

The Colombo Plan  
for  
Co-operative Economic Development  
in  
South and South-East Asia

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U.S. Assistance  
to Colombo Plan Countries*

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## **UNITED STATES**

154. Total aid committed by the United States Government to the countries of the area during the fiscal year 1960, approximately \$1,538 million, was about \$270 million greater than that committed in the fiscal year 1959. The cumulative total of this direct aid since 1951 thus amounts to about \$7,378 million. (See Table 7)

155. This economic assistance continues to be of three principal types: loans through the Development Loan Fund and the Export-Import Bank, grants through the International Co-operation Administration for essential commodity imports and programmes of technical assistance, and the provision of agricultural commodities under the Agricultural Trade Development and Assistance Act (PL 480) for local currencies, most of which are used for economic development purposes. United States programmes vary from country to country, with some receiving mainly PL 480 and DLF support and others receiving aid largely in the form of ICA grants.

156. The \$1,538 million total was composed of \$290 million from the Development Loan Fund, \$407 million through ICA, \$774 million from PL 480 and \$67 million through the Export-Import Bank. Of this total, \$390 million was in the form of loans, and \$1,148 million in sales or grants.

157. Private United States activities also contribute significantly to the economic development of the countries of South and South-East Asia. The increasing flow of United States private capital into countries of the area adds both financial resources and skills and techniques of value for economic development. Of growing importance, also, is the assistance provided by private United States charitable and educational organisations. In addition, much of the United States support to international institutions, such as the IBRD, helps to strengthen the programmes of these organisations in Colombo Plan countries.

158. United States aid supplements the economic and social development of the countries of South and South-East Asia by providing capital for basic facilities and for industrial expansion; technical assistance in such sectors as agriculture, education, health and public administration; raw materials and manufactures to help meet essential needs of the economy; and supplementary foodstuffs to help sustain populations in countries not yet able to supply their own needs.

### **Economic and Technical Assistance Programmes**

#### **International Co-operation Administration**

159. The most diversified type of aid is provided through the economic and technical assistance country programmes of ICA. Operating in practically all the Colombo Plan countries, they totalled \$407 million between 30th June 1959 and 30th June 1960. ICA further assisted by financing commodity imports as economic support to facilitate economic progress.

**TABLE 7**  
**United States Government Economic and Technical Assistance to Colombo Plan Countries**  
**Fiscal Years 1951—1960**  
**(\$ million)**

