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# U.S.A.I.D.

*Assistance*

TO THE

# PHILIPPINES

1946-1969

U. S. AGENCY FOR INTERNATIONAL DEVELOPMENT  
Ramon Magsaysay Memorial Center, 1680 Roxas Blvd.  
Manila, Philippines

July, 1969

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TO: AMERICAN STAFF

DISTRIBUTION OF "BRIEFING BOOK"

Copies of a considerably updated and expanded briefing book entitled USAID ASSISTANCE TO THE PHILIPPINES, 1946-1969 are being distributed today to all U.S. staff members. The book contains comprehensive information, in both narrative and table form, on past and present USAID programs in the Philippines.

Ample supplies of the book are available, and additional copies may be readily obtained from the Program Office.

All but file copies of the 1968 issue (beige-colored cover, and entitled AID ASSISTANCE TO THE PHILIPPINES) should be destroyed.

U. S. A. I. D. ASSISTANCE TO THE PHILIPPINES  
1946-1969

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U. S. A. I. D. ASSISTANCE TO THE PHILIPPINES  
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I History of the U. S. Aid Program in the Philippines

United States economic assistance to the Philippines dates back to the creation of the Republic as an independent country. Following the Japanese occupation of 1942-45, the first phase of the U. S. assistance program was primarily concerned with the repair of war damage and the physical rehabilitation of the country. In the period from 1946-1952 the Philippines received just under \$850 million in U. S. loans and grants for this purpose.

The repair/rehabilitation task was largely completed by 1952 when the second phase of the economic assistance program began under the Quirino-Foster foreign aid agreement. Primary attention was then given to the development of national agencies of government, educational institutions, and the training of administrative and technical people to carry out the functions of government. During this period the U. S. economic assistance program helped create such institutions as the Agricultural Extension Service, farm cooperatives, agricultural credit agencies, the National Irrigation Administration, the Bureaus of Plant and Industry, the Bureaus of Soils and Forestry, and a rural banking system. During the Magsaysay Administration the U. S. Government actively sponsored land reform and was instrumental in the creation of a national community development program which the U. S. supported for the next ten years. Strong emphasis was given to the sponsorship of democratic private and government institutions, trade unions, farm organizations, civic groups, and the academic community. A total of \$317 million in U. S. aid was provided from 1952-1965.

Although the lines of delineation are not sharp, the third and present phase of the U. S. assistance program started in 1965. By this time, institutional development had been largely completed. In this third phase the USAID program has changed to one which emphasizes the strengthening and improving of existing institutions, and which provides assistance to local governments in selected provinces. The strategy being followed is essentially pragmatic. In brief, it consists of working directly with selected provincial and local governments, and with private institutions to achieve results at the local level which may then be extended to other parts of the country. There is also, of course, continuing assistance and collaboration with the national agencies.

U. S. aid to the Philippines is broadly programmed to help increase economic and social growth within a democratic framework. Emphasis is placed on those activities which are designed to improve the political and economic status of the Filipino people directly. AID has chosen to give increased support to those national programs stressing agriculture and rural development, with initial emphasis given to the attainment of rice self-sufficiency. Progress made in the rice production program is most encouraging and efforts are being made to foster similar concerted efforts in related areas and other sectors.

## II Philippine Economic Performance and Self-Help:

Since decontrol of the peso over six years ago, the average increase in Philippine Gross National Product (GNP) has been about 6 percent a year. However, due to the fact that the Philippines' population growth rate of at least the officially proclaimed 3.4 percent per year is one of the highest in the world, the average annual per capita GNP increase is only about 2.5 percent. But the estimated current annual per capita GNP of about \$200 (P780), low as it is, is misleading and does not reveal the actual inequitable income distribution and the poverty of most farmers (who comprise the bulk of the population), and of the growing numbers of urban squatters.

The year 1968 produced mixed results for the Philippine economy. The growth rate increased to 6.4% in real terms compared to 5.6% in 1967. On the other hand, there was a worsening of the national balance of payments situation, which has continued into 1969. This situation has required application of increasingly strong counter measures but these have not yet had the desired effect. However, the long term outlook is favorable and Philippine economic performance is in fact well above the Southeast Asia average.

A low level of government resources has tended to limit Philippine economic growth. Domestic revenues are only 10% of GNP --- the lowest rate in Southeast Asia, excepting only Indonesia. Recent increases in internal tax and customs collections are promising, but rising government operating expenses tend to cancel out the increased revenues, and little is left for financing national development programs.

In recent years a steady rise in imports has outstripped increases in exports, causing an unfavorable trade balance. The trade deficits, however, have been offset by earnings from so-called "invisibles" income, including large sums derived from U. S. defense expenditures and veteran payments (\$190 million and \$67 million, respectively, in FY 1968). Despite the need for foreign investment, there has been a net outflow of capital in recent years, reflecting an unsettled and uncertain Philippine investment climate.

A number of significant advances have been recorded over the last few years which include:

Self-sufficiency in rice, achieved in 1968 (the Philippines was a net importer of approximately 570,000 metric tons in 1965).

Significant improvements in highway and road construction progress, with 8,100 kilometers (5,034 miles) of roads completed in 1967, and approximately 5,600 kilometers (3,480 miles) in 1968.

Expanded irrigation: 200,000 additional acres (81,000 hectares) of land were brought under cultivation, including 55,000 in 1968.

An anti-smuggling campaign that contributed to a 37% rise in customs revenues in FY 1967, and a further rise of 35% in FY 1968.

Improved tax administration that helped produce a 20% increase in FY 1967 revenues and a further rise of 14% in FY 1968.

Accelerated school construction: 2,500 schools constructed in 1967 and 3,500 in 1968.

A national nutrition program, designed to combat malnutrition which is presently estimated to affect about 80% of the population, started in 1968.

A program, started late in 1967, to strengthen law enforcement.

Significant legislative acts, including FY 1968 tax law revisions which added nearly 300 million pesos (\$76.9 million) annually to revenue collections, and a rural electrification bill calling for significantly increased area coverage, territorial protection, and long-term low interest government loans to electrification cooperatives.

Although less successful, other efforts are being undertaken by the Philippine Government in land reform, aviation, port facilities, housing, and urban development.

AID has played an important catalytic role in many of these achievements, especially in the areas of rice production, irrigation, and revenue collection. Ten to twelve American technicians working closely with Filipinos have been instrumental in expanding the use of high-yield rice strains by Filipino farmers. Utilization of U. S. -controlled local currency has stimulated the expansion of agricultural credit through rural banks, supported intensive training of "supervised credit" workers and agriculture extension workers in rice culture, and accelerated the completion of the Angat multi-purpose dam in Bulacan province.

AID loans of \$3.1 million (P12.1 million) approved in FY 1968 are financing the equipment needs of two rural electrification cooperatives. Follow-up AID technical assistance and feasibility studies are presently helping in the planning of a nationwide electrification program to provide service to the 90% of the Philippine population now without electric power.

From FY 1968 through the present, AID-financed surveys in such areas as water resources, telecommunications, airports and airways, grain storage and marketing, and law enforcement have helped point out specific deficiencies in these areas and have facilitated the granting of loans from the World Bank, the Asian Development Bank, and the Export-Import Bank. During this same period, AID-financed tax, customs, treasury, aviation, health and natural resource reclamation experts have contributed significantly to improvement in their respective fields.

### III USAID Programs and Projects-Current and Recently Completed:

#### AGRICULTURE AND RURAL DEVELOPMENT

An estimated 70 percent of the Philippine population of 35 million live in rural areas, yet only one-third of the nation's national income is derived from the agriculture sector. The President of the Philippines ranks rural development as the country's foremost need, and has provided strong support for an AID-assisted "Rice and Corn Self-Sufficiency Program." Taking advantage of the enormous potential of new strains of rice developed in the Philippines by the International Rice Research Institute, the University of the Philippines, and the government's research stations, the Philippine Government mounted a comprehensive program to increase rice production. This program was so effective that in 1967-1968, domestic production exceeded consumption requirements for the first time in decades. The success of the rice self-sufficiency program can best be illustrated by the following statistics: Imports had risen from an average of 65,000 MT (MT=metric ton=2,204.6 pounds) per year for the period 1950-1959 to an annual average of 169,000 MT for the period 1959-1967. Imports dropped from a high of 569,800 MT in 1964-65 to 220,529 MT in 1966-67. In 1968, not only were there no imports of rice, but commercial exports of rice (43,000 MT) were made for the first time. Thus, the highly significant transformation of the Philippines from a rice-importing nation to one of self-sufficiency with a little surplus, was accomplished in less than three years. The important factors contributing to this transition included the following:

- (1) The Philippine farmer was given the benefit of the latest scientific developments in plant biology in the form of new high-yielding varieties of rice plants.

- (2) Possible production increases with the new varieties of rice were dramatic and obvious, right from the first harvests on demonstration plots, thus providing an incentive to the farmer to change his methods and seeds.
- (3) A new system of supervised production credit operated through the Rural Banks to reach the smaller farmers.
- (4) Talent and technical resources were concentrated by the establishment of the Rice and Corn Production Coordinating Council (RCPCC), which minimized the bureaucratic delays usually present in multi-agency activities and permitted rapid decisions and prompt actions. The Executive Secretary to the President usually presided over the Council and provided active leadership for the program.

