal -- are attempting to deal with development problems and will be eligible for loan assistance provided the prospects for its effective utilization are promising. In each case we shall also take into account assistance available from non-U.S. sources.

India, Pakistan and Turkey have accomplished much in their drive for growth and modernization. In August 1970 Turkey adopted a major economic reform program and initial results are very favorable. Successful reform will bring Turkey to the point in the relatively near future when it will no longer need U.S. concessional lending. India's and Pakistan's need for development loans is longer range, although both countries are striving to achieve greater self-reliance. The continued rapid spread of the Green Revolution in the sub-continent is a major step in this direction and opens the possibility of much more rapid development. Each is also giving increased attention to expanding export earnings needed to pay more of their own way. Despite low standards of living, they are making sacrifices to expand educational opportunities, undertake family planning programs, support agricultural growth and finance industrialization. Turkey and India, for example, already finance about 90% of their investment programs from their own resources.

Other Donor Assistance

Other developed nations join us in helping these countries move toward their economic goals. Canada, Japan, the United Kingdom, Germany, France, Italy, Denmark, Sweden, the Netherlands and others are fellow members of aid donor groups which meet regularly with international agencies to review development performance and aid needs and to work out shares and terms of assistance. The World Bank chairs the India and Pakistan Consortia and the Ceylon donor group and participates in the OECD-sponsored Turkey Consortium.

The proposed increase in U.S. development loan assistance to India and Pakistan in FY 1972 is a modest response to the IBRD assessment, as consortium leader, that more aid is required by both countries if they are to make better progress in addressing economic and social problems. U.S. assistance to these countries in 1969-71 averaged less than half the amount extended in the 1962-64 period. During this same period other countries and the IBRD/IDA increased their assistance. Other bilateral donors together now provide three dollars for every two of ours. Thus a more equitable sharing of the burden now exists.

Trends in U.S. Development Loans
($ Millions)

	Average Commitments FY 1962-64	Average Commitments FY 1969-71	Proposed FY 1972
India	393	188	220
Pakistan	204	97	110
TOTAL	597	285	330

The decline in U.S. development lending should be reversed now to allow us to contribute more effectively to the urgent development needs of India and Pakistan and to demonstrate to the other donors that the United States continues to seek a high priority for South Asia in allocating world-wide aid resources.

Types of Loans

The FY 1972 Near East and South Asia program will contain the three basic types of loans used by A.I.D.: program, project and sector.

DEVELOPMENT LENDING

Program loans are for general financing of agricultural inputs and industrial raw materials, components, spare parts and machinery. Such loans are given highest priority in the allocation of available funds because the goods they finance may, in large part, determine the general performance of the economy. A significant slowdown in disbursement of these loans could cause severe economic disruption, particularly among private businesses, the principal beneficiary of such loans. Despite the presence of large government enterprises in India, Pakistan and Turkey, they are still basically nations of private enterprises, particularly of small businesses. Collectively, they turn out a surprising variety of products, including capital goods, often of considerable complexity. Using their capacity, both India and Pakistan are able to supply many, if not most, of the components needed by their respective economies, provided an adequate supply of raw materials and capital equipment is available. But often these goods must be imported. Program loans provide the funds necessary to have orderly development in such a situation with a minimum of government control.

As compared with program loans project loans are structured to meet the needs for larger, clearly identifiable capital investments, such as ports, railways, dams, power plants, fertilizer plants and irrigation systems. The project lending technique permits setting of engineering and economic standards and examining problems of organization and scheduling.

The sector loan provides a means of financing a group of related technical activities and investments which are more narrowly focused in one sector of the economy than the program loan, which responds to broader requirements. At the same time the sector loan makes it possible to cover more than the single capital facility that is the normal focus of a project loan. Thus a sector loan forms a more logical basis for discussion with the borrower on policies and programs relating to that sector than would a program or project loan.

INDIA

DEVELOPMENT LENDING

INDIA

BASIC DATA

Population *(millions – mid-1970)*	551
Annual Growth Rate *(percent)*	2.6
Area *(1000 square miles)*	1,262
Population Density per square mile	437
Agricultural Land as % of Total Area	54
Percent of Labor Force in Agriculture	73
Life Expectancy *(years)*	50
People per Doctor	4,860
Literacy Rate *(percent)*	28
Students as Percent of 5-19 Age Group *(Primary & Secondary)*	38

PROGRAM SUMMARY
(In millions of dollars)

	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
Development Loans	195.0*	175.0*	220.0

* Excludes $20,318,000 in FY 1970 and $530,000 in FY 1971 for population programs under Title X of the Foreign Assistance Act.

In the past year India has continued its strong economic and social self-help performance. Although India still lacks the investment and foreign exchange resources needed to exploit all growth prospects fully, prospects for continued growth are excellent. The Green Revolution continues to spread, supported by government policies increasingly oriented towards the small farmer. Industrial output has grown at a moderate rate of about 5-7%, somewhat below its potential of 9-10%. The annual price rise has been held to about 5%. Saving and investment performance remains good for a country with a per capita income of only about $90. Continuing progress is also being made on two difficult problems -- export expansion and family planning.

In terms of social and political self-help measures, India has steadfastly adhered to democratic political processes, and is showing increased concern for disadvantaged groups such as her 35-40 million small-scale farmers and 20 million landless rural families, her unemployed urban laborers and her malnourished children. In the March, 1971 election Prime Minister Indira Gandhi won an overwhelming mandate from India's voters, giving her a two-thirds majority in the Indian Parliament. In her initial statement after her victory, she emphasized the importance of tackling the problems of employment, agricultural production, housing and family planning. Mrs. Gandhi's majority permits her government -- unlike any Indian Government in recent years -- to move decisively to institute growth-oriented policies free of many of the political constraints forced on a weaker government. Mrs. Gandhi's new program emphasizes expansion of employment and extension of irrigation, greater attention to small and medium-sized private business, and child feeding.

The proposed FY 1972 development loan program for India is $220 million. While this is the lowest budget request for India in recent years, combined with assistance from other donors, it will support continued moderate growth of the Indian economy and permit some expansion of employment and of programs oriented toward wider distribution of income gains. Our assistance together with estimated assistance from other donors, would total a little over $900 million.

INDIA

DEVELOPMENT LENDING

A program loan of up to $220 million is planned to help finance the raw materials and components India's agricultural and industrial sectors require. We are also considering a proposed mining sector loan of up to $25 million and are evaluating other sector and project loan possibilities if additional funds are available.

Program Loan (up to $220 million): Imports for India's industrial and agricultural sectors must continue at a steady rate. The expenditure rate on past U.S. program loans is running about $220 million per year, primarily for raw materials and components for private sector industry and for fertilizer to be used by private farmers. The loan will finance imports of iron and steel products, fertilizer, chemical raw materials, and a wide range of other industrial and agricultural components and spare parts. U.S. program lending, along with that of other donors, supports India's partial import liberalization under which the Indian Government permits enough imports to meet the requirements of 59 essential industries, including agricultural machinery, fertilizers, industrial machinery and electrical equipment. The 59 industries account for 75% of Indian industrial production.

Minerals Sector Loan ($25 million): India has vast mineral resources which have been only partially exploited. Major reserves of iron ore and other exportable raw materials and smaller reserves of phosphates, non-ferrous metals, and petroleum have been found. Their exploitation would reduce import requirements and increase exports. A.I.D. has assisted in the exploration of phosphates and non-ferrous metals with previous technical assistance and development loans. A sector loan of $25 million is under consideration to help accelerate the development of India's mineral resources. An Indian-American consultant team is now making a complete survey of the minerals sector, including exploration activities, production, transportation and other related infrastructure, the structure of the mining industry and relevant government policies, laws and programs. The range of activities financed by the loan will depend on the consultant team's recommendations. These will very likely include investment in exploration, feasibility studies, mining and processing facilities, transportation facilities to processing plants and ports, and related services and training.

Project Loans: Three possible project loans totalling $17 million are also under study. These loans would support development of the petro-chemical complex at Baroda, Gujarat, and would finance imported equipment, materials, and services required for plant construction. The three projects are: a 24,000 metric ton per annum acrylonitrile facility ($ 7 million); a 15,000 metric ton per annum polypropylene plant ($ 5 million); and a vinyl chloride monomer plant ($ 5 million).

INDIA - Economic Trend Data

	Calendar Years 1967	1968	1969	1970 Est.
GROWTH INDICATORS				
Total GNP (*millions of 1969 dollars*)*[a]	43,920	45,290	47,670	50,000
Per Capita GNP (*1969 dollars*)	85	86	88	90
Investment – *millions of 1969 $*[a]	6,599	6,384	7,120	7,450
– *percent of GNP* †	15	15	15	15
Domestic Savings – *millions of 1969 $*[a]	5,359	5,667	6,640	6,900
– *percent of Investment*†	80	89	93	93
Agricultural Production Index (*1961-65 = 100*)	104	111	117	124
Index per Capita	94	98	101	104
Rice, milled (million MT)	37.7	39.8	40.5	42.5
Wheat (million MT)	11.4	16.5	18.7	20.1
Industrial Production Index (1963=100)	117	124	133	140
INTERNATIONAL TRADE (*$ millions*)[a]				
Total Exports (*f.o.b.*)	1,598	1,813	1,884	2,000
Jute Products	(311)	(289)	(273)	(225)
Tea	(240)	(209)	(166)	(150)
Total Imports (*c.i.f.*)	-2,632	-2,482	-2,090	-2,200
Trade Balance	-1,034	-669	-206	-200
GOLD & FOREIGN EXCHANGE (*$ millions*)††[a]	718	769	1,095	1,006(Dec)
Official Reserves	31	49	30	24(June)
Commercial Bank Holdings				
CONSUMER PRICE INDEX (*1963 = 100*)	156	160	160	169

CENTRAL GOVERNMENT FINANCES* [a]	– Million Dollar Equivalents – 1968	1969	1970 Est.
Total Expenditures	7,147	7,844	8,165
(*Defense Expenditures*)	(1,617)	(1,681)	(1,778)
(*Capital Outlays*)	(2,608)	(2,800)	(2,706)
Total Domestic Revenues	5,785	6,145	6,572
As percent of GNP†	13	13	13
Deficit (–) or Surplus (+)	-1,362	-1,699	-1,573

* – Converted at 7.5 rupees per U.S. $. a – Fiscal year beginning April 1.

†Based on data in current prices. ††Gross basis, end of year.

INDIA

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

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS-NET OBLIGATIONS AND LOAN AUTHORIZATIONS 1969	1970	TOTAL 1946-1970	REPAYMENTS AND INTEREST 1946-1970	TOTAL LESS REPAYMENTS AND INTEREST
A. OFFICIAL DEVELOPMENT ASSISTANCE					
A.I.D. AND PREDECESSOR AGENCIES - TOTAL	167.2	159.0	3,564.7	491.2	3,073.5
Loans	158.6	131.4	3,113.9	491.2	2,622.7
Grants	8.6	27.6	450.8	-	450.8
FOOD FOR PEACE - TOTAL	269.3	228.6	4,322.1	312.2	4,009.9
Title I - Total	211.1	184.6	3,794.1	312.2	3,481.9
REPAYABLE IN U.S. DOLLARS – LOANS	102.2	114.9	305.2	3.1	302.1
PAYABLE IN FOREIGN CURRENCY-Planned for Country Use	108.9	69.7	3,488.9	309.1	3,179.8
(Loans)	(87.9)	(69.7)	(2,697.2)	(309.1)	(2,388.1)
(Grants)	(21.0)	(-)	(791.7)	(-)	(791.7)
Title II - Total	58.2	44.0	528.0	-	528.0
EMERGENCY RELIEF, ECON. DEVEL. & WORLD FOOD PROGRAM	6.7	-	92.1	-	92.1
VOLUNTARY RELIEF AGENCIES	51.5	44.0	435.9	-	435.9
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	5.4	3.8	283.5	76.2	207.3
PEACE CORPS	5.4	3.8	36.8	-	36.8
OTHER	-	-	246.7	76.2	170.5
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	441.9	391.4	8,170.3	879.6	7,290.7
Loans	348.7	316.0	6,362.4	879.6	5,482.8
Grants	93.2	75.4	1,807.9	-	1,807.9
B. OTHER OFFICIAL					
EXPORT-IMPORT BANK LONG-TERM LOANS	-	47.5	508.7	317.2	191.5
TOTAL ECONOMIC	441.9	438.9	8,679.0	1,196.8	7,482.2
Loans	348.7	363.5	6,871.1	1,196.8	5,674.3
Grants	93.2	75.4	1,807.9	-	1,807.9
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.) a/	1.6	1.6			
Credit Assistance	0.6	0.9	Data	Classified	
Grants	1.0	0.7			
(Additional Grants from Excess Stocks)	(-)	(*)			
OTHER MILITARY ASSISTANCE GRANTS	-	-	-	-	-
TOTAL MILITARY	1.6	1.6	Data	Classified	
TOTAL ECONOMIC AND MILITARY	443.5	440.5			
Loans	349.3	364.4	Data	Classified	
Grants	94.2	76.1			

OTHER PROGRAMS

ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1969	FY 1970	FY 1946-70
TOTAL	221.2	279.8	2,533.0
IBRD - World Bank	40.5	40.0	1,087.7
Int'l Dev. Association	152.5	227.5	1,264.9
Int'l Finance Corp.	15.9	3.0	36.1
UNDP - Special Fund	4.5	4.2	54.0
UNDP - TA (CY)	2.8	0.9	35.2
Other UN (CY)	5.0	4.2	55.1

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

DONOR	CY 1968	CY 1969	CY 1960-69
TOTAL	394.6	322.6	2,953.9
Germany	88.8	71.4	897.5
Un. Kingdom	96.2	81.5	852.2
Canada	79.4	82.3	520.5
Japan	88.3	38.8	418.1
Other	42.0	48.6	265.6

ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)

1969 (Calendar Year)	52
1970 (Calendar Year)	-
Cumulative thru 1970	1,980

*Less than $50,000. a/ Annual data represent deliveries.

PAKISTAN

BASIC DATA

Population *(millions – mid-1970)*	130
Annual Growth Rate *(percent)*	2.7
Area *(1000 square miles)*	366
Population Density per square mile	356
Agricultural Land as % of Total Area	30
Percent of Labor Force in Agriculture	68
Life Expectancy *(years)*	51
People per Doctor	6,300
Literacy Rate *(percent)*	20
Students as Percent of 5-19 Age Group *(Primary & Secondary)*	22

PROGRAM SUMMARY
(In millions of dollars)

	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
Development Loans	115.8*	80.0*	110.0

* Excludes $2,000,000 in FY 1970 and $2,840,000 in FY 1971 for polulation programs under Title X of the Foreign Assistance Act.

Pakistan is going through a period of grave political crisis. Development programs have been disrupted and it is unclear, given the evolving nature of the domestic political scene, when normal development activities can be resumed. The proposed FY 1972 program assumes that conditions will exist permitting effective use of U.S. development assistance.

During the 1960's Pakistan was a leader among less developed countries in introducing new agricultural techniques and inputs, including the new higher yielding wheat seeds. As a result increases in agricultural production averaged 8% per year in 1967, 1968 and 1969. Pakistan became self-sufficient in foodgrains in the West and had started to improve food availabilities in the East. GNP rose at a compound rate of 5.5% per annum and per capita GNP at a rate of 2.8%. Exports rose 6% per annum through 1969. There was little or no inflation -- prices rose an acceptable 3% per annum -- and no financial crises.

However, this good growth record, seemingly controlled and steady, masked serious social, political and economic problems which erupted publicly in the disturbances leading to the resignation of President Ayub in 1969. At that time it became evident that the urban workers and the bulk of farmers in both East and West Pakistan had not shared sufficiently in the increased income available in the country.

The Fourth Five Year Plan, officially inaugurated last July, emphasizes socially oriented public programs aimed at a more equitable income distribution. The World Bank has helped with intensive studies of development possibilities on these lines, particularly in East Pakistan. Current and proposed U.S. assistance reflects these same concerns. An effort underway in East Pakistan uses new rice varieties to duplicate the successful wheat program in the West. Plans are set for an integrated rural development program using expanded rural cooperatives in East Pakistan.

In this past year of political stress, natural calamity, and shifting social priorities, GNP growth has slowed. Foreign

exchange reserves have been dropping at an alarming rate even though Pakistan has taken strong additional measures to restrict imports. Internal resources must be found to meet development needs and such other extraordinary demands as the local costs of rehabilitation efforts in the aftermath of the November cyclone in the coastal areas of East Pakistan. New tax measures have been introduced to help meet these needs and, for the longer run, a tax commission has been appointed to study the present tax structure, possible new taxes, rate revisions and tax equity. In the face of inflationary pressures the Government has moved to slow the growth of bank credit while trying to direct a large share of available bank credit to agriculture and small industry. New regulations on the operation of the stock exchange are being introduced to make it easier for investors other than the few wealthiest families to invest in private enterprises.

The U.S. share of total assistance to Pakistan provided through the Aid-to-Pakistan Consortium is projected at about 30% for FY 1972, approximately the same as in FY 1971. Development loans totalling $110 million are proposed. Within that total, a program loan for general import financing of up to $100 million is planned. The balance of the loan program will be selected from three sector and three project loan proposals which are also under consideration.

Program Loan (up to $100 million): Commodities and equipment are vital to keep the economy moving and growing in both East and West Pakistan. The proposed program loan will finance iron and steel products, fertilizer, non-ferrous metals, chemicals and dyes, pharmaceuticals, equipment and spare parts to sustain growth in agriculture and to help fill the needs of Pakistan's growing industrial sector.

Sector Loans

East Pakistan Groundwater Development ($20 million): More intensive cropping and, in turn, expanded agricultural production in East Pakistan need water. The Government of Pakistan's Fourth Five Year Plan (1970-75) calls for the construction of a large number of tubewells to tap East Pakistan's substantial groundwater reserves and bring an additional one million acres of land under irrigation. As more detailed knowledge of the Province's groundwater situation is obtained from on-going projects and the U.S. loan-financed Groundwater Survey now underway, the intensity and pace of tubewell development will increase.

There are important managerial, organizational, and financial constraints, however, which must be overcome if the Government's tubewell program is to succeed. The Groundwater Development Loan, accordingly, will be designed to overcome these constraints by emphasizing the building of local institutions to carry out tubewell projects in the future with a minimum of external assistance. Specific areas of focus under the loan will be the development of (1) private indigenous industrial capacity to produce tubewell components; (2) agricultural extension capabilities to spread knowledge on best utilization of irrigation water; (3) organizations to plan, design, procure equipment, construct wells, organize and train water user groups and operate and maintain the wells; and (4) the construction of large numbers of low-cost tubewells in selected areas of East Pakistan.

East Pakistan Plant Protection ($10 million): Increased agricultural production in East Pakistan will also depend in large part on the introduction of high yielding varieties of rice. However, these varieties are more susceptible to insect attack than the traditional lower yielding strains. Therefore, an effective plant protection program must be maintained if the new varieties are to be successfully introduced.

The proposed loan will finance pesticide imports and will also address institutional needs such as the establishment of a survey and warning service, improved pesticide research programs, expansion of storage, equipment and maintenance facilities, as well as pricing, distribution, and procurement policies for pesticides. Ecological effects of increasing pesticide use and of introducing different pesticides will also be reviewed with the Government of Pakistan to minimize harm to the environment.

West Pakistan Plant Protection ($5 million): The rapid expansion of foodgrain production based on high-yielding wheat and rice varieties could be adversely affected if the requirements of pesticides and related ingredients for the West Pakistan plant protection program are not met.

The loan will provide foreign exchange to finance the import of pesticides which will be distributed by private companies. Consultant services will be financed to assist the government in extension and farmer education, plant protection research, and pest surveillance. Loan negotiations will address policies concerning distribution of pesticides, private pesticide applicators, subsidies, pricing and credit. Possible effects on the environ-

ment of program or policy changes will be reviewed with the Government of Pakistan.

Project Loans

East Pakistan - Feasibility Studies for Agriculture, Water, and Power Development ($10 million): At the request of the Government of Pakistan the World Bank prepared an "Action Program" for agriculture and water development in East Pakistan. This loan will provide some of the consultant services needed to upgrade existing studies, conduct new studies, prepare final designs and estimates, and conduct special investigations and surveys of potential agriculture and water development projects. Power distribution and rural electrification feasibility studies are also contemplated.

Some of the activities proposed in the Action Program for financing by the World Bank and other donors include: purchase, storage, distribution and application of fertilizer; preparation and construction of multi-purpose irrigation, drainage, and flood protection projects; continuation and expansion of rural development projects; and research projects in the field of agriculture, animal husbandry and fisheries.

East Pakistan - Water Management and Development in Coastal Areas ($7 million): An important developmental effort of the government supported by previous A.I.D. loans has been the construction of embankments in coastal areas of East Pakistan to inhibit salt water incursions on 3.4 million acres of agricultural land. A significant portion of the embankments have already been completed. Small additional investments, accompanied by the development of a stronger institutional structure, will permit substantial increases in agricultural production. The proposed loan will finance feasibility studies, consulting services and pilot projects to identify and carry out programs for further development of these coastal areas through improved water management, modernized agricultural extension services, expanding inland fisheries, creation of rural transportation systems and small industries development.

West Pakistan General Consultants ($3 million): The purpose of the loan is to promote agricultural and industrial development in West Pakistan by financing feasibility and marketing studies as well as consulting services for the design, installation, and operation of specific activities in both the private and public sectors. The studies will support plans for industrial expansion and will improve operational and managerial capabilities in the fields of water development and power.

PAKISTAN - Economic Trend Data

	Calendar Years			
GROWTH INDICATORS	**1967**	**1968**	**1969**	**1970 *Est.***
Total GNP *(millions of 1969 dollars)**[a]	15,100	15,680	16,510	17,170
Per Capita GNP *(1969 dollars)*	124	125	129	130
Investment – *millions of 1969 $*[a]	2,324	2,227	2,226	2,235
– *percent of GNP* †	15	14	14	13
Domestic Savings – *millions of 1969 $*[a]	1,658	1,714	1,664	1,485
– *percent of Investment*†	69	76	75	68
Agricultural Production Index *(1961-65 = 100)*	116	121	130	132
Index per Capita	104	106	111	110
Rice, milled (million MT)	12.7	13.4	14.4	14.1
Wheat (million MT)	4.4	6.5	6.7	7.3
Industrial Production Index (1963/64=100)	140	155	167	180
INTERNATIONAL TRADE *($ millions)*				
Total Exports *(f.o.b.)*	645	720	676	718
Jute, raw	(147)	(156)	(146)	(130)
Total Imports *(c.i.f.)*	-1,101	-996	-1,008	-1,151
Trade Balance	-456	-274	-332	-433
GOLD & FOREIGN EXCHANGE *($ millions)*††				
Official Reserves	161	252	325	199
Commercial Bank Holdings	66	98	92	117
CONSUMER PRICE INDEX *(1963 = 100)* (Karachi)	126	126	130	137

CENTRAL GOVERNMENT FINANCES*[a]	– *Million Dollar Equivalents* –		
	1968	1969	1970 Est.
Total Expenditures	2,367	2,932	3,039
(Defense Expenditures)	(527)	(602)	(652)
(Capital Outlays)	(1,222)	(1,560)	(1,612)
Total Domestic Revenues	1,550	1,719	1,987
As percent of GNP†	10	10	11
Deficit (–) or Surplus (+)	-817	-1,213	-1,052

* – Converted at 4.76 rupees per U.S. $. a – Fiscal year beginning July 1.

†Based on data in current prices. ††Gross basis, end of year.

PAKISTAN

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

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS-NET OBLIGATIONS AND LOAN AUTHORIZATIONS			REPAYMENTS AND INTEREST	TOTAL LESS REPAYMENTS AND INTEREST
	1969	1970	TOTAL 1946-1970	1946-1970	
A. OFFICIAL DEVELOPMENT ASSISTANCE					
A.I.D. AND PREDECESSOR AGENCIES - TOTAL	66.7	118.7	2,280.6	195.8	2,084.8
Loans	59.2	111.2	1,609.1	195.8	1,413.3
Grants	7.5	7.5	671.4	-	671.4
FOOD FOR PEACE - TOTAL	7.7	88.9	1,432.2	85.6	1,346.6
Title I - Total	-	82.7	1,264.6	85.6	1,179.0
REPAYABLE IN U.S. DOLLARS - LOANS	-	52.6	92.8	0.8	92.0
PAYABLE IN FOREIGN CURRENCY-Planned for Country Use	-	30.1	1,171.8	84.8	1,087.0
(Loans)	(-)	(19.7)	(480.7)	(84.8)	(395.9)
(Grants)	(-)	(10.4)	(691.1)	(-)	(691.1)
Title II - Total	7.7	6.2	167.6	-	167.6
EMERGENCY RELIEF, ECON. DEVEL. & WORLD FOOD PROGRAM	7.5	5.3	111.8	-	111.8
VOLUNTARY RELIEF AGENCIES	0.2	0.9	55.8	-	55.8
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	-	-	75.2	0.1	75.1
PEACE CORPS	-	-	7.3	-	7.3
OTHER	-	-	67.9	0.1	67.8
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	74.4	207.6	3,787.9	281.5	3,506.4
Loans	59.2	183.5	2,182.7	281.5	1,901.2
Grants	15.2	24.1	1,605.2	-	1,605.2
B. OTHER OFFICIAL					
EXPORT-IMPORT BANK LONG-TERM LOANS	9.0	5.1	129.3	41.0	88.3
TOTAL ECONOMIC	83.4	212.7	3,917.3	322.5	3,594.8
Loans	68.2	188.6	2,312.0	322.5	1,989.5
Grants	15.2	24.1	1,605.2	-	1,605.2
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.) a/	2.3	1.6			
Credit Assistance	2.2	1.4	DATA	CLASSIFIED	
Grants	0.1	0.2			
(Additional Grants from Excess Stocks)	(-)	(-)			
OTHER MILITARY ASSISTANCE GRANTS	-	-	7.8	-	7.8
TOTAL MILITARY	2.3	1.6	DATA	CLASSIFIED	
TOTAL ECONOMIC AND MILITARY	85.7	214.3			
Loans	70.4	190.0	DATA	CLASSIFIED	
Grants	15.3	24.3			

OTHER PROGRAMS

ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1969	FY 1970	FY 1946-70
TOTAL	225.5	104.3	1,190.4
IBRD - World Bank	154.5	19.2	633.5
Int'l Dev. Association	48.0	77.2	453.2
Int'l Finance Corp.	4.0	*	21.6
Asian Dev. Bank	10.0	-	10.0
UNDP - Special Fund	5.0	4.2	33.3
UNDP - TA (CY)	1.3	0.8	17.4
Other UN (CY)	2.7	2.9	21.4

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

DONOR	CY 1968	CY 1969	CY 1960-69
TOTAL	176.8	143.4	1,061.4
Germany	55.8	34.0	325.8
UnmKingdom	22.9	26.8	254.3
Canda	28.7	32.2	214.4
Japan	47.2	30.2	189.8
Other	22.2	19.6	77.1

ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)

1969 (Calendar Year)	28
1970 (Calendar Year)	210
Cumulative thru 1970	648

*Less than $50,000. a/ Annual data represent deliveries.

TURKEY

BASIC DATA

Population *(millions – mid-1970)*	35.3
Annual Growth Rate *(percent)*	2.5
Area *(1000 square miles)*	301
Population Density per square mile	117
Agricultural Land as % of Total Area	68
Percent of Labor Force in Agriculture	72
Life Expectancy *(years)*	54
People per Doctor	2,760
Literacy Rate *(percent)*	47
Students as Percent of 5-19 Age Group *(Primary & Secondary)*	39

PROGRAM SUMMARY
(In millions of dollars)

	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
Development Loans	40.0	65.0	40.0

In August 1970 Turkey undertook a major economic reform. The Government devalued the currency, liberalized imports and adopted comprehensive fiscal and monetary reforms. The results to date have been striking. An economic turnaround is in process; the framework has been laid to compete in world export markets and achieve closer economic relations with Western Europe, and thus share in the general prosperity and living standards of that area. If the reforms succeed in stimulating faster growth in the export sector, Turkey's need for U.S. concessional capital assistance to finance its growth could be eliminated in the near future.

Turkish economic gains were substantial before the reforms. GNP growth averaged nearly 6% in the Second Plan's first three years. In the eight years since the First Plan began per capita GNP has grown nearly 4% annually. Moreover, there has been a wide distribution of these gains among the Turkish people. Over a million new jobs were created outside of agriculture during the First Plan and the rate of growth has accelerated in the Second Plan. The number of agricultural workers has increased very little while agricultural production in this nation of very few large farmers has grown by about 30% in the last decade.

Rapid development necessarily entails social, political and economic pressures and, hence, problems. Political unrest and widespread violence in Turkey's major cities led to the resignation on March 12 of the Demirel Government and thus prospects for political stability are somewhat uncertain at this time. In the economic sphere the most pressing problem that emerged in the past few years was the distortion of the trade and payments system, which resulted in a slow-down in export growth and the development of overly protected industrial growth which interfered with Turkey's long term aim of becoming independent of concessional assistance and a full member of the European Economic Community.

The reforms undertaken in August 1970 entailed substantial economic risks and, hence, needed supplemental assistance. A

supplemental financing program was arranged by the IMF to which the United States contributed $25 million in additional program assistance.

The anticipated redirection of investment, production and employment is necessarily slow, but the short-term gains in Turkey's foreign exchange reserves give initial evidence of the reforms' success and give encouragement for the longer term prospect. At the time of devaluation, Turkey's foreign exchange reserves were $220 million and the waiting list for import licenses for which foreign exchange could not be furnished had grown to over $300 million. By the end of January 1971, the waiting list had been abolished, import demand was being met on a current basis and foreign exchange reserves had risen to $430 million.

The reform to date has been an unqualified success and the economic outlook is promising. The coalition government installed in March has included in its program many additional reforms that could improve Turkey's long-term prospects. However, this judgment must be tempered by the political uncertainties now facing Turkey.

The proposed $40 million program level proposed for FY 1972 is based on a cautiously optimistic forecast for the Turkish economy. It will include a $15 million program loan and loans to two Turkish development banks for $10 million and $15 million each.

Program Loan ($15 million): The proposed loan is a reduction from previous levels. If devaluation gains continue as expected, Turkey will be able to provide most of its general import financing from its own resources. Equally important, continued strengthening of its balance of payments will enhance Turkey's credit and thus permit expanded lending by the IBRD and other traditional sources of capital financing.

Some general import financing on concessional terms will still be required in FY 1972 since new investments in export industries will only be starting to realize export earnings by then. The OECD-sponsored Consortium supported a Turkish request for about $100 million in program aid annually from all bilateral donors in 1969, 1970 and 1971, excluding financing furnished in support of the 1970 devaluation and stabilization economic reform program. Requirements for 1972 should be less.

Project Loans

Turkish Industrial Development Bank (TSKB) ($10 million): TSKB is a major source of medium term lending for development of Turkey's private industrial sector. Organized in 1950 with the aid of a loan of $9 million from the IBRD, it has since received $22.5 million in loans from the United States, $29.9 million from the European Investment Bank, a Common Market institution, and $8.2 million from the Federal Republic of Germany. The IBRD itself has loaned TSKB $119 million more since its first loan. The Turkish Government has loaned TSKB $40 million equivalent in country-use local currency generated under U.S. aid programs. TSKB has reloaned these funds to a wide variety of businesses producing cement, ceramics, foodstuffs, chemicals, metal products, machinery and textiles and many other things. The TSKB estimates its uncovered requirements for additional foreign exchange at $20 million over the next two years. The proposed loan will meet part of this requirement.

Cukurova Development Bank ($15 million): The Government of Turkey has adopted a plan for the development of the Cukurova area in Southern Turkey. Prepared by its State Planning Office with the assistance of U.S. firms, the Plan calls for intensive development of the industrial potential of the region based on available mineral and agricultural resources. The private sector is expected to contribute the majority of the planned investment. A Development Bank will be established to support private initiative with financing for feasibility studies and capital investment. A $15 million loan will provide a part of the initial capital of the Bank and will be used to finance the foreign exchange costs of its initial loans.

TURKEY - Economic Trend Data

	Calendar Years			
GROWTH INDICATORS	1967	1968	1969	1970 *Est.*
Total GNP *(millions of 1969 dollars)**	6,890	7,350	7,810	8,190
Per Capita GNP *(1969 dollars)*	211	219	227	232
Investment – *millions of 1969 $*[a]	1,222	1,416	1,573	1,670
– *percent of GNP* †	18	19	20	21
Domestic Savings – *millions of 1969 $*	1,135	1,188	1,373	1,440
– *percent of Investment*†	94	90	92	92
Agricultural Production Index *(1961-65 = 100)*	121	122	120	123
Index per Capita	110	108	103	103
Wheat, (million MT)	9.0	8.4	8.3	7.5
Barley (million MT)	3.8	3.5	3.7	3.5
Industrial Production Index (1963=100)	177	193	217	244
INTERNATIONAL TRADE *($ millions)*				
Total Exports *(f.o.b.)*	523	496	537	588
Cotton	(132)	(136)	(111)	(145)
Total Imports *(c.i.f.)*	-685	-764	-747	-935
Trade Balance	-162	-268	-210	-347
GOLD & FOREIGN EXCHANGE *($ millions)*††				
Official Reserves	119	123	245	426
Commercial Bank Holdings	-	-	-	-
CONSUMER PRICE INDEX *(1963 = 100)* (Istanbul)	130	138	144	155

	– Million Dollar Equivalents –		
CENTRAL GOVERNMENT FINANCES* [b]	1968[c]	1969[c]	1970[c] Est.
Total Expenditures	1,443	1,696	1,865
(Defense Expenditures)	(350)	(361)	(353)
(Capital Outlays)	(487)	(568)	(580)
Total Domestic Revenues	1,267	1,550	1,784
As percent of GNP†	18	20	21
Deficit (–) or Surplus (+)	-176	-146	-81

* - Converted at rate of 15 lira per U.S. $.
a - Fixed investment only.
b - Fiscal year beginning March 1. c - Budget basis.
†Based on data in current prices. ††Gross basis, end of year.

