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AID's Challenge
in an interdependent world

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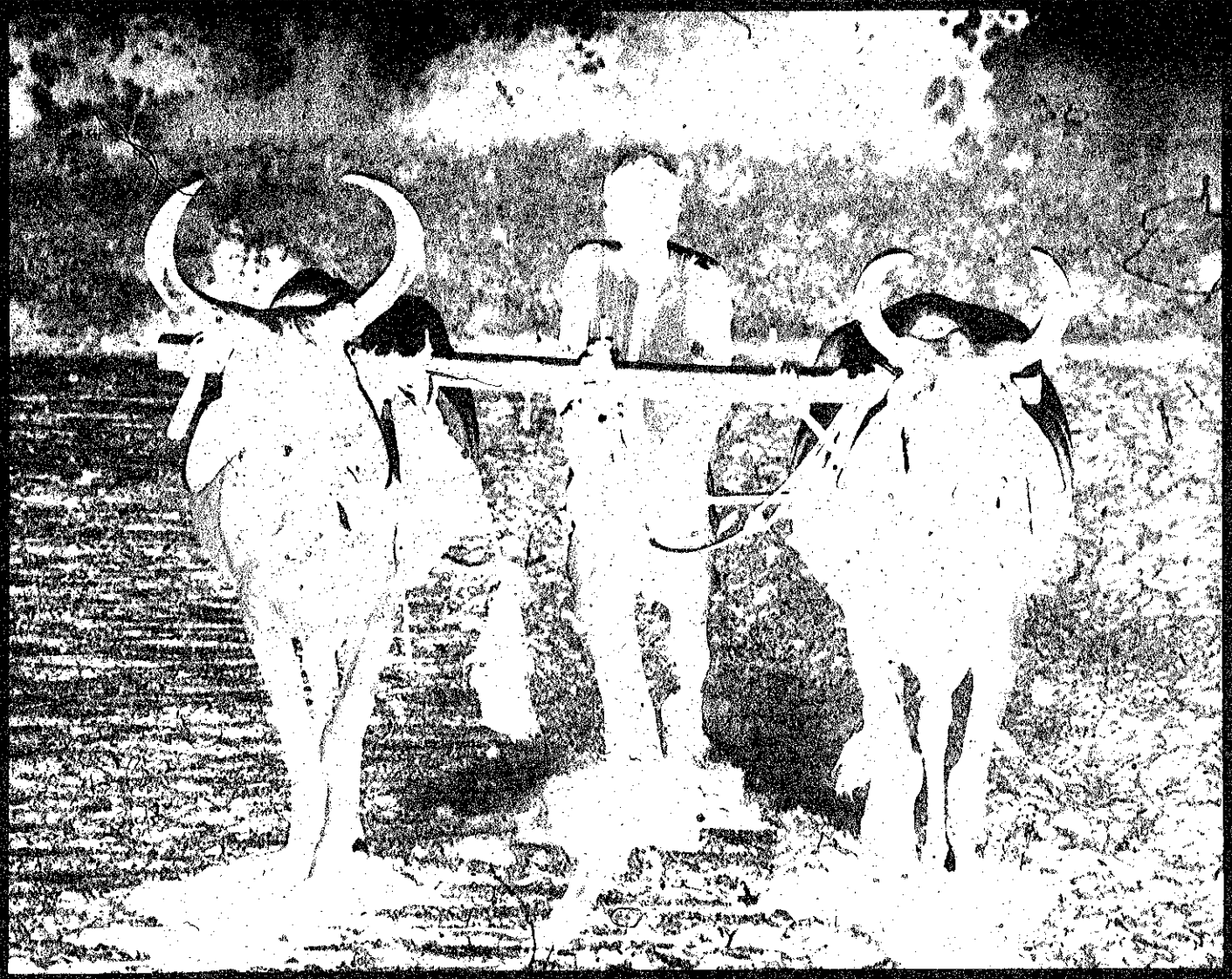
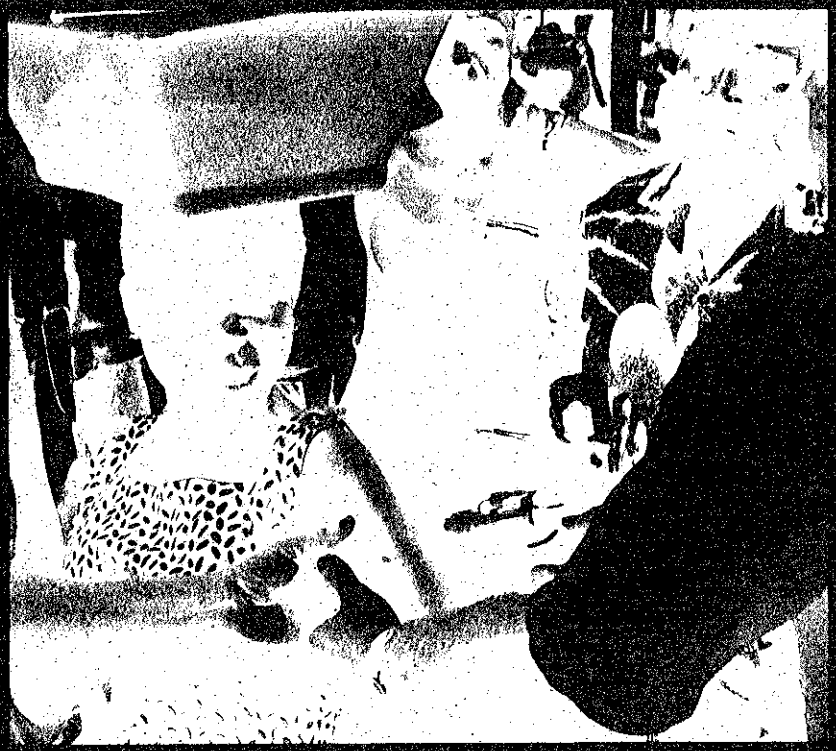


