

AGENCY FOR INTERNATIONAL DEVELOPMENT

**Fiscal Year 1976
Submission to the Congress**

SUMMARY

May 1975

ADDENDUM

Because of events during the last month, the Executive Branch is not now in a position to propose an economic assistance program for Laos for Fiscal Year 1976. The program proposals for Laos in this presentation were prepared before those events occurred and do not now represent the final position of the Executive Branch.

AGENCY FOR INTERNATIONAL DEVELOPMENT

Fiscal Year 1976

SUBMISSION TO THE CONGRESS

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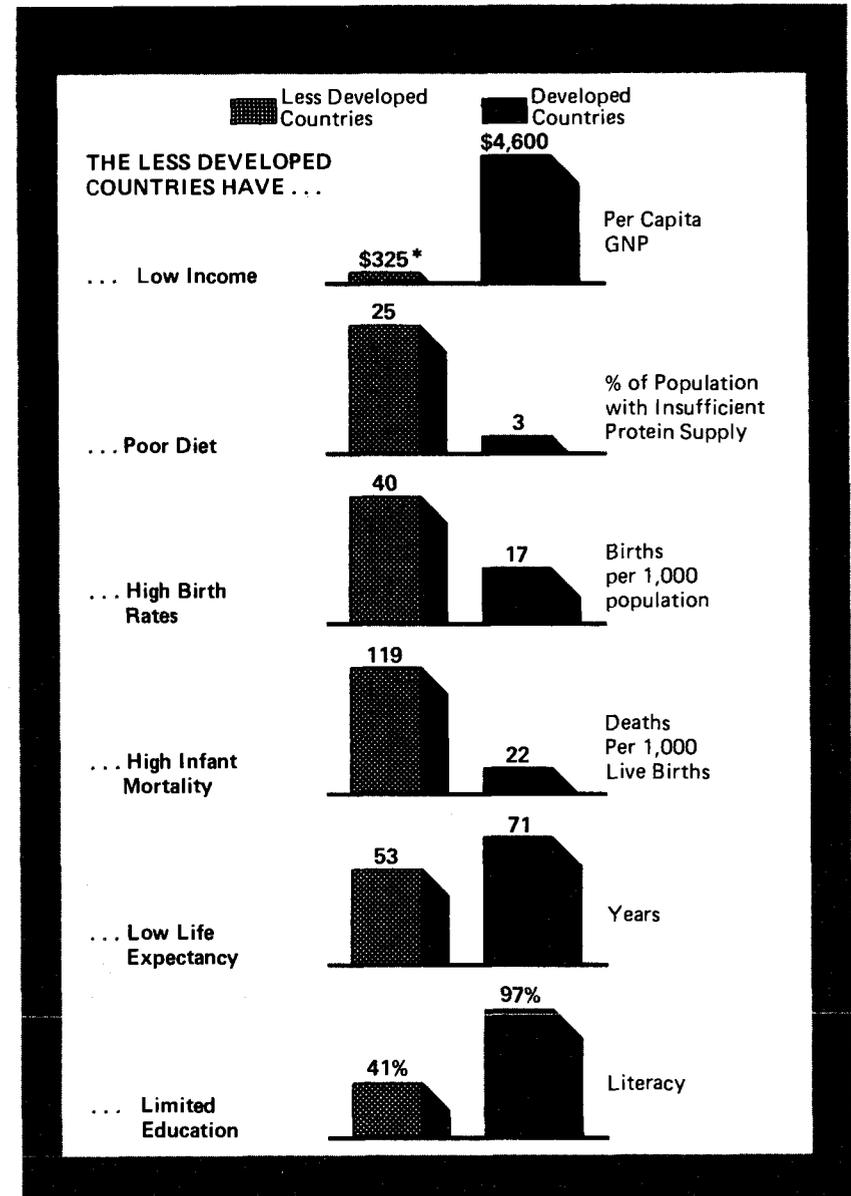
U. S. FOREIGN ASSISTANCE PROGRAM AND WORLD PEACE

United States foreign policy seeks international stability within which nations are able to pursue their own social, political, and economic goals.

U.S. foreign assistance programs support policy by contributing to a pattern of worldwide growth and stability within which our own nation can protect itself and prosper.

Foreign assistance must be a flexible tool. The world is undergoing remarkably swift and profound changes. The new and urgent problems affecting world peace and U.S. self-interest in particular areas underscore the need for continuing adaptability to:

- strengthen our ability to influence peaceful solutions in situations of international tension and potential conflict. Economic, humanitarian, and supporting assistance to peoples and countries facing the prospect or the consequences of war provides resources to alleviate suffering from conflicts and to seek peaceful solutions when international peace and stability are threatened and when U.S. national interests are involved.
- help improve the lives of masses of people who live under conditions of extreme poverty, malnutrition, disease, and ignorance, through assistance to their long-term development objectives so that they -- and we -- can continue to work in an interdependent world for peace and progress for ourselves and our children.
- alleviate human suffering, foreign assistance has provided a vehicle for prompt help in time of natural or man-made disasters.



The proud tradition of American generosity and humanitarianism is reflected in our foreign assistance program. Americans have always responded to the needs of the hungry, the homeless, the sick, and the oppressed.

The challenge of increasing interdependence among the nations of the world has come fast upon us. The era has passed in which our size, our strength, our technology and our resources posed no limits to our economic expansion and rising living standards. Our destiny and that of the rest of the world are inextricably bound together:

-- We depend increasingly on the developing countries for:

- ** raw material imports to meet the needs of American industry and American consumers. Almost 40% of U.S. import requirements for strategic commodities come from developing countries.
- ** markets in which to sell the products of American enterprise, creating jobs for American workers. Developing countries now buy nearly one-third of U.S. exports.
- ** opportunities for productive and profitable investment of U.S. capital and technology. One-fourth of U.S. foreign investment in 1973 went into developing countries.
- ** cooperation in finding international solutions to complex world problems -- monetary, food, energy, population and environment.

-- The developing countries need American skills and capital resources to:

- ** feed their people;
- ** develop their human resources and assure their people an equitable participation in the benefits of growth;
- ** exploit their natural resources in environmentally sound ways;
- ** strengthen their cooperation in building a peaceful, stable world community.

It is not in our power nor in our self-interest to cut ourselves off from the world and attend only to our own problems. Few important problems are either solely domestic or solely international:

- The temporary oil embargo and the four-fold increase in oil prices substantially aggravated inflation in the U.S.
- The increased cost of oil and phosphate increased the cost of fertilizer, resulting in less food production in developing countries and higher food prices in the United States.
- Our inflation increased the cost of our exports which developing countries must buy, thus fueling their demand for higher prices for their goods.
- When the fish catch off the coast of Peru dropped because of the vagaries of the Humboldt current, the higher cost of fish-meal for animal feed increased the cost of meat and poultry.

The crucial issue for most countries of the world is development. In the interdependent world in which we live, their development depends on our prosperity, just as our prosperity depends on their development. Now is the time for mature reflection on how we intend to go forward, for our greatness as a nation depends on our willingness to participate with the developing countries in building a better and more prosperous world community.

Many developing countries have made tangible progress. Some former aid recipients are now able to pursue their development goals using their own resources, without concessional U.S. assistance. Others are moving in that direction -- but many still need our help in technology and resources.

The Food and Energy Crises

Much of the developing world now faces the most serious challenge to development and stability since World War II. The food and energy crises also seriously affect the United States and other industrial nations -- dramatically illustrating and reinforcing the interdependence of rich and poor countries.

The former world food surplus has become a precarious, minimum food reserve. Food production increases of 20 years have been offset by population growth, leaving only minimal increases in food per person; further increases in food production have been hampered by the worldwide shortage of fertilizer, aggravated by the energy crisis.

Global cooperation to find permanent solutions to food shortages is essential. Innovative, imaginative work is needed to:

- improve agricultural technology; expand agricultural research; extend the Green Revolution to new high-yielding crops; improve water conservation and utilization; expand dry land agriculture.
- involve small farmers in developing countries in high productivity agriculture. The benefits of development must reach the poor and needy in rural areas -- the landless laborers, the small farmer;
- carry out the U.S.-supported proposals at the World Food Conference -- develop grain reserve arrangements; create a permanent international Consultative Group on Food Production and Investment;
- continue and expand efforts to reduce rapid population growth.

Cooperative international efforts are needed to deal with the energy crisis brought on by sharp oil price rises. The energy crisis has had differing effects on the developing countries:

- A few low-population developing countries with financial surpluses have become aid-providing countries;

- Other oil-exporting countries with large, poor populations have brighter prospects for rapid economic development without reliance on highly concessional aid;
- But, a large group, dependent on high-priced oil imports, unable to quickly expand offsetting export earnings, with limited access to commercial borrowing, are in urgent need. Their development efforts of the past two decades are imperiled; they face the possibility of further reductions in the already low living standards of their people.

Assistance efforts must be directed to the countries most seriously affected by the crises in food, energy, and population growth. Our development assistance programs are increasingly focused on helping these countries with their problems:

- The need to reduce population growth becomes ever more urgent.
- Education and skills are essential if the poor are to use modern agricultural methods more effectively.
- Women and minorities must share in the opportunities offered.

These actions are part of the answer to the challenge of despair and poverty for nearly one billion rural and urban poor in the developing countries.

Development Assistance

The food, population and energy crises reaffirm the urgency and thrust of the new directions of our development assistance programs. Earlier development strategies assumed that economic growth would soon "trickle down" to the poor masses. In fact, while the large mass of the poor in some countries benefitted from development to some degree, many of the very poorest were either no better, or even worse off, than a decade earlier. Recognition of these trends and their serious implications has led to a shift in our development assistance strategy for the developing countries:

- Congress restructured foreign assistance legislation two years ago to focus our development assistance program on the fundamental problems of the poorest majority:
 - ** food and nutrition;
 - ** population and health;
 - ** education and human resource development.
- The age-old problems of poverty are complex and cannot be quickly and easily solved. Effective attacks will require:
 - ** difficult self-help efforts by the developing countries;

** sustained, imaginative, and innovative assistance programs;

** sufficient resources in manpower, technology, and capital to fill the critical gap.

Rural development is a central problem for developing countries. It requires a combination of:

-- economic incentives; farming must be a profitable business if small farmers are to double and treble their production;

-- institutional improvements; farmers must be able to obtain credit, buy fertilizer, learn and apply modern technology, and have the distribution and marketing systems needed to sell their increased production. This requires building and improving institutions: cooperatives, small business groups, local government agencies, market information systems;

-- improved and adapted technology; four-fifths of the farms in developing countries are 12 acres or less; most are family farms. The technology needed for these tiny enterprises must be:

** appropriate to the size of the enterprise;

** cheap enough to be afforded by the farmer;

** simple enough to be useful at low levels of skill and education.

-- producer and consumer links; rural and urban populations, agriculture and industry, must become mutually supporting:

** farmers must be linked to market towns;

** effective demand must come from consumers in urban areas; this requires jobs and incomes to buy the farmer's product;

** communications systems are needed so that producer and consumer are aware of needs and opportunities;

** distribution and storage systems are required to minimize price fluctuations, avoid "boom and bust" cycles.

Innovations and new initiatives are demanded to meet the challenges of development for the rural and urban poor majority. Our foreign assistance program is proposing new and strengthened emphasis on:

-- agricultural research keyed to the problems of the small farmer in developing countries;

-- higher-yielding crop varieties, more efficient soil and water systems, new and cheaper fertilizing methods and less dependence on high-cost energy sources;

-- improved livestock management.

Combating malnutrition requires a coordinated effort in agriculture, health, education, family planning, Food for Peace and food technology. To assist developing countries meet this complex set of problems, our development assistance techniques help increase the capacity to:

- analyze the nature, extent, and cause of malnutrition;
- identify effective ways -- within available resources -- to strike at the root causes of malnutrition;
- plan, implement, and evaluate cost-effective nutrition programs reaching the most vulnerable groups:
 - ** preschool children;
 - ** pregnant and lactating mothers.

High population growth rates in many developing countries continue to erode development gains in per capita terms. Curtailing population growth is essential to the improvement of individual well-being in overpopulated countries. For a decade, our development assistance program has worked to:

- promote understanding of the population crisis;
- encourage others to support the world-wide population effort;
- create and maintain family planning systems and services, concentrating largely on the delivery of contraceptives

and related services. Despite this effort, contraceptive services are available to no more than 15% of the population of developing countries.

Although this is a long-term problem, some success is evident in countries such as the Philippines, Indonesia, and India. Future programs will focus on building the institutional framework for family planning through:

- effective information systems to reach the rural and urban uneducated poor to encourage positive family planning decisions.
- expanding research for better understanding of the economic, social, and other factors which affect population growth;
- developing trained manpower;
- improving administration and management.

Integrated, low-cost health and family-planning delivery systems, imaginatively adapted to the needs of the rural and urban poor, are essential.

- 85% of the people in developing countries have no regular access to health services;
- the expensive medical and health education systems of the industrialized countries are beyond the means of most developing countries.

To help meet these pressing problems, our development assistance programs are working to help developing countries:

- design low-cost comprehensive health services delivery systems, including family planning education and services;
- develop imaginative and adaptive new approaches to the problems of preventive and curative medicine, nutrition, endemic disease, environmental sanitation and potable water supply.

Development and education of human resources-- people equipped with the knowledge, skills, and attitudes necessary participate and contribute to their societies--is the bedrock on which all progress has been founded. Lack of educational opportunity prevents the poor majority in the developing countries from participating effectively in the productive process and sharing equitably in its benefits. To contribute to the solution of this fundamental problem, our development assistance program seeks to help developing countries to:

- make practical and relevant learning opportunities available to a greater number of people at lower cost;
- develop innovative and imaginative non-formal educational and learning techniques to equip the poor majority with the essential knowledge and skills necessary for effective participation in the societies in which they live.

Foreign Disaster Relief and Reconstruction

The American people have always helped to reduce human suffering abroad brought about by natural and man-made disasters.

- Special disaster relief funds available through the foreign assistance program enable the United States to provide swift assistance in food, shelter, and medical care to people suddenly cast into situations of severe hardship.
- The recent appointment of the Administrator of A.I.D. as the President's Special Coordinator for International Disaster Assistance provides a means for assuring prompt, effective and well-coordinated responses to disasters abroad by U.S. agencies and between the United States, multilateral agencies, and other donor countries.

A new International Disaster Assistance fund is proposed to further improve our ability to alleviate human suffering due to disasters.

The fund of not more than \$20 million would permit:

- rapid responses to urgent relief needs;
- transition from short-term relief activities to rehabilitation efforts;
- assistance for disaster preparedness, contingency planning, and disaster prediction activities.

Longer-term reconstruction assistance, which often requires substantial levels of funds, would be subject to separate Congressional action.

Security Supporting Assistance

The President has ordered a review of our Middle East Policy. We will subsequently be in a position to consider and then propose country assistance levels and their program composition. Similarly, we may be submitting assistance program proposals for:

- Portugal, when we have had the opportunity for further discussion with the new Portuguese cabinet on its policies and programs;
- Cyprus, when we can make realistic projections on Cypriot refugee relief and rehabilitation needs.

Meanwhile, specific program requirements are proposed to finance:

- grants to Malta under a NATO defense agreement;
- cultural, educational, and scientific programs in Spain pursuant to the Base Agreement of 1970;
- technical assistance in management and administration to Bahrain;
- economic assistance to Laos formerly provided under the Indochina Postwar Reconstruction program.

Levels of Total Foreign Economic Assistance

Despite the growing needs of developing countries, total levels of economic assistance from industrialized countries have been declining in real terms:

- Over the past decade, the real per capita income of donor countries, (members of OECD Development Assistance Committee), rose 50%.
- In the same period, the real value of total official development assistance from these countries fell by 7%.
- As a result, the real value of official development assistance provided to developing countries declined by 30% per capita after taking into account population growth.

Complementary systems of bilateral and multilateral assistance are essential to maintaining and increasing the flow of assistance to the developing countries:

- Both the "old rich" industrialized countries and the "new oil-rich" countries can choose the channels most appropriate to their interests.
- The international financial institutions offer channels through which large amounts of development financing can be provided on an objective, technical basis.
- Bilateral programs are more responsive to the particular priorities and foreign policy interests of donor countries.

- Continued U.S. participation in both bilateral and multilateral assistance systems is vital to the needs of developing countries, to U.S. foreign policy interests, and to the encouragement of further increases in assistance flows from other donor countries.

U.S. bilateral assistance provides a means for focusing our resources:

- on the key problem areas affecting the poor majority in developing countries in innovative ways;
- on the countries most seriously affected by the food and energy crises;
- on problems and areas of critical U.S. foreign policy importance.

The U.S. must maintain mutually beneficial and interdependent relationships with a wide spectrum of developing countries, ranging from the poorest and most seriously affected, to the newly oil-rich, but less-developed, by choosing the most appropriate techniques at our disposal:

- bilateral assistance;
- reimbursable development assistance;
- contributions to multilateral institutions;
- export credits;
- guaranty of private investments;
- trade preferences.

The Development Coordinating Committee, created by the Congress in the Foreign Assistance Act of 1973 under the Chairmanship of the Administrator of A.I.D. provides the mechanism for analyzing and coordinating U.S. policies and programs affecting developing countries.

The FY 1976 Economic Assistance Request

The FY 1976 request for economic assistance is summarized in the tables which follow. Further detail will be found in:

- the next section of this volume, entitled FY 1976 Budget Request;
- the supporting volumes which cover proposed programs in:
 - ** Africa
 - ** East Asia
 - ** Latin America
 - ** Near East and South Asia
 - ** Interregional
 - ** Management, Personnel, Operating Costs

U.S. ECONOMIC ASSISTANCE, MILITARY ASSISTANCE, AND CREDIT SALES
Programs Proposed for FY 1976
(in thousands of dollars)

Total Economic and Military Assistance and Credit Sales	Economic Assistance Programs					Military Assistance Programs				
	Total Economic Assistance	Peace A.I.D.	Peace Corps	PL 480	International Narcotics Control	Total Military Assistance and Credit Sales	Military Assistance Grants (MAP)	Foreign Military Credit Sales	Excess Defense Articles	Military Assistance Service Funded
AFRICA - TOTAL	-	256,415	169,700	24,665	63,850	-	-	-	-	-
Botswana	-	2,773	-	814	1,959	-	-	-	-	-
Burundi	-	960	-	-	960	-	-	-	-	-
Cameroon	-	2,881	935	1,206	740	-	-	-	-	-
Central African Republic	-	1,038	275	459	304	-	-	-	-	-
Chad	-	1,184	-	334	850	-	-	-	-	-
Congo	-	651	-	-	651	-	-	-	-	-
Dahomey	-	998	-	704	294	-	-	-	-	-
Ethiopia	-	20,973	18,755	1,095	1,123	-	-	-	-	-
Gabon	-	1,218	-	671	547	-	-	-	-	-
Gambia	-	429	-	176	253	-	-	-	-	-
Ghana	-	16,825	13,440	1,805	1,580	-	-	-	-	-
Guinea	-	5,686	605	-	5,081	-	-	-	-	-
Ivory Coast	-	1,734	-	686	1,048	-	-	-	-	-
Kenya	-	14,813	12,805	1,317	691	-	-	-	-	-
Lesotho	-	2,524	-	358	2,166	-	-	-	-	-
Liberia	-	5,774	2,359	2,976	439	-	-	-	-	-
Malagasy Republic	-	262	-	-	3,362	-	-	-	-	-
Malawi	-	290	-	142	148	-	-	-	-	-
Mali	-	4,398	1,050	778	2,570	-	-	-	-	-
Mauritania	-	3,708	700	184	2,824	-	-	-	-	-
Mauritius	-	1,864	-	63	1,801	-	-	-	-	-
Mozambique	-	3,400	-	-	3,400	-	-	-	-	-
Niger	-	3,999	310	1,100	2,589	-	-	-	-	-
Nigeria	-	3,223	-	148	3,075	-	-	-	-	-
Portuguese Territories	-	10,000	10,000	-	-	-	-	-	-	-
Rwanda	-	955	230	-	725	-	-	-	-	-
Senegal	-	3,153	-	839	2,314	-	-	-	-	-
Seychelles	-	143	-	45	98	-	-	-	-	-
Sierra Leone	-	4,092	-	2,324	1,768	-	-	-	-	-
Sudan	-	4,574	-	-	4,574	-	-	-	-	-
Swaziland	-	1,013	-	810	203	-	-	-	-	-
Tanzania	-	25,032	15,790	-	8,942	-	-	-	-	-
Togo	-	2,703	300	1,089	1,314	-	-	-	-	-
Upper Volta	-	5,225	850	630	3,745	-	-	-	-	-
Zaire	-	13,437	9,343	2,392	1,702	-	-	-	-	-
Zambia	-	10	-	-	10	-	-	-	-	-
Economic Regional Programs										
Central West Africa &										
Sahel	-	41,225	41,225	-	-	-	-	-	-	-
East Africa	-	1,055	1,055	-	-	-	-	-	-	-
Southern Africa	-	16,883	16,833	-	-	-	-	-	-	-
Africa Regional	-	24,360	22,840	1,520	-	-	-	-	-	-
Regional Military Costs	-	-	-	-	-	-	-	-	-	-

-----TO BE SUPPLIED WHEN AVAILABLE-----

NOTE: Totals may not add due to rounding.

U.S. ECONOMIC ASSISTANCE, MILITARY ASSISTANCE AND CREDIT SALES
PROGRAMS PROPOSED FOR FY 1976
(in thousands of dollars)

	Economic Assistance Programs					Military Assistance Programs				
	Total Economic and Military Assistance and Credit Sales	Total Economic Assistance	A.I.D.	Peace Corps	PL 480	Int'l Narcotics Control	Total Military Assistance and Credit Sales	Military Assistance Grants (MAP)	Foreign Military Credit Sales	Excess Defenae Articles
EAST ASIA AND PACIFIC-TOTAL	362,016	124,140	13,482	206,969	17,425	-	-	-	-	-
EAST ASIA	356,867	124,140	8,501	206,801	17,425	-	-	-	-	-
Burma	13,315	-	-	-	13,315	-	-	-	-	-
China (Taiwan)	-	-	-	-	-	-	-	-	-	-
Indonesia	64,821	30,601	-	34,160	60	-	-	-	-	-
Korea	164,980	5,592	1,829	157,559	-	-----TO BE SUPPLIED WHEN AVAILABLE-----				
Laos	41,589	36,622	-	4,718	249	-	-	-	-	-
Malaysia	2,905	-	2,670	235	-	-	-	-	-	-
Philippines	44,418	31,996	2,183	10,129	110	-	-	-	-	-
Thailand	17,151	12,029	1,431	-	3,691	-	-	-	-	-
Economic Regional Programs	7,688	7,300	388	-	-	-	-	-	-	-
PACIFIC	5,149	-	4,981	168	-	-	-	-	-	-
British Solomon Is.	825	-	657	168	-	-	-	-	-	-
Fiji	765	-	765	-	-	-	-	-	-	-
Gilbert and Ellice Is.	82	-	82	-	-	-----TO BE SUPPLIED WHEN AVAILABLE-----				
Micronesia	1,940	-	1,940	-	-	-	-	-	-	-
Tonga	470	-	470	-	-	-	-	-	-	-
Western Samoa	808	-	808	-	-	-	-	-	-	-
Economic Regional Programs	259	-	259	-	-	-	-	-	-	-

NOTE: Totals may not add due to rounding.

U.S. ECONOMIC ASSISTANCE, MILITARY ASSISTANCE AND CREDIT SALES
 Programs, Proposed for FY 1976
 (in thousands of dollars)

	Total Economic and Military Assistance and Credit Sales	Economic Assistance Programs				Military Assistance Programs					
		Total Economic Assistance	A.I.D.	Peace Corps	PL 480	International Narcotics Control	Total Military Assistance and Credit Sales	Military Assistance Grants (MAP)	Foreign Military Credit Sales	Excess Defense Articles	Military Assistance Service Funded
LATIN AMERICA - TOTAL	-	394,947	258,200	15,955	111,944	8,848	-	-	-	-	-
Argentina	-	80	-	-	-	80	-	-	-	-	-
Barbados	-	35	-	-	35	-	-	-	-	-	-
Belize	-	307	-	307	-	-	-	-	-	-	-
Bolivia	-	28,338	23,340	-	4,553	445	-	-	-	-	-
Brazil	-	4,383	900	1,651	1,642	190	-	-	-	-	-
Chile	-	83,693	22,895	842	59,786	170	-	-	-	-	-
Colombia	-	34,875	22,551	1,189	10,335	800	-	-	-	-	-
Costa Rica	-	8,444	6,465	1,193	729	57	-	-	-	-	-
Dominica	-	18	-	-	18	-	-	-	-	-	-
Dominican Republic	-	18,509	12,750	713	5,046	-	-	-	-	-	-
Ecuador	-	4,470	-	1,541	2,559	370	-----TO BE SUPPLIED WHEN AVAILABLE-----				
El Salvador	-	14,941	12,800	1,409	732	-	-	-	-	-	-
Guatemala	-	20,661	15,446	1,099	4,116	-	-	-	-	-	-
Guyana	-	3,803	3,675	-	128	-	-	-	-	-	-
Haiti	-	14,839	9,049	-	5,790	-	-	-	-	-	-
Honduras	-	25,413	17,167	744	7,502	-	-	-	-	-	-
Jamaica	-	2,267	953	1,056	108	150	-	-	-	-	-
Mexico	-	6,500	-	-	-	6,500	-	-	-	-	-
Nicaragua	-	26,537	24,220	831	1,486	-	-	-	-	-	-
Panama	-	23,781	22,678	-	1,103	-	-	-	-	-	-
Paraguay	-	5,358	4,491	732	135	-	-	-	-	-	-
Peru	-	26,372	20,174	-	6,112	86	-	-	-	-	-
Trinidad and Tobago	-	29	-	-	29	-	-	-	-	-	-
Uruguay	-	566	566	-	-	-	-	-	-	-	-
Venezuela	-	807	-	807	-	-	-	-	-	-	-
Caribbean Regional	-	11,538	10,764	774	-	-	-	-	-	-	-
ROCAP/Central America	-	2,114	2,114	-	-	-	-	-	-	-	-
Economic Regional Programs	-	26,269	25,202	1,067	-	-	-	-	-	-	-

NOTE: Totals may not add due to rounding.