TURKEY

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

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS-NET OBLIGATIONS AND LOAN AUTHORIZATIONS			REPAYMENTS AND INTEREST	TOTAL LESS REPAYMENTS AND INTEREST
	1969	1970	TOTAL 1946-1970	1946-1970	
A. OFFICIAL DEVELOPMENT ASSISTANCE					
A.I.D. AND PREDECESSOR AGENCIES - TOTAL	32.7	40.4	2,023.6	152.8	1,870.8
Loans	29.5	37.3	1,068.1	152.8	915.3
Grants	3.2	3.1	955.5	-	955.5
FOOD FOR PEACE - TOTAL	46.4	45.9	510.1	98.8	411.3
Title I - Total	22.8	33.7	396.8	98.8	298.0
REPAYABLE IN U.S. DOLLARS - LOANS	22.8	33.7	56.5	11.4	45.1
PAYABLE IN FOREIGN CURRENCY-Planned for Country Use	-	-	340.3	87.4	252.9
(Loans)	(-)	(-)	(225.5)	(87.4)	(138.1)
(Grants)	(-)	(-)	(114.8)	(-)	(114.8)
Title II - Total	23.6	12.2	113.3	-	113.3
EMERGENCY RELIEF, ECON. DEVEL. & WORLD FOOD PROGRAM	10.2	6.8	50.8	-	50.8
VOLUNTARY RELIEF AGENCIES	13.4	5.4	62.5	-	62.5
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	1.3	1.0	27.4	14.7	12.7
PEACE CORPS	1.3	1.0	15.2	-	15.2
OTHER	-	-	12.2	14.7	-2.5
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	80.4	87.3	2,561.1	266.3	2,294.8
Loans	52.3	71.0	1,362.3	266.3	1,096.0
Grants	28.1	16.3	1,198.8		1,198.8
B. OTHER OFFICIAL					
EXPORT-IMPORT BANK LONG-TERM LOANS	6.2	-	77.6	70.8	6.8
TOTAL ECONOMIC	86.6	87.3	2,638.7	337.1	2,301.6
Loans	58.5	71.0	1,439.9	337.1	1,102.8
Grants	28.1	16.3	1,198.8	-	1,198.8
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.)[a]	108.8	116.6	2,939.4	-	2,939.4
Credit Assistance	-	-	-	-	-
Grants	108.8	116.6	2,939.4	-	2,939.4
(Additional Grants from Excess Stocks)	(27.7)	(33.6)	(158.1)	(-)	(158.1)
OTHER MILITARY ASSISTANCE GRANTS	-	-	193.0	-	193.0
TOTAL MILITARY	108.8	116.6	3,132.4	-	3,132.4
TOTAL ECONOMIC AND MILITARY	195.4	203.9	5,771.1	337.1	5,434.0
Loans	58.5	71.0	1,439.9	337.1	1,102.8
Grants	136.9	132.9	4,331.2	-	4,331.2

OTHER PROGRAMS

ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1969	FY 1970	FY 1946-70
TOTAL	118.9	62.7	475.5
IBRD - World Bank	73.5	-	144.2
Int'l Dev. Association	12.0	-	92.3
Int'l Finance Corp.	2.3	14.8	19.7
UNDP - Special Fund	2.6	2.3	25.1
UNDP - TA (CY)	0.8	0.5	10.4
Other UN (CY)	0.7	0.4	8.8
EEC - Eur. Invest. Bank	27.0	44.7	175.0

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

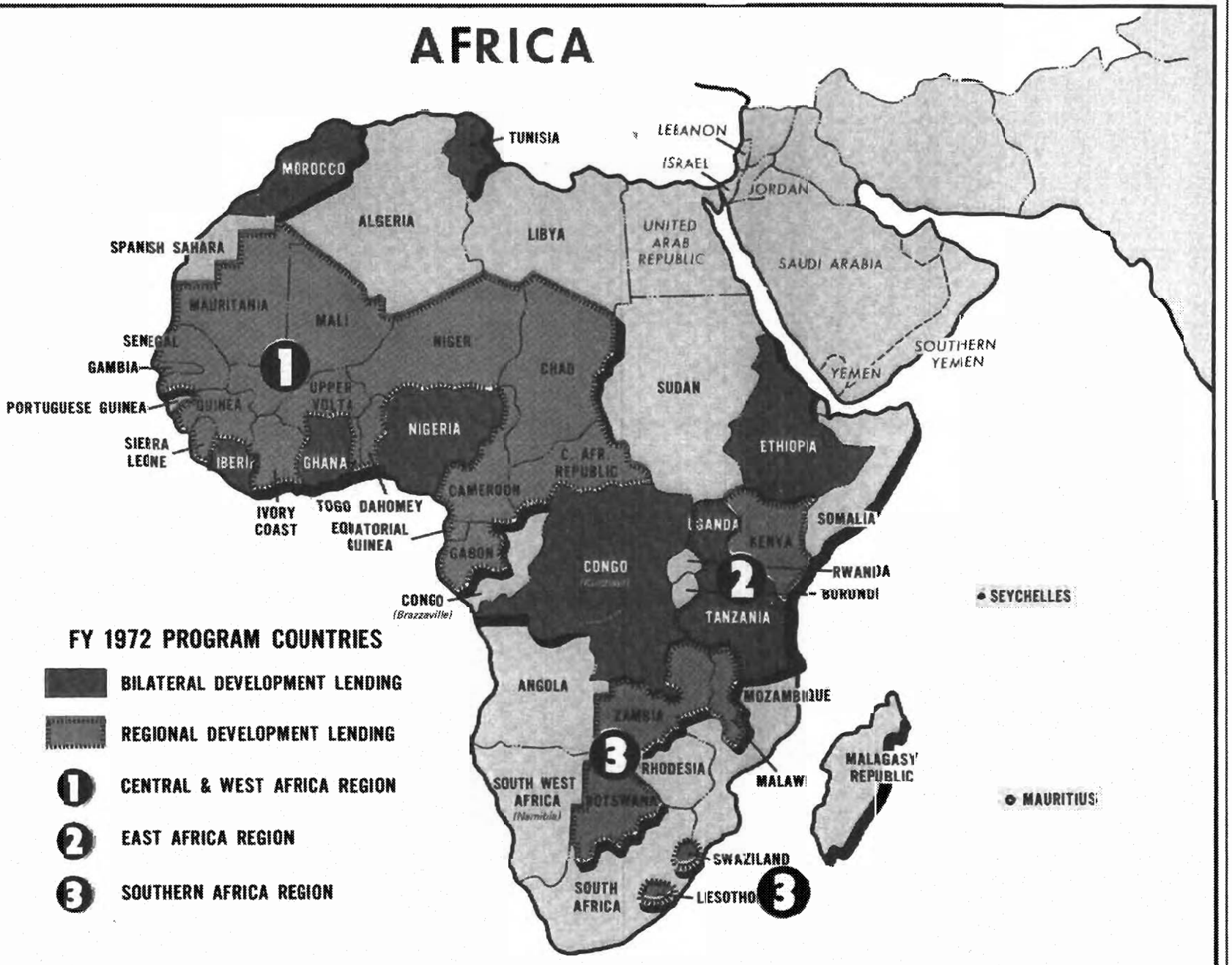
DONOR	CY 1968	CY 1969	CY 1960-69
TOTAL	96.9	92.7	572.7
Germany	37.8	44.1	278.3
Italy	18.0	25.3	102.5
U.K.	12.4	7.2	91.1
France	12.6	3.9	37.2
Other	16.1	12.2	63.6

ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)

1969 (Calendar Year)	172
1970 (Calendar Year)	-
Cumulative thru 1970	390

*Less than $50,000.
a/Annual data represent deliveries; total through 1970 is the cumulative program.

AFRICA



FY 1972 PROGRAM COUNTRIES

- BILATERAL DEVELOPMENT LENDING
- REGIONAL DEVELOPMENT LENDING
- 1 CENTRAL & WEST AFRICA REGION
- 2 EAST AFRICA REGION
- 3 SOUTHERN AFRICA REGION

AFRICA

DEVELOPMENT LENDING

PROGRAM SUMMARY
(In millions of dollars)

	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
Africa Regional/ Multidonor..	7.1	2.0	2.5
Central and West Africa Regional.	-	6.0	7.0
East Africa Regional.....	-	7.5	-
Southern Africa Regional.....	-	8.7	7.0
Congo(K).....	8.0	12.0	5.0
Ethiopia.....	10.6	8.2	12.0
Ghana.....	15.0	15.0	15.0
Kenya.....	3.5	-	-
Liberia.....	-	-	4.0
Morocco	8.0	7.8	11.0
Nigeria.....	1.7	5.0	16.0
Tanzania.....	1.0	.8	3.0
Tunisia.....	10.1	10.0	10.0
Uganda.....	-	-	2.5
Total.....	65.0*	83.0*	95.0

* Excludes grants of $2,666,000 in FY 1970 and $5,424,000 in FY 1971 for population programs under Title X of the Foreign Assistance Act.

As many African countries enter their second decade of independence, acceleration of economic and social development is the primary concern among African leaders and the key determinant in allocating their resources. We share with Africans their desire to concentrate their limited resources on development efforts and support the aspirations of their people to develop viable and prosperous societies. However, the independent African countries face a number of obstacles in their efforts to achieve a significant improvement for their people.

-- Because almost 80 percent of Africans are engaged largely in subsistence agriculture, the resulting low level of productivity provides inadequate incomes and severely limits the amount of domestic savings available for investment.

-- Recurrent balance of payments deficits result from heavy dependence on imports to provide essential consumption and investment goods and limited opportunities for expanding exports.

-- Population is expanding at a rate which has already manifested itself in severe underemployment of the working force and a rapid rate of urbanization and which, if continued, could well undermine future development efforts.

-- The education system has not yet been transformed to meet the basic manpower and training requirements of rapidly changing societies.

Though all of these problems are common to most African countries in varying degrees, a diversity exists within Africa which calls for differing emphases in the development activities undertaken to address them.

In some countries, balance of payments deficits are the most serious and immediate limiting factor affecting development, while in others scarce domestic financial resources restrict the amount of funds which can be allocated to critical development sectors for revenue producing activities and manpower training. In other situations, inadequate transport and communications infrastructure precludes the expansion of trade and commerce essential for achieving satisfactory growth rates. Finally, many countries lack well developed financial institutions which can supply an adequate flow of credit to agricultural and industrial enterprises.

FY 1972 PROGRAM

To assist African governments in meeting these problems, a Development Loan program of $95 million is planned for FY 1972. The loans will be concentrated on increased agricultural production and income, balance of payments support, improvement of transportation and telecommunications systems, construction of specialized training institutions, and stimulation of private investment and employment opportunities through assistance to intermediate credit institutions.

Carefully integrated with our technical assistance activities, the proposed loan program addresses core development problems. The program will enable the United States, in close cooperation with other donors, to play an effective role in the total African development effort. Its successful implementation will contribute to the formation of a solid base for future development of the continent.

This level of U.S. loan assistance will provide only a small portion of the external capital assistance African countries must

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receive to support an acceptable level of development. Western European countries, which have important traditional and commercial ties with Africa, provide about 45% of total free world capital and technical assistance to the region. The IBRD/IDA, the largest capital assistance donor, provided over $400 million in capital assistance to Africa in 1970. U.S. assistance is important, however, because it will help to meet a number of critical development needs identified by the recipient countries and will be provided in conjunction with the assistance of other donors. The total flow of external resources to African countries will make a significant impact in raising the level of investment and employment in Africa.

In Nigeria, Congo(K), Ethiopia, Uganda, Tanzania, Kenya, Morocco, Tunisia, and Ghana, U.S. capital assistance is provided within the framework of Consultative Groups led by the World Bank. These Consultative Groups meet regularly, fostering continuing aid coordination among the donors and providing a multidonor framework within which the recipient country presents its development plans and priorities. Although there are no World Bank-led Consultative Groups for the smaller countries of Central and West Africa and Southern Africa, our lending activities in these areas are closely coordinated with those of the major donors to these regions - France, Great Britain, the European Economic Development Fund and the IBRD - through frequent consultations.

To ensure maximum returns, our lending activities and technical assistance activities are mutually supportive. By concentrating both types of resources on certain projects or in sectors of activity, our effectiveness is increased.

NORTH AFRICA

Morocco and Tunisia have similar development profiles, with well-defined economic plans and demonstrated ability to mobilize substantial domestic resources for investment. Their major trading partner is Western Europe, and through associated membership with the European Economic Community, their best prospects for increasing investment and trade will continue to be in this direction.

In Tunisia, the country's chronic balance of trade problem is beginning to show signs of improvement with private investment being given a greater role and with earnings from tourism and petroleum exports increasing, although foreign debt servicing requirements continue to limit foreign exchange availabilities. Morocco is enjoying its best period of economic growth since independence and has recently accelerated its investment and domestic savings targets in an effort to continue the development momentum. However, both countries are faced with persistent balance of payments deficits and will require substantial amounts of foreign assistance over the next several years. France and the IBRD are the major sources of capital assistance for both countries and each provide about $25 - 30 million per year to each country.

In FY 1972, the United States plans a $10 million program loan to each country, which will be within the framework of assistance of the Consultative Groups. These loans will help offset a portion of the balance of payments deficits by financing imports of essential raw materials and capital equipment and will permit better utilization of prior investment in industry and agriculture, thus leading to higher levels of employment. We will also provide an Intermediate Credit Institution loan of $1 million to the Morocco Development Bank to assist in increasing employment opportunities in private industry. Together Morocco and Tunisia will continue to receive up to $22 million PL 480 Title I assistance to help meet the countries' food import requirements. The sale of those imported commodities will generate local currency to be used primarily for increased agricultural investment.

ETHIOPIA AND EAST AFRICA

Ethiopia's efforts to accelerate development have led to the formation of an IBRD-led Consultative Group and an increasing amount of World Bank assistance. The country is handicapped by its backward agricultural sector, which dominates the economy, and limits the level of resources needed for an acceptable level of basic social services and investment for sustained development. Moreover, internal and external security problems reduce further the amount of resources available for development. However, substantial progress has been made in improving planning and budgeting, especially with regard to modernization and diversification of agriculture and increasing domestic savings in support of development efforts.

The current Ethiopian 5-year plan projects new public and private capital investment of $140 million a year in agricultural development to help achieve an annual growth rate of 6%.

However, despite increased self-help efforts by the Ethiopians, current income levels are not high enough to generate the necessary private investment by farmers or provide adequate public financing of improved rural infrastructure and agricultural production projects. U.S. assistance, provided in close cooperation with the World Bank and other donors, is designed to help Ethiopia generate additional local currency resources for agricultural investment,

improve the agricultural marketing systems facilities and increase production of commercial crops.

In Ethiopia in FY 1972, U.S. loan assistance totaling approximately $10-12 million will be provided to expand agricultural production and marketing through an agricultural sector loan, a fertilizer loan and the financing of farm-to-market roads. These loans will supply equipment, fertilizer and agricultural credit which will increase both the income of individual farmers and the government's revenue base for financing development activities.

In East Africa, the East African Community, comprising Tanzania, Uganda and Kenya represents a viable effort at regional integration which we hope will not be adversely affected by the recent change of government in Uganda. The Community is effectively maintaining the system of economic ties developed during the colonial period, such as the customs union and a uniform external tariff. They are also expanding the operation of the four Community corporations for railways, harbors, airways and communications and continuing common service activities such as the Income Tax Department and the East African Agricultural and Forestry Research Organization. The Community has also formed the East African Development Bank to foster cooperative development and stimulate investment and employment. The Bank has been capitalized by the member countries at $16.8 million and has invested in 16 industrial enterprises in the three countries. However, the Bank requires additional financial resources if it is to undertake its functions adequately in expanding industrial output and employment and redressing industrial imbalance among the partner states. Depending on the availability of funds we plan an FY 1972 loan of up to $5 million to the East Africa Development Bank. Implementation of such a loan should both strengthen the economic ties of the Community and stimulate local private investment through sub-loans made by the Bank.

The Consultative Group for East Africa has identified increased agricultural output as a top development priority in Uganda and Tanzania. Previous assistance to the Uganda livestock sector by the World Bank, the United States and other donors has clearly established that Uganda has the potential to expand production of livestock and livestock products substantially. The development of the livestock industry will contribute significantly to the diversification of agricultural production now overly dependent on cotton and coffee and provide increased income and employment to rural Ugandans. In FY 1972, we shall provide loan assistance of $4 million to finance two activities: (a) the development of medium sized fattening ranches in southeast Uganda, using the same methods employed in the successful A.I.D.-financed Ankole-Masaka ranching project; and (b) the importation of capital equipment for developing a national system of wells and stock ponds to provide watering places for livestock.

In Tanzania our loan activities are directly tied to our technical assistance activities. Faced with the necessity of increasing the productivity per acre of farmland and moving traditional farmers into the market economy, Tanzania is attempting to develop improved agricultural inputs and farming practices for a variety of field crops and to reorganize and rationalize the principal agricultural marketing organizations. The Tanzania Government has requested that the United States provide assistance in these priority areas. A.I.D. is furnishing technical assistance in agricultural research, seed multiplication of improved varieties and crop marketing. To help assure that sufficient capital inputs are available to support and implement technical advances, we will provide during FY 1972 a loan to finance the machinery and equipment used in the projects.

NIGERIA AND CONGO(K)

Nigeria and Congo(K) are the two potential economic giants of tropical Africa. If they can harness their natural and human resources effectively over the next decade, Congo and Nigeria could achieve significant rates of self-sustaining economic growth.

In Congo, the deteriorated transport system, both river and road, must be rebuilt if the country is to tap fully its rich potential in agricultural, mineral and power resources which has attracted considerable U.S. and other foreign private investment. Transport studies undertaken by the World Bank and the UNDP have identified rebuilding and expanding of the transport system as a priority investment requirement. These studies, which have been accepted by the Congo Government, include plans for the reorganization of the agencies administering and operating the various segments of the transportation system as well as recommendations for specific capital investment. Over the past two years, in close cooperation with the Bank and other donors, we have provided loan assistance to the Congo to help finance the rehabilitation of river transportation.

The first meeting of the Consultative Group for the Congo led by the World Bank will be held in May 1971. Based on the existing studies, the United States plans to finance a $10 million transport sector loan within the framework of the Consultative Group. The proposed loan will finance capital equipment and technical services to strengthen Congolese road transport service and maintenance capability and will be coordinated with larger inputs of capital assistance by the World Bank and other donors. We may

also, within the framework of Consultative Group recommendations, provide additional loan assistance to the agricultural sector in those areas where improvements in the transport system have made development of commercial agriculture economically feasible.

In Nigeria we will complete our assistance in FY 1972 to the major relief and rehabilitation effort which was mounted at the end of the Nigerian civil war in the spring of 1970. However, Nigeria still faces major problems in restoring the economy to its pre-war level, completing planned capital investments which were deferred because of the war and financing its foreign exchange deficit. During CY 1971, Nigeria entered a new phase of reconstruction and development and launched a new Four Year Plan 1971-1974. The Plan was favorably received by the World Bank which is expected to provide an $80 million reconstruction loan to finance essential imports of raw materials and investment goods needed to restore the post-civil war economy and provide the base for new growth. The Nigerian Government and the IBRD have agreed that the balance of payments deficits are likely to continue into 1972 - 1973. Therefore, a $10 million program loan is planned in FY 1972, in conjunction with assistance from other members of the Nigerian Consultative Group, to help offset the projected balance of payments deficits. In addition, a $6 million loan will support the construction of a school of veterinary medicine at Ahmadu Bello University in northern Nigeria. It will be the first school of its kind serving English-speaking West Africa, and will become an important part of the major livestock production programs in West Africa.

GHANA

Since Nkrumah's overthrow in February 1966, Ghana has been struggling with a stagnant economy overburdened with a foreign debt of $750 million and exhausted foreign exchange reserves. In addition, cocoa exports, which are subject to major price fluctuations, account for nearly 60 percent of Ghana's export earnings, making its economy extremely vulnerable.

A Consultative Group, first headed by the International Monetary Fund, aided Ghana in its efforts to stabilize the economy between 1966 - 1969 by bringing inflation under control and setting the stage for new economic growth. The World Bank has now taken over the leadership of the Consultative Group and is discussing with the Ghanaian Government the implementation of a series of fiscal and economic policy reforms needed to accelerate the pace of economic activity. In view of the enormous resources required to support an acceptable growth rate while servicing the existing large debt, Ghana's self-help efforts must be matched with a substantial amount of external assistance.

Actions Ghana must take in order to achieve a state of sustained growth include: diversifying exports to reduce reliance on cocoa exports; increasing foreign exchange reserves; increasing efficiency of import substitution industries through provision of an adequate supply of raw materials; reducing unemployment and severe underemployment; expanding agricultural production; and extending monetary and fiscal policy reforms. Ghana has demonstrated in the past a willingness to make difficult choices and to utilize foreign assistance effectively. Given its sizable agricultural potential, its mineral resources and its available skilled manpower, it is possible for Ghana, under its new leadership, to achieve meaningful growth and resume its important role among African states.

Within the framework of the Consultative Group, a $15 - 20 million U.S. program loan is planned in FY 1972 to help finance an estimated external resource gap estimated at $75 million in each of the next several years and to support Ghana's self-help efforts. The balance will come from other donors and additional debt relief.

SOUTHERN AFRICA

In Southern Africa, our assistance for FY 1972 will be concentrated in the recently independent multi-racial states of Botswana, Lesotho and Swaziland. These small and poor countries must depend completely upon external assistance for their investment budgets. The United Kingdom, the major donor to the three countries, covers deficits in the operating budgets of Botswana and Lesotho. In close coordination with the United Kingdom, the IBRD, UNDP, Canada and other donors, U.S. assistance is aimed at improving agricultural production and manpower development within the region so that these countries will be able to attain a higher degree of economic independence.

In FY 1972 a transportation loan of $6 million is planned to assist with the construction of a major road link between Botswana and Zambia. This road will open Zambian markets for Botswanan livestock and other products, thus expanding trade between the two countries as well as strengthening the communication links among the Black-ruled states south of the Zambezi River. In FY 1971 a $2.2 million agricultural sector loan was provided in conjunction with U.K. assistance for agricultural development in Swaziland. Additional loan funds of $1 million are earmarked in FY 1972 to support

agricultural activities in this area.

CENTRAL AND WEST AFRICA

In Central and West Africa, there are 14 French-speaking countries with low per capita incomes and meager basic social services and manpower development, lagging far behind other developing areas in the world. As separate entities, these countries have poor resource bases and limited markets. Thus, most development problems must be addressed regionally if income levels and the quality of life in this area are to be improved.

France remains the major donor and a large part of the investment and export trade is linked to France. There are signs, however, that the artificial barriers between the francophone and anglophone areas are dissolving with increasing trade and improving transportation between the former French and English colonies.

In Central and West Africa, regional loans are keyed to regional organizations such as the Lake Chad Basin Commission and the Organization of the Senegal River States. These regional organizations have identified cereals and livestock production as critical areas for increasing agricultural income and trade within the area. In sub-Sahara Africa, it is imperative that agricultural production be increased in order to permit the expansion of budgetary resources desperately needed for basic services as well as to improve nutritional standards. In FY 1972 livestock production and marketing loans totaling $5 million are contemplated for these regional organizations. In addition, loan assistance of approximately $6 million is planned in FY 1972, in cooperation with other donors, to complete a viable communications chain among Entente States and to provide assistance in developing communications links within Liberia and between Liberia and neighboring West African countries. We are also considering participating in a multi-donor loan to construct a railway into the interior of Gabon.

AFRICA - BASIC DATA

COUNTRY	POPULATION		AREA		LABOR FORCE	GNP	TRADE		HEALTH AND EDUCATION			
	TOTAL (MID-1970)	ANNUAL GROWTH - RATE	TOTAL	AGRICULTURAL LAND	IN AGRICULTURE	PER CAPITA (1969 EST.)	TOTAL EXPORTS (1969)	MAIN EXPORTS	PEOPLE PER DOCTOR	LIFE EXPECTANCY	LITERACY RATE	STUDENTS AS % 5-19 AGE GROUP[a]
	MILLIONS	PERCENT	1,000 SQ. MILE	PERCENT OF AREA	PERCENT	DOLLARS	$ MILLIONS	ITEM	NUMBER	YEARS	PERCENT	PERCENT
Congo (Kinshasa)	17.8	2.4	906	31	69	96	695	Copper	27,100	45	35-40	42
Ethiopia	25.3	2.3	472	67	88	65	119	Coffee, hides & skins	74,600	35	5	6
Ghana	8.8	2.7	92	12	56	260	390	Cocoa, aluminum	13,300	45	25	57
Kenya	11.2	3.4	225	10	88	132	272	Coffee, tea, petrol. products	9,700	47	20-25	39
Liberia	1.5	3.3	43	37	80	196	196	Iron ore, rubber	12,100	41	9	24
Morocco	15.9	3.2	172	35[b]	54	203	485	Phosphates, citrus fruits	13,100	55	14	27
Nigeria	56.5	2.8	357	52	80	88	905	Petroleum & products, cocoa	26,200	39	25	23
Tanzania	13.3	2.7	363	60[c]	95	95[d]	251	Cotton, coffee	36,300[e]	45	15-20	20
Tunisia	4.9	2.8	63	47	60	242	166	Phosphates; petroleum	7,000	52	30	51
Uganda	9.7	2.5	91	42	89	118	225	Coffee, cotton, copper	8,900	46	20	23
CENTRAL-WEST AFRICA												
Entente States												
Dahomey	2.5	2.1	43	18	84	80	26	Palm kernels & products	30,000	38	20	17
Ivory Coast	4.2	2.8	125	52	86	308	456	Coffee, wood	17,300	39	20	28
Niger	3.7	2.9	489	11	96	90	24	Peanuts	53,500	37	5	6
Togo	1.9	2.6	22	42	79	124	44	Phosphates, cocoa	19,800	40	5-10	29
Upper Volta	5.1	1.8	106	85	87	50	21	Livestock, cotton	71,300	36	5-10	7
Senegal River States												
Gambia	0.4	2.0	4	53	87	100	16	Peanuts & products	18,700	43	10	16
Guinea	4.1	3.0	95	n.a.	85	100	57[E]	Alumina	42,500	43	5-10	16
Mali	5.1	2.4	479	34	90	90	17	Livestock, cotton	37,000	50	5	11
Mauritania	1.2	2.2	398	38	89	150	77	Iron ore	30,000	40	1-5	7
Senegal	3.9	2.4	76	58	74	185	123	Peanuts & products	17,300	45	5-10	21
Sierra Leone	2.7	2.1	28	82	75	164	106	Diamonds	16,600	n.a.	10	15

(Continued)

R

AFRICA - BASIC DATA

COUNTRY	POPULATION		AREA		LABOR FORCE	GNP	TRADE		HEALTH AND EDUCATION			
	TOTAL (MID-1970)	ANNUAL GROWTH RATE	TOTAL	AGRICULTURAL LAND	IN AGRICULTURE	PER CAPITA (1969 EST.)	TOTAL EXPORTS (1969)	MAIN EXPORTS	PEOPLE PER DOCTOR	LIFE EXPECTANCY	LITERACY RATE	STUDENTS AS % 5-19 AGE GROUP[a]
	MILLIONS	PERCENT	1,000 SQ. MILE	PERCENT OF AREA	PERCENT	DOLLARS	$ MILLIONS	ITEM	NUMBER	YEARS	PERCENT	PERCENT
CENTRAL-WEST AFRICA (Continued)												
Chad Basin Group												
Cameroon	5.8	2.1	183	35	84	150	226	Coffee, cocoa	26,000	49	10-15	60
Central African Rep.	1.5	2.2	241	10	90	140	36	Diamonds, cotton	35,700	35	5-10	30
Chad	3.6	1.6	496	40	92	68	31	Cotton	71,000	35	5-10	17
Gabon	0.5	1.2	103	20	84	325	142	Petroleum, wood	5,900	39	12	59
SOUTHERN AFRICA												
Botswana	0.6	3.0	232	69	91	100	10[f]	Meat, hides & skins	19,700	n.a.	20	33
Lesotho	1.0	2.8	12	94	n.a.	90	5	Wool & mohair, livestock	23,300	48	n.a.	61
Malawi	4.5	2.5	45	30	81	63	53	Tobacco, tea	44,700	47	15	26
Swaziland	0.4	2.9	7	88	31	175	62	Sugar, iron ore	7,300	48	36	37
Zambia	4.3	3.1	291	51	84	398	1,073	Copper	11,600	44	15-20	33

E - Estimate.
n.a. - Not available.

a - Primary and secondary students.
b - Includes large amounts of rough grazing land.
c - Almost 80% is rough grazing land.
d - Does not include Zanzibar.
e - Calculated on basis of physicians actually practicing.
f - 1968.

AFRICA - ECONOMIC TREND DATA

COUNTRY	GROSS NATIONAL PRODUCT (In 1969 prices)						AGRICULTURAL PRODUCTION						INTERNATIONAL TRADE						GOLD AND FOREIGN EXCHANGE*		
	Total GNP			Per Capita GNP			Total			Per Capita			Exports (f.o.b.)			Imports (c.i.f.)					
	$ Millions			Dollars			Indexes: 1961-65=100						$ Millions						$ Millions		
	1965	1969	1970E	1965	1969	1970E	1965	1969	1970P	1965	1969	1970P	1965	1969	1970E	1965	1969	1970E	1965	1969	1970
Congo (K)	1,470[a]	1,674	1,910	91[a]	96	101	96	111	115	92	97	98	336	695P	n.a.	-319	-461P	n.a.	21	198	185
Ethiopia	1,348	1,612	1,693	59	65	67	103	114	117	99	101	101	116	119	145	-150	-155	-170	77	72	71
Ghana	2,113	2,239	2,320	273	260	262	100	108	109	95	92	90	318	390	455	-448	-347	-450	133	87	84
Kenya	1,047	1,431	n.a.	110	132	n.a.	104	123	129	97	101	102	227	272	300	-282	-360	-450	52[a]	170	220
Liberia	n.a.	289	n.a.	n.a.	196	n.a.	109	121	128	105	108	113	135	169	215	-104	-109	-140	n.a.	n.a.	n.a.
Morocco	2,598	3,108	3,254	192	203	205	115	123	132	108	102	106	430	485	490	-451	-562	-535	99	114	140
Nigeria	n.a.	4,830	n.a.	n.a.	88	n.a.	103	114	110	98	97	91	751	905	1,235	-772	-696	-1,100	246	138	226
Tanzania[b]	1,012[a]	1,194	1,265	87[a]	95	98	106	115	121	101	99	101	192	251	265	-188	-240	-315	61[a]	80	65
Tunisia	1,041	1,162	1,198	239	242	243	108	87	111	103	76	94	120	166	170	-246	-256	-285	36	37	58
Uganda	870	1,122	1,134	101	118	116	112	125	127	107	108	107	206	225	290	-161	-175	-160	41[a]	53	59

* - Official reserves, gross basis, end of year.
E - Estimate. P - Preliminary. n.a.-Not available.

a - 1966. b - GNP data do not include Zanzibar.