Why Foreign Aid?



- *A farmer in Asia grows more wheat . . .*
- *A mother in the Middle East learns how to plan her family . . .*
- *A family in Africa is protected against measles . . .*
- *A child in Latin America learns to read . . .*

These are some of the ways in which foreign aid is helping people help themselves—helping to improve the quality of their lives.

The people are the millions who live in the developing world—in teeming shanty towns and isolated mountain villages, in patchwork desert tents, rural huts, on city pavements. They are people for whom poverty, illiteracy, hunger and disease are a way of life. They are three-quarters of the inhabitants of this planet struggling to be free of mass misery and despair. How well they succeed will shape the future of the world.

Programs to assist these people reflect an American tradition of sharing and helping the needy as well as enlightened national self-interest. In part, foreign aid is an expression of the American people's sense of justice and compassion. It also plays an important role in the continuing effort to achieve an enduring structure of world peace. This role is essential to the quest for global tranquility, freedom and progress.

There are some things, however, that foreign aid cannot do. Experience has shown that it cannot right all social wrongs or solve every economic problem in a developing country. It cannot bring about instant progress. Nor is it designed to accomplish alone what diplomacy cannot. It must be considered as a complement to other elements of foreign policy.

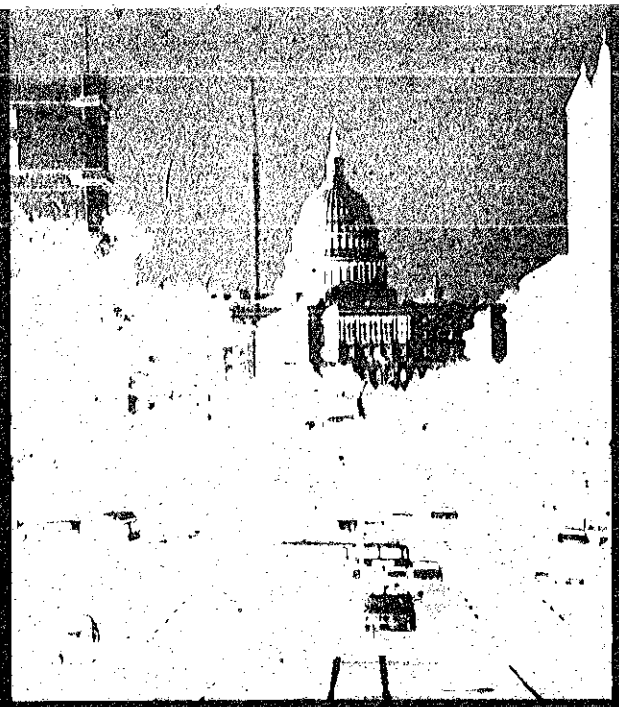
What, then, is the purpose of U.S. foreign aid?