U.S. ECONOMIC ASSISTANCE, MILITARY ASSISTANCE, AND CREDIT SALES
Programs Proposed for FY 1976
(in thousands of dollars)

Total Economic Assistance and Credit Sales	Economic Assistance Programs					Military Assistance Programs				
	Total Economic Assistance	A.I.D.	Peace Corps	PL 480	International Narcotics Control	Total Military Assistance and Credit Sales	Military Assistance Grants (MAP)	Foreign Military Credit Sales	Excess Defense Articles	Military Assistance Service Funded
NEAR EAST - SOUTH ASIA - TOTAL	722,414	273,186	7,782	438,074	3,372	-	-	-	-	-
Afghanistan	14,559	11,742	967	1,850	-	-	-	-	-	-
Algeria	2,119	-	-	2,119	-	-	-	-	-	-
Bahrain	508	400	108	-	-	-	-	-	-	-
Bangladesh	224,357	67,683	-	156,674	-	-	-	-	-	-
Bhutan	100	-	-	100	-	-	-	-	-	-
Cyprus ^{1/}	-	-	-	-	-	-	-	-	-	-
Egypt ^{1/}	-	-	-	-	-	-	-	-	-	-
Greece	-	-	-	-	-	-	-	-	-	-
India	219,206	76,000	202	143,004	-	-	-	-	-	-
Iran	1,457	-	1,457	-	-	-	-	-	-	-
Israel ^{1/}	-	-	-	-	-	-----TO BE SUPPLIED WHEN AVAILABLE-----				
Jordan ^{1/}	-	-	-	-	-	-	-	-	-	-
Lebanon	-	-	-	-	-	-	-	-	-	-
Malta	9,526	9,500	26	-	-	-	-	-	-	-
Morocco	30,115	6,699	1,822	21,594	-	-	-	-	-	-
Nepal	4,590	3,082	909	599	-	-	-	-	-	-
Oman	293	-	293	-	-	-	-	-	-	-
Pakistan	152,713	69,895	-	79,546	3,272	-	-	-	-	-
Portugal ^{1/}	-	-	-	-	-	-	-	-	-	-
Saudi Arabia	-	-	-	-	-	-	-	-	-	-
Spain	3,000	3,000	-	-	-	-	-	-	-	-
Sri Lanka	31,960	8,000	-	23,960	-	-	-	-	-	-
Syria ^{1/}	-	-	-	-	-	-	-	-	-	-
Tunisia	9,675	2,727	945	6,003	-	-	-	-	-	-
Turkey	1,325	-	-	1,325	-	-	-	-	-	-
Yemen (YAR)	7,602	5,623	679	1,300	-	-	-	-	-	-
Economic Regional Programs ^{1/}	9,309	8,835	374	-	100	-	-	-	-	-
Middle East Special Requirements ^{1/}	-	-	-	-	-	-	-	-	-	-
OTHER			19,650 ^{2/}	511,144 ^{3/}	12,855 ^{4/}					

U.S. CONTRIBUTIONS TO
INTERNATIONAL FINANCIAL
INSTITUTIONS - TOTAL 449,127 449,127

International Develop-
ment Association 375,000 375,000

Asian Development Bank 74,127 74,127
Paid-in Capital (24,127)
Callable Capital (96,508)
Special Funds (50,000)

- ^{1/} To be proposed later. The President has ordered a review of Middle East policy; subsequently, we will consider and propose country assistance levels and their composition.
- ^{2/} Includes \$5.7 million in World Wide Support; \$13.9 million as Peace Corps share of ACTION Support.
- ^{3/} Includes the following: Unallocated Reserve, Title I \$300.5 million; Emergency Reserve, Unallocated Title II \$47.6 million; Ocean Freight \$161.0 million; Grants of Title I currencies \$2.0 million.
- ^{4/} Includes International Organizations, \$5.0 million; Training and Support Costs \$7.3 million; Treatment and Rehabilitation \$0.5 million.

NOTE: Totals may not add due to rounding.

U.S. ECONOMIC ASSISTANCE, MILITARY ASSISTANCE, AND CREDIT SALES
PROGRAMS ESTIMATED FOR FY 1975
(in thousands of dollars)

	Economic Assistance Programs					Military Assistance Programs					
	Total Economic and Military Assistance and Credit Sales	Total Economic Assistance		Peace Corps	Int'l Narcotics Control	Total Military Assistance & Credit Sales	Military Assistance Grants (MAP)	Foreign Military Credit Sales	Excess Defense Articles	Military Assistance Service Funded	
		A.I.D.	PL 480								
Summary	6,992,735	4,852,235	2,523,467	82,904	1,593,861	32,876	2,140,500	504,000	872,500	64,000	700,000
AFRICA - TOTAL	368,614	320,214	193,900	23,573	102,741	-	48,400	13,100	32,300	3,000	-
Botswana	3,153	3,153	34	694	2,425	-	-	-	-	-	-
Burundi	851	851	60	-	791	-	-	-	-	-	-
Cameroon	2,018	2,018	59	1,032	927	-	-	-	-	-	-
Central African Republic	1,344	1,344	575	385	384	-	-	-	-	-	-
Chad	6,491	6,491	5,852	496	143	-	-	-	-	-	-
Congo	939	939	-	-	939	-	-	-	-	-	-
Dahomey	959	959	124	606	229	-	-	-	-	-	-
Ethiopia	60,291	19,791	16,657	1,108	2,026	-	40,500	12,500	25,000	3,000	-
Gabon	5,900	5,900	5,025	267	608	-	-	-	-	-	-
Gambia	1,695	1,695	695	251	749	-	-	-	-	-	-
Ghana	7,461	7,391	3,288	1,793	2,310	-	70	70	-	-	-
Guinea	11,716	11,716	510	-	11,206	-	-	-	-	-	-
Ivory Coast	2,234	2,234	40	1,289	905	-	-	-	-	-	-
Kenya	21,562	19,527	17,030	1,336	1,161	-	2,035	35	2,000	-	-
Lesotho	2,885	2,885	63	503	2,319	-	-	-	-	-	-
Liberia	17,045	15,145	12,078	2,547	520	-	1,900	100	1,800	-	-
Malagasy Republic	10,384	10,384	3	-	10,381	-	-	-	-	-	-
Malawi	703	703	43	229	431	-	-	-	-	-	-
Mali	23,788	23,788	16,829	440	6,519	-	-	-	-	-	-
Mauritania	5,779	5,779	3,690	169	1,920	-	-	-	-	-	-
Mauritius	2,468	2,468	34	138	2,296	-	-	-	-	-	-
Niger	14,752	14,752	7,298	1,196	6,258	-	-	-	-	-	-
Nigeria	9,132	9,132	6,719	159	2,254	-	-	-	-	-	-
Portuguese Territories	10,000	10,000	-	-	-	-	-	-	-	-	-
Rwanda	2,501	2,501	786	-	1,715	-	-	-	-	-	-
Senegal	9,514	9,479	7,140	789	1,550	-	35	35	-	-	-
Seychelles	183	183	10	41	132	-	-	-	-	-	-
Sierra Leone	4,234	4,234	63	1,794	2,377	-	-	-	-	-	-
Somalia	4,072	4,072	700	-	3,372	-	-	-	-	-	-
Sudan	9,927	9,927	-	-	9,927	-	-	-	-	-	-
Swaziland	1,511	1,511	55	708	748	-	-	-	-	-	-
Tanzania	39,072	39,072	19,126	-	19,946	-	-	-	-	-	-
Togo	2,293	2,293	80	936	1,277	-	-	-	-	-	-
Uganda	225	225	-	-	225	-	-	-	-	-	-
Upper Volta	10,952	10,952	7,670	579	2,703	-	-	-	-	-	-
Zaire	14,991	11,191	7,613	2,641	937	-	3,800	300	3,500	-	-
Zambia	144	144	13	-	131	-	-	-	-	-	-
Economic Regional Programs											
Central West Africa and Sahel	29,709	29,709	29,709	-	-	-	-	-	-	-	-
East Africa Regional	985	985	985	-	-	-	-	-	-	-	-
Southern Africa Reg.	4,816	4,816	4,816	-	-	-	-	-	-	-	-
Africa Regional	9,875	9,875	8,428	1,447	-	-	-	-	-	-	-
Regional Military Costs	60	-	-	-	-	-	60	60	-	-	-

NOTE: Totals may not add due to rounding.

U.S. ECONOMIC ASSISTANCE, MILITARY ASSISTANCE AND CREDIT SALES
Programs, Estimated for FY 1975
(in thousands of dollars)

Total Economic and Military Assistance and Credit Sales	Economic Assistance Programs					Military Assistance Programs					
	Total Economic Assistance	A.I.D.	Peace Corps	PL 480	International Narcotics Control	Total Military Assistance and Credit Sales	Military Assistance Grants (MAP)	Foreign Military Credit Sales	Excess Defense Articles	Military Assistance Service Funded	
EAST ASIA AND PACIFIC - TOTAL	2,005,837	756,577	518,296	13,097	218,385	6,799	1,249,260	358,360	151,900	39,000	700,000
EAST ASIA	2,001,528	752,268	518,296	8,972	218,201	6,799	1,249,260	358,360	151,900	39,000	700,000
Burma	623	623	-	-	-	623	-	-	-	-	-
Cambodia	335,649	145,364	98,000 ^{B/}	-	47,364	-	190,285	180,285	-	10,000	-
China (Taiwan)	72,615	-	-	-	-	-	72,615	415	72,200	-	-
Indonesia	122,780	98,945	44,001	-	54,870	74	23,835	15,835	5,000	3,000	-
Korea	250,877	105,277	20,358	2,273	82,646	-	145,600	82,600	55,000	8,000	-
Laos	58,696	30,221	26,098	-	3,199	924	28,475	27,475	-	1,000	-
Malaysia	7,999	3,014	-	2,744	270	-	4,985	285	4,700	-	-
Philippines	88,391	58,391	44,993	2,115	10,927	356	30,000	21,000	7,000	2,000	-
Thailand	63,551	10,551	4,280	1,449	-	4,822	53,000	30,000	8,000	15,000	-
Vietnam	984,952	284,952	266,027 ^{B/}	-	18,925	-	700,000	-	-	-	700,000
Economic Regional Programs	7,930	7,930	7,539	391	-	-	-	-	-	-	-
Multilateral Agencies	7,000	7,000	7,000	-	-	-	-	-	-	-	-
Regional Military Costs	465	-	-	-	-	-	465	465	-	-	-
PACIFIC	4,309	4,309	-	4,125	184	-	-	-	-	-	-
British Solomon Islands	256	256	-	72	184	-	-	-	-	-	-
Fiji	789	789	-	789	-	-	-	-	-	-	-
Gilbert and Ellice Islands	77	77	-	77	-	-	-	-	-	-	-
Micronesia	1,860	1,860	-	1,860	-	-	-	-	-	-	-
Tonga	442	442	-	442	-	-	-	-	-	-	-
Western Samoa	674	674	-	674	-	-	-	-	-	-	-
Economic Regional Programs	211	211	-	211	-	-	-	-	-	-	-
Regional Military Costs	-	-	-	-	-	-	-	-	-	-	-

NOTE: Totals may not add due to rounding.

U.S. ECONOMIC ASSISTANCE, MILITARY ASSISTANCE, AND CREDIT SALES
PROGRAMS ESTIMATED FOR FY 1975
(in thousands of dollars)

	Economic Assistance Programs						Military Assistance Programs				
	Total Economic and Military Assistance and Credit Sales	Total Economic Assistance	A.I.D.	Peace Corps	PL 480	Int'l Narcotics Control	Total Military Assistance and Credit Sales	Military Assistance Grants (MAP)	Foreign Military Credit Sales	Excess Defense Articles	Military Assistance Service Funded
LATIN AMERICA - TOTAL	576,348	380,714	212,600	18,738	134,652	14,724	195,634	16,334	173,300	6,000	-
Argentina	30,220	120	-	-	-	120	30,100	100	30,000	-	-
Barbados	41	41	-	-	41	-	-	-	-	-	-
Belize	369	369	-	251	118	-	-	-	-	-	-
Bolivia	32,862	24,725	19,891	-	4,257	577	8,137	3,137	4,000	1,000	-
Brazil	75,565	14,690	3,320	2,813	8,313	244	60,875	875	60,000	-	-
Chile	83,584	82,919	20,529	550	61,799	41	665	665	-	-	-
Colombia	46,457	28,757	13,511	1,850	12,835	561	17,700	700	17,000	-	-
Costa Rica	3,472	3,472	629	1,635	1,208	-	-	-	-	-	-
Dominica	19	19	-	-	19	-	-	-	-	-	-
Dominican Republic	13,732	11,647	5,419	722	5,506	-	2,085	1,085	500	500	-
Ecuador	7,698	7,298	1,756	1,510	3,505	527	400	400	-	-	-
El Salvador	8,032	3,342	1,427	911	1,004	-	4,690	1,190	3,000	500	-
Guatemala	18,866	15,421	9,130	1,075	5,216	-	3,445	645	2,300	500	-
Guyana	1,167	1,167	1,025	-	142	-	-	-	-	-	-
Haiti	8,666	8,638	3,598	-	5,040	-	28	28	-	-	-
Honduras	41,319	36,629	25,298	963	10,368	-	4,690	1,190	3,000	500	-
Jamaica	3,862	3,862	381	1,220	1,511	750	-	-	-	-	-
Mexico	16,815	11,605	-	-	-	11,605	5,210	210	5,000	-	-
Nicaragua	47,458	42,371	40,090	539	1,742	-	5,087	1,087	3,000	1,000	-
Panama	9,014	7,974	6,084	-	1,890	-	1,040	540	-	500	-
Paraguay	9,582	7,592	6,525	595	456	16	1,990	990	500	500	-
Peru	33,515	12,110	1,610	650	9,650	200	21,405	905	20,500	-	-
Trinidad and Tobago	32	32	-	-	32	-	-	-	-	-	-
Uruguay	17,743	7,761	7,734	-	-	27	9,982	1,482	7,500	1,000	-
Venezuela	19,191	1,471	20	1,395	-	56	17,720	720	17,000	-	-
Caribbean Regional	8,212	8,212	7,375	837	-	-	-	-	-	-	-
ROCAP/Central America	6,354	6,354	6,354	-	-	-	-	-	-	-	-
Inter-American Programs	13,700	13,700	13,700	-	-	-	-	-	-	-	-
Economic Regional Programs	18,416	18,416	17,194	1,222	-	-	-	-	-	-	-
Regional Military Costs	385	-	-	-	-	-	385	385	-	-	-

NOTE: Totals may not add due to rounding.

U.S. ECONOMIC ASSISTANCE, MILITARY ASSISTANCE, AND CREDIT SALES
PROGRAMS ESTIMATED FOR FY 1975
(in thousands of dollars)

	Economic Assistance Programs						Military Assistance Programs				
	Total Economic and Military Assistance and Credit Sales	Total Economic Assistance	A.I.D.	Peace Corps	PL 480	Int'l Narcotics Control	Total Military Assistance and Credit Sales	Military Assistance Grants (MAP)	Foreign Military Credit Sales	Excess Defense Articles	Military Assistance Service Funded
NEAR EAST-SOUTH ASIA - TOTAL	2,485,742	1,872,073	1,051,226	7,602	812,955	290	613,669	82,669	515,000	16,000	-
Afghanistan	20,242	20,022	15,245	967	3,810	-	220	220	-	-	-
Algeria	2,428	2,428	-	-	2,428	-	-	-	-	-	-
Bahrain	708	708	600	108	-	-	-	-	-	-	-
Bangladesh	312,210	312,210	67,709	-	244,501	-	-	-	-	-	-
Bhutan	11	11	-	-	11	-	-	-	-	-	-
Cyprus	26,136	26,136	25,000	-	1,136	-	-	-	-	-	-
Egypt	389,197	389,197	250,000	-	139,197	-	-	-	-	-	-
Greece	86,000	-	-	-	-	-	86,000	-	86,000	-	-
India	233,142	233,042	-	202	232,840	-	100	100	-	-	-
Iran	1,457	1,457	-	1,457	-	-	-	-	-	-	-
Israel	655,477	355,477	344,500	-	10,977 2/	-	300,000	-	300,000	-	-
Jordan	182,101	86,249	77,500	-	8,587	162	95,852	59,852	30,000	6,000	-
Lebanon	5,243	108	-	-	103	5	5,135	135	5,000	-	-
Malta	9,530	9,530	9,500	30	-	-	-	-	-	-	-
Morocco	38,343	23,493	9,498	1,869	12,126	-	14,850	850	14,000	-	-
Nepal	4,929	4,894	2,434	890	1,570	-	35	35	-	-	-
Oman	312	312	-	312	-	-	-	-	-	-	-
Pakistan	181,686	181,406	94,822	-	88,461	123	280	280	-	-	-
Portugal	15,960	15,000	15,000	-	-	-	960	960	-	-	-
Saudi Arabia	54	-	-	-	-	-	54	54	-	-	-
Spain	4,600	3,000	3,000	-	-	-	1,600	1,600	-	-	-
Sri Lanka	37,062	37,047	8,000	-	29,047	-	15	15	-	-	-
Syria	51,520	51,520	25,000	-	26,520	-	-	-	-	-	-
Tunisia	15,766	8,566	2,301	975	5,290	-	7,200	2,200	5,000	-	-
Turkey	105,991	4,738	774	-	3,964	-	101,253	16,253	75,000	10,000	-
Yemen (YAR)	17,334	17,334	14,521	426	2,387	-	-	-	-	-	-
Economic Regional Programs	11,188	11,188	10,822	366	-	-	-	-	-	-	-
Middle East Special Requirements	75,000	75,000	75,000	-	-	-	-	-	-	-	-
Regional Military Costs	115	-	-	-	-	-	115	115	-	-	-
EUROPE - TOTAL	48	-	-	-	-	-	48	48	-	-	-
Austria	24	-	-	-	-	-	24	24	-	-	-
Finland	24	-	-	-	-	-	24	24	-	-	-
OTHER	937,019	903,530	547,445 3/	19,894 4/	325,128 5/	11,063 6/	33,489 7/	33,489 7/	-	-	-
U.S. CONTRIBUTIONS TO INTERNATIONAL FINANCIAL INSTITUTIONS	619,127	619,127	-	-	-	-	-	-	-	-	-
International Development Association	320,000	320,000	-	-	-	-	-	-	-	-	-
Inter-American Development Bank - Special Funds	225,000	225,000	-	-	-	-	-	-	-	-	-
Asian Development Bank Ordinary Capital	74,127 (24,127)	74,127 (24,127)	-	-	-	-	-	-	-	-	-
Special Funds	(50,000)	(50,000)	-	-	-	-	-	-	-	-	-

1/ Includes \$619.1 million appropriated for International Financial Institutions.

2/ Includes West Bank of the Jordan River and Gaza.

3/ Includes the following: American Schools and Hospitals Abroad \$17.5 million; Administrative Expenses, A.I.D. \$43.2 million; Administrative Expenses, State Department \$4.8 million; International Organizations and Programs \$152.8 million; Operating Expenses \$120.7 million; and Other Interregional Programs \$208.4 million.

4/ Includes Worldwide Support \$5.8 million; Peace Corps share of ACTION Support \$14.1 million.

5/ Includes Unallocated, Title I \$154.9 million; Ocean Freight \$154.0 million; Grants of Title I currencies under Section 204 of Title II \$1.5 million; Emergency Reserve Unallocated, Title II \$14.7 million.

6/ Includes International Organizations \$5.3 million; Interregional Programs Training and Support Costs \$5.8 million.

7/ Includes Administration \$29.3 million; Storage and Maintenance of MAP-owned Material \$460,000; Training \$244,000; Inspector General \$175,000; Supply Operations for China and Spain \$3.3 million.

8/ Does not reflect major program changes resulting from recent events in Indochina.

NOTE: Totals may not add due to rounding.

U.S. ECONOMIC ASSISTANCE, MILITARY ASSISTANCE, AND CREDIT SALES

PROGRAMS, ACTUAL for FY 1974

(In thousands of dollars)

	Total Economic & Military Assistance & Credit Sales	Economic Assistance Programs					Military Assistance Programs					
		Total Economic Assistance	A.I.D.	Peace Corps	PL-480	Int'l Narcotics Control	Total Military Assistance & Credit Sales	Military Assistance Grants (MAP)	Foreign Military Credit Sales	Excess Defense Articles	Military Assistance Service Funded	Ships Loaned Leased
Summary	6,774,100 ^{1/}	3,483,926 ^{1/}	1,787,267	77,216	972,319	27,124	3,290,174	788,614	1,395,940	52,440	1,013,428	39,400
AFRICA-TOTAL	268,502	240,496	130,989	21,364	88,143	-	28,006	12,930	14,500	576	-	-
Botswana	2,436	2,436	60	527	1,849	-	-	-	-	-	-	-
Burundi	259	259	-	-	259	-	-	-	-	-	-	-
Cameroon	1,389	1,389	80	805	504	-	-	-	-	-	-	-
Central African Republic	522	522	140	220	162	-	-	-	-	-	-	-
Chad	5,433	5,433	84	434	4,915	-	-	-	-	-	-	-
Congo	756	756	-	-	756	-	-	-	-	-	-	-
Dahomey	984	984	165	571	248	-	-	-	-	-	-	-
Ethiopia	53,679	29,778	20,669	1,612	7,497	-	23,901	12,325	11,000	576	-	-
Gabon	209	209	40	102	67	-	-	-	-	-	-	-
Gambia	1,309	1,309	85	356	868	-	-	-	-	-	-	-
Ghana	5,874	5,831	2,570	1,329	1,932	-	43	43	-	-	-	-
Guinea	2,091	2,091	15	-	2,076	-	-	-	-	-	-	-
Ivory Coast	1,770	1,770	30	1,223	517	-	-	-	-	-	-	-
Kenya	13,639	13,639	11,669	1,502	468	-	-	-	-	-	-	-
Lesotho	3,185	3,185	134	377	2,674	-	-	-	-	-	-	-
Liberia	5,905	5,793	2,712	2,483	598	-	112	112	-	-	-	-
Malagasy Republic	271	271	-	-	271	-	-	-	-	-	-	-
Malawi	460	460	138	206	116	-	-	-	-	-	-	-
Mali	11,952	11,952	40	328	11,584	-	-	-	-	-	-	-
Mauritania	6,881	6,881	70	42	6,769	-	-	-	-	-	-	-
Mauritius	2,497	2,497	35	126	2,336	-	-	-	-	-	-	-
Niger	15,272	15,272	63	889	14,320	-	-	-	-	-	-	-
Nigeria	5,765	5,765	3,492	45	2,228	-	-	-	-	-	-	-
Rwanda	468	468	112	-	356	-	-	-	-	-	-	-
Senegal	6,013	6,006	80	721	5,205	-	7	7	-	-	-	-
Seychelles	46	46	15	-	31	-	-	-	-	-	-	-
Sierra Leone	2,730	2,730	95	1,457	1,178	-	-	-	-	-	-	-
Sudan	4,894	4,894	-	-	4,894	-	-	-	-	-	-	-
Swaziland	977	977	87	695	195	-	-	-	-	-	-	-
Tanzania	8,550	8,550	6,171	-	2,379	-	-	-	-	-	-	-
Togo	2,060	2,060	126	812	1,122	-	-	-	-	-	-	-
Uganda	210	210	210	-	-	-	-	-	-	-	-	-
Upper Volta	6,764	6,764	110	528	6,126	-	-	-	-	-	-	-
Zaire	7,851	3,978	1,091	2,595	292	-	3,873	373	3,500	-	-	-
Zambia	112	112	54	-	58	-	-	-	-	-	-	-
Economic Regional Programs												
Central West Africa & Sahel	49,377	49,377	46,084	-	3,293	-	-	-	-	-	-	-
East Africa	712	712	712	-	-	-	-	-	-	-	-	-
Southern Africa	16,446	16,446	16,446	-	-	-	-	-	-	-	-	-
Africa Regional	18,684	18,684	17,305	1,379	-	-	-	-	-	-	-	-
Regional Military Costs	70	-	-	-	-	-	70	70	-	-	-	-

NOTE: Totals may not add due to rounding.