|   | Total          | Mutual Security Programme |                      | PL 480                                |                       |                        | EXIM Bank Loans <sup>4</sup> | Other               |
|---|----------------|---------------------------|----------------------|---------------------------------------|-----------------------|------------------------|------------------------------|---------------------|
|   |                | DLF                       | ICA <sup>1</sup>     | Title I <sup>2</sup> Sales Agreements | Title II <sup>3</sup> | Title III <sup>3</sup> |                              |                     |
| <b>Total .....</b>                        | <b>7,378.1</b> | <b>711.1</b>              | <b>3,493.6</b>       | <b>1,915.1</b>                        | <b>70.3</b>           | <b>258.9</b>           | <b>468.0</b>                 | <b>451.1</b>        |
| Burma .....                               | 95.8           | —                         | 53.2                 | 40.7                                  | —                     | 1.9                    | —                            | —                   |
| Cambodia .....                            | 195.8          | —                         | 193.5 <sup>5</sup>   | —                                     | 2.3                   | —                      | —                            | —                   |
| Ceylon .....                              | 69.0           | 7.7                       | 15.6                 | 21.0                                  | 9.3                   | 15.4                   | —                            | —                   |
| India .....                               | 2,556.6        | 366.3                     | 421.2                | 1,286.5 <sup>8</sup>                  | 4.9                   | 122.5                  | 165.5                        | 189.7 <sup>7</sup>  |
| Indonesia .....                           | 417.2          | 11.6                      | 88.7                 | 148.3                                 | —                     | 5.1                    | 163.5 <sup>9</sup>           | —                   |
| Laos .....                                | 233.1          | —                         | 232.3 <sup>5</sup>   | —                                     | 0.8                   | —                      | —                            | —                   |
| Malaya .....                              | 21.5           | 20.0                      | —                    | —                                     | —                     | 1.5                    | —                            | —                   |
| Nepal .....                               | 22.8           | —                         | 19.1                 | —                                     | 3.7                   | —                      | —                            | —                   |
| Pakistan .....                            | 1,336.4        | 203.8                     | 591.9                | 386.6                                 | 48.6                  | 30.8                   | 7.3                          | 67.4 <sup>7</sup>   |
| Philippines .....                         | 633.0          | 50.0                      | 224.0                | 14.4                                  | —                     | 25.2                   | 115.4                        | 204.0 <sup>10</sup> |
| Singapore, Sarawak and North Borneo ..... | 0.9            | —                         | —                    | —                                     | —                     | 0.9                    | —                            | —                   |
| Thailand .....                            | 260.0          | 22.5                      | 216.2                | 4.6                                   | —                     | 0.4                    | 16.3                         | —                   |
| Viet Nam .....                            | 1,401.6        | 29.2                      | 1,303.5 <sup>5</sup> | 13.0                                  | 0.7                   | 55.2                   | —                            | —                   |
| <b>Regional:</b>                          |                |                           |                      |                                       |                       |                        |                              |                     |
| Asian Economic Development Fund...        | 87.0           | —                         | 87.0 <sup>11</sup>   |                                       |                       |                        |                              |                     |
| Malaria Eradication .....                 | 47.4           | —                         | 47.4 <sup>12</sup>   |                                       |                       |                        |                              |                     |



**TABLE 8**  
**United States Government Economic and Technical Assistance to Colombo Plan Countries**  
**Fiscal Year 1959** **1960**  
 (\$ million)

|   | Total              | Mutual Security Programme |                  |                        |                      |             |             | Agricultural Trade Development and Assistance Act (PL 480) <sup>a</sup> | Export-Import Bank Loans <sup>d</sup> |      |
|---|--------------------|---------------------------|------------------|------------------------|----------------------|-------------|-------------|---|---------------------------------------|------|
|   |                    | Total MSP <sup>1</sup>    | DLF <sup>2</sup> | ICA Economic Programme | Technical Assistance |             |             |   |                                       |      |
|   |                    |                           |                  |                        | Participants         | Technicians | Commodities |   |                                       |      |
| Total .....                               | 1,538.6            | 697.2                     | 290.1            | 366.2                  | 40.9                 | 11.8        | 25.1        | 4.0   | 774.0                                 | 67.4 |
| Burma .....                               | 1.2                | 1.1                       | —                | 1.1                    | —                    | —           | —           | —   | 0.1                                   | —    |
| Cambodia .....                            | 22.5               | 22.5                      | —                | 20.0                   | 2.5                  | 0.7         | 1.5         | 0.3   | —                                     | —    |
| Ceylon .....                              | 8.7                | 6.0                       | 4.5              | —                      | 1.5                  | 0.4         | 1.0         | 0.1   | 2.7                                   | —    |
| India .....                               | 819.4 <sup>b</sup> | 179.9                     | 171.3            | —                      | 8.5                  | 2.4         | 5.2         | 1.0   | 625.8                                 | 13.7 |
| Indonesia .....                           | 72.1               | 10.4                      | 2.6              | 1.3                    | 8.5                  | 1.8         | 4.0         | 0.7   | 12.0                                  | 49.7 |
| Laos .....                                | 42.4               | 42.4                      | —                | 40.9                   | 1.5                  | 0.4         | 1.0         | 0.1   | —                                     | —    |
| Malaya .....                              | 0.2                | —                         | —                | —                      | —                    | —           | —           | —   | 0.2                                   | —    |
| Nepal <sup>c</sup> .....                  | 2.7                | 2.7                       | —                | 1.2                    | —                    | 0.4         | 0.9         | 0.2   | —                                     | —    |
| Pakistan .....                            | 318.8              | 199.1                     | 102.0            | —                      | 7.1                  | 2.0         | 4.4         | 0.7   | 115.7                                 | 4.0  |
| Philippines .....                         | 22.8               | 18.0                      | —                | 15.0                   | 3.0                  | 1.0         | 1.8         | 0.2   | 4.8                                   | —    |
| Singapore, Sarawak and North Borneo ..... | 0.3                | —                         | —                | —                      | —                    | —           | —           | —   | 0.3                                   | —    |
| Thailand .....                            | 23.1               | 23.0                      | —                | 18.5                   | 4.5                  | 1.3         | 2.8         | 0.4   | 0.1                                   | —    |
| Viet Nam .....                            | 182.2              | 169.9                     | 9.7              | 156.0                  | 4.2                  | 1.4         | 2.5         | 0.3   | 12.3                                  | —    |
| Regional:                                 |                    |                           |                  |                        |                      |             |             |   |                                       |      |
| AEDF <sup>7</sup> .....                   | 1.9                | 1.9                       | —                | 1.9                    | —                    | —           | —           | —   | —                                     | —    |
| Malaria Eradication <sup>8</sup> .....    | 20.3               | 20.3                      | —                | 20.3 <sup>9</sup>      | —                    | —           | —           | —   | —                                     | —    |