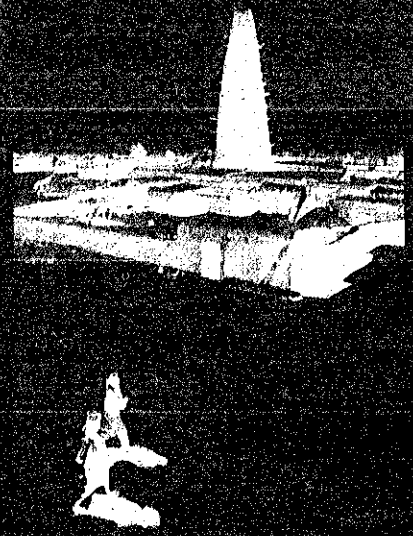
Congress has defined the reasons for providing assistance this way:

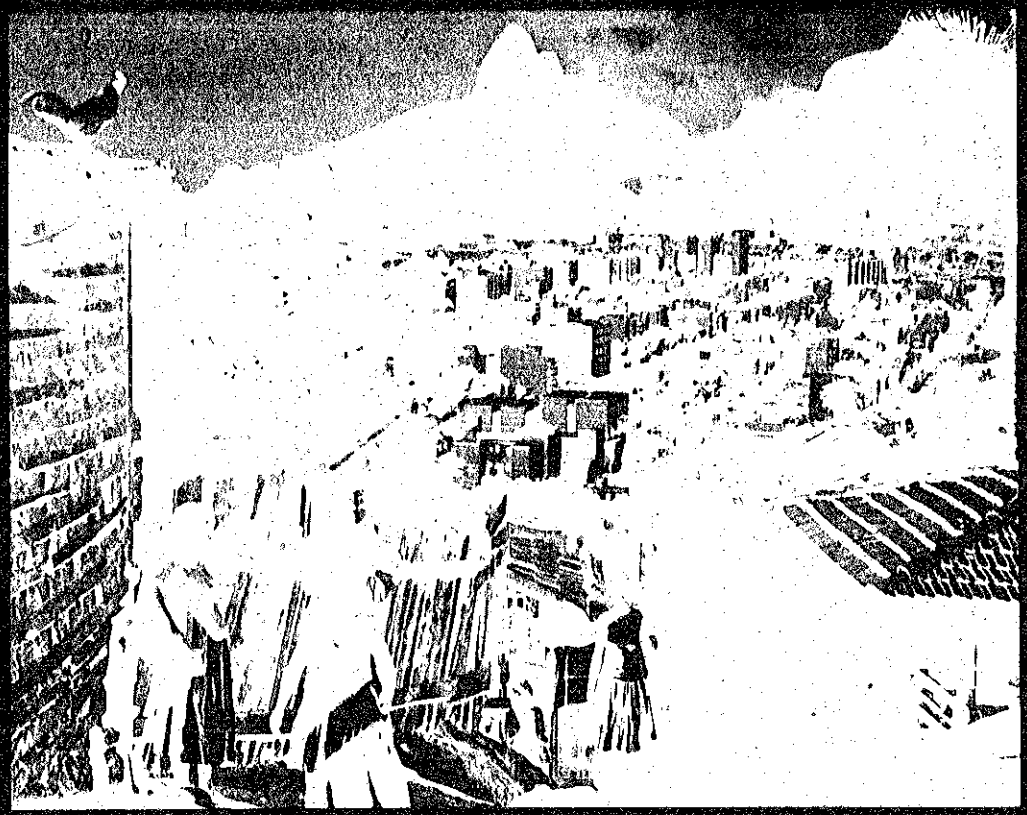
"The freedom, security and prosperity of the United States are best sustained in a community of free, secure

and prospering nations. Ignorance, want and despair breed the extremism and violence which lead to aggression and subversion."

Since the beginning of foreign assistance programs, it has been U.S. policy, as Congress has stated, "to assist the people of less developed countries in their efforts to acquire the knowledge and resources essential for development and to build the economic, political, and social institutions which will meet their aspirations for a better life, with freedom, and in peace." In this, Congress is giving voice to the American people's traditional support for such assistance. Public opinion polls reveal that Americans favor the concept of foreign economic aid. One recent survey showed a favorable margin of 52 to 38 percent. This support rises to 79 percent in favor versus 13 percent opposed when Americans believe that the aid actually reaches the people for whom it is intended.