U. S. ECONOMIC ASSISTANCE, MILITARY ASSISTANCE AND CREDIT SALES
PROGRAMS, ACTUAL FOR FY 1974
(In thousands of dollars)

	Total Economic & Military Assistance & Credit Sales	Economic Assistance Programs					Military Assistance & Credit Sales Programs					
		Total Economic Assistance	A.I.D.	Peace Corps	PL 480	International Narcotics Control	Total Military Assistance & Credit Sales	Military Assistance Grants(MAP)	Foreign Military Credit Sales	Excess Defense Articles	Military Assistance Service Funded	Ships Loaned & Leased
EAST ASIA AND PACIFIC - TOTAL	2,962,841	1,168,341	684,780	13,190	457,243	13,128	1,794,500	605,484	147,533	27,565	1,013,918	-
EAST ASIA	2,959,159	1,164,659	684,780	9,567	457,184	13,128	1,794,500	605,484	147,533	27,565	1,013,918	-
Burma	4,800	4,800	-	-	-	4,800	-	-	-	-	-	-
Cambodia	680,241	261,174	92,854 2/	-	168,320	-	419,067	412,718	-	6,349	-	-
China (Taiwan)	95,700	-	-	-	-	-	95,700	35,700	60,000	1,192	-	-
Indonesia	114,282	95,580	78,700	-	16,800	80	18,702	14,010	3,500	16,665	-	-
Korea	207,714	40,270	27,251	2,266	10,753	-	167,444	94,106	56,683	-	-	-
Laos	115,048	38,642	33,587 2/	-	3,441	1,614	76,406	-	-	-	76,406	-
Malaysia	21,722	2,799	-	2,704	95	-	18,923	173	18,750	-	-	-
Philippines	88,786	63,085	43,476	2,543	16,714	352	25,701	15,981	8,600	1,120	-	-
Singapore	49	49	-	-	49	-	-	-	-	-	-	-
Thailand	59,604	24,859	7,127	1,613	9,933	6,186	34,745	32,496	-	2,249	-	-
Vietnam	1,557,033	619,521	388,346 2/	-	231,079	96	937,512	-	-	-	937,512	-
Economic Regional Progs.	12,230	12,230	11,789	441	-	-	-	-	-	-	-	-
Multilateral Agencies	1,650	1,650	1,650	-	-	-	-	-	-	-	-	-
Regional Military Costs	300	-	-	-	-	-	300	300	-	-	-	-
PACIFIC	3,682	3,682	-	3,623	59	-	-	-	-	-	-	-
British Solomon Islands	90	90	-	31	59	-	-	-	-	-	-	-
Fiji	760	760	-	760	-	-	-	-	-	-	-	-
Gilbert & Ellice Islands	19	19	-	19	-	-	-	-	-	-	-	-
Micronesia	1,632	1,632	-	1,632	-	-	-	-	-	-	-	-
Tonga	503	503	-	503	-	-	-	-	-	-	-	-
Western Samoa	515	515	-	515	-	-	-	-	-	-	-	-
Economic Regional Progs.	163	163	-	163	-	-	-	-	-	-	-	-
Regional Military Costs	-	-	-	-	-	-	-	-	-	-	-	-

NOTE: Totals may not add due to rounding.

U. S. ECONOMIC ASSISTANCE, MILITARY ASSISTANCE, AND CREDIT SALES

PROGRAMS, ACTUAL FOR FY 1974

(In thousands of dollars)

	Total Economic & Military Assistance & Credit Sales	Economic Assistance Programs					Military Assistance & Credit Sales Programs					
		Total Economic Assistance	A.I.D.	Peace Corps	PL-480	Int'l Narcotics Control	Total Military Assistance & Credit Sales	Military Assistance Grants (MAP)	Foreign Military Credit Sales	Excess Defense Articles	Military Assistance Service Funded	Ships Loaned & Leased
LATIN AMERICA - TOTAL	460,932	323,443	232,769	17,964	65,808	6,902	137,489	14,859	118,243	4,387	-	-
Antigua	2	2	-	-	2	-	-	-	-	-	-	-
Argentina	23,361	347	-	-	-	347	23,014	514	22,500	-	-	-
Barbados	20	20	-	-	20	-	-	-	-	-	-	-
Belize	305	305	-	266	39	-	-	-	-	-	-	-
Bolivia	60,692	53,097	38,431	-	14,609	57	7,595	3,140	4,000	455	-	-
Brazil	65,791	13,034	4,047	3,347	5,456	184	52,757	1,014	51,743	-	-	-
Chile	19,884	3,972	359	333	3,210	70	15,912	912	15,000	-	-	-
Colombia	56,707	56,140	40,145	1,905	13,833	257	567	567	-	-	-	-
Costa Rica	10,412	10,412	8,909	993	510	-	-	-	-	-	-	-
Dominica	90	90	-	-	90	-	-	-	-	-	-	-
Dominican Republic	23,991	23,167	12,563	592	10,012	-	824	824	-	-	-	-
Ecuador	8,537	8,536	2,503	1,321	4,420	292	1	1	-	-	-	-
El Salvador	10,746	9,628	7,848	493	1,287	-	1,118	569	500	49	-	-
Guatemala	6,306	4,621	2,531	903	1,187	-	1,685	895	-	790	-	-
Guyana	247	247	95	-	152	-	-	-	-	-	-	-
Haiti	10,742	10,742	8,730	-	2,012	-	-	-	-	-	-	-
Honduras	27,314	26,738	24,645	925	1,168	-	576	576	-	-	-	-
Jamaica	12,608	12,608	9,857	1,002	1,426	323	-	-	-	-	-	-
Mexico	5,032	5,001	-	-	-	5,001	31	31	-	-	-	-
Nicaragua	16,504	14,835	12,368	438	2,029	-	1,669	991	-	678	-	-
Panama	12,215	11,317	10,579	-	712	26	898	431	-	467	-	-
Paraguay	6,697	5,010	4,370	466	153	21	1,687	1,060	-	627	-	-
Peru	32,758	16,885	12,141	1,078	3,418	248	15,873	873	15,000	-	-	-
St. Kitts	7	7	-	-	7	-	-	-	-	-	-	-
St. Lucia	25	25	-	-	25	-	-	-	-	-	-	-
St. Vincent	25	25	-	-	25	-	-	-	-	-	-	-
Uruguay	5,437	981	914	37	6	24	4,456	1,135	2,000	1,321	-	-
Venezuela	10,512	2,091	251	1,788	-	52	8,421	921	7,500	-	-	-
Caribbean Regional	1,038	1,038	125	913	-	-	-	-	-	-	-	-
ROCAP/Central Am.	1,316	1,316	1,316	-	-	-	-	-	-	-	-	-
Inter-American Programs	15,094	15,094	15,094	-	-	-	-	-	-	-	-	-
Economic Regional Programs	16,112	16,112	14,948	1,164	-	-	-	-	-	-	-	-
Regional Military Costs	405	-	-	-	-	-	405	405	-	-	-	-

NOTE: Totals may not add due to rounding.

U. S. ECONOMIC ASSISTANCE, MILITARY ASSISTANCE, AND CREDIT SALES

PROGRAMS, ACTUAL for FY 1974

(In thousands of dollars)

	Total Economic & Military Assistance & Credit Sales	Economic Assistance Programs						Military Assistance & Credit Sales Programs				
		Total Economic Assistance	A.I.D.	Peace Corps	PL-480	Int'l Narcotics Control	Total Military Assistance & Credit Sales	Military Assistance Grants(MAP)	Foreign Military Credit Sales	Excess Defense Articles	Military Assistance Service Funded	Ships Loaned & Leased
NEAR EAST-SOUTH ASIA-TOTAL	1,797,015	498,786	243,319	7,207	247,365	895	1,298,229	123,253	1,115,664	19,912	-	39,400
Afghanistan	14,122	13,963	12,475	1,444	44	-	159	155	-	-	-	-
Bahrain	42	42	-	42	-	-	-	-	-	-	-	-
Bangladesh	51,169	51,169	28,947	-	22,222	-	-	-	-	-	-	-
Cyprus	599	599	-	-	599	-	-	-	-	-	-	-
Egypt	11,670	11,670	8,517 ^{2/}	-	3,153	-	-	-	-	-	-	-
Greece	67,500	-	-	-	-	-	67,500	-	52,500	-	-	15,000
India	60,949	60,717	-	430	60,287	-	232	232	-	-	-	-
Iran	1,325	1,323	-	1,323	-	-	2	2	-	-	-	-
Israel	1,065,092	82,428	50,000 ^{2/}	-	32,428 ^{4/}	-	982,664 ^{3/}	-	982,664 ^{3/}	-	-	-
Jordan	104,818	61,249	53,205 ^{2/}	-	8,044	-	43,569	40,512	-	3,057	-	-
Lebanon	2,090	1,925	-	-	1,923	2	165	165	-	-	-	-
Malta	9,920	9,920	9,500	10	410	-	-	-	-	-	-	-
Morocco	30,089	26,461	1,437	1,434	23,590	-	3,628	628	3,000	-	-	-
Nepal	4,569	4,544	2,811	844	889	-	25	25	-	-	-	-
Oman	166	166	-	166	-	-	-	-	-	-	-	-
Pakistan	94,687	94,461	58,380	-	35,188	893	226	226	-	-	-	-
Portugal	10,893	10,031	-	-	10,031	-	862	862	-	-	-	-
Saudi Arabia	184	-	-	-	-	-	184	184	-	-	-	-
Spain	28,376	3,000	3,000	-	-	-	25,376	2,876	-	-	-	22,500
Sri Lanka	7,842	7,830	-	-	7,830	-	12	12	-	-	-	-
Syria	1	1	-	-	1	-	-	-	-	-	-	-
Tunisia	24,327	19,995	2,318	1,018	16,659	-	4,332	1,832	2,500	-	-	-
Turkey	174,829	5,615	1,823	-	3,792	-	169,214	75,459	75,000	16,855	-	1,900
Yemen (YAR)	3,843	3,843	2,108	175	1,560	-	-	-	-	-	-	-
UNRWA Regional	18,715	18,715	-	-	18,715	-	-	-	-	-	-	-
Economic Regional Programs	9,119	9,119	8,798	321	-	-	-	-	-	-	-	-
Regional Military Costs	79	-	-	-	-	-	79	79	-	-	-	-
EUROPE - TOTAL	40	-	-	-	-	-	40	40	-	-	-	-
Austria	25	-	-	-	-	-	25	25	-	-	-	-
Finland	15	-	-	-	-	-	15	15	-	-	-	-
OTHER	664,770	632,860	495,410 ^{2/}	17,491 ^{6/}	113,760 ^{7/}	6,199 ^{8/}	31,910	32,048 ^{9/}	-	-	-	-
U.S. CONTRIBUTIONS TO INTERNATIONAL FINANCIAL INSTITUTIONS -TOTAL	620,000 ^{10/}	620,000 ^{10/}	-	-	-	-	-	-	-	-	-	-
International Development Association	320,000	320,000	-	-	-	-	-	-	-	-	-	-
Inter-American Development Bank	-	-	-	-	-	-	-	-	-	-	-	-
Paid-in Capital	25,000	25,000	-	-	-	-	-	-	-	-	-	-
Callable Capital	(168,400)	(168,400)	-	-	-	-	-	-	-	-	-	-
Special Funds	225,000	225,000	-	-	-	-	-	-	-	-	-	-
Asian Development Bank	-	-	-	-	-	-	-	-	-	-	-	-
Ordinary Capital	-	-	-	-	-	-	-	-	-	-	-	-
Special Funds	50,000	50,000	-	-	-	-	-	-	-	-	-	-

NOTE: Totals may not add due to rounding.

- 1/ Includes \$620.0 million appropriated for international financial institutions.
- 2/ Largely or wholly funded from Security Supporting Assistance or Indochina Postwar Reconstruction accounts.
- 3/ Of which \$682.7 million was provided as an emergency credit under separate legislation.
- 4/ Includes West Bank of the Jordan River and Gaza.
- 5/ Includes the following: American Schools and Hospitals Abroad \$18.8 million; Administrative Expenses, AID, \$43.3 million; State Department \$4.9 million; Contingency Fund \$12.4 million; International Organizations and Programs \$134.5 million; Operating Costs \$143.6 million; and Other Interregional Programs \$138.0 million.
- 6/ Includes Worldwide Support \$4.6 million, Peace Corps share of ACTION support \$12.9 million.
- 7/ Includes unallocated, Title I \$1.2 million, Ocean Freight \$112.2 million, Grants of Title I currencies under Section 204 of Title II \$1.7 million, Title II Miscellaneous Recoveries \$-1.3 million.
- 8/ Includes International Organizations \$2.0 million, Interregional Programs Training and Support Costs \$4.2 million.
- 9/ Includes Administration \$25.9 million, MAP-owned material \$5.0 million, Training \$0.8 million, Inspector General \$175,000, Supply Operations \$138,000.
- 10/ Excludes \$1,448.6 million appropriated for maintenance of value of the dollar.

FY 1976 BUDGET REQUEST

AGENCY FOR INTERNATIONAL DEVELOPMENT ECONOMIC ASSISTANCE PROGRAMS (in millions of dollars)

	1976					Fifth Quarter		1977
	Foreign Assistance Act Authorization Request	Appropriation Request	Transfers	Reimbursements	Recoveries	Proposed Program	Appropriation Request and Proposed Program	Foreign Assistance Act Authorization Request
DEVELOPMENT ASSISTANCE								
Food Production and Nutrition	534.5	534.5	--	--	47.8	582.3	151.0	635.0
Population Planning and Health	180.5	180.5	--	--	21.0	201.5	56.0	210.0
Education and Human Resources Development	71.0	71.0	--	--	24.3	95.3	20.7	85.0
Selected Development Problems	45.3	45.3	--	--	1.5	46.8	8.7	40.0
Selected Countries and Organizations	32.0	32.0	-5.0 ^{a/}	--	4.9	31.9	7.6	40.0
Subtotal	863.3	863.3	-5.0	--	99.5	957.8	244.0	1,010.0
(Subtotal, grants included above)	NA	(375.3)	(--)	(--)	(14.5)	(389.8)	(89.9)	NA
(Subtotal, loans included above)	NA	(488.0)	(-5.0)	(--)	(85.0)	(568.0)	(154.1)	NA
International Organizations and Programs	189.5	189.5	--	--	--	189.5	19.2	214.9
UN Environment Fund	b/	7.5	--	--	--	7.5	--	b/
Indus Basin Development Fund, Grants	27.0 ^{c/}	22.5	--	--	--	22.5	4.5	--
TOTAL, DEVELOPMENT ASSISTANCE	1,079.8	1,082.8	-5.0	--	99.5	1,177.3	267.7	1,224.9
SECURITY SUPPORTING ASSISTANCE ^{d/}	g/	--	--	--	--	--	--	g/
MIDDLE EAST SPECIAL REQUIREMENTS FUND	g/	--	--	--	--	--	--	g/
OTHER PROGRAMS								
International Disaster Assistance	20.0 ^{e/}	20.0	--	--	--	20.0	10.0 ^{e/}	20.0 ^{e/}
President's Foreign Assistance Contingency Fund	10.0 ^{e/}	10.0	--	--	--	10.0	5.0 ^{e/}	10.0 ^{e/}
American Schools & Hospitals Abroad ^{d/}	9.8	9.8	--	--	--	9.8	2.4	9.8
TOTAL, OTHER PROGRAMS	39.8	39.8	--	--	--	39.8	17.4	39.8
OPERATING EXPENSES ^{f/}	205.2	205.2	--	2.8	--	208.0	54.4	g/
FOREIGN SERVICE RETIREMENT FUND	h/	16.1	--	--	--	16.1	--	h/
TOTAL, AGENCY FOR INTERNATIONAL DEVELOPMENT	1,324.8	1,343.9^{i/}	-5.0	2.8	99.5	1,441.2	339.5	1,264.7

- a/ Proposed for transfer to Dept. of State, Office of Refugee and Migration Affairs, pursuant to Section 2(c) of the Migration and Refugee Assistance Act of 1962; supporting narrative material is included in the interregional volume of the Agency's FY 1976 Congressional Presentation.
- b/ The UN Environment Program Participation Act of 1973 authorized the appropriation of up to \$40 million for this activity.
- c/ Authorizes funds for completion of the U.S. commitment to the Indus Basin Development Fund.
- d/ In addition excess foreign currencies are requested in the following dollar-equivalent amounts: \$7 million each for fiscal years 1976 and 1977; \$1.75 million for the Fifth Quarter.
- e/ Proposed legislation would authorize appropriation of such amounts as may be necessary with a maximum of \$20 million for International Disaster Assistance and \$10 million for the President's Foreign Assistance Contingency Fund.
- f/ Beginning with FY 1976 a separate Operating Expenses account is proposed to fund operating expenses formerly funded from Administrative Expenses, A.I.D. (which will be terminated in FY 1975) and from several program appropriations. Administrative and Other Expenses, State will be included in the Dept. of State budget beginning with FY 1976.
- g/ Indefinite authorization.
- h/ Section 865 of the Foreign Service Act of 1946 authorizes necessary appropriations to the Foreign Service Retirement and Disability Fund, in thirty equal annual installments, to finance the unfunded liability resulting from increases in benefits or participation. The Foreign Assistance Act of 1973 added Subsection (k) to Section 625 of the Foreign Assistance Act of 1961, as amended, authorizing the participation of A.I.D. Foreign Service personnel in the fund.
- i/ Total amount to be proposed later. This presentation does not cover all programs to be proposed for funding under Security Supporting Assistance. The President has ordered a review of Middle East policy; subsequently, we will consider and propose country assistance levels and their composition. For details of programs now being proposed for Security Supporting Assistance, see presentation volumes on Near East and South Asia Programs and on East Asia Programs.
- j/ In addition, \$200,000 in excess foreign currencies is requested to carry out the provisions of Section 612 of the Foreign Assistance Act of 1961, as amended.

FY 1976 BUDGET REQUEST

Economic Assistance

Development Assistance

For FY 1976, A.I.D. requests an appropriation of \$1083 million for development assistance to provide a development program of \$1177 million.

- the \$94 million difference between appropriation and program consists primarily of an estimate of amounts to be recovered from the pipeline of obligated but unexpended funds from prior years;
- the appropriation request is higher in relation to the proposed program than has been the case in previous years because beginning in FY 1976, repayments of principal and interest will go to the Treasury and will not be available to A.I.D. These amounts have been a significant part of program availabilities in past years; for example:

** \$168 million in FY 1974;

** \$197 million in FY 1975.

The FY 1976 development assistance program consists of:

- \$582.3 million for Food Production and Nutrition;
- \$201.5 million for Population Planning and Health;

--\$95.3 million for Education and Human Resources Development;

--\$46.8 million for Selected Development Problems;

--\$31.9 million for Selected Countries and Organizations;

--\$189.5 million for support of the development programs of the United Nations and the OAS;

--\$7.5 million for UN Environment Fund;

--\$22.5 million for the Indus Basin Development Fund administered by the World Bank.

Of the \$1177 million proposed program for development assistance outlined above, \$957.8 million is for U.S. bilateral development assistance programs focused on critical needs of the poor majority:

- food production, rural development, and nutrition;
- population planning and health;
- education and human resources development;
- productive employment and urban housing.

As the following table indicates, 92% of the \$957.8 million proposed for U.S. bilateral development assistance programs will be in the three major categories directed at food, population, and education problems in the developing countries. A substantial portion of the remainder provides indirect support for the same purposes.

A.I.D. FUNCTIONAL DEVELOPMENT ASSISTANCE

	FY 1975 Estimated (\$ Million)			FY 1976 Proposed (\$ Million)		
	Appropriation	Estimated Program	% of Total	Appropriation Request	Proposed Program	% of Total
Food Production and Nutrition	300.0	410.3	54	534.5	582.3	61
Population Planning and Health	125.0	166.0	22	180.5	201.5	21
Education and Human Resources	82.0	79.6	11	71.0	95.3	10
Selected Development Problems	37.0	60.0	8	45.3	46.8	5
Selected Countries and Organizations	30.0	38.6	5	32.0	31.9	3
Total	574.0	754.5	100	863.3	957.8	100

* For comparability with FY 1976, in which Operating Expenses are proposed as a separate appropriation account, the program level for FY 1975 has been reduced by 120.7 to exclude that portion of Operating Expenses which were funded in that Fiscal Year from the functional accounts listed above.

Food Production and Nutrition:

-- \$582.3 million is targeted largely on the small farmer who, with his family, comprises the bulk of the rural poor.

Emphasis will be on:

- ** providing fertilizer and agricultural inputs to increase production;
- ** research to improve agricultural methods and techniques;
- ** rural sector projects comprising interrelated aspects of rural development.

Population Planning and Health:

-- \$201.5 million for programs in family planning, curative and preventive medical services, assistance to countries to deal with specific endemic diseases, improved sanitation and potable water. A.I.D. programs in the population field stress not only the availability and delivery of family planning services, but also respond to the economic and social aspects of the problem.

Education and Human Resources:

-- \$95.3 million to assist developing countries provide critically needed knowledge, skills, and aptitudes

necessary for individuals to contribute effectively and to participate in their societies. A major focus is on new methods to deliver practical skills to large, previously unreached, populations.

related to its own programs, and this effort is continuing. Other programs will fund activities carried out by regional and international organizations whose activities largely complement our bilateral assistance program.

Selected Development Problems:

-- \$46.8 million to finance projects that:

- ** assist in linking U.S. scientific and technological knowledge to development problems;
- ** respond to the needs of urban poor through housing and other activities;
- ** assist in reconstruction from natural disasters;
- ** help provide, in limited instances, important capital infrastructure to countries where lack of basic facilities impairs progress in high priority sectors, such as food and nutrition.

Selected Countries and Organizations:

-- Of the \$31.9 million requested, more than two-thirds will support the work of U.S. Private and Voluntary Organizations in the development process. A.I.D. has made a major effort in the past year to increase the involvement of these organizations in areas directly

International Organizations and Programs:

-- The \$189.5 million requested will provide for voluntary contributions from the United States to United Nations programs and to the Organization of American States. Major elements include:

- ** \$120 million for the United Nations Development Program;
- ** \$15 million for the United Nations Children's Fund;
- ** \$26.7 million for the United Nations Relief and Works Agency;
- ** \$7 million, in total, for the UN Atomic Energy Agency, the World Meteorological Organization, the FAO's World Food Program, the UN Institute for Training and Research, the Fund for Southern Africans, and the World Heritage Fund;
- ** \$20.8 million for voluntary contributions to the assistance programs administered by the Organization of American States.

UN Environment Fund:

- A \$7.5 million contribution will assist this organization to coordinate international cooperation to protect the human environment.

Indus Basin Fund:

- A grant of \$22.5 million, together with \$4.5 million proposed for the Fifth Quarter, will complete the U.S. commitment to the Indus Basin Development Fund administered by the World Bank.

Security Supporting Assistance

The total amount for Security Supporting Assistance in FY 1976 is to be proposed later. This

presentation does not cover all programs to be proposed for funding under Security Supporting Assistance. The President has ordered a review of Middle East policy; subsequently, we will consider and propose country assistance levels and their composition. For details of programs now being proposed for Security Supporting Assistance, see presentation volumes on Near East and South Asia Programs and on East Asia Programs.

Other Programs

Other programs for FY 1976 include:

- \$20 million for International Disaster Assistance;
- \$10 million for the President's Foreign Assistance Contingency Fund;

- \$9.8 million for American Schools and Hospitals Abroad.

Operating Expenses

To meet the essential cost of planning, managing, overseeing, and carrying out foreign assistance programs, A.I.D. requests an authorization and appropriation of \$205.2 million for its FY 1976 Operating Expenses. Detailed information on the Operating Expenses budget will be found in the separate volume of this presentation entitled Management-Personnel-Operating Expenses.

Foreign Service Retirement Fund

\$16.1 million is requested to cover the FY 1976 annual installment required to cover the unfunded liability for A.I.D. Foreign Service employees under the Foreign Service Retirement and Disability System.

- Such unfunded liabilities are normally covered under appropriations to the Department of State for the Foreign Service Retirement system and under appropriations to the Civil Service Commission for the Civil Service Retirement system.
- In order to comply with the intent apparent in Section 5 of the State Department-USIA Authorization Act, Fiscal Year 1975 (PL 93-475), which prohibited the use of funds appropriated under that Act to meet liabilities attributable to A.I.D. Foreign Service employees, the amount for FY 1976 is included herein.

Fiscal Year 1977 Authorization Request

In addition to the amounts requested for authorization and appropriation for FY 1976, as summarized above, the following amounts are requested at this time to be authorized for FY 1977:

Development Assistance

The amounts proposed for FY 1977 will continue the program emphasis responsive to the new directions for U.S. development assistance programs set forth in the Foreign Assistance Act of 1973:

-- Food Production and Nutrition: \$635 million;

--Population Planning and Health: \$210 million;

--Education and Human Resources Development: \$85 million

--Selected Development Problems: \$40 million;

--Selected Countries and Organizations: \$40 million;

--International Organizations and Programs: \$214.9 million.

Other Programs

--American Schools and Hospitals Abroad: \$9.8 million.

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FOOD AND NUTRITION

PROGRAM SUMMARY (In millions of dollars)			
* FY 1974 Actual	*FY 1975 Estimated	FY 1976 Proposed	5th Q.
274.5	410.3	582.3	151.0

Food scarcity has become one of the chief problems confronting a troubled world.

