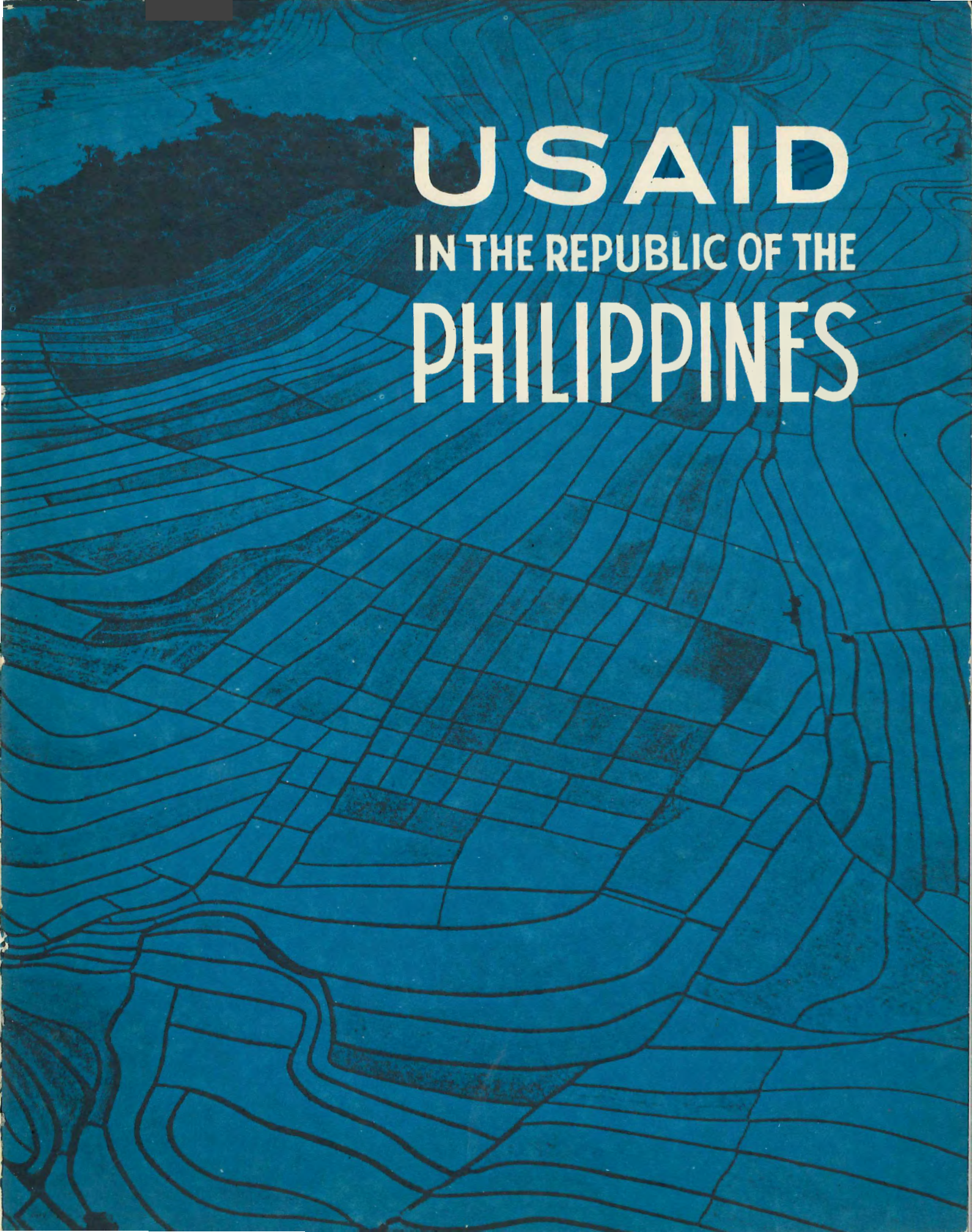
USAID
IN THE REPUBLIC OF THE
PHILIPPINES



NEDA Director General's Message

Development assistance represents additional resources which can be mobilized to enhance the economic growth of a developing economy. In the case of the Philippines, the development efforts of the past several years have been reinforced to a great extent by United States development assistance.

Allow me, therefore, to express the gratitude of our people to the United States Government for its continuing support to Philippine development programs.

In the future, the challenge of utilizing external resources for the attainment of the maximum growth possible is clear. There is the necessity of channeling these resources into economically viable projects that form part of the total development scheme. For our part, we are also trying to expand domestic developmental resources.

I am happy to tell you that in both respects, the Philippines is ready to face and accept the challenge of development in the future.

Gerardo P. Sicat
Director General
National Economic and Development Authority

Message from Director, USAID/PHILIPPINES

United States bilateral economic assistance to the Philippines currently focuses on helping the Government in two sectors: rural development and population planning. This assistance is coordinated through the multilateral Consultative Group for the Philippines. For Fiscal Year 1972, total U.S. development assistance was $72 million. In FY 1973,U.S. assistance totaled about $113 million. This included development assistance and special funds to aid the Philippines rehabilitate the Central Luzon area after the devastating 40 days of flooding in July 1972.

Foreign aid from other donors of the Consultative Group is meeting the needs of the country for assistance in large capital projects. At the same time, the Philippine Government is embarked on a course of providing greater social and economic justice for its people in the rural areas. As a consequence, the American bilateral assistance is, by mutual consent, focused on rural area projects designed to spread development benefits as widely as feasible—projects in which USAID, because of its experience and staff, can most appropriately assist.

The package of joint Philippine/U.S. activities for Fiscal Year 1973 described in this report has been developed over the past two or three years and is now reaching maturity. The projects taken together will mean substantial direct economic benefit to perhaps 75% of the rural population in the next three years. In electrification, more than 36 new cooperatives will be put into operation in areas where over 5,000,000 persons live. The family planning program is designed to provide services to over 60% of married couples by 1976, and has already accomplished almost one-half of the goal. Supplemental feeding, designed to correct malnourishment, will have been given to almost 50% of the nation's malnourished children. Close to one-half of the nation's provinces will have received assistance in road network improvement and modernization of administration and tax systems.