"No Separate Futures"

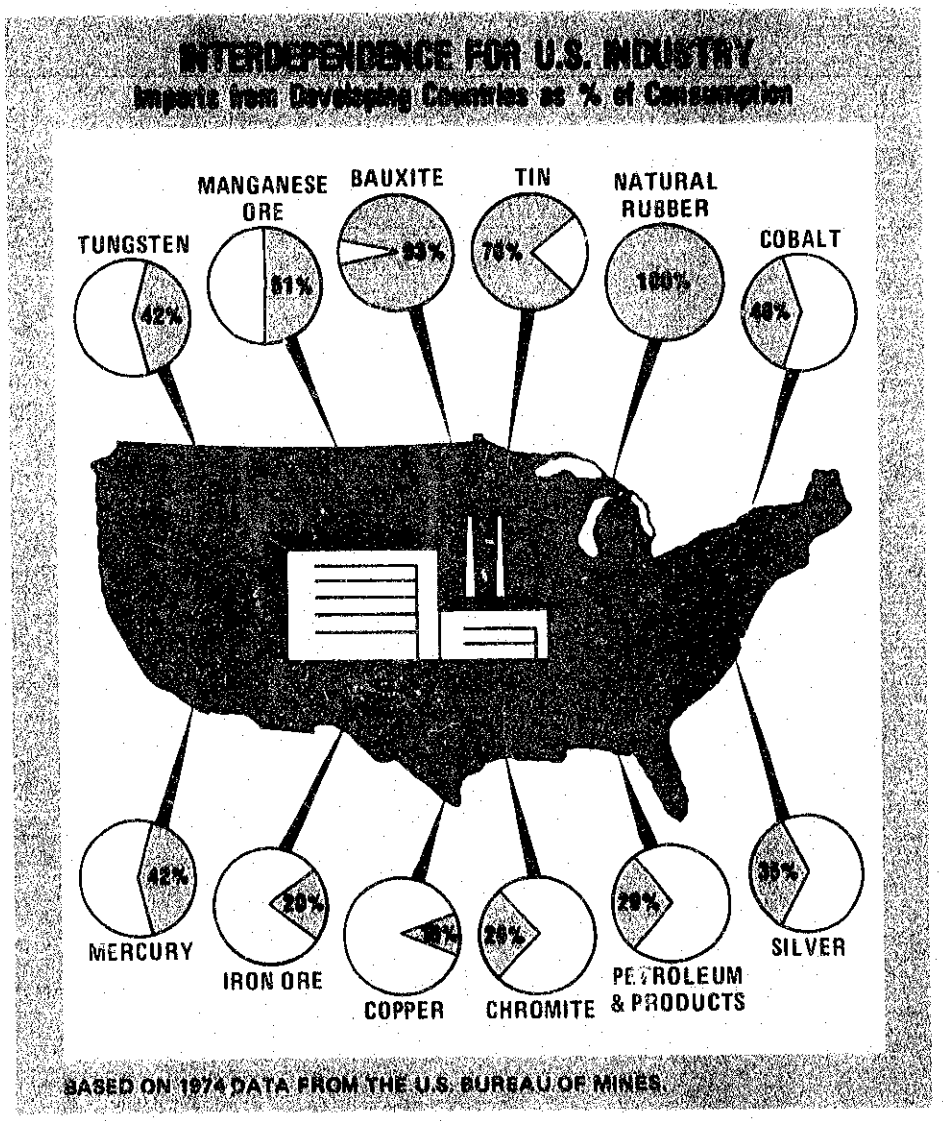
"There are no separate futures for rich and poor."

That statement by the Administrator of the Agency for International Development sums up the overriding reality of our modern world—interdependence. The time has passed when size, strength and near self-sufficiency insulated the United States from economic and political conditions elsewhere. Instantaneous communication, rapid transportation and other technological advances have shrunk the planet. Few of the problems we face today are without international dimension.

Events of the past few years have brought home to Americans as never before that our national interests, security and economic well-being and those of the rest of the world are inextricably bound together. For example, the 1973 war in the Middle East, although confined to a relatively small area of the globe and directly involving only three countries, affected the entire world. Motorists in the United States and Europe were forced to wait in line for hours for gasoline; farmers in Asia faced a shortage of fertilizer for their rice and wheat crops; prices of commodities in Africa soared because of increased fuel costs; in Latin America the encouraging tempo of economic progress in most countries slowed down.

Interdependence links the fate of all people, whether they live in the affluent United States, a crowded city of the Far East, a barrio in Latin America, or a desert town in Africa.

Like every other nation, the United States depends to some degree on other countries as sources of supply for basic resources and as markets for our products. The United States imports between 50 and 100 percent of many vital raw materials, including silver, natural rubber, cobalt, aluminum, tin, tungsten, nickel, manganese, asbestos, platinum, mercury. We also import sizable quantities of copper, lead and iron ore. Substantial portions of these strategic commodity imports come from developing countries, as for example, iron, copper, cobalt and manganese imports; some three-quarters of our aluminum and tin imports, and all of the natural rubber.