(Continued)

AFRICA - ECONOMIC TREND DATA

CENTRAL GOVERNMENT FINANCES
($ Millions)

COUNTRY	Expenditures									Domestic Revenues						Deficit(-) or Surplus(+)		
	Total			Defense Expenditures			Capital Outlays			Total			As Percent of GNP					
	1968	1969	1970[E]	1968	1969	1970[E]	1968	1969	1970[E]	1968	1969	1970[E]	1968	1969	1970	1968	1969	1970
Congo(K) ..	446	587[E]	732	44	61[E]	95	84	147[E]	148	371	536[E]	631	27.0%	32.0%	33.0%	-75	-51	-101
Ethiopia ..	185	190	213	40	42	41	51	45	55	143	157	171	9.3	9.7	9.5	-42	-33	-42
Ghana	361	362	391	43	45	49	58	51	80	292	294	353	14.7	13.1	14.1	-69	-68	-38
Kenya	248	277[E]	326	17	16[E]	18	54	68[E]	91	218	239[E]	269	16.5	16.7	17.3	-30	-38	-57
Liberia ...	53	54	61	3	3	3	8	10	16	52	62	63	n.a.	21.4	n.a.	-1	+8	+2
Morocco ...	785	804	883	88	97	94	264	279	314	549	631	638	18.4	20.3	19.2	-239	-173	-245
Nigeria ...	671	1,147[E]	1,330	252	504[E]	378	104	88[E]	112	420	610[E]	952	n.a.	12.6	n.a.	-251	-537	-378
Tanzania[a] .	195	232[E]	272	13	14[E]	17	48	64[E]	81	158	178[E]	210	14.0	14.9	16.0	-37	-54	-62
Tunisia ...	316	329	371	18	17	22	109	105	118	227	281	291	21.3	24.2	23.8	-89	-48	-80
Uganda	143	191	200	16	20	19	22	51	45	145	168	167	14.6	15.0	14.6	+2	-23	-33

Note:
(1) Data for Ghana, Kenya, Tanzania, Uganda are for fiscal years ending ending June 30 of year shown; data for Ethiopia are for fiscal years ending July 7 of year shown; data for Nigeria are for fiscal years beginning April 1 of year shown.
(2) Exchange rates used to convert national currencies to US dollars: Congo(K) - 0.50 zaires; Ethiopia - 2.5 Eth. $; Ghana - 1.02 NC; Kenya, Tanzania, Uganda - 7.14 shillings; Morocco - 5.06 dirhams; Nigeria - 0.3571 N. pound; Tunisia - 0.525 dinars.
E - Estimate a - Does not include Zanzibar.

CONSUMER PRICE INDEXES (1963=100)*

COUNTRY	1966	1967	1968	1969	1970	COUNTRY	1966	1967	1968	1969	1970
Congo(K)	155	212	325	369	383[a]	Morocco	107	106	106	109	110
Ethiopia[b]	127	128	128	130	143	Nigeria[c]	116	111	113	124	140
Ghana	151	140	154	168	168	Tanzania[b]	114	117	121	122	125
Kenya[b]	108	110	111	110	113	Tunisia	123	127	131	136	137
Liberia[d]	103	109	112	123	124	Uganda[b,c,e]	100	103	100	112	122[f]

* - Indexes are for capital cities except in Morocco, where index is for Casablanca.
a - January-August. b - Excludes rent. c - For lower income groups. d - 1965=100. e - 1966=100 f - January-September.

CONGO (KINSHASA)

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

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS-NET OBLIGATIONS AND LOAN AUTHORIZATIONS 1969	1970	TOTAL 1946-1970	REPAYMENTS AND INTEREST 1946-1970	TOTAL LESS REPAYMENTS AND INTEREST
A. OFFICIAL DEVELOPMENT ASSISTANCE					
A.I.D. AND PREDECESSOR AGENCIES - TOTAL	3.7[a]	8.6[a]	276.0[a]	*	276.0
Loans	2.8	8.0	79.3	*	79.3
Grants	0.8	0.6	196.6	-	196.6
FOOD FOR PEACE - TOTAL	4.1	5.5	143.6	3.3	140.3
Title I - Total	3.8	5.4	108.2	3.3	104.9
REPAYABLE IN U.S. DOLLARS - LOANS	3.8	5.4	34.2	2.1	32.1
PAYABLE IN FOREIGN CURRENCY-Planned for Country Use	-	-	74.0	1.2	72.8
(Loans)	(-)	(-)	(33.1)	(1.2)	(31.9)
(Grants)	(-)	(-)	(41.0)	(-)	(41.0)
Title II - Total	0.3	0.1	35.3	-	35.3
EMERGENCY RELIEF, ECON. DEVEL. & WORLD FOOD PROGRAM	-	0.1	16.3	-	16.3
VOLUNTARY RELIEF AGENCIES	0.3	-	19.0	-	19.0
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	*	*	*	-	*
PEACE CORPS	*	*	*	-	*
OTHER	-	-	-	-	-
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	7.8	14.1	419.6	3.3	416.3
Loans	6.6	13.4	146.6	3.3	143.3
Grants	1.1	0.7	272.9	-	272.9
B. OTHER OFFICIAL					
EXPORT-IMPORT BANK LONG-TERM LOANS	-	-	-	-	-
TOTAL ECONOMIC	7.8	14.1	419.6	3.3	416.3
Loans	6.6	13.4	146.6	3.3	143.3
Grants	1.1	0.7	272.9	-	272.9
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.)[b]	2.1	3.1	25.8	-	25.8
Credit Assistance	-	-	-	-	-
Grants	2.1	3.1	25.8	-	25.8
(Additional Grants from Excess Stocks)	(*)	(*)	(1.6)	(-)	(1.6)
OTHER MILITARY ASSISTANCE GRANTS	-	-	-	-	-
TOTAL MILITARY	2.1	3.1	25.8	-	25.8
TOTAL ECONOMIC AND MILITARY	9.9	17.2	445.4	3.3	442.1
Loans	6.6	13.4	146.6	3.3	143.3
Grants	3.2	3.8	298.7	-	298.7

OTHER PROGRAMS

ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1969	FY 1970	FY 1946-70
TOTAL	27.0	19.6	251.2
IBRD-World Bank	-	-	121.6
Int'l Finance Corp.	-	0.8	0.8
Int'l Dev. Association	6.0	5.0	11.0
UNDP - Special Fund	0.9	0.9	17.1
UNDP - TA(CY)	0.8	0.4	4.9
Other UN(CY)	0.2	0.2	4.9
EEC Dev. Fund	19.1	12.3	90.9

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

DONOR	CY 1968	CY 1969	CY 1960-69
TOTAL	51.9	51.0	631.2
Belgium	44.5	46.8	580.7
Germany	1.0	0.6	16.7
Italy	1.3	0.8	13.0
Other	5.2	2.8	20.8

ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)

1969 (Calendar Year)..... -
1970 (Calendar Year)..... -
Cumulative thru 1970..... -

*Less than $50,000. a/ Excludes contributions to the UN for Congo technical and operational assistance totaling $28.0 million. Of this, $0.5 million was in FY 1969 and $0.2 million in FY 1970.
b/ Annual data represent deliveries; total through 1970 is the cumulative program.

ETHIOPIA

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

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS-NET OBLIGATIONS AND LOAN AUTHORIZATIONS 1969	1970	TOTAL 1946-1970	REPAYMENTS AND INTEREST 1946-1970	TOTAL LESS REPAYMENTS AND INTEREST
A. OFFICIAL DEVELOPMENT ASSISTANCE					
A.I.D. AND PREDECESSOR AGENCIES - TOTAL	-3.8	15.1	169.6	16.4	153.2
Loans	-7.5	10.6	76.0	16.4	59.6
Grants	3.8	4.5	93.7	-	93.7
FOOD FOR PEACE - TOTAL	1.0	1.5	25.7	1.5	24.2
Title I - Total	-	-	6.1	1.5	4.6
REPAYABLE IN U.S. DOLLARS - LOANS	-	-	5.6	1.5	4.1
PAYABLE IN FOREIGN CURRENCY-Planned for Country Use	-	-	0.5	*	0.5
(Loans)	(-)	(-)	(0.5)	(*)	(0.5)
(Grants)	(-)	(-)	(-)	(-)	(-)
Title II - Total	1.0	1.5	19.6	-	19.6
EMERGENCY RELIEF, ECON. DEVEL. & WORLD FOOD PROGRAM	0.8	1.3	15.7	-	15.7
VOLUNTARY RELIEF AGENCIES	0.2	0.2	3.9	-	3.9
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	2.6	2.0	25.2	0.5	24.7
PEACE CORPS	2.6	2.0	24.3	-	24.3
OTHER	-	-	0.9	0.5	0.4
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	-0.2	18.6	220.2	18.4	201.8
Loans	-7.5	10.6	82.1	18.4	63.7
Grants	7.4	8.0	138.1	-	138.1
B. OTHER OFFICIAL					
EXPORT-IMPORT BANK LONG-TERM LOANS	-	-	25.3	19.1	6.2
TOTAL ECONOMIC	-0.2	18.6	245.8	37.5	208.3
Loans	-7.5	10.6	107.8	37.5	70.3
Grants	7.4	8.0	138.1	-	138.1
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.)	11.4	11.2	152.5	-	152.5
Credit Assistance	-	-	-	-	-
Grants	11.4	11.2	152.5	-	152.5
(Additional Grants from Excess Stocks)	(0.2)	(0.4)	(7.7)	(-)	(7.7)
OTHER MILITARY ASSISTANCE GRANTS	-	-	5.9	-	5.9
TOTAL MILITARY	11.4	11.2	158.4	-	158.4
TOTAL ECONOMIC AND MILITARY	11.2	29.8	404.2	37.5	366.7
Loans	-7.5	10.6	107.8	37.5	70.3
Grants	18.8	19.2	296.5	-	296.5

OTHER PROGRAMS

ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1969	FY 1970	FY 1946-70
TOTAL	29.0	9.7	175.6
IBRD-World Bank	27.6	-	97.8
Int'l Finance Corp.	*	0.6	14.1
Int'l Dev. Association	-	6.6	35.0
UNDP - Special Fund	0.4	1.8	14.2
UNDP - TA (CY)	0.7	0.6	9.2
Other UN	0.3	0.1	5.3

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

DONOR	CY 1968	CY 1969	CY 1960-69
TOTAL	20.4	16.1	86.0
Italy	8.5	2.8	35.2
Sweden	7.4	8.2	25.5
Germany	3.6	3.9	20.6
Other	0.9	1.3	4.7

ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)

1969 (Calendar Year)..... -
1970 (Calendar Year)..... -
Cumulative thru 1970..... 119

*Less than $50,000.

GHANA

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

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS-NET OBLIGATIONS AND LOAN AUTHORIZATIONS 1969	1970	TOTAL 1946-1970	REPAYMENTS AND INTEREST 1946-1970	TOTAL LESS REPAYMENTS AND INTEREST
A. OFFICIAL DEVELOPMENT ASSISTANCE					
A.I.D. AND PREDECESSOR AGENCIES - TOTAL	-*	17.4	143.1	17.5	125.6
Loans	-1.5	15.0	125.2	17.5	107.7
Grants	1.5	2.4	17.9	-	17.9
FOOD FOR PEACE - TOTAL	24.0	13.1	72.9	1.2	71.7
Title I - Total	23.0	11.3	58.6	1.2	57.4
REPAYABLE IN U.S. DOLLARS - LOANS	13.8	9.3	28.0	0.1	27.9
PAYABLE IN FOREIGN CURRENCY-Planned for Country Use	9.2	2.0	30.6	1.1	29.5
(Loans)	(9.2)	(0.2)	(28.9)	(1.1)	(27.8)
(Grants)	(-)	(1.7)	(1.7)	(-)	(1.7)
Title II - Total	1.0	1.8	14.3	-	14.3
EMERGENCY RELIEF, ECON. DEVEL. & WORLD FOOD PROGRAM	0.5	0.6	4.9	-	4.9
VOLUNTARY RELIEF AGENCIES	0.5	1.2	9.4	-	9.4
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	1.1	1.4	8.5	-	8.5
PEACE CORPS	1.1	1.4	8.5	-	8.5
OTHER	-	-	-	-	-
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	25.1	31.9	224.5	18.7	205.8
Loans	21.5	24.5	182.1	18.7	163.4
Grants	3.6	7.3	42.4	-	42.4
B. OTHER OFFICIAL					
EXPORT-IMPORT BANK LONG-TERM LOANS	10.5	-	56.2	18.5	37.7
TOTAL ECONOMIC	35.6	31.9	280.7	37.2	243.5
Loans	32.0	24.5	238.3	37.2	201.1
Grants	3.6	7.3	42.4	-	42.4
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.) a/	*	0.1	0.2	-	0.2
Credit Assistance	-	-	-	-	-
Grants	*	0.1	0.2	-	0.2
(Additional Grants from Excess Stocks)	(-)	(-)	(-)	(-)	(-)
OTHER MILITARY ASSISTANCE GRANTS	-	-	-	-	-
TOTAL MILITARY	*	0.1	0.2	-	0.2
TOTAL ECONOMIC AND MILITARY	35.6	32.0	280.9	37.2	243.7
Loans	32.0	24.5	238.3	37.2	201.1
Grants	3.6	7.4	42.6	-	42.6

OTHER PROGRAMS

ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1969	FY 1970	FY 1946-70
TOTAL	7.8	15.7	102.6
IBRD-World Bank	6.0	-	53.0
Int'l. Dev. Association	-	14.8	24.8
UNDP-Special Fund	1.1	0.2	15.4
UNDP-TA (CY)	0.5	0.4	5.7
Other UN	0.2	0.3	3.7

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

DONOR	CY 1968	CY 1969	CY 1960-69
TOTAL	57.7	36.6	184.5
Germany	23.3	13.0	74.7
Un. Kingdom	15.2	13.8	44.7
Italy	4.3	0.1	19.0
Canada	4.1	4.1	19.8
Other	10.8	5.6	26.4

ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)

1969 (Calendar Year)	-
1970 (Calendar Year)	-
Cumulative thru 1970	231

*Less than $50,000. a/ Annual data represent deliveries.

LIBERIA

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

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS-NET OBLIGATIONS AND LOAN AUTHORIZATIONS 1969	1970	TOTAL 1946-1970	REPAYMENTS AND INTEREST 1946-1970	TOTAL LESS REPAYMENTS AND INTEREST
A. OFFICIAL DEVELOPMENT ASSISTANCE					
A.I.D. AND PREDECESSOR AGENCIES - TOTAL	9.7	4.3	136.5	1.3	135.2
Loans	5.3	-0.4	56.8	1.3	55.5
Grants	4.4	4.6	79.7	-	79.7
FOOD FOR PEACE - TOTAL	0.5	1.4	6.9	0.7	6.2
Title I - Total	-	0.9	3.2	0.7	2.5
REPAYABLE IN U.S. DOLLARS - LOANS	-	0.9	3.2	0.7	2.5
PAYABLE IN FOREIGN CURRENCY-Planned for Country Use	-	-	-	-	-
(Loans)	(-)	(-)	(-)	(-)	(-)
(Grants)	(-)	(-)	(-)	(-)	(-)
Title II - Total	0.5	0.5	3.7	-	3.7
EMERGENCY RELIEF, ECON. DEVEL. & WORLD FOOD PROGRAM	0.3	0.3	0.6	-	0.6
VOLUNTARY RELIEF AGENCIES	0.2	0.2	3.1	-	3.1
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	2.0	1.7	26.2	0.8	25.4
PEACE CORPS	2.0	1.7	17.6	-	17.6
OTHER	-	-	8.6	0.8	7.8
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	12.2	7.4	169.6	2.8	166.8
Loans	5.3	0.5	67.7	2.8	64.9
Grants	6.9	6.8	101.9	-	101.9
B. OTHER OFFICIAL					
EXPORT-IMPORT BANK LONG-TERM LOANS	-a/	-	99.1a/	63.8	35.3
TOTAL ECONOMIC	12.2	7.4	268.7	66.6	202.1
Loans	5.4	0.5	166.8	66.6	100.2
Grants	6.8	6.8	101.9	-	101.9
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.) b/	0.7	0.4	8.4	0.3	8.1
Credit Assistance	-	-	1.1	0.3	0.8
Grants	0.7	0.4	7.3	-	7.3
(Additional Grants from Excess Stocks)	(*)	(*)	(0.1)	(-)	(0.1)
OTHER MILITARY ASSISTANCE GRANTS	-	-	-	-	-
TOTAL MILITARY	0.7	0.4	8.4	0.3	8.1
TOTAL ECONOMIC AND MILITARY	12.9	7.8	277.1	66.9	210.2
Loans	5.4	0.5	167.9	66.9	101.0
Grants	7.5	7.2	109.2	-	109.2

OTHER PROGRAMS

ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1969	FY 1970	FY 1946-70
TOTAL	7.1	8.9	28.6
IBRD - World Bank	3.6	7.4	15.2
Int'l Finance Corp.	-	-	0.2
UNDP - Special Fund	2.9	1.2	6.7
UNDP - TA (CY)	0.4	0.2	4.4
Other UN	0.2	0.1	2.1

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

DONOR	CY 1968	CY 1969	CY 1960-69
TOTAL	4.8	18.0	148.4
Germany	4.6	17.7	141.8
Sweden	0.2	0.2	2.2
Italy	*	*	1.9
Other	0.1	0.1	2.5

ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)

1969 (Calendar Year)	-
1970 (Calendar Year)	-
Cumulative thru 1970	-

*Less than $50,000. a/ Excludes refunding of $13.2 million in FY 1963 and $3.0 million in FY 1969. b/ Annual data represent deliveries; total through 1970 is the cumulative program.

BEST AVAILABLE

MOROCCO

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

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS-NET OBLIGATIONS AND LOAN AUTHORIZATIONS 1969	1970	TOTAL 1946-1970	REPAYMENTS AND INTEREST 1946-1970	TOTAL LESS REPAYMENTS AND INTEREST
A. OFFICIAL DEVELOPMENT ASSISTANCE					
A.I.D. AND PREDECESSOR AGENCIES - TOTAL	9.2	9.9	330.1	86.0	244.1
Loans	8.0	7.8	304.1	86.0	218.1
Grants	1.2	2.1	26.0	-	26.0
FOOD FOR PEACE - TOTAL	26.6	19.0	354.6	6.2	348.4
Title I - Total	5.9	-	90.7	6.2	84.5
REPAYABLE IN U.S. DOLLARS - LOANS	5.9	-	38.7	1.9	36.8
PAYABLE IN FOREIGN CURRENCY-Planned for Country Use			52.1	4.3	47.8
(Loans)	(-)	(-)	(52.1)	(4.3)	(47.8)
(Grants)	(-)	(-)	(-)	(-)	(-)
Title II - Total	20.7	19.0	263.9	-	263.9
EMERGENCY RELIEF, ECON. DEVEL. & WORLD FOOD PROGRAM	15.1	9.2	167.9	-	167.9
VOLUNTARY RELIEF AGENCIES	5.6	9.8	96.0	-	96.0
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	0.6	0.9	6.9	-	6.9
PEACE CORPS	0.6	0.9	6.9	-	6.9
OTHER	-	-	-	-	-
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	36.4	29.8	691.6	92.2	599.4
Loans	13.9	7.8	394.9	92.2	302.7
Grants	22.5	22.0	296.8	-	296.8
B. OTHER OFFICIAL					
EXPORT-IMPORT BANK LONG-TERM LOANS	7.2	2.7	29.5	4.5	25.0
TOTAL ECONOMIC	43.6	32.5	721.1	96.7	624.4
Loans	21.1	10.5	424.4	96.7	327.7
Grants	22.5	22.0	296.8	-	296.8
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.) a/	5.4	8.9	66.9	5.9	61.0
Credit Assistance	3.4	7.7	29.7	5.9	23.8
Grants	2.0	1.2	37.2	-	37.2
(Additional Grants from Excess Stocks)	(0.1)	(-)	(5.0)	(-)	(5.0)
OTHER MILITARY ASSISTANCE GRANTS	-	-	-	-	-
TOTAL MILITARY	5.4	8.9	66.9	5.9	61.0
TOTAL ECONOMIC AND MILITARY	49.0	41.4	788.0	102.6	685.4
Loans	24.5	18.2	454.1	102.6	351.5
Grants	24.5	23.2	334.0	-	334.0

OTHER PROGRAMS

ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1969	FY 1970	FY 1946-70
TOTAL	18.3	78.4	194.5
IBRD - World Bank	15.0	68.3	143.0
Int'l Finance Corp.	-	-	2.9
Int'l Dev. Association	-	7.3	18.3
UNDP - Special Fund	2.3	1.8	20.2
UNDP - TA (CY)	0.6	0.4	5.4
Other UN	0.4	0.6	4.7

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

DONOR	CY 1968	CY 1969	CY 1960-69
TOTAL	55.0	52.2	399.4
France	21.6	27.1	304.2
Germany	30.7	12.2	72.2
Other	2.7	12.9	23.0

ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)

1969 (Calendar Year).....-
1970 (Calendar Year)..... 44
Cumulative thru 1970.....123

*Less than $50,000. a/ Annual data represent deliveries; total through 1970 is the cummulative program.

NIGERIA

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

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS-NET OBLIGATIONS AND LOAN AUTHORIZATIONS 1969	1970	TOTAL 1946-1970	REPAYMENTS AND INTEREST 1946-1970	TOTAL LESS REPAYMENTS AND INTEREST
A. OFFICIAL DEVELOPMENT ASSISTANCE					
A.I.D. AND PREDECESSOR AGENCIES - TOTAL	32.9 a/	32.9 a/	255.7 a/	2.8	252.9
Loans	-0.4	-4.3	64.3	2.8	61.5
Grants	33.3	37.2	191.4	-	191.4
FOOD FOR PEACE - TOTAL	42.2	9.4	57.4	-	57.4
Title I - Total	-	-	-	-	-
REPAYABLE IN U.S. DOLLARS - LOANS	-	-	-	-	-
PAYABLE IN FOREIGN CURRENCY-Planned for Country Use	-	-	-	-	-
(Loans)	(-)	(-)	(-)	(-)	(-)
(Grants)	(-)	(-)	(-)	(-)	(-)
Title II - Total	42.2	9.4	57.4	-	57.4
EMERGENCY RELIEF, ECON. DEVEL. & WORLD FOOD PROGRAM	36.4	7.3	43.7	-	43.7
VOLUNTARY RELIEF AGENCIES	5.8	2.1	13.7	-	13.7
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	1.3	0.3	28.8	0.2	28.6
PEACE CORPS	1.3	0.3	28.6	-	28.6
OTHER	-	-	0.2	0.2	-
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	76.4	42.6	341.9	3.0	338.9
Loans	-0.4	-4.3	64.5	3.0	61.5
Grants	76.8	46.9	277.4	-	277.4
B. OTHER OFFICIAL					
EXPORT-IMPORT BANK LONG-TERM LOANS	-	4.1	10.6	3.8	6.8
TOTAL ECONOMIC	76.4	46.7	352.5	6.8	345.7
Loans	-0.4	-0.2	75.1	6.8	68.3
Grants	76.8	46.9	277.4	-	277.4
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.)	-	-	0.3	0.3	-
Credit Assistance	*	*	1.2	-	1.2
Grants	(-)	(-)	(-)	(-)	(-)
(Additional Grants from Excess Stocks)	-	-	-	-	-
OTHER MILITARY ASSISTANCE GRANTS	-	-	-	-	-
TOTAL MILITARY	*	*	1.5	0.3	1.2
TOTAL ECONOMIC AND MILITARY	76.4	46.7	354.0	7.1	346.9
Loans	-0.4	-0.2	75.4	7.1	68.3
Grants	76.8	46.9	278.6	-	278.6

OTHER PROGRAMS

ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1969	FY 1970	FY 1946-70
TOTAL	22.9	41.5	320.0
IBRD-World Bank	20.5	35.6	241.6
INT'L Dev. Association	-	-	35.5
INT'L Finance Corp.	-	*	2.7
UNDP-Special Fund	1.3	3.5	23.9
UNDP-TA (CY)	1.1	0.8	8.4
Other UN (CY)	*	1.6	7.9

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

DONOR	CY 1968	CY 1969	CY 1960-69
TOTAL	46.1	48.3	330.9
United Kingdom	15.4	13.4	199.0
Germany	12.7	17.7	58.2
Italy	2.8	0.1	30.2
Other	15.2	17.0	53.5

ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)

1969 (Calendar Year)..... -
1970 (Calendar Year)..... 7
Cumulative thru 1970..... 21

*Less than $50,000. a/ Includes $26.3 million in FY 1969 and $28.5 million in FY 1970 for Nigerian-International Relief Effort.
b/ Annual data represent deliveries; total through 1970 is the cumulative program.

TANZANIA

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

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS-NET OBLIGATIONS AND LOAN AUTHORIZATIONS			REPAYMENTS AND INTEREST	TOTAL LESS REPAYMENTS AND INTEREST
	1969	1970	TOTAL 1946-1970	1946-1970	
A. OFFICIAL DEVELOPMENT ASSISTANCE					
A.I.D. AND PREDECESSOR AGENCIES - TOTAL	0.7	2.7	30.8	1.3	29.5
Loans	-0.6	0.7	13.2	1.3	11.9
Grants	1.3	2.0	17.6	-	17.6
FOOD FOR PEACE - TOTAL	2.0	2.0	29.4	-	29.4
Title I - Total	-	-	-	-	-
REPAYABLE IN U.S. DOLLARS - LOANS	-	-	-	-	-
PAYABLE IN FOREIGN CURRENCY-Planned for Country Use	-	-	-	-	-
(Loans)	(-)	(-)	(-)	(-)	(-)
(Grants)	(-)	(-)	(-)	(-)	(-)
Title II - Total	2.0	2.0	29.4	-	29.4
EMERGENCY RELIEF, ECON. DEVEL. & WORLD FOOD PROGRAM	0.9	0.4	16.9	-	16.9
VOLUNTARY RELIEF AGENCIES	1.1	1.6	12.5	-	12.5
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	0.3	*	9.5	-	9.5
PEACE CORPS	0.3	*	9.5	-	9.5
OTHER	-	-	-	-	-
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	3.0	4.7	69.7	1.3	68.4
Loans	-0.6	0.7	13.2	1.3	11.9
Grants	3.6	4.0	56.5	-	56.5
B. OTHER OFFICIAL					
EXPORT-IMPORT BANK LONG-TERM LOANS	-	-	-	-	-
TOTAL ECONOMIC [a]	3.0	4.7	69.7	1.3	68.4
Loans	-0.6	0.7	13.2	1.3	11.9
Grants	3.6	4.0	56.5	-	56.5
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.)	-	-	-	-	-
Credit Assistance	-	-	-	-	-
Grants	-	-	-	-	-
(Additional Grants from Excess Stocks)	(-)	(-)	(-)	(-)	(-)
OTHER MILITARY ASSISTANCE GRANTS	-	-	-	-	-
TOTAL MILITARY	-	-	-	-	-
TOTAL ECONOMIC AND MILITARY [a]	3.0	4.7	69.7	1.3	68.4
Loans	-0.6	0.7	13.2	1.3	11.9
Grants	3.6	4.0	56.5	-	56.5

OTHER PROGRAMS

ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1969	FY 1970	FY 1946-70
TOTAL	23.3	8.9	86.2
IBRD-World Bank	7.0	-	12.2
Int'l Finance Corp.	-	-	4.1
Int'l Dev. Association	14.3	7.5	48.4
UNDP-Special Fund	1.0	0.5	11.3
UNDP-TA (CY)	0.9	0.5	6.6
Other UN	0.1	0.4	3.6

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

DONOR	CY 1968	CY 1969	CY 1960-69
TOTAL	23.3	23.7	272.8
Sweden	3.3	8.3	141.0
Italy	6.2	0.5	61.6
Germany	3.7	3.6	29.1
Other	10.2	11.3	41.1

ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)

1969 (Calendar Year)..... -
1970 (Calendar Year)..... 201
Cumulative thru 1970..... 280

*Less than $50,000. a/ Excludes $30.7 million in regional aid to East Africa.

TUNISIA

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

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS-NET OBLIGATIONS AND LOAN AUTHORIZATIONS			REPAYMENTS AND INTEREST	TOTAL LESS REPAYMENTS AND INTEREST
	1969	1970	TOTAL 1946-1970	1946-1970	
A. OFFICIAL DEVELOPMENT ASSISTANCE					
A.I.D. AND PREDECESSOR AGENCIES - TOTAL	6.3	13.2	302.1	20.4	281.7
Loans	4.1	9.0	178.8	20.4	158.4
Grants	2.3	4.3	123.3	-	123.3
FOOD FOR PEACE - TOTAL	49.3	32.7	348.2	8.2	340.0
Title I - Total	14.5	18.4	112.6	8.2	104.4
REPAYABLE IN U.S. DOLLARS -- LOANS	9.2	17.2	40.5	0.6	39.9
PAYABLE IN FOREIGN CURRENCY--Planned for Country Use	5.3	1.2	72.1	7.6	64.5
(Loans)	(5.3)	(1.2)	(64.7)	(7.6)	(57.1)
(Grants)	(-)	(-)	(7.4)	(-)	(7.4)
Title II - Total	34.8	14.3	235.6	-	235.6
EMERGENCY RELIEF, ECON. DEVEL. & WORLD FOOD PROGRAM	32.4	12.1	216.8	-	216.8
VOLUNTARY RELIEF AGENCIES	2.4	2.2	18.8	-	18.8
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	0.9	0.6	8.4	-	8.4
PEACE CORPS	0.9	0.6	8.4	-	8.4
OTHER	-	-	-	-	-
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	56.5	46.5	658.7	28.6	630.1
Loans	18.6	27.4	284.0	28.6	255.4
Grants	37.9	19.2	374.7	-	374.7
B. OTHER OFFICIAL					
EXPORT-IMPORT BANK LONG-TERM LOANS	-	-	4.1	3.8	0.3
TOTAL ECONOMIC	56.5	46.5	662.8	32.4	630.4
Loans	18.6	27.4	288.1	32.4	255.7
Grants	37.9	19.2	374.7	-	374.7
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.) [a]	3.6	5.4	33.3	3.0	30.3
Credit Assistance	-	-	3.0	3.0	-
Grants	3.6	5.4	30.3	-	30.3
(Additional Grants from Excess Stocks)	(0.1)	(0.6)	(1.3)	(-)	(1.3)
OTHER MILITARY ASSISTANCE GRANTS	-	-	-	-	-
TOTAL MILITARY	3.6	5.4	33.3	3.0	30.3
TOTAL ECONOMIC AND MILITARY	60.1	51.9	696.1	35.4	660.7
Loans	18.6	27.4	291.1	35.4	255.7
Grants	41.5	24.6	405.0	-	405.0

OTHER PROGRAMS

ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1969	FY 1970	FY 1946-70
TOTAL	55.0	24.6	163.8
IBRD - World Bank	32.8	10.0	76.8
Int'l Finance Corp.	9.9	0.6	14.6
Int'l Dev. Association	8.5	10.5	42.9
UNDP - Special Fund	2.9	2.3	19.3
UNDP - TA (CY)	0.4	0.4	4.8
Other UN	0.5	0.8	5.4

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

DONOR	CY 1968	CY 1969	CY 1960-69
TOTAL	32.2	60.4	318.5
France	16.1	22.5	168.0b/
Italy	0.7	3.5	59.1
Germany	8.7	16.3	46.8
Other	6.7	18.2	44.6

ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)

1969 (Calendar Year)..... -
1970 (Calendar Year)..... -
Cumulative thru 1970..... 105

*Less than $50,000. a/ Annual data represent deliveries; total through 1970 is the cummulative program. b/ Excludes French grants in 1960, not available separately.