The development benefits take a variety of forms. In one case, it is the psychic and economic benefit of being able to control the spacing and numbers of births. In another, it is the benefit of having reliable, cheap electricity for home and productive use. In yet another, agricultural programs assist directly in increasing income. The overall impact of these programs, although not easy to quantify, is to better significantly the life of the rural masses.

In addition to these development programs, the United States provided special relief and rehabilitation assistance to the people of the Philippines in an effort to help alleviate the effects of the catastrophic floods of 1972. United States civilian and military components provided direct relief assistance during the height of the emergency by airlifting and distributing food (especially nutribuns) and medical supplies and by helping in rescue and innoculation efforts. Since then, major assistance has been provided to the farmers who lost their crops and often their belongings, in an effort to help them to plant and harvest a bumper new crop. Repair of provincial roads, flood control works, schools and irrigation systems is proceeding. This repair work is well underway and should be largely completed by the end of 1974.

I believe our USAID program in the Philippines exemplifies the fine American tradition of assisting others in time of calamity, and helping people who are less well-off to help themselves. The USAID program is based on cooperation with the Philippine Government in its projects aimed at achieving greater equality for its rural people. The results obtained are meaningful to the recipients, consistent with the resources invested, and easily identified and documented. Working closely with the Philippine Government, the management of resources has been systematized and tightly controlled. We believe that the USAID program in the Philippines has produced results which are and should be deeply satisfying to the American and Philippine peoples. I am proud to be associated with the Filipinos and Americans who have produced this program.

Thomas C. Niblock
Director
USAID/Philippines

USAID PROGRAM REPORT
Fiscal Years 1972 and 1973

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Introduction

THE "STORY" WITH WHICH THIS REPORT deals may be said to have begun in 1898 when the concept of "manifest destiny" thrust America abroad for the first time in her history, not only as a growing power in international industry and commerce, but as a colonial ruler as well. When Admiral Dewey steamed into Manila Bay that year, 400 years of Spanish paramountcy over the Philippine Islands had already crumbled. The United States, itself only a little more than a century old, was confronted with the hazardous challenges of being responsible for the welfare of a people of another background and culture. The learning process had its fine moments, its outstanding accomplishments, and also its faltering periods and serious setbacks; both Filipinos and Americans learned much about each other during the ensuing half century, and in so doing, learned much about themselves.

A key event was the negotiation of a firm date for American relinquishing of sovereignty and the turning over of the agencies of government to an independent Republic of the Philippines. A Commonwealth Government was established in 1935 to facilitate the transfer of power and responsibility into Filipino hands.

The date with independence was kept; but the transitional program was completely derailed by World War II and three years of Japanese occupation. The new Republic of the Philippines came into being on July 4, 1946 suffering severe physical, psychological and political ravages of war, and with scarcely more than the raw ingredients of an economy to serve its needs.

Recognizing American responsibility to the Filipino people, impoverished and shattered by war, the U.S. Congress appropriated $550 million for the rehabilitation and growth of the young Republic.

An initial expenditure of $150 million was devoted to the reconstruction of roads, bridges, public buildings and basic infrastructure; the remaining $400 million was allocated as compensatory payment to some 2,500,000 Filipino citizens for their destroyed homes and property. By 1949, all payments up to $500—that is, the claims of the rural citizenry for rebuilding their homes and purchasing domestic animals—were paid in full; larger claimants received a percentage of their awards. From the final appropriation, waivers by the largest claimants left a surplus diverted to such enduring benefits as a fund to upgrade private education and to aid the Cultural Center of the Philippines.

Another boosts to the rehabilitation of the society and the economy was the vast stockpile of military equipment—trucks, jeeps, cranes, generators, bulldozers, etc.—left in the Philippine theatre of war and turned over to the new government as part of the reconstruction effort. Filipino skill and ingenuity quickly converted this equipment to civilian use and the "jeepney," the colorful, festooned jeep used today all over the islands as public transportation, bears testimony to this postwar period of imagination and improvisation to speed recovery.

Foreign Aid as a Concept

American postwar assistance in Europe and Japan was a massive and direct approach to a clear and direct problem: modern industrial societies laid waste by war needed to have their tools, factories and infrastructure replaced in order to make their people self-supporting once again. But it was in the Philippines that Americans and Filipinos came to grips with an even larger and more demanding challenge: that of helping a nation involved in the complex, difficult and painful transition from a traditional agrarian economy to a modern, effective one, where the citizenry as a whole—in the countryside as well as in the cities—could be offered the opportunity and privilege to help create and build virtually a new nation and to partake in the fruits of its development.

Out of the Philippine-American discussions, plans and efforts to cope with this challenge grew a dynamic aid concept; more recently, other industrial nations have also made use of this experience as they began to make their contribution to the development effort.

In describing this approach, a renowned scholar on Philippine Affairs, had this to say in 1964: "The U.S. economic assistance program to the Philippines was a greater departure from earlier practice than was generally realized. Economic assistance became more than a relief measure; it became an instrument that could be used to bring about social and institutional changes."

Later Phases of Postwar Assistance

In keeping with this concept of encouraging and fostering social change and the growth of responsive institutions that could have an impact on all sectors of society, the second stage of economic assistance began under the Quirino-Foster foreign aid agreement that was signed in 1952. By that time the major tasks of repair and rehabilitation, especially in the ravaged cities, had been completed.

American foreign aid was now geared to institution building, the development of national agencies, and to training the administrative and technical personnel needed to carry out the duties of the expanding governmental and educational apparatus. In this period, dating from the early 1950s through the 1960s, the American assistance program, with a budget of around $300 million, helped the Philippines to develop such institutions as the Agricultural Extension Service, the Bureau of Plant Industry, the Bureau of Soils and Forestry, farm cooperatives, agricultural credit a[illegible] and a rural banking system. Even then the thrust was toward the establishment of effective agrarian research and servicing agencies to assist the farming population, but strong support was also given to other groups vital in the process of nation-building—civic groups, trade unions and the academic community.

Using U.S. foods to pay for labor, USAID has assisted the small farmer in improving his irrigation system.

The Present Strategy

With the end of the decade of the '60s, U.S. economic assistance shifted toward its present approach: aiding the farmer and his family so that they could profit directly from the services of the institutions and agencies already created and share in the latest information and technology available to expand their output and enrich their lives.