- <sup>1</sup> Includes DLF and all ICA programmes.
- <sup>2</sup> Loans and allocations.
- <sup>3</sup> Sum of Title I Sales Agreements, Title II and Title III authorisations.
- <sup>4</sup> Authorised credits of 5 years or more.
- <sup>5</sup> Excludes \$15.5 million for malaria eradication which is shown under "Regional".
- <sup>6</sup> Excludes \$16.8 million of Indian rupees made available for economic development.
- <sup>7</sup> Total obligations for AEDF, some portion of which might benefit non-Colombo Plan countries.
- <sup>8</sup> Obligations for Colombo Plan countries directly by ICA; does not include portion administered by other agencies.
- <sup>9</sup> Includes certain activities of a technical assistance nature.

Training was provided to 2,700 new participants in the United States and third countries and, as of the end of the fiscal year, 2,006 technicians were on assignment in the countries of South and South-East Asia. An important element in the programmes for agriculture, health, vocational education and other fields was provided by means of contracts with United States universities which are assisting the building up of educational and technical institutions. In addition to country programmes, the United States continued to support the world-wide campaign for malaria eradication and multi-country projects such as cholera research, investigation of marine resources, and study of agricultural credit and co-operative problems.

#### **Development Loan Fund (DLF)**

160. From the beginning of 1958, when it commenced lending operations, to 30th June 1960, the Development Loan Fund has approved \$711 million in loans for development purposes in the Colombo Plan area. In the last twelve months of this period, 19 new loans and allocations were approved in the amount of \$290 million. Actual expenditure under these and previous authorisations amounted to \$108 million. Thus, in the past two years and a half, this institution has become a principal source of United States Government capital assistance for the economic expansion of member countries. Colombo Plan countries have been the recipients of over 50 per cent of the total funds made available by the DLF since its establishment.

161. As in previous years, most of the loans authorised were for projects of an infra-structural nature, basic to economic expansion, such as power plants, railways and water resources development. Five of the loans approved in the year ending 30th June 1960, totalling approximately \$38 million, were to private borrowers or to development institutions. The funds provided to these locally established institutions are re-loaned to private individuals or business firms for developmental activities. Numerous industrial facilities have been built or expanded through local loans by these institutions.

162. The Development Loan Fund continues to provide financing through loans and other forms of credits for specific development projects and programmes. It gives priority attention to proposals for technically and economically sound activities which make a direct and immediate contribution to productive growth. The DLF is designed to provide financing when funds are not available on reasonable terms from other Free World sources. It has authority to accept foreign currencies in repayment where warranted.