The Philippine Government effectively stimulated and coordinated the efforts of national and local government agencies, private industry, research institutions, and educational and religious organizations to achieve an integrated rice production effort. With the breakthrough in rice production, these facilities are now being used to help the farmer diversify into other crops, in order to achieve the highest possible annual returns from his land.

Several irrigation systems are being rehabilitated, some with PL 480 (Food For Peace) support. Partially-constructed systems are being completed and additional systems are planned. Farm-to-market roads are being constructed and, in view of the increased grain production on a year-round basis, more attention is being devoted to the expanded requirements for handling, storage, and marketing facilities. A farm level price-support program contributed significantly to the initial breakthrough in rice production, but was not adequately financed after 1968. Consequently, programs to strengthen the marketing function of farmers' cooperatives and selected private marketing channels are being initiated to reduce the farmer's reliance on central government price supports.

USAID's role in agricultural and rural development is primarily to serve as a catalyst in encouraging the testing and adoption of new techniques. The national breakthrough in rice production in 1967-1968 was due in large measure to NEC (National Economic Council)/USAID-sponsored pilot programs to promote agricultural production in Laguna and Tarlac provinces on Luzon Island. These pilot efforts, known as "Operation SPREAD," demonstrated the feasibility of significantly increasing rice production when high-yielding seeds, fertilizer and other inputs are made available. Operation SPREAD (Systematic Program for Economic Assistance and Development) was an experimental pragmatic attempt to solve production and other agricultural problems as they arose. Emphasis was placed on organizing to better utilize available resources of

the national, local, and private agencies operating in the province. This required the program to concentrate its initial efforts on a few selected targets and localities. After successes were achieved there, the development program could spread to other areas. The early successes of Operation SPREAD led the President of the Philippines to use the same general approach in mounting a program to achieve country-wide self-sufficiency in rice. As mentioned above, the key Philippine government agency in food production has been the RCPCC (Rice and Corn Production Coordinating Council - replaced in 1969 by the National Food and Agriculture Council) which was effectively activated in 1966. The following sections briefly describe the specific USAID projects under which USAID technicians have worked with the RCPCC and/or other Philippine government agencies, with local-level authorities, and with private and civic groups to improve Philippine agriculture and rural development.

### Agricultural Services Project

From 1966-1968, this project assisted the RCPCC to carry out a program to increase rice production in 12 (later 15) priority provinces. Emphasis was placed on disseminating such new high-yielding rice varieties (HYV's) as IR-8, C4-63 and IR-5.

USAID's program inputs have largely consisted of technical assistance and advice, limited commodities for demonstration purposes or for strengthening existing institutions, and local currency support for critical activities. For example, USAID developed IR-8 Rice Kits which contained all the inputs required to raise one-tenth of a hectare (1 hectare = 2.41 acres) of rice. The enthusiasm of farmers for the Rice Kits distributed under the NEC/USAID program stimulated the private sector to also develop and distribute such kits. By the end of 1967, over 22,000 kits had been sold. The area planted to the new HYV's grew from a small plot of 1,280 square meters in the dry season of 1966 to 340,000 hectares (about 840,000 acres) as of December 1968. In most cases, the farmers planting HYV's doubled their yields, and often they tripled them. By December 1967, about 13 percent of the area planted to rice in the Philippines was covered by IR-8 or the other two major new varieties; BPI-76 and C-18. During the dry season of 1968, about 30 percent of the total area planted to rice was covered by the new HYV's.

The gains in rice production permitted the Philippines to reduce rice imports from 220,529 MT in 1966-1967 to zero in 1968-69. This produced a tremendous savings of much-needed foreign exchange. In 1968, 43,000 MT of locally grown rice were exported. Additional exports in 1968 could have relieved the oversupply and concomitant low prices created in some areas by abundant harvests, but inadequate data on production and stocks plus concern over a forecast of coming drought conditions, caused government officials to become conservative in their export efforts. In 1968-1969, USAID efforts were in-

creasingly directed toward improvement of domestic food marketing systems and development of cropping patterns to better ensure that the farmer had a market for his produce. Increased attention is thus being devoted to secondary crops and livestock -- particularly feed corn, sorghum, eggplant, mungbeans, and swine. Attention will also continue to be devoted to improvement of facilities for providing certified high-yielding varieties of rice seed to the farmer. Special activities are also being undertaken to improve the collection, processing and dissemination of statistics on rice production and levels of rice stocks available.

### Agricultural Credit and Cooperatives

Now a part of the Agricultural Services project, this activity is addressed to the critical problem of providing the low-income farmer with the credit he requires to finance production inputs and marketing. Credit has traditionally been provided by landlords or money-lenders -- often at usurious rates. In August 1966, an NEC/USAID contribution of ₱5 million (\$1.28 million) in PL 480 Title I funds was used to establish the Agricultural Guarantee and Loan Fund (AGLF). Its purpose is to provide farmers with supervised credit at reasonable interest rates. The borrowing farmer is required to practice modern cultivation techniques and plant new high-yielding varieties before he can receive a loan. The AGLF strategy of coupling technical supervision with production loans had been successfully tested through Operation SPREAD in Laguna and Tarlac provinces.

The Central Bank of the Philippines administers the AGLF through private rural banks which normally work with government agricultural technicians to ensure that the borrowers use the loans properly and improve their farming techniques. In many cases, private agro-business firms such as Esso Standard Fertilizer Agricultural Chemicals and Atlas Fertilizer Company have established stores near the rural banks to ensure the ready availability of the production inputs needed by the borrowing farmer. Repayment of loans to rural banks has generally been good, but management of the overall program could be improved. The success of the AGLF attracted additional funds from Philippine Government appropriations and from insurance and social security agencies. The AGLF grew to ₱29 million (\$7.4 million) by 1968 and about 173 rural banks were participating in the program. In 1968, the Vice President of the Philippines pointed out to the Philippine Senate that during the first year of AGLF operations, 6,951 borrowers in 32 provinces had increased their rice yields an average of 37.2 percent (in spite of typhoon losses). He urged the Congress to appropriate an additional ₱21 million (\$5.4 million) to permit the expansion of AGLF operations. A further addition of ₱20 million was added to AGLF by the RCPCC in early 1969.

A farmers cooperative financing and development project, funded by PL 480 pesos, was approved in early 1969 and is in operation. Out of 115 operating Farmers Cooperative Marketing Association (FaCoMas), five were selected as having the best operational records. These five were considered to be above average in terms of management, performance, and potential, and were selected to take part in a wholesale loan program to finance the short-term credit needs of their farmer-members. For this phase of the project ₱6 million (\$1.54 million) has been approved. The funds are administered by the Agricultural Credit Administration (ACA) and will be available to the participating cooperatives on an annual basis.

The project also provides PL 480 funds for grain marketing through the Grain Marketing Cooperative of the Philippines (GRAMACOP). This regional cooperative, organized in 1966 by 29 of the more progressive FaCoMas, functions as the marketing arm of the cooperatives. Utilizing a credit line of up to ₱4 million (\$1.03 million) the GRAMACOP will buy, store, and sell the palay (unmilled rice) deposits of member FaCoMas, utilizing Manila as the primary market.

#### Provincial Development Project

The successful undertaking of development programs at the provincial level in Tarlac and Laguna encouraged the USAID, the National Economic Council, and the Office of the President to expand these efforts to other provinces. Initiated in early 1968, the new Provincial Development effort assists seriously interested provincial governors to establish more effective organizations and procedures for planning and executing development projects. A small staff has been created in the National Economic Council (NEC) to provide technical assistance to selected provinces and to promote better coordination of development programs in the provinces. The national government retains strong controls over provinces -- particularly in the area of finance -- but there has been little coordination and communication among provincial and national agencies involved in activities at the provincial level. The Provincial Development project therefore seeks to better concentrate and utilize at the provincial level the total resources which are made available from the various sources.

The agricultural base of most provincial economies dictates that local development programs should give priority to the improvement of agricultural production and marketing, irrigation systems, farm-to-market roads, and equipment management. Initially, priority is given by USAID and NEC representatives to the creation of effective provincial development organizations and the preparation of realistic short-range economic plans to meet immediate needs in the key areas described above.

Attention is also given to the improvement of budgeting procedures and the assessment and collection of property taxes. In the latter area, priority is being given to the dissemination of new locally-developed simplified tax-mapping techniques which utilize aerial photographs. The aerial photographs provide complete and current information on land use and they permit the preparation of tax-maps in a much shorter time than would be the case with traditional land survey methods. These new methods, coupled with an energetic tax collection effort, could permit many provincial, municipal, and barrio governments to double their property tax revenues. While the property tax is frequently not the major source of revenue for the province, it is the only significant tax over which the province has control. In many cases, improved assessment and collection of property taxes will generate enough funds to fully finance significant development projects at the local level. Consequently, assistance will not be made available to a province which refuses to make some effort to increase its own resources through improved tax collections.

As provincial development organizations are created and development plans are drafted, there will be an increasing interchange between this Provincial Development project, the Agricultural Services project, and other USAID projects which operate in the provinces. As in Operation SPREAD, efforts are being made to better integrate national, provincial, and local organizations under the general leadership of the Provincial Governor and his new development staff. In this way, a more effective attack can be made on the problems which have traditionally retarded economic development in the rural areas of the Philippines.