--The 1974 World Food Conference at Rome highlighted the gravity of the problem.

--Doubling the world's food by 2000 A.D. is an immediate challenge to all countries - developed as well as developing - to eradicate hunger and alleviate malnutrition.

In the developing countries projected increases in food supply cannot cope with hunger and malnutrition:

--Food output has increased 3% annually since 1955, but per capita food production has increased only slightly, and food production is now falling behind population growth.

--World foodgrain reserves are low, while consumption continues to climb.

--Large parts of Asia and Africa, where consumption is generally below minimum standards, now suffer from widespread and severe food shortages.

--Between 300 million and 500 million people in developing countries do not get enough food. An even greater number, up to 800 million, are poorly nourished.

--An FAO assessment concludes that by 1985, unless urgent action is taken now, the developing world will have a net foodgrain deficit approaching 85 million tons annually.

The greatest reservoir of untapped food production potential is in developing countries where:

--rice yields in India and Nigeria still average only one-third those of Japan;

--corn yields in Thailand and Brazil are less than one-third those in the United States;

--higher yields can result from using now under-employed manpower, in concert with more intensive cultivation techniques.

FY 1976 PROGRAM PROPOSAL

(In millions of dollars)

<u>Total</u>	<u>582.3</u>
Latin America	159.3
Africa	122.4
East Asia	38.1
Near East and South Asia	219.2
Interregional and other	43.3

*For comparability with FY 1976, program levels for FY 1974 and FY 1975 have been reduced by \$31.8 and \$65.2 respectively, to exclude Operating Expenses.

Food production and nutrition programs require increased support if world food supply goals are to be met:

--Thus, \$582 million or 50% of the FY 1976 Development Assistance request will focus on helping developing countries increase food production, improve nutrition, and enhance the quality of life for the rural poor:

**through building new knowledge essential to producing more food for the future;

**through applying existing knowledge toward achieving a faster impact on food supplies.

--Other donors are being encouraged to increase their support for these efforts as well.

Research

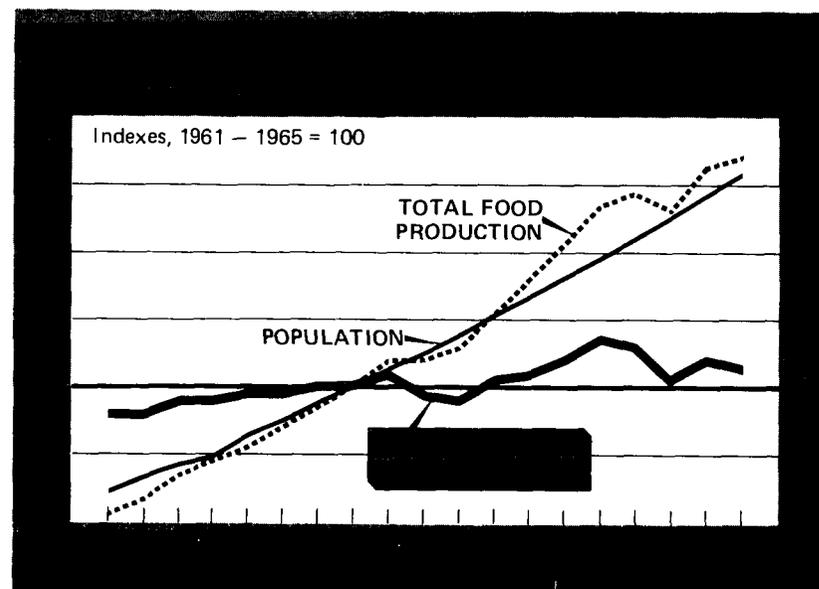
Research programs aim at finding increasingly effective technologies to promote expanded production capacity and higher food quality. These activities stress:

--higher-yielding crop varieties, with higher nutrient levels;

--more efficient systems for using soil and water;

--new and better fertilizers and cheaper means of utilizing nitrogen for assimilation by plants;

--improved livestock systems, particularly in parts of Africa and Latin America where animals forage and do not compete with humans for grain consumption.



Past programs have mobilized scientific manpower to solve food problems in developing countries:

--We have demonstrated that the U. S. Department of Agriculture, U.S. universities, and other U.S. institutions have abundant skills and experience which can be fruitfully employed in an expanded program;

--Successes are described in the volume Inter-regional Programs.

Title XII of the proposed legislation would authorize expanded U.S. participation in international food and nutrition research efforts in accordance with pledges made to the World Food Conference to triple U.S. contributions to food and nutrition research by 1980.

Title XII has three components:

First, the United States would help strengthen existing agriculture and nutrition research institutions in developing countries. Bilateral technical assistance programs for this purpose would increase from \$11 million in FY 1975 to about \$40 million in 1980, giving priority to national and regional institutions which seek improved working relationships with:

- the small farmers, promoting early dissemination of research results and obtaining early feedback on problems encountered with new technologies;
- advanced institutions working on the same problem -- international research institutes or institutions in the United States or other countries -- to promote joint research, exchanges of material and information, and other technical cooperation activity.

Second, the United States would further promote internationalization of the effort, continuing its strong participation in multidonor support for international research centers,

- raising its 25% annual contribution to the Consultative Group for International Agricultural Research from \$10.7 million in 1975 to about \$25 million in 1980, thus raising total contributions from \$45 million in 1975 to at least \$100 million in 1980;
- providing basic initial support to the International Fertilizer Development Center, located with the TVA national center at Muscle Shoals, Alabama.

Third, ongoing U.S. Land Grant University research programs will be strengthened to increase their relevance and contributions to solving developing country food problems.

We have worked successfully for over 20 years to help developing countries build institutions modeled on the U.S. Land Grant Universities. Efforts should now be directed toward organizing research work systems involving these universities, selected U.S. institutions with specialized competence, and international research centers in solving key food problems of common interest and to adapt these solutions to specific situations in the respective countries. A new long-term partnership between A.I.D. and the universities would:

- use long-term flexible cooperative agreements.
- promote collaboration between U.S. and developing country scientists on overlapping problems with consequent worldwide benefits for farmers and consumers, including specifically those of the United States.

Joint Land Grant University-A.I.D. mechanisms would:

- develop program criteria;
- recommend allocation of resources;
- evaluate effectiveness on a continuing basis.

Authorization of the new initiative in FY 1976 would permit a modest beginning and orderly planning for expansion.

- The program would start with modest exploration grants on a matching basis to enable Land Grant Universities to analyze opportunities for joint problem-solving programs in relationship to their competencies and the needs and interests of their domestic programs.

--Food and nutrition research contracted to U.S. universities, amounting to \$8.5 million in FY 1975, plus the proposed cooperative agreements, would reach an annual total of \$28 million by 1980.

Past research and development on seeds have resulted in high-yield varieties. Combined with applications of fertilizer, other agricultural inputs, and technical assistance, these new varieties made possible the Green Revolution which appreciably increased grain production.

The research programs proposed this year will continue the building of new knowledge essential to future agricultural productivity.

Food Production

Most food and nutrition funds are directed toward achieving faster impact on food supplies; not to buy food, but to apply existing knowledge to increase output and improve nutrition progressively year by year, and emphasizing benefits for the rural poor.

--South Asian countries severely affected by oil-related price increases, will use FY 1976 loans to import fertilizer to assure supplies for large numbers of poor farmers.

--Irrigation projects in Pakistan, Morocco, and Haiti will help increase food production.

--Rural roads and pilot "package programs" in selected areas of Ethiopia and the Philippines will better assure the availability to farmers of seeds, fertilizers, and tools to grow more food, as well as markets for their harvested crops.

--Thailand, with natural advantages as a rice producer, but using little modern technology, will endeavor to increase its production capacity and help its small farmers through a proposed FY 1976 loan to build facilities for multiplying and processing imported seeds.

--Tunisia and Morocco will use FY 1976 assistance to develop package approaches for small farmers.

Nutrition

An estimated 800 million persons in the developing world suffer from malnutrition.

--One of every five children dies before the age of five; at least half of these deaths are malnutrition-related.

--Malnutrition of pregnant women, nursing mothers, and infants impairs the physical and often the mental development of surviving children.

An effective nutrition strategy requires coordinated efforts in agriculture, food technology, health, education, family planning, and Food for Peace.

--Agriculture programs increase food production and develop new, higher protein cereals.

--Food technology programs include fortification of food products and development of new nutritious low-cost foods, including weaning foods.

- Nutrition education forms part of multipurpose low-cost health delivery systems.
- Food for Peace institutional feeding programs provide low-cost nutritious foods developed under the interregional research program.
- U.S. voluntary agencies often play a key role in reaching the most vulnerable groups, the preschool child and pregnant and nursing mothers.
- In FY 1975, national nutrition planning efforts began in Pakistan, Thailand, Chile, Morocco, and Zaire.
- A.I.D. plans in FY 1976 to initiate assistance to Costa Rica, Ghana, Tunisia, Colombia, and Nicaragua.

Rural Development

Rural development strategy seeks to improve rural conditions by promoting profitable production - both on and off the farm - coupled with equitable distribution of benefits.

- Target groups are low-income persons living in villages, market towns, and small rural-oriented cities.
- They include small farmers, herdsmen, landless laborers, artisans, craftsmen, and small businessmen.

Additional jobs and income for the rural poor usually depend on increasing agricultural production, which requires:

- supporting programs of research, extension, seed multiplication, marketing and credit;
- special efforts to assure credit and savings facilities, adequate linking of markets and supply, effective communications between small producers and rural development institutions.

Small farmer organizations can provide:

- a convenient, less costly means for delivering farm inputs, services, and marketing facilities;
- a mechanism for promoting group investment and labor;
- channels for communicating needs and problems to program planning and management agencies.

Assistance to farmer organizations includes:

- ongoing projects in the Philippines to train managers for small farmer production cooperatives and provide electricity through cooperatives for poor rural households.
- an FY 1976 loan to help Bolivia establish small farmer organizations and meet their credit needs.

--an FY 1976 loan to help Guatemala increase grain production on small farms, emphasizing cooperative credit and settlement of poor, landless farmers.

--responses to other requests for assistance in FY 1976 to farmer organizations in Chile, Kenya, and Swaziland.

Well-conceived land tenure systems provide incentives for small farmers:

--U.S. experience indicates that modernized land tenure systems stimulate enterprise and productivity of small farmers.

--A.I.D. seeks to utilize the best available expertise, individuals and institutions to provide research, training and consultation for developing countries on land tenure problems.

--A proposed loan to El Salvador will support land distribution and production credit for small farmers.

--A proposed loan to Chile will help provide credit to farm families benefitting from recent land reform.

--The Philippines will use FY 1976 aid for an agrarian reform project aimed at converting one million small tenant farmers to leaseholders by the end of 1977.

Linking agricultural and industrial development is important for assuring inputs and markets for small farmers and employment for the rural poor. FY 1976

projects are planned for Bolivia, Paraguay, Thailand, and Botswana.

Small-scale construction for irrigation, land improvement, farm-to-market roads, and storage facilities are major components of rural development programs.

--FY 1976 activity includes 12 major land improvement and six farm-to-market road projects. Both types are included in area development projects in three other countries.

--Several African countries and Sri Lanka are planning improvement and expansion of storage facilities to cut losses and help stabilize prices.

FY 1976 Program

The FY 1976 program includes \$582.3 million for Food Production and Nutrition, a substantial increase from \$274.5 million in FY 1974 and \$410.3 million estimated for FY 1975. The FY 1976 proposal by country is shown in the following table "Summary of Food and Nutrition Program Proposal." Details are found in the regional volumes of the A.I.D. FY 1976 Presentation to the Congress.

SUMMARY OF
 FOOD AND NUTRITION PROGRAM PROPOSAL - FY 1976 AND FIFTH QUARTER
 (in millions of dollars)

	<u>FY 1976</u>			<u>Fifth Quarter</u>		
	<u>Total</u>	<u>Grants</u>	<u>Loans</u>	<u>Total</u>	<u>Grants</u>	<u>Loans</u>
<u>TOTAL PROGRAM</u>	<u>582.3</u>	<u>116.1</u>	<u>466.2</u>	<u>151.0</u>	<u>21.9</u>	<u>129.1</u>
<u>AFRICA - TOTAL</u>	<u>122.4</u>	<u>39.7</u>	<u>82.7</u>	<u>31.3</u>	<u>5.8</u>	<u>25.5</u>
Ethiopia	18.4	7.7	10.7	10.2	.2	10.0
Ghana	11.0	1.0	10.0	.1	.1	-
Kenya	11.9	1.9	10.0	.4	.4	-
Liberia	.4	.4	-	8.1	.1	8.0
Rwanda	.1	.1	-	.1	.1	-
Tanzania	14.8	2.8	12.0	2.0	2.0	-
Zaire	2.2	2.2	-	8.0	.5	7.5
East Africa Regional	.7	.7	-	.1	.1	-
Southern Africa Programs	14.0	4.0	10.0	.4	.4	-
Sahel and Other Central West Africa						
Programs	36.6	11.6	25.0	1.2	1.2	-
Portuguese Territories	7.5	2.5	5.0	-	-	-
Africa Regional	4.7	4.7	-	.7	.7	-
<u>EAST ASIA - TOTAL</u>	<u>38.1</u>	<u>6.1</u>	<u>32.0</u>	<u>5.4</u>	<u>.8</u>	<u>4.6</u>
Indonesia	16.1	1.1	15.0	.3	.3	-
Korea	.3	.3	-	-	-	-
Philippines	14.6	2.6	12.0	4.9	.3	4.6
Thailand	7.1	2.1	5.0	.2	.2	-
<u>LATIN AMERICA - TOTAL</u>	<u>159.3</u>	<u>14.8</u>	<u>144.5</u>	<u>40.9</u>	<u>4.9</u>	<u>36.0</u>
Bolivia	8.1	.6	7.5	.7	.7	-
Chile	22.8	.8	22.0	.1	.1	-
Colombia	13.7	.7	13.0	6.2	.2	6.0
Costa Rica	6.2	.2	6.0	*	*	-

*Less than \$50,000.

	<u>FY 1976</u>			<u>Fifth Quarter</u>		
	<u>Total</u>	<u>Grants</u>	<u>Loans</u>	<u>Total</u>	<u>Grants</u>	<u>Loans</u>
<u>LATIN AMERICA (continued)</u>						
Dominican Republic	12.3	.3	12.0	.1	.1	-
El Salvador	11.7	.7	11.0	.1	.1	-
Guatemala	14.1	1.1	13.0	.2	.2	-
Guyana	3.7	.2	3.5	.2	.2	-
Haiti	7.5	2.5	5.0	8.7	.7	8.0
Honduras	9.7	.7	9.0	.2	.2	-
Jamaica	.1	.1	-	*	*	-
Nicaragua	.5	.5	-	.4	.4	-
Panama	4.1	.1	4.0	7.0	-	7.0
Paraguay	3.6	1.1	2.5	.4	.4	-
Peru	19.1	1.1	18.0	.2	.2	-
Uruguay	.3	.3	-	*	*	-
Latin America Regional	10.4	2.4	8.0	.4	.4	-
Caribbean Regional	10.3	.3	10.0	.1	.1	-
ROCAP	1.4	1.4	-	15.9	.9	15.0
<u>NEAR EAST AND SOUTH ASIA - TOTAL</u>	<u>219.2</u>	<u>12.2</u>	<u>207.0</u>	<u>67.5</u>	<u>4.5</u>	<u>63.0</u>
Afghanistan	7.3	2.3	5.0	5.7	.7	5.0
Bangladesh	60.3	2.3	58.0	20.5	.5	20.0
India	75.6	.6	75.0	.1	.1	-
Morocco	6.3	1.3	5.0	8.6	.6	8.0
Nepal	.7	.7	-	.4	.4	-
Pakistan	57.8	1.8	56.0	25.3	.3	25.0
Sri Lanka	8.0	-	8.0	-	-	-
Tunisia	1.6	1.6	-	5.5	.5	5.0
Yemen	1.2	1.2	-	.9	.9	-
Near East and South Asia Regional	.4	.4	-	.4	.4	-
<u>WORLDWIDE TECHNICAL ASSISTANCE & RESEARCH PROGRAMS</u>	<u>41.8</u>	<u>41.8</u>	<u>-</u>	<u>5.4</u>	<u>5.4</u>	<u>-</u>
<u>OCEAN FREIGHT DIFFERENTIAL</u>	<u>1.2</u>	<u>1.2</u>	<u>-</u>	<u>.4</u>	<u>.4</u>	<u>-</u>
<u>INSPECTOR GENERAL OF FOREIGN ASSISTANCE</u>	<u>.3</u>	<u>.3</u>	<u>-</u>	<u>.1</u>	<u>.1</u>	<u>-</u>

* Less than \$50,000.

Note: Totals may not add due to rounding

POPULATION PLANNING AND HEALTH

PROGRAM SUMMARY (In millions of dollars)			
FY 1974 * Actual	FY 1975 * Estimated	FY 1976 Proposed	5th Q.
181.6	166.0	201.5	56.0

Hard won increases in food production over the past 20 years have been consumed largely by excessive increases in population. Improvement in living conditions for most people demands attention to both the numbers of people and the quality of their lives.

- Food availability per person has barely risen above earlier very low levels.
- Malnutrition has worsened in absolute terms in many countries.
- Poor sanitation, lack of clean water, prevalence of disease carriers, and other factors continue to plague most countries.
- Health services needed to remove or relieve these threats have not kept pace with population growth.

Impact of Rapid Population Growth

More than 85% of the people in the developing countries have no access to basic health and family planning services.

- Our development assistance programs in population and health, working with other donors and the developing

*For comparability with FY 1976, program levels for FY 1974 and FY 1975 have been reduced by \$21.1 and \$26.6 respectively, to exclude Operating Expenses.

countries, contribute to improvement in the basic quality of life of the poor by helping meet:

- ** critical problems of rapid population growth;
- ** malnutrition;
- ** high incidence of disease;
- ** scarcity of elementary health services.

FY 1976 PROGRAM PROPOSAL

(In millions of dollars)

<u>Total</u>	<u>201.5</u>
(Population Planning)	135.7
(Health)	65.8
<hr/>	
Africa	15.2
East Asia	30.4
Latin America	36.5
Near East and South Asia	26.2
UNFPA	21.0
Interregional and Other	72.2

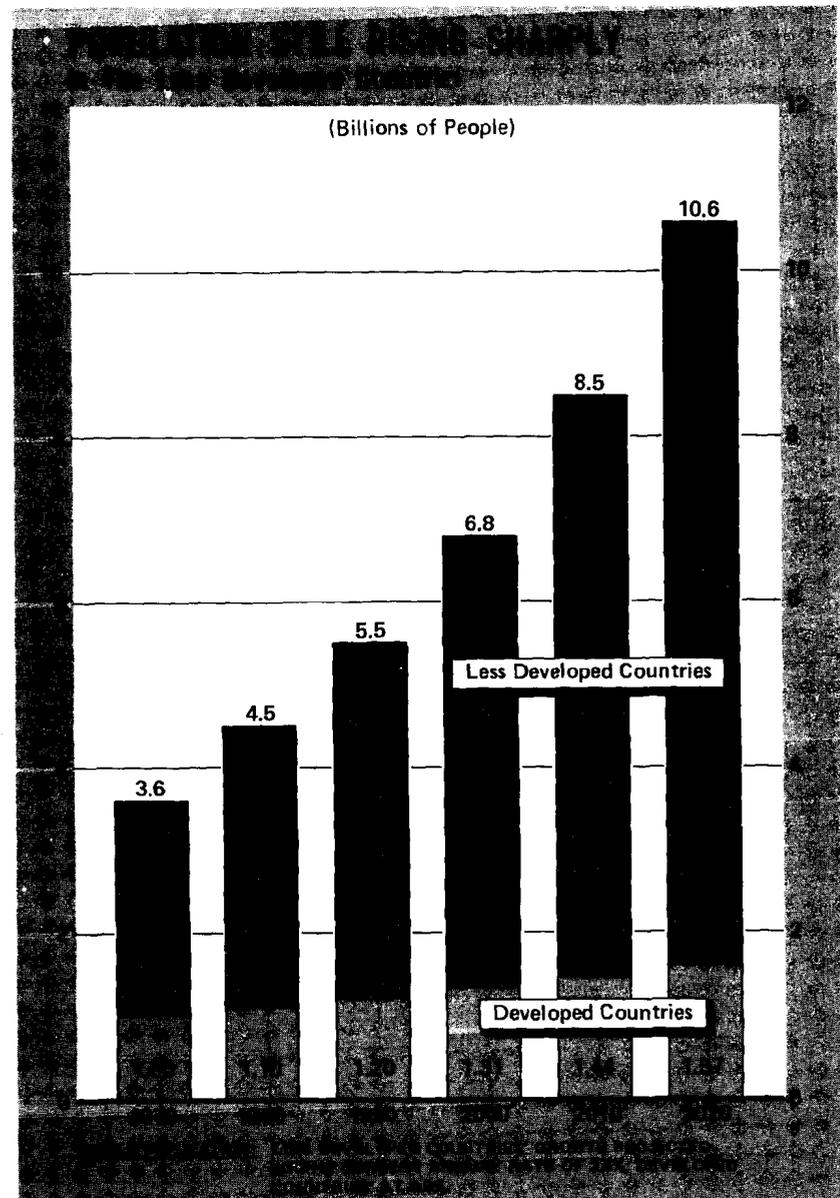
The current world population of 4 billion will double in 40 years to 8 billion if present growth rates continue. Populations in developing countries will account for 85% of this growth, going from 1.9 billion to 5.3 billion. The consequences of unchecked population growth in the developing countries are formidable, as the current food crisis demonstrates. In the future, developing countries will be forced to increase sharply their demand for food imports if their growing populations are to continue to survive even at today's low living standards.

As a result of the efforts of the last decade, more developing countries recognize the urgency of the population problem and are acting to combat it. The capstone of this effort was the designation of 1974 as World Population Year and the convening of the UN World Population Conference in Bucharest last August. The Conference underscored the basic right of all people to decide freely and responsibly the number and spacing of their children and to have the information, education, and means to do so.

The Plan urged all governments to:

- make available information and means of achieving responsible parenthood;
- integrate family planning measures and programs into comprehensive social and economic plans and programs.

Countries assisted by A.I.D. and other international organizations have requested unprecedented increases in family planning assistance. These efforts to increase motivation for family planning through better understanding of economic and social conditions will eventually stimulate demand for such services.



Although the U.S. is still the primary contributor to international family planning programs, other donors have increased their participation substantially in recent years:

- In the late 1960s, the United States provided 55% of the contributions to the United Nations Fund for Population Activities (UNFPA). Although our anticipated contribution in 1975 is nearly double that of 1970, our share has dropped below 30%.
- Other donors increased their 1974 contributions by an average of about 40%.

Unchecked population growth severely retards economic growth. Lack of basic services such as education, housing, and health care for the great majority of the population, especially the rural poor, inhibits their effective participation in the development effort. As population growth slows, efforts to increase supplies of basic goods and services are more effective. Thus, family planning assistance to reduce birth rates is essential to the success of an overall development strategy.

Survival is still tenuous for most people in developing countries.

- For the very poor, life expectancy is almost 30 years less than in the United States.
- Infant mortality is nearly four times higher than in the United States, and far worse in some countries.

- Half of all deaths in the developing countries are of children under the age of five, most from the combination of malnutrition and infection.

The survivors, who share the burdens of development, are hampered by malnutrition and endemic diseases. Perennial breeding of insects and continued pollution of water and soil create overwhelming environmental health risks for many rural families. Each year there are:

- 100 million cases of malaria;
- 200 million cases of snail fever (schistosomiasis);
- 40 million cases of river blindness (onchocerciasis);
- ever-present respiratory and diarrheal diseases which threaten malnourished children.

Inadequate health planning, limited health services and poorly trained personnel cannot deal effectively with these health problems. More resources must be devoted to help the developing countries shape health programs they can afford. Too often these services are modeled on advanced and expensive western technology, which only a small minority of people in developing countries can afford. Radical rethinking of existing concepts offers the prospect of providing adequate services for the majority of people at a cost they can afford.

Poor maternal and child health, reflected in widespread malnutrition and disease and high death rates, correlates clearly with high fertility in poor countries.

- Decreasing mortality without birth control has historically increased population growth rates at least temporarily. At the same time, there is evidence that reduction in child mortality contributes to a reduction in fertility. The growth of population, frequent pregnancies, and large families inhibit efforts to improve maternal and child health.
- Family planning is increasingly viewed in the developing world today as an essential component of efforts to improve maternal and child health. Its acceptance may depend in good part on people's understanding that family planning services promote health. Even those with access to such services may not take full advantage of them due to a lack of understanding about their use and benefits, or to economic and cultural pressures to have large families.

Action Through Family Planning Assistance

The family planning program for the last decade has worked to:

- promote worldwide understanding and interest in population growth and its impact on development;
- encourage development of family planning programs through support of voluntary national and multilateral efforts;
- provide technical and institutional support for development of family planning efforts.

A basic family planning infrastructure now exists in many countries for:

- training of family planning workers and education of decisionmakers about the need for family planning and the services available;
- biomedical and social science research and data collection to establish a sound base for program planning;
- demonstration and testing of various methods of providing services.

Forty-three developing countries have been assisted by A.I.D. on a bilateral basis and another 50 through private organizations and intermediaries, pioneers in family planning work overseas. Mounting evidence indicates that these efforts have helped bring about fertility declines in several developing countries.