Another measure of interdependence are the markets where the products of American enterprise are sold. Expansion of such trade in turn creates jobs for American workers. About 40 percent of total U.S. exports in 1975 went to developing countries.

In addition, American companies increasingly are finding opportunities in the developing world for productive investment of U.S. capital and technology. In 1975, for example, almost 60 percent of all new American investment abroad went to developing countries; this represented a four-fold increase over 1973.

Developing countries, for their part, need American skills, capital and technology to help feed their people, develop their human and financial resources, exploit natural resources and improve the social and economic well-being of the poor majority of their populations.

This growing global interdependence makes assistance to the developing countries a major element of U.S. foreign policy. A world polarized into rich and poor, haves and have-nots, will remain unstable—a threat to peace, security and progress. Thus, the challenge of poverty and underdevelopment is in no small part the challenge of shaping a just and more equitable international order in which all nations have a stake.

An AID technician's innovative idea for vinyl "green houses" has enabled some Korean vegetable farmers to extend their growing season.

The Marshall Plan helped Europe recover from the destruction of World War II.

AID in Perspective

To put the approaches needed for this interdependent era in perspective, it may be useful to review briefly the nature and background of U.S. foreign economic aid, once described as "an American invention."

What is this "invention?"
Broadly speaking, foreign assistance is the transfer of food, manufactures, expert services, technology and other resources in the form of grants or long-term low-interest loans.

Grants are employed to support specific development efforts designed to assist the poorest people; to provide immediate emergency assistance, often in the case of natural or other disasters; to assist non-governmental agencies and institutions in humanitarian and development activities; to finance research, both within the United States and in developing countries, and to expand the competence of American institutions, particularly colleges and universities, in essential development fields. Technical assistance often is extended through grants to speed the solution of complex development problems that require expertise in highly specialized areas.

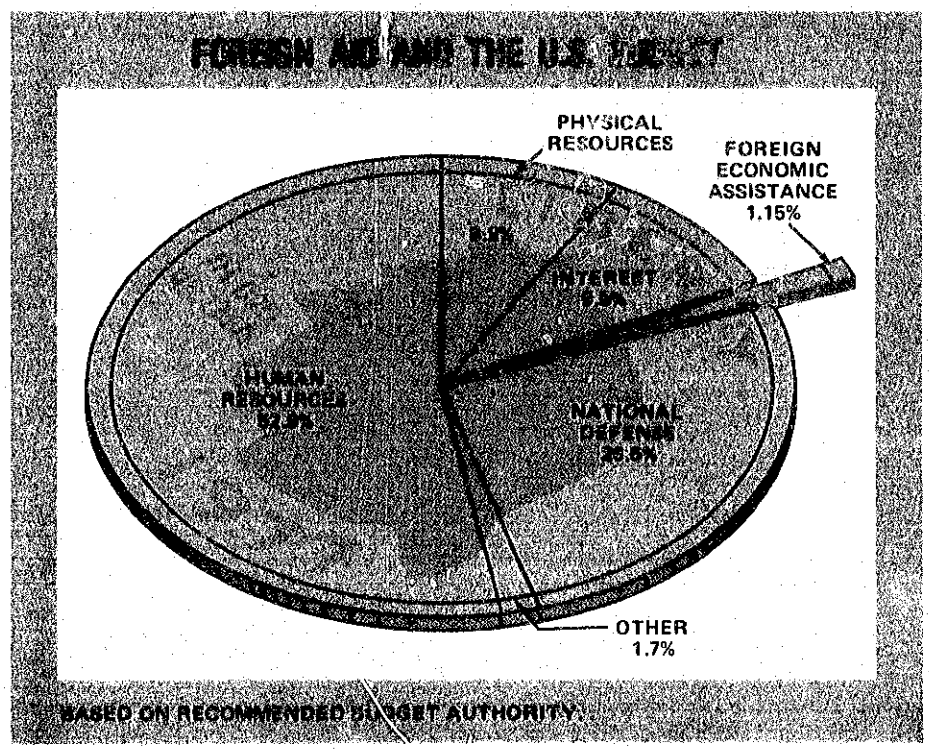
more productive. Many techniques have been employed. One of the newest is the use of space satellites. The innovative Project AIDSAT has demonstrated, through the use of NASA's Applications Technology Satellite Number 6, how satellite technology can be applied to development. Potential exists for this advanced technology to be used to bring education, new skills and technology to the most isolated populations; assess natural disasters, and help to locate and assess natural resources.