#### Water Resources Development Project

This activity provides in-service training, guidance and assistance to the Government of the Philippines (GOP) in the establishment of long-range programs for comprehensive water resources planning, development, and management. Since its initiation in 1963, the project has: (1) investigated, and published program reports on, five major river basins; (2) completed a comprehensive report on the Central Luzon Basin (Pampanga and Agno Rivers), outlining development potentialities on 11 reservoir projects and (3) completed a feasibility study on the proposed Upper Pampanga River Project, which has been used to support a GOP loan application to the World Bank. In January, 1969 the World Bank invited the GOP to negotiate a 35 million dollar loan for the project and these negotiations are now well under way.

Since early 1967, the U.S. Bureau of Reclamation team assigned to the project has concentrated on training Filipino technicians in gathering and analyzing basic data, and in conducting the investigations and studies needed to adequately evaluate and plan water resources development.

This is being done with a view to establishing a GOP organization with the capability to undertake this complex work with a minimum of external assistance.

USAID's recent assistance to the National Irrigation Administration (NIA) has consisted of two PL 480 local currency loans. One of the loans was for ₱5 million (\$1.28 million) for emergency repairs to 68 existing irrigation systems and the completion of five long-incomplete systems -- the work was completed in mid-1968. The second loan, for ₱6.6 million (\$1.7 million), was used to rehabilitate, upgrade, and expand the Angat River Irrigation System in Central Luzon. This project called for rehabilitation of the existing water distribution system, modification of the irrigation diversion structures to provide daily storage for fluctuating power releases from the upstream Angat hydroelectric dam, the addition of approximately 4,000 hectares (about 9,900 acres) of service area to the overall system, and construction of badly needed roads within the system's service area. The project was completed in August, 1968. It will provide irrigation for 31,000 hectares (76,600 acres) during the wet season.

A study of the NIA's equipment inventory and needs, together with recommendations for upgrading its equipment management and capability, was prepared by a USAID technician and presented to the NIA in January, 1967. The study was generally accepted, and resulted in a \$4.7 million (₱18.3 million) AID loan to the GOP with which to procure U.S.-manufactured heavy equipment and machine shop tools. The U.S. Bureau of Public Roads is acting as procurement agent for the NIA and all loan-procured items are expected to be delivered to the NIA by August, 1969.

Another phase of the Water Resources Development Project recently initiated is directed towards research and the testing of methods for improving groundwater development and utilization in irrigation.

#### Equipment Pool Improvement Project

This project is primarily for the purpose of improving the capabilities of provincial and city government agencies to construct and maintain feeder roads, irrigation systems, flood control systems and other public works type projects through improved equipment management, and directly supports other USAID-supported rural development projects. Currently, sixteen provinces, five chartered cities and the National Irrigation Administration are authorized to participate in this project.

The Project Agreement under which this activity is administered has recently been revised. One major change provides that an authorized participating entity which is inactive or shows no progress within a six months period of time be disqualified from further participation in the project. This provision will enable technicians to concentrate their ef-

forts in the most promising areas of development and keep the project within the bounds of USAID/NEC management capabilities.

USAID technicians are continuing to assist the provincial governments in acquisition of equipment from U.S. Excess Property Programs, and repair parts from the U.S. Army Depot in Japan. Training of provincial personnel in supply and maintenance procedures and equipment management is continuing on a province-by-province basis.

See related table on page 34.

### Urban Planning Project

The population of Philippine cities is increasing at a rate of 5-8 percent annually. Urban areas have large numbers of squatters--ranging from 15-45 percent of the population. The present annual urban housing need is estimated to be 50-100 thousand units. This Urban Planning project is addressed to the problems caused by an expanding urban population and declining levels of public services. The basic purpose of the project is to recognize and greatly improve upon the cities' own capabilities and resources. The role of the cities as markets, and as industrial or agro-industrial centers, will become critical as the population continues to move from rural to urban centers. Where conditions permit, project staff members will work to achieve closer cooperation between provinces and the relatively independent chartered cities within those provinces to better integrate the development of a given geographic area.

Begun officially as a USAID/NEC project in 1968, this Urban Planning endeavor is being initially implemented in five "pilot" cities. The project is staffed entirely by Filipinos since USAID personnel reductions precluded assignment of full time USAID advisors. The project staff provides technical assistance and consulting services to the five cities. USAID assistance is confined largely to the part-time services of one technical advisor, plus a modest commodity and participant training input. Each of the five cities has been surveyed by a team of management specialties and is in the process of adopting a "General Plan" to meet priority development needs and public services. Appointed Development Boards function in all five cities and, in three, there are Urban Planning staffs operating to improve the depth and general quality of planning.

## PUBLIC HEALTH

### Family Planning Project

The annual increment of births over the deaths in the Philippines

is estimated at 3.6 to 4.5 percent. Over 1 million babies are born annually, and the present population is expected to double by 1990. An estimated 500,000 individuals, age 10 and over, come into the labor market every year. The Government of the Philippines (GOP) is not officially established a policy regarding family planning but has adopted a permissive attitude, as shown by the establishment of the Project Office on Maternal and Child Health (POMCH) in the Department of Health, and the creation of the Population Planning Commission by the Office of the President of the Philippines.

Assistance is being provided to seven government agencies, five universities and two private institutions, and a research project on family planning knowledge, attitudes and practices is being carried out under an AID-financed contract with Notre Dame University. To date under this Family Planning project, initiated in FY 1967, 1,848 medical and para-medical personnel have been trained and 218 clinics have been established. The plan of action of the project is to: (1) train, locally, health and para-health personnel in maternal/child health practices including family planning, (2) establish maternal/child health-family planning clinics by making use of existing trained personnel and providing facilities, (3) provide specialized training, in the U.S. or in a third country, to qualified personnel who may then be utilized as instructors in local training courses, (4) conduct basic research on responsible parenthood and maternal/child health, (5) encourage local medical and related schools to emphasize responsible parenthood and maternal/child health in their basic curricula, and (6) establish a coordinating body which will integrate the health training activities of cooperating institutions.

#### Nutrition Support Project

This project supports the GOP efforts to eradicate clinical malnutrition in pre-school children and so eliminate the post-weaning arrest in growth and development which is characteristic of the Philippine infant population. The program focuses upon two broad activities: applied nutrition, and food/nutrition research. In applied nutrition, feeding stations or mothercraft centers will be operated as educational demonstration units at which mothers will have the opportunity to learn and practice the improved feeding of their children. PL 480 Food for Peace commodities such as CSM (Corn/Soybean/Milk) and vegetable oil will be utilized at the units until community and home garden production of high-nutrition foods is achieved. Twelve centers, in Laguna, Rizal and Nueva Ecija provinces, are now operating (July 1969) and relying upon local supplies of produce, while two centers in Manila are using CSM and vegetable oil. Promotion of the home production and utilization of high-nutrition foods is, of course, an important aspect of the program. The applied nutrition program is staged to eventually establish, over a four year period, 36 barrio feeding stations spread over nine provinces, and reach

about 175, 000 infants and pre-school children.

Research efforts in foods and nutrition will be directed to the identification of foods which most effectively balance the local basic energy foods (rice and corn) so that such foods can then be subjected to whatever processing and nutrition tests are needed to establish their value in child feeding programs. A blend of coconut flour, mungo beans and dried milk or fish is now being tested as a replacement for CSM.

USAID and GOP will share the costs of this program. USAID will initially assume all salary obligations of persons employed in the program, but will gradually phase-out as the GOP increases its share of support for the personnel services necessary to maintain a viable on-going program. Likewise, the present cost-sharing for equipment, supplies, travel and contingencies will be phased toward complete responsibility on the part of the Philippine Government for the continuation of the nutrition program as a regular government obligation.

The in-country activities will be backed-up by the Virginia Polytechnic Institute contract with AID/Washington. The contract is for purposes of furnishing a full-time program coordinator to the Public Health Division of USAID/Manila to provide technical assistance in all nutrition matters, including improvement in the quality of nutrition research in both government and university laboratories.

#### Malaria Eradication Project

Established in 1952, this project was originally designed only to control malaria. In 1956 it was converted to an eradication program. There was a steady decrease in the incidence of malaria in the Philippines in the project's early years. Subsequently, the project was beset by administrative and management difficulties and by lack of financial support on the part of the Government of the Philippines (GOP). Beginning in FY 1967 the GOP initiated a series of administrative changes which were designed to assure that the "new" program would be properly implemented. These changes included: (1) the establishment of an improved system of accountability for funds allocated to the program, (2) establishment of a program designed to ensure the timely and adequate maintenance and repair of vehicles and equipment assigned to the program, (3) the creation of the Malaria Eradication Service (MES) under the authority of a Malaria Project Director.

Beginning in FY 1968 the MES began to redefine malarious areas in accordance with recognized epidemiological methods, and then spraying operations were begun on a unit-by-unit basis. The project agreement entered into by USAID and the National Economic Council in March, 1968 stated that the goals of the program were: (1) to develop those

government support functions which are essential to carrying out malaria eradication procedures in an economic and efficient manner; (2) to determine malarious and non-malarious areas by internationally recognized epidemiological methods; (3) to provide continuing assessment of the progress of the eradication program and status of malaria throughout the Philippines; and (4) to prevent re-introduction of malaria into the Philippines.