UGANDA

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

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS-NET OBLIGATIONS AND LOAN AUTHORIZATIONS			REPAYMENTS AND INTEREST	TOTAL LESS REPAYMENTS AND INTEREST
	1969	1970	TOTAL 1946-1970	1946-1970	
A. OFFICIAL DEVELOPMENT ASSISTANCE					
A.I.D. AND PREDECESSOR AGENCIES - TOTAL	5.1	2.4	34.0	0.1	33.9
Loans	3.2	-*	13.6	0.1	13.5
Grants	1.9	2.4	20.5	-	20.5
FOOD FOR PEACE - TOTAL	-	0.2	2.6	-	2.6
Title I - Total	-	-	-	-	-
REPAYABLE IN U.S. DOLLARS - LOANS	-	-	-	-	-
PAYABLE IN FOREIGN CURRENCY-Planned for Country Use	-	-	-	-	-
(Loans)	(-)	(-)	(-)	(-)	(-)
(Grants)	(-)	(-)	(-)	(-)	(-)
Title II - Total	-	0.2	2.6	-	2.6
EMERGENCY RELIEF, ECON. DEVEL. & WORLD FOOD PROGRAM	-	0.2	1.6	-	1.6
VOLUNTARY RELIEF AGENCIES	-	-	1.0	-	1.0
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	0.4	0.5	2.5	-	2.5
PEACE CORPS	0.4	0.5	2.5	-	2.5
OTHER	-	-	-	-	-
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	5.5	3.1	39.1	0.1	39.0
Loans	3.2	-*	13.6	0.1	13.5
Grants	2.3	3.1	25.6	-	25.6
B. OTHER OFFICIAL					
EXPORT-IMPORT BANK LONG-TERM LOANS	-	-	-	-	-
TOTAL ECONOMIC b/	5.5	3.1	39.1	0.1	39.0
Loans	3.2	-*	13.6	0.1	13.5
Grants	2.3	3.1	25.6	-	25.6
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.)	-	-	-	-	-
Credit Assistance	-	-	-	-	-
Grants	-	-	-	-	-
(Additional Grants from Excess Stocks)	(-)	(-)	(-)	(-)	(-)
OTHER MILITARY ASSISTANCE GRANTS	-	-	-	-	-
TOTAL MILITARY	-	-	-	-	-
TOTAL ECONOMIC AND MILITARY a/	5.5	3.1	39.1	0.1	39.0
Loans	3.2	-*	13.6	0.1	13.5
Grants	2.3	3.1	25.6	-	25.6

OTHER PROGRAMS

ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1969	FY 1970	FY 1946-70
TOTAL	5.7	12.3	59.3
IBRD-World Bank	-	-	8.4
Int'l Finance Corp.	-	-	3.2
Int'l Dev. Association	3.0	11.6	33.0
UNDP - Special Fund	1.8	-	8.9
UNDP - TA (CY)	0.5	0.4	2.9
Other UN (CY)	0.4	0.3	2.9

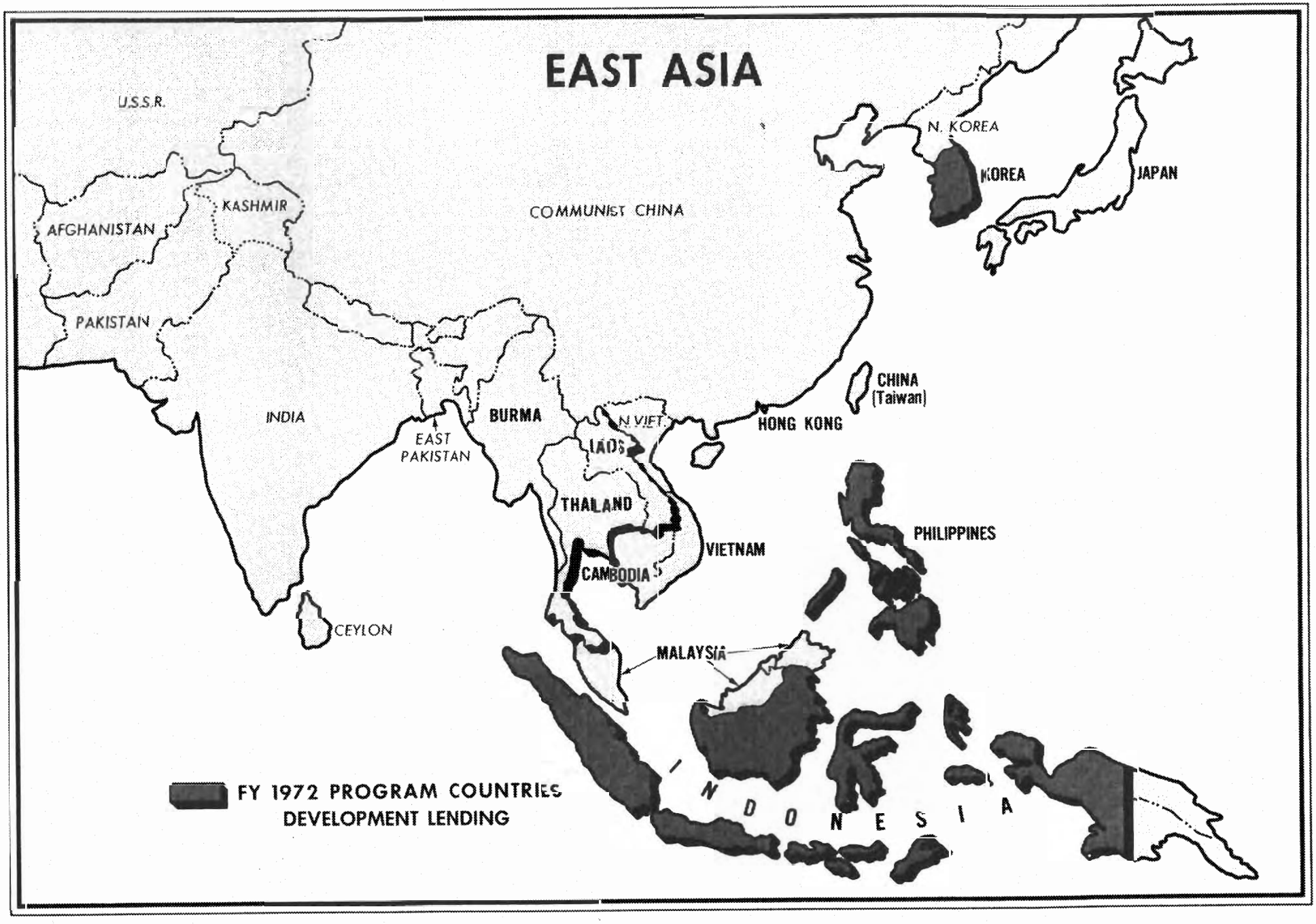
D.A.C. COUNTRIES (EXCLUDING U.S.) OFFICIAL BILATERAL GROSS EXPENDITURES

DONOR	CY 1968	CY 1969	CY 1960-69
TOTAL	15.0	16.0	188.6
United Kingdom	9.3	9.7	163.8
Germany	3.3	2.9	13.8
Other	2.4	3.5	10.9

ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)

1969 (Calendar Year)	-
1970 (Calendar Year)	-
Cumulative thru 1970	31

*Less than $50,000. a/ Excludes $30.7 million in regional aid to East Africa.


EAST ASIA
U.S.S.R.
KASHMIR
AFGHANISTAN
PAKISTAN
INDIA
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BURMA
COMMUNIST CHINA
N. KOREA
KOREA
JAPAN
CHINA (Taiwan)
HONG KONG
N. VIET.
LAOS
THAILAND
VIETNAM
CAMBODIA
PHILIPPINES
MALAYSIA
CEYLON
INDONESIA
FY 1972 PROGRAM COUNTRIES
DEVELOPMENT LENDING

EAST ASIA

DEVELOPMENT LENDING - REGIONAL SUMMARY

PROGRAM SUMMARY
(In Thousands of Dollars)

Country	FY 1972 Development Loans
Indonesia	100,000
Korea	20,000
Philippines	20,000
Total	140,000

Substantial economic progress has been made throughout East Asia over the past decade. During this period, GNP of the non-Communist countries has more than doubled in real as well as monetary terms. Excluding industrialized Japan and the war-torn states of Indochina, the combined GNP of the remaining countries is currently growing at a rate of about 8% per year, ranging from a low of 5.6% per year for the Philippines to a high of nearly 13% for Korea.

Reflecting this progress, Japan now has one of the most productive economies in the world and has become herself a leading donor of aid; the Republic of China no longer needs concessional economic assistance and Malaysia and Singapore have growing, self-sustaining economies. Thus, the United States is now providing development assistance to only three countries in the area: Indonesia, Korea, and the Philippines.

Per capita incomes in both Korea and the Philippines are well over $200 per year. As a result of the excesses of the Sukarno regime, Indonesian per capita income is only about half as high or approximately $100 per year and has only recently returned to the 1961 level.

Neither the spectacular growth in Korea nor the slower growth in the Philippines has been evenly distributed throughout their respective economies. Rural incomes in both countries have lagged behind those of urban areas, although the Philippines has recently made good progress in increasing rice production. Rapid industrialization in Korea has created a greater demand for managerial and technical skills than the educational system can provide. It is these disparities and internal stresses that require priority attention rather than the general pace of development itself. Thus, the United States economic assistance programs in both countries are focused on specific imbalances that need correction, leaving to other donors and commercial sources the general financial assistance still needed by the basic economies of the two countries.

A different situation exists in Indonesia which has not yet achieved either the level or the pace of development reached by Korea and the Philippines. In Indonesia, attention must be focused on the overall level of outside resources required to pursue both stabilization and developmental programs. Excluding Red China, Indonesia is the largest country in the region in terms of both area and people. Aside from Indochina, it is also the least developed. The resources needed to expand capital investments and to supply raw material for the economy and thus to reach and maintain an acceptable pace of development are great. In helping meet these needs, the United States has joined some ten other donor nations, plus the IBRD and Asian Development Bank (ADB).

External assistance from other donors as well as from the United States has been critical to the economic progress of the region. Aid to the three countries from multilateral institutions, particularly the World Bank and the ADB, has grown from insignificant levels in the early sixties to over $260 million in 1969.

Other donors have borne an increasing share of the aid to Korea. At the beginning of the last decade, the United States was in effect the only donor of aid to Korea and provided over $200 million per year as compared to less than $5 million from all others. The United States is now providing less than half of the aid extended to Korea.

DEVELOPMENT LENDING

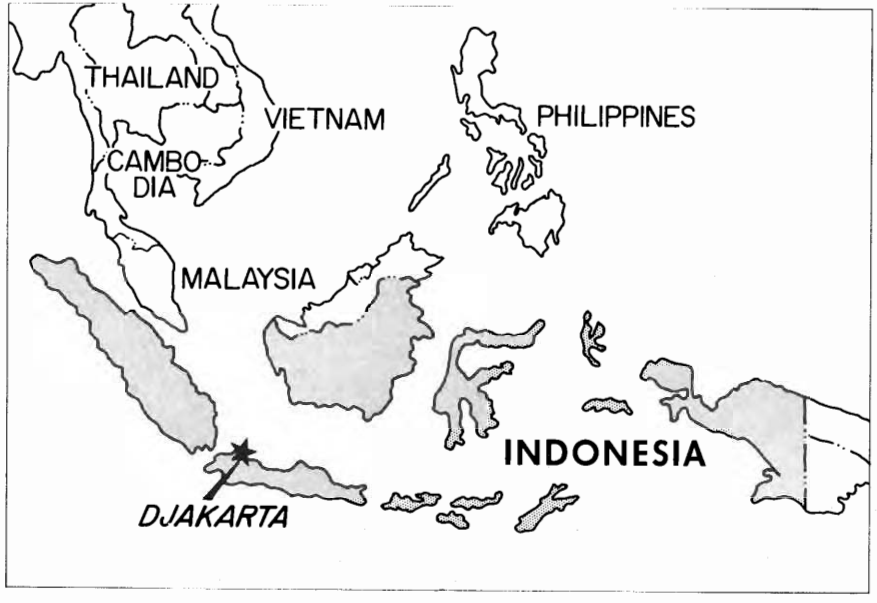
The following table shows the total aid given to Indonesia, Korea and the Philippines for each of the last four years.

	Calendar Year			
	1967	1968	1969	1970 (est)
	($ million)			
Indonesia	288.3	423.6	507.3	615.1
U.S.	65.3	146.9	210.2	233.5
Other	223.0	276.7	297.1	381.6
Multilateral	(.1)	(11.3)	(73.2)	(124.3)
Bilateral	(222.9)	(265.4)	(223.9)	(257.3)
Korea	309.9	318.8	388.9	423.6
U.S.	195.8	241.9	173.1	202.2
Other	114.1	76.9	215.8	221.4
Multilateral	(13.1)	(20.3)	(107.6)	(105.9)
Bilateral	(101.0)	(56.6)	(108.2)	(115.5)
Philippines	101.4	75.4	154.2	121.4
U.S.	22.7	32.2	14.7	36.9
Other	78.7	43.2	139.5	84.5
Multilateral	(26.2)	(4.2)	(87.7)	(32.6)
Bilateral	(52.5)	(39.0)	(51.8)	(51.9)
Total	699.6	817.7	1050.3	1160.1
U.S.	283.8	420.9	397.9	472.7
Other	415.8	396.8	652.4	687.4
Multilateral	(39.4)	(35.8)	(268.5)	(262.8)
Bilateral	(376.4)	(361.0)	(383.9)	(424.6)

INDONESIA

DEVELOPMENT LENDING

INDONESIA



BASIC DATA

Population *(millions – mid-1970)*	119.6
Annual Growth Rate *(percent)*	2.6
Area *(1000 square miles)*	735
Population Density per square mile	163
Agricultural Land as % of Total Area	7
Percent of Labor Force in Agriculture	70
Life Expectancy *(years)*	48
People per Doctor	27,780
Literacy Rate *(percent)*	43
Students as Percent of 5-19 Age Group *(Primary & Secondary)*	38

Note: West Irian not included, except for population, area, and student data.

PROGRAM SUMMARY
(In millions of dollars)

	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
Development Loans	51.4*	56.4*	100.0

* Excludes $430,000 in FY 1970 and $1,750,000 in FY 1971 for population programs under Title X of the Foreign Assistance Act.

Indonesia has made substantial economic progress since the abortive Communist coup in 1965. Following the disruptive foreign policy and severe economic dislocations of the Sukarno era, the country's new leadership turned its attention to domestic problem-solving. The first objective was a stabilization program to reduce the rate of inflation and re-establish sensible pricing for goods and services. The main tools employed for this purpose - with the advice of the International Monetary Fund - have been fiscal and credit restraints, abandonment of direct economic controls, re-scheduling of the heavy foreign debt burden, and sizeable stabilization aid from abroad.

Along with aid from other donors, U.S. economic assistance--initially consisting primarily of stabilization loans and PL 480--has made it possible for the Indonesian Government to pursue these necessary but difficult policies. The results to date have been impressive. The rate of inflation has decreased from over 600% in 1966 to under 10% in 1970. The economy has made steady gains in key areas such as exports, domestic revenues, revitalization of commercial trade and foreign and domestic private investment.

Aid to Indonesia is coordinated through the Intergovernmental Group on Indonesia (IGGI), chaired by the Netherlands and comprising 10 donor nations as well as the World Bank, International Monetary Fund and Asian Development Bank. The IBRD and the IMF, both of which maintain resident missions in Djakarta, play key roles in assessing performance and advising the donors on Indonesia's policies and assistance needs.

The IGGI meets twice a year to review Indonesia's current economic performance and consider requests for concessional foreign aid for the coming Indonesian fiscal year. Based on IBRD and IMF recommendations, the IGGI members contributed over $200 million to Indonesia in CY 1967, about $300 million in CY 1968 and over $550 million in FY 1969/70, and they will provide an estimated $600 million in FY 1970/71. Requirements for FY 1971/72 are estimated at $640 million. As in 1970/71 the United States plans to provide $125 million, or one-third of the $375 million bilateral foreign exchange needs, and a fair share of the $160 million food

aid need.

As a result of the success of the stabilization program, the emphasis in development lending has shifted increasingly from general balance of payments support to priority requirements for the rehabilitation and development of the country's infrastructure. Therefore, in addition to program loans for essential commodities, such as transport equipment, industrial raw materials and machinery, the United States is now providing assistance for the expansion of a fertilizer plant and a cement plant, for electric power rehabilitation and expansion in Central Java and Sumatra, and for the engineering design of a new highway linking the rapidly industrializing Djakarta/Bogor area.

The U.S. FY 1972 development lending program will center on efforts to stimulate greater productive investment through: (1) continued rehabilitation and expansion of basic infrastructure, particularly transport and power facilities which are necessary to induce greater investments; (2) establishment of industrial estates which can provide supporting services to industry in the most efficient manner, and (3) the import of raw materials and capital and intermediate goods as needed above the level that can be paid for by Indonesia's own export earnings.

The $100 million development loan request for Indonesia in FY 1972 includes the following six loan proposals:

1. Industrial Estates ($5 million) - Indonesia needs to take whatever steps possible to stimulate increased private investment. Industrial estates have proven successful for this purpose in many countries. A study is presently underway to identify the optimum location and requirements for a number of industrial estates (industrial parks) throughout Indonesia. Simultaneously, the Government of Indonesia is creating an autonomous Industrial Estates Authority which will have complete control of the approval of sites and financing. U.S. financing is contemplated for the engineering, land and site preparation, road construction and drainage, and construction of both off-site and on-site utilities for one or more of these selected estates.

2. Djakarta-Bogor Highway Construction ($15 million) - The existing two-lane, 30-mile road between Djakarta and Bogor is the most heavily travelled highway in Indonesia, with approximately 9,000 vehicles using the road daily and traffic increasing at a rate of about 13% annually. In order to meet the exceedingly heavy traffic projections, construction of a new alignment has been proposed rather than rehabilitation of the existing road. The new highway will pass through one of the most densely-populated areas in the world and one of Indonesia's most rapidly developing industrial corridors. In 1970 A.I.D. authorized an $800,000 loan for the final engineering design work now underway in connection with this project.

3. West Java High Voltage Transmission ($15 million) - Existing electric power facilities in the West Java area are overloaded and must be rehabilitated and expanded to meet existing and potential demand. Within the IGGI framework, the IBRD, West Germany and the United States are cooperating to renovate and improve integrated power systems in the areas of West and Central Java. This project contemplates the development of a high voltage transmission loop, coupled with relatively low-cost electric power at Tjirebon. This transmission loop will tie into systems in Central Java being financed under existing A.I.D. and German loans.

4. West Java Power Distribution ($15 million) - This project is directly related to the West Java High Voltage Transmission Project and involves the rehabilitation and improvement of the distribution systems of the major cities and towns in West Java.

5. Djakarta International Airport ($20 million) - The present Djakarta airport is clearly inadequate to accommodate the projected increases in air traffic. A study on the feasibility of expanding international airport facilities is presently near completion. The proposed project contemplates expansion of runways, ground facilities, air navigation aids, communications, and terminal facilities. It is expected that other IGGI donors will share in the financing of this project and that construction will be accomplished in stages over a number of years.

6. Production and Basic Import Loan ($30 million) - On the basis of present utilization of the FY 1971 $30 million commodity import loan we anticipate that additional commodity financing will be required early in FY 1972. This loan will provide foreign exchange financing for essential raw materials, spare parts, machinery, and equipment for the Indonesian private sector. These imports will assist Indonesia in maintaining economic stability and in

supporting the material requirements of economic rehabilitation and development.

Another possible development loan proposal that could materialize in Indonesia in FY 1972 is for the Telukbetung-Sumur Road. This $10 million project involves the construction of a 58 mile road from Telukbetung to Bakauhuni in South Sumatra. It also provides for the construction and rehabilitation of ferry landings and construction of a 37 mile feeder road to provide direct port access from a newly developed crop producing area. In effect, the highway is the gateway to Sumatra from Java. The service area around the highway has major agricultural potential.

INDONESIA - Economic Trend Data

	Calendar Years			
GROWTH INDICATORS	**1967**	**1968**	**1969**	**1970 Est.**
Total GNP (*millions of 1969 dollars*)*	10,570	11,270	12,000	12,780
Per Capita GNP (*1969 dollars*)	96	100	104	108
Investment – *millions of 1969 $*				
– *percent of GNP*				
Domestic Savings – *millions of 1969 $*				
– *percent of Investment*				
Agricultural Production Index (*1961-65 = 100*)	108	116	116	120
Index per Capita	98	103	100	101
Rice, rough (1,000 MT)	14,340	16,230	16,300	16,770
Petroleum (1,000 MT)	25,160	29,710	39,620	42,000
INTERNATIONAL TRADE (*$ millions*)†				
Total Exports (*f.o.b.*)	771	873	975	1,175
Petroleum and products	(244)	(303)	(358)	(440)
Total Imports (f.o.b.)	-806	-831	-961	-1,150
Trade Balance	-35	42	14	25
GOLD & FOREIGN EXCHANGE (*$ millions*)††				
Official Reserves	72	117	123	n.a.
CONSUMER PRICE INDEX (*1963 = 100*) (Djakarta)	25,612	57,712	61,250	69,200

	– *Million Dollar Equivalents* –*		
CENTRAL GOVERNMENT FINANCES**	1968	1969	1970P
Total Expenditures	850	1,554	2,007
(*Defense Expenditures*)	(306)	(419)	(522)
(*Capital Outlays*)	(154)	(554)	(760)
Total Domestic Revenues	727	1,183	1,556
*As percent of GNP****	7.6	9.9	11.1
Deficit (–) or Surplus (+)	-123	-371	-451

Note: Data generally do not include West Irian.
* - Converted at 206 rupiah per U.S. $. ** - 1968 is calendar year; 1969 and 1970 are fiscal years beginning April. *** - Based on data in current prices.
† - Exchange record data. †† - Gross basis, end of year. P - Preliminary.

INDONESIA

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

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS-NET OBLIGATIONS AND LOAN AUTHORIZATIONS 1969	1970	TOTAL 1946-1970	REPAYMENTS AND INTEREST 1946-1970	TOTAL LESS REPAYMENTS AND INTEREST
A. OFFICIAL DEVELOPMENT ASSISTANCE					
A.I.D. AND PREDECESSOR AGENCIES - TOTAL	55.7	54.8	454.9	33.5	421.4
Loans	50.1	51.0	221.6	33.5	188.1
Grants	5.6	3.8	233.3	-	233.3
FOOD FOR PEACE - TOTAL	183.0	150.2	556.3	14.0	542.3
Title I - Total	180.3	123.8	501.3	14.0	487.3
REPAYABLE IN U.S. DOLLARS - LOANS	180.3	123.8	405.3	8.5	396.8
PAYABLE IN FOREIGN CURRENCY-Planned for Country Use	-	-	96.0	5.5	90.5
(Loans)	(-)	(-)	(51.0)	(5.5)	(45.5)
(Grants)	(-)	(-)	(45.0)	(-)	(45.0)
Title II - Total	2.7	26.4	55.1	-	55.1
EMERGENCY RELIEF, ECON. DEV'EL. & WORLD FOOD PROGRAM	1.0	23.0	27.7	-	27.7
VOLUNTARY RELIEF AGENCIES	1.7	3.4	27.4	-	27.4
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	0.5	0.5	70.1	50.7	19.4
PEACE CORPS	-	-	0.7	-	0.7
OTHER	0.5	0.5	69.4	50.7	18.7
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	239.2	205.5	1,081.4	98.2	983.2
Loans	230.9	175.3	741.0	98.2	642.8
Grants	8.3	30.2	340.4	-	340.4
B. OTHER OFFICIAL					
EXPORT-IMPORT BANK LONG-TERM LOANS a/	3.2	2.5	175.4	132.8	42.6
TOTAL ECONOMIC	242.4	208.0	1,256.7	231.0	1,025.7
Loans	234.1	177.8	918.6	231.0	687.6
Grants	8.3	30.2	338.2	-	338.2
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.) b/	3.8	4.0	81.7	-	81.7
Credit Assistance	-	-	-	-	-
Grants	3.8	4.0	81.7	-	81.7
(Additional Grants from Excess Stocks)	(0.1)	(0.4)	(2.6)	(-)	(2.6)
OTHER MILITARY ASSISTANCE GRANTS	-	-	-	-	-
TOTAL MILITARY	3.8	4.0	81.7	-	81.7
TOTAL ECONOMIC AND MILITARY	246.2	212.0	1,338.4	231.0	1,107.4
Loans	234.1	177.8	918.6	231.0	687.6
Grants	12.1	34.2	419.9	-	419.9

OTHER PROGRAMS

ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1969	FY 1970	FY 1946-70
TOTAL	62.4	98.9	187.5
Int'l Dev. Association	51.0	80.5	131.5
Asian Dev. Bank	1.0	12.4	13.4
UNDP - Special Fund	6.4	3.4	12.1
UNDP - TA (CY)	2.0	0.7	15.1
Other UN (CY)	2.0	1.9	15.4

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

DONOR	CY 1968	CY 1969	CY 1960-69
TOTAL	212.5	153.5	919.9
Japan	83.7	65.8	434.7
Germany	33.6	10.2	146.2
Netherlands	31.9	21.3	156.7
France	18.9	17.3	58.9
Other	44.4	39.0	123.4

ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)

1969 (Calendar Year)..... -
1970 (Calendar Year)..... -
Cumulative thru 1970..... 740

a/ Excludes refunding of $22.4 million in FY 1968, $109 million in FY 1969, and $10.3 million in FY 1970.
b/ Annual data represent deliveries; total through 1970 is the cumulative program.

KOREA

DEVELOPMENT LENDING

KOREA

BASIC DATA

Population *(millions – mid-1970)*	31.8
Annual Growth Rate *(percent)*	2.2
Area *(1000 square miles)*	38
Population Density per square mile	838
Agricultural Land as % of Total Area	24
Percent of Labor Force in Agriculture	50
Life Expectancy *(years)*	58
People per Doctor	2,300
Literacy Rate *(percent)*	71
Students as Percent of 5-19 Age Group *(Primary & Secondary)*	65

PROGRAM SUMMARY
(In millions of dollars)

	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
Development Loans	20.0*	55.0*	20.0

* Excludes $888,000 in FY 1970 and $800,000 in FY 1972 for population programs under Title X of the Foreign Assistance Act.

During the decade of the 1960's U.S. development loans played a major role in the growth of the Korean economy. In the early sixties, these loans were the only foreign capital extended to Korea on soft terms for development purposes. They were used to finance public utility facilities, electric power, communications, transportation and municipal water systems, needed to provide the base for the rapid progress achieved. In the industrial-mining sector, they financed plants to produce basic materials, fertilizer, coal, industrial chemicals, cement, and provided foreign exchange capital to Korea's three development banks for relending to industrial projects of smaller scale than the U.S. could finance directly with efficiency. At the end of FY 1970, U.S. development loans to Korea totaled in excess of $350 million.

Other countries have now joined the U.S. in extending soft-term loans to Korea. Japan and Germany are notable examples. The International Bank family (IBRD, IFC, and IDA) and the Asian Development Bank are now extremely active in Korea and provide well in excess of $100 million per year for a variety of development projects. These other sources are, for the most part, financing industrial and public utility projects of the type previously financed by the United States.

The Koreans have achieved remarkable progress with this assistance. Overall growth (GNP) was an estimated 9.7% in real terms in 1970, which although down from the 15.9% gain of 1969 was still the fourth highest increase of the high growth period in the 1960's. Exports of goods also continued to climb and reached an estimated $835 million in 1970 as compared with $622 million in 1969 and $175 million in 1965.

The growth, however, has not been uniform throughout the economy. Development in the rural sector has lagged. Agriculture needs priority attention. Social institutions, including the educational system, are proving inadequate to the needs of an industrialized society. The rapid pace of industrial expansion cannot be maintained without continuous technological adaptation, a greater supply of managerial and technical skills, and a more efficient system of agricultural production. Thus, the U.S. development

lending program for FY 1972 will focus on agriculture and education with loans of $10 million in each of the two sectors.

The Korean agricultural sector may become a serious bottleneck to further rapid growth unless problems are adequately addressed on a priority basis. In the 10-year period from 1958, the total area of cultivated land in Korea increased by only 15% and the increase in the last five years of the period was only 3%. The holding of cultivated land per farm household in 1968 was actually lower than in 1958. While present yields of rice are high, the bumper crop of 1969 was only 3% larger than the 1964 crop and it will be extremely difficult to increase yield appreciably with technology presently being applied.

The economic and social consequences of the very rapid growth in the industrial sector, relative to the agricultural sector, have resulted in a continuing food gap and sharp increases in prices of protein and other high quality foods. However, increases in farm incomes have been extremely modest. The small scale of agricultural enterprises, high production costs and inefficient marketing mechanisms have produced a considerable disparity between farm prices and retail prices and, consequently, little of the substantially increased urban consumer spending on agricultural products is returned to the producer. As the rapid industrial expansion continues to draw labor from agriculture to industry, the Korean "modernization" goal of a diversified, balanced economy will depend upon increasing labor productivity in agriculture. This will undoubtedly require substantial capital investment.

To help meet the urgent need for capital and to focus Korean attention on the need for sector-wide agriculture development planning, the U.S. has programmed a $14 million sector loan in FY 1971 and proposes a further $10 million loan for FY 1972. Continuing analyses are underway to develop the specific sector requirements to be financed by the FY 1972 loan.

In addition, PL 480 Title I local currency credit sale proceeds will be utilized, on a repayable basis, to expand agricultural credit and to fund the Grain and Agriculture Price Stabilization Accounts. This offers a non-inflationary opportunity to solve two of Korea's most difficult agricultural development problems--adequate credit and a rational price policy. As a further effort to raise farm income and ease the disparity between urban and rural income, a feeder and farm-to-market road development program is planned under the Food for Work provisions of PL 480 Title II.

The Korean National Council on Long-Range Educational Planning, established in 1969 with U.S. advice and assistance, has identified general goals for education and designated priority target areas. Highlights of the long-range plan include the following quantitative goals to be achieved by 1986: (1) one-half of the population of 15 to 17 year olds enrolled in senior high schools, and (2) the allocation of 18% to 20% of the Korean budget for education (6% of the GNP) for both public and private education. However, a budget allocation of this magnitude is a heavy commitment of the nation's limited resources and requires the most efficient use of educational resources to ensure any significant improvement in the quality of education. An isolated illustration will suggest the magnitude of the physical problem alone: 12,340 additional classrooms will be required in Seoul city in the next five years to accommodate projected enrollments for pre-college students (there are at present 13,919 classrooms in Seoul).

The scope and cost of the effort to reach the desired goals underlines the importance of technological innovations in the educational process, including such methods as audio-visual and computer assisted devices, program instruction, and systems analyses. The U.S. assistance program in FY 1972 will include (1) continuing expert technical assistance in the field of educational planning; (2) increased participant training to develop Korean expertise in the planning area; and (3) a $10 million loan to the education sector to support Korean efforts to institute technological innovations into the educational complex at all levels.

KOREA - Economic Trend Data

	Calendar Years 1967	1968	1969	1970 Est.
GROWTH INDICATORS				
Total GNP (*millions of 1969 dollars*)*	5,416	6,135	7,108	7,800
Per Capita GNP (*1969 dollars*)	182	201	228	245
Investment – *millions of 1969 $*	1,133	1,616	2,134	2,045
– *percent of GNP* †	22	27	30	26
Domestic Savings – *millions of 1969 $*	716	950	1,334	1,205
– *percent of Investment*†	59	56	63	63
Agricultural Production Index (*1961-65 = 100*)	114	115	131	127
Index per Capita	103	101	113	107
Rice, rough (1,000 MT)	4,910	4,350	5,570	5,500
Industrial Production (1963=100)	198	258	312	365
INTERNATIONAL TRADE (*$ millions*)				
Total Exports (*f.o.b.*)	320	455	622	835
Veneer and Plywood	(36)	(66)	(80)	(90)
Total Imports (*c.i.f.*)	-996	-1,468	-1,825	-1,880
Trade Balance	-676	-1,013	-1,203	-1,045
GOLD & FOREIGN EXCHANGE (*$ millions*)††				
Official Reserves	356	391	553	610
CONSUMER PRICE INDEX (*1963 = 100*) (Seoul)	181	201	221	249

CENTRAL GOVERNMENT FINANCES*	– Million Dollar Equivalents – 1968	1969	1970P
(FY Ending December 31)			
Total Expenditures	1,070	1,518	1,780
(*Defense Expenditures*)	(225)	(294)	(350)
(*Capital Outlays*)	(447)	(610)	(671)
Total Domestic Revenues	927	1,244	1,599
As percent of GNP†	16.9	17.5	18.0
Deficit (–) or Surplus (+)	-143	-274	-181

* Converted at 288 won per U.S. $. P - Preliminary.

†Based on data in current prices. ††Gross basis, end of year.

PHILIPPINES

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

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS-NET OBLIGATIONS AND LOAN AUTHORIZATIONS 1969	1970	TOTAL 1946-1970	REPAYMENTS AND INTEREST 1946-1970	TOTAL LESS REPAYMENTS AND INTEREST
A. OFFICIAL DEVELOPMENT ASSISTANCE					
A.I.D. AND PREDECESSOR AGENCIES - TOTAL	5.1	8.0	309.4	27.3	282.1
Loans	-	-	57.7	27.3	30.4
Grants	5.1	8.0	251.6	-	251.6
FOOD FOR PEACE - TOTAL	9.5	13.6	163.7	10.0	153.7
Title I - Total	-	10.0	62.0	10.0	52.0
REPAYABLE IN U.S. DOLLARS - LOANS	-	10.0	29.5	3.9	25.6
PAYABLE IN FOREIGN CURRENCY-Planned for Country Use	-	-	32.5	6.1	26.4
(Loans)	(-)	(-)	(19.8)	(6.1)	(13.7)
(Grants)	(-)	(-)	(12.8)	(-)	(12.8)
Title II - Total	9.5	3.6	101.7	-	101.7
EMERGENCY RELIEF, ECON. DEVEL. & WORLD FOOD PROGRAM	0.1	-	6.5	-	6.5
VOLUNTARY RELIEF AGENCIES	9.4	3.6	95.2	-	95.2
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	3.5	2.5	881.4	117.3	764.1
PEACE CORPS	3.5	2.5	31.2	-	31.2
OTHER	-	-	850.2	117.3	732.9
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	18.1	24.1	1,354.3	154.6	1,199.9
Loans	-	10.0	213.7	154.6	59.1
Grants	18.1	14.1	1,140.8	-	1,140.8
B. OTHER OFFICIAL					
EXPORT-IMPORT BANK LONG-TERM LOANS	21.2	9.6	203.3	125.1	78.2
TOTAL ECONOMIC	39.3	33.7	1,557.8	279.7	1,278.1
Loans	21.2	19.6	417.0	279.7	137.3
Grants	18.1	14.1	1,140.8	-	1,140.8
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.) a/	18.8	15.7	434.8	-	434.8
Credit Assistance	-	-	-	-	-
Grants	18.8	15.7	434.8	-	434.8
(Additional Grants from Excess Stocks)	(0.7)	(0.2)	(22.9)	(-)	(22.9)
OTHER MILITARY ASSISTANCE GRANTS	-	-	132.9	-	132.9
TOTAL MILITARY	18.8	15.7	567.7	-	567.7
TOTAL ECONOMIC AND MILITARY	58.1	49.4	2,125.5	279.7	1,845.8
Loans	21.2	19.6	417.0	279.7	137.3
Grants	36.9	29.8	1,708.5	-	1,708.5

OTHER PROGRAMS

ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1969	FY 1970	FY 1946-70
TOTAL	20.5	73.7	283.8
IBRD - World Bank	12.5	59.0	217.0
Int'l Finance Corp.	-	7.4	23.8
Asian Dev. Bank	5.0	2.5	7.5
UNDP - Special Fund	1.5	3.9	18.1
UNDP - IA (CY)	0.6	0.3	6.1
Other UN (CY)	0.9	0.6	9.3

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

DONOR	CY 1968	CY 1969	CY 1960-69
TOTAL	79.2	59.4	368.3
Japan	60.0	49.2	312.1
Canada	10.1	7.1	30.3
Germany	7.4	1.3	19.0
Other	1.6	1.8	6.9

ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)

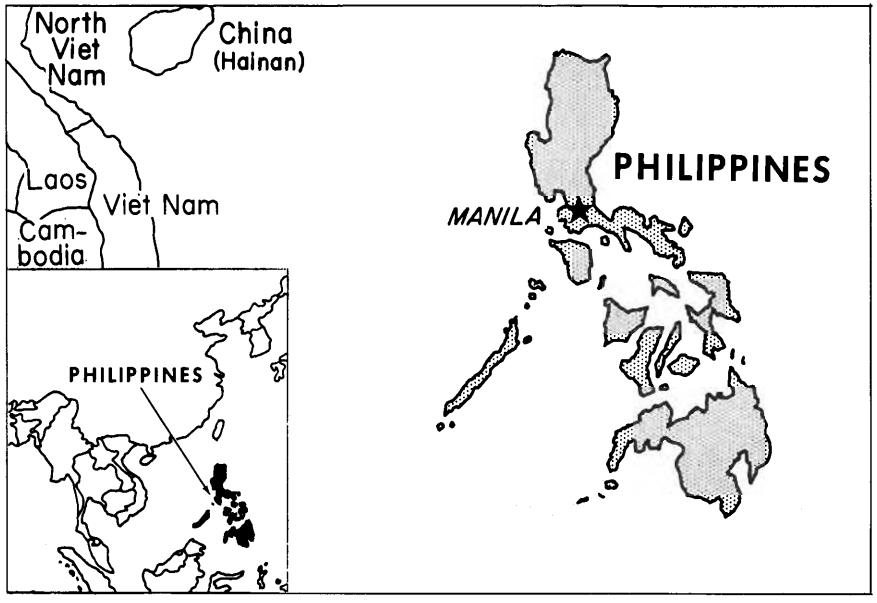
1969 (Calendar Year)..... -
1970 (Calendar Year)..... -
Cumulative thru 1970..... -

*Less than $50,000.

a/Annual data represent deliveries; total through 1970 is the cumulative program.