This approach has been facilitated in part by the fact that in recent years basic infrastructure areas, such as power generation and highway and port construction, have been receiving increasing financial aid from such other assistance donors as the Asian Development Bank and the International Bank for Reconstruction and Development. This has "freed" U.S. resources for more directly productive areas.

This new approach was also facilitated by the establishment in 1971 of a Consultative Group for the Philippines which performs a key role in assisting the Philippine Government and other aid donors in coordinating their development efforts. The U.S. is a founding member and a staunch supporter of the Consultative Group.

Working within the framework of the Consultative Group, the U.S. has, in full cooperation with the Philippine Government, sharply focused its assistance efforts in order to achieve greater developmental benefit "downstream"—at the family level. Accordingly, the joint Philippine Government-USAID program is concentrated in two primary areas: family planning and rural development. Each includes a number of carefully selected and administered projects in nutrition, clinical services, agricultural production, rural electrification and related fields—all designed basically to increase employment and income for the average rural dweller and thereby to improve his standard of living.

Residents of a farming village sample potable water drawn out by an electrically-driven motor pump made possible by a rural electrification cooperative.

The Setting Today

The average Filipino is a rural dweller. He and his family represent over 75% of the total population of the country. He occupies 90% of the total developed land area of the archipelago. By any standard, he leads a difficult existence. He is most often underpaid, underemployed, underserviced, and isolated from the mainstream of change and modern life. All too often his children are malnourished and receive only minimal education.

He is most frequently a small farmer—and most of the farmers are tenants on land that belongs to other people. Statistics tell us that the median small farmer is one who tills less than two hectares of land, shares one carabao with his neighbors, finds productive work to do only about half the year, and has an annual family income of $350. He lives with his family of five to seven children in a very small, partially weatherproof nipa hut without plumbing or electricity, often some distance from a road that is passable all year round, and often without access to public transportation. He consumes about 1700 calories a day, much of it in rice, has six years of schooling, and is heavily indebted to a middleman or moneylender in his village.

His life is governed by the rhythmic cycle of nature and the crops he nurtures; he has learned through bitter experience and from the wisdom passed on by his elders and their forefathers that the disasters that are capriciously and sporadically sent him by nature—and man—must be accepted and endured.

Hoping for change, he has doubted it would occur in his lifetime; he will probably die by the age of 55.

This senior citizen, like the vast majority of rural dwellers, is almost totally dependent on an inadequate farm yield for a living.

The average Filipino is most frequently a small farmer, tilling less than two hectares of land and having an annual family income of $350.

NEW APPROACHES TO FOREIGN AID

SO IT IS THAT TODAY USAID concentrates almost all its efforts, in conjunction with the Philippine Government and provincial authorities, on rural and agrarian development and family planning, always aware that the rural population—for deeply rooted cultural and economic reasons—is the least amenable to change and modernization; yet also aware that without this sector's participation the most impressive array of modern infrastructure and institutions is meaningless and wasteful.

Basically USAID's programs are designed to affect the farmer and his family in two ways: by helping modernize and expand the province-oriented infrastructure, local agencies and network of communications immediately around him; and by assisting him and his family to earn more and thereby to improve the most basic conditions of their everyday life.

Rural Infrastructure Development

The first approach—the development of rural infrastructure and institutions that directly affect the farmer and his family—includes an ambitious and thus far highly promising rural electrification program that aims at providing electric power to an area inhabited by some five or six million rural people in the next five years and ultimately to the entire nation. This will be done through 36 new rural electric cooperatives, each serving between five and ten towns and the adjoining populace.

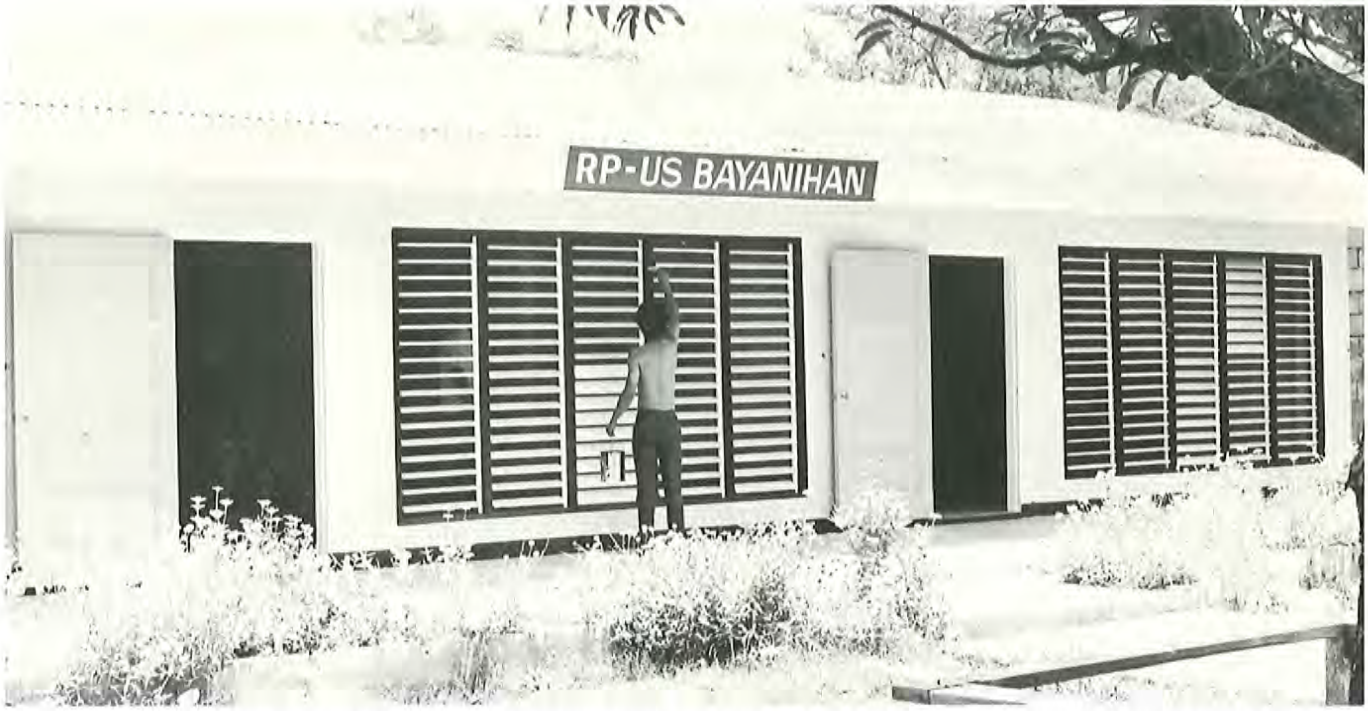
New lines are installed as the demand for electric service increases and new industries emerge in areas receiving cheap, reliable electricity program.