U.S. assistance through FY 1969 has amounted to \$9.6 million for commodities and technical support. In FY 1970 USAID has programmed \$1.2 million in support of the program. The commodity element includes some 3-4 million pounds of DDT per year, and the spare parts, tools and shop equipment needed to maintain the many vehicles used by MES. Ten U.S. Public Health Service malaria specialists are serving as advisors to the program. In addition, 33 U.S. Peace Corps Volunteers are working with Philippine counterparts in the MES.

## INTERNAL SECURITY

### Internal Security (Public Safety) Project

The Internal Security Project has been designed to significantly improve the effectiveness of law enforcement in the Republic of the Philippines.

The maintenance of peace and order is one of the fundamental responsibilities of government. The successful discharge of this responsibility is imperative if a nation is to establish and maintain the environment of stability and security so essential to economic, social and political progress.

There are 1,480 civilian law enforcement agencies throughout the Philippines that have this responsibility. The personnel of these agencies are, for the most part, ill-equipped, poorly trained and underpaid.

Advice and assistance to law enforcement agencies includes in-country training, integration of communications networks, and the updating or development of scientific investigation capability, traffic control/enforcement procedures, modern administrative methods, and records and identification procedures.

Training: Eight regional police training centers have been established throughout the Philippines. These training centers have had a goal established for them by the President of the Philippines to train 1,200 police officers each calendar quarter. Eighty percent of the total number of police chiefs in the Philippines have already participated in a one-month command course. Training programs are provided in Basic Police Science, Criminal Investigation, Personnel Management,

and other selective specialized courses. The program is oriented toward providing the nation's policemen with the knowledge and skills required of effective law enforcement personnel.

Communications: The present extremely limited communications capability of civilian police agencies restricts police operations. USAID technicians have surveyed the nation's communications facilities and have designed a practical, economical system. A metropolitan communications network has been established that provides interagency communication in Manila and suburbs. Communications systems have been implemented in five municipalities in Rizal province. Four provincial law-enforcement communication systems have been established, linking all municipal police departments in the province with the National Bureau of Investigation (NBI), the Philippine Constabulary, and the provincial capitol. These are the first completely integrated systems in the country and have greatly improved police operational capability in all four provinces.

Criminalistics: A laboratory has been constructed by the NBI and stocked by USAID to train technicians in the modern methods of criminalistics including ultraviolet inspection, chromatography, and microdiffusion. Courses in crime scene investigation have been given to NBI agents, narcotics specialists and other specialized technical groups. Instruction manuals have been developed and published for the guidance of police investigators and evidence technicians.

Community Police Improvement: Police departments near the regional training centers have been selected to be developed as "model" police departments. The goal is to develop efficient and professional police organizations that can serve in a supporting role to the centers for "on-the-job" training. USAID technicians will serve in each regional area.

Records and Identification: USAID provides technical assistance to the NBI, the Presidential Economic Staff/Department of National Defense Computer Center, and selected civilian police departments. The program includes the development of a modern nationwide criminal identification system at the NBI, a computer-based information system at the Department of National Defense, and modern record-keeping and identification procedures in local police departments.

## PUBLIC ADMINISTRATION

A.I.D. has historically directed a substantial part of its assistance in the Philippines toward improved administration of national government agencies, focusing most recently on the key area of revenue collection. In FY 1969 experts from the U.S. Bureau of Internal Revenue, Bureau of Customs, Treasury Department, Post Office Department and

Census Bureau were engaged in programs to improve the operations of counterpart agencies in the Philippines. Direct-hire AID technicians have also assisted in the personnel and financial management areas.

#### Fiscal/Financial Administration Project

This project, which will terminate in September, 1969, assists the Government of the Philippines (GOP) Joint Committee on Financial Management Improvement (established in December, 1966) and its assigned staffs, study groups and task forces in their efforts to modernize and improve GOP financial management.

In its first meeting, the Joint Committee assigned priority to the complete revamping of the postal money order system. Over 1,400 Philippine post offices issue and pay money orders, and approximately 325 million money orders are issued per year for a total annual value of ₱350 million (\$89.7 million). Chief discrepancies in the system were: (1) the loss of ₱1-2.5 million (\$390,000 to \$640,000) each year through forgeries and counterfeiting, (2) the inability of the General Auditing Office to reconcile issued and paid money orders, and (3) the regulation that banks must clear orders for cashing only through local post offices.

Effective in FY 1968, steps were taken through the USAID Fiscal/Financial Administration project to modify and streamline the money order system. Changes were made to improve the channels of commerce and finance by greater utilization of commercial banks, increasing the "maximum amount limit" of money orders, broadening money order negotiability, and clearing paid money orders through the regular bank clearing system. In support of these changes, 1,500 Friden Imprint Punch Machines, excess to the needs of the United States Government, were modified for use in the Philippine Money Order System. These were delivered in 1968. New money order forms to be used with the Friden machines were designed and printed. The new system was installed and operating as of January, 1969.

#### Public Personnel Administration Project

This activity, which terminated in June 1969, assisted the GOP with efforts to improve the effectiveness of Civil Service (CS) operations. Increased efficiency of CS operations was achieved through machine processing of examinations, development of a standard personnel record system, more effective manpower utilization, streamlined processing of appointments, improved executive development programs and expanded qualification standards coverage.

Provisions were made to mechanize the Civil Service examination pro-

cess. Photo copy certification equipment similar to that used by the U.S. Civil Service was installed to promptly produce responses to requests for lists of eligible police officials and for other positions. A standard personnel record system, to cover the approximately 500,000 CS employees, has been developed for all government agencies. It will, when fully operational, mechanize data collection for production of the statistical information so essential to effective manpower planning.

Also under this project, the CS was greatly assisted in formulating Qualification Standards for those personnel positions common to all agencies.

#### Tax Collection Improvement Project

This project, which terminated in June, 1969, assisted the GOP Bureau of Internal Revenue (which collects 64% of all taxes levied in the Philippines) in carrying out a broad improvement program designed to increase government tax collections.

A USAID Public Administration Advisor with supporting tax technicians gave primary support to: (a) collecting delinquent accounts; (b) auditing returns; (c) automatic data processing and tellering; (d) tax manual development and publishing.

In general, the USAID advisors provide technical and management advice to GOP officials, assist in identifying and solving problems, and in developing work and control programs in support of the Bureau of Internal Revenue's (BIR) operations improvement program.

Total gross internal revenue collections during calendar year 1968 registered a gain over the previous year - 1,743 million pesos in 1968 compared with 1,478 million pesos in 1967, an increase of 18 percent, larger than in any of the previous seven years. Income tax returns filed during calendar year 1968 totaled 943,000, a substantial increase of nearly 90,000 returns over the previous year.

A new manual on classification of accounts was issued to replace an old classification system dating back to the early 1900s, along with a new official receipt form designed to adapt tax payment documentation to data processing procedures, avert improper diversions of funds, and improve statistical reporting. BIR employee salaries were increased 50 percent by special congressional legislation.

#### Customs Administration Improvement Project

This activity, which terminated in June, 1969, assisted the GOP

Bureau of Customs in increasing their collection of customs revenues, and, through improvement of the Bureau's administrative and operational efficiency, has facilitated the handling of international trade.

During the period FY 1962 to FY 1966, USAID provided the services of technical advisors to the GOP Bureau of Customs. The general pattern of operations had been such that procedural improvements instituted under the guidance of one Commissioner of Customs did not always survive under his successors. Over recent years, however, there has been a build-up of skills among career officers and employees of the Bureau.

In FY 1967, under a revised program, USAID provided the services of U.S. Customs consultants. Following the recommendations of the consultants, the Philippine Customs Service established an Entry Control Center which provided increased control over paperwork flow. It reduced the number of official documents lost while enroute through the customhouse and provided checks to help reduce paperwork routing time. Also, officials of the GOP Bureau of Customs have (1) obtained the enactment of legislation creating a Philippine Coast Guard to take over a number of Bureau operations that were not closely related to the Bureau's primary functions, (2) made extensive improvements in its physical facilities, (3) substantially increased the salaries of Bureau personnel, (4) successfully implemented numerous beneficial changes in its organization and work assignments and (5) installed electronic data processing equipment through which all documentation for cargo arriving at the Port of Manila is processed.

#### PARTICIPANT TRAINING PROGRAM

Participant training has been an important part of the technical cooperation program of AID and predecessor agencies in the Philippines since its beginning in 1952. It is agency policy that AID-sponsored training will be proposed and justified as an integral part of specific projects which are developed in concert with the country's over-all economic development program. The training therefore is directly related to the accomplishment of significant U.S. and Philippine objectives.

Over the years (FY 1952-1969) joint U.S./Philippine aid projects and programs have varied as conditions have dictated modifications in country objectives. Accordingly, the size and technical emphasis of participant training has varied. Thus, the collective judgments of Filipino officials and American advisors with respect to the relative importance of the various fields of development (including training) during the past 18 years have been reflected in the training program.

During the first nine years of the project, emphasis was placed on the fields of Agriculture, Industry and Mining, Transportation,

Labor, Education, and Health. During later years, emphasis shifted to Aviation, Community Development, Public Administration, and Public Safety. Lately, health programs have been given renewed emphasis.