BEST AVAILABLE

PHILIPPINES



BASIC DATA

Population *(millions – mid-1970)*	38.4
Annual Growth Rate *(percent)*	3.4
Area *(1000 square miles)*	116
Population Density per square mile	332
Agricultural Land as % of Total Area	38
Percent of Labor Force in Agriculture	53
Life Expectancy *(years)*	55
People per Doctor	1,390
Literacy Rate *(percent)*	72
Students as Percent of 5-19 Age Group *(Primary & Secondary)*	57

PROGRAM SUMMARY
(In millions of dollars)

	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
Development Loans	-*	-*	20.0

* Excludes $4,948,000 in FY 1970 and $5,000,000 in FY 1971 for population programs under Title X of the Foreign Assistance Act.

Development loans, limited in size and used sparingly, have served in the Philippines to (1) demonstrate the viability of pilot programs, (2) fund studies required to support loan applications to international lending institutions, and (3) meet foreign exchange needs of products in the priority agriculture sector. In recent years, U.S. loans have financed the foreign exchange costs of an irrigation construction and rehabilitation project of crucial importance to the rice production and agriculture diversification program, two pilot rural electrification cooperatives, and feasibility studies for various agriculture and provincial development activities.

The Philippines economy grew at an average annual rate of nearly 6% throughout most of the 1960's. However, this growth was interrupted in 1970 when the Philippines encountered a critical balance of payments problem. Partially from its own actions and partially from events beyond its control, at the end of 1969 the Philippines found itself confronted with a large maturing foreign debt and no foreign exchange resources.

In response to this problem, the Philippines negotiated a Stand-By Agreement with the IMF in February 1970 and agreed to take steps to devalue the peso, curtail short-term foreign borrowing, cut government spending, increase taxes, and limit imports. By rigidly adhering to these constraints and negotiating a restructuring of its maturing commercial debt, the Philippines was able to meet the immediate crisis, reverse the trade pattern, and prepare itself to meet the still heavy debt burden of the next two to three years.

In early 1970, the Government of the Philippines requested the IBRD to sponsor a Consultative Group for the Philippines. Following a meeting convened in Paris in October, favorable responses were received from attending nations and international institutions. The formal establishment of the Group is scheduled at a meeting to be held in April 1971. Although the Group is not intended to be a pledging consortium, the expanded discussion of the Philippines problems and programs by a larger spectrum of developed nations is expected to have favorable impact on the nation's future development.

PHILIPPINES

DEVELOPMENT LENDING

In fact, the IBRD and the ADB have for some time been increasing their assistance to the Philippines and the Government has embraced far-reaching programs in family planning, agriculture diversification, and rural electrification. We propose to continue to assist the first two programs with technical assistance and, in keeping with the selective use of loan funds, to extend a $20 million loan in FY 1972 to support the rural electrification program of the Government of the Philippines.

Less than 20% of the population has access to adequate electric service and even then it is generally available only in the major urban areas of the country. Although there are many small private and municipal systems serving other areas, such service is usually inadequate, intermittent, unreliable and expensive. The great majority of the countryside is either completely without electric service or has only limited inadequate service.

The availability of adequate, dependable, and reasonably-priced electric power can clearly be one of the more vital elements in social and economic progress. Concerned with the need to reduce the disparities between urban and rural living conditions, the United States has thus been interested in the question of rural electrification for a number of years. In 1964, A.I.D. sponsored a country-wide survey of the electric power industry in the Philippines. Subsequently, A.I.D. financed two pilot projects: the Victorias Rural Electric Service Cooperative (VRESCO) in northern Negros Island and the Misamis Oriental Rural Electric Service Cooperative (MORESCO) in northern Mindanao. A.I.D. has also financed, under a FY 1967 loan, feasibility studies for eight to twelve additional cooperatives.

The $20 million loan in FY 1972 would be a continuation of this effort, helping to establish 24-36 rural electrification cooperatives. These funds would be used for (1) imported materials and equipment for the distribution systems, (2) purchase of electrical equipment from U.S. excess property sources, and (3) engineering and construction supervision costs. The loan would also provide capital and technical assistance for the Philippines National Electrification Administration (NEA) which serves as an intermediate credit institution responsible for the selection, financing and implementation of small electrification systems throughout the Philippines. Other lenders such as the IBRD, ADB, and Japan are also expected to support the program.

PHILIPPINES - Economic Trend Data

	Calendar Years 1967	1968	1969	1970 Est.
GROWTH INDICATORS				
Total GNP (*millions of 1969 dollars*)*	7,214	7,660	8,138	8,545
Per Capita GNP (*1969 dollars*)	208	213	219	222
Investment – *millions of 1969 $*	1,620	1,661	1,617	1,649
– *percent of GNP* †	23	22	20	21
Domestic Savings – *millions of 1969 $*	1,409	1,266	1,227	1,549
– *percent of Investment*†	85	75	76	94
Agricultural Production Index (*1961-65 = 100*)	115	115	124	128
Index per Capita	100	97	101	101
Rice, rough (1,000 MT)	4,560	4,440	5,230	5,230
Manufacturing Production (1963=100)	126	137	142	144
INTERNATIONAL TRADE (*$ millions*)				
Total Exports (*f.o.b.*)	822	848	855	998
Coconut Products	(215)	(236)	(164)	(192)
Wood	(212)	(217)	(226)	(221)
Total Imports (*c.i.f.*)	-1,172	-1,280	-1,254	-1,200
Trade Balance	-350	-432	-399	-202
GOLD & FOREIGN EXCHANGE (*$ millions*)††				
Official Reserves	180	161	121	251
Commercial Bank Holdings	146	152	135	128
CONSUMER PRICE INDEX (*1963 = 100*) (Manila)	125	125	127	149

CENTRAL GOVERNMENT FINANCES*	– *Million Dollar Equivalents* – 1968	1969	1970P
(FY Ending June 30)			
Total Expenditures	1,060	1,117	1,151
(*Defense Expenditures*)	(115)	(132)	(124)
(*Capital Outlays*)	(362)	(308)	(278)
Total Domestic Revenues	738	830	958
As percent of GNP†	10.0	10.2	9.7
Deficit (–) or Surplus (+)	-322	-287	-193

*Converted at 3.9 pesos per U.S. $. P - Preliminary.

†Based on data in current prices. ††Gross basis, end of year.

KOREA

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

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS-NET OBLIGATIONS AND LOAN AUTHORIZATIONS 1969	1970	TOTAL 1946-1970	REPAYMENTS AND INTEREST 1946-1970	TOTAL LESS REPAYMENTS AND INTEREST
A. OFFICIAL DEVELOPMENT ASSISTANCE					
A.I.D. AND PREDECESSOR AGENCIES - TOTAL	43.2	30.7	2,905.5	15.8	2,889.7
Loans	19.0	16.6	356.2	15.8	340.4
Grants	24.1	14.1	2,549.2	-	2,549.2
FOOD FOR PEACE - TOTAL	190.3	105.9	1,207.6	8.0	1,199.6
Title I - Total	129.0	76.0	748.5	8.0	740.5
REPAYABLE IN U.S. DOLLARS - LOANS	94.1	40.5	136.1	6.2	129.9
PAYABLE IN FOREIGN CURRENCY-Planned for Country Use	34.9	35.5	612.4	1.8	610.6
(Loans)	(3.0)	(3.2)	(15.3)	(1.8)	(13.5)
(Grants)	(32.0)	(32.3)	(597.2)	(-)	(597.2)
Title II - Total	61.3	29.9	459.1	-	459.1
EMERGENCY RELIEF, ECON. DEVEL. & WORLD FOOD PROGRAM	59.1	28.2	284.0	-	284.0
VOLUNTARY RELIEF AGENCIES	2.2	1.7	175.1	-	175.1
OTHER OFFICIAL DEVELOPMENT ASSISTANCE	1.4	1.6	865.9	6.5	859.4
PEACE CORPS	1.4	1.6	6.6	-	6.6
OTHER	-	-	859.3	6.5	852.8
TOTAL OFFICIAL DEVELOPMENT ASSISTANCE	234.9	138.2	4,979.0	30.3	4,948.7
Loans	116.1	60.3	532.5	30.3	502.2
Grants	118.8	77.9	4,446.5	-	4,446.5
B. OTHER OFFICIAL					
EXPORT-IMPORT BANK LONG-TERM LOANS	2.6	85.0	107.6	4.1	103.5
TOTAL ECONOMIC	237.5	223.2	5,086.6	34.4	5,052.2
Loans	118.7	145.3	640.1	34.4	605.7
Grants	118.8	77.9	4,446.5	-	4,446.5
MILITARY ASSISTANCE PROGRAM - (Chg. to FAA Approp.)[a]	210.0	216.3	3,029.7	-	3,029.7
Credit Assistance	-	-	-	-	-
Grants	210.0	216.3	3,029.7	-	3,029.7
(Additional Grants from Excess Stocks)	(16.4)	(44.3)	(164.9)	(-)	(164.9)
OTHER MILITARY ASSISTANCE GRANTS	-	-	56.7	-	56.7
TOTAL MILITARY	210.0	216.3	3,086.4	-	3,086.4
TOTAL ECONOMIC AND MILITARY	447.5	439.5	8,173.0	34.4	8,138.6
Loans	118.7	145.3	640.1	34.4	605.7
Grants	328.8	294.2	7,532.9	-	7,532.9

OTHER PROGRAMS

ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1969	FY 1970	FY 1946-70
TOTAL	100.4	78.2	229.0
IBRD - World Bank	65.0	40.0	110.0
Int'l Dev. Association	18.3	15.0	58.3
Int'l Finance Corp.	1.7	5.0	7.4
Asian Dev. Bank	13.8	17.5	31.3
UNDP - Special Fund	0.6	-	14.8
UNDP - TA (CY)	0.3	0.1	2.4
Other UN (CY)	0.7	0.6	4.8

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

DONOR	CY 1968	CY 1969	CY 1960-69
TOTAL	107.6	115.2	437.9
Japan	94.9	108.0	353.0
Germany	7.7	5.0	54.2
Italy	2.4	3.0	13.5
Other	2.6	2.1	17.2

ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)

1969 (Calendar Year)..... -
1970 (Calendar Year)..... -
Cumulative thru 1970..... -

*Less than $50,000. a/Annual data represent deliveries; total through 1970 is the cumulative program.

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VOLUNTARY CONTRIBUTIONS TO
INTERNATIONAL ORGANIZATIONS AND PROGRAMS[a/]

(In thousands of dollars)

	FY 1970 Actual	FY 1971 Estimated	FY 1972 Proposed
Multilateral Technical Assistance			
UN Development Program	86,268	86,268	100,000
UN Children's Fund	13,000	13,000	13,000
UN Population Program	4,000[b/]	7,500[d/]	7,500
UN Fund for Drug Abuse Control	-	2,000	2,000
International Atomic Energy Agency-Operational Program	1,378	1,550	1,550
World Meteorological Organization-Voluntary Assistance Program	1,500	1,500	1,500
UN/FAO World Food Program	1,300	1,500	1,500
UN Institue for Training and Research	400	400	400
World Health Oranization - Medical Research	150	150	312
International Secretariat for Voluntary Service	70	70	73
Special Contributions for Vietnam	692	950	-
UN Technical and Operational Assistance to the Congo	220	-	-
Total	108,978	114,888	127,835
UN Relief and Works Agency			
Regular budget	13,300[c/]	13,300[c/]	13,300
Arab Refugee Vocational Training	1,000	1,000	-
Total	14,300	14,300	13,300
Total UN and Related Programs	123,278	129,188	141,135
Indus Basin Development Fund			
Grants	7,530	4,925	15,000
Loans	-	6,980	12,000
Total	7,530	11,905	27,000
TOTAL PROGRAM	130,808	141,093	168,135

a/ Excludes proposed U.S. contribution to the UN Force in Cyprus, which is included under Economic Supporting Assistance.
b/ Funded from Supporting Assistance for population programs under Title X of the Foreign Assistance Act.
c/ Funded from Supporting Assistance.
d/ Includes $4 million from Development Loans for population programs under Title X.

INTRODUCTION

Among the major changes proposed by President Nixon in our foreign assistance programs to meet changed international conditions is the expansion of the role of international institutions. In his message to the Congress in September 1970 on "Foreign Assistance for the 1970's," he noted that "international institutions can and should play a major creative role both in the funding of development assistance and in providing a policy framework through which aid is provided." The President proposed "that the United States channel an increasing share of its development assistance through multilateral institutions as rapidly as practicable."

Multilateral programs have several advantages:

-- they promote a wider sharing of the burden of development assistance;

-- they reduce the political friction that can arise from reliance on bilateral contacts in the most sensitive affairs of nations, such as population and family planning, the production of and traffic in dangerous drugs, and surveys of minerals with strategic implications;

-- they enhance the effectiveness of the world development effort by providing for the pooling of knowledge and expertise for solving development problems;

-- they can operate in areas of political tension such as the Middle East, where individual nations are often unable to function, even in providing essential humanitarian assistance.

The contribution of $100 million in FY 1972 is proposed for the United Nations Development Program (UNDP), which is the focal point of the efforts of the entire UN system to assist the developing countries. Reform of the UNDP has been the subject of recent decisions by the UNDP Governing Council, the UN Economic and Social Council and the UN General Assembly. These actions originated from a UNDP-commissioned survey undertaken largely at the initiative of the United States by a team under the leadership of Sir Robert Jackson. As described in the section on the UNDP below, actions implementing the major recommendations of the study will greatly strengthen the UNDP, both in its operational role and its role as coordinator of development activities of the entire UN system, and should markedly increase

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its capacity to administer a higher level of resources.

These administrative improvements when fully implemented, together with a recent reorganization of the Department of State's Bureau of International Organization Affairs, are responsive to the main findings of recent studies made by agencies of the Congress. They will enhance the Department's ability to account to the Congress for the expenditure of funds which it appropriates and will provide more effective evaluation of performance.

Contributions are also proposed to:

-- the UN Children's Fund, the highly respected international agency which assists the poorer countries in improving the health and welfare of children and mothers and in meeting emergency needs;

-- the World Food Program, which utilizes food on an international basis to promote better nutrition, to pay for labor on development projects and to feed victims of natural disaster;

-- the UN Fund for Population Activities, a central coordination and financing body for activities throughout the UN system which helps member states in identifying and coping with population problems;

-- the UN Fund for Drug Abuse Control, a new program designed to provide technical assistance in controlling production and traffic in narcotic drugs, in alerting actual and potential users of the dangers of drug abuse, and in providing treatment and rehabilitation of addicts;

-- the Operational Program of the International Atomic Energy Agency, which enables less developed countries to benefit from the peaceful uses of the atom;

-- the Voluntary Assistance Program of the World Meteorological Organization, under which poorer countries are assisted to improve their capabilities to contribute to the World Weather Watch;

-- the UN Institue for Training and Research, the agency which provides advanced training for participation in UN activities and conducts research on major problems facing the UN;

-- the International Secretariat for Volunteer Service, which encourages the initiation and development of volunteer organizations comparable to our Peace Corps and VISTA; and

-- the Indus Basin Development Fund, administered by the World Bank, which helps provide arable land for over 50 million people in West Pakistan and the western part of India.

FY 1972 Program

The President has proposed the authorization and appropriation of $141,135,000 for voluntary contributions to UN and related international organizations and programs for FY 1972. There are two parts to the request:

-- Contributions to the UN Development Program, the UN Children's Fund, and eight other UN technical assistance programs are proposed in the amount of $127,835,000.

-- A contribution to the regular budget of the UN Relief and Works Agency is proposed at the level of $13.3 million.

In addition, to complete the funding of the U.S. commitment to the Indus Basin Development Fund, the President has proposed an authorization beginning in FY 1972 for appropriation of the $72 million balance of the U.S. grant contributions to the Fund and reauthorization of the $33 million balance of U.S. loan contributions already authorized by the Foreign Assistance Act of 1969. For appropriation in FY 1972, $15 million for grants and $12 million for loans is requested.

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UNITED NATIONS DEVELOPMENT PROGRAM

The United Nations Development Program (UNDP), created as a result of U.S. initiatives and headed since its founding by an American, Paul Hoffman, is the world's largest program of multilateral technical assistance. It is also the hub in the UN system for all technical assistance activities administering over 70% of the technical assistance funds expended by all agencies in the UN system. All countries that are members of the United Nations, the specialized agencies or the International Atomic Energy Agency are in principle eligible for assistance, and UNDP projects are currently under way in approximately 130 countries and territories.

Large-scale projects in agriculture, education, disease eradication, transportation, resource exploration and other fields comprise the major part of the UNDP's program. In addition, the UNDP undertakes smaller projects designed either to train nationals by means of fellowships or to provide countries with required expertise through the use of advisers. Although all of these projects in a broad sense constitute technical assistance, the larger scale projects have been commonly referred to by the UNDP as "Special Fund" projects. Both types of projects are ordinarily executed for the UNDP by the UN or one of the other organizations of the UN system.

Costing an average of slightly more than $2 million each, with funds provided jointly by the UNDP and recipient countries and planned for two to five years duration, Special Fund projects may engage the services of a score of international experts and a substantial quantity of equipment. Approximately 800 such projects were under way at the end of 1970. At the first of its two regular sessions in 1971, the Governing Council approved 129 Special Fund projects expected to cost a total of $295 million. Of this amount, $131 million will be provided by the UNDP and $164 million by the recipient governments in the form of counterpart contributions. The Council's action raised to 1,363 the total number of Special Fund projects initiated since 1959, with financing to consist of $1.3 billion in UNDP resources and $1.9 billion in counterpart contributions.

Of the projects approved through January 1971, 527 are surveys of natural resources and/or pre-investment feasibility studies; 485 involve technical education and training; 312 provide for applied research; and 39 consist of assistance in economic development planning. By economic sector, the projects may be broken down as follows: agriculture, 502; industry, 356; public utilities, 202; education and science, 111; public administration and other services, 64; housing and urban development planning, 23; health, 18; social welfare, 7; and multi-sector, 80. 505 of the pre-investment projects have been or will be carried out in Africa, 335 in Asia and Oceania, 315 in the Americas, 108 in the Middle East and 93 in Europe; 5 are inter-regional projects, and 2 involve research with potentially world wide implications.

The approximately 2,500 smaller scale "technical assistance" projects financed by the UNDP each year cost an average of only $2,500 each, may involve only one UN expert or recipient country fellow, and may be complete in a period of several months. Program levels approved for 1971 include $57.3 million for country projects and $12.5 million for inter-regional projects.

UNDP Reform

In June 1968, the UNDP Governing Council requested the UNDP Administrator to undertake a study of the administrative capacity of the UNDP to handle a greatly enlarged program. Sir Robert Jackson of Australia was appointed by the Administrator to carry out the project, and his report, "A Study of the Capacity of the United Nations Development System", was completed in November 1969. In general, the report concluded that the ad hoc development of the UN economic and social system had resulted in cumbersome machinery, and recommended a wide-ranging series of reforms to ensure the creation of a centralized policy-making body located in a reorganized and strengthened UNDP.

The report was considered at a special session of the 37-member Governing Council of the UNDP in March 1970 and at the regular session in June. The United States supported many of the basic recommendations of the Jackson Capacity Study and worked closely with a number of other governments in the two sessions to elaborate on them and to ensure their acceptance.

The reforms approved in June 1970 by the Governing Council -- and endorsed with only minor reservations by the United States -- include the adoption of a United Nations Development Cooperation Cycle (UNDCC). In addition to the programming of UNDP assistance, the UNDCC provides for the formulation, appraisal, approval, implementation, evaluation and follow-up of specific projects. The UNDCC lays particular stress on country programming in order to coordinate UNDP assistance with the recipient countries' own development plans. A UNDP country program will be formulated by the government of each recipient country in cooperation with representatives of appropriate organizations of the UN system under the

leadership of the UNDP Resident Representative. When completed, country programs will be transmitted by the Resident Representatives to the Administrator, who will submit them along with his recommendations to the Governing Council for approval. The Governing Council delegated authority to the Administrator for a three-year period to approve projects falling within the framework of country programs and made clear that the Administrator is responsible for all aspects of project implementation.

Of particular importance was the Governing Council's unanimous acceptance of the need for organizational changes in the UNDP, both at headquarters and in the field. Insofar as headquarters reorganization is concerned, the Governing Council provided the Administrator with guidelines including provision for the establishment of a unit for long term policy planning and four regional bureaus with direct links to both the Administrator and the Resident Representatives. Provision was made for inclusion in these new offices of an expanded capacity for program and project evaluation. At the country level, the Governing Council called for maximum delegation of authority to the Resident Representatives and recognized the need to strengthen their role. In this regard it called for recognition of the Resident Representatives as having full overall authority for the UNDP programs in their respective countries, and it stressed the importance of their central coordinating role with respect to all other development assistance programs undertaken by organizations in the UN system.

A number of important decisions were also taken to provide for a new financial and budgetary system designed to improve the management and use of UNDP resources. The major features of the new system include: (1) creation of a single fund by complete amalgamation of the Special Fund and Technical Assistance components; (2) abolition of the "full funding" concept employed for Special Fund projects which will make possible greater flexibility and fuller utilization of resources; (3) adoption of a more precise system for the allocation of resources among country programs, inter-country programs, program support services, and administrative services; and (4) provision for improved budget planning. The Administrator was also instructed to seek common budgeting policies and accounting systems throughout the UN system of organizations.

The Governing Council's consensus on organizational and operational reform of the UNDP was approved in July 1970 by the Economic and Social Council and in December 1970 by the General Assembly. The Administrator's proposals for implementation of the reforms were considered by the Governing Council at its session in January 1971, and their implementation has begun.

The reforms mentioned above include what the United States felt were the most important and valid recommendations of the Jackson study. They deal with the problems which have been highlighted in other critical studies of the UN's developmental programs. These reforms will markedly increase UNDP's effectiveness, enabling it to respond more quickly and more precisely to the needs of the developing world. The problem of achieving reform and coordination of procedures involving the 14 autonomous or semi-autonomous agencies participating in the United Nations Development Program is not subject to easy or quick solution. The U.S. Government is working in the governing bodies of all of these organizations to ensure that the greater coordination and more efficient operation called for by the Capacity Study, the Governing Council consensus, and ECOSOC and General Assembly resolutions may be fully realized. Our success in achieving this goal will also depend on our continuing support for the UN system and on our own capacity to monitor and evaluate its activities.

Financing

The financial resources of the UNDP come from voluntary contributions pledged by governments. As of March 31, 1971, 128 countries had pledged $240.1 million for that calendar year, compared with $226.1 million pledged by 126 countries in 1970. In each of those years, the United States pledged $86.3 million subject to the condition that its contribution should not exceed 40% of all governmental contributions, including assessed and audited local costs (estimated at$16.2 million in 1970 and $16.1 million in 1971).

The U.S. practice of pledging on a matching basis has been a factor in encouraging others to share the burden of the development effort. The U.S. contribution has fallen from a high of 40% of all government contributions to approximately 35.6% in 1970 and 33.7% in 1971.

The UNDP estimates that contributions and local cost assessments will total $280 million in 1972. It is proposed that for 1972 the United States contribute $100 million to the UNDP, subject to the usual condition that its contribution not exceed 40% of all government contributions, including assessed and audited local costs.

Of the $100 million proposed for the UNDP in FY 1972, we are considering the contribution of up to $1 million in services which would support seminars, study tours, fellowships, training and

similar activities in the United States. The initiation of such an arrangement should greatly enhance our ability to insure that an appropriate share of UNDP training activities are held in this country.

UNITED NATIONS CHILDREN'S FUND

The role of the United Nations Children's Fund (UNICEF) is essentially that of a catalyst, encouraging and stimulating efforts by the developing countries on behalf of their children and providing aid for programs which have a multiplier effect by reinforcing and spurring other elements in social and economic development.

The main fields of UNICEF aid are health services, nutrition, education, vocational training, family and child welfare, multi-purpose services, and emergency aid. UNICEF assistance is currently going to 112 countries and territories. A large part of this assistance takes the form of equipment and supplies. In recent years, however, other types of aid have become increasingly important -- training stipends, financing selected teaching staff for specified periods in national and regional training schemes, and aid for planning and program development. Training of national personnel now constitutes about one-third of UNICEF program aid.

The Executive Board of UNICEF at its 1970 meeting approved commitments for program aid totalling $51.8 million. Of these commitments, 55.2% are for health, 19.8% for education, 11.6% for nutrition, 4.2% for family and child welfare and the remainder for other categories.

Cash contributions from 124 governments to UNICEF's general resources in 1970 amounted to $33.6 million, of which $13 million was contributed by the United States. In addition, $8.7 million was contributed by governments for specific projects, including $4.2 million from U.S. disaster relief funds for emergency aid in Nigeria and East Pakistan. During 1970 the United States also transferred foodstuffs to UNICEF valued at $6.4 million for on-going nutrition programs and emergency relief in Nigeria; these commodities were available under P.L. 480. Additional income is realized by UNICEF from non-governmental sources, through greeting card sales and public collections; U.S. non-governmental sources contributed $6.4 million in 1970.

A contribution of $13 million in cash is proposed for FY 1972, to be pledged on the condition that the United States share does not exceed 40% of total contributions for general resources from governments.

UNITED NATIONS POPULATION PROGRAM

It is United States policy to encourage and assist the United Nations and its Specialized Agencies to develop effective population and family planning programs and activities. President Nixon stated this policy in his July 1969 message to Congress on population: "It is our belief that the United Nations, its Specialized Agencies and other international bodies should take the leadership in responding to world population growth". He reiterated this belief in his October 23, 1970 address to the UN General Assembly: "As the UN enters its Second Development Decade, it has both the responsibility and means to help other nations control the population explosion which so impedes meaningful economic growth. The United States will continue to support the rapid development of UN services to assist the population and family planning programs of member nations."

Significant steps in the development of an effective UN population program were taken in 1969 with funds provided by the United Nations Fund for Population Activities (UNFPA), which was placed under management of the Administrator of the United Nations Development Program. These funds were applied to finance an expanded UN population program with the following goals:

-- to extend systematic and sustained assistance to member countries desiring such assistance to assess and cope with their population problems;

-- to promote an awareness of the social and economic implications of the population problem and promote consciousness of its possible solutions;

-- to extend and strengthen the capabilities of the relevant agencies of the United Nations within the framework of their respective mandates and to provide them with the means for more efficient and effective assistance to member countries in planning, programming and implementing population projects.

With the initial United States contribution of $500,000 from FY 1968 funds, a field staff of 10 population officers began early in 1969 to help developing countries identify and prepare action projects in the population field. A further $2.5 million was contributed in FY 1969 to help finance the expansion of population

programs of the UN regional economic commissions in Africa, Latin America, and Asia and the Far East; a number of UN population advisory missions to developing countries; and action projects requested by countries.

In early FY 1970 $1 million was pledged to finance expansion of WHO's staff on population activities. Responding to a proposal by the UN Secretary General for funds to expand the range of population activities of the UN family of agencies, in January 1970 the United States pledged $7.5 million toward a target of $15 million for the calendar year 1970. The U.S. pledge was conditioned on the receipt of matching contributions from other countries. Twenty-two other countries did, in fact, pledge over $7.68 million (equivalent), which with the $7.5 million U.S. pledge, enabled the UNFPA to exceed its 1970 fund-raising goal.

The United States announced its 1971 pledge in February 1971 of up to $12.5 million, again conditioned on the receipt of matching contributions at a 50/50 ratio. Subject to the availability of funds, this pledge would be met from FY 1971 and 1972 funds. In the first quarter of 1971, the Fund had already received over $9 million from other donors.

The U.S. proportion of the voluntary contributions to the UNFPA has accordingly been declining. Before 1970, the United States contributed over 80% of such funds. For 1970, the U.S. proportion of pledges to the Fund was just under 50%. In transmitting our 1971 pledge, we informed the Executive Director of the Fund that we will review this ratio before making any further pledges.

The UNFPA allocated $1.16 million in 1969 and $6.7 million in 1970; for 1971, it estimates that it could usefully allocate $30 million if sufficient funds are available.

Projects financed to date have included (1) large-scale support to two national family planning programs, covering the provision of transport, contraceptive supplies, medicine and equipment, consultants, and assistance to research, training and evaluation; (2) support for UN evaluation missions to four countries on two continents and two other missions to plan for demographic training and research facilities on a third continent; (3) support for the population and family planning programs of agencies in the UN system, including UNICEF, WHO, FAO, ILO, and UNESCO; and (4) a grant to the International Planned Parenthood Federation.

UN FUND FOR DRUG ABUSE CONTROL

The elimination of the illegal traffic in narcotics and other dangerous drugs and combatting the abuse of such drugs are high priority objectives of our foreign policy. The Department of State, in cooperation with the Departments of Health, Education and Welfare and Justice, as well as other executive agencies, is vigorously pursuing that objective through both multilateral and bilateral channels.

On March 26 of this year, the UN Secretary General sent a letter to member governments announcing the establishment of a UN Fund for Drug Abuse Control and inviting contributions from public and private sources "for the purpose of combatting drug abuse and its disastrous impact on individuals and nations." This action was a result of a U.S. initiative which had been endorsed by the UN Commission on Narcotic Drugs in October 2, 1970, by the Economic and Social Council in November, and by the UN General Assembly in December.

The Fund's purpose is to develop both short and long term programs designed to eliminate the supply of drugs for purposes of abuse, the demand for such purposes, and the illicit traffic which supplies the demand. During its initial stages, the Fund will be used for specific priority projects which are expected to include efforts to: (1) expand the research and information facilities of UN drug control bodies; (2) plan and implement programs of technical assistance for crop substitution purposes, in the establishment and improvement of national drug control administrations and enforcement machinery, in the training of personnel, and in setting up or expanding research and training centers which could serve national or regional needs; (3) enlarge the capabilities and extend the operations of drug control facilities for the treatment, rehabilitation, and social reintegration of drug addicts; and (4) develop educational material and programs suitable for use on high-risk populations.

The United States pledged $2 million as an initial response to the Secretary General's appeal.

A personal representative of the Secretary General has overall responsibility for the Fund, including its development and maintenance. One of his first duties will be to seek additional contributions from other countries, a number of which are expected to contribute.

A further U.S. contribution of $2 million in FY 1972 is proposed.

INTERNATIONAL ATOMIC ENERGY (IAEA)--OPERATION PROGRAM

The IAEA Operational Program provides technical assistance to developing countries to advance the peaceful uses of atomic energy. The United States played a leading role in initiating this program.

The IAEA is now implementing the important safeguards provisions of the Nuclear Non-Proliferation Treaty (NPT) to prevent the diversion of nuclear materials from peaceful uses to the production of nuclear weapons. NPT safeguards administered by the IAEA will be financed from that Agency's assessed budget. Many of the less developed countries have little interest in the safeguards program, mistakenly we believe, regarding it as of benefit largely to the nuclear weapon states and an expense which should be borne by the states which have accepted IAEA safeguards over their nuclear material. By supporting the IAEA technical assistance activities of direct benefit to the less developed countries, the United States contributes to the economic and social objectives of these countries and also helps to gain and maintain their support for the vital safeguards program.