A power barge acquired as excess property provides immediate dependable electric power in far-flung areas of Mindanao.

So far two pilot electric cooperatives have been established, in Mindanao and on Negros; strong support by local government leaders in these areas was able to overcome the natural suspicions and doubts held by the people when the project was being planned. By 1972, after three years of organization and construction, these USAID and Philippine Government-financed programs were in operation; homes and store outlets of co-op members were receiving electric services for the first time in history.

In mid-1973 a changing atmosphere, a quickening tempo and renewed energy can be felt throughout these two co-op areas with a combined population of over 350,000. Hundreds of new houses have been built and old ones repaired to accommodate the new electric services. Many young couples who had lived with their parents till they saved enough money to migrate to the big cities decided to stay on and make a new life for themselves in their hometowns and villages.

New employment possibilities have opened and are continuing to open for them; shops dependent on electric power are opening for business: auto and machine works, radio and TV equipment, gas stations, irrigation pumps and food processing plants.



USAID-assisted locally built school building takes in shape in a rural village to replace structure destroyed by typhoon winds.

Local Development

The farmer needs not only dams, bridges, irriga tion and schools for his children, but better government services. With this in mind, the joint Philippine-USAID Provincial Development Program is geared to help provide and train a cadre of professional provincial planners in 20 provinces in order to help make local government better able to serve the needs of the people. Training and development efforts are also directed toward more effective fiscal management, and ultimately, less dependence on the national government for financing and decision-making.

The Provincial Development Assistance Project efforts also include ways to increase and improve public transportation within a province so that people of all levels and in the most scattered of areas can easily and safely travel to market towns to sell their produce, buy items unavailable at home, and take advantage of opportunities to expand their horizons and receive medical attention and higher education. This calls for ways to get fares lowered on public vehicles—such as buses and jeepneys—which in turn requires the expansion and maintenance of provincial road systems. By use of U.S. excess equipment like cranes, trucks, and bulldozers from Vietnam and elsewhere, and training of staff, this capability is being developed in the provincial "equipment pools." These "pools" will have not only a road building capability but also a construction and maintenance capability in a variety of infrastructure areas such as communal irrigation systems.

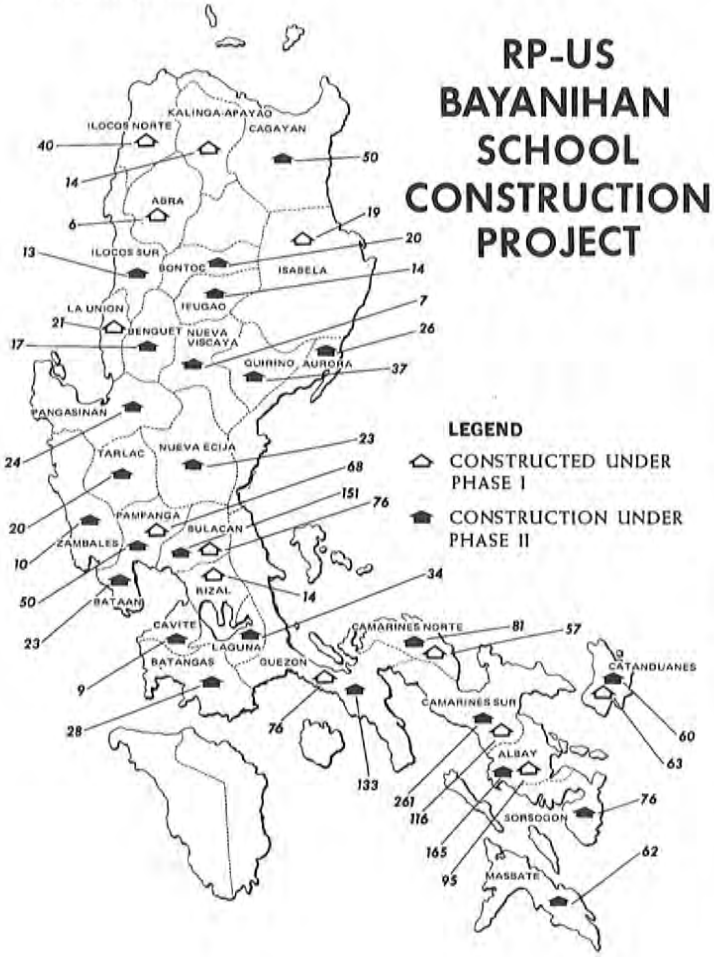
The importance of just these efforts alone is significant; the road links established between village and town in a developing country like the Philippines are the lifelines, perhaps the most fundamental ones, for economic and social development. The road itself, as it winds its way through a village, is the hub, the center, the focal point of

all community enterprise, communication, assembly and recreation.

This kind of infrastructural and administrative upgrading in the rural areas provides the skeleton, the frame, on which personal development and individual initiative can begin to flourish and grow, and without which all individual efforts and incentives are laid waste year after year.

The Provincial Development Assistance Project is also concerned with helping increase local tax revenues; one way is by training local government personnel in developing tax maps from aerial photos and sketches in order to develop a realistic and just property tax, which has never been possible before. If a sound revenue base can be developed in the provinces, local government will become self-supporting and capable of building the roads and providing the social services that the people so urgently need.

Another case of excess U.S. equipment used by a provincial government to improve farm-to-market roads.



RP-US Bayanihan School Construction Program

This school construction program is an example of not only repairing damaged rural facilities and buildings on a large scale, but of replacing them with more durable and reliable structures. After the series of violent typhoons which swept through the Philippines in 1970, 513 typhoon-resistant schoolbuildings were constructed with US assistance to replace those destroyed or damaged. Using a new concept in fiscal management, USAID agreed to pay a fixed estimate of costs for the building materials of each schoolhouse—the agreed estimate was 17,500 pesos—with payment made after the schoolbuilding was completed and inspected by qualified Filipino and American engineers to ensure that it met all specifications.