Most of the AID-sponsored training of Filipinos has been training in the United States of officials, educators and technicians engaged in public sector activities. Of the 3,552 persons trained, only 425 were from the private industry sector.

Follow-up programs for returned participants are a strong feature of the Philippine program. The Philippine Government is cooperating fully with USAID in supporting follow-up programs and in providing funds for the support of the Philippine Association of Technical Assistance Participants (PATAP; formerly Foreign Operations Administration - an organization of returned participants). PATAP has now formed local chapters in seven Philippine cities and works with USAID in publishing an annual directory of returned participants and a monthly newsletter. USAID is providing technical books and periodicals as well as memberships in American professional societies for returned participants.

See related information on pages 35 and 36.

### DEVELOPMENT LOANS

In 1967 AID made two development loans to the Philippines. These were the first dollar development loans approved by AID for the Philippines since 1959. The first loan, authorized in June, 1967, in the amount of two million dollars was to finance various feasibility studies. Since 1967 several projects have been developed for funding under that loan. These include a Mechanized Rice Production Project, a Power Transmission Grid Project, a Rural Electrification Project and an Airport Project. Only the Mechanized Rice Production feasibility study has so far been completed. The second loan made in 1967 was for the purchase of irrigation equipment. This \$4.7 million loan is discussed here in the section entitled "Water Resources Development" (pages 9 and 10).

In 1968 two additional loans, for rural electrification, were approved. There are now approximately 30 million people living in the Philippines who do not have electricity available to them. Although the Philippine Government supports the development of widespread cheap and dependable electric power in order to accelerate national agricultural and industrial development, it was recognized that such development was hampered because both independent and municipal electric system operators have been either unable or reluctant to extend electric power service to the outlying barrios and rural areas. Rural Electric Cooperatives are believed to be a solution to this problem.

AID is providing rural electrification specialists and technical advisors to the Government of the Philippines. Feasibility studies have been prepared for two pilot rural electric cooperative projects; at Victorias, Negros Occidental Province, and on the island of Mindanao between the cities of Cagayan de Oro and Iligan. Loans have been made by both the U.S. and Philippine Governments to finance these pilot projects.

The loans made for the Victorias project amount to \$2 million and ₱1,850,000 (\$473,000). These loans will provide for installation of generating equipment and for substantial expansion of the distribution system that will provide electricity to an initial 7,000 consumer families and wholesale power to two franchise holders in two poblacions (towns).

The loans of \$1.1 million and ₱2.85 million (\$729,000) made for the Mindanao project will provide for the distribution of electricity purchased from the Maria Cristina hydropower transmission grid of the National Power Corporation to nine municipalities which are composed of nine poblacions and 103 barrios. Some 10,000 consumer families will then receive electric power direct from the Cooperative.

These projects have now progressed to the point of selection of a consulting engineer for final detail design and supervision of construction. It is expected that construction will take approximately 18 months. The purpose of these loans is to demonstrate the economic feasibility of rural electrification and the benefits to the regional economy from the introduction of electrification to rural areas of substantial population, and to develop public sector support for a nationwide program of technical assistance and financing in this field.

The Electrification Administration, through the Presidential Economic Staff, has requested additional technical assistance for on-the-job training of a special team of engineers who would prepare additional feasibility studies and make plans for a large nationwide rural electrification program. The Philippine Government will pay directly for this assistance. With AID technical support and assistance the GOP is now beginning to develop plans and policies, including new laws, which can lead to a meaningful electrification program for the Philippines.

There are no development loan projects programmed for FY 1970. The areas being examined for possible future (FY 71 and beyond) loan projects are; grain storage facilities construction, acquisition of agricultural machinery, purchase of irrigation equipment, and the development of agri-business plants through a line of credit to the Development Bank of the Philippines.

See related listing on page 31.

FOOD FOR PEACE (PL 480 Title II)

The Food for Peace (FFP) program commodities are distributed in the Philippines through four voluntary agencies: Cooperative for American Relief Everywhere (CARE), Catholic Relief Services, Church World Service, and Seventh Day Adventist Welfare Service in conjunction with the Government of the Philippines (GOP) and USAID. During FY 1969 a total of 66, 998, 000 pounds of foodstuffs valued at \$9, 632, 890 (P37, 568, 271. 00) were distributed through the following FFP projects:

A. Maternal/Child Welfare: The main purpose of this high-priority program is to lessen the incidence of malnutrition in pre-school age children, and pregnant and nursing women. During FY 1969, a total of 27, 554, 180 pounds of foodstuff were distributed at a cost of \$3, 967, 110. 00 (P15, 471, 173. 00).

B. National Nutrition Program: This is a closely supervised nutritional experiment and is to operate from FY 1969 through FY 1972. It will reach the same category of recipients as Maternal/Child Welfare programs, but this program endeavors to instruct the recipients in the benefits of improved nutrition and encourage them to grow more nutritious foods at home. During FY 1969, 155, 000 pounds of food were utilized in this program at a cost of \$14, 080. 00 (P54, 912. 00).

C. School Feeding Program: This program provides nutritious food to children in the classroom. Current plans call for termination of FFP support at the end of FY 1971. If increased GOP participation is realized, the termination date will likely be extended. During FY 1969, 29, 023, 800 pounds of foodstuff were utilized at a cost of \$4, 758, 690. 00 (P18, 558, 891. 00).

D. Food for Work: In this program FFP commodities are provided to help support reasonably effective and efficiently managed self-help community projects such as construction of feeder roads, sanitary facilities, small irrigation facilities, etc., at the rural barrio level. Labor is donated in return for the FFP food. During FY 1969, 19, 029, 900 pounds of foodstuffs were distributed at a total cost of \$487, 960. 00 (P1, 903, 044. 00) and 1, 408 such community projects were completed.

E. Summer Camps: This program, which in some areas utilizes Peace Corps Volunteers, has proved highly successful, and requires relatively small quantities of food. In FY 1969, 44, 800 pounds of FFP foodstuffs were distributed at a cost of \$5, 830. 00 (P22, 737. 00).

F. Institution and Health cases: FFP support in this category will cease after FY 1970. During FY 1969, 1, 359, 240 pounds were distributed at a cost of \$110, 730. 00 (P431, 847. 00).

## SOUTHEAST ASIA REGIONAL ACTIVITIES

In addition to the U.S. bilateral aid programs in various Southeast Asian countries, AID operates a Regional Economic Development Program in the area. The field headquarters for this operation is the U.S. Regional Economic Development (RED) Office in Bangkok, Thailand. RED administers most of the numerous Southeast Asia regional projects--- in cooperation with USAID in those countries which have U.S. aid programs and with U.S. Embassies in those which do not. At present, there are, in various stages of implementation, AID-assisted Southeast Asia regional projects in such fields as education, transportation, communication, water resources development, and others.

Several of the regional projects, described below, are located in the Philippines.

### Asian Labor Education Center

The Asian Labor Education Center (ALEC) utilizes the physical facilities and staff of the University of the Philippines (UP) at Quezon City. The Center's Philippine Program operates year-round, supported by UP funds, while the bulk of the AID-supported annual regional training activity consists of three 8-week Asian Labor Leadership Institute (ALLI) sessions. The 52 participants annually funded by AID (6 Filipinos and 46 third-country) are divided between these three regional training sessions. In addition, 20-30 other regional participants usually attend the sessions, and are funded by such organizations as Asia Foundation, International Labor Organization, Colombo Plan, International Trade Secretariats, United Nations Educational, Scientific, and Cultural Organization (UNESCO), Philippine Social Security Commission, and University of the Philippines. The basic objectives of ALEC are the following:

- 1) Assist in creating more responsible leadership in Asian trade unions.
- 2) Provide a forum for Asian trade unionists to discuss the many common problems which confront the Asian trade union movement in particular, and the international organized labor movement in general, in regard to the role of trade unions in building a strong and democratic society in developing countries.
- 3) Make ALEC an outstanding reference and information center for trade unionism in Asia, and provide for an exchange of current relevant information between ALEC and labor institutions in other countries.

ALEC regional training sessions normally involve an annual minimum

of 46 third-country participants (plus 6 Filipino participants) who are presently associated with labor federations, unions, and ministries in the following countries: Ceylon, Republic of China, India, Indonesia, Japan, Ryukyus, Malaysia, Pakistan, Singapore, Thailand, Korea, and Vietnam.

From the beginning of ALEC's regional sessions in January 1960, through the most recent (#22) ALLI session in June, 1969, 600 labor leaders from 276 unions representing 17 different countries have taken part in training sessions at ALEC.

AID dollar grants are utilized for operational costs, scholarships, supplementary faculty salaries and travel expenses relating to the ALEC regional activities. Total USAID funding, from FY 1958 through FY 1969 amounted to \$865, 000 (P3, 375, 000).

Southeast Asian Regional Center  
for Graduate Study and Research in Agriculture

The title as shown above is the formal name of this project. It is, however, often called "SEARCA" (Southeast Asian Regional College of Agriculture) or "SEAMES Tropical Agriculture Center".