#### **Export-Import Bank**

163. Credits totalling \$468 million have been authorised by the Export-Import Bank of Washington for economic development in Colombo Plan countries in South and South-East Asia since 1950. The distribution of these loans by country

is as follows:

**TABLE 9**  
**United States Export-Import Bank Credits to Colombo Plan Countries**  
**of South and South-East Asia**  
**(1st February 1950 to 30th June 1960)**  
**(\$ million)**

| Country           | Authorised Credits* |
|-------------------|---------------------|
| India .....       | 165.5               |
| Indonesia .....   | 163.5               |
| Pakistan .....    | 7.3                 |
| Philippines ..... | 115.4               |
| Thailand .....    | 16.3                |
|                   | 468.0               |

\* Excludes cancelled or expired credits.

164. New credits authorised in fiscal year 1960 totalled \$67 million. Included in this total were credits of approximately \$50 million to Indonesia, \$13 million to India and \$4 million to Pakistan.

165. Credits by the Export-Import Bank to Colombo Plan countries in South and South-East Asia have financed the dollar costs of capital equipment for development projects. There was increased activity with respect to the outstanding portion of the \$150 million Indian credit, which is financing capital imports in the transport, power and textile fields. In Indonesia, the Bank has provided dollar resources for a cement plant, a fertiliser plant, automotive and road construction equipment, aeroplanes, a power generating plant, marine engines and lumbering equipment. In the Philippines, financing is being provided for capital equipment needed by Philippine private industry.

166. In addition to dollar credits, the Export-Import Bank had available, as of 30th June 1960, local currencies secured under the Agricultural Trade Development and Assistance Act amounting to the equivalent of \$124 million for lending to United States and foreign firms in Colombo Plan countries. As of 30th June 1960, foreign currency loans totalling \$20 million had been authorised.

**Agricultural Trade Development and Assistance Act (Public Law 480)**

167. Since the enactment of this legislation in 1954, an increasing flow of agricultural products has been made available to the Colombo Plan area under this programme. Substantial amounts of local currency resulting from the sales of agricultural products have been provided for economic development and other related purposes.

168. During the year ending 30th June 1960, agreements providing agricultural commodities with a market value of \$774 million were concluded (including the first year financing of

the Indian agreement of 4th May 1960). These agreements will yield among other benefits, almost \$600 million in local currencies for loans and grants for economic development purposes. These agreements were signed with Pakistan, India, Viet Nam and Indonesia.

169. The agreement with the Government of India—the largest under PL 480—will result in the shipment of approximately 587 million bushels of wheat and 22 million bags of rice. The stockpile feature will provide India with 157 million bushels of wheat and all of the rice estimated as needed for reserves.

170. Sales in the Colombo Plan area under PL 480 have totalled \$1,915 million from 1st July 1954 to 30th June 1960. The equivalent of about \$1,326 million of local currencies realised has been earmarked for economic development purposes. (See Table 10).

171. The Act now provides, in appropriate circumstances, for direct grants of agricultural commodities to governments for economic development purposes.

**TABLE 10**  
Arrangements Made by the United States with Colombo Plan Countries of South and South-East Asia for Sales Under the Agricultural Trade Development and Assistance Act (PL 480)  
1954 - 1960

(\$ million equivalents)

| Country           | Total Sales <sup>1</sup> | Local Currencies Programmed for Economic Development <sup>2</sup> |
|-------------------|--------------------------|---|
| Burma .....       | 40.7                     | 32.6  |
| Ceylon .....      | 21.0                     | 11.1  |
| India .....       | 1,286.5 <sup>3</sup>     | 988.1   |
| Indonesia .....   | 148.3                    | 101.8   |
| Pakistan .....    | 386.6                    | 185.8   |
| Philippines ..... | 14.4                     | 5.2   |
| Thailand .....    | 4.6                      | 2.1   |
| Viet Nam .....    | 13.0                     | —   |
| Totals .....      | 1,915.1                  | 1,326.7   |

<sup>1</sup> Valued at market prices.