- In the Philippines, a trend of rising fertility since 1900 has now been reversed, following introduction of an A.I.D.-supported national family planning program.
- Indonesia is experiencing a marked decline in fertility in East Java and Bali where the family planning program is now firmly established.
- In India fertility is also declining in several states (Gujarat, Haryana, Punjab, and Maharashtra) which received substantial A.I.D. family planning support before 1971.

Efforts to engage other donors in population activities have been highly successful. Donors to the UN Fund

for Population Activities (UNFPA) have increased from two in 1968 to 48 in 1974. Since demands from less developed countries for population assistance have grown, larger donations are needed. The United States will continue to support an expanded UNFPA program although our share remains about 25 percent. The United States will support the UNFPA through a proposed 1976 pledge of \$25 million: \$21 million in FY 1976 and \$4.6 million in the Fifth Quarter.

Information services to educate people in developing countries to the need to space and limit their children will receive greater stress.

-- Most nations now recognize the severity of the population crisis, but the poor and illiterate of those countries still lack adequate information regarding family planning services. Vigorous educational efforts are needed, but they are hindered by the low level of literacy and limited access to low-cost communication media. A broad range of traditional and modern communication media techniques, such as low-cost films, radio, village readers and individual contact is needed to spread information among the rural and urban poor.

-- A.I.D. and other donor programs will support applied research on the social, cultural, legal, religious and other factors which influence fertility. Particular emphasis will be given to female education, employment opportunities, and other activities which offer alternative choices to

traditional domestic responsibilities since slower population growth seems to follow improvement in the status of women.

Trained manpower and strong indigenous institutions require continuing emphasis.

-- Training of paramedical and nonmedical personnel capable of working at the village level with only limited facilities will receive new stress. Several private nonprofit organizations supported by A.I.D. will train female paramedical personnel to teach auxiliary workers for remote rural areas and poorer urban sections.

-- Efforts of U.S. universities and other private organizations working with institutions in the developing countries will continue to receive A.I.D. support.

Low-cost health and family planning delivery systems are needed.

-- Cooperating countries will be encouraged to devise alternatives to existing systems which rely on high-cost hospitals and clinics and scarce medical talent. Major emphasis will go to continuing expansion of services to reach more of the rural and urban poor, particularly women and children who tend to have the highest fertility, worst diets, and poorest health.

-- Extension of services to these people will require innovative delivery systems that either combine family

planning with simple health measures or that provide family planning services alone where acceptable and feasible.

- Such systems must be at costs which the people can afford in the near future; they should involve greater reliance on private and commercial channels and existing skills such as those of midwives, local volunteers and indigenous practitioners.

A reliable and steady supply of contraceptives is vital to any family planning program.

- Systems now in place in many countries have generated rising demand for contraceptives supplied by A.I.D. and other donors.

- ** A.I.D. has helped meet much of this demand through consolidated purchase of contraceptives at new low prices.
- ** Other donors and the UNFPA are being encouraged to take on a greater share of this effort.
- ** Over the long term, commercial distribution and indigenous production of contraceptives must be developed in order to shift the responsibility to the developing countries themselves.

New Emphasis on Health

Health assistance is to be concentrated in three areas:

- Low-cost integrated health delivery systems to provide the widest possible coverage for the poor majority in family planning, nutrition, and basic health services, at a cost which the developing countries can afford.
 - ** In 1971, A.I.D. began a concerted effort to help other governments design new programs to reach the majority of their people with simple, inexpensive services which integrated health, family planning, and nutrition activities.
 - ** The number of such programs has risen from one in 1971 to eight in 1974, and 16 in 1975.
- Improvement of health and population planning to enable developing countries to achieve a better distribution and use of their own limited resources.
- Prevention of major rural environmental health hazards.
 - ** Contamination of water and soil with human waste causes intestinal illnesses and epidemics of massive proportions.

- ** The perennial breeding of parasites and bacteria spreads infections such as malaria, typhoid, schistosomiasis, and onchocerciasis.

While simple, inexpensive health services are obviously required in developing countries, there are few existing models anywhere on which to pattern such efforts. Finding a solution is a major challenge.

- A.I.D. has joined forces with major international groups, such as the World Health Organization (WHO), the Population Council, and various American universities, professional and voluntary organizations to focus their technical skills on this new initiative.
- More emphasis on health planning and analysis in collaboration with developing countries is required.

- ** A.I.D., working with WHO, is now helping 27 countries with health plans or analyses as compared with four in 1973 and plans to begin in an additional country in FY 1976.

Problems of environmental health, soil and water pollution, cause widespread intestinal diseases in rural areas.

- Innovative, low-cost ideas for rural use, such as the sturdy Battelle pump developed through A.I.D.'s research program, need continuing emphasis.
- Major capital investments in rural water supply and sewage disposal systems are being made by the World Bank.

- Working with the World Bank, WHO, and other donors, A.I.D. is helping to develop a global plan for water-borne disease epidemic control.

- ** The A.I.D.-funded cholera research laboratory in Bangladesh, now field testing new vaccines, is an important link in this international effort.

- Cooperative efforts are underway to study ways in which the United States can help control snail fever (schistosomiasis), one of the greatest hazards in rural agricultural areas. A.I.D. and other donors are ready to go forward in a 20-year program to control river blindness (onchocerciasis) in the Volta River valley in West Africa.

- Malaria remains the most serious health hazard to expansion of agricultural production.

- ** It has recurred in Pakistan, India, Nepal, Thailand, Indonesia, Central America, and Haiti.

- ** There are no major national malaria programs in tropical Africa, with the exception of Ethiopia.

- ** While considerable technical competence exists, countries such as Indonesia, Ethiopia, Haiti, and Pakistan lack management and logistic skills for procurement and distribution of sprays, drugs, and equipment.

Research efforts are also underway, in collaboration with WHO, to find insecticides other than DDT and to develop an anti-malaria vaccine.

SUMMARY OF
POPULATION PLANNING AND HEALTH PROGRAM PROPOSAL
FISCAL YEAR 1976 AND FIFTH QUARTER
(in millions of dollars)

	Fiscal Year 1976				Fifth Quarter			
	Total	Grants	(Pop'n. Grants)	Loans	Total	Grants	(Pop'n. Grants)	Loans
<u>TOTAL PROGRAM</u>	<u>201.5</u>	<u>159.7</u>	<u>(135.7)</u>	<u>41.8</u>	<u>56.0</u>	<u>41.5</u>	<u>(33.9)</u>	<u>14.5</u>
<u>AFRICA - TOTAL</u>	<u>15.2</u>	<u>15.2</u>	<u>(6.6)</u>	<u>--</u>	<u>6.3</u>	<u>4.3</u>	<u>(1.8)</u>	<u>2.0</u>
Ghana	2.1	2.1	(1.7)	--	2.5	.5	(.4)	2.0
Kenya	.9	.9	(.8)	--	.2	.2	(.2)	--
Liberia	1.2	1.2	(.1)	--	.3	.3	(*)	--
Tanzania	1.0	1.0	(1.0)	--	.2	.2	(.2)	--
Zaire	1.1	1.1	(.6)	--	--	--	--	--
Southern Africa Programs	.4	.4	(.2)	--	.4	.4	(.1)	--
Sahel and Other Central West Africa Programs	3.9	3.9	(.5)	--	1.8	1.8	(.1)	--
Africa Regional	3.3	3.3	(1.8)	--	.9	.9	(.8)	--
Self-Help (Included in Africa Regional)	(.3)	(.3)	(.3)	--	(.1)	(.1)	(.1)	--
Portuguese Speaking Africa	1.3	1.3	(-)	--	-	-	(-)	--
<u>EAST ASIA - TOTAL</u>	<u>30.4</u>	<u>20.4</u>	<u>(19.8)</u>	<u>10.0</u>	<u>5.1</u>	<u>5.1</u>	<u>(4.9)</u>	<u>--</u>
Indonesia	8.1	8.1	7.8	--	2.0	2.0	(1.9)	--
Laos	.5	.5	(.5)	--	.1	.1	(.1)	--
Philippines	17.3	7.3	(7.3)	10.0	1.8	1.8	(1.8)	--
Thailand	4.5	4.5	(4.2)	--	1.1	1.1	(1.1)	--
Vietnam	--	--	(--)	--	--	--	(--)	--
<u>LATIN AMERICA - TOTAL</u>	<u>36.5</u>	<u>10.5</u>	<u>(7.2)</u>	<u>26.0</u>	<u>3.3</u>	<u>3.3</u>	<u>(2.4)</u>	<u>--</u>
Bolivia	9.9	.9	(.3)	9.0	.1	.1	(.1)	--
Colombia	.2	.2	(.2)	--	.1	.1	(.1)	--
Costa Rica	.3	.3	(.3)	--	.1	.1	(.1)	--
Dominican Republic	.3	.3	(-)	--	.1	.1	(-)	--
El Salvador	.7	.7	(.7)	--	.2	.2	(.2)	--
Guatemala	.8	.8	(.5)	--	.2	.1	(.1)	--
Haiti	1.4	1.4	(.2)	--	.4	.4	(.1)	--
Honduras	.3	.3	(.3)	--	.1	.1	(.1)	--
Jamaica	.7	.7	(.5)	--	.2	.1	(.1)	--
Nicaragua	11.9	.9	(.6)	11.0	.5	.5	(.2)	--
Panama	6.5	.5	(.5)	6.0	.1	.1	(.1)	--
Paraguay	.4	.4	(.4)	--	.1	.1	(.1)	--
Peru	.3	.3	(.3)	--	.1	.1	(.1)	--
Regional	2.8	2.8	(2.4)	--	1.3	1.3	(1.1)	--

<u>NEAR EAST SOUTH ASIA - TOTAL</u>	26.2	20.4	(15.2)	5.8	18.1	5.6	(3.7)	12.5
Afghanistan	1.6	1.6	(.3)	--	.6	.6	(.1)	--
Bangladesh	4.6	4.6	(4.6)	--	1.2	1.2	(1.2)	--
Morocco	.4	.4	(.4)	--	.1	.1	(.1)	--
Nepal	1.6	1.6	(1.1)	--	.7	.7	(.6)	--
Pakistan	11.7	7.7	(7.7)	4.0	9.1	1.6	(1.6)	7.5
Tunisia	.9	.9	(.9)	--	.2	.2	(.2)	--
Yemen	3.3	1.5	(--)	1.8	5.7	.7	(--)	5.0
Regional	2.1	2.1	(.2)	--	.6	.6	(--)	--
<u>INTERREGIONAL POPULATION PROGRAM - TOTAL</u>	63.9	63.9	(63.9)	--	16.5	16.5	(16.5)	--
Demographic Analysis and Evaluation	7.5	7.5	7.5	--	4.6	4.6	(4.6)	--
Population Policy Development	3.8	3.8	(3.8)	--	.6	.6	(.6)	--
Fertility Control Techniques	5.9	5.9	(5.9)	--	.8	.8	(.8)	--
Family Planning Services	36.7	36.7	(36.7)	--	6.0	6.0	(6.0)	--
Information, Education and Communication	2.4	2.4	(2.4)	--	1.2	1.2	(1.2)	--
Manpower and Institutional Development	7.7	7.7	(7.7)	--	3.3	3.3	(3.3)	--
<u>WORLDWIDE TECHNICAL ASSISTANCE AND RESEARCH PROGRAMS</u>	7.6	7.6	(1.6)	--	2.0	2.0	(--)	--
<u>PROGRAM AND MANAGEMENT SERVICES</u>	.4	.4	(.4)	--	--	--	(--)	--
<u>INSPECTOR GENERAL OF FOREIGN ASSISTANCE</u>	.3	.3	(--)	--	.1	.1	(--)	--
<u>UNITED NATIONS FUND FOR POPULATION ACTIVITIES</u>	21.0	21.0	(21.0)	--	4.6	4.6	(4.6)	--

* Less than \$50,000.

Totals may not add due to rounding.

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EDUCATION AND HUMAN RESOURCES DEVELOPMENT

PROGRAM SUMMARY (In millions of dollars)			
FY 1974 * Actual	FY 1975 * Estimated	FY 1976 Proposed	5th Q.
88.9	79.6	95.3	20.7

Integration of people into the process of social and economic development is a critical development objective:

- In most developing countries, a large diverse portion of the population has neither contributed to, nor shared in, development;
- Education and the development of human resources through practical knowledge, skills, and information is essential to solving problems of food production, health, nutrition, and rates of population growth.

The search for improved ways to serve the learning needs of the poor majority in developing countries is being pursued with increased emphasis on non-traditional methods in both formal and nonformal systems:

- Investments in education have increased greatly over the past years. The traditional systems of most developing nations, despite doubling of primary schools, have been unable to meet the

growing needs for skills and educated people. The poor majority continue to be relatively neglected.

- Our foreign assistance programs in human resource development will concentrate on the provision of learning opportunities to help the poor majority cope with their most pressing human problems -- hunger, ill health, lack of productive employment.

FY 1976 PROGRAM PROPOSAL

(In millions of dollars)

<u>Total</u>	<u>95.3</u>
Africa	16.7
East Asia	11.2
Latin America	50.0
Near East and South Asia	10.7
Interregional and Other	6.7

*For comparability with FY 1976, program levels for FY 1974 and FY 1975 have been reduced by \$12.3 and \$13.3 respectively, to exclude Operating Expenses.

Success in improving educational opportunity for the poor majority depends upon:

- identification of the practical learning needs of the poor;
- improved alternative ways through formal and nonformal systems to meet those learning needs at costs developing countries can afford.

U.S. foreign assistance is helping to develop more useful and precise methods to:

- identify the learners - both children and adults - and what they need to learn to cope with their life problems;
- insure that assistance projects focus on the learning needs of these populations.

Assistance is being given to several analytical efforts, including those undertaken in Peru, Panama, El Salvador, Pakistan, and Indonesia. U.S. universities are providing important research components both in the United States and in developing countries.

Education assistance is now focused increasingly on the poor majority, addressing a broad spectrum of needs and problems, through effective use of existing formal and nonformal education resources. For example:

- In Guatemala, the experimental Basic Village Education project funded by A.I.D. serves as a model for a nationwide program to meet the learning needs of rural adults.
- The regionally sponsored Project IMPACT in the Philippines and in Indonesia combine professional analysis and advice with intense involvement of rural populations in the educational process as part of integrated rural development programs.
- Indonesia will be improving its management of education for health, nutrition, population, and skills training at local levels.
- Peru and Bolivia are focusing resources on leadership and management capability for rural development to broaden the extent of existing successful adult education programs.

- In Afghanistan, our program is assisting a reform effort to combine curriculum design with creation of new textbooks more relevant to rural life and agricultural development for poor rural people.
- Nepal will be developing a program to use radio and other low-cost media to reach geographically isolated rural primary school teachers with practical training.
- Swaziland is undertaking major curriculum revision.
- Bolivia is designing a special curriculum for rural primary and secondary education related to integral development of the rural area. They are also experimenting with bilingual and bicultural methods and materials with monolingual populations.
- In Pakistan, A.I.D. will assist with the development of systems to use radio and other low-cost media to support rural development activities in agriculture, health, family planning, and the extension of primary schooling, with special emphasis on the needs of rural areas and women.
- The Panama rural education program will use a variety of educational technologies in primary education to reach the rural poor.
- In Bolivia, Panama, Colombia, and Brazil, an education management team from a U.S. university has assisted in producing important changes in administrative structure and practice. Through both technical assistance and participant training, A.I.D. is supporting increased interest in data management as a basic tool for planning and administration.

SUMMARY OF
 EDUCATION AND HUMAN RESOURCES DEVELOPMENT PROGRAM PROPOSAL - FISCAL YEAR 1976 AND FIFTH QUARTER
 (in millions of dollars)

	<u>FY 1976</u>			<u>Fifth Quarter</u>		
	<u>Total</u>	<u>Grants</u>	<u>Loans</u>	<u>Total</u>	<u>Grants</u>	<u>Loans</u>
<u>TOTAL PROGRAM</u>	<u>95.3</u>	<u>57.3</u>	<u>38.0</u>	<u>20.7</u>	<u>13.2</u>	<u>7.5</u>
<u>AFRICA - TOTAL</u>	<u>16.7</u>	<u>16.7</u>	<u>-</u>	<u>.7</u>	<u>.7</u>	<u>-</u>
Ethiopia	.4	.4	-	-	-	-
Ghana	.4	.4	-	-	-	-
Liberia	.8	.8	-	-	-	-
Rwanda	.1	.1	-	-	-	-
East Africa Regional	.4	.4	-	.1	.1	-
Southern Africa Programs	2.4	2.4	-	.3	.3	-
Sahel & Other Central West Africa Programs	1.6	1.6	-	.2	.2	-
Portuguese Territories	1.1	1.1	-	-	-	-
Africa Regional	9.5	9.5	-	.1	.1	-
<u>EAST ASIA - TOTAL</u>	<u>11.2</u>	<u>6.2</u>	<u>5.0</u>	<u>1.6</u>	<u>1.6</u>	<u>-</u>
Indonesia	6.4	1.4	5.0	.2	.2	-
Korea	.3	.3	-	-	-	-
Philippines	.1	.1	-	*	*	-
Thailand	.4	.4	-	.1	.1	-
East Asia Regional	4.0	4.0	-	1.3	1.3	-
<u>LATIN AMERICA - TOTAL</u>	<u>50.0</u>	<u>17.0</u>	<u>33.0</u>	<u>13.6</u>	<u>6.1</u>	<u>7.5</u>
Bolivia	5.3	.3	5.0	7.7	.2	7.5
Brazil	.9	.9	-	*	*	-
Chile	.1	.1	-	-	-	-
Colombia	8.5	.5	8.0	.2	.2	-
Dominican Republic	.1	.1	-	*	*	-
El Salvador	.2	.2	-	*	*	-
Guatemala	.5	.5	-	.2	.2	-
Honduras	2.2	.2	2.0	.3	.3	-
Jamaica	.1	.1	-	*	*	-

*Less than \$50,000

	<u>FY 1976</u>			<u>Fifth Quarter</u>		
	<u>Total</u>	<u>Grants</u>	<u>Loans</u>	<u>Total</u>	<u>Grants</u>	<u>Loans</u>
<u>LATIN AMERICA (continued)</u>						
Nicaragua	7.3	.3	7.0	.6	.6	-
Panama	12.0	1.0	11.0	.3	.3	-
Paraguay	.4	.4	-	.1	.1	-
Peru	.7	.7	-	.1	.1	-
Uruguay	.3	.3	-	.1	.1	-
Caribbean Regional	.3	.3	-	.1	.1	-
ROCAP	.5	.5	-	.4	.4	-
Latin America Regional	10.7	10.7	-	3.6	3.6	-
<u>NEAR EAST AND SOUTH ASIA - TOTAL</u>	<u>10.7</u>	<u>10.7</u>	<u>-</u>	<u>3.2</u>	<u>3.2</u>	<u>-</u>
Afghanistan	2.9	2.9	-	.2	.2	-
Bangladesh	.2	.2	-	.2	.2	-
India	.4	.4	-	.1	.1	-
Nepal	.8	.8	-	.2	.2	-
Pakistan	.4	.4	-	-	-	-
Tunisia	.2	.2	-	-	-	-
Yemen Arab Republic	.4	.4	-	.4	.4	-
Regional	5.2	5.2	-	2.2	2.2	-
<u>WORLDWIDE TECHNICAL ASSISTANCE AND RESEARCH PROGRAMS</u>	<u>4.3</u>	<u>4.3</u>	<u>-</u>	<u>1.0</u>	<u>1.0</u>	<u>-</u>
<u>WOMEN IN DEVELOPMENT</u>	<u>.3</u>	<u>.3</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>PROGRAM AND MANAGEMENT SERVICES</u>	<u>1.3</u>	<u>1.3</u>	<u>-</u>	<u>.3</u>	<u>.3</u>	<u>-</u>
<u>OFFICE OF LABOR AFFAIRS</u>	<u>.6</u>	<u>.6</u>	<u>-</u>	<u>.2</u>	<u>.2</u>	<u>-</u>
<u>INSPECTOR GENERAL OF FOREIGN ASSISTANCE</u>	<u>.2</u>	<u>.2</u>	<u>-</u>	<u>.1</u>	<u>.1</u>	<u>-</u>

*Less than \$50,000

Note: Totals may not add due to rounding

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SELECTED DEVELOPMENT PROBLEMS

PROGRAM SUMMARY (in millions of dollars)			
FY 1974 * Actual	FY 1975 * Estimated	FY 1976 Proposed	5th Q.
119.7	60.0	46.8	8.7

Critical gaps and bottlenecks in economic and social development programs can thwart efforts to improve the lot of the poor majority. Also the global pace of development can be accelerated by innovations that apply generally. Examples of such concerns addressed by the program are:

- establishing basic infrastructure so that development may proceed, as in disaster reconstruction and transportation facilities;
- transferring innovative techniques in science and technology;
- housing and social service programs for the poor majority in urban centers;
- financing project design, feasibility studies and research.

Rural Reconstruction

Extensive damage from two natural disasters required major reconstruction efforts following emergency relief assistance. Reconstruction efforts proposed in FY 1976 are:

- A \$5 million loan to Honduras for reconstruction of farm-to-market roads destroyed by Hurricane Fifi in September 1974.
- A \$4 million loan to Nicaragua to support efforts to rebuild parts of Managua damaged by the earthquake of December 1972.

Science and Technology

Programs proposed for FY 1976 to share American scientific and technical expertise include:

- A \$5 million industrial standards loan for Korea;

*For comparability with FY 1976, program levels for FY 1974 and FY 1975 have been reduced by \$15.8 and \$9.6 respectively, to exclude Operating Expenses.

-- \$2 million in grants to a variety of U.S. institutions to test innovative technologies:

- ** satellite remote sensing of natural resources;
- ** small industry employment generation;
- ** improved collaboration between scientists.

Urban Development and Housing

Urban areas face major problems of poverty, disease, housing, and unemployment. FY 1976 funding is proposed for activities to:

- identify necessary social services to help the urban poor;
- improve urban planning and land-use analysis;
- provide low-income housing in conjunction with Housing Investment Guaranties.

Transportation

Transportation facilities improve communication, the flow of agricultural commodities, provision of health and related services to the rural poor.
In FY 1976, A.I.D. proposes to fund:

- a \$6 million loan to improve water transport within Zaire by improving port facilities on the Zaire River;
- regional transportation studies in East Asia;
- road maintenance and training in Africa.

Program Development and Social Science Research

Project design, development and feasibility studies provide the analytical basis for future A.I.D. activities, while social science research increases knowledge of the complex development process.
For FY 1976, activities proposed in this area include:

- \$4.7 million for a variety of social, economic, and technical assistance research;
- \$1.4 million for civic participation programs under Title IX.