The IAEA Operational Program, which is funded primarily by voluntary contributions from member states, provides fellowships for training in nuclear science and experts and equipment for technical assistance projects, including the use of modern nuclear technology in hydrology, industrial processes, energy generation, medical diagnosis and treatment, and food preservation. During 1970 the program financed the assignment of 113 experts and visiting professors to member states, the award of 368 fellowships, and 18 international or regional training courses and seminars.

A contribution of $1,550,000 to the Operational Program is proposed for FY 1972, the same amount as for 1971. As in 1971, the United States would contribute in U.S. dollars or other currencies a sum equal to its share of the target ($2.5 million in 1971) at its assessed rate, subject to the provision that its contribution shall not exceed 40 percent of the total unrestricted cash contributions of all member states. On this basis, $786,250 would be in cash and the remainder $763,750, in kind.

Most industrialized countries have responded positively to the Agency's request to contribute voluntarily to the Operational Program at the same percentage rate as they are assessed for the IAEA regular budget. Consequently, in 1971, total contributions were sufficiently high that the 40% limitation in the U.S. pledge was inoperative, and the United States in effect contributed at its assessed rate, 31.45%.

The Director General in his 1972 budget submission has recommended that the voluntary contribution target in 1972 be $3.0 million. There will be considerable support among Agency members for such an increase, although the final figure may be a compromise one of $2.75 million.

In 1971 the U.S. contribution was $786,250 in cash and $765,750 in kind. If there is an increase to a $3.0 million target figure in 1972, the U.S. contribution could be as high as $943,500, provided, as is planned, it makes the same pledge as in 1971 and the contributions of other leading contributors are correspondingly increased. An increase in the U.S. cash contribution would result in a decrease in contributions in kind, to keep the total U.S. contribution within the proposed $1,550,000.

Contributions-in-kind at the $763,750 level would provide $381,875 for 50 fellowships to train scientists and technicians from developing countries in the United States. This fellowship program is administered by the National Academy of Sciences. The request would also provide $381,875 for assistance to other activities of interest to the developing countries, specifically for advisory services of U.S. experts to the IAEA or its developing member states; for training courses, study tours, seminars and other technical meetings, including those held in the United States; and for small grants of equipment purchased from American firms for the IAEA's laboratories and technical assistance projects. This portion of the program is administered by the U.S. Atomic Energy Commission.

WORLD METEOROLOGICAL ORGANIZATION (WMO) VOLUNTARY ASSISTANCE PROGRAM

The WMO Voluntary Assistance Program, funded by voluntary contributions, was established by the World Meteorological Organization Congress in April 1967. At this same Congress, the WMO launched the World Weather Watch, a system which is designed to bring the global atmosphere under surveillance and provide for the rapid collection and exchange of weather data. This plan should improve weather forecasting for end-users, including agricultural producers and the construction, transportation and fisheries industries.

The successful global implementation of the World Weather Watch is important to the United States. Adequate weather data has been unavailable for over 80% of the earth's surface, primarily the oceans and the less developed countries.

Under the World Weather Watch, each of the 132 Members of the WMO is called upon to implement needed improvements in observations, data processing and communications in their territories. To the extent that less developed countries lack foreign exchange resources to obtain equipment required for the implementation of the World Weather Watch in their territories, the WMO Voluntary Assistance Program will assist them with the necessary equipment such as rawinsonde ground equipment, observation balloons, radiosondes, and receiving and transmitting communications equipment. The assisted countries will be expected to provide local facilities and personnel.

The WMO Voluntary Assistance Program has a total annual target of $5 million and is in two parts: (1) an Equipment and Services Program, to which member countries make contributions-in-kind; and (2) a Voluntary Assistance Fund, administered by the WMO, to which members make cash contributions.

Under the Equipment and Services Program, advanced countries provide technical equipment and services for projects which they select from a list approved by the WMO. The United States assists projects which we believe are most important to this country. The Voluntary Assistance Fund permits the WMO to provide equipment and services for high priority projects which need assistance but are not undertaken directly by advanced countries.

An appropriation of $1.5 million in FY 1972, is proposed as a U.S. contribution to the Voluntary Assistance Program. This estimate would provide a U.S. cash contribution of $150,000 to the Voluntary Assistance Fund for CY 1972, 40% of the total unrestricted cash contributions of member nations. It would also provide $1,350,000 for contributions-in-kind to the Equipment and Services Program. These contributions will consist of U.S. equipment, experts and services, and the training in the United States of persons from less developed countries in the field of meteorology. This program will be administered by the National Oceanic and Atmospheric Administration, which will be reimbursed from this appropriation for administrative costs estimated at 6% of project costs.

The amount requested for FY 1972 would permit a U.S. contribution at the same level as in 1971 and 1970. The United States believes that this program has been established on a sound basis and that the U.S. contribution is necessary to enable the WMO to implement its plan for the World Weather Watch.

UN/FAO - WORLD FOOD PROGRAM

The World Food Program (WFP), a joint undertaking by the United Nations and the Food and Agriculture Organization, was established experimentally in 1962 and placed on a continuing basis in 1965. Contributions to WFP are mainly in food but also include cash and services such as ocean transportation. Donors in the 1969-1970 period totaled 76 countries.

Through 1970 the WFP Intergovernmental Committee has approved 478 development projects in 83 countries involving WFP commitments of more than $1 billion. Of these projects, which have an average duration of four years, a total of 74, valued at $40 million have been completed and 404 are in various stages of implementation. In addition, 122 emergency operations have been undertaken in 67 countries at a total cost of nearly $100 million. Of these, 92 emergency operations involving $68.8 million have been completed and 30 operations valued at $27.3 million are still in operation.

About one-third of WFP's commitment for development purposes has been allocated for the development of human resources. These programs use food aid to improve the nutrition of vulnerable groups in the population and to promote education and training.

Another 13% of WFP resources has been allocated for projects designed to improve social and economic infrastructure through public health programs and housing, transport and communications programs and community development projects.

The balance, equivalent to more than one-half of WFP's commitment for development projects, has been allocated to directly productive activities such as land development and improvement, the promotion of animal husbandry, and industrial and mining projects.

WFP assistance for these purposes forms an integral part of country development plans. Food is used as part payment of wages, as incentives for self help, and in pre-school and school feeding programs. Such aid increases employment, productivity, education and training by raising nutritional standards. Each project agreement specifies the form and extent of support to be provided by the recipient country and foresees the country's continuing responsibilities after assistance has been completed.

In terms of beneficiaries, it is estimated that WFP aid has reached 3 million students and workers under human resources development programs and that a further 7.2 million people have benefited from other projects. In terms of current operations, WFP aid is reaching an estimated 1.6 million workers and students and their dependents.

In its emergency operations during 1970, WFP extended aid valued at more than $18.3 million to victims of floods, droughts, earthquakes and other disasters and to refugees in a wide range of locations throughout the world. Assistance to flood victims in seven countries amounted to some $9.2 million with the largest allocations being made to East Pakistan. Assistance to victims of drought valued at $4.5 million was provided in six African countries, and in Afghanistan, Yemen, Cyprus and Chile. Refugees were aided to an extent of $1.3 million in Niger, Zambia, Tanzania and the Sudan. The balance of $3.3 million was used to assist typhoon victims in the Philippines, earthquake victims in Yugoslovia and Peru, and victims of civil disorder in Jordan.

For the current operational period (1971-1972), the United States pledged up to $125 million, subject to action by the U.S Congress. This U.S. pledge comprises: (a) up to $85 million in commodities, subject to the condition that the U.S. contribution in commodities does not exceed 50% of the total contributions of all governments in commodities and cash for the purchase of commodities; (b) shipping services to transport all commodities contributed by the United States, estimated at $37 million; and (c) up to $3 million in cash towards the administrative expenses of the Program. Against a $300 million target, total effective pledges from 60 nations to date amount to $186.9 million, of which approximately half is the U.S. share. $1.5 million has been contributed to meet the cash portion of the U.S. pledge from FY 1971 appropriations and a like amount is requested for FY 1972.

U.S. contributions of commodities and shipping services are provided under the Food for Peace Act (P.L. 480).

UNITED NATIONS INSTITUTE FOR TRAINING AND RESEARCH

The UN Institue for Training and Research (UNITAR) seeks to make the UN system more effective by: (1) applying modern research techniques to planning and evaluation of UN activities, (2) clarifying problems and issues that face the UN, (3) and providing training for UN personnel and for people from the developing nations in UN-related activities.

In its training role, UNITAR has organized courses in diplomacy and in the procedures and techniques of technical assistance. The United States has felt that the in-house capacity for training UN staff, particularly at the middle and higher levels, should be strengthened and therefore welcomed the decision last November of the UNITAR Board of Trustees to establish a UN staff college serving the entire UN system. Present plans are to finance this activity from the existing training budgets of participating UN agencies.

Early research projects included a study to establish criteria for evaluating UN technical assistance programs and a project on the status and problems of very small states. In addition, by the end of 1970 UNITAR had completed: country studies on the problem of migration of scientists and technicians to developed countries (the brain drain); comparative studies on measures against racial discrimination; a study on problems and remedies for marine pollution; and a case study in the verification of international treaties. The latter dealt with the methods and procedures by which the International Atomic Energy Agency (IAEA) has established and administered safeguards designed to insure that the nuclear materials and information it makes available are not used for military purposes.

In response to priorities set by the Board of Trustees following an appraisal of the scope and functions of UNITAR's research activities, the research program in 1971 will focus on UN reform of structure and procedures and on conflict resolution and the peaceful settlement of disputes. UNITAR's principal research contribution is that it looks at UN activity as a whole, its studies being problem-oriented and explicitly directed toward practical solutions. At U.S. initiative, which took account of recommendations made by the House Foreign Affairs Subcommittee on International Organizations and Movements, UNITAR is establishing a commission on new perspectives in international cooperation for the purpose of identifying scientific and social developments that may have significance for the future of the UN.

The UNITAR budget estimated for 1971 is $1,443,000, as compared with last year's revised total of $1,340,000. It is proposed that the United States pledge $400,000 in FY 1972, the same amount as in recent years, subject to the condition that U.S. cumulative contributions do not exceed 40% of total cumulative contributions from governments.

WORLD HEALTH ORGANIZATION - MEDICAL RESEARCH

The International Agency for Research on Cancer (IARC) was established in 1965 by a resolution of the World Health Assembly. There are now eight members: Australia, France, Germany, Italy, the Netherlands, the United Kingdom, the USSR and the United States. In addition Belgium has applied for membership.

The Agency (1) plans, promotes, and develops research on the causation,treatment and prevention of cancer; (2) collects and disseminates information on the epidemiology of cancer research and on the causes and prevention of cancer; (3) provides for the education and training of personnel in cancer research through the provision of fellowships, special training awards, courses and seminars; (4) carries out special projects such as pilot demonstrations for cancer prevention.

IARC projects include examination of the relation of environment to digestive tract cancer, of the potential carcinogenic hazards of DDT, and of the role of host factors on the appearance of spontaneous as well as chemically and virally induced tumors.

U.S. participation is designed to accelerate efforts to control cancer through expanded international cooperation. The Agency's work supplements that of countries engaged in national cancer research; and the international status of the Agency enables it to collect research data heretofore unavailable. The Director of the U.S. National Cancer Institute states that the IARC is an invaluable ancillary to the basic research program of the United States.

In October 1970, IARC's Governing Council voted to alter, effective for CY 1971 the quota system so as to provide for a base contribution of $150,000 from each member and additional amounts based on capacity to pay. The United States and U.S.S.R., the two largest contributors, are each expected to contribute $312,711; therefore a U.S. contribution of $312,711 is proposed for FY 1972.

INTERNATIONAL SECRETARIAT FOR VOLUNTEER SERVICE

The International Secretariat for Volunteer Service (ISVS), established in 1962 and now located in Geneva, encourages the formation of volunteer service organizations, both for domestic and overseas service, and assists governments in setting up and operating volunteer programs.

Activities include the international exchange of information on administrative, legal, medical, language training and other aspects of volunteer organizations through publications and work shops; regional staff training seminars conducted by ISVS regional offices in Latin America and Asia; and the maintenance of an international registry of volunteers wishing to serve abroad.

Recently the ISVS has placed increased emphasis on facilitating international cooperation in the volunteer service field, particularly by aiding in the establishment of multi-national teams and by assisting the organization of the new UN Volunteers. The U.S. strongly supports expansion of volunteer service activities in an international framework.

The ISVS budget for FY 1971 amounted to approximately $220,000. Financial support is provided by about 20 governments. The U.S. pledged up to $70,000 subject to the condition that its contribution not exceed 28% of total government contributions, and specified that its contribution be used to finance international clearing house functions.

ISVS has proposed a budget of $242,600 for FY 1972 which would provide for increased activities in the development of multi-national teams as well as cover increased costs due to price and wage rises. A U.S. pledge of up to $73,000 from FY 1972 funds is proposed, but limited to 28% of total contributions.

In addition to the U.S. cash contribution, the Peace Corps plans to continue to detail two staff members to ISVS.

UNITED NATIONS RELIEF AND WORKS AGENCY

The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), created in 1949, provides food, housing, schooling, and health services for Arab refugees of the 1948-49 Arab-Israel conflict and, on a temporary basis, for some of the refugees of the 1967 war. United States support for UNRWA meets a clear humanitarian need. UNRWA activities assist in

furthering political stability in the Middle East, supplementing current efforts to achieve peace and helping protect our basic interests there.

At the end of 1970 the refugee population registered with UNRWA numbered approximately 1,436,829 (of whom over 800,000 were receiving rations from UNRWA), distributed as follows: East Bank of Jordan, 517,136; Israeli-occupied West Bank of Jordan, 269,996; Israeli-occupied Gaza strip, 312,922; Lebanon, 176,896; and Syria, 159,879.

UNRWA is still attempting to cope with the effects of the June 1967 war, when over 300,000 persons fled to the East Bank of the Jordan from the West Bank and Gaza and were subsequently denied return by the Government of Israel. At the request of the UN General Assembly, UNRWA is helping the Governments of Jordan and other host countries in the administration of food, housing and health services to about 200,000 persons displaced by the June war who are not registered refugees.

In recent years, particularly during the Jordan crisis in 1970, UNRWA also has had to face complications resulting from the Arab guerrilla movement. Since the Jordan crisis, UNRWA's services to the refugees have been resumed. In early 1971, the Commissioner General of UNRWA reiterated his assurances that the Agency is taking all measures possible in the circumstances which exist in the area of its operations to ensure that all contributed funds are used for assistance to the refugees, and are not diverted to subsidize military or paramilitary activity or for any other purposes foreign to its mandate. UNRWA has remained in close touch with the Lebanese and Jordanian Governments regarding the continued maintenance of its services to the refugees and the exercise of governmental authority in the camps. United States officials continue to follow the situation in Lebanon and Jordan in order to ascertain that the Agency is taking all possible measures to prevent improper use of resources.

UNRWA has estimated its 1971 requirements at $47 million, a small increase over 1970, resulting from rising costs of materials and services. The Commissioner General pointed out to the UN General Assembly in 1970 that it would be necessary to reduce services to the refugees if the required funds were not made available. The Assembly established a working group to study UNRWA's expenditures, to seek additional revenues, and if necessary to recommend measures to bring the 1971 budget into balance. Approaches made in various capitals by the working group and by a special representative of UNESCO have met with some success in obtaining additional contributions, both directly to UNRWA and to UNESCO for the schools serving the refugees. Arab contributions to UNESCO's special education fund, totaling over $600,000, will assist UNRWA in providing schools for refugees. It appears, however, that income for 1971 will be about $45 million or $2 million short of projected requirements. Some services have already been cut back, and further reductions will be required unless additional contributions are forthcoming.

The United States contributed $22.2 million to UNRWA's regular budget for FY 1970 and 1971 -- $13.3 million in dollars and U.S.-owned excess currencies and $8.9 million in commodities available under P.L. 480. For FY 1972 a contribution at the same level and with the same division between cash and commodities is proposed. As in previous years the U.S. contributions will be limited to a maximum of 70% of total government contributions. As other governments' support of UNRWA has increased, the U.S. share has been proportionately reduced from 70% to about 55% in 1970.

In addition, the United States made special contributions of $1 million each in FY 1970 and 1971 for technical and vocational training of Arab refugees, as authorized by Congress. These funds are being used to expand facilities in several vocational training centers and to maintain other activities designed to improve the skills of Arab refugees which otherwise might be discontinued for lack of funds.

INDUS BASIN DEVELOPMENT FUND

The Indus Basin Settlement Agreements of 1960 and 1964 provide for the establishment of the Indus Basin Development Fund to finance a construction program which ensures an equitable division of the waters of the Indus Basin between India and Pakistan and helps provide arable land for over 50 million people in those countries. The United States and eight other donors (the World Bank, Australia, New Zealand, Pakistan, United Kingdom, Canada, Germany and India) contribute to the fund.

The Indus Basin Settlement succeeded in forestalling imminent hostilities between India and Pakistan over the Indus waters. Under the agreements, India received the use of the waters of the three eastern rivers--the Ravi, Beas and Sutlej--and Pakistan the use of the waters of the three western rivers--

the Indus, Jhelum and Chenab. The downstream irrigated areas in Pakistan formerly dependent on water from the three eastern rivers are being supplied with water brought from the three western rivers through a series of barrages (low dams) and replacement link canals supplemented by the construction of a high storage dam on the Jhelum. In addition to replacing water diverted to India, the agreements provide for a substantial element of development for Pakistan which has been identified largely with the Tarbela Dam on the Indus. This structure will impound 11 million acre feet of water for additional irrigation of the 50 million acre area and have an initial power capacity of 700 megawatts.

Over 95% of the replacement works of the Indus Basin has been completed, including the Mangla Dam, 300 miles of link canals and 7 barrages. The Chasma-Jhelum link canal was substantially completed on November 2,1970, 5 months ahead of schedule. Commissioning is due to commence in May 1971. Completion of The Taunsa-Panjnad 50-mile link canal is expected by October 1971; and the Chasma Barrage, by May 1971. The Government of Pakistan, with the approval of the IBRD, concluded a contract for the main civil works of the Tarbela Dam in May 1968. The bulk of the funds applied to the Indus fund this year and in the future will finance the construction of Tarbela Dam, which is scheduled for completion in 1976.

The Indus Basin Development Fund Agreement provides that contributors make payments to the Indus Fund according to a fixed apportionment upon semiannual call from the World Bank. Funds are called on the basis of the anticipated rate of construction and disbursements.

The total commitment to the Indus Fund, including the carry-over for Tarbela, amounts to $1,541.2 million in foreign exchange and rupees. The United States has pledged $295 million in grants, $121.2 million in loans, and $235 million equivalent in P.L. 480 Pakistan rupees. India is contributing $168.8 million in foreign exchange, and Pakistan is contributing $1.2 million in foreign exchange and $360.5 million equivalent in rupees. In addition, Pakistan is meeting all rupee requirements for the Tarbela Dam which amount to about $500 million equivalent.

Disbursements through December 1970 included $526.9 million from the United States, $168.8 million from India, $395.6 million from Pakistan and $271 million from other donors.

Since the United States commitment to the Indus Fund is already clearly defined as part of an international agreement, we are requesting this year an authorization for the remaining grant commitment to parallel the authorization of the full loan commitment made in the past. For completion of the program, we are proposing $72 million in grant funds and $33 million in loan funds for authorization in FY 1972. Based on Bank estimates for required payments for FY 1972, we are requesting $15 million in grants and $12 million in loans for appropriation in FY 1972.

The Indus project has proved to be very successful. Construction is proceeding at a rapid rate; Mangla Dam, for example, was completed a year ahead of schedule. The project has removed a critical source of friction between the two nations and is supplementing irrigation and helping provide arable land for over 50 million people in Pakistan and India.

ADMINISTRATIVE EXPENSES

ADMINISTRATIVE EXPENSES

The proposed FY 1972 administrative expenses total $59,600,000. Of this amount, $10 million is requested under Economic Supporting Assistance and $49.6 million is requested under the appropriations for Technical Cooperation and Development Loans.

Administrative funds are used for the direction and supervision of the program in Washington and overseas. This includes establishing program policies and standards, planning, supervising and reviewing the implementation of these policies, and providing such essential management services as accounting, inspection, auditing, personnel administration, management analysis and administrative support.

In view of the proposed reorganization of the U.S. foreign assistance programs and the related legislative proposals, preliminary estimates for administrative expenses have been included in each of the appropriation categories as follows:

	Total	Development Loans	Technical Cooperation	Economic Supporting Assistance
		(Millions of Dollars)		
New Obligation Authority	$57.6	20.0	27.6	10.0
Reimbursements	2.0	-	2.0	-
Programs	$59.6	20.0	29.6	10.0

These preliminary estimates will be refined in FY 1972 and precise allocations made for each appropriation account.

The FY 1971 Administrative Expenses appropriation was $51 million. A total of $1.1 million of unobligated funds was carried over from FY 1970 and reappropriated for use in FY 1971, and $2 million is available from reimbursements and recoveries. In addition, authority to transfer $6.8 million from other A.I.D. appropriations is being requested to fund FY 1971 requirements of the Federal pay raises authorized by Executive Orders 11474, 11524 and 11576. The total FY 1971 availability for Administrative Expenses will therefore be $60,944,000.

For FY 1972, the total proposed availability is $59.6 million -- $57.6 million is new obligation authority and an estimated $2 million is reimbursements from other agencies. These reimbursements are received from various sources, such as OPIC, for audit and financial services; Peace Corps, for security investigations relating to their personnel; and State Department, for A.I.D. personnel serving overseas in Embassy administrative management organizations. Although this amount has been included as a part of total programmed costs in the budget estimates, these funds are used to defray the costs of services requested by these agencies.

The current FY 1971 estimate is $1.3 million above the $59.6 million proposed for FY 1972. However, the FY 1971 estimate includes $1.2 million to cover the six-month cost of the pay raise effective in January 1971. The FY 1972 request, prepared prior to the pay raise, does not reflect this cost.

	Actual FY 1970 ($000)	Estimated FY 1971 ($000)	Proposed FY 1972 ($000)
Availability			
New Obligation Authority	51,000	51,000	57,600
Unobligated Balance Bght. Fwd.	1,569	1,104	-
Receipts and Recoveries	3,079	2,040	2,000
Transfer to GSA	-26	-	-
Transfer for Pay Raise Costs	4,400	6,800	-
Unobligated Balance Carried Forward	-1,104	-	-
Total	58,918	60,944	59,600

In FY 1972 about 58% of the administrative expenses will be used to finance the Washington cost of direction and supervision of the program. The budget estimates are as follows:

	Actual FY 1970 ($000)	Estimated FY 1971 ($000)	Proposed FY 1972 ($000)
Washington:			
Salaries & Benefits	28,360	29,564	29,050
Travel & Transportation	858	700	850
Rent, utilities & communications	1,198	1,414	1,489
Contractual services	365	307	295
Security Investigations	175	265	265
Services of other agencies	522	1,074	1,049
State Dept. Admin. Support	608	310	310
Medical Payments & Personal Property Claims	100	130	192
Printing & Reproduction	491	462	481
Supplies & Equipment	252	262	261
Other	40	26	58
Total	32,969	34,514	34,300

ADMINISTRATIVE EXPENSES

In FY 1972 about 42% of the administrative expenses will be used to fund direct overseas operations. These budget estimates are as follows:

	Actual FY 1970 ($000)	Estimated FY 1971 ($000)	Proposed FY 1972 ($000)
Overseas:			
Salaries & Benefits	19,245	19,380	19,100
Travel & Transportation	2,520	3,000	2,500
Miscellaneous Contractual Services & Support Costs	3,511	3,700	3,350
Equipment, Supplies & Administrative Services	673	350	350
Total	25,949	26,430	25,300
Latin America	(8,294)	(8,375)	(8,100)
East Asia	(4,432)	(4,350)	(4,100)
Near East and South Asia	(4,075)	(4,360)	(4,100)
Africa	(6,015)	(6,045)	(5,850)
Vietnam	(3,133)	(3,300)	(3,150)

Included in the FY 1972 budget estimates for administrative expenses is a proposed $1,818,000 for reimbursement to State Department for logistic and administrative support services provided both overseas and domestically. The budget estimates for these costs are as follows:

	Actual FY 1970 ($000)	Estimated FY 1971 ($000)	Proposed FY 1972 ($000)
Africa	379	382	382
East Asia	196	187	187
Latin America	456	655	655
Near East and South Asia	155	174	174
Vietnam	104	110	110
Domestic	608	310	310
Total, State Dept. Support	1,898	1,818	1,818

As a self-help measure, recipient countries contribute local currency to defray administrative-type costs of our overseas missions. It is expected that the costs financed by country local currency trust funds in FY 1972 will be about the same as in FY 1971.

The FY 1972 administrative budget estimate of $59,600,000 does not include funds to support the Vietnam effort beyond the level originally contemplated for FY 1966. Funds for administrative expenses of the expanded Vietnam program have been included in the budget estimates of the Vietnam Economic Supporting Assistance program, as has been done since FY 1966.

INSPECTOR GENERAL OF FOREIGN ASSISTANCE

	Actual FY 1970 ($000)	Estimated FY 1971 ($000)	Proposed FY 1972 ($000)
Development Loans	569	700	500
Technical Cooperation	175	200	200
Economic Supporting Assistance	175	200	400
Total	919	1,100	1,100

The Office of the Inspector General of Foreign Assistance has broad statutory responsibilities relating to the effectiveness of U.S. economic and military assistance programs, as well as Peace Corps and P.L. 480 activities. The Foreign Assistance Act has authorized the operating costs of the office to be funded by allocations from Economic Assistance, Military Assistance and Peace Corps program appropriations. In FY 1972, the share of these costs estimated to be chargeable to Development Assistance funds total $700,000 of which $200,000 will be financed from Technical Cooperation funds and $500,000 from Development Loan funds. An additional $400,000 represents the share of these costs to be financed from Economic Supporting Assistance funds.

HUMANITARIAN ASSISTANCE

HUMANITARIAN ASSISTANCE

The President has proposed a unified and more prominent humanitarian assistance program which has several objectives:

-- to bring together and clearly identify a number of programs primarily motivated by humanitarian concerns that are now scattered within the government;

-- to improve the capability of the Government to respond quickly and effectively in crisis situations, especially for disaster relief and refugee problems;

-- to provide close and continuing contact through the Advisory Committee on Voluntary Foreign Aid between the Government and the private agencies operating humanitarian programs;

-- to create greater public awareness of the importance of these assistance programs, bearing in mind that they not only accomplish a great deal to reduce human suffering and help the less fortunate, but are also at times a vital element in our foreign relations.

The principal components of the new program will be U.S. official programs concerned with disaster relief and rehabilitation, famine, and refugee and migration relief and assistance, and support and liaison with the many private U.S. voluntary programs responding to humanitarian assistance needs abroad.

Disaster Relief Coordination

Natural disasters strike without warning; the victims may be of any nationality. In FY 1970:

-- 52 inches of rain fell in 36 days in areas of Tunisia usually receiving 12½ inches annually -- 540 Tunisians died and 270,000 were homeless;

-- 1,086 Turks were killed and over 80,000 left homeless by an earthquake;

-- floods in Korea killed 408 and left 33,000 without homes;

-- 90,000 homes were flooded, leaving 240,000 Romanians homeless, as swollen rivers inundated a million and a half acres of arable land and took 215 lives;

-- an earthquake which lasted only 45 seconds on May 31, killed 66,794 Peruvians, injured 143,000 and left a half million without homes.

These are only five of 51 disasters which struck in 36 countries in one year. The human toll was staggering: 12 million victims and 73,000 dead. The related human consequences were incalculable: disease and hunger resulted; families were separated; homes were destroyed; crops were ruined; livestock, savings and belongings were wiped out.

Contingency Funds are used to meet the immediate costs of disaster supplies, transportation and services and to reimburse other Federal agencies who engage in disaster relief operations. In some instances of longer term rehabilitation and reconstruction assistance, such as in Nigeria, Supporting Assistance funds have been used. The U.S. Government's response will frequently include provision of helicopters for rescue operations and transportation of life-saving supplies, as well as disaster experts, tents, blankets, cots, medicines, and grants of P.L. 480 commodities. Unusual requirements are also met: Bailey bridges in Morocco, Tunisia, and Guatemala to restore rail and road communications, epidemiological teams in Indonesia to treat plague, the replacement of artificial insemination units destroyed in livestock producing areas of Romania, and air transport costs in Nigeria.

A good example of United States disaster relief efforts is our response to the earthquake in Peru. Within 45 seconds on May 31, 1970 tremors toppled buildings, landslides erased entire villages, dams breached and lakes overflowed -- Peru faced a death toll of over 60,000 with 143,000 injured and over half a million homeless.

The immediate needs were food, water, shelter and medical assistance. Before after-shocks had stopped, the U.S. Ambassador gave the Peruvian Government a check for $25,000. The following day A.I.D. authorized airlift to Peru of a U.S. Military Disaster Assistance Survey Team and tons of relief supplies from A.I.D.'s southern area disaster stockpile in Panama. In addition, a Catholic Relief Services shipment of over 400 tons of foodstuffs was diverted to Peru.

As the size of the disaster became evident, U.S. assistance grew. On June 8, President Nixon announced a $10 million grant for relief. One of the most difficult problems was getting relief supplies to remote areas cut off by the quakes from the rest of the world. By June 11 the U.S. aircraft carrier Guam arrived off the coast of Peru. Its helicopters lifted 380,000 pounds of supplies and over 1,400 persons. Other U.S. military aircraft delivered 1.4

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million pounds of supplies and equipment to the disaster areas, carried medical personnel, and evacuated the injured.

During the emergency and rehabilitation stages of the operation, the value of supplies from the U.S. Government totalled over $16 million. During the same period, aid from voluntary agencies and U.S. citizens was valued at more than $10 million.

As it became clear that rehabilitation would be a long-term proposition, the U.S. Government established the Peru Earthquake Voluntary Assistance Group to coordinate the private contributions of American citizens and agencies to help Peru.

In 1970 U.S. official and private emergency assistance to victims of disaster and civil strife totaled $60.9 million. Of this amount $12.2 million was provided by private organizations.

The U.S. Government has provided a total of $263 million of grant food aid through Title II of P.L. 480 for a variety of humanitarian and development programs during the past year. Of this amount, $161 million was channeled through voluntary agencies, and another $38 million through the World Food Program.

The new legislation proposes that the President be authorized to furnish assistance abroad on such terms and conditions as he may determine, provided that such assistance shall be furnished no later than one year after the disaster or famine has ended for (a) famine and disaster relief and refugee and migration assistance; (b) reconstruction or rehabilitation assistance for victims of famine and disasters; (c) use of scientific data to reduce the consequences of disasters; and (d) aid in the preparation for, and prevention of, the effects of imminent threatened famines or disasters.

The new humanitarian assistance organizational structure will improve our capability to respond quickly and effectively to disasters through improved contingency planning, additional stockpiling and training, and more closely coordinated operations within the Government, and with private voluntary agencies, other donor countries, and international institutions.

Refugee and Migration Assistance

One of the major components is the program established by the Refugee and Migration Assistance Act of 1962, which authorizes the U.S. Government to come to the aid of refugees on an indefinite and flexible basis. The program is funded from the State Department budget but, in case of emergency, the President is also authorized to use up to $10 million of Contingency Funds in any fiscal year.

Now administered by the Department of State this program assists refugees, currently numbering 7.2 million throughout the world, in three major project areas:

-- The European program supplements and is coordinated with the assistance programs carried out by international organizations and by countries of first asylum in Europe. It provides interim care and maintenance, and arranges for the re-establishment (mostly overseas) of refugees from countries in Europe and from the Near East. Operational responsibility is undertaken by the Refugee, Migration and Red Cross Section of the U.S. Mission in Geneva. Actual field work in the area is conducted by eight American and international voluntary agencies under contract. These are private, non-profit welfare agencies, dedicated to the relief and re-establishment of refugees.

   In 1970 the European program was assisting over 40,000 refugees. About 70% are Czechoslovaks; other nationalities include Hungarian, Polish, Romanian, Bulgarian, Albanian and Russian. Resettlement operations are usually short-term since most refugees are able to obtain employment quickly. Resettlements are currently proceeding at the rate of 500 to 1,000 a month. The total cost of the program in 1970 was $3.2 million.

-- The Far East Refugee Program provides care and local re-establishment assistance in Hong Kong and Macau to refugees from Communist China. Operational responsibility is undertaken by the Refugee and Migration Unit of the American Consulate General in Hong Kong. Projects are generally conducted through contracts with selected private voluntary welfare agencies to assist in such as things as operation of clinics and construction of children's hospitals and orphans homes. This program was allocated $500,000 in 1970, and is expected to be the same for 1971 and 1972.

-- International Programs. Indirect assistance is provided by both U.S. contributions and policy participation in programs conducted by international organizations, such as the UN High Commissioner for Refugees and the Intergovernmental Committee for European Migration which processes efficiently and economically the large-scale movement of refugees and migrants out of Europe to overseas countries of resettlement. U.S. contributions to these agencies total $4 - 5 million per year.