<sup>2</sup> Grants and loans under Title I, Sections 104 (e) and (g).

<sup>3</sup> Includes amount to be financed during the first year of the 4-year agreement signed in May 1960.

### Private Investment

172. United States private direct investment in South and South-East Asia totalled approximately \$800 million by the end of 1959. United States private investment in manufacturing, public utilities and trade is increasing, particularly in the Philippines, India and Pakistan.

173. United States Government programmes stimulate the flow of private capital through such means as investment guarantees, public administration programmes directed toward helping governments improve the investment climate and support to local institutions which aid private investors through loans and technical advice. United States loans provided through the DLF, in the amount of \$30 million, were to intermediate credit institutions. These institutions relend the funds in smaller amounts to private entrepreneurs.

174. The most wide-spread of these programmes is that for investment guarantees. Under this programme the United States Government are able to offer insurance against non-business risks to new United States private investment in nations which have entered into an Investment Guarantee Agreement with the United States. Guarantees are issued only for new investment which will add to economic development and only after approval by the government of the nation in which the investment is proposed. During the year an agreement covering convertibility, expropriation and war risk was signed with the Government of Nepal.

175. The agreement with India, signed originally in 1957 for convertibility only, was extended to include expropriation. By 1st July 1960 over \$17 million in new private United States investments had been covered by guarantees in India, Malaya, Nepal, Pakistan, Philippines, Singapore, Thailand and Viet Nam. Applications being processed at the end of the year exceeded \$277 million.

176. United States advisers on tax, customs, mineral and other laws and regulations have participated in programmes designed to facilitate investments from abroad. Assistance has also been provided to centres which have been set up to help investors in India, Cambodia, Nepal and elsewhere.

177. Income tax conventions incorporating, among other things, credit for taxes waived by the foreign government to promote private investment received further impetus during the period under review. A treaty with India was signed and sent to the United States Senate for ratification. A tax convention with Ceylon is under negotiation and preliminary negotiations have also been held with Nepal and Malaya.

### **Private Organisations**

178. During the past year, the Ford, Rockefeller and Asia Foundations, and other private organisations increased their assistance to education, medicine, rural development and other activities in the Colombo Plan area. Approximately \$12 million was provided for countries in the Colombo Plan area in 1959 by the three foundations alone.

## Details of Aid Granted

### Burma

179. United States assistance to Burma during the period ending 30th June 1960 concentrated on further implementation of previously agreed projects. Large areas of land were irrigated following completion of the Kabo Diversion Dam. Delivery of timber extraction units made it possible, for the first time, to harvest and export green teak. The sum of \$1.2 million was obligated for construction of the first phase of additional facilities for Rangoon University. A feasibility study was completed on a proposed Rangoon-Mandalay highway and submitted to the Burmese Government.

### Cambodia

180. United States aid to Cambodia during the year ending 30th June 1960 amounted to \$22.5 million. The larger part of the programme, \$18.3 million, was for commodities in support of economic stability and investment. Over half the commodities were to maintain operation of existing facilities; 20 per cent were for new productive investment; and the balance consisted of consumer items, principally foodstuffs. The technical co-operation programme focussed upon increasing manpower skills and developing basic institutions.

181. Construction of 145 kilometres of new roads and 327 metres of new bridges made possible commercial utilisation of hitherto inaccessible forests.

182. Five United States technicians co-operated in an improvement programme in the instructional use of radio, motion pictures and publications. Nearly 300 wells were dug under the supervision of six Cambodian crews trained by a United States team. United States technical co-operation contributed to the introduction of new techniques and uniform standards in the gold and silver-smith trades.