Since the Central Luzon floods, this program has been renegotiated to replace destroyed schools: "Bayanihan II" is now well underway, and 1550 new schoolbuildings should be available for classroom use by about December 1974.

The USAID Program Direct Approaches to the Farmer and His Family

THE AID PROGRAMS IN FAMILY PLANNING and nutrition, agriculture and land reform seek to touch directly on the rhythm of life, the daily actions and routines of the farmer and his family, in order to improve the chances of his success in harvesting more than he can eat, and to enlarge the scope of his life and horizons, so that he can begin to hope that his children will indeed live a fuller life than he and the generations before him were able to experience. All these programs which have a direct and immediate impact on the farmer are designed to help him really believe that this is possible. Experience has shown that the only way to accomplish this is by proving to him that if he adapts new methods and practices, he can achieve his goals. The methods used are not exhortation and lectures; the farmer has had enough of that. Each program is designed so that the farmer or members of his family actively work for the benefits to come, actively participate in the process of change.

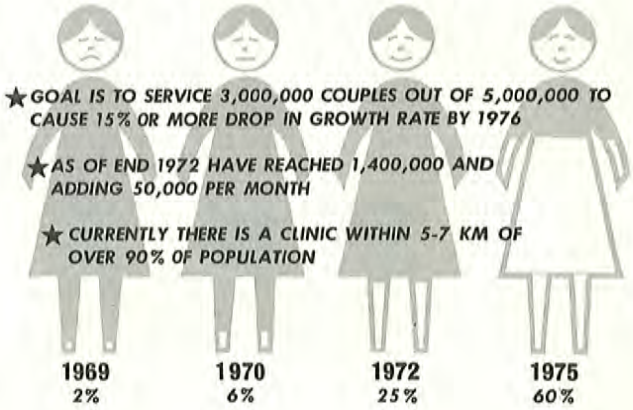
Family Planning

USAID seeks to create an immediate impact on the life of the rural family in a multitude of ways. The family planning project is perhaps the most crucial in importance since controlled population growth is imperative if future generations of Filipinos are to improve their lot significantly. Family planning has been national policy since 1969, but four years is a very short time considering that this concept is a headlong challenge to many traditional values in the Filipino culture.

In recent years use of family planning has expanded dramatically throughout the country with USAID family and professional assistance.

One of the most basic values has been the merit that accrues to a couple bearing and raising many children; this indeed had validity at a time when the farmer could envisage further expanding his own acreage, and when he needed every child for farm labor and for old age security and support. But this attitude, this value, which has persisted unchanged through centuries, is now shackling the farmer with crushing burdens he is no longer able to bear. Moreover, it threatens the very survival of the nation. By the year 2000, the Philippine population, if allowed to grow unchecked, would probably outstrip food and other national resources and certainly outstrip the provision of schooling, health services and the possibility of a decent life for millions of the population.

FAMILY PLANNING



The alarm has been sounded, and apparently it is beginning to be heard. The Population Program, in existence only four years, seems to have already wrought a basic change in attitudes: in 1968, a University of the Philippines survey showed that only 38% of those interviewed were even aware of family planning as a concept; by February 1971, the figure had risen to 75%, and those interviewed indicated not only awareness, but also approval of family planning as an acceptable mode of behavior.

The Philippine Population Commission, which was established by President Marcos in 1969, has set as a goal a decline in the national growth rate by about 1.0%, from 3.5% to 2.5% by 1976. With over 2,000 family planning clinics established in the rural areas and in cities all over the nation, indications are that the tide is slowly but gradually turning. The number of family planning "acceptors" is growing by over 50,000 monthly (with an estimated 25% dropout rate), and the latest cumulative figure on acceptors is 1.3 million, as friends and neighbors join the ranks themselves as they begin to appreciate how families with fewer children prosper and thrive.

In addition to distributing birth control devices and training women to use them correctly, a large-scale educational and information campaign in the local and mass media is being carried out by the Government, with USAID support; much of this material is in Pilipino or other regional languages and developed to appeal to local tastes and interests.

In past years, the Philippine Government contributed only personnel and facilities to this program, but beginning in 1973, the Government has taken over a share of the financial expenditure as well, and expects to increase its share of the costs in coming years.

More than 2,000 family planning clinics are presently operating in the Philippines.

Cooking demonstration in a USAID-assisted nutrition center in Cagayan de Oro City.

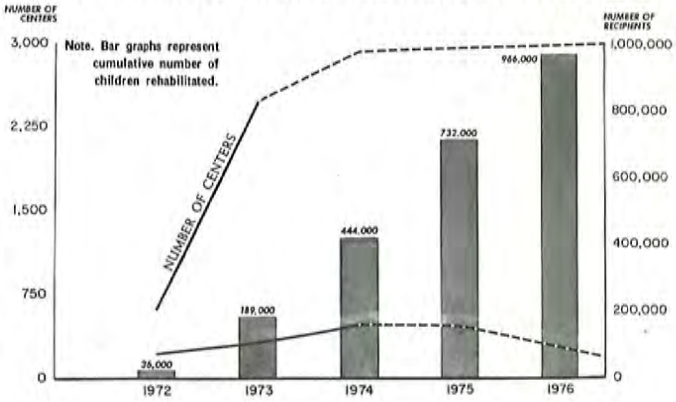
Nutrition

Another program directly involved with family planning and having an immediate impact on the rural family is the Nutrition Program, officially designated the Targeted Maternal and Child Health Program. Studies have shown that 20-30% of all Filipino children are malnourished, and that another 45-55% are underweight for their age.

The studies also tell us something else: the larger the number of children in a given family, the greater the chances of malnourishment in the later born ones. Thus every effort to improve diet and nutrition is tied to the effort to introduce family planning to the barrio people first as a concept, and then persuade them to use family planning services.

The Targeted Maternal and Child Health Program concentrates on those most urgently in need of help—pregnant and nursing mothers and the most malnourished children. Those who actually are the most malnourished are determined by taking scientifically established figures on Filipino averages in weight and age, and comparing these with the weight and age of each child. These two groups—children and mothers—are reached in schools and in special mothercraft classes in rural areas all over the country, in programs being sponsored and manned by the Department of Health. In the mothercraft classes, the active-demonstration method is used: about 10 mothers at a time in a village learn basic cooking and serving techniques with potable water and sanitary facilities; the food they prepare is fed to their own preschool children.