SUMMARY OF
 Selected Development Problems Program Proposal - Fiscal Year 1976 and Fifth Quarter
 By Country and Project or Loan
 (in millions of dollars)

	<u>FY 1976</u>			<u>Fifth Quarter</u>		
	<u>Total</u>	<u>Grants</u>	<u>Loans</u>	<u>Total</u>	<u>Grants</u>	<u>Loans</u>
<u>TOTAL PROGRAM</u>	46.8	24.8	22.0	8.7	5.7	3.0
<u>AFRICA - TOTAL</u>	11.6	5.6	6.0	.5	.5	-
<u>Zaire</u>						
Water Transport	6.0	-	6.0			
<u>Sahel and Other Central West Africa</u>						
<u>Regional</u>	3.6	3.6	-			
Regional Road Maintenance and Improvement Training Program	.8	.8				
Gabon/Cameroon Low Cost Housing	.5	.5				
Lake Chad Basin Roads	1.0	1.0				
Development Studies of Sahel-Sudano Zone	.7	.7				
Entente Africa Enterprises	.5	.1				
Accra-Lome Telecommunications	.1	.1				
<u>Africa Regional</u>	2.0	2.0	-	.5	.5	-
Self Help	1.5	1.5	-	.3	.3	-
Feasibility Studies	.5	.5	-	.2	.2	-
<u>EAST ASIA - TOTAL</u>	7.1	2.1	5.0	.2	.2	-
<u>Korea</u>						
Standards System Development	5.0	-	5.0			
<u>Regional</u>	2.1	2.1	-			
Transportation & Communications Dev. Program Development and Support	.6	.6	-	.2	.2	-
Private and Voluntary Organizations	.5	.5				

	<u>FY 1976</u>			<u>Fifth Quarter</u>		
	<u>Total</u>	<u>Grants</u>	<u>Loans</u>	<u>Total</u>	<u>Grants</u>	<u>Loans</u>
<u>LATIN AMERICA - TOTAL</u>	<u>12.4</u>	<u>3.4</u>	<u>9.0</u>	<u>.7</u>	<u>.7</u>	<u>-</u>
<u>Colombia</u>						
Program Development Fund	.1	.1	-	.1	.1	-
<u>El Salvador</u>						
Development Planning	.1	.1	-			
Cadastre Demonstration	.1	.1	-	*	*	-
<u>Haiti</u>						
Potable Water	.1	.1	-			
<u>Honduras</u>						
Export Promotion	*	*	-			
Rural Recovery	5.0	-	5.0			
<u>Nicaragua</u>						
Program Development & Implementation	.4	.4	-	.1	.1	-
Center for Earthquake Hazard Reduction	*	*	-			
Reconstruction and Deconcentration	4.0	-	4.0			
<u>Paraguay</u>						
Low Cost Housing	.1	.1	-			
<u>Central America Regional Program</u>						
Housing Technical Assistance	.1	.1	-			
<u>Caribbean Regional</u>						
Housing Program Assistance	.2	.2	-	.1	.1	-

*Less than \$50,000

	<u>FY 1976</u>			<u>Fifth Quarter</u>		
	<u>Total</u>	<u>Grants</u>	<u>Loans</u>	<u>Total</u>	<u>Grants</u>	<u>Loans</u>
<u>Latin America Regional</u>						
Consultants and Seminars	.5	.5	-	.1	.1	-
National Association of the Partners of America	.3	.3	-			
Regional Economic Integration	.1	.1	-			
Regional Technical Support	.6	.6		.1	.1	-
<u>Special Development Activities</u> <u>1/</u>	.8	.8		.2	.2	-

(Continued on next page)

1/ \$50,000 or less distributed among various countries of Latin America

	FY 1976			Fifth Quarter		
	Total	Grants	Loans	Total	Grants	Loans
<u>NEAR EAST AND SOUTH ASIA - TOTAL</u>	<u>3.7</u>	<u>1.7</u>	<u>2.0</u>	<u>3.3</u>	<u>.3</u>	<u>3.0</u>
<u>Bangladesh</u>	<u>2.5</u>	<u>.5</u>	<u>2.0</u>			
Karnaphuli Hydroelectric - 3rd Unit	2.0	-	2.0			
Feasibility Studies	-	-	-	2.0	-	2.0
PVO Co-financing	.5	.5	-			
<u>Pakistan</u>						
Technical Services	-	-	-	1.0	-	1.0
<u>Yemen</u>	<u>.6</u>	<u>.6</u>	<u>-</u>			
Special Development Fund	*	*	*			
Pre-Development Studies	.2	.2	-			
Water and Minerals Survey	.4	.4	-			
<u>Regional</u>	<u>.6</u>	<u>.6</u>	<u>-</u>			
Regional Development Support and Project						
Development	.1	.1	-			
PVO Projects	.5	.5	-	.3	.3	-
<u>WORLDWIDE TECHNICAL ASSISTANCE AND RESEARCH</u>						
<u>PROGRAMS - TOTAL</u>	<u>10.8</u>	<u>10.8</u>	<u>-</u>	<u>3.6</u>	<u>3.6</u>	<u>-</u>
Urban Development	.7	.7	-	.4	.4	-
Science & Technical Institute Development	2.0	2.0	-	.6	.6	-
Natural Resources Assessment & Management	1.4	1.4	-	.9	.9	-
Reducing Public Investment Costs	.6	.6	-	.3	.3	-
Social & Economic Research & Development	1.8	1.8	-	.2	.2	-
Title IX Programs	1.4	1.4	-	.3	.3	-
Other Technical Assistance and Research	2.9	2.9	-	.9	.9	-
<u>STIMULATING REIMBURSABLE DEVELOPMENT PROGRAMS</u>	<u>1.0</u>	<u>1.0</u>	<u>-</u>	<u>.3</u>	<u>.3</u>	<u>-</u>
<u>INSPECTOR GENERAL OF FOREIGN ASSISTANCE</u>	<u>.2</u>	<u>.2</u>	<u>-</u>	<u>.1</u>	<u>.1</u>	<u>-</u>

*Less than \$50,000

Numbers may not add due to rounding

SELECTED COUNTRIES AND ORGANIZATIONS

PROGRAM SUMMARY (In millions of dollars)			
FY 1974 * Actual	FY 1975 *Estimated	FY 1976 Proposed	5th Q.
113.6	38.6	31.9	7.6

The foreign assistance program supports the development efforts of U.S. private and voluntary agencies and regional and international development organizations.

U. S. Private and Voluntary Organizations

Many of these organizations are experienced and effective in assisting developing countries.

In 1974, private organizations registered with A.I.D. carried out:

- almost \$1 billion of overseas programs;
- over two-thirds of this amount came from private sources;
- the balance was provided from U.S. government sources.

Our foreign assistance program strongly supports their efforts. In FY 1976, A.I.D. proposes to:

- increase direct financial support;
- provide \$179 million in PL 480 Title II agricultural commodities;

*For comparability with FY 1976, program levels for FY 1974 and FY 1975 have been reduced by \$18.2 and \$6.0 respectively, to exclude Operating Expenses.

- increasingly rely on private and voluntary organizations to implement development projects;
- provide grants to help improve the management and planning capabilities of selected organizations.

Direct financial support totalling \$11.4 million is proposed in FY 1976 for private and voluntary organizations, such as:

- International Executive Service Corps;
- The Asia Foundation;
- The Cooperative League of the USA;
- National Rural Electric Cooperative, and others.

A new program to help private and voluntary organizations plan and implement their overseas development programs has recently been established:

- in FY 1975, grants for expanded staff, long-range planning, improved management, and greater emphasis on development will total \$5 million. Overseas development programs of \$5.5 million are funded from other development assistance accounts;

- in FY 1976, \$5.6 million is proposed to continue this new program in addition to funds from other development assistance accounts for overseas activities.

A.I.D. reimburses private and voluntary organizations for ocean freight costs of commodities which they send overseas:

- \$7.5 million is planned for FY 1975, and \$7.6 million is proposed for FY 1976.

A.I.D. works closely with the Advisory Committee on Voluntary Foreign Aid through:

- joint workshops and conferences focusing on programming, evaluation, and grant procedures;
- joint research and exchange of technical information.

Selected Regional and International Organizations

\$5.5 million is proposed in FY 1976 to support the development efforts of major regional and international organizations including:

- Southeast Asia Development Advisory Group;
- CENTO;
- the Economic Commission for Africa;
- the Africa Development Bank;
- Niger River Development Planning.

United Nations Fellows

\$1.3 million in FY 1976 is proposed to support training requested by the UN for personnel from developing countries.

- specialized and on-the-job training is provided for 700-800 participants through Federal agencies, such as the Departments of Agriculture, Labor, Commerce, Interior and Transportation.

Refugees and Migration

In addition to the programs directly administered by A.I.D., \$5 million is proposed to be available during FY 1976 for transfer to supplement funds administered by the Department of State under the authority of the Migration and Refugee Act of 1962.

The relation between this transfer, the appropriation request, and anticipated recoveries, is shown on the FY 1976 Budget Request table.

SUMMARY OF
 Selected Countries and Organizations Program Proposals
 Fiscal Year 1976 and Fifth Quarter
 by Country and Project
 (in millions of dollars)

	<u>FY 1976 Grants</u>	<u>Fifth Quarter Grants</u>
<u>TOTAL PROGRAM</u>	31.9	7.6
<u>AFRICA - TOTAL</u>	3.8	
<u>Sahel and Other Central West Africa Regional</u>		
Niger River Development Planning	.6	
<u>Africa Regional</u>	3.3	
Economic Commission for Africa (ECA)	1.2	
Africa Development Bank	1.8	
Regional Organizations Development	.3	
<u>EAST ASIA - TOTAL</u>	1.2	.3
<u>Regional</u>		
Southeast Asia Development Advisory Group (SEADAG)	1.0	.3
Program Development and Support	.3	.1
<u>NEAR EAST AND SOUTH ASIA - TOTAL</u>	.5	.5
<u>Regional</u>		
CENTO	.5	.5
<u>PRIVATE AND VOLUNTARY COOPERATION - TOTAL</u>	24.9	6.5
Ocean Freight	7.6	2.0
Special Activities	.3	.2
Core Support to Voluntary Agencies	11.4	1.9
Development Program Grants (DPG)	5.6	2.4
<u>PROGRAM AND MANAGEMENT SERVICES</u>		
UN Fellows	1.3	.3
<u>INSPECTOR GENERAL OF FOREIGN ASSISTANCE</u>	.2	

Figures may not add due to rounding.

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INTERNATIONAL ORGANIZATIONS AND PROGRAMS

International cooperation and action are essential in an interdependent world:

The challenge of growing interdependence among nations has been emphasized dramatically by the food and energy crises. Equally significant are the problems of population growth, mass poverty and unemployment, the environment, and natural or man-made disasters.

-- The resources of the U.S. bilateral program alone cannot solve the problems of an interdependent world.

-- UN development and humanitarian programs encourage collective support for all UN activities.

The UN provides a mechanism for participation by all members of the world community:

-- For the developing countries, the agencies, funds and programs of the UN System are the locus for development action responsive to developing country needs; political implications are removed and they are able to participate in decision-making and management.

-- For the developed countries, these same agencies help identify needs, mobilize resources, and organize action in ways that cannot be done by countries acting alone. Humanitarian, and economic and social needs are met.

VOLUNTARY CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS AND PROGRAMS (In thousands of dollars)

	FY 1974 Actual	FY 1975 Estimate	FY 1976 Proposed	Fifth Quarter
INTERNATIONAL ORGANIZATIONS AND PROGRAMS				
<u>United Nations Programs</u>	<u>125,025</u>	<u>125,000</u>	<u>168,700</u>	<u>13,400</u>
UN Development Program	90,203*	77,897	120,000	--
UN Children's Fund	15,000	17,000	15,000	--
International Atomic Energy Agency Operational Fund	2,000	2,500	3,500	--
World Meteorological Organization Voluntary Assistance Program	1,500	1,500	1,500	--
UN Food and Agriculture Organization World Food Program	1,500	1,500	1,500	--
UN Institute for Training and Research International Secretariat for Voluntary Service	400	400	400	--
	72	60	--	--
UN Relief and Works Agency	14,300	23,200	26,700	13,400
UN Funds for Southern Africans	50	50	50	--
World Heritage Fund	--	143	50	--
UN Disaster Relief Organization	--	750a/	--	--
<u>Organization of American States^{b/}</u>	<u>--</u>	<u>--</u>	<u>20,800</u>	<u>5,800</u>
Special Multilateral Fund for Education, Science and Culture	--	--	7,590	2,080
Special Multilateral Fund - Special Projects	--	--	6,000	1,740
Special Development Assistance Fund	--	--	6,410	1,760
Inter-American Export Promotion Center	--	--	800	220
Total - United Nations and OAS Programs	125,025	125,000	189,500	19,200
UN ENVIRONMENT PROGRAM FUND ^{c/}	7,500	5,000	7,500	--
UN RELIEF AND WORKS AGENCY (expansion of training)	2,000	--	--	--
INDUS BASIN ^{d/}				
Loans	2,000	200	--	--
Grants	<u>9,000</u>	<u>9,000</u>	<u>22,500</u>	<u>4,500</u>
TOTAL - INTERNATIONAL ORGANIZATIONS AND PROGRAMS	145,525	139,200	219,500	23,700
OTHER APPROPRIATIONS				
<u>Population Planning and Health^{e/}</u>				
UN Fund for Population Activities	18,000	20,000	21,000	4,600
Public Law 93-570 (UNRWA)	--	10,000	--	--
Middle East Special Requirements Fund (UNRWA)	--	6,000	--	--
International Narcotics Control ^{f/}	2,000	4,000	4,000	--
International Disaster Assistance	--	--a/	200a/	--
<u>International Peacekeeping Activities^{g/}</u>				
UN Force in Cyprus	<u>1,621</u>	<u>4,800^{h/}</u>	<u>9,600</u>	<u>4,800</u>
GRAND TOTAL	167,146	184,000	254,300	33,100

* Of which \$19.4 million was for the calendar year 1973 pledge.

a/ U.S. contribution of \$750,000 to the UN Disaster Relief Office for FY 1975 from International Organizations account. For FY 1976 \$200,000 is proposed as a grant from the International Disaster Assistance Fund.

b/ FY 1974 and FY 1975 funding from "Selected Countries and Organizations."

c/ Authorized by the UN Environment Program Participation Act of 1975.

d/ Program discussed in Near East South Asia volume.

e/ Program discussed in Interregional volume.

f/ Funds requested and programs discussed in the Department of State presentation.

g/ Beginning in FY 76, this account is included in the State Department budget. FY 1974 and FY 1975 funding from "Security Supporting Assistance."

h/ An additional \$4.8 million will be required in FY 1975.

The UN system mobilizes major resources for economic and social programs:

-- In 1974, program expenditures in the UN system for economic, social and humanitarian purposes totalled an estimated \$1.4 billion in some 15 separate categories of assistance as follows:

Health	18%	Economic Planning	6%
Agriculture	17%	Natural Resources	4%
Relief	12%	Labor, Employment	4%
Education	11%	Population	4%
Industry	7%	Science and Technology	3%
Transport and Communications	6%	Others	8%

-- One of the most innovative mechanisms is the UN Development Program (UNDP), which administers about 30% of all UN system resources. The UNDP in its present form was organized by Consensus of UN members in 1971.

The UNDP is concentrating more resources on the poorest countries:

UNDP assistance increasingly goes to the poorer countries most needing it and to programs directly focused on the welfare of the most needy people in those countries.

-- UNDP will allocate 26% of its funds to the 24 least developed countries (per capita GNP of \$100 or less) in its second programming cycle (1977-1981), and about 87% of its resources to countries with per capita GNP of \$500 or less.

-- The UNDP country planning figures show effects

on probable resource distribution of policies recently accepted:

Distribution of UNDP Resources
(\$ millions)

	<u>Country Planning Figures</u>	
	<u>1972/76</u>	<u>1977/81</u>
Least Developed	\$ 252	\$ 506
Other under \$500 Per Capita GNP	760	1,151
Over \$500 Per Capita GNP	265	259

The United States encourages increasing levels of support by countries in a position to supply it, especially in UNDP:

- The Nordic Countries and the Common Market Countries will respectively (as groups of countries) exceed the U.S. contribution to the UNDP for 1975: each group will contribute about 25% of the total in 1975, and the United States, as a result of the FY 1975 appropriation action, about 19%.
- With U.S. backing, and with strong initiatives by the UNDP Administrator, Iran, Saudi Arabia and Venezuela have now agreed to join Kuwait and the United Arab Emirates as net contributors to UNDP; in addition all UNDP members with \$500 per capita GNP or more are expected to become net contributors no later than 1981.
- Based on per capita GNP, the U.S.'s 1975 contribution to UNDP ranked 60th out of all contributors.

The United States share of support for the multilateral development assistance programs of the United Nations is moderate in relation to U.S. economic strength:

- The U.S. provides substantial support for several agencies of particular concern, notably the United Nations Relief and Works Agency (UNRWA - for Palestine refugees), with an estimated 33% for 1975, and for the UN/FAO World Food Program 32% in 1975 (covers commodities, shipping services, and administrative costs). All in all, the U.S. contributes to some 12 UN voluntary funded development programs of which the largest is UNDP.
- The proportionate share by the United States in the largest of voluntary programs is declining. In 1972 the United States contributed 29% of the voluntary support for UNDP from all countries, and in 1975, 19%.

The United States has brought its influence to bear in favor of concentration on key problems and efficiency of operations:

- The United States has obtained support for consideration of an independent evaluation capacity for the UN called for by Section 301(e) of the Foreign Assistance Act. Its objectives are now under review by a Working Group on Program and Budget Machinery established by the General Assembly at its 29th Session in 1974.
- In the UNDP, the core of the UN development system, the United States has pressed successfully for important organizational and procedural reforms, and for concentration on the least developed countries and peoples --26% of UNDP funds for the least developed countries, and 87% for countries under \$500 per capita income.

United Nations development and relief activities complement the U.S. AID program:

- The comprehensive nature of the UN program supplements U.S. concentration on three principal appropriation categories -- food and nutrition, health and population, education and human resources.
- U.S. Missions and UNDP Resident Representatives avoid duplication of effort, encourage program coordination and enhance complementarity of bilateral development actions.

The World Food Conference (November 1974) resulted in international action:

Action to meet the challenge of food, with an international grain reserves program, and the establishment of a World Food Council in Rome.

The link between food supply and population growth was emphasized by the World Population Conference (August 1974):

It is embodied in the World Population Plan of Action formulated by that Conference. The Plan addresses as well the link between population and economic and social development.

The disastrous African drought and other recent disasters highlight the necessity of adequate international machinery:

- Existing world machinery was not always adequate for the tasks of identifying needs of affected countries and sources of emergency supplies, and for mobilizing relief -- as for example in the recent cases of the African drought, the earthquake in Honduras, and the floods in Bangladesh.

-- So that this will not happen again, the United States proposes to strengthen the Office of the UN Disaster Relief Coordinator (UNDRO), and also to support applied research by the World Meteorological Organization (WMO) on forecasting drastic climatic changes.

The UN is looking ahead to the longer-term implications of the production of energy and all nonrenewable natural resources:

A revolving Fund for Natural Resources Exploration is now becoming operational under UNDP auspices.

The Organization of American States (OAS) maintains four programs aimed at promoting cooperation for development in the Western Hemisphere:

-- The OAS Special Development Assistance Fund, the Inter-American Export Promotion Center, the Special Multilateral Fund (SMF), and the Special Projects Program of the SMF.

-- For FY 1976 the United States expects to pledge approximately \$21 million to these programs and would expect interim quarter requirements to total \$5.8 million.

-- Funding of United States contributions to voluntary development programs of the Organization of American States is now included for the first time in the International Organizations and Programs appropriation category.

The total request for International Organizations and Programs for FY 1976 is \$219.5 million:

Details of the activities for which funding is required are given in the volume entitled Inter-regional Programs.

AMERICAN SCHOOLS AND HOSPITALS ABROAD

PROGRAM SUMMARY (In millions of dollars)			
FY 1974 * Actual	FY 1975 * Estimated	FY 1976 Proposed	5th Q.
18.8	17.2	9.8	2.4

Assistance to American schools and hospitals abroad is provided to help demonstrate American ideas, practices and advances in education and medicine through supporting grants to American institutions in foreign countries.

-- U.S. foreign assistance grants under Section 214 of the Foreign Assistance Act supplement the preponderantly private income which, in most cases, these institutions earn or receive from U.S. and foreign sources;

-- Priority will be given institutions which historically have constituted the core of the program, such as:

The American Farm School,
Thessaloniki, Greece;
American Hospital in Istanbul, Turkey;
American Hospital in Rome, Italy;
American University of Beirut, Lebanon;
American University in Cairo, Egypt;
Anatolia College, Thessaloniki, Greece;

Athens College, Greece;
Bologna Center of Johns Hopkins University, Italy;
Chemke Mercy Hospitals, Nigeria;
Deree-Pierce College, Athens, Greece;
Feinberg Graduate School of the Weizmann Institute, Israel;
The People-to-People Health Foundation (Project HOPE);
Robert College, Istanbul, Turkey;
Sogang University in Korea;
University of the Americas, Mexico.

The FY 1976 request for \$9.8 million plus \$7 million equivalent in U.S.-owned Egyptian local currency represents only about 20% of the total funds sought by applicants.

-- the Egyptian currency equivalent of \$7 million will be used to supplement funds provided in FY 1975 to replenish the endowment fund granted by the Congress to the American University in Cairo. The University utilized some of the principal of its endowment to meet operating expenses because of delays in planned investments of these funds.

*For comparability with FY 1976, program levels for FY 1974 and FY 1975 have been reduced by \$.2 and \$.3 respectively, to exclude Operating Expenses.

INTERNATIONAL DISASTER ASSISTANCE

Americans respond generously to the suffering other people in the wake of foreign disasters, whether man-made or natural:

- A mechanism to respond quickly and effectively to such disasters is important; A.I.D. is the central mechanism for official U.S. emergency action.
- The present A.I.D. Administrator is now the President's Special Coordinator for International Disaster Assistance.

Ready access to funds is important if responses are to be timely:

- In the past, funds to meet immediate disaster needs were drawn from the Contingency Fund, which was designed for this purpose primarily and to meet unforeseen foreign policy requirements -- but Congress had to provide additional funds to respond to major disasters such as the floods in the Philippines, the earthquake in Nicaragua, the cyclone and civil unrest in Bangladesh, and the drought in the Sahel region of Africa.
- The Congress created a separate Famine or Disaster Relief authorization in the Foreign Assistance Act of 1974.

A broader authority for International Disaster Assistance is proposed:

- to allow an adequate and flexible method of financing because of the unpredictable nature of disasters.

The proposed permanent International Disaster Assistance authorization will:

- create an International Disaster Assistance Fund of up to \$20 million to extend disaster relief and rehabilitation support to any foreign country or international organization;
- provide assistance for disaster preparedness, prediction, and contingency planning.

Congress will retain control over the level of the Fund through the appropriation process. The fund will be replenished through supplemental budget requests to ensure that adequate funds are always available and to eliminate the need to draw on other appropriation accounts for disaster relief.

CONTINGENCY FUND

The Contingency Fund provides the President with a modest capability to meet unforeseen requirements other than those arising from disasters.

- The Contingency Fund is necessary to support important U.S. foreign policy objectives.
- In prior years a single Contingency Fund has existed to meet unanticipated foreign policy needs. It was also used to finance immediate humanitarian disaster relief programs.

For FY 1976, the Administration proposes:

- New and separate authorization solely for International Disaster Relief assistance.
- New and separate authorization for a Contingency Fund of up to \$10 million.

It is critically important that the President have a modest capability at all times to respond to unanticipated foreign emergency requirements other than those arising from disasters. To provide legal authority and to hasten Congressional review in the event of contingency needs, the Administration proposes:

- Permanent authorization of a Contingency Fund;
- A limit of \$10 million to be placed on amounts available in the Fund at any one time.

Congress would maintain oversight and control:

- Funds would not be available until appropriated.
- Congress would be fully informed through quarterly reports on the use of the Fund.
- Prohibition on use of the Contingency Fund for gifts would be retained.

Some examples, not related to disasters, of the Contingency Fund have included contributions to the International Commission for Control and Supervision in South Vietnam and support of peace-keeping efforts in the Middle East.

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OPERATING EXPENSES

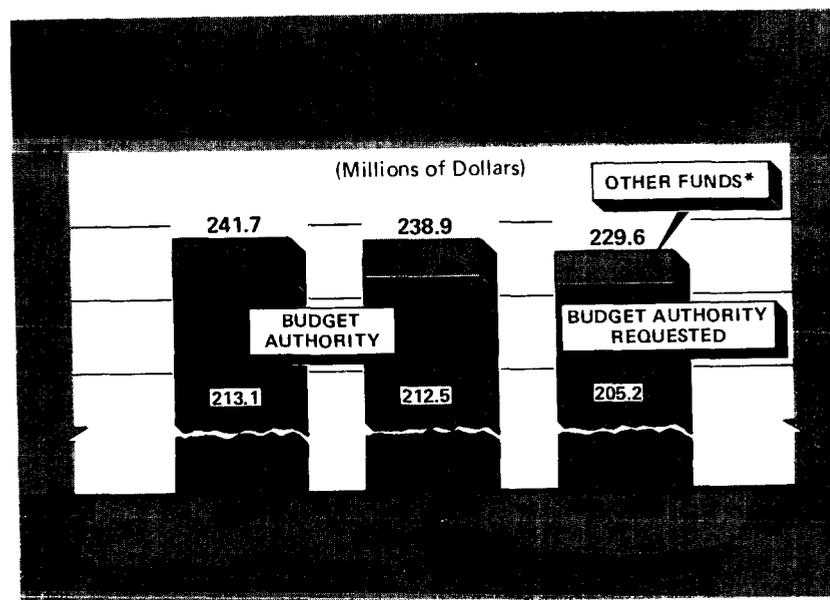
To meet the essential cost of planning, managing, overseeing and carrying out foreign assistance programs, A.I.D. requests an authorization and appropriation of \$205.2 million for its FY 1976 Operating Expenses. The worldwide operating expense concept was introduced in FY 1974 for two reasons:

- to improve management control and decision-making;
- to inform the Congress of the total costs of planning, administering and supporting the foreign assistance programs and projects of A.I.D.

Operating Expenses consist of both Washington and overseas salaries and supporting costs, grouped by principal functional categories, representing the major operational and management responsibilities of the Agency. These functional categories and their approximate share of the amount requested for FY 1976 Operating Expenses are:

-- Executive Direction	11%
-- Program Planning and Budgeting	13%
-- Technical Direction and Management	31%

-- Central Backstopping of Overseas Missions	5%
-- Administration of Special Programs	3%
-- Legal Services	2%
-- External Relations and Information	1%
-- Audit and Inspection Services	7%
-- Program Support Services	16%
-- Financial Management Services	11%



Both traditional administrative costs as well as significant costs incurred for management and direct support of programs and projects are presented in a single Operating Expenses budget.

Despite inflation in the U.S. and overseas, Operating Expenses on a comparable basis continue to decline. For FY 1976, the total is:

- \$9.3 million less than estimated FY 1975 requirements;
- \$12.1 million less than FY 1974 costs.

There is a need for flexibility in funding Operating Expenses. Many variables which cannot be projected with complete

certainty affect total requirements for Operating Expenses, such as:

- new programs;
- changing international situations;
- major disasters;
- inflation;
- diminishing local currency generating programs;
- pay raises;
- reductions-in-force.

Nonetheless, every effort has been made to incorporate all known factors in the FY 1976 request and to present requirements as accurately as possible. Additional detail on Operating Expenses will be found in the new, separate volume on Management*Personnel*Operating Expenses.