SEARCA, located on the campus of the University of the Philippines College of Agriculture at Los Banos, Laguna, is but one of several regional educational institutions being created in Southeast Asia through the combined efforts of the U.S. Agency for International Development (through the U.S. Regional Economic Development Office in Bangkok), the national governments concerned, and the Southeast Asia Ministers of Education Secretariat (SEAMES). SEAMES was established in late 1965 to bring about regional cooperation in Southeast Asian higher education activities. Additional SEAMES regional education centers, now in varying stages of planning or implementation (so far only SEARCA actually has students enrolled - since July 1968) will provide quality instruction in tropical biology (Bogor, Indonesia), math and science (Penang, Malaysia), tropical medicine (region-wide, coordinated from Bangkok, Thailand), English language study (Singapore), and educational technology (South Vietnam). Laos is also a member of SEAMES, and Burma and Cambodia have been invited to join. The objectives of SEARCA are:

- 1) Maintain a high quality curriculum for graduate study in agriculture leading to Master and Doctoral degrees, and provide scholarships, fellowships or assistantships for such graduate study to students from SEAMES countries.
- 2) Promote, undertake, and coordinate in the Philippines and other SEAMES countries, agricultural research programs related to the needs of Southeast Asia.

- 3) Publish and distribute the results of significant agricultural research done in Southeast Asia and elsewhere.
- 4) Hold meaningful regional seminars on important agricultural topics.
- 5) Provide agricultural advisory services to SEAMES countries through staff visits, exchange programs, seminars, and participation in national training and extension programs.
- 6) Stimulate and assist further development of national agricultural institutions in Southeast Asia and enlist their efforts in a continuing concerted attack on the agricultural problems of the region.

The interim operational phase of SEARCA covered FY 1968 and FY 1969, and AID grants in that period totalled \$181,400 (P707,000).

Over the five year period commencing July 1, 1969, AID will contribute one half (the Philippine Government will contribute the other half) of the costs of operation and student/faculty housing construction, one half of the student scholarship costs (SEAMES will contribute the other half), and the full construction cost (up to \$1 million) of a SEARCA library. The total AID input over this five year period is expected to be approximately \$3.45 million (P13.46 million).

The first 13 SEAMES students (from Malaysia, Thailand, and Indonesia) enrolled at SEARCA on July 1, 1968. During the 1969-70 school year 30 students (including Vietnamese and Filipino students) will be attending classes. It is planned that during the school year 1973-74, the last year of AID support, 200 students from throughout Southeast Asia will be enrolled at SEARCA.

#### Asian Institute of Management

The Asian Institute of Management (AIM) was formally established in Manila in December, 1968 as a private non-profit graduate school of management. It represents a cooperative effort by the Ateneo de Manila University, De La Salle College, the Philippine business community, and a Ford Foundation-financed Harvard University Graduate School of Business Administration team.

To be located in the Manila suburb of Makati, AIM will offer an intensive full-time two-year Masters degree program in Business Administration, with facilities for 230 students. In addition, AIM will annually sponsor an eight-week Advanced Management Program for senior business executives from the Philippines and other Southeast Asian countries. The school will be staffed by an 18 member faculty,

and have dormitory facilities for 160 students.

Classes started in July 1969 in temporary quarters (at 600 Padre Faura, Ermita, Manila) made available by Ateneo de Manila University, and will move to permanent quarters on Paseo de Roxas in Makati by May 1970.

AIM has, to date, received unusually extensive financial support from the Philippine private business sector, including the donation of land and buildings valued at about ₱15.6 million (\$4 million), pre-operating expenses, and endowment of several faculty chairs. The Philippine Social Security System has agreed to grant to the school a ₱3 million (about \$770,000) low-interest loan, to be used for loans to financially needy Filipino students.

Though there will be few, if any, non-Filipino students during the 1969-70 school year, AIM is taking steps to gradually increase the percentage of non-Filipino Asian students from 1970 onward. The training of managers and teachers of managers at AIM should make a substantial and much-needed contribution to easing the very serious shortage of local professional business managers in Southeast Asia.

The AIM curriculum, structured with the guidance of Harvard Business School and the local business community, will be designed to fill the needs of Southeast Asian countries by offering such courses as Development of Enterprise, and The Manager in a Developing Economy. "Case studies" will be used extensively at AIM, utilizing material gathered from all over Southeast Asia.

Though the AIM faculty will be initially composed of Filipinos and Americans, efforts will be made to recruit qualified faculty members from other Southeast Asian countries.

In FY 1970 AID will contribute \$300,000 (₱1.17 million) to cover costs of such things as office and classroom equipment, library books, teaching aids, etc.

AID support to AIM in future years will most likely consist of the financing of full scholarships at AIM for qualified students from Southeast Asian countries.

#### Asian Productivity Organization-Manila Information Unit

The Asian Productivity Organization (APO), headquartered in Tokyo, was founded in May, 1961 for the purpose of promoting increased economic productivity in member nations through training programs, advisory services, seminars, and publications. Present APO member countries are Ceylon, Republic of China, Hong Kong, India,

Indonesia, Iran, Japan, the Republic of Korea, Nepal, Pakistan, Philippines, Thailand and Republic of Vietnam.

Recognizing the need for a centralized information dissemination operation in the Southeast Asia region, the Asian Productivity Organization, in cooperation with the Philippine Government, established the APO Regional Information Unit in Manila in 1967. The Chairman of the Philippine National Economic Council serves as Project Director for the Information Unit.

The Information Unit prepares, prints, and distributes to APO member countries general and technical information designed to help promote increased economic productivity in Asia. The information disseminated is in the form of periodicals, pamphlets, reports, and manuals, plus audio-visual materials such as films and film slides.

The Information Unit is divided into four departments: editorial/research, production, audiovisual materials, and administration. Over the past year many publications have been produced and distributed by the Information Unit; publications such as Productivity Digest, Specialization by Small Business, Productivity Activities in APO Member Countries, and others. Typical of the publications in process now or in the near future are Cost and Budgetary Control, Transportation Management, Production Management for Small Industries, Technical Reports Preparation Guidebook, Glossary of Technical Terminology, Preventive Maintenance Manual, Small Industry Export Marketing, Quality Control Guidebook, The Concept of Productivity, and many more. The information in these publications is specifically keyed to Asian needs.

The APO Regional Information Unit in Manila is funded jointly by the U.S. Agency for International Development (through APO headquarters in Tokyo), and the Philippine Government. The Philippine Government has contributed the peso equivalent of \$200,000, while the AID input was in the form of a \$230,000 grant to APO plus the support of one full-time U.S. advisor in Manila. The AID grant covered the costs of equipment, spare parts and certain supplies from the United States, regional travel costs of the U.S. Advisor, and other miscellaneous dollar costs. Local currency costs were paid out of the Philippine Government contribution.

The Information Unit is located in the Mirasol Building, 1400 Taft Avenue, Malate, Manila.

#### Regional Participant Training Services Project

This project provides administrative and other required support services for the technical training in the Philippines of participants

from other Southeast Asian countries under the AID Third Country Training Program.

In FY 1969 225 regional participants were trained in the Philippines. The projected total for FY 1970 is 200. By the end of FY 1970 more than 4,600 participants from 36 countries in Asia, Africa, and South America will have received AID-supported training in the Philippines since the start of the program in FY 1955. The fields in which they were trained include Agriculture, Community Development, Education, Health, Labor, Public Administration, Public Safety and Industry. Currently, new programs in the fields of Public Health, Rural Development and Local Government Administration are being developed as a service to neighboring countries.

Continuing careful evaluation of the participant program by the National Economic Council, the cooperating Philippine Government agencies, and by USAID has served to improve the content of individual training programs and the quality of administrative and other services supporting the Third Country Training Program.

During the past 16 months AID Certificates of Cooperation were presented to 11 Philippine organizations (both government and private) which have given strong support to the program.

## INTERNATIONAL

### Malaria Eradication Training Center

The Malaria Eradication Training Center in Manila provides professional training for medical officers, public health engineers, entomologists, parasitologists and administrators engaged in malaria eradication efforts throughout the world. Usually, two or three standard senior professional courses are offered by the Center each year, depending to some extent upon the needs of countries engaged in malaria control or eradication programs. These courses are of 12 weeks duration and enrollment averages from 25 to 30.

Short-term intensive training in specialized disciplines of malaria eradication programs such as epidemiology, parasitology, laboratory operation and management, entomology, and administration are also offered.

The faculty of the Center, composed of three from the World Health Organization and three from the United States Public Health Service, also provides continuing guidance and support to related national training activities in other countries. As a part of this activity, periodic visits are made to such countries in order to review and improve training procedures and facilities as well as to help in the as-

assessment and evaluation of national malaria eradication programs.

Approximately 900 participants from 36 different countries around the world have received training at the Center since its opening in late 1963. As an additional service, the Center has devised a course to "train the trainers" -- to provide a basic malaria eradication orientation and instruction in training techniques for national training program personnel from other countries in order to significantly increase the effectiveness of such national programs.

Operation and funding of the Malaria Eradication Center in Manila is provided under the joint auspices of the U.S. Public Health Service, the U.S. Agency for International Development, the World Health Organization and the Government of the Republic of the Philippines.

The Center is located at San Lazaro Compound, Tayuman St., Santa Cruz, Manila.