Has Aid Succeeded?

In a number of developing countries, such as Taiwan, Iran, Turkey, Greece, Israel and Brazil, foreign aid has contributed significantly to steady economic and social progress. In Taiwan, which received substantial U.S. economic assistance up to 1965, when the AID program ended, the Gross National Product has increased more than six times over the past 20 years, and real per capita income rose 230 percent over the same period. Taiwan's exports have soared, making it one of the top trading nations in Asia, and U.S. exports to the island nation jumped from a largely U.S.-financed $275 million in 1960 to $1.66 billion in 1975. Social progress has followed, too: Taiwanese literacy is estimated at 88 percent; the infant mortality rate is lower than that of the United States; life expectancy is 69 years, nearly that of the United States.

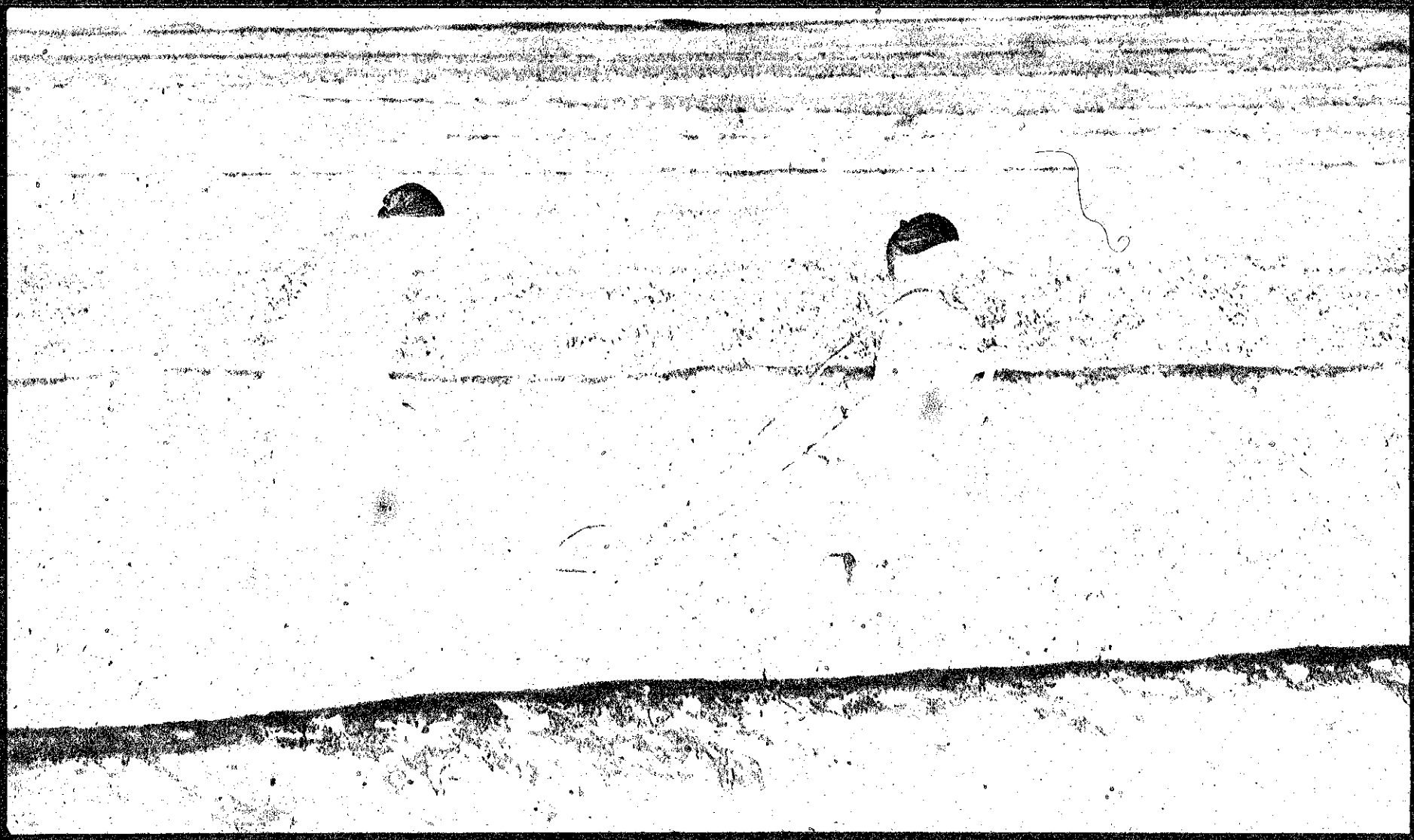
What Does Aid Cost?