AGENCY FOR INTERNATIONAL DEVELOPMENT
TOTAL PROGRAM AVAILABILITY - FY 1974 AND FY 1975
(in millions of dollars)

	FY 1974 Actual						FY 1975 Estimated							
	Unobl. Bal. Brought Fwd.	FY 1974 Appropriation	Transfers ^{a/}	Receipts and Reimbursements	Recoveries	Total Avail. for Oblig.	FY 1974 Program	Unobl. Bal. Brought Fwd.	FY 1975 Appropriation	Transfers ^{c/}	Receipts and Reimbursements	Recoveries	Total Avail. for Oblig.	FY 1975 Program
DEVELOPMENT ASSISTANCE														
Food Production and Nutrition	--	284.0	-9.7	45.2	11.0	330.5	306.3	5.4 ^{d/}	300.0	-0.5	129.5	41.4	475.5	475.5
Population Planning and Health	--	135.0	--	33.4	34.6	203.0	202.7	15.6 ^{e/}	125.0	--	45.5	6.5	192.6	192.6
Education and Human Resources Development	--	89.0	--	0.5	17.1	101.6	101.2	0.4 ^{d/}	82.0	--	6.3	4.2	92.9	92.9
Selected Development Problems	--	40.5	--	56.9	38.3	135.7	135.5	0.2 ^{d/}	37.0	-10.0	17.0	25.4	69.6	69.6
Selected Countries and Organizations	56.3 ^{b/}	36.5	-0.4	33.1	7.2	132.7	131.9	4.6 ^{d/}	30.0	--	--	10.0	44.6	44.6
Subtotal	56.3	585.0	-10.1	169.1	103.3	903.6	877.6	25.9	574.0	-10.5	198.2	87.5	875.2	875.2
(Subtotal, grants included above)	(3.3)	(300.0)	(-0.1)	(1.2)	(14.4)	(318.9)	(301.0)	(17.9)	(283.9)	(-0.5)	(1.1)	(16.5)	(318.8)	(318.8)
(Subtotal, loans included above)	(53.0)	(185.8)	(-10.0)	(167.9)	(88.8)	(485.5)	(477.4)	(2.5)	(175.0)	(-10.0)	(197.2)	(71.0)	(435.7)	(435.7)
(Operating expenses included above)	(--)	(99.2)	(--)	(--)	(--)	(99.2)	(99.2)	(5.6)	(115.1)	(--)	(--)	(4.3)	(120.7)	(120.7)
International Organizations and Programs	*	125.0	--	--	*	125.0	125.0	*	125.0 ^{e/}	--	--	--	125.0	125.0
UN Environment Fund	--	7.5	--	--	--	7.5	7.5	--	5.0	--	--	--	5.0	5.0
Indus Basin Development Fund, Loans	--	2.0	--	--	--	2.0	2.0	--	0.2	--	--	--	0.2	0.2
Indus Basin Development Fund, Grants	--	9.0	--	--	--	9.0	9.0	--	9.0	--	--	--	9.0	9.0
UNRWA (Arab Refugees)	--	2.0	--	--	--	2.0	2.0	--	--	--	--	--	--	--
Partners of the Alliance	--	0.7	--	--	--	0.7	0.7	--	--	--	--	--	--	--
TOTAL, DEVELOPMENT ASSISTANCE	56.3	731.2	-10.1	169.1	103.3	1,049.9	1,023.9	26.0	713.2	-10.5	198.2	87.5	1,014.4	1,014.4
SECURITY SUPPORTING ASSISTANCE	2.4	112.5	+5.0	--	12.5	132.4	131.7	0.7	660.0	--	--	11.0	671.7	671.7
MIDDLE EAST SPECIAL REQUIREMENTS FUND	--	--	--	--	--	--	--	--	100.0	--	--	--	100.0	100.0
INDOCHINA POSTWAR RECONSTRUCTION	--	499.0	--	1.9	0.8	501.7	501.5	0.1	440.0	--	1.8	1.7	443.6	443.6 ^{f/}
OTHER PROGRAMS														
Disaster Relief and Reconstruction	--	150.0	--	--	--	150.0	23.5	126.5	--	--	--	--	126.5	126.5
Sahel Drought Relief	--	25.0	--	--	--	25.0	25.0	--	--	--	--	--	--	--
Refugee Relief (Bangladesh)	1.1	--	--	--	2.3	3.4	1.1	2.3	--	--	--	--	2.3	2.3
Famine or Disaster Relief	--	--	--	--	--	--	--	--	35.0	--	--	--	35.0	35.0
Contingency Fund	1.0	15.0	--	--	1.7	17.7	12.4	g/	1.8	--	--	--	1.8	1.8
American Schools and Hospitals Abroad	*	19.0	--	--	*	19.0	19.0	*	17.5	--	--	--	17.5	17.5
Albert Schweitzer Hospital	--	1.0	--	--	--	1.0	1.0	--	--	--	--	--	--	--
Portugal and Portuguese Colonies	--	--	--	--	--	--	--	--	25.0	--	--	--	25.0	25.0
Prototype Desalting Plant	20.0	--	--	--	--	20.0	--	20.0	--	--	--	--	20.0	20.0
Administrative and Other Expenses, State	*	4.8	+0.1	--	--	4.9	4.9	*	4.8	--	--	--	4.8	4.8
TOTAL, OTHER PROGRAMS	22.1	214.8	+0.1	--	4.0	241.0	86.8	148.8	84.1	--	--	--	232.9	232.9
ADMINISTRATIVE EXPENSES, A.I.D.	1.2	40.0	-0.1	2.2	1.1	44.4	43.3	1.1	40.0	--	2.1	--	43.2	43.2
FOREIGN SERVICE RETIREMENT FUND	--	--	--	--	--	--	--	--	--	+16.1	--	--	16.1	16.1
TOTAL, AGENCY FOR INTERNATIONAL DEVELOPMENT	82.0	1,597.5	-5.1	173.2	121.7	1,969.4	1,787.3	176.8	2,037.3	+5.6	202.1	100.2	2,521.9	2,521.9

* Less than \$50 thousand.

a/ Transfers were as follows: (1) \$10.0 million to State Department, Office of Refugee and Migration Affairs; \$0.1 million to State Department for pay raise costs and \$0.1 million to G.S.A. for space rental.
(2) Transfer of \$5.0 million from Department of Defense for Egypt (Suez Canal).

b/ Represents unobligated balances brought forward from the former appropriations to new functional category appropriations.

NOTE: Totals may not add due to rounding.

* Less than \$50 thousand.

c/ Transfers are as follows: (1) \$10.0 million to State Department Office of Refugee and Migration Affairs; and
(2) \$15.6 million from State Department's appropriations for the recent inclusion of A.I.D. foreign service personnel in the Foreign Service Retirement Fund plus \$0.5 million from Development Assistance for the increased costs to the Fund of the FY 1975 pay increase.

d/ Unobligated balances brought forward from FY 1974 have been redistributed for FY 1975 program purposes.

e/ In addition, Public Law 93-570 provided \$10 million for Assistance to Palestinian Refugees to be programmed through the United Nations Relief and Works Agency.

f/ Does not reflect major program changes resulting from recent events in Indochina.

g/ Public Law 94-11 did not make available in FY 1975 unobligated balances from the FY 1974 Contingency Fund program.

NOTE: Totals may not add due to rounding.

AGENCY FOR INTERNATIONAL DEVELOPMENT
ECONOMIC ASSISTANCE PROGRAMS
DISBURSEMENTS AND UNLIQUIDATED OBLIGATIONS
FY 1976 (PROPOSED)
(in millions of dollars)

	<u>Appropriation</u>	<u>Other Funds Available^{1/}</u>	<u>Total Available for Disb.^{2/}</u>	<u>Disbursements</u>	<u>Unliq. Bal. (Pipeline) 6/30/76</u>
DEVELOPMENT ASSISTANCE					
Food Production and Nutrition	534.5	--	1,044.3	247.1	797.2
Population Planning and Health	180.5	--	446.8	130.4	316.4
Education and Human Resources	71.0	--	161.7	60.3	101.4
Selected Development Problems	45.3	--	154.5	51.5	103.0
Selected Countries and Organizations	32.0	-5.0	96.8	40.9	55.9
Development Assistance, pre-1974 ^{3/}	--	--	871.3	290.9	580.4
Subtotal	<u>863.3</u>	<u>-5.0</u>	<u>2,775.4</u>	<u>821.1</u>	<u>1,954.3</u>
International Organizations and Programs	189.5	--	220.9	140.1	80.8
UN Environment Fund	7.5	--	12.0	6.0	6.0
Indus Basin Development Fund, Grants	<u>22.5</u>	<u>--</u>	<u>22.5</u>	<u>22.5</u>	<u>--</u>
TOTAL, DEVELOPMENT ASSISTANCE	1,082.8	-5.0	3,030.8	989.7	2,041.1
SECURITY SUPPORTING ASSISTANCE ^{4/}	--	--	--	--	--
MIDDLE EAST SPECIAL REQUIREMENTS FUND ^{4/}	--	--	--	--	--
OTHER PROGRAMS					
Disaster Relief and Reconstruction	--	--	61.5	31.7	29.8
Sahel Drought Relief	--	--	7.1	7.1	--
Refugee Relief Assistance (Bangladesh)	--	--	44.0	19.8	24.2
Famine or Disaster Relief	--	--	18.9	9.5	9.4
International Disaster Assistance	20.0	--	20.0	9.8	10.2
Contingency Fund	10.0	--	19.3	8.7	10.6
American Schools and Hospitals Abroad	9.8	--	33.9	15.5	18.4
Portugal and Portuguese Colonies	--	--	13.5	5.4	8.1
Prototype Desalting Plant	<u>--</u>	<u>--</u>	<u>18.0</u>	<u>4.0</u>	<u>14.0</u>
TOTAL, OTHER PROGRAMS	39.8	--	236.2	111.5	124.7
OPERATING EXPENSES	205.2	+2.8	247.4	190.6	56.8
FOREIGN SERVICE RETIREMENT FUND	<u>16.1</u>	<u>--</u>	<u>16.1</u>	<u>16.1</u>	<u>--</u>
TOTALS	1,343.9	-2.2	3,530.5 ^{5/}	1,307.9	2,222.6
LESS LOAN RECEIPTS				<u>-353.7</u>	
NET OUTLAYS, AGENCY FOR INTERNATIONAL DEVELOPMENT				954.2	

^{1/} Transfers and reimbursements.

^{2/} Includes unliquidated balances (pipeline), 6/30/75.

^{3/} Undisbursed balances of funds appropriated prior to fiscal year 1974 for technical assistance grants, development loans, and population programs.

^{4/} The President has ordered a review of our Middle East policy. We will subsequently be in a position to consider and then propose country assistance levels and their program composition. Projected disbursements for fiscal year 1976 will be provided at that time.

^{5/} Excludes Indochina Postwar Reconstruction unliquidated balances (pipeline), 6/30/75.

AGENCY FOR INTERNATIONAL DEVELOPMENT
ECONOMIC ASSISTANCE PROGRAMS
DISBURSEMENTS AND UNLIQUIDATED OBLIGATIONS
FIFTH QUARTER (PROPOSED)
(in millions of dollars)

	<u>Appropriation</u>	<u>Total Avail. for Disb. 1/</u>	<u>Disbursements</u>	<u>Unliq. Bal. (Pipeline) 9/30/76</u>
DEVELOPMENT ASSISTANCE				
Food Production and Nutrition	151.0	948.2	59.9	888.3
Population Planning and Health	56.0	372.4	32.9	339.5
Education and Human Resources	20.7	122.1	14.6	107.5
Selected Development Problems	8.7	111.7	12.6	99.1
Selected Countries and Organizations	7.6	63.5	10.1	53.4
Development Assistance, pre-1974 2/	-	580.4	76.0	504.4
Subtotal	<u>244.0</u>	<u>2,198.3</u>	<u>206.1</u>	<u>1992.2</u>
International Organization & Progs.	19.2	100.0	18.7	81.3
UN Environment Fund	-	6.0	-	6.0
Indus Basin Development Fund -				
Grants	4.5	4.5	4.5	-
TOTAL DEVELOPMENT ASSISTANCE	<u>267.7</u>	<u>2,308.8</u>	<u>229.3</u>	<u>2079.5</u>
SECURITY SUPPORTING ASSISTANCE^{3/}				
MIDDLE EAST SPECIAL REQUIREMENTS FUND ^{3/}	-	-	-	-
OTHER PROGRAMS				
American Schools and Hosp. Abroad	2.4	20.8	3.9	16.9
Refugee Relief Asst. (Bangladesh)	-	24.2	4.9	19.3
Disaster Relief and Reconstruction	-	29.8	7.9	21.9
International Disaster Assistance	10.0	20.2	4.9	15.3
Famine and Disaster Relief	-	9.4	2.4	7.0
Portugal and Portuguese Colonies	-	8.1	1.4	6.7
Prototype Desalting Plant	-	14.0	1.0	13.0
Contingency Fund	5.0	15.6	3.4	12.2
TOTAL OTHER PROGRAMS	<u>17.4</u>	<u>142.1</u>	<u>29.8</u>	<u>112.3</u>
OPERATING EXPENSES	54.4	111.2	48.7	62.5
TOTALS	<u>339.5</u>	<u>2,562.1</u>	<u>307.8</u>	<u>2254.3</u>
LESS LOAN RECEIPTS			<u>-97.0</u>	
NET OUTLAYS, AGENCY FOR INTERNATIONAL DEVELOPMENT			210.8	

1/ Includes unliquidated balances (pipeline), 6/30/76.

2/ Undisbursed balances of funds appropriated prior to fiscal year 1974 for technical assistance grants, development loans, and population programs.

3/ The President has ordered a review of our Middle East Policy. We will subsequently be in a position to consider and then propose country assistance levels and their program composition. Projected disbursements for the Fifth Quarter will be provided at that time.

AGENCY FOR INTERNATIONAL DEVELOPMENT
ECONOMIC ASSISTANCE PROGRAMS
DISBURSEMENTS AND UNLIQUIDATED OBLIGATIONS
FY 1975 (Estimated)
(in millions of dollars)

	Appropriation	Other Funds Available ^{1/}	Total Avail. for Disb. ^{2/}	Disbursements	Unliq. Bal (Pipeline) 6/30/75
DEVELOPMENT ASSISTANCE					
Food Production and Nutrition	300.0	134.1	704.0	184.4	519.6
Population Planning and Health	125.0	61.1	365.5	95.2	270.3
Education and Human Resources	82.0	6.7	169.6	76.9	92.7
Selected Development Problems	37.0	7.2	162.3	51.8	110.5
Selected Countries and Organizations	30.0	4.6	122.1	51.4	70.7
Development Assistance, Pre-1974 ^{3/}	--	--	1,392.9	521.6	871.3
Subtotal	<u>574.0</u>	<u>213.7</u>	<u>2,916.4</u>	<u>981.3</u>	<u>1,935.1</u>
International Organizations and Programs	125.0	--	151.3	119.9	31.4
UN Environment Fund	5.0	--	8.2	3.7	4.5
Indus Basin Development Fund, Loans	0.2	--	0.2	0.2	--
Indus Basin Development Fund, Grants	9.0	--	9.0	9.0	--
Partners of the Alliance	--	--	0.4	0.4	--
TOTAL, DEVELOPMENT ASSISTANCE	<u>713.2</u>	<u>213.7</u>	<u>3,085.5</u>	<u>1,114.5</u>	<u>1,971.0</u>
SECURITY SUPPORTING ASSISTANCE	660.0	0.7	828.4	418.1	410.3
MIDDLE EAST SPECIAL REQUIREMENTS FUND	100.0	--	100.0	49.2	50.8
INDOCHINA POSTWAR RECONSTRUCTION ^{4/}	440.0	2.0	761.4	410.6 ^{5/}	350.8
OTHER PROGRAMS					
American Schools and Hospitals Abroad	17.5	--	43.5	19.4	24.1
Albert Schweitzer Hospital	--	--	1.0	1.0	--
Refugee Relief Assistance (Bangladesh)	--	2.3	85.6	41.6	44.0
Sahel Drought Relief	--	--	23.7	16.6	7.1
Disaster Relief and Reconstruction	--	126.5	150.0	88.5	61.5
Contingency Fund	1.8	--	19.7	10.4	9.3
Famine and Disaster Relief	35.0	--	35.0	16.1	18.9
Portugal and Portuguese Colonies	25.0	--	25.0	11.5	13.5
Prototype Desalting Plant	--	20.0	20.0	2.0	18.0
Administrative Expenses - State	4.8	--	5.2	5.2	--
TOTAL - OTHER PROGRAMS	<u>84.1</u>	<u>148.8</u>	<u>408.7</u>	<u>212.3</u>	<u>196.4</u>
ADMINISTRATIVE EXPENSES - AID	40.0	3.2	52.8	38.1	14.7
FOREIGN SERVICE RETIREMENT FUND	---	<u>16.1</u>	<u>16.1</u>	<u>16.1</u>	---
TOTALS	2,037.3	384.5	5,252.9	2,258.9	2,994.0
LESS RECEIPTS:					
Loan Receipts Reprogrammed				-197.2	
Proprietary receipts				-115.9	
Total Receipts				<u>-313.1</u>	
NET OUTLAYS, AGENCY FOR INTERNATIONAL DEVELOPMENT				1,945.8	

- ^{1/} Reprogrammed loan receipts, transfers, reimbursements and unobligated balances brought forward.
^{2/} Includes unliquidated balances (pipeline), 6/30/74.
^{3/} Undisbursed balances of funds appropriated prior to fiscal year 1974 for technical assistance grants, development loans, and population programs.
^{4/} Projected disbursements are based on normal program activity and do not reflect major program changes resulting from recent events in Indochina.
^{5/} Includes Department of Defense Reimbursable Program.

AGENCY FOR INTERNATIONAL DEVELOPMENT
ECONOMIC ASSISTANCE PROGRAMS
DISBURSEMENTS AND UNLIQUIDATED OBLIGATIONS
FY 1974 (ACTUAL)
(in millions of dollars)

	Unliq. Bal. (Pipeline) 6/30/73	Appropriations	Other Funds Available	Total Avail. for Disb.	Disbursement	Adjustments ^{2/}	Unliq. Bal. (Pipeline) 6/30/74	Unobligated Bal Brought Forward
DEVELOPMENT ASSISTANCE								
Food Production and Nutrition	-	284.0	42.6	326.6	40.0	- 7.4	269.9	24.1
Population Planning and Health	-	135.0	67.9	202.9	33.1	- 9.9	179.4	0.3
Education and Human Resources	-	89.0	12.6	101.6	21.7	- 1.4	80.9	0.4
Selected Development Problems	-	40.5	95.2	135.7	18.3	- 0.9	118.1	0.2
Selected Countries and Organizations	-	36.5	96.3	132.8	48.4	- 4.0	87.5	0.9
Development Assistance, pre-1974 ^{3/}	<u>2122.0</u>	-	<u>-99.3</u>	<u>2022.7</u>	<u>710.9</u>	- <u>81.1</u>	<u>1392.9</u>	-
Subtotal	2122.0	585.0	215.3	2922.3	872.4	- 104.7	2128.7	25.9
International Organizations and Progs.	52.4	125.0	-	177.4	151.1	-	26.3	-
UN Environment Fund	-	7.5	-	7.5	4.3	-	3.2	-
Indus Basin Development, Fund, Loans	-	2.0	-	2.0	2.0	-	-	-
Indus Basin Development Fund, Grants	-	9.0	-	9.0	9.0	-	-	-
UNRWA (Arab Refugees)	-	2.0	-	2.0	2.0	-	-	-
Partners of the Alliance	-	0.7	-	0.7	0.3	-	0.4	-
TOTAL, DEVELOPMENT ASSISTANCE	<u>2174.4</u>	<u>731.2</u>	<u>215.3</u>	<u>3120.9</u>	<u>1041.1</u>	- <u>104.7</u>	<u>2158.6</u>	<u>25.9</u>
SECURITY SUPPORTING ASSISTANCE	507.0	112.5	7.4	626.9	381.9	+ 76.6	167.7	0.7
INDOCHINA POSTWAR RECONSTRUCTION	-	499.0	1.9	500.9	246.3	- 64.9	319.4 ^{4/}	0.1
OTHER PROGRAMS								
Disaster Relief and Reconstruction	-	150.0	-	150.0	-	-	23.5	126.5
Sahel Drought Relief	-	25.0	-	25.0	3.6	- 2.2	23.6	-
Refugee Relief Assistance (Bangladesh)	167.6	-	1.1	168.7	84.6	- 1.5	83.3	2.3
Contingency Fund	30.2	15.0	1.0	46.2	25.2	+ 3.0	18.0	-
American Schools and Hospitals Abroad	29.3	19.0	-	48.3	22.0	• 0.2	26.1	•
Albert Schweitzer Hospital	-	1.0	-	1.0	-	-	1.0	-
Prototype Desalting Plant	-	-	20.0	20.0	-	-	-	20.0
Administrative Expenses, State	1.7	4.8	0.1	6.6	6.2	-	0.4	•
Other Activities ^{5/}	<u>18.0</u>	-	-	<u>18.0</u>	<u>2.2</u>	- <u>6.3</u>	<u>22.1</u>	-
TOTAL, OTHER PROGRAMS	<u>246.8</u>	<u>214.8</u>	<u>22.2</u>	<u>483.8</u>	<u>143.8</u>	- <u>6.8</u>	<u>198.0</u>	<u>148.8</u>
ADMINISTRATIVE EXPENSES, A.I.D.	<u>8.5</u>	<u>40.0</u>	<u>3.3</u>	<u>51.8</u>	<u>39.1</u>	+ <u>2.0</u>	<u>9.6</u>	<u>1.1</u>
TOTALS	<u>2936.7</u>	<u>1597.5</u>	<u>250.1</u>	<u>4784.3</u>	<u>1852.2</u>	- <u>97.8</u>	<u>2853.3</u>	<u>176.8</u>
LESS RECEIPTS:								
Loan Receipts Reprogrammed					- 167.0			
Proprietary Receipts					- 62.0			
Total Receipts					- 230.8			
NET OUTLAYS, AGENCY FOR INTERNATIONAL DEVELOPMENT					<u>1,621.4</u>			

^{1/} Reprogrammed loan receipts, transfers, reimbursements, and unobligated balances brought forward.

^{2/} Represents adjustments due to the accounting treatment of certain cash transactions.

^{3/} Undisbursed balances of funds appropriated prior to fiscal year 1974 for technical assistance grants, development loans and population programs.

^{4/} Includes Department of Defense Reimbursable Program.

^{5/} Housing Guaranty Fund, Surveys of Investment Opportunity, Advance Acquisition of Property Revolving Fund, Office of the Inspector General of Foreign Assistance.

• Less than \$50 thousand.

NOTE: Totals may not add due to rounding.

Authorization and Appropriation History for Economic Assistance
Under the Foreign Assistance Act of 1961 and Predecessor Legislation
(including supplementals)
FY 1948 - 1975
(in millions of dollars)

Fiscal Year	Auth'n. Request a/	Auth'd. by Congress b/	Approp'n. Request a/	Approp'd. by Congress c/	Footnotes
1948-49	7,370.0	6,913.0	7,370.0	6,446.3	<p>NOTE: Excludes Investment Guaranty Program (Borrowing Authority and Appropriations) and OPIC.</p> <p>a/ Adjusted to fiscal year basis and including Executive Branch adjustments.</p> <p>b/ Adjusted to fiscal year basis.</p> <p>c/ Includes Borrowing Authority (other than for Investment Guaranties) during Marshall Plan period April 1948-1952.</p> <p>d/ Includes \$87 million for activities not contained in the Administration request: \$25 million for assistance to Portugal and its colonies becoming independent; \$20 million additional for Population Programs; \$2 million additional for Education and Human Resources Development; and \$40 million for Famine or Disaster Relief (Section 639).</p> <p>e/ Excludes \$15,600 thousand for payment to the Foreign Service Retirement and Disability Fund. The FY 1975 payment of \$16,080 thousand is funded by transfer of \$480 thousand from Development Assistance funds and \$15,600 thousand from funds appropriated for the same purpose in the Department of State Appropriation Act, 1975.</p>
1950	4,280.0	4,280.0	4,280.0	3,728.4	
1951	2,950.0	2,762.5	2,950.0	2,262.5	
1952	2,197.0	1,585.7	2,197.0	1,540.4	
1953	2,475.0	1,894.3	2,499.0	1,782.1	
1954	1,543.2	1,475.7	1,543.2	1,301.5	
1955	1,798.1	1,571.9	1,788.5	1,528.8	
1956	1,812.8	1,851.8	1,812.8	1,681.1	
1957	1,860.0	1,815.1	1,860.0	1,749.1	
1958	1,964.4	1,786.9	1,964.4	1,428.9	
1959	2,142.1	2,070.6	2,142.1	1,933.1	
1960	2,330.0	2,176.8	2,330.0	1,925.8	
1961	2,875.0	2,786.3	2,875.0	2,631.4	
1962	2,883.5	2,559.5	2,883.5	2,314.6	
1963	3,281.3	3,074.8	3,281.3	2,573.9	
1964	3,124.6	2,602.1	3,124.6	2,000.0	
1965	2,461.7	2,452.0	2,461.7	2,195.0	
1966	2,704.5	2,605.0	2,704.5	2,463.0	
1967	3,443.4	2,628.0	2,469.0	2,143.5	
1968	2,785.6	2,165.0	2,630.4	1,895.6	
1969	2,554.2	1,609.8	2,498.5	1,380.6	
1970	2,210.0	1,624.2	2,210.0	1,424.9	
1971	2,093.7	2,093.7	2,008.0	1,733.9	
1972	2,355.2	1,868.6	2,355.2	1,718.2	
1973	1,970.5	1,026.5	2,256.6	1,664.2	
1974	1,760.6	1,726.9	1,884.2	1,632.6	
1975	2,603.5	2,584.9 d/	2,948.7	2,049.8 e/	

PL 480 AND FOOD AID

Our strategy for alleviating hunger and malnutrition has three elements:

- food aid;
- development assistance to boost food production in the developing countries;
- an international system of food reserves.