TARGETED MATERNAL-CHILD HEALTH PROGRAM



As of December 1972, a total of 271,000 mothers and preschool children were enrolled in 1,105 centers. The emphasis here is on intensive training with immediate benefits to the mother and children; after the intensive course, food rations are distributed to the family for home use for a period of 18 months to two years. The children are brought into the center monthly for weighing and further guidance by the nutritionist.

The mother is then expected—and usually does—to continue to use the new techniques she has learned in attending to her household chores; she is also expected to encourage friends and relatives to enroll in the program. There is no better proof to a mother that innovation is worth adapting than seeing her children growing taller, bigger and stronger, their eyes clear and their bodies filled with energy and life.

Pre-school aged children are fed using PL-480 Title II commodities in combination with locally-furnished foods.

Thousands of mothers bring their children for supplemental feeding and receive nutrition education at the same time.

Mothers learn how to cook donated FFP commodities in mothercraft and targeted maternal child health centers.

The "Nutribun"

Malnourished and underweight children of school age are reached in a second Food for Peace Program, the Philippine School Nutrition Program, with the Department of Education acting as sponsoring agency. This program uses the "nutribun," devised by USAID nutrition experts, as a ready-to-eat snack that looks and tastes like an oversized, slightly sweet hamburger roll. It contains 500 calories, 17 grams of protein, and is made in local bakeries or on school premises, using local ingredients plus flour and dried milk supplied as part of U.S. commodity assistance. The nutribun has become a supplemental daily meal for 1.55 million Filipino school children in 3,000 schools.

The nutribun has become popular with adults as well, and local firms are investigating its commercial potential. In order to try and use exclusively local ingredients, tests have been made indicating that 5% to 10% coconut flour, a local product, can replace the Food for Peace wheat flour and milk powder, without affecting either baking quality or product acceptance. Thus, the school-feeding program can serve in the future as an important outlet for a new Filipino food product.

Nutribuns, weighing 150 grams and containing 17 grams of protein, are provided undernourished school children to make up for their deficit of calories and protein requirements.

Food-for-Work Program

The Food-for-Work Program, using U.S. agricultural commodities as payments for services rendered on community construction and repair projects in rural areas, in FY 1973, has already been implemented in over 2,600 projects; 1,753 of these have been completed, involving 647,714 man-days of labor.

A volunteer worker on a project, often a farmer whose land has been stricken by drought, pest or flood or who is idle between planting and harvesting, helps in the construction of a road, an irrigation ditch, bridge repair, bench terracing, land reclamation, dike repair or construction, etc. In return, he gets five pounds of food per day of work. This program has been most effective in stimulating participation in the development and reconstruction effort by those most concerned, and, at the same time, has helped stave off the serious threat of hunger and malnutrition for thousands of families.

Schools participating under the USAID-supported Philippine School Nutrition Program permit students to assist in baking nutribuns as part of their vocational training.

The Food-for-Work program boosts agricultural production by providing impetus to self-help economic development work projects.

Agricultural Development

Of course the key to all efforts for rural change is agricultural development in a land where over 65% of the 40 million inhabitants still live in barrios, dependent on the vagaries of nature and the furies of the rains for their yearly sustenance of rice, perhaps some fish, and a few vegetables and fruits.

With virtually all cultivable land under use, the keys to future development are greater yields, greater labor productivity, diversification of crops, expanding irrigation systems and improving protection from natural disasters. This means adapting the technology that can accomplish these goals to the small farmer, bringing it out to the fields and paddies where he can actually see and test its usefulness, and then ensuring that his efforts to employ these techniques can be sustained and profitable.

Agricultural growth in the Philippines has been characterized by extensive farming—expanding hectarage but low productivity, low yields per hectare, and low income per capita. Increases in domestic food crop production—and they have been significant—have just barely kept pace with population growth, but have never been able to move ahead of it. With the sporadic disasters like typhoons, droughts and floods, plans and efforts to modernize agriculture have often been swept away by the rains or the dust.

Volunteers in a Food For Work-supported road construction project get their daily five-pound ration for eight hours of work rendered.

USAID's agricultural program, working with the various agencies of the Department of Agriculture, stresses three interrelated aspects of a small farmer support system: credit, marketing and improved farmers associations—a massive enterprise in a country where most of the farmers do not own their own land and cultivates less than three hectares.

A farmer applying for a rice production loan.

Land Reform

Land reform is one of the crucial programs of the Philippine Government, that is, the conversion of tenant farmers into small farm owners in several phases, and at the same time, creating farmers cooperatives and compact farm groups in conjunction with land reform, so that the purchase of inputs and the sale of crops can be done cheaply, justly and efficiently, ensuring the farmer a fair return for the fruits of his labor.

In the Nueva Ecija Land Reform Pilot Project, an integrated Philippine Government project to accelerate land reform in this Central Luzon province, the Government with USAID assistance is testing a variety of approaches to accelerate conversions to leaseholder status with strengthened support in extension, credit and marketing. By the end of 1972, 85% of the 46,000 share tenants were already leaseholders. USAID is also concentrating on the consolidation of several farmer cooperatives into one larger unit for efficiency and lowering of costs; part of this work involves seperating the credit arm from the marketing and supply function of the cooperative. A similar integrated project is being planned for the 40,000 small farmers living in the Bicol River Basin.

Excess military jeeps provide low cost transportation for workers in agrarian reform, rural electrification and other programs.

One of two USAID-assisted fisheries research stations being established to support the vital inland fishing industry.

Agricultural Loan Program

In the Agricultural Loan Fund Program, assisted by USAID, noncollateral credit to the small farmers is being extended and supervised by the rural banking system. In 1972 over 52,000 farmers borrowed nearly 100 million pesos from the participating rural banks to finance production—these loans are mostly used for rice crops and for initiating livestock and poultry-raising projects.