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For the Forseeable future relief for war refugees in Southeast Asia will continue and will be administered under the International Security Assistance program. The Cuban refugee program (basically a U.S. domestic program for Cubans in this country) will continue under HEW administration. However, the Humanitarian Assistance program will have a coordinating responsibility for these programs to ensure a consistent policy implementation for all refugee matters.

Budget requests for refugee and migration affairs are submitted in the Department of State presentation.

Support of Voluntary Agency Programs

The administration of humanitarian assistance will continue to rely heavily on private voluntary agencies, which contributed $370 million of their own resources in over 100 countries in the past year alone.

Since 1946 the U.S. Government has supported the humanitarian efforts of these groups. Created at that time was the Advisory Committee on Voluntary Foreign Aid as the bridge between the government programs and private agencies working in relief and rehabilitation.

Eighty-two private agencies are presently registered with the Committee, and are eligible to apply for food commodities under P.L. 480, excess U.S. Government property, and ocean freight payments for privately donated supplies. Ocean freight payments -- which totalled over $5 million last year -- made possible the transport of food, medicine and other program materials. Some of the major items shipped are high protein food, medical and hospital supplies, educational and vocational training equipment, agricultural tools, and food to feed the hungry.

The 82 registered agencies, in their most recent annual reporting period, were carrying out programs valued at more than a half a billion dollars in more than 100 countries around the world. Of this amount $370 million represented contributions from private sources.

As the private agencies shifted from relief work in Europe after the war to the needs in the developing countries, their programs have increasingly stressed human development in the social and economic field. The major portion of the more than 15,000 paid personnel working abroad, as well as volunteers, are engaged in self-help programs in health, agriculture, training, population, nutrition, housing, education.

U.S. Government participation in these latter programs will be administered by different developing institutions -- for example, the International Development Institute (IDI), the Inter-American Social Development Institute (ISDI), and the Peace Corps. The humanitarian assistance office will provide a central point of contact with the voluntary agencies engaged in humanitarian programs.

Programs of the registered agencies range from small ones of several thousand dollars in a particular country to worldwide programs of more than $100 million. Included are such organizations as Catholic Relief Services, Church World Service, CARE, American-Jewish Joint Distribution Committee, Lutheran World Relief, Heifer Project and American Friends Service Committee.

These programs are supported by voluntary contributions from millions of Americans and business firms and represent American citizens' concern for people in need.

REPORTS &
OTHER DATA

ECONOMIC ASSISTANCE

Authorization and Appropriation Legislative History
(including supplementals)

FY 1948 - 1971
(In millions of dollars)

Fiscal Year	Authorization Request[a]	Amount Authorized by Congress[b]	Original Appropriation Request[a]	Adjusted Appropriation Request[c]	Amount Appropriated by Congress[d]
1948 - 49	7,370.0	6,913.0	7,370.0	6,858.0	6,446.3
1950	4,280.0	4,280.0	4,280.0	4,198.2	3,728.4
1951	2,950.0	2,762.5	2,950.0	2,657.7	2,262.5
1952	2,197.0	1,585.7	2,197.0	1,485.4	1,540.4
1953	2,475.0	1,894.3	2,499.0	1,894.3	1,782.1
1954	1,543.2	1,475.7	1,543.2	1,475.9	1,301.5
1955	1,798.1	1,571.9	1,788.5	1,571.9	1,528.8
1956	1,812.8	1,851.8	1,812.8	1,824.5	1,681.1
1957	1,860.0	1,815.1	1,860.0	1,815.1	1,749.1
1958	1,964.4	1,786.9	1,964.4	1,786.9	1,428.9
1959	2,142.1	2,070.6	2,142.1	2,070.6	1,933.1
1960	2,330.0	2,176.8	2,330.0	2,176.8	1,925.8
1961	2,875.0	2,786.3	2,875.0	2,786.3	2,631.4
1962	2,883.5	2,559.5	2,883.5	2,559.5	2,314.6
1963	3,281.3	3,074.8	3,281.3	3,074.8	2,573.9
1964	3,124.6	2,602.1	3,124.6	2,596.9	2,000.0
1965	2,461.7	2,452.0	2,461.7	2,452.0	2,195.0
1966	2,704.5	2,605.0	2,704.5	2,605.0	2,463.0
1967	3,443.4	2,628.0	2,469.0	2,413.9	2,143.5
1968	2,785.6	2,165.0	2,630.4	2,330.8	1,895.6
1969	2,554.2	1,609.8	2,498.5	1,609.8	1,380.6
1970	2,210.0	1,624.2	2,210.0	1,624.2	1,424.9
1971	2,093.7	2,093.7	2,008.0	2,008.0	1,733.9

NOTE: Excludes Investment Guaranty Program (borrowing Authority and Appropriations) and Overseas Private Investment Corporation.
a/ Adjusted to fiscal year basis and including Executive Branch adjustments.
b/ Adjusted to fiscal year basis.
c/ Adjusted to fiscal year basis and to limitations of authorizing legislation as well as adjustments by Executive Branch.
d/ Includes borrowing authority (other than for Investment Guaranties) during Marshall Plan period April 1948 - 1952.

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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	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 Year
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(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 (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 Appropriation (16)	Total Appropriations for Fiscal Yr (17)
1957																	
Military Assistance	2,925.0	-	75.0 1/	3,000.0	2,225.0	-	75.0 1/	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 1/	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 1/	700.0	-	-	700.0 1/	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	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)
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

PART I (continued)

(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 Yr. (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	-	v/	-	v/	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	1,131.6	-	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 z/	-	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 z/	-	1,100.5 z/	-	1,100.5 z/
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.	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 z/	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	-	675.6	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	683.5	-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	2,735.4	-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
1948-1970 Cumulative																	
Military Assistance	44,006.5	-4,436.3	5,957.0	45,527.2	39,705.2	-2,248.3	4,072.0	41,528.9	45,504.3	-500.0	-3,582.8	41,421.5	38,614.7	-500.0	38,114.7	100.0	38,214.7
Economic Assistance:																	
Development Loans	18,412.5	-14,100.0	6,087.5	10,400.0	11,557.2	-9,575.0	7,050.2	9,032.4	11,839.4	-2,000.0	-641.6	9,197.8	7,201.7	-	7,201.7	200.0	7,401.7
Alliance for Progress:																	
Loans) Tech. Coop./Devel.Grants)	7,993.5	-5,930.0	2,470.1	4,533.6	5,166.0	-3,728.2	2,485.1	3,922.9	4,119.6	-	-350.2	3,769.4	3,313.3	-	3,313.3	-	3,313.3
Partners of the Alliance	-	-	-		1.0	-	-	1.0	-	-	+1.0	1.0	0.3	-	0.3	-	0.3
IAPSP	111.5	-	-	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	8,793.5	-5,930.0	2,470.1	5,333.6	5,947.0	-	-	4,703.9	4,919.6	-	-369.2	4,550.4	4,048.6	-	4,048.6	-	4,048.6
Contingency Fund	2,865.0	-400.0	-	2,465.0	1,899.0	-15.0	-	1,884.0	2,216.0	-	-391.0	1,825.0	1,430.7	-	1,430.7	100.0	1,530.7
Other	41,978.5	-1,922.6	237.8	40,293.6	37,584.3	-1,973.3	1,450.2	37,061.2	41,073.7	-1,150.0	-3,237.9	36,685.8	33,588.9	-1,074.0	32,514.9	1,454.0	33,968.9
Total Economic Assistance	72,049.5	-22,352.6	8,795.4	58,492.3	56,987.5	-15,291.5	10,985.5	52,681.5	60,048.7	-3,150.0	-4,639.7	52,259.0	46,269.9	-1,074.0	45,195.9	1,754.0	46,949.9
Total 1948-1970	116,056.0	-26,788.9	14,752.4	104,019.5	96,692.7	-17,539.8	15,057.5	94,210.4	105,553.0	-3,650.0	-8,222.5	93,680.5	84,884.6	-1,574.0	83,310.6	1,854.0	85,164.6
1971																	
Military Assistance																	
Grants	690.0	-	-	690.0	690.0	-	-	690.0	690.0	-	-	690.0	350.0	-	350.0	340.0	690.0
Credit Sales	772.5	-	-	772.5	750.0	-	-	750.0	772.5	-	-22.5	750.0	200.0	-	200.0	500.0	700.0
Total Military Assistance	1,462.5	-	-	1,462.5	1,440.0	-	-	1,440.0	1,462.5	-	-22.5	1,440.0	550.0	-	550.0	840.0	1,390.0
Economic Assistance:																	
Development Loans	570.0	-	-	570.0	570.0	-	-	570.0	570.0	-	-	570.0	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. Govts.	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	30.0	-	-	30.0	30.0	-	-	30.0	30.0	-	-	30.0	15.0	-	15.0	7.5	22.5
Other	994.7	-	-	994.7	994.7	-	-	994.7	994.7	-	-	994.7	766.0	-	766.0	155.0	921.0
Total Economic Assistance	2,023.0	-	-	2,023.0	2,023.0	-	-	2,023.0	2,023.0	-	-	2,023.0	1,571.4	-	1,571.4	162.5	1,733.9
Total 1971	3,485.5	-	-	3,485.5	3,463.0	-	-	3,463.0	3,485.5	-	-22.5	3,463.0	2,121.4	-	2,121.4	1,002.5	3,123.9

ECONOMIC AND MILITARY ASSISTANCE PROGRAMS

PART I (continued)

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.
1948-1971 Cumulative Military Assistance	45,469.0	-4,436.3	5,957.0	46,989.7	41,145.2	-2,248.3	4,072.0	42,968.8	46,966.8	-500.0	-3,605.3	42,861.5	39,164.7	-500.0	38,664.7	940.0	39,604.7
Economic Assistance: Development Loans	18,982.5	-14,100.0	6,087.5	10,970.0	12,127.2	-9,575.0	7,050.2	9,602.4	12,409.4	-2,000.0	-641.6	9,767.8	7,621.7	-	7,621.7	200.0	7,821.7
Alliance for Progress: Loan) Tech. Coop./Devel. Grants	8,421.8	-5,930.0	2,470.1	4,961.9	5,594.3	-3,728.2	2,485.1	4,351.2	4,547.9	-	-350.2	4,197.7	3,683.7	-	3,683.7	-	3,683.7
Partners of the Alliance	-	-	-	-	1.0	-	-	1.0		-	+ 1.0	1.0	0.3	-	0.3	-	0.3
IASP	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	9,221.8	-5,930.0	2,470.1	5,761.9	6,375.3	-3,728.2	2,485.1	5,132.2	5,347.9	-	-369.2	4,978.7	4,419.0	-	4,419.0	-	4,419.0
Contingency Fund	2,895.0	- 400.0	-	2,495.0	1,929.0	- 15.0	-	1,914.0	2,246.0	-	-391.0	1,855.0	1,445.7	-	1,445.7	107.5	1,553.2
Other	42,973.2	-1,922.6	237.8	41,288.4	38,579.0	- 1,973.3	1,450.2	38,055.9	42,068.4	-1,150.0	-3,238.2	37,680.2	34,354.9	-1,074.0	33,280.9	1,609.0	34,889.9
Total Economic Assistance	74,072.5	-22,352.6	8,795.4	60,515.3	59,010.5	-15,291.5	10,985.5	54,704.5	62,071.7	-3,150.0	-4,640.0	54,281.7	47,841.3	-1,074.0	46,767.3	1,916.5	48,683.8
Total 1948-1971	119,541.5	-26,788.9	14,752.4	107,505.0	100,155.7	-17,539.8	15,057.5	97,673.4	109,038.5	-3,650.0	-8,245.3	97,143.2	87,006.0	-1,574.0	85,432.0	2,856.5	88,288.5

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/ Includes $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/ Includes $5,986 thousand equivalent in excess foreign currencies for certain institutions in Israel.

7/ Included in Alliance TC.

8/ For FY 1971.

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 (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)
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			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)
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	2,876.7	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	Appropriations Adjusted for Transfers and Other Receipts	Total Available for Obligation and Reservation	Net Obligations and Reservations [a/]	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)
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	1.5	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 and Reservations a/ b/	Unobligated/Unreserved Balance			Gross Expenditures	Unexpended Balance Carried Forward to Subsequent Year		
					Total	Carried Forward to Subsequent Year	Reserved for Return to Treasury		Unobligated	Unliquidated	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 BUDGET PROGRAMS

PART II (continued)

(In millions of dollars)

	Appropriated by Congress	Appropriations Adjusted for Transfers and Other Receipts	Total Available for Obligations and Reservations	Obligations and Reservations	Unobligated/Unreserved Balance			Gross Expenditures	Unexpended Balance Carried Forward to Subsequent Year		
					Total	Carried Forward to Subsequent Year	Reserved for Return to Treasury		Unobligated	Unliquidated	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 a/	-	-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 b/	1,146.7 b/
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	2,052.0	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	2,806.8	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
1948-1970 Cumulative											
Military Assistance	38,886.0	38,374.3	37,661.3	37,657.7	N.A.	3.6	-713.0	16,476.7	3.6	1,181.0	1,184.6
Economic Assistance:											
Development Loans	7,701.7	7,999.2	7,782.0	7,781.8	-	.2	-217.2	6,558.6	.2	1,223.2	1,223.4
Alliance for Progress:											
Loans	2,979.4	3,221.6	3,221.6	3,220.7	-	1.0	-	2,178.6	1.0	1,042.0	1,043.0
Technical Cooperation	670.4	664.2	664.2	663.5	-	.8	-	593.8	.8	69.6	70.4
Partners of the Alliance	0.3	0.3	0.3	0.3	-	-	-	0.3	-	-	-
IAPSP	110.0	110.0	110.0	110.0	-	-	-	109.5	-	.5	.5
Chilean Reconstruction	100.0	100.0	100.0	100.0	-	-	-	100.0	-	-	-
Social Progress Trust Fund	525.0	525.0	525.0	525.0	-	-	-	497.0	-	28.0	28.0
Subtotal Alliance for Progress	4,385.1	4,621.1	4,621.1	4,619.5	-	1.8	-	3,479.2	1.8	1,140.0	1,141.8
Contingency Fund:											
General	1,446.7	1,340.5	1,340.5	1,337.4	-	3.0	-	1,311.8	3.0	25.7	28.7
Southeast Asia	89.0	89.0	89.0	88.5	-	.5	-	80.2	.5	8.4	8.9
Other	34,708.0	36,039.8	35,827.6	35,804.7	-	22.9	-212.2	34,795.2	22.9	1,009.3	1,032.2
Adjusted for Prior Year Capitalized Interest	-	29.2	29.2	29.2	-	-	-	29.2	-	-	-
Total Economic Assistance	48,330.5	50,114.9	49,689.4	49,661.1	N.A.	28.4	-429.4	46,254.2	28.4	3,406.6	3,435.0
Total 1948-1970	87,216.5	88,493.1	87,350.7	87,318.8	N.A.	32.0	-1,142.4	82,730.9	32.0	4,587.6	4,619.6

SUMMARY OF AVAILABILITY, OBLIGATIONS, EXPENDITURES, AND BALANCES FOR BUDGETED PROGRAMS

(In millions of dollars)

	Appropriated by Congress	Appropriations Adjusted for Transfer and Other Receipts	Total Available for Obligations and Reservations	Net Obligations and Reservations	Unobligated/Unreserved Balance			Gross Expenditures	Unexpended Balance Carried Forward to Subsequent Year		
					Total	Carried Forward to Subsequent Year	Reserved for Return to Treasury		Unobligated	Unliquidated	Unexpended
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1971 Estimate Congressional Presentation											
Military Assistance:											
Grant Assistance	690.0	754.0	757.7	753.7	4.0	4.0	-	640.0	4.0	657.1	661.1
Foreign Military Credit Sales	700.0	700.0	700.0	700.0	-	-	-	639.0	-	698.6	698.6
Total Military Assistance	1,390.0	1,454.0	1,457.7	1,453.7	4.0	4.0	-	1,279.0	4.0	1,355.7	1,359.7
Economic Assistance:											
Development Loans	420.0	557.7	558.9	558.9	-	-	-	575.0	-	1,207.1	1,207.1
Alliance for Progress:											
Loans	287.5	267.5	267.6	267.6	-	-	-	305.0	-	1,004.6	1,004.6
Technical Cooperation	82.9	83.1	83.9	83.9	-	-	-	90.0	-	63.5	63.5
IAPSP	-	-	-	-	-	-	-	.5	-	-	-
Social Progress Trust Fund	-	-	-	-	-	-	-	15.0	-	13.0	13.0
Subtotal Alliance for Progress	370.4	350.6	351.5	351.5	-	-	-	410.5	-	1,081.1	1,081.1
Contingency Fund:											
General	22.5	22.5	26.1	26.1	-	-	-	14.5	-	37.3	37.3
Southeast Asia	-	-	-	-	-	-	-	5.4	-	3.0	3.0
Other	921.1	935.4	959.1	959.1	-	-	-	895.1	-	1,073.3	1,073.3
Total Economic Assistance	1,734.0	1,866.2	1,895.6	1,895.6	-	-	-	1,900.5	-	3,401.8	3,401.8
Total 1971	3,124.0	3,320.2	3,353.3	3,349.3	4.0	4.0	-	3,179.5	4.0	4,757.5	4,761.5
1948-1971 Cumulative											
Military Assistance	40,276.0	39,828.3	39,115.3	39,111.4	N.A.	4.0	-713.0	37,755.7	4.0	1,355.7	1,359.7
Economic Assistance:											
Development Loans	8,121.7	8,557.0	8,339.7	8,339.7	-	-	-217.2	7,133.6	-	1,207.1	1,207.1
Alliance for Progress:											
Loans	3,266.9	3,489.1	3,489.1	3,489.1	-	-	-	2,483.6	-	1,004.6	1,004.6
Technical Cooperation	753.3	747.3	747.3	747.3	-	-	-	683.8	-	63.5	63.5
Partners for the Alliance	0.3	0.3	0.3	0.3	-	-	-	0.3	-	-	-
IAPSP	110.0	110.0	110.0	110.0	-	-	-	110.0	-	-	-
Chilean Reconstruction	100.0	100.0	100.0	100.0	-	-	-	100.0	-	-	-
Social Progress Trust Fund	525.0	525.0	525.0	525.0	-	-	-	512.0	-	13.0	13.0
Subtotal Alliance for Progress	4,755.5	4,971.7	4,971.7	4,971.7	-	-	-	3,889.7	-	1,081.1	1,081.1
Contingency Fund:											
General	1,469.2	1,363.0	1,363.0	1,363.0	-	-	-	1,326.3	-	37.3	37.3
Southeast Asia	89.0	89.0	89.0	89.0	-	-	-	85.7	-	3.0	3.0
Other	35,629.1	36,975.2	36,763.0	36,763.0	-	-	-212.2	35,690.3	-	1,073.3	1,073.3
Adjusted for Prior Year Capitalized Interest	-	29.2	29.2	29.2	-	-	-	29.2	-	-	-
Total Economic Assistance	50,064.4	51,985.1	51,555.6	51,555.6	N.A.	-	-429.4	48,154.8	-	3,401.8	3,401.8
Total 1948-1971	90,340.5	91,813.4	90,670.9	90,667.0	N.A.	4.0	-1,142.4	85,910.5	4.0	4,757.5	4,761.5

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.

ECONOMIC AND MILITARY ASSISTANCE PROGRAMS

SPECIAL REVOLVING FUNDS

FOREIGN INVESTMENT GUARANTEE FUND

PART III

Status of Fund Availability - Fiscal Years 1948 Through 1971

	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
FOREIGN INVESTMENT GUARANTEE FUND

PART III

Status of Fund Availability - Fiscal Years 1948 Through 1971

	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 FUND

FOREIGN INVESTMENT GUARANTEE FUND

PART III

Status of Fund Availability - Fiscal Years 1948 Through 1971

	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

PART III

SPECIAL REVOLVING FUND

FOREIGN INVESTMENT GUARANTEE FUND

Status of Fund Availability - Fiscal Years 1948 through 1971

	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 security	22,950		
Disbursements:			
Administrative costs and contract services (OPIC and Housing combined)	- 3,022,407		
Acquisition costs of acquired security 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 (Housing only)	2,100,000		
Disbursements - administrative costs and contract services (Housing only)	- 1,900,000		
Unobligated balance transferred to OPIC[a/]	-50,792,858		
Undisbursed obligations transferred to OPIC[a/]	- 191,000	-50,783,858	50,297,979

a/ Under authority of the Foreign Assistance Act of 1969 enacted into law December 30, 1969, 1) the housing programs are to remain in the Foreign Investment Guaranty Fund, and 2) all obligations, assets, related rights and responsibilities for administering the nonhousing programs are to be transferred to the Overseas Private Investment Corporation (OPIC). The Act provides that as of the date of its enactment $50 million in accumulated fees are to remain in the Foreign Investment Guaranty Fund (to be called "Housing Investment Guaranty Fund") as a reserve to discharge liabilities of the housing programs. Until OPIC can be organized and staffed, A.I.D. must continue to do the accounting for both the housing and non-housing programs. It is estimated that in fiscal year 1971 all assets and obligations of the nonhousing programs will be transferred to OPIC.

ACQUISITION AND UTILIZATION OF U.S. GOVERNMENT-OWNED EXCESS PERSONEL PROPERTY

Policy: Pursuant to the Foreign Assistance Act of 1961, as amended, it has been the policy to promote the optimum utilization of U.S. Government-owned domestic and foreign excess personal property in the implementation of programs and projects. Three major programs have been established for the acquisition of available domestic and foreign excess property to meet material requirements.

Advance Acquisition Program: The Foreign Assistance Act of 1961, as amended, authorizes a revolving fund of $5,000,000 to administer this program. This fund defrays personnel costs and the expenses incurred in transporting excess property acquired in advance of known requirements from owning agencies to storage facilities and in rehabilitating and storing such property. As reimbursement of the revolving fund to maintain its solvency, all property shipped presently carries service charge of (a) 25% of the standard price of the property for rehabilitated mechanical equipment items and (b) 6% of the standard price of the property for unrehabilitated mechanical equipment items and for items not of a mechanical nature. Additional charges, covering packing and crating, inland transportation, port handling, and ocean transportation costs, will vary depending on the location of property (domestic or overseas).

Direct Acquisition Program: Under this program, Missions acquire foreign excess property directly from owning agencies on an "as is - where is" basis. The Mission defrays the actual cost of any accessorial service which may be furnished in connection with the transfer of the property to its point of use.

Non-Government-Financed Program: Under this program, eligible recipients normally acquire excess property directly from owning agencies on an "as is - where is" basis. Except for ocean transportation cost of excess property acquired by the American National Red Cross or voluntary nonprofit relief agencies registered with and approved by the Advisory Committee on Voluntary Foreign Aid, the recipient defrays from its own free U.S. dollar resources the actual cost of any accessorial service which may be furnished in connection with the transfer of the property to its point of use. However, such recipients are eligible to participate in the foreign excess property Advance Acquisition Program.

UTILIZATION OF U.S. GOVERNMENT-OWNED EXCESS PERSONAL PROPERTY
(Original Acquisition Cost in Millions of Dollars)

Program	ACTUAL FY 1970			ESTIMATED FY 1971			ESTIMATED FY 1972		
	DOMESTIC	FOREIGN	TOTAL	DOMESTIC	FOREIGN	TOTAL	DOMESTIC	FOREIGN	TOTAL
ADVANCE ACQUISITION (Section 608)	2.2	5.3	7.5	3.2	3.3	6.5	6.0	4.0	10.0
DIRECT ACQUISITION	-	21.6	21.6	*	*	*	*	*	*
NON-GOVERNMENT-FINANCED (Section 607)	0.3	3.5	3.8	*	*	*	*	*	*
TOTAL	2.5	30.4	32.9	*	*	*	*	*	*

* Not Applicable

ECONOMIC AND MILITARY ASSISTANCE PROGRAMS

Special Revolving Funds

ADVANCE ACQUISITION OF PROPERTY

(In millions of dollars)

	Appropriated by Congress	Appropriations Adjusted for 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
1962-1970 Cumulative	-	32.1	32.1	26.7	5.5	5.5	-	25.4	5.5	1.3	6.8
1971 (estimate)	-	4.1	9.6	4.1	5.5	5.5	-	4.3	5.5	1.0	6.5
1962-1971 Cumulative	-	36.2	36.2	30.8	5.5	5.5	-	29.7	5.5	1.0	6.5

REPORT ON SUBSTANTIAL CHANGES IN THE FY 1971 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. 50% or $5 million more or less than the amount shown in the FY 1971 Presentation (Footnote b/ on tables).

2. Grant or loan programs for which no justifications were presented to Congress (Footnote c/ on tables).

Comparison of FY 1971 Economic Programs as Presented to Congress
with Revised FY 1971 Programs in the FY 1972 Presentation

(In thousands of dollars)

	Development Loans		Technical Assistance		Supporting Asst.		Contingency Fund		Other Programs		Grand Total	
	Proposed	Revised	Proposed	Revised	Proposed	Revised	Proposed	Revised	Proposed	Revised	Proposed	Revised
WORLD-WIDE TOTALS	1,140,265	857,301	417,250	380,434	609,280	580,437	17,000	27,300	85,280	91,640	2,269,075	1,937,112
Latin America	449,120	290,611	96,100	87,292	1,780	2,846	-	-	-	-	547,000	380,749
Africa	84,045	88,424	69,013	58,268	8,300	17,700	-	-	-	-	161,358	164,392
Near East and South Asia	444,682	327,421	33,625	31,140	-	5,000	-	-	-	-	478,307	363,561
East Asia	115,925	122,060	40,695	37,391	131,600	124,216	-	1,500	-	-	288,120	285,167
Vietnam	-	-	-	-	431,300	396,075	-	-	-	-	431,300	396,075
(Administrative expenses included above)					(5,800)	(3,600)					(5,800)	(3,600)
Subtotal Regions and Vietnam	1,093,672	828,516	239,433	214,091	572,980	545,837	-	1,500	-	-	1,906,085	1,589,944
Interregional Organizations and Programs	4,000	4,000	122,620	110,888	19,300	19,300	-	-	14,810	12,905	160,730	147,093
Non-Regional Activities	35,295	30,415	70,410	62,747	24,500	21,775	-	11,886	70,470	78,735	200,675	205,558
Funded from Alliance for Progress for Program Support and Interregional Activities	-9,520	-30,015	-15,213	-7,292	-	-	-	-	-	-	-24,733	-37,307
Funded from Vietnam for Program Support and Interregional Activities	-	-	-	-	-7,500	-6,475	-	-	-	-	-7,500	-6,475
Undistributed Contingency Fund	-	-	-	-	-	-	17,000	13,914	-	-	17,000	13,914
Undistributed a/	16,818	24,385	-	-	-	-	-	-	-	-	16,818	24,385

a/ Includes population.

ECONOMIC ASSISTANCE

Comparison of FY 1971 Economic Programs as Presented to Congress with Revised FY 1971 Programs

in the FY 1972 Presentation

SEC. 634(d) REPORT

(In thousands of dollars)

	Development Loans			Technical Assistance			Supporting Assistance			Contingency Fund		
	Proposed FY 1971	Revised FY 1971	% Change	Proposed FY 1971	Revised FY 1971	% Change	Proposed FY 1971	Revised FY 1971	% Change	Proposed FY 1971	Revised FY 1971	% Change
LATIN AMERICA - TOTAL	449,120	290,611		96,100	87,292		1,780	2,846		-	-	
Inter-American Organizations	10,000	-	b/	13,000	13,000		-	-		-	-	
Regional Programs	22,672	8,242	-64 b/	10,668	13,055	+22	-	-		-	-	
Argentina	-	-		408	509	+25	-	-		-	-	
Bolivia	255	335	+31	3,443	3,250	- 6	-	-		-	-	
Brazil	155,000	57,500	-63 b/	12,711	11,200	-12	-	-		-	-	
Central American Economic Community:												
Regional Office of Central America and Panama (ROCAP)	40,265	6,265	-84 b/	3,420	3,400	- 1	-	-		-	-	
Costa Rica	11,443	4,588	-60 b/	1,550	1,592	+ 3	-	-		-	-	
El Salvador	7,824	9,939	+27	2,176	2,025	- 7	-	-		-	-	
Guatemala	6,549	10,977	+68 b/	3,651	3,450	- 6	-	59	c/	-	-	
Honduras	9,523	2,523	-74 b/	3,600	2,725	-24	-	-		-	-	
Nicaragua	9,830	5,400	-45	2,170	2,200	+ 1	-	-		-	-	
Chile	20,690	78	-99 b/	2,230	1,650	-26	-	-		-	-	
Colombia	75,200	76,188	+ 1	2,795	2,750	- 2	-	-		-	-	
Dominican Republic	17,091	9,000	-47 b/	2,905	2,572	-11	-	-		-	-	
Ecuador	7,154	11,272	+58 b/	2,846	3,050	+ 7	-	-		-	-	
Guyana	8,500	6,000	-29	1,600	1,250	-22	-	-		-	-	
Haiti	-	-		-	-		1,780	2,787	+57 b/	-	-	
Jamaica	300	11,610	+3770 b/	430	450	+ 5	-	-		-	-	
Panama	15,241	16,600	+ 9	3,059	3,450	+13	-	-		-	-	
Paraguay	7,355	2,471	-66 b/	2,315	2,270	- 2	-	-		-	-	
Peru	300	3,360	+1020 b/	3,400	3,650	+ 7	-	-		-	-	
Uruguay	5,800	18,223	+214 b/	1,639	1,792	+ 9	-	-		-	-	
Venezuela	129	25	-81 b/	521	700	+34	-	-		-	-	
Eastern Caribbean Regional Programs	-	-		350	10	-97 b/	-	-		-	-	
Program Support and Interregional Activities	9,520	30,015		15,213	7,292		-	-		-	-	
Undistributed Population Grants	8,479	-		-	-		-	-		-	-	

ECONOMIC ASSISTANCE

Comparison of FY 1971 Economic Programs as Presented to Congress with Revised FY 1971 Programs in the FY 1972 Presentation

SEC. 634(d) REPORT

(In thousands of dollars)

	Development Loans			Technical Assistance			Supporting Assistance			Contingency Fund		
	Proposed FY 1971	Revised FY 1971	% Change	Proposed FY 1971	Revised FY 1971	% Change	Proposed FY 1971	Revised FY 1971	% Change	Proposed FY 1971	Revised FY 1971	% Change
AFRICA - TOTAL	84,045	88,424		69,013	58,268		8,300	17,700		-		
Regional Programs	(19,450)	(27,598)		(27,382)	(23,502)		(800)	(500)		-	-	
Africa Regional Programs	17,450	20,098	+15	22,642	22,337	-1	800	500	-38	-	-	
East Africa Reg. Activities	(2,000)	(7,500)		(4,740)	(1,165)		-	-		-	-	
Development Emphasis Countries:												
East Africa	(6,222)	(8,165)		(12,384)	(8,238)		-	-		-	-	
East Africa Reg. Activity	2,000	7,500	+275[b]	4,740	1,165	-75[b]	-	-		-	-	
Kenya	500	150	- 70[b]	2,494	1,973	-21	-	-		-	-	
Tanzania	2,500	800	- 68[b]	2,619	2,410	- 8	-	-		-	-	
Uganda	1,222	165	- 86[b]	2,531	2,710	+ 7	-	-		-	-	
Ghana	15,433	15,983	+ 4	1,871	1,752	- 6	-	-		-	-	
Tunisia	5,354	10,350	+ 93[b]	2,325	1,980	-15	-	-		-	-	
Ethiopia	14,100	8,230	+ 42[b]	5,898	5,272	-11	-	-		-		
Liberia	175	228	+ 30	4,640	4,348	- 6	-	-		-	-	
Morocco	13,310	7,920	- 40[b]	2,634	1,737	-34	-	-				
Nigeria	2,001	5,000	+150[b]	11,019	9,496	-14	7,500	17,200	+129[b]			
Congo (Kinshasa)	10,000	12,000	+ 20	2,000	1,278	-36						
Other Bilateral Aid Countries:												
Somali Republic	-	-		1,950	360	-82[b]	-	-		-	-	
Other African Countries:												
Botwana	-	-		*	*		-	-		-	-	
Burundi	-	-		*	*		-	-		-	-	
Cameroon	-	-		*	*		-	-		-	-	
Central African Countries	-	-		*	*		-	-		-	-	
Chad	-	-		*	*		-	-		-	-	
Dahomey	-	-		*	*		-	-		-	-	
Equatorial Guinea	-	-		*	*		-	-		-	-	
Gabon	-	-		*	*		-	-		-	-	
Gambia	-	-		*	*		-	-		-	-	
Guinea	-	-		*	*		-	-		-	-	
Ivory Coast	-	-		*	*		-	-		-	-	
Lesotho	-	-		*	*		-	-		-	-	
Malagasy Republic	-	-		*	*		-	-		-	-	
Malawi	-	-		*	*		-	-		-	-	
Mali	-	-		*	*		-	-		-	-	
Mauritania	-	-		*	*		-	-		-	-	
Mauritius	-	-		*	*		-	-		-	-	
Niger	-	-		*	*		-	-		-	-	
Rwanda	-	-		*	*		-	-		-	-	
Senegal	-	-		*	*		-	-		-	-	
Sierra Leone	-	-		*	*		-	-		-	-	
Swaziland	-	-		*	*		-	-		-	-	
Togo	-	-		*	*		-	-		-	-	
Upper Volta	-	-		*	*		-	-		-	-	
Zambia	-	-		*	*		-	-		-	-	
Self-Help Projects	-	-		1,650	1,450	-12	-	-		-	-	

* Self-help funds only were indicated in the Congressional Presentation. Projects for these countries are included in Self-Help Projects.