183. A programme of wide support was continued to education. United States technicians worked with Cambodian writers in producing training manuals and textbooks, including a health book already distributed in 75,000 copies. Through the United States Book Exchange, 102 scientific and technical publications were sent to the Rural Teachers' Centre and the Buddhist Institute.

### Ceylon

184. United States assistance to Ceylon, consisting of technical assistance and approximately \$2.7 million of foodstuffs for the CARE sponsored school feeding programme totaled \$4.2 million for the year ending 30th June 1960. Three prior year DLF loans totalling \$4.5 million were partially utilised during the fiscal year 1960 for highway, irrigation and land development projects.

185. Agriculture, transportation, power and science education were among the principal fields of technical co-operation

between Ceylon and the United States. A water resources team from the United States completed its initial interim report on the Mahaweli Ganga Basin diversion project and field investigations were conducted in connection with the Maskeliya Oya hydroelectric and Samanala Wewa irrigation projects. The last of 25 diesel-powered coaches was placed in service by the Colombo Area Railway and plans for further development of the new highway materials laboratory, science equipment from the United States for the Maharagam Training College and a model irrigation field workshop will contribute materially to Ceylon's domestic training resources.

### India

186. In fiscal year 1960, the United States Government committed \$834.9 million of aid as follows: PL 480 \$625.8 million, the Development Loan Fund \$171.3 million, the ICA Technical Co-operation Programme \$8.6 million, the ICA Worldwide Malaria Eradication Programme \$15.5 million and the Export-Import Bank \$13.7 million.

187. In May 1960, the United States signed a four year agreement for the sale of \$1,276 million of surplus agricultural commodities, part of which is included above. A previous \$299 million agreement had been signed in November 1959. A substantial part of the proceeds will be made available on a loan or grant basis for economic development purposes.

188. The \$171.3 million in loans approved by the DLF was largely for the construction of power generating plants, railways improvements and loans for the private sector. In addition to the activities described earlier under previous loans, the Export-Import Bank made a loan of \$13.7 million for an aluminium project.

189. Technical co-operation from the United States continued to be centred on agriculture and industry. High yield varieties of hybrid corn, now being successfully produced by small farmers, increased production in many localities. The Technical Co-operation Programme helped Indian productivity teams associated with a local productivity centre to observe modern production, marketing and distribution methods in the United States and other industrial countries. An agreement was signed to establish an investment centre designed to stimulate the investment of private foreign capital in India.

### Indonesia

190. A total of \$72.1 million was made available to Indonesia in the year under review. Loans of \$49.7 million were extended by the Export-Import Bank, principally for a nitrogenous fertiliser plant, a steam generating plant and dredges. The DLF approved a \$2.6 million loan with a company to assist in the establishment of an automobile assembly and manufacturing plant. A supplement to the 1959 PL 480 agreement provided for an additional \$12 million for agricultural surplus commodities and ICA made available \$7.9 million for technical

co-operation and economic development.

191. Technical co-operation was largely in education and teacher training, particularly in the fields of medicine, science, engineering and agriculture. A total of 50 United States professors was sent to four Indonesian universities from which 40 Indonesians were sent to the United States for advanced training. Surveys were started of land, air and sea transport facilities. Arrangements have been made for training in the maintenance and operation of the civilian air fleet, and equipment furnished to improve key airports. Agreement was reached on construction of a new road connecting the port of Djakarta with the principal route into the interior.

192. With the assistance of a United States engineering group, sites were selected in 41 localities on six different islands for the initial 64 diesel generators under the rural electrification project. Under a world-wide programme, an additional \$3 million was provided for expansion of malaria eradication activities.

#### Laos

193. The United States provided \$42.4 million of assistance during the year to help maintain financial stability and to advance technical co-operation and capital development projects.