In recent years, the annual cost to the United States of foreign aid has amounted to slightly more than one cent out of each Federal budget dollar. Among the leading 17 non-Communist countries providing aid, the United States in 1975 stood 12th in the amount of aid provided in relation to Gross National Product. U.S. foreign aid accounts for one-quarter of 1 percent of the nation's GNP—considerably less than what the American people spend for alcoholic beverages, or pet food, or cosmetics, or toilet articles.



Foreign economic assistance comprises a small part of the federal budget in a typical fiscal year.

One of the misconceptions about foreign aid is that the money appropriated is spent overseas and there is no return. Actually, more than 70 cents of every dollar committed for goods and services in the foreign aid program is spent in the United States, thus creating and maintaining jobs for Americans. As for commodities alone, more than 90 percent are bought in the United States. Also, of the total $36.7 billion in loans made by the United States from 1946 through 1975, nearly half—$18 billion—has been returned to the U.S. Treasury through repayments of principal and interest. The $18 billion represents about 16 percent of all economic assistance funds (loans and grants) during the period.



The Challenge

The developing countries—the so-called Third and Fourth Worlds—number more than 100. About 70 of them are comparatively new nations, having gained independence since 1950. The developing countries contain three billion of the world's four billion people.

A few statistics portray what "life" is like for these three billion:

- From 400 million to 500 million of them suffer from malnutrition;
- Average per capita income for over a billion is about $150 annually, an amount earned by a typical American worker in less than a week. In some countries per capita income is as low as $80 to $90 a year;
- More than half have never been to school;
- One out of five children will not live to reach the age of five;
- Millions have no access to even the most rudimentary health services;
- Life expectancy is 52 years compared to 71 years in the United States.

Despite these problems, the economies of the developing countries in the past 10 years have grown on average at the relatively rapid rate of 6 percent per year, thanks in part to foreign aid. Manufacturing output has increased by 100 percent; food production has risen; the number of children in schools has doubled.

However, high rates of population growth, inflation, increased demand, the energy crisis and related shortages have slowed these gains in many countries, reducing the 6 percent total growth rate to a per capita net of 3 percent. These factors continue to hamper the ability of the poorest nations to feed their people, educate their children, combat disease and provide jobs.

Primitive agricultural methods must be changed to feed the world's burgeoning population.

Aid for the Poorest

AID has grappled with the problem of food supply versus population growth over the years, but it became evident in the 1970s that new initiatives were needed. Noting that "the conditions which shaped our aid in the past have changed," Congress in 1973 called for a revision of U.S. economic aid policies. Legislation now states: "United States bilateral development assistance should give the highest priority to undertakings submitted by host governments which directly improve the lives of the poorest of their people and their capacity to participate in the development of their countries."