Supervised credit—and requiring that the farmers participating in the program use modern agricultural techniques as demonstrated by extension workers from the Department of Agriculture—is also part of the USAID Livestock Expansion Program. This operation has met with such success and interest that it has been expanded outside of the original 100-mile zone around Manila; in addition, repayments on the loans to the 75 participating rural banks have been as high as 95%.

Still other USAID agricultural activities include measures to assure a plentiful supply of chemical fertilizers; a seed multiplication and distribution system; plan for an extension worker to buy his own motorcycle; protection measures against rodents; inland fishery research to improve fresh and brackish water fish culture—the Freshwater Station on the Central Luzon University campus is near completion, and the Brackish Water Station in Iloilo should be finished soon.

Small entrepreneurs are assisted in expanding their operations through a program providing technical assistance and low cost credit.

Members of civil police forces receiving training in public service.

Crime and Narcotics Abuse Prevention

For a number of years USAID has assisted the national government in a program to strengthen the crime prevention capability of the republic's local, civil police forces. This assistance has involved advisory services in crime detection methods, support for civil police training academies and assistance to provinces in development of radio networks enabling towns to improve their response to the increasingly mobile criminal.

Over 11,000 policemen have received training in the three-month Basic Police Course designed to increase their sense of professionalism. The forty provincial radio networks established are now handling more than 7,000 messages a day. This program has made an important contribution toward establishment of a disciplined and trained civil police capability.

Narcotics use and abuse has been a subject of increasing concern to the Philippine and American Governments. This year has seen the initiation of a narcotics enforcement project, the emphasis of which has been on training and equipping special narcotics detection teams in major cities. Some forty teams have been trained and narcotics enforcement has improved considerably.

Conclusion

What we have tried to present here are the highlights and major thrusts of the USAID regular program, and to demonstrate that through all these projects and programs in the rural areas, two tightly woven strands of continuity and approach surface again and again: that American development assistance in the Philippines is striving to relate economic and technical assistance to "bayanihan," or individual and community initiative on the part of each Filipino citizen, barrio and region reached by our program.

DISASTER RELIEF-USAID'S INVOLVEMENT

THE IMPACT OF DISASTER 72 is not yet over; but since it all began, USAID has been coordinating American relief, rehabilitation and reconstruction measures with the Philippine Government. With a special grant from Congress of $50 million plus $24 million in U.S. food, USAID's disaster program has run the gamut from the provision of food, medicine, rescue and child feeding to rehabilitation of provincial infrastructure, irrigation systems and flood control works and school reconstruction, rice production and squatter resettlement improvement.

Much of USAID's efforts since August 1972 have been intensively devoted to helping the Philippines rebuild vital infrastructure in the various provinces: bridges, irrigation systems and flood-control facilities, provincial and feeder roads. Some are massive repair jobs, such as the one going on now at the Angat Diversion Dam in Bulacan province, which helps irrigate some 75,000 acres of riceland all year round; others are smaller projects like the rebuilding of communal irrigation pumps or feeder roads. These projects are under way all over Luzon, with technical, engineering and financial support from USAID. Often these projects are coupled with food-for-work assistance to pay the local laborers on the project site.

A typhoon-resistant school building constructed in Bulacan to replace a destroyed structure.

Also part of the disaster program is the second school reconstruction program mentioned earlier, "Bayanihan II," which is charged with the building of 1500 typhoon-resistant schools to replace those destroyed by the typhoons; they are slated for completion in 1974.

Equipment pools are being set up in 11 provinces, making use of excess military equipment so that each province involved has the wherewithal to undertake infrastructure construction on its own. Technical experts from various U.S. government agencies, all operating under the aegis of USAID, are advising provincial authorities on how to maximize equipment and labor use in this massive program.

Agriculture

The relentless rains, devastating floods and subsequent drought in Central Luzon also ravaged the Philippine rice crop; this region is the Philippine rice bowl, and disaster created a national shortage of the basic staple.

Flood control dykes such as this one in Tarlac are being repaired.

In an effort to increase rice production quickly, farmers who had lost their first crop but who were able to replant immediately were given fertilizer. Farmers were required to follow certain procedures, such as weeding, in order to qualify. During October and November, 71,000 farmers received fertilizer from private fertilizer dealers and instructions on how to use it. After delivery to the farmers, USAID reimbursed the Philippine Government a previously agreed amount for each bag of fertilizer distributed according to the jointly developed procedures.

For direct relief during the same period, USAID provided over 1.5 million vegetable seed packets, half of which were airlifted by US commercial airlines, to the stricken people in these areas, so that immediate production of food crops would be possible; and for those farmers whose lands were left so silted that they could not be employed for rice production, 6,000 mungo-bean kits were also distributed.

Remote barrios could only be reached by oxcart.

A longer range effort for agricultural rehabilitation and expansion was initiated in December 1972 —an accelerated rice production program, primarily designed for small farmers with irrigated riceland. Farmer participants are granted crop loans by banks in rural areas for the optimal amount needed to purchase the recommended inputs—high yielding varieties, fertilizer, pesticides, herbicides, and labor. They are closely supervised and guided by government and bank technicians. Repayment of loans is linked with marketing and the government's price support program.

USAID originally provided funds for use in the dry season program, as well as assisting in designing the program's management system. In the dry season over 14,000 farmers participated in the program. Later, funds were added to extend the program into the wet season in the disaster area, and the program is now part of a Philippine national program, designed along the same lines. In the wet season, over 350,000 farmers are participating, including over 130,000 in Central Luzon.

An American Marine and his Filipino counterpart haul a huge bag of nutribuns.

Emergency Feeding

The nutribun, which has been used so successfully in the school-feeding programs throughout the country, had another unexpected role to play during the Great Flood: most of the buns were baked in Manila, and flown to Clark Airbase in Central Luzon where still others were prepared and baked (still other batches were baked and distributed out of Subic Bay Naval Station). From Clark and other points, the nutribuns were distributed by the hundreds of thousands daily by helicopter and truck to the stricken, cut-off villagers all over the flooded plains. In many places the nutribun was the only sustenance available for more than 30 critical days of isolation, hunger and fear to the men, women and children of Central Luzon.

The school-feeding program was also expanded after the floods to include 750,000 additional youngsters in Central Luzon; these were provided with snacks other than nutribuns, since baking facilities did not exist in their areas.