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TOTAL U.S. ECONOMIC AND MILITARY ASSISTANCE  
TO THE PHILIPPINES 1946-1969  
(In \$Million, and by Fiscal Years: July 1-June 30)

P R O G R A M	1946-48	1949-52	1953-61	1962-68	1969	TOTAL 1946-69
<u>A.I.D. &amp; PREDECESSOR AGENCIES - TOTAL</u>	-	47.1	229.1	20.1	9.5	305.8
Loans .....	-	-	60.1	-2.4	3.1	60.8
Grants .....	-	47.1	169.0	22.5	6.4	245.0
<u>FOOD FOR PEACE (PL480) - TOTAL</u> .....	-	0.1	41.9	100.7	7.0	149.7
<u>Title I (Sales) - Total</u> .....	-	-	9.1	44.0	-	53.1
Paid in U.S. \$; used for loans .....	-	-	-	20.1	-	20.1
Paid in Philippine Pesos:						
*Pesos for Phil. Devel. Uses .....	-	-	9.1	23.9	-	33.0
Pesos for U.S. Uses .....	-	-	(13.8)	(59.5)	-	(73.3)
<u>*Phil. Use of Sales-Generated Pesos</u> ...	-	-	9.1	23.9	-	33.0
Economic Development Loans .....	-	-	4.9	8.8	-	13.7
Economic Development Grants .....	-	-	-	2.9	-	2.9
Common Defense Grants .....	-	-	2.8	6.5	-	9.3
Cooley Loans .....	-	-	0.9	5.7	-	6.6
Assistance from other Country Agreements	-	-	0.5	-	-	0.5
<u>Title II - Total</u> .....	-	0.1	32.8	56.7	7.0	96.6
Emergency Relief, Econ. Dev. and World Food Program .....	-	-	-	7.3	0.6	7.9
Voluntary Relief Agencies .....	-	0.1	32.8	49.4	6.4	88.7
<u>EXPORT/IMPORT BANK LONG-TERM LOANS</u>	-	20.0	136.5	16.1	20.5	193.1
<u>OTHER U.S. ECONOMIC PROGRAMS</u> .....	256.7	520.5	-	98.2	3.7	879.1
Peace Corps .....	-	-	-	25.2	3.7	28.9
Other a/ .....	256.7	520.5	-	73.0	-	850.2
<u>TOTAL ECONOMIC</u> .....	256.7	587.7	407.5	235.1	40.7	1,527.8
Loans .....	69.2	57.5	202.4	48.3	23.6	400.9
Grants .....	187.5	530.2	205.1	186.8	17.1	1,126.9
<u>MILITARY ASSISTANCE PROGRAM b/</u> .....	-	19.6	203.9	149.8	18.9	392.2
Grants .....	-	19.6	203.9	149.8	18.9	392.2
Original \$ value of U.S. Excess .....	-	(4.5)	(42.7)	(17.1)	-	(64.3)
Property transferred to Philippines						
<u>OTHER MILITARY ASSISTANCE GRANTS</u> ..	72.6	59.1	-	1.2	-	132.9
<u>TOTAL MILITARY</u> .....	72.6	78.7	203.9	151.0	18.9	525.1
<u>TOTAL ECONOMIC AND MILITARY</u> ....	329.3	666.4	611.4	386.0	59.6	2,052.7
Loans .....	69.2	57.5	202.4	48.3	23.6	401.0
Grants .....	260.1	608.9	409.0	337.7	36.0	1,651.7

a/ Includes Phil. Rehabilitation grants; \$634.6 million, Loan to Phil. Rehabilitation Finance Corp; \$60.0 million, Debt Funding; \$37.5, United Nations Relief and Rehabilitation Administration; \$7.7 million, and Phil. War Damage claims; \$73.0 million.

b/ Annual data represent deliveries; total through 1968 is the cumulative program. Charge to Foreign Assistance Act appropriations.

U.S. A. I. D. ASSISTANCE TO THE PHILIPPINES

BREAKDOWN OF TOTAL U.S. ECONOMIC ASSISTANCE-BY FORM, FISCAL YEAR, AND ECONOMY SECTOR  
FY 1951-FY 1969

In \$Million

FISCAL YEAR	G R A N T S									L O A N S				PL 480 (Food For Peace)		
	Industry	*Public Works	Agriculture	Health	Education	Community Development	**Public Administration	Miscellaneous	TOTAL GRANTS	Industry	Public Works	Agriculture	TOTAL LOANS	Sales Proceeds	Grants	Total PL 480 (Value of Commodities)
1951	2.51	.48	4.71	.24	.19	-	-	-	8.13	-	-	-	-	-	.10	.10
1952	6.97	6.69	10.58	3.94	.99	.63	.57	.03	30.40	-	-	-	-	-	-	-
1953	.65	6.04	7.97	3.18	2.93	.01	.74	(.29)	21.23	-	-	-	-	-	-	-
1954	.31	4.88	4.50	1.33	2.30	-	1.40	.55	15.27	-	-	-	-	-	.10	.10
1955	3.52	5.71	4.91	1.71	1.30	-	1.43	.77	19.35	-	-	-	-	8.55	.70	9.25
1956	1.10	4.05	4.05	3.04	.99	.30	.59	.43	14.55	-	-	-	-	16.88	1.10	17.98
1957	1.46	6.66	3.08	2.64	.80	.09	.65	.37	15.75	6.70	3.30	-	10.00	27.06	2.67	29.73
1958	.79	2.15	1.59	1.94	.74	.39	.57	.35	8.52	10.09	-	2.5	12.59	14.32	8.30	22.62
1959	.62	.59	1.23	.66	.98	.33	.36	.32	5.09	14.96	15.50	-	20.46	12.62	7.90	20.52
1960	.76	.29	.92	1.34	2.29	.35	.60	.47	7.02	9.1	-	-	9.10	12.66	5.30	17.96
1961	.30	.08	.53	.59	1.24	.12	.30	.48	3.64	-	-	-	-	30.53	6.80	37.33
1962	.59	.01	.26	1.44	.58	.11	.25	.51	3.75	-	-	-	-	-	7.60	7.60
1963	.21	.12	.19	.45	.48	.13	.35	.78	2.71	-	-	-	-	-	9.80	9.80
1964	.39	.09	.20	.69	.65	.08	.35	.75	3.20	-	-	-	-	11.40	10.70	22.10
1965	.12	.03	.36	.68	.24	.10	.36	1.08	2.97	-	-	-	-	12.57	4.83	17.40
1966	.42	.10	.10	.66	.59	.08	.54	1.17	3.66	-	-	-	-	20.00	7.96	27.96
1967	.24	.23	.55	1.20	.15	-	.63	1.57	4.57	-	-	-	-	-	6.10	6.10
1968	.17	.22	.91	2.33	.03	-	1.42	.88	5.96	2.00	4.70	-	6.70	-	6.31	6.31
1969	-	.38	.96	2.30	-	-	1.03	.92	5.59	3.10	-	-	3.10	-	10.30	10.30
19 Year Total	21.13	38.80	47.60	30.36	17.47	2.72	12.14	11.14	181.36	35.95	23.50	5	61.95	166.59	96.57	263.16

\* Includes transportation and communication projects.

\*\* Includes Internal Security (Public Safety) projects.

Total Aid - \$506.5 Million

U. S. A. I. D. ASSISTANCE TO THE PHILIPPINES

DOLLAR LOANS  
FY 1957-FY 1969

<u>Date</u>	<u>Borrower</u>	<u>Purpose</u>	(\$1. 0= <del>₱</del> 3. 9) <u>Amount</u>
July 24, 1956	Govt of the Philippines *IGLF \$6, 700, 000 Public Works 3, 005, 218 Nat. Power Corp 294, 782	Project Assistance	\$10, 000, 000
July 15, 1957	Govt of the Philippines IGLF 7, 500, 000 Agric. Loans 2, 500, 000	Project Assistance	10, 000, 000
May 6, 1958	Central Bank of Philippines	Small Industry Loans	2, 588, 055
Sept. 29, 1958	Govt of the Philippines	Project Assistance	4, 967, 214
June 29, 1959	Govt of the Philippines	Public Works & Comm.	15, 500, 000
July 10, 1959	Bataan Pulp & Paper Mills	Paper Mill	5, 400, 000
Oct. 26, 1959	Development Bank of Phil.	Cement Plant	3, 700, 000
Sept. 14, 1967	Govt of the Philippines	Feasibility Studies	2, 000, 000
Sept. 14, 1967	Govt of the Philippines	Irrigation Rehab	4, 700, 000
Aug. 31, 1968	Development Bank of Phil.	Rural Electric Coops	2, 000, 000
Aug. 31, 1968	Development Bank of Phil.	Rural Electric Coops	<u>1, 100, 000</u>
		T o t a l	<u>\$61, 955, 269</u>

\* Industrial Guarantee & Loan Fund

U. S. A. I. D. ASSISTANCE TO THE PHILIPPINES

\*COOLEY LOANS  
FY 1961-FY 1966

<u>Date</u>	<u>Borrower</u>	<u>Purpose</u>	(₱3. 9=\$1. 0) <u>Amount</u>
Feb. 17, 1961	Argo Refining Co.	Cassava Starch Facilities	₱ 1, 500, 000
Oct. 11, 1961	Wyeth-Suaco Lab.	Pharm. Plant Facilities	375, 000
April 15, 1963	White Rose Packing Corp.	Sardine Cannery	7, 000, 000
May 18, 1964	General Milk Co.	Work Capital/ Construction	2, 500, 000
Jan. 2, 1964	Wyeth-Suaco Lab.	Lab. /Plant Facilities	3, 000, 000
Dec. 7, 1964	Filipino Magnetite (FILMAG)	Iron Sands Mining Operation	1, 500, 000
May 11, 1965	Arbor Acres Co.	Poultry Breeding Farm	1, 600, 000
April 18, 1966	Bataan Pulp/Paper Mills	Plant Rehabili- tation	4, 000, 000
		Total	<u>₱21, 475, 000</u>

\*Cooley Loans, named for former U. S. Congressman Harold D. Cooley, are local currency loans made available through AID from the proceeds of agricultural commodity sales under Title I of U. S. Public Law 480 (under the Title I provision, U. S. surplus agricultural commodities are sold to the Philippines for Pesos and such Pesos are then granted to the Philippine Government for development purposes, or used for loans). Cooley loans may be made to U. S. firms in the Philippines for their business development and trade expansion, and to domestic or foreign firms for the establishment of facilities for aiding in the utilization, distribution, or otherwise increasing the consumption of, and markets for, United States agricultural products.