Food aid contributes to this strategy:

- It can quickly meet crucial, emergency food needs of particularly vulnerable groups;
- It provides assistance in chronic food-deficit situations while longer-term food production development goes forward;
- It can be closely related to development assistance programs to improve and to increase agricultural production and nutrition in developing countries.

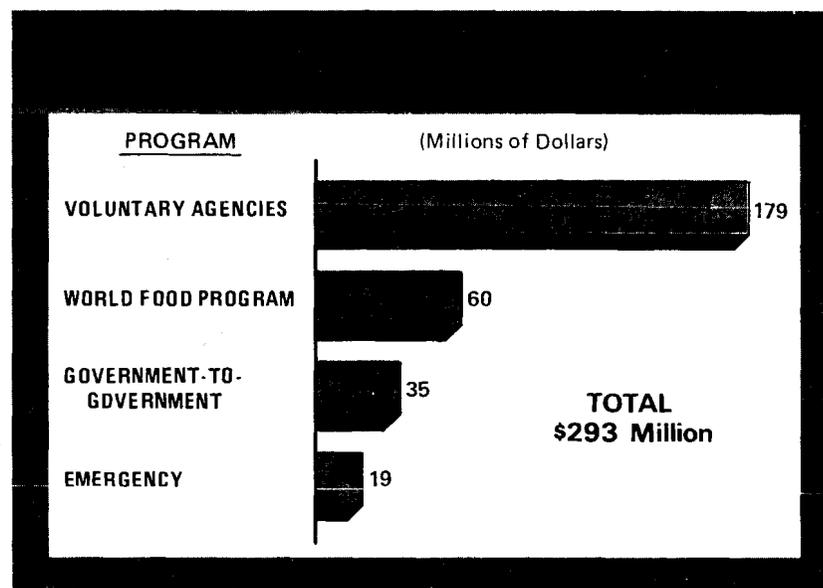
The Food for Peace Program (PL 480)

The Food for Peace Program has multiple objectives:

- promoting economic development, particularly in agricultural production;
- combating hunger and malnutrition;
- developing and expanding markets for U.S. agricultural commodities;
- promoting the foreign policy of the United States.

Food for Peace programs are directed toward:

- adequate response to disaster and emergency feeding requirements;
- continuation of mother-child feeding, school feeding, and food-for-work projects under the Title II donation program;
- Title I food sales to needy countries facing the greatest food deficits;
- other Title I food sales programs justified on the basis of U.S. national interest, after establishing the need for the PL-480 commodities.



Food for Peace programs are of two types:

Title I:

- a sales program allowing purchase of U.S. farm products in our commercial market through long-term loans at concessional rates. Title I sales are about 75% of the total PL 480 program. Under Title I, the recipient country pays ocean freight, except for the differential to cover costs of shipment in U.S. flag vessels.
- Title I food aid is provided to countries with food deficits. The "Most Seriously Affected" countries list prepared by the UN was not drawn as a basis for food aid distribution, but to list those countries most seriously affected by price increases in energy, food, and fertilizers. Price impact is only one of many factors to be examined in determining where Title I food aid should be provided. The absolute need for food is the most important consideration. Other factors include:
 - ** the diversity of the country's economic base;
 - ** the pace of development, particularly in agricultural production;
 - ** the nutritional level of the population;
 - ** our foreign policy interests in assisting friendly countries.

Title II:

- a donation program, providing food to needy people, particularly children, through:
 - ** U.S. voluntary agencies;
 - ** the multilateral World Food Program;
 - ** bilaterally to other governments.

The U.S. Government buys the food in the U.S. commercial market and usually pays ocean freight to the point of entry.

Food Aid and Development Assistance

Title I Programs:

- provide an important resource transfer, permitting scarce foreign exchange reserves of developing countries to be used for other important development purposes;
- coordinated with development loans and technical assistance projects, Title I programs make possible a greater developmental impact. Title I commodities are sold in the recipient country for local currency; these receipts are used for a variety of purposes, primarily to increase and improve local agricultural production, for example, in:
 - ** Tanzania, to improve storage and marketing of grain;

- ** Pakistan, to develop and disseminate improved types of fertilizer;
- ** Chile, to help develop a national irrigation plan;
- ** Bangladesh, to strengthen agricultural research benefitting the small farmer.

to support a national nutrition program. As Title II assistance is phased out, the Government of the Philippines will supply commodities.

- ** Tunisia, a child feeding program planned and implemented by voluntary agencies using Title II food is now conducted by the Government.

Title II Programs:

Except for emergency programs, Title II donations are used for project assistance of two kinds:

-- Short-term, immediate-impact, Food for Work Projects, for example, in:

- ** Haiti, Title II commodities supplied through voluntary agencies are used as part payment of wages on community development projects, in conjunction with development assistance projects;
- ** the Sahel, Title II commodities are part of food-for-work projects designed to help move refugees out of camps to return to a productive life;
- ** in Bolivia, Title II commodities are used in conjunction with A.I.D. assistance to support programs in road building and land leveling.

-- Long-term, extended-impact child nutrition projects, for example, in:

- ** the Philippines, Title II commodities supplied through voluntary agencies are combined with development assistance

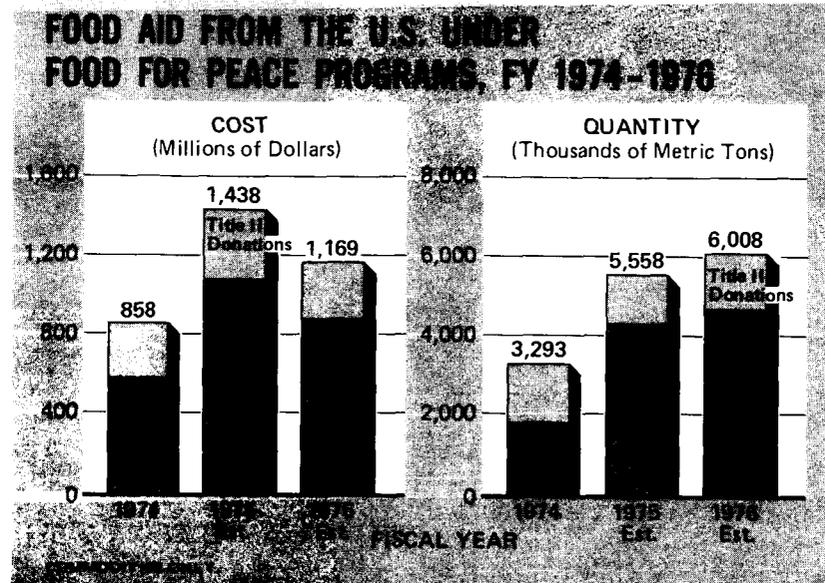
The Food for Peace Program Proposed for FY 1976

- Almost 6 million tons of food grains and grain products, both Title I and Title II, will help to alleviate world hunger and malnutrition. The value of the commodities is estimated at \$1.2 billion, based on Department of Agriculture price projections.
- More than \$160 million for ocean freight for Title II food donations and to pay differential costs of U.S. flag shipments under Title I are financed under PL 480.

Title I Program for FY 1976:

- Title I for FY 1976 is estimated at about \$876 million on the basis of Department of Agriculture price projections. The major commodities are wheat and rice.
- The projected tonnage (over 4.6 million tons) is almost 15% larger than last year but more than 25% (\$198 million) cheaper because of lower price projections by the Department of Agriculture.
- Under present plans for Title I programs in FY 1976:

- ** the greatest quantities will go to the countries of South Asia where the pressures of large populations, bad weather and poor harvests have combined to make the last few years particularly difficult.
- ** Predictable food deficits in Latin America require aid to Haiti, Chile, and Honduras.
- ** In Africa drought has struck Tanzania and Guinea. We propose to help meet their food needs with Title I sales.
- ** The President has ordered a review of Middle Eastern policy. We will subsequently be in a position to consider and propose PL-480 country programs in the Middle East.



Title II Programs proposed for FY 1976:

- Title II programs for FY 1976 are estimated at about \$293 million on the basis of Department of Agriculture price projections. Major commodities are wheat and wheat products, feedgrains and feedgrain products.
- 1.3 million tons is programmed, about the same as in FY 1975, but the value is estimated to be \$100 million less chiefly because of lower Department of Agriculture price projections for FY 1976.
- Over half of Title II food aid will go for programs sponsored by U.S. voluntary agencies:
 - ** maternal-child health feeding;
 - ** preschool feeding;

- ** food-for-work, using food as part payment for work on development projects;
- ** school feeding;
- ** countries in the Sahel will continue to benefit from food donated under Title II.
- Twenty percent will be donated to the World Food Program, to support activities in maternal and child health, preschool and food-for-work activities around the world.
- The balance is reserved for emergency relief (\$48 million) and bilateral programs such as those in the Sahel.

P.L. 480 TITLE I SUMMARY

REGION AND COUNTRY	FY 1974 \$000	FY 1975 \$000 (Est.)	\$000 ^{1/}	FY 1976 Proposed								
				WHEAT		RICE		FEEDGRAINS		VEG. OIL		NON-FOOD
				'000MT	\$	'000MT	\$	'000MT	\$	'000MT	\$	\$
AFRICA												
Guinea	1,583	11,980	4,500	10	1,400	10	3,100					
Malagasay Rep.		10,100	3,100			10	3,100					
Mozambique			3,400	25	3,400							
Sudan	3,023	809										
Tanzania		8,040	6,200			20	6,200					
Sub-total	4,606	30,929	17,200	35	4,800	40	12,400					
EUROPE												
Portugal	10,031											
Sub-total	10,031											
LATIN AMERICA												
Bolivia	12,762											
Chile		57,800	55,100	400	55,100							
Colombia	6,989											
Dominican Rep.	5,733											
Ecuador	1,092											
Haiti		2,400	3,400	25	3,400							
Honduras		8,020	6,500	25	3,400	10	3,100					
Jamaica	516	1,500										
Sub-total	27,092	69,720	65,000	450	61,900	10	3,100					
EAST ASIA												
Cambodia	168,305	45,600*										
Indonesia	7,649	46,600	30,100									30,100
Korea	5,200	74,000	150,000	192	26,500	400	123,500					
Philippines	4,724	1,400										
Thailand	9,933											
Vietnam	230,084	15,600*										
Sub-total	425,895	183,200	180,100	192	26,500	400	123,500					30,100
NEAR EAST-SOUTH ASIA												
Bangladesh	18,902	240,500	154,900	700	96,400	150	46,300			15	12,200	
Egypt		120,000	2/									
India		128,000	68,900	500	68,900							
Israel	29,305	9,000	2/									
Jordan	6,897	6,800	2/									
Morocco	6,928		13,800	100	13,800							
Pakistan	30,360	83,800	77,100	500	68,900					10	8,200	
Sri Lanka	5,219	24,500	19,000	138	19,000							
Syria		26,520	2/									
Tunisia	10,410											
Sub-total	108,021	639,120	2/									
WORLDWIDE RESERVE ^{3/}	1,182	152,031	280,400	1139.5	157,000	209.2	64,600	38.7	4,200	3.5	3,600	51,000
GRAND TOTAL	576,827	1,075,000	876,400	3,754.5	517,200	809.2	249,900	38.7	4,200	28.5	24,000	81,100

* Estimated deliveries.

^{1/} Dollar amounts are based on current price projections from the U.S. Department of Agriculture.

FY '76 country allocations are illustrative only, and are subject to change contingent upon commodity availability, price and program needs.

^{2/} The President has ordered a review of Middle East policy. PL-480 programs for Middle Eastern countries will be proposed after completion of the review.

^{3/} Includes amounts for programs for Middle East Countries now under review as well as a worldwide reserve for contingent food requirements.

FY'76 Congressional Presentation
Title II Donation Program

Region/Country	FY'74 \$000	FY'75 \$000	Total \$000	Wheat		FY 1976 Feedgrain		Vegoil	
				\$000	MT	\$000	MT	\$000	MT
Grand Total	384,842	473,561	406,181						
Commodity Summary by Region--Subtotal	<u>281,600</u>	<u>363,400</u>	<u>292,581</u>	<u>138,354</u>	<u>650,000</u>	<u>103,700</u>	<u>630,000</u>	<u>50,527</u>	<u>47,015</u>
Africa	83,537	74,712	46,650	9,627	58,560	27,146	180,118	9,877	9,232
East Asia	31,348	35,185	26,869	16,331	85,381	9,072	58,331	1,466	1,487
Near East and South Asia	129,313	173,835	124,539	71,774	282,168	27,008	139,855	25,757	23,757
Latin America	38,716	64,932	46,944	17,403	75,372	16,114	73,483	13,427	12,539
Emergency Reserve/ Unallocated		14,736	47,579	23,219	148,519	24,360	178,213		
Title II Misc. Recoveries	1,314								
Grants of Title I Currencies	1,681	1,500	2,000						
Ocean Freight	101,561	108,661	111,600						

ASSISTANCE TO PRIVATE AND VOLUNTARY ORGANIZATIONS

U.S. cooperation in development should emphasize the role of private and voluntary organizations (PVOs).

- They are the largest source of non-governmental development assistance.
 - ** Almost \$1 billion was programmed for overseas activities in 1974 by 92 PVOs registered with A.I.D.
 - ** Over two-thirds of that amount came from private sources and the balance from U.S. government sources.
- They have established successful programs for the poor and disadvantaged in most poor countries.
- The total value and impact of their activities are great although individual projects may be small.

Cooperatives have also long been partners of A.I.D.

- Their primary concern is with the poor.
- They have made substantial impact with their own manpower and financial resources in working with local agricultural and marketing organizations and credit unions.

A new program to strengthen the developmental role of the PVOs was launched by A.I.D. in 1975. The program is based on two premises:

- A.I.D. financial support for these organizations in combination with their own

resources should increase quality, scope and number of PVO development assistance programs.

- A.I.D. should support PVO activities which are consistent with development assistance priorities endorsed by Congress and which encourage and help support growth of indigenous organizations capable of responding to community and national needs.

The new program consists of two complementary types of grants which provide \$10.5 million in FY 1975. For FY 1976, \$13.6 million is programmed for identified activities. A total program level of \$15 million is contemplated. These grants will:

- help PVOs expand their programs by improving their special skills, long-range planning, and management capability;
- provide support for overseas programs planned and implemented by PVOs with minimum A.I.D. input and supervision in the areas of:
 - ** food production and nutrition;
 - ** population planning and health;
 - ** education and human resources;
 - ** rural development.

An important objective of this new program is to test whether the development programs can be replicated on a broader scale and still retain the people-to-people character of the relationships established by the PVOs.

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WOMEN IN DEVELOPMENT

Women are a vital human resource in improving the quality of life in the developing world:

- as producers of goods and services, women contribute directly to national social and economic progress;
- as child bearers, women influence the pace of national population growth;
- as mothers and child raisers, women help shape the essential human resources that national and international development require.

The central responsibility for integrating women into national economies rests with each developing country:

- These countries have differing social, cultural and family relationships affecting the role of women which must be taken into account if national programs for the integration of women are to succeed.

However, our foreign assistance program can play an important role:

- as a catalyst to promote understanding and acceptance of the need to integrate women into the development effort; but real progress requires commitment by the developing countries.

The Congress has encouraged programs to advance the integration of women into the national economies of developing countries:

- The Foreign Assistance Act (Section 113) requires that the U.S. bilateral development assistance program "be administered

so as to give particular attention to those programs, projects, and activities which tend to integrate women into the national economies of foreign countries, thus improving their status and assisting the total development effort."

A.I.D. is taking steps to:

- insure that all its programs consider women's actual and potential roles as development participants;
 - ** policy directives require that the role of women be specifically addressed during the review of each project proposal;
- gather data on the role of women in developing countries and utilize women of these countries in this effort;
 - ** the Ghana Development Assistance Program contains a separate annex entitled "The Role of Women." It covers the role and station of women in Ghanaian society, the ways women benefit and how they participate in those aspects of Ghanaian national life to which our foreign assistance program contributes;
 - ** a research project is currently underway to study women's groups among the rural poor and to develop a plan of action which will make use of these findings;

- ** a review of the role of women in the Dominican Republic was conducted by the USAID, as background information for the redesign of projects to include the participation of women;
- design foreign assistance projects which take the role of women into account;
 - ** a project in Nicaragua entitled "Rural Market Women's Cooperatives" provides credit and cooperative purchasing facilities for the tradeswomen and vendors who operate stalls in rural markets and who have traditionally borrowed at usurious rates from moneylenders;
 - ** a report prepared by a consultant makes suggestions to enhance the role and status of rural women in Bolivia. As a result, a project proposed for FY 1976 funding on Rural Community Organizations and Cooperative Development places heavy emphasis on the integration of women in all aspects of the project;
 - ** a project proposal has been designed to increase the incomes of market women in rural areas of West/Central Africa;
- help fund centers to train women abroad in vocational as well as leadership skills;
- increase the number of women participants who come to the United States for training;
- encourage other donors and private agencies to emphasize the role of women in their assistance programs.
 - ** A.I.D. is working with the World Bank, OECD, UNDP, UNESCO, Australia, and the Voluntary Advisory Committee in this effort;
- support seminars which bring women from developing countries together to plan action programs to involve women in development;
 - ** two support grants are being provided for seminars to be sponsored by the American Association for the Advancement of Science and the National Council of Negro Women. These seminars will bring together women leaders from the developing countries in conjunction with the International Women's Year Conference in Mexico City.

The program is not seeking to support "women only" activities, but to insure that the role of women as participants and beneficiaries is taken into account in all foreign assistance projects.

HOUSING GUARANTY PROGRAM

The principal activity in our foreign assistance program to help meet the shelter needs of lower-income groups in developing countries is the Housing Guaranty Program, which stresses the development of national housing policies and local housing institutions to assist countries to meet their future shelter needs with their own resources:

- The program guarantees repayment of loans from private U.S. lenders to housing institutions in the developing countries; loans are not made from appropriated funds;

- Direct operating expenses are covered by fees charged for the guaranties.

Additional guaranty authority is requested in the following amounts:

- \$150 million for the worldwide program, other than Latin America;
- \$100 million for Latin America.

Extension of authority for the program is requested from June 30, 1976 to September 30, 1978.

INTERNATIONAL TRAINING

Since 1941, more than 173,000 foreign nationals will have received training under the foreign assistance program. About 10,000 foreign nationals are in training each year in critical development fields, such as:

- food and nutrition;
- population planning and health;
- education and human resource development.

Four basic types of training are provided under the program:

- academic;
- observation;
- on-the-job;
- specialized.

Costs of the foreign assistance training program are shared with the developing countries:

- almost all international travel expenses for participants are paid by the participant's country;
- many developing countries also continue salary payments to the participant during the training period.

Participants in the training program must agree to return to their home countries; many former participants occupy positions of authority and responsibility in their home countries.

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DEVELOPMENT COORDINATION COMMITTEE

The Development Coordination Committee (DCC) will advise the President on coordination of all U.S. policies and programs affecting development in the developing countries.

- The DCC was established February 28, 1975 in accordance with Section 640B of the Foreign Assistance Act.
- The Administrator of A.I.D. is Chairman of the DCC, and other members at the Under Secretary level represent the Departments of State, Treasury, Commerce, Agriculture, and Labor, the Special Representative for Trade Negotiations, the Office of Budget and Management, Council on International Economic Policy, the National Security Council, the Export-Import Bank, and Overseas Private Investment Corporation. Other agencies participate when appropriate.
- An A.I.D. Assistant Administrator for Interagency Department Coordination is Executive Director of the DCC and has a small staff to serve as the DCC secretariat.

The DCC work plan for the coming year includes important issues affecting development overseas and the impact of these issues on the U.S. economy:

- policies to assure consistency and effectiveness in dealing with countries most seriously affected by energy and other commodity price increases;
- effective ways for the United States to play a constructive role in the development process in countries in which concessional bilateral assistance has been terminated or is in the process of being phased out;
- policies to make PL 480 more effective as a development tool and to better manage humanitarian assistance under Title II of PL 480 both from the viewpoint of U.S. interests and in assisting the voluntary agencies in their tasks;
- the policy instruments to use in achieving U.S. interests in economic relations with oil-exporting less-developed countries, particularly those which have low per capita incomes and require development assistance other than concessional capital resources;
- the U.S. policy stance in the many UN meetings this year on major development themes;
- the best ways to facilitate appropriate U.S. Government and private technology transfers to the less-developed countries;
- U.S. Government policies with respect to private U.S. investment in the less-developed countries;
- policies to coordinate and to make complementary the mix of U.S. bilateral and multilateral assistance.

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MANAGEMENT AND PERSONNEL

Management of operations and personnel of the foreign assistance program has been significantly improved in a continuing effort to achieve a lean, hard-working, efficient organization.

Management Improvements

A challenging management task of broad scope confronts the Agency:

- operations are difficult in developing countries which are generally characterized by inadequate administrative, natural, and financial resources;
- the diversity and complexity of assistance projects, responding to the new directions of the program, compound the difficulties of planning, managing, and monitoring.

Significant management improvements in policies, programs and operations have been introduced, including:

-- Maximum response to new Congressional initiatives:

- ** completed an in-depth analysis of policy and procedural issues;
- ** established a Task Force to ensure vigorous implementation of new program directions;

-- Rural development coordination:

- ** established a central staff as a focus of Agency-wide efforts to diagnose rural development problems and design more effective project responses.

-- Disaster assistance:

- ** major steps have been taken to strengthen the effectiveness of the Agency's operational and coordinating responsibilities for overseas disaster assistance.

-- Sahel:

- ** reorganized and strengthened Washington and field organizations responsible for our participation in assistance programs in the Sahel.

-- Multi-year assistance strategies:

- ** introduced a new system significantly speeding up the submission, review and approval of country development assistance program strategies.

-- Accelerated project development and review:

** the development and review of proposed foreign assistance programs and projects are now on an accelerated schedule.

-- Interagency development coordination:

** established an Office of Interagency Development Coordination, headed by an Assistant Administrator, to provide support to the Development Coordination Committee, authorized in the Foreign Assistance Act of 1973 and chaired by the Administrator of A.I.D.

-- Loan and contract administration:

** accelerated significantly the processing and execution of loans and contracts to carry out the foreign assistance program.

-- Women in Development:

** established a system to insure that the role of women is taken into account in the design, review and

approval of all foreign assistance projects, and designated a Coordinator to oversee program activities which will help integrate women into the economies of developing countries.

-- Coordination of geographic bureaus:

** the geographic bureaus of A.I.D. have been realigned to facilitate liaison and coordination with the geographic bureaus of the Department of State.

-- Overseas A.I.D. Mission organization and staffing:

** the organization and manpower needs of A.I.D. overseas missions have been reexamined and revised to assure that they are adequately staffed to carry out the new directions of the foreign assistance program.

-- Adjustments in manpower:

** established significantly reduced manpower levels for A.I.D./ Washington and some selected overseas missions.

-- Programming systems:

** a sweeping revision of the basic systems for program planning, budgeting, implementation, and evaluation is underway.

-- Internal operating directives:

** a recodification and simplification of all internal operating directives and instructions are virtually complete.

-- Agency publications:

** a new system to strengthen the review and control of A.I.D. publications has been introduced.

Efforts to achieve further efficiency and effectiveness in A.I.D. operations will continue in the Management Improvement Plan for the months ahead.

Personnel

Substantial progress has been achieved in adjusting staff resources to current requirements: Specifically, we have:

-- imposed a selective freeze on promotions of Foreign Service personnel;

-- continued a selective freeze on external recruitment;

-- significantly reduced manpower ceiling for both FY 1975 and FY 1976;

-- obtained special "early out" retirement authority;

-- created a special Retirement Task Force to assist potential retirees;

-- reduced substantially the Foreign Service reassignment complement;

-- completed a Civil Service classification survey, resulting in 202 positions being downgraded;

-- updated position descriptions;

-- introduced cyclical classification reviews of all positions and tighter controls on organizational structure;

-- strengthened personnel placement operations;

-- expanded employee counseling and outplacement services;

- developed a special, intensive Development Officer training program to improve staff capability to carry out the new program directions established by Congress;
- separated approximately 240 Foreign Service personnel through reduction-in-force procedures;
- initiated in April 1975 a reduction-in-force of Civil Service employees.

Direct-hire strength has been reduced by 823 during the nine-month period from July 1, 1974 through March 31, 1975 --

from:

-- 8,961; July 1, 1974

to:

-- 8,138; March 31, 1975

Cumulative staff reductions, actual and planned, from June 1968 through June 1976 will reduce A.I.D.'s direct-hire personnel by 56%.