194. A team of United States specialists helped to develop a highway programme. The initial group of technicians has arrived in Laos, the procurement of road building begun and the engineering design completed for converting the last 112 kilometre dry-weather stretch of the north-south Nam Cadinh-Nam Hinboun highway to all-weather use. Arrangements were made with the International Voluntary Services for seven additional six man rural development teams to supplement the already existing successful seven man group which has been operating in Xieng Khouang Province since 1956. Rural development advisers assisted provincial development councils in implementing 1,465 self-help projects involving construction of canals, schools, walls, trails and access roads, dispensaries and diversion dams. A group of 30 teachers commenced a course to qualify as English language instructors.

195. An Industrial Development Adviser explored potentials for small scale processing, handicraft and other industries. During the past year, the United States continued to provide assistance in the rehabilitation and improvement of the Vientiane airport.

#### Nepal

196. The United States committed approximately \$19.5 million of assistance to Nepal during the year. The greater part of this, \$16.8 million, was in the form of United States-owned Indian rupees. Of the balance, \$1.2 million was mainly for equipment imports and \$1.5 million for technical co-operation.

197. The Indian rupees will be used in support of projects in agriculture, industrial development, forestry, transport, health and community advancement. With the appointment of a Board of Directors and a loan of \$1 million of rupees for part of its operating capital, the Industrial Development Corporation officially commenced operations.

198. Developments in the agricultural field were marked by the introduction of several promising varieties of upland rice, the establishment of tropical fruit nurseries and orchards and the graduation of 23 trainees from the Agricultural Specialists Training School. A programme for sustained forest yield was introduced as a complement to the United States supported saw-mill project.

199. United States specialists continued to work in the field of education, participating in teacher training, library expansion and production of educational materials. Considerable progress was made in transportation. Construction continued on road links to India, suspension bridges were designed and the construction pace of the rope-way accelerated. Assistance was furnished to the Bir Hospital at Kathmandu. New wells helped to relieve water shortages in the Rapti Valley and around Kathmandu. Improvements were undertaken on a slate and flagstone quarry, and tests progressed satisfactorily on smelting Pulchoki iron ore as a basis for a grey iron foundry business.

#### **Pakistan**

200. United States economic commitments to Pakistan during the year ended 30th June 1960, amounted to \$318.8 million. Included in this total was \$90 million in commodity imports such as iron and steel products, chemicals, pharmaceuticals, agricultural and industrial machinery, and spare parts, \$114.6 million in surplus agricultural commodities, wheat, cotton, edible oils, tobacco and dry milk, \$7.1 million for technical co-operation projects and \$102.0 million in DLF loans, of which \$70 million was for the construction of works in the Indus Basin and the remainder for railway improvement and loans for the private sector.

201. More than half of the technical co-operation project funds were devoted to the improvement and expansion of local educational institutions, mainly through contracts with United States universities. These schools are offering an increasingly large number of students the opportunity to acquire the skills and techniques needed in the country's rapidly expanding agricultural, industrial, commercial and governmental activities. The same method is being used to assist in improving curricula at Pakistani universities, agricultural extension services and the Basic Medical Sciences Institute. To raise the level of elementary and secondary education, contracts were also initiated with United States universities for upgrading two teacher training institutes. The scope of a contract to improve public and business administration facilities was significantly enlarged.

202. Technical co-operation continued to introduce modern techniques into the agricultural, industrial, health and sanitation, and village improvement activities.

#### **Philippines**

203. New assistance amounting to \$22.8 million was committed during the year, of which \$15 million was for the import of cotton and other agricultural products, \$3 million for the continuing technical co-operation programme and \$4.8 million for foodstuffs distributed through charitable organisations. There were a number of developments under credits previously reported. These included the approval of a loan for a pulp and paper mill and completion of loan arrangements for another pulp and paper mill and a cement plant. Credits to a wide variety of enterprises were approved by the Export-Import Bank, including a textile mill, power plant, machine tool factory, cigarettes factory, sugar processing, automotive repair and sawmilling facilities.