U. S. A. I. D. ASSISTANCE TO THE PHILIPPINES

LOCAL CURRENCY DISTRIBUTION

FY 1951-FY 1969

(Cumulative to June 30, 1969)

<u>SOURCE</u>	(₱3.9=\$1.0)	
	<u>OBLIGATIONS</u>	
<u>P. I. 480 Title I:</u>		
Military Construction (104 c)		₱30,635,939
Cooley Loans (104 e)		21,475,000
Economic Development Loans (104 f)		43,793,828
Other Loans (Originally "Title IV")		
Irrigation Development Projects (Nat. Irrig. Admin.)	18,000,000	
Price Stabilization Program (Rice/Corn Admin.)	12,300,000	
Coconut Industry Development	10,000,000	
Agricultural Credit - Farmers Cooperatives	6,000,000	
Agricultural Credit - Cooperative Grain Marketing	4,000,000	
Mindanao State University	1,150,000	
Grants: (104f)		
Community Development	9,286,638	
Land Bank	329,302	
Rice & Corn Production	208,298	
Pre-Investment Survey	220,335	
Nutrition Support	535,806	
Shallow-Well Pump Irrigation	250,000	
Philippine Economic Society	25,000	
Pampanga National Agricultural School	150,000	
<u>Section 402 (Mutual Security Act):</u>		
<u>Grants:</u>		
Military Construction		89,924,198
Community Development		26,596,341
Textbook Production		9,370,000
Construction - University of the Philippines		2,021,844
Land Bank		270,698
Rice & Corn Production		2,291,702
<u>Loans:</u>		
Development Corp. -Philippines		27,500,000
Industrial Development Loans		28,037,910
Agricultural Development Loans		5,000,000
Agricultural Services (Vehicle Loan Fund)		250,000
<u>Counterpart Funds:</u>	<u>Deposits</u>	<u>Disbursements</u>
Project Support (Includes Trust Fund)	P266,090,922	₱261,639,175

U.S. A. I. D. ASSISTANCE TO THE PHILIPPINES

\*EXCESS U.S. PROPERTY TRANSFERRED TO PHILIPPINE GOVERNMENT  
FY 1963-FY 1969

	<u>FY 63</u>	<u>FY 64</u>	<u>FY 65</u>	<u>FY 66</u>	<u>FY 67</u>	<u>FY 68</u>	<u>FY 69</u>	<u>TOTAL</u>
607 EXCESS:	205,096	747,594	1,053,842	1,919,545	2,747,554	3,907,923	2,596,373	\$13,177,927
608 EXCESS:	<u>-</u>	<u>227,893</u>	<u>1,633</u>	<u>445,121</u>	<u>704,890</u>	<u>252,731</u>	<u>436,591</u>	<u>\$ 2,252,842</u>
TOTAL	<u>205,096</u>	<u>975,487</u>	<u>1,055,475</u>	<u>2,364,666</u>	<u>3,452,444</u>	<u>4,160,654</u>	<u>3,032,964</u>	<u>\$15,430,769</u>

"607" Excess Property ("As is/Where is") from Clark AFB, Subic Naval Base, Sangely Naval Air Station

"608" Excess Property (Rehabilitated) from U.S. facilities in Japan, Germany, and U.S.

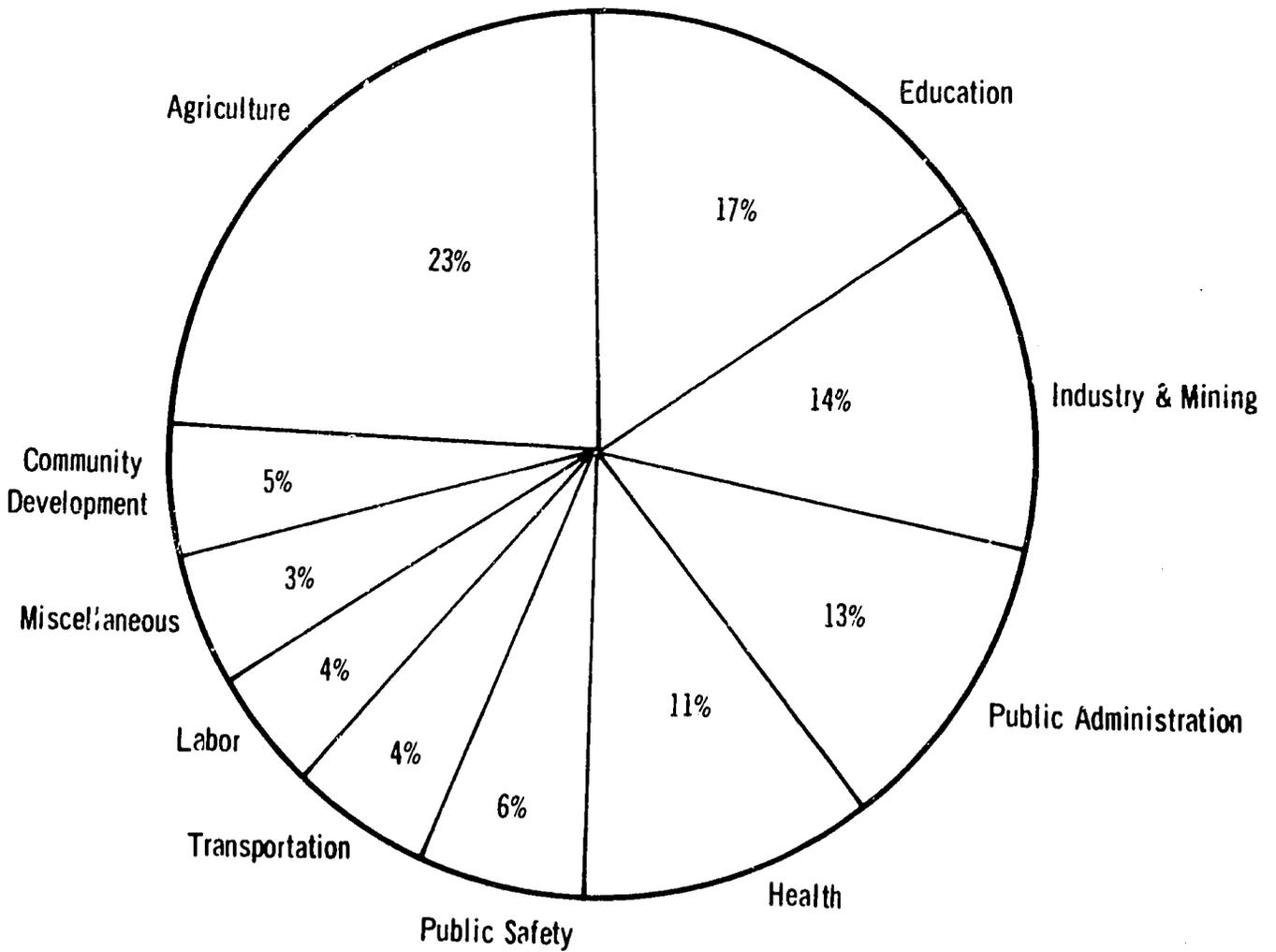
\* Based on original dollar acquisition value.

Data Current: June 30, 1969

U. S. A. I. D. ASSISTANCE TO THE PHILIPPINES

PARTICIPANT TRAINING PROGRAM  
FY 1952-FY 1969

BY ACTIVITY FIELD



Detailed Breakdown - next page

U. S. A. I. D. ASSISTANCE TO THE PHILIPPINES

PARTICIPANT TRAINING PROGRAM  
FY 1952-FY 1969

<u>FY Funding</u>	<u>Total Participants</u>	<u>Number Who Have Completed Training</u>	<u>Number Now in Training</u>	<u>Number Awaiting Start of Training</u>
1952	100	100	0	0
1953	119	119	0	0
1954	305	305	0	0
1955	347	347	0	0
1956	292	292	0	0
1957	308	308	0	0
1958	265	265	0	0
1959	250	250	0	0
1960	332	332	0	0
1961	183	183	0	0
1962	168	168	0	0
1963	233	232	1	0
1964	154	154	0	0
1965	156	155	1	0
1966	110	109	1	0
1967	80	80	0	0
1968	105	86	16	3
1969	45	13	9	23
	3,552	3,498	28	26