ECONOMIC ASSISTANCE

Comparison of FY 1971 Economic Programs as Presented to Congress with Revised FY 1971 Programs

in the FY 1972 Presentation

SEC. 634(d) REPORT

(In thousands of dollars)

	Development Loans			Technical Assistance			Supporting Assistance			Contingency Fund		
	Proposed	Revised	% Change	Proposed	Revised	% Change	Proposed	Revised	% Change	Proposed	Revised	% Change
NEAR EAST AND SOUTH ASIA - TOTAL	444,682	327,421		33,625	31,140		-	5,000		-	-	
Afghanistan	265	1,700	+542 b/	6,463	7,000	+ 8		-		-	-	
Ceylon	7,000	-	b/	-	-		-	-		-	-	
India	266,700	175,530	- 34 b/	9,850	9,000	- 7		-		-	-	
Jordan	-	-		1,886	1,000	-47	-	5,000	b/	-	-	
Nepal	492	706	+ 43	2,099	1,925	- 8		-		-	-	
Pakistan	119,300	82,840	- 31 b/	5,847	6,000	+ 3	-	-		-	-	
Turkey	50,000	65,000	+ 30 b/	4,220	3,385	-20	-	-		-	-	
CENTO	100	40	- 60 b/	506	380	-25	-	-		-	-	
Regional Programs	825	1,605	+ 95 b/	2,754	2,450	-11	-	-		-	-	
EAST ASIA - TOTAL	115,825	122,060		40,695	37,391		131,600	124,216		-	1,500	
Cambodia	-	-		-	-		70,000	70,000		-	-	
Indonesia	81,400	58,100	-29 b/	5,116	5,432	+ 6	-	-		-	-	
Korea	25,800	55,800	+116 b/	3,500	3,400	- 3	-	-		-	-	
Laos	925	925		10,038	6,600	-34	35,135	38,400	+ 9	-	-	
Philippines	4,500	5,000	+11	4,323	4,300		-			-	1,500	a/
Thailand	1,700	1,395	-18	6,118	6,100		26,265	15,600	-41 b/	-	-	
Regional Programs	1,500	840	-44	11,600	11,559		200	216	+ 8	-	-	
VIETNAM - TOTAL	-	-		-	-		431,300	396,075	- 8 b/	-	-	
Country Programs	-	-		-	-		418,000	386,000		-	-	
Expanded Vietnam Program:												
Administrative Expenses	-	-		-	-		5,800	3,600		-	-	
Program Support and Interregional Activities	-	-		-	-		7,500	6,475		-	-	

ECONOMIC ASSISTANCE PROGRAMS

Comparison of FY 1971 Economic as Presented to Congress with Revised FY 1971 Programs in the FY 1972 Presentation

(In thousands of dollars)

	Development Loans			Technical Assistance			Supporting Assistance			Contingency Fund			Other Programs		
	Proposed	Revised	% Change	Proposed	Revised	% Change	Proposed	Revised	% Change	Proposed	Revised	% Change	Proposed	Revised	% Change
INTERNATIONAL ORGANIZATIONS AND PROGRAMS	4,000	4,000		122,620	110,888		19,300	19,300		-	-		14,810	12,905	
MULTILATERAL ORGANIZATIONS - TOTAL	4,000	4,000		122,620	110,888		-	-		-	-		-	-	
International Atomic Energy Agency Operational Program	-	-		1,550	1,550		-	-		-	-		-	-	
International Secretariat for Voluntary Services	-	-		70	70		-	-		-	-		-	-	
Special Contributions for Vietnam	-	-		950	950		-	-		-	-		-	-	
UN Children's Fund	-	-		13,000	13,000		-	-		-	-		-	-	
UN Development Program	--	-		100,000	86,268	-14 b/	-	-		-	-		-	-	
UN Food and Agriculture Organization World Food Program	-	-		1,500	1,500		-	-		-	-		-	-	
UN Institute for Training and Research	-	-		400	400		-	-		-	-		-	-	
UN Fund for Drug Abuse Control	-	-		-	2,000	c/	-	-		-	-		-	-	
UN Population Programs	4,000	4,000		3,500	3,500		-	-		-	-		-	-	
World Health Organization Medical Research	-	-		150	150		-	-		-	-		-	-	
World Meteorological Organization Voluntary Assistance Program	-	-		1,500	1,500		-	-		-	-		-	-	
UN FORCE IN CYPRUS	-	-		-	-		6,000	6,000		-	-		-	-	
UN RELIEF AND WORKS AGENCY	-	-		-	-		13,000	13,000		-	-		-	-	
ARAB REFUGEE TRAINING (UNRWA)	-	-		-	-		-	-		-	-		1,000	1,000	
INDUS BASIN DEVELOPMENT, LOAN	-	-		-	-		-	-		-	-		7,960	6,980	-12
INDUS BASIN DEVELOPMENT, GRANT	-	-		-	-		-	-		-	-		5,850	4,925	-16
NON-REGIONAL ACTIVITIES - TOTAL	35,295	30,415		70,410	62,747		17,000	15,300		-	11,886		70,470	78,735	
AMERICAN SCHOOLS AND HOSPITALS ABROAD	-	-		-	-		-	-		-	-		8,895	13,419	+51 b/
ADMINISTRATIVE EXPENSES, A.I.D.	-	-		-	-		-	-		-	-		57,375	60,944	+ 6
(Regular Expenses)	-	-		-	-		-	-		-	-		(55,075)	(59,654)	
(Reimbursable Costs)	-	-		-	-		-	-		-	-		(2,300)	(1,290)	
ADMINISTRATIVE AND OTHER EXPENSES, STATE	-	-		-	-		-	-		-	-		4,200	4,372	+ 4
DEVELOPMENT RESEARCH	-	-		5,000	3,500	-30	5,000	5,000		-	-		-	-	
INSTITUTIONAL GRANTS, SEC. 211(d)	-	-		7,500	4,500	-40	-	-		-	-		-	-	
PROGRAM SUPPORT AND INTERREGIONAL ACTIVITIES	35,295	30,415	-14	57,910	54,747	- 5	12,000	10,300	-14	-	11,886 a/		-	-	

a/ Contingency Fund uses have been justified in regular quarterly reports.
b/ Program is 50% or 5 million more or less than the Congressional Presentation. Narrative explanation is furnished.
c/ Program was not included in the Presentation. Narrative explanation is furnished.

LATIN AMERICA (In thousands of dollars)

CONTRIBUTIONS TO INTER-AMERICAN ORGANIZATIONS

Development Loans	
Congressional Presentation	10,000
Revised Program	-
Decrease	10,000

The FY 1971 Congressional Presentation indicated that A.I.D. planned, subject to appropriate consultations with the Congress, to provide (a) FY 1970 technical assistance funds for an initial payment of $5 million for a CIAP project development fund to be administered by the Inter-American Development Bank (IDB); and (b) depending upon the requirements of this fund, up to $10 million in FY 1971 through transfer from Alliance Loan funds. Following the Congressional consultations, it was decided instead to establish the fund through financing from other available sources, and the second increment of $10 million planned for FY 1971 was cancelled.

REGIONAL PROGRAM

Development Loans	
Congressional Presentation	22,672
Revised Program	8,242
Decrease	14,430

The downward revision is a result of the elimination of the $10 million loan to the Andean Development Corporation and the $5 million loan to the Coffee Diversification Fund. Because the Andean Development Corporation's administrative procedures were not yet fully established, a loan in FY 1971 was considered premature. Administrative problems of the Coffee Diversification Fund, coupled with high coffee prices, reduced the urgency of implementing the loan in FY 1971. Regional population grants funded from Development Loans were increased by $570,000 to $8.242 million.

BRAZIL

Development Loans	
Congressional Presentation	155,000
Revised Program	57,500
Decrease	97,500

The lending program proposed in the FY 1971 Congressional Presentation included: a $50 million program loan; loans in the education and agriculture sectors totalling $25 million and $45 million respectively; and project loans totalling $35 million. The program loan was not made, in view of Brazil's favorable balance of payments position, with resulting excess foreign exchange, arising from several years of continued economic growth and higher export earnings.

Because of the complexity of education sector loans made in FY 1969 and FY 1970, and resulting delays in their implementation, it was decided not to make additional education sector loans in FY 1971. The only major project loan made was a $15 million loan in the "new initiative" area of capital markets. A loan of $2.5 million for participant training related to previous A.I.D. loans in the power sector will also be made this fiscal year. The totals for the loans in the agriculture sector are now estimated at $40 million instead of the $45 million initially proposed.

A key factor accounting for the reduced lending program in Brazil, as in other Latin American countries, was the Congressional cut in overall appropriations for Alliance for Progress Loans.

CENTRAL AMERICA (ROCAP) (In thousands of dollars)

Development Loans	
Congressional Presentation	40,265
Revised Program	6,265
Decrease	34,000

In the FY 1971 Congressional Presentation, A.I.D. proposed a loan program consisting of a $30 million export development loan, a $10 million loan to support Central American monetary stabilization and $265,000 from loan funds for population activities. With an acceleration, the preparedness of the Central American Bank for Economic Integration to process sub-loans under the Export Development loan program, A.I.D. was able to authorize the export loan late in FY 1970. The creation of the Monetary Stabilization Council ahead of schedule enabled A.I.D. to authorize the monetary stabilization loan in FY 1970 also. ROCAP then proposed and A.I.D. authorized for FY 1971 a new loan of $6 million to the Latin American Agribusiness Development Corporation (LAAD) to promote in Central America the production and export of non-traditional agribusiness products.

LATIN AMERICA

COSTA RICA	(In thousands of dollars)
Development Loans	
Congressional Presentation	11,443
Revised Program	4,588
Decrease	6,855

The FY 1971 Congressional Presentation figure of $11.443 million included: (a) $10 million for an agricultural sector loan, (b) $1.2 million for a port administration loan and (c) $243,000 for family planning. The actual program of $4.588 million is made up of the following: (a) a $3.6 million loan for municipal development, (b) a $600,000 loan for malaria eradication and (c) $388,000 for family planning.

Because of the pressing need for the agricultural sector loan, it was authorized in June 1970 in the amount of $16.4 million. The $1.2 million loan for port administration did not materialize as expected and was deleted from the FY 1971 program.

Municipal development, originally a sub-project of the agricultural sector loan, was authorized as a separate loan for $3.6 million. Given the good record of the malaria eradication program in Costa Rica, and the fact that Costa Rica is considered to have the most favorable circumstances in Central America to achieve eradication, a loan for $600,000 to help finance the completion of the attack phase was requested and approved during FY 1971, earlier than anticipated.

GUATEMALA

Development Loans	
Congressional Presentation	6,549
Revised Program	10,977
Increase	4,428

The FY 1971 Congressional Presentation, A.I.D. proposed a loan program consisting of $1.2 million for malaria eradication; $2 for rural health training; $0.6 million for air cargo terminal construction; $2.4 million for vocational training; and $349,000 in loan funds for population control . Shifts in priority developed when the new Guatemalan Government took office on July 1, 1970. Guatemala took over funding malaria costs with its own resources and that loan was dropped. The Air Cargo Terminal loan was deferred to a later date pending restudy of exports of air freight from Central America. Vocational training is considered to be of lower priority than the following projects requested by the Government, which are being undertaken.

A $4.4 million loan for urban development/housing, sites and services to provide urban resettlement for lowest income families in slum sites of Guatemala City and a $5.8 million loan for rural electric cooperatives, in coordination with other development activities of the rural development plan, to extend electric service into rural areas. Loan funds for population activities have been increased from the $349,000 to $777,000.

Supporting Assistance	(In thousands of dollars)
Congressional Presentation	-
Revised Program	59
Increase	59

This amount was programmed in FY 1970 for short-term public safety consultants as part of a package of emergency assistance for the Guatemalan police forces who bear the brunt of the urban guerrillas' terror campaign in their country. However, because it was late in the fiscal year, this part of the package, amounting to $59,000, was provided in FY 1971.

HONDURAS

Development Loans	
Congressional Presentation	9,523
Revised Program	2,523
Decrease	7,000

A proposed FY 1971 loan of $9 million for forestry development has been indefinitely postponed as the U.S. company involved decided in the fall of 1970 not to participate in the $100 million pulp and paper project which the A.I.D. loan would have supported by financing necessary infrastructure. A.I.D. does anticipate an FY 1971 loan of $2 million for a revolving fund to Educredito to enable it to expand its student loan program and become a self-sustaining institution.

CHILE

Development Loans	
Congressional Presentation	20,690
Revised Program	78
Decrease	20,612

SECTION 634(d) REPORT

LATIN AMERICA

The FY 1971 Congressional Presentation called for a $10 million education sector loan, a $10 million agriculture sector loan and $690,000 for population/family planning activities.

The education sector loan and the agricultural sector loan are not being authorized. In part this is because the agricultural and education policies of the new Chilean government which took office in November, 1970 have not been fully formulated, although it appears clear that current conditions are not conducive to a gradual, orderly reform in these sectors. In addition, the Chilean government has stressed reducing its dependence on foreign sources of finance. The population/family planning program is being cut back sharply to include only the financing of the attendance of officials and opinion leaders at population/family planning conferences and seminars and technical training for a limited number of professionals.

DOMINICAN REPUBLIC (In thousands of dollars)

Development Loans	
Congressional Presentation	17,091
Revised Program	9,000
Decrease	8,091

The FY 1971 Congressional Presentation included loans of $12 million for agriculture and $5 million for tourism. The agriculture loan will not be authorized in FY 1971 because of difficulties in completing the administrative arrangements for implementing the loan. The tourism loan is not being made because an overall tourism development plan, establishing priority areas of development, has not yet been completed. The $91,000 designated for population was not used because the project was terminated. A $9 million loan, building on a previous loan made in FY 1968, is planned for training of teachers, curriculum development, and improvement of educational administration, at the secondary level.

ECUADOR

Development Loans	
Congressional Presentation	7,154
Revised Program	11,272
Increase	4,118

The $6.5 million development loan for advisory and credit assistance prpposed in the FY 1971 Congressional Presentation will not be authorized in FY 1971 because of technical difficulties in developing the project. Instead, a $10 million program loan was made. This loan supports the major fiscal and monetary reform program undertaken by the Government of Ecuador last year, which included imposition of new taxes and a 39% devaluation of the sucre (from 18 to 25 to the dollar). The IMF also supported the Government of Ecuador program with a $22 million Standby Agreement. The remainder of the increase is due to an expansion of the population project because of greater acceptance of family planning in Ecuador.

HAITI (In thousands of dollars)

Supporting Assistance	
Congressional Presentation	1,780
Revised Program	2,787
Increase	1,007

The increase in funding can be attributed to the following factors: (a) the new figure is for a 15-month period, to enable existing projects to function more smoothly; (b) funding has been increased from $320,000 to $495,000 for an A.I.D.-funded, CARE-administered, community development, health care and family planning project in the rural northwest of Haiti, and (c) an additional $100,000 is planned for the Special Development Activities account for small pilot humanitarian projects.

JAMAICA

Development Loans	
Congressional Presentation	300
Revised Program	11,610
Increase	11,310

The increase was provided to accommodate the recommendations of the Economic and Social Development Commission appointed by President Nixon. A $11.1 million loan for feeder roads will not only contribute to Jamaican economic development, but will also provide employment in rural areas and thus address the serious and growing political instability of the country. Population programs financed from Development Loan funds will be increased from $300,000 to $510,000.

LATIN AMERICA

PARAGUAY

(In thousands of dollars)

Development Loans	
Congressional Presentation	7,355
Revised Program	2,471
Decrease	4,884

The FY 1971 Congressional Presentation proposed the following loans: $1.5 million for fertilizer imports, $2 million for a minicipal development bank, and $3.5 million for education. In addition, $355,000 for population programs was included.

The inclusion of the fertilizer import loan was based on the assumption that earlier agricultural loans would be fully disbursed. Because of delays in implementing them, a new fertilizer import loan was not authorized.

The education loan (in the amount of $4.2 million) was made in late FY 1970.

The population program grant was increased from $355,000 to $471,000.

PERU

Development Loan	
Congressional Presentation	300
Revised Program	3,360
Increase	3,060

An earthquake of May 1970 created an unforeseen requirement for reconstruction assistance to Peru. The increase is for a loan for community development and reconstruction in the devastated areas, and for $60,000 in additional population activities financed by Development Loan funds.

URUGUAY

Development Loans	
Congressional Presentation	5,800
Revised Program	18,223
Increase	12,423

The FY 1971 Congressional Presentation proposed two loans -- $5 million for the private sector through a private development corporation and $800,000 to increase financing for improvements to the Carrasco (Montevideo) Airport.

It was possible to make the airport loan for $400,000 in late FY 1970 rather than FY 1971.

The private development corporation loan was authorized in FY 1971 for a reduced amount -- $3 million -- since some of the needs of the private sector were being met through a capital goods import loan made in FY 1970. An additional loan of $15 million is now planned to finance a supervised credit program in the agriculture sector. This loan was originally planned for FY 1972, but additional credit to support increased agricultural production for export is needed at an earlier date.

A population grant of $223,000 is included in the revised figure, but was not listed in the FY 1971 Congressional Presentation.

VENEZUELA

(In thousands of dollars)

Development Loans	
Congressional Presentation	129
Revised Program	25
Decrease	104

Actual obligations in FY 1971 for population and demography were $104,000 less than proposed in the FY 1971 Congressional Presentation because of the phasedown of the A.I.D. program in Venezuela, and of the meeting of assistance needs by other donors.

EASTERN CARIBBEAN REGIONAL PROGRAMS

Technical Assistance	
Congressional Presentation	350
Revised Program	10
Decrease	340

Because of the uncertainties associated with the reshaping of Caribbean institutions, most of the funds originally proposed are not being used, pending redirection of A.I.D. assistance to regional economic development in the area.

SECTION 634(d) REPORT

AFRICA (In thousands of dollars)

EAST AFRICA REGIONAL ACTIVITIES

Technical Assistance	
Congressional Presentation	4,740
Revised Program	1,165
Decrease	3,575

The cut in Technical Assistance in the East Africa Regional program was caused by a variety of factors involving fifteen projects.

Five projects were not implemented, reducing the program by $1,949,000. A range water development project could not be carried out with the Somali Republic. Four others -- regional cooperatives, port management, tutor training in East Africa and East African Examinations Council -- were not developed into firm projects.

Three projects, accounting for $751,000, were transferred to other programs. They are graduate agriculture faculty, University of Nairobi veterinary science faculty, and printing trades (through the African-American Labor Center).

There were significant reductions in three projects totalling $1,013,000. The animal and crop production and the East African community support project obligations were reduced because of slow recruitment and internal problems within the East African Community. And because of reduced Mission strength, fewer funds are required for regional program support costs.

Four projects for various reasons were increased by a total of $138,000 -- major cereals and legume improvement, Nairobi veterinary faculty, education research and development, and supply management.

These changes resulted in a net program decrease of $3,575,000.

Development Loans	
Congressional Presentation	2,000
Revised Program	7,500
Increase	5,500

The proposed $2 million loan to the East African Community to help construct a headquarters building in Arusha, Tanzania, did not materialize. The Community found other means of financing the construction.

Late in FY 1971 it was determined to help build the Dar es Salaam Bypass Road connecting the TanZam Highway to the Dar es Salaam port and to reconstruct a section of the southern-most section of the TanZam Highway in Tanzania. Because of unusual soil conditions and previous underdesign of the road under soil and loan conditions, the Bypass and reconstruction will cost about $7.5 million.

KENYA (In thousands of dollars)

Development Loans	
Congressional Presentation	500
Revised Program	150
Decrease	350

There are two main reasons for the decrease in funds. The first is that the Government of Kenya has not yet agreed to go forward with a number of the activities in the family planning program. Delayed activities include our provision of physicians for the faculty of the University of Nairobi Medical School. The second is that the Swedish International Development Agency (SIDA) provided some of the needed commodities that A.I.D. had intended to provide for the program.

TANZANIA

Development Loans	
Congressional Presentation	2,500
Revised Program	800
Decrease	1,700

In the FY 1971 Congressional Presentation it was intended to make loans to Tanzania for agricultural commodities and equipment ($1 million) in support of the agricultural sector technical assistance projects, and for highway maintenance and training ($1.5 million).

The agricultural assistance is in the form of an $800,000 loan authorized for livestock improvement by providing funds for equipment for tsetse fly eradication and control. The loan is being negotiated with the Tanzania Government.

The highway maintenance and training loan will not be made in FY 1971. It may be made later after studying both the magnitude of the highway maintenance job and the need for change in government organization to perform the required maintenance.

AFRICA

UGANDA

	(In thousands of dollars)
Development Loans	
Congressional Presentation	1,222
Revised Program	165
Decrease	1,057

The proposed $1 million livestock loan has not yet been approved and, as teams are currently in the field doing water and feasibility surveys for the loan, we do not expect the loan to be ready by the end of FY 1971. The loan was delayed because of a long delay in recruitment of a livestock economist to do the survey, and because of the overthrow of the government in January 1971. Both the livestock economist and the water resources technicians (to carry out the water resources survey of the proposed loan area), who had just arrived in the country at the time of the coup, were forced to leave, returning six weeks later to begin their work anew.

TUNISIA

Development Loans	
Congressional Presentation	5,354
Revised Program	10,350
Increase	4,996

The difference is made up of an increase of $5 million for Development Loans and a decrease of $4,000 for family planning (from $354,000 to $350,000).

The FY 1971 Congressional Presentation included a $5 million program loan and also stated that another $4 million might be used for a loan for groundwater development. In fact, a $10 million program loan was made to finance imports for economic development purposes, including requirements for groundwater development.

ETHIOPIA

Development Loans	
Congressional Presentation	14,100
Revised Program	8,230
Decrease	5,870

The $14.1 million planned Development Loan program was reduced by $6.6 million because of three items: (a) the planned FY 1971 agriculture sector loan for $5 million was postponed to FY 1972 because of slow implementation of the FY 1970 agriculture sector loan; (b) the proposed $1.5 million Borkenna Valley loan was dropped when the African Development Bank took it under consideration; and (c) a proposed $100,000 population project could not be started.

The balance was increased by $700,000 because requirements for the malaria eradication project increased from $3 million to $3.7 million as a result of increased prices of commodities and because the Development Loan program absorbed some of the costs formerly covered by grants.

MOROCCO

	(In thousands of dollars)
Development Loans	
Congressional Presentation	13,310
Revised Program	7,920
Decrease	5,390

The decrease is attributable almost entirely to elimination of two proposed development loans: a $3 million project loan to the National Economic Development Bank (BNDE) and a $2 million project loan for grain marketing and storage. The BNDE loan was delayed because of slow drawdown of a previous A.I.D. project loan to the Development Bank. The grain marketing and storage loan was delayed pending preliminary Moroccan Government studies.

NIGERIA

Development Loans	
Congressional Presentation	2,001
Revised Program	5,000
Increase	2,999

The Western Avenue/Agege Road loan, for which $1.5 million was propsed in the FY 1971 presentation a year ago, will probably be obligated at about $2.5 million late in the fiscal year, reflecting cost escalations resulting from the delay and the inflation caused by the war.

The Ibadan water supply loan was to have been amended in FY 1970, but because of lack of funds it was not authorized until FY 1971, adding $2.5 million to the Development Loans authorized this year.

AFRICA (In thousands of dollars)

NIGERIA (continued)

A planned $501,000 grant for population programs under Title X of the Foreign Assistance Act is not being made in FY 1971.

Supporting Assistance	
Congressional Presentation	7,500
Revised Program	17,200
Increase	9,700

The FY 1971 Congressional Presentation proposed at least $1 million for emergency assistance in the war area. This figure was based on very preliminary estimates, as hostilities had ceased only a few weeks before. Therefore, at the time of the presentation, it was not possible to get adequate estimates of emergency assistance needs, especially in view of the travel restrictions into former Biafra. The present estimate for emergency assistance is $2.2 million.

The estimated U.S. contribution to funding for reconstruction-integration was $6.5 million. This figure was also an early estimate based on inadequate and incomplete assessment of reconstruction needs. As it has turned out, the FY 1971 reconstruction loan authorized is for $15 million.

SOMALIA

Technical Assistance	
Congressional Presentation	1,950
Revised Program	360
Decrease	1,590

Because of the failure of the new Somali regime to take appropriate steps to stop its flag shipping to North Vietnam, Section 620(n) of the Foreign Assistance Act, which directs the cessation of all further assistance in such cases, was invoked on June 1, 1970. The Somalia program is now being phased out under Section 617, which allows up to one year for winding up the on-going program. Funds have been obligated only for necessary continuation of activities to achieve their completion or a stage of implementation where operations can efficiently be assumed by Somalia. Small amounts were required for terminal contract expenses, participant training and technical support.

SECTION 634(d) REPORT

NEAR EAST AND SOUTH ASIA (In thousands of dollars)

AFGHANISTAN

Development Loans	
Congressional Presentation	265
Revised Program	1,700
Increase	1,435

These loan funds are for use on a grant basis under Title X of the Foreign Assistance Act to finance family planning activities in Afghanistan. During the past year, we have developed a project, requiring $1.7 million in FY 1971, with the University of Buffalo to undertake a sample census, over a three year period, to provide preliminary base data to assist in developing population programs and in measuring their effectiveness.

CEYLON

Development Loans	
Congressional Presentation	7,000
Revised Program	-
Decrease	7,000

The proposed loan for Ceylon was predicated on the Government of Ceylon taking certain economic actions recommended by the IBRD in early CY 1970. A change of government occurred in Ceylon in May 1970, and new economic policies and programs introduced by the new government have been the subject of review and analysis by the IBRD and the IMF during the past three months. It is therefore unlikely that a development loan will be authorized this fiscal year.

INDIA

Development Loans	
Congressional Presentation	266,700
Revised Program	175,530
Decrease	91,170

The proposed loan program has been severely reduced because of Congressional cuts in Development Loan funds. $530,000 of revised amount represents grant funding for population programs under Title X of the Foreign Assistance Act, a decrease of $170,000 from the proposed level.

JORDAN (In thousands of dollars)

Supporting Assistance	
Congressional Presentation	-
Revised Program	5,000
Increase	5,000

Because of the civil conflict in September and the accompanying human suffering and political and economic deterioration, a cash grant was made available to meet a portion of Jordan's reconstruction/rehabilitation requirements.

PAKISTAN

Development Loans	
Congressional Presentation	119,300
Revised Program	82,840
Decrease	37,460

As a result of the reduction in the availability of funds, development lending has been reduced. The revised figure includes $2,840,000 in grants for population programs under Title X of the Foreign Assistance Act, an increase of $540,000 from the proposed program.

TURKEY

Development Loans	
Congressional Presentation	50,000
Revised Program	65,000
Increase	15,000

In FY 1971 we originally planned a $40 million production loan and $10 million for project loans for support of Turkey's development program. However, in August 1970, the Turkish Government announced a major economic reform program, including devaluation of the lira. The reform entailed substantial economic risks and required supplemental assistance. In response to the reform effort, A.I.D. authorized a $25 million loan early in FY 1971 as the U.S. contribution to the supplemental, multilateral financing program arranged by the IMF to support the reform. Also a production loan of $25 million and a project loan of $15 million for expansion of the Eregli Steel Mill are planned to support the 1971 Turkish Annual Development Program.

SECTION 634(d) REPORT

NEAR EAST AND SOUTH ASIA (In thousands of dollars)

CENTO

Development Loans	
Congressional Presentation	100
Revised Program	40
Decrease	60

The proposed amount, funded under Title X of the Foreign Assistance Act, was to be used for seminars and observation tours relating to family planning activities. Fewer seminars were held than originally scheduled.

REGIONAL PROGRAMS

Development Loans	
Congressional Presentation	825
Revised Program	1,605
Increase	780

A number of contracts for population activities, funded under Title X of the Foreign Assistance Act, were ready for financing sooner than expected. The major activities are a research grant to The American University of Cairo and a significant increase for the operations of the Pathfinder Fund.

EAST ASIA

INDONESIA

Development Loans	
Congressional Presentation	81,400
Revised Program	58,100
Decrease	23,300

The $81.4 million Development Loan proposal in the FY 1971 Congressional Presentation included $15 million for an agriculture sector loan, $20 million for essential imports, $45 million for capital projects and $1.4 million for population programs.

Funds appropriated for Development Loans allowed for a program of $58.1 million. Indonesian foreign exchange requirements necessitated a $30 million production and basic import loan in FY 1971, an increase of $10 million over the amount originally proposed. The remaining $28.1 million was used for two power loans which were ready for implementation and $1.75 million for population programs under Title X.

The $15 million agricultural sector loan was deferred pending completion of an A.I.D.-financed rice handling, storage and marketing study. The proposed $15 million construction loan for the Djakarta/Bogor highway has been deferred to FY 1972, because of revised estimates of the time required to complete the engineering and design of the project. The remainder of the loans are still under consideration.

KOREA (In thousands of dollars)

Development Loans	
Congressional Presentation	25,800
Revised Program	55,800
Increase	30,000

An increase in the Congressional Presentation level by $30 million was made to enable the authorization of a $35 million loan for rice for Korea. In reporting the FY 1971 Foreign Assistance Appropriation Act, the Senate Committee on Appropriations urged "the Administration to use at least $35 million of the funds made avilable hereunder for dollar repayable loans to finance the purchase of rice by Korea and other developing nations." This loan, which was not planned at the time of the Congressional Presentation, enabled the United States to respond to an increased demand for rice due to lower than anticipated Korean output caused by poor weather. Economic development purposes have been identified for the local currency proceeds.

THAILAND

Supporting Assistance	
Congressional Presentation	26,265
Revised Program	15,600
Decrease	10,665

Project commodity decreases of almost $3 million in the rural public safety program were made as a result of project reviews which determined that the commodity element should be reduced pending improvement of Thai project management.

An estimated $10.1 million was requested for rural development and education. Within this, the agricultural development and rural education projects are in the process of changes which have taken longer to complete than was originally expected. Prudent management dictated that parts of these programs, amounting about $2.5 million, be deferred from FY 1971 to FY 1972.

The Northeast Economic Development planning project, also a part of our rural development plans, provided for A.I.D. funding of development activities to be identified during the planning process. Activities with sufficiently high priority were not identified and savings of an estimated $4.5 million were realized.

VIETNAM (In thousands of dollars)

Supporting Assistance	
Congressional Presentation	366,300
Supplemental	65,000
Total	431.300
Revised Program	396,075
Decrease	35,225

The total Vietnam appropriation request for FY 1971 amounted to $431.3 million -- $366.3 million originally proposed and a supplemental request of $65 million, of which $15 million was for land reform and $50 million for the Commercial Import Program.

The reduction of $35.2 million shown above is attributable to (1) the unwillingness of the Congress to approve the $15 million for land reform in the supplemental request; (2) a $3 million reduction in expanded Vietnam program administrative and program support costs; and (3) a $17.2 million reduction in the project program. The reduction in projects includes nearly $1 million in the education scholarship program, $4.6 million in provincial roads and quarries, $2 million in the municipal utilities loan fund, $1.5 million in public health, $5 million in USAID and CORDS technical support, $1.3 million in refugee relief and $1.4 million in public safety. Reductions, in most instances, are attributable to decreased requirements for commodities resulting from a decreased level of hostilities and to significant reductions in personnel.

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

MULTILATERAL ORGANIZATIONS AND PROGRAMS

United Nations Development Program

Congressional Presentation	100,000
Revised Program	86,268
Decrease	13,732

In view of the substantial reduction of $17.6 million (approximately 14 1/2 percent) in the Technical Assistance appropriation for voluntary contributions to multilateral organizations below the amount requested, the UNDP program level has been reduced to $86.3 million.

United Nations Fund for Drug Abuse Control

Congressional Presentation	-
Revised Program	2,000
Increase	2,000

The United Nations Fund for Drug Abuse Control was established by resolution 1559 (XLIX) adopted by the Economic and Social Council on November 11, 1970 and endorsed by the United Nations General Assembly at its 25th Session. Because of strong U.S. interest in drug abuse control, the United States has pledged to contribute $2 million to the Fund.

NON-REGIONAL PROGRAMS (In thousands of dollars)

American Schools and Hospitals Abroad

Congressional Presentation	8,895
Revised Program	13,419
Increase	4,524

This change represents the following:

Congressional add-ons:	
American University of Beirut	800,000
Robert College, Istanbul	500,000
Weizmann Institute, Israel	500,000
International Eye Foundation	200,000
Igud Leiluf Hanour, Israel	750,000
Hachayim Girls College, Israel	500,000
Vocational School of the Underpriviledged, Israel	250,000
Hospital Home for the Aged, Israel	500,000
	4,000,000
Supporting Assistance funds transferred to Project Hope in accordance with Presidential Determination No. 71-1 of July 18, 1970	500,000
Carryover from FY 1970 of unobligated funds for program support	24,000
	4,524,000