204. Agreement was reached on a reduced programme of United States assistance for the College of Agriculture at Los Banos, which has furnished 85 per cent of the teachers and 90 per cent of the administrators to the Philippines' 45 agricultural high schools since its inception in 1952. An ICA adviser helped to organise the Land Tenure and Development Council composed of the five organisations dealing with land problems.

205. The Regional Labour Education Centre, financed with Asian Economic Development Fund, was inaugurated on the campus of the University of the Philippines. The apprenticeship training project to broaden and improve labour skills was expanded.

206. Through community development, local self-government councils were established in all but 2,000 of the 22,000 rural districts. In one-fourth of the districts an impressive cross-section of self-help projects was under way.

#### **Thailand**

207. The \$23 million of ICA assistance which was committed to Thailand by the United States during the year was directed toward development of basic facilities, particularly transport and power.

208. Progress was made on the 80 mile Pitsanuloke-Lomsak highway scheduled for completion in early 1961. As of June 1960, more than 650 modern reinforced concrete drainage structures had been built under the bridge replacement programme. Installation of navigation aids, communications and other airport equipment continued at Bangkok and 21 provincial airports. In the field of power, the United States furnished 10 diesel 1,000 kW generators to relieve a serious shortage in Bangkok. The United States also assisted in the establishment of a new 12,500 kW North Thailand thermal plant and in the development of a near-by lignite mine to provide fuel for the plant.

209. Technical co-operation centred on agriculture, education, public administration and health. College level training was established for agricultural students at Kasetsart University, an extension centre developed and clubs organised for agricultural youth. Help was also extended for the livestock development and pest control programmes. Academic and in-service training was expanded to both academic and vocational teachers, with about 6,000 persons participating in both programmes during the year.

210. United States experts helped the Thai Government programme to improve its fiscal management. Over 1,700 public health workers were trained in a jointly supported centre and arrangements were made for two schools of medical technology to service two Bangkok teaching hospitals. A laboratory for cholera research received personnel and equipment.

#### **Viet Nam**

211. A total of \$182.2 million was committed by the United States to Viet Nam during the year. The larger part of this financed commodity imports for economic stability and development. Commodity imports were mainly in the form of raw materials and producers' goods.

212. Development activity centred on transportation. The new Banmethout to Ninh-Hoa road has been completed. The trans-Viet Nam railroad has been re-opened while a reconnaissance survey was completed on 55 canals totalling 1,500 kilometres as the start of a comprehensive programme to study the importance of canals to the Vietnamese economy.

213. The DLF approved a loan of \$9.7 million to finance the import of locomotives and other railroad equipment for the Viet Nam railway system.

214. Among the industrial projects approved for financing were the expansion of a fish net weaving plant at Khai Vinh, the construction of a grain silo capable of handling 80,000 tons per year and the development of a kenaf, jute and ramie fibre processing plant near Thu Duc. About 30 technical co-operation projects continued to receive support in the fields of agriculture, health, education and public administration. Training activities reached a new high with 935 Vietnamese scheduled for courses in the United States and third countries.

215. The United States provided surplus agricultural commodities worth \$7 million to Viet Nam for sales for local currency, and surplus commodities worth \$5.3 million to voluntary relief agencies for distribution in Viet Nam.

ALBERT H. HUNTINGTON, JR.  
6621 GORDON AVENUE  
FALLS CHURCH, VA 22046

Thursday  
Aug. 23, 1984.

Miss D. Helen Davidson  
AID/PPC/E - Office of Development  
Information & Utilization (DIU)  
219 State Annex # 18

Dear Helen:

I am enclosing a good Kodak copy of the U.S. aid portion of a 1960 report on "The Colombo Plan", 9th annual report of the Consultative Committee of the Commonwealth Foreign Ministers.

My old office, Statistics and Reports Division, International Cooperation Administration (ICA), worked with the Colombo Plan secretariat and provided a draft copy of the text.

I thought you might like a copy for the collection.

Sincerely,  
Al Huntington