Resettlement Program

The Philippine Government has begun a squatter resettlement program, moving squatter families into three areas, each of which is within 20 miles of Greater Manila; the goal of this program is to assist these families in making the transition to their new communities. In Manila, the squatters had built their shacks directly on the Manila water drainage system; this blocked the normal flow of rain water during the typhoons and torrential rains last year and was a contributing factor to the serious Government's decision to relocate these squatters in a concentrated effort before the next rainy season begins in May or June 1973.

As part of its relief and rehabilitation effort, USAID has recently become involved in this project, working mainly with and through the many voluntary and government agencies assisting squatter families.

At present roughly 136,000 people are living in Carmona, San Pedro and Sapang Palay, the three

designated areas. The objective of the Resettlement Program is to assure adequate food supplies to all new settlers to avert starvation until they become self-supporting; to assist in the development of community infrastructures; to improve settlers income opportunities; and to relate family planning activities with mothercraft and child health programs throughout the resettlement areas.

One of the priority infrastructures projects is the construction of 50 typhoon-resistant school houses to accommodate the new settlers' children. Another to be carried out with the provision of US excess property resources calls for assisting the Philippine Government agencies in the building of community roads, irrigation ditches, water drainage systems and sanitation facilities.

Another USAID-assisted effort is "Operation New Start," a pilot project to assist the new settlers by developing new employment opportunities in animal husbandry, cottage industries, vocational training and home gardening.

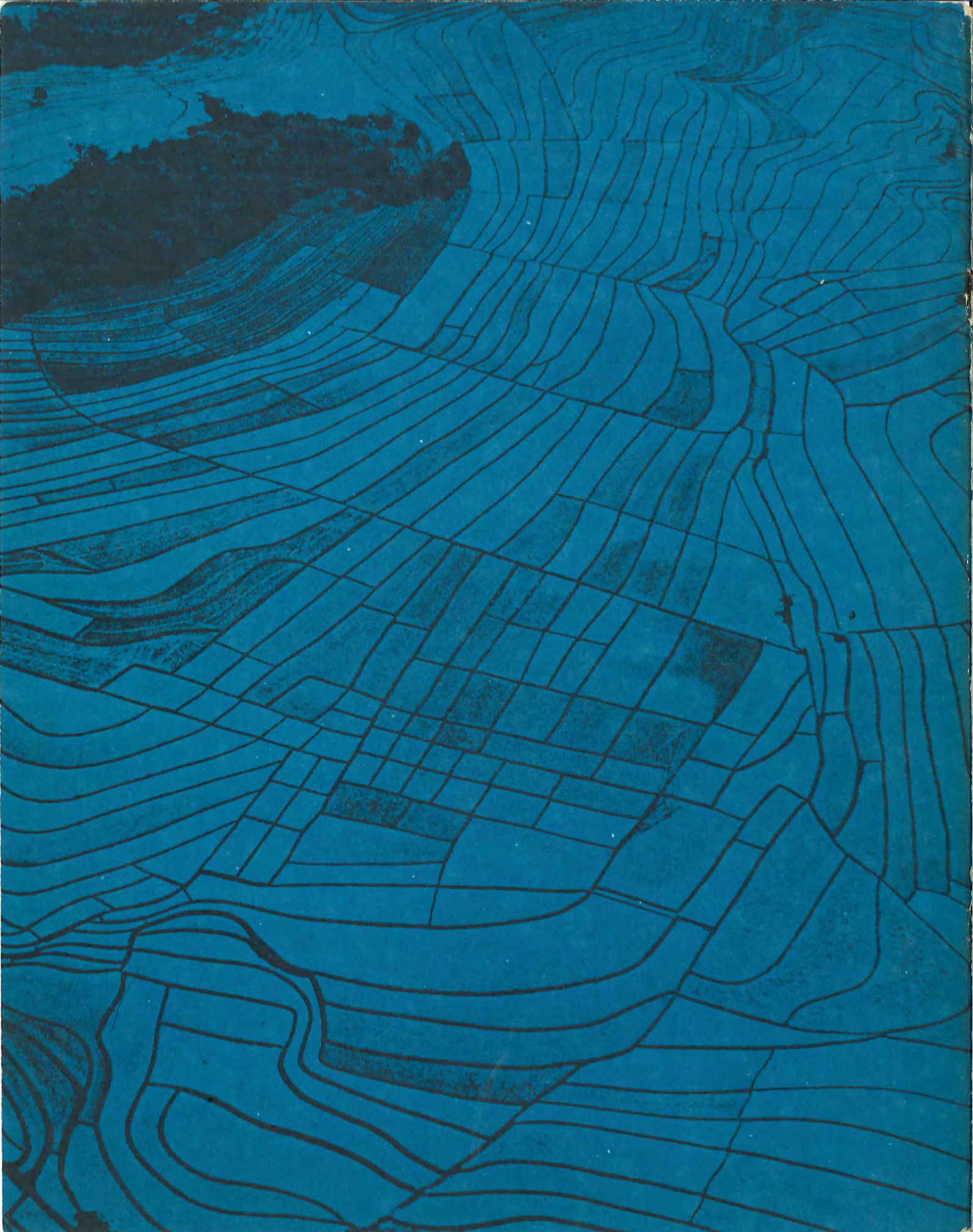
Crisis rallied the forces and efforts of many agencies, Philippine, American and international, into a coordinated venture of impressive magnitude; short-term relief has now given way to long-range rehabilitation and economic expansion.

Women of newly-resettled families undergo training on cottage industries under a Food For Work-supported project of the Philippine Department of Social Welfare.

UNITED STATES GOVERNMENT DEVELOPMENT ASSISTANCE TO THE PHILIPPINES

Fiscal Years 1972 and 1973

(IN THOUSANDS)

		FY 1972	FY 1973
I.	DEVELOPMENT ASSISTANCE		
	A. RURAL DEVELOPMENT		
	Grants	$ 2,070	$ 2,459
	Loans	54,950	27,070
	B. FAMILY PLANNING/NUTRITION		
	Grants	12,400	16,680
	Loans	–	–
	C. OTHER		
	Grants	2,160	2,011
	Loans	–	–
II.	FLOOD RELIEF AND REHABILITATION		
	Grants	–	56,134
	Loans	–	9,600
III.	GRAND TOTAL	$71,580	$113,954

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