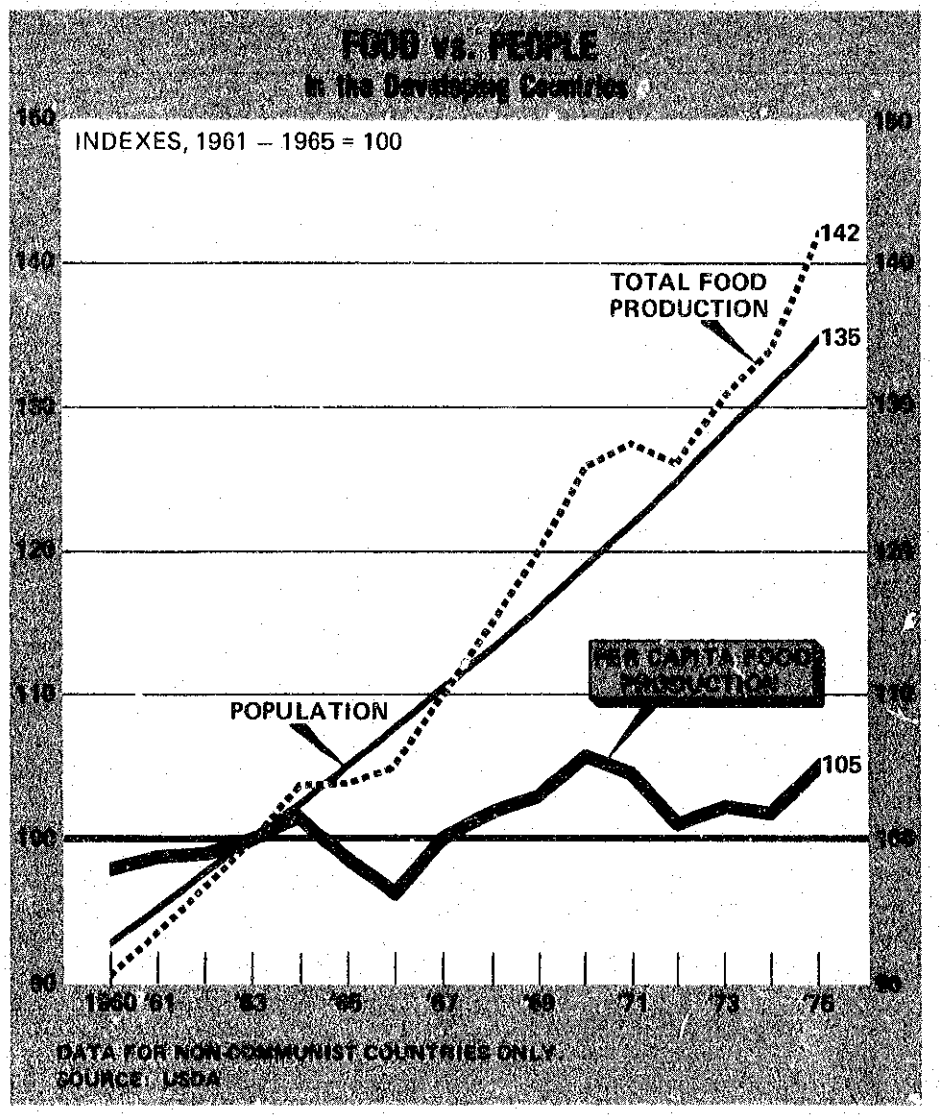
Today, 76 percent of U.S. development assistance goes to countries where per capita income is less than $300 a year. Equally important, AID

Poverty is the way of life for the majority of people throughout the developing world.

is seeking to focus its assistance on those population groups which are most disadvantaged, and which, in the past, have been largely excluded from the development process in their countries. Accordingly, a major objective of AID policies and programs is that the benefits of growth be shared more equitably and that the basic needs of "the poor majority" be met. AID requires that within developing countries the projects and programs the Agency supports should benefit those groups whose income, nutrition and health fall below certain levels.

Environmental Protection

On another front dealing with an important aspect of world interdependence, special consideration is given to the environmental consequences of AID's programs. New regulations as well as a position of Environmental Coordinator have been established to ensure that environmental factors are carefully weighed and integrated into development planning and assistance. To an increasing extent, AID also is helping countries develop and manage environmental protection measures of their own, particularly in those areas involving solid waste, noise, radiation, hazardous substances and development of energy and natural resources.



Total food production in the developing countries has increased over the years, but population growth has nearly cancelled out the gains.

"People-Oriented" Programs

AID's restructured programs also reflect the fact that many problems faced by the less developed countries have no close parallel in Western experience. Three decades of providing aid have shown that the simple transfer of existing technology and managerial skills—like the simple transfer of capital resources—does not necessarily provide adequate or desirable solutions to development problems. Extensive technical and cultural adaptation as well as new approaches often are needed.

Accordingly, AID is concentrating on "people-oriented" programs that will be effective in bringing benefits to the poor by helping them play a productive role in their own economies.

Food and Nutrition

The discussions and resolutions of the U.S.-initiated World Food Conference in 1974 dramatically revealed not only the extent and nature of world hunger and malnutrition, but also indicated ways to address the problem. One approach might have been to expand food aid from the food surplus countries sufficiently to meet expected deficits, but the massive increase required would create equally massive problems, especially in shipping and distribution systems. Fortunately, numerous developing countries themselves contain the greatest potential for increased production since their agricultural yields are roughly one-third those of the developed countries and they also have relatively greater amounts of unused land and water.

But to realize this potential requires increased agricultural research and application of technology; greater use of fertilizers and pesticides; stronger supporting infrastructure and national planning aimed at raising the incomes and nutritional levels of low-income families as well as food production. Especially important are programs aimed at permitting small farmers and the rural poor to participate actively in development, so that the process of expanding incomes, employment and food production will become widespread and self-sustaining.

U.S. assistance for food production and nutrition programs has resulted in substantial progress. Some examples:

- Since 1965, the land planted to high-yielding varieties in the non-Communist less-developed countries of Asia and North Africa increased from 145,000 acres to more than 100 million acres. It is estimated that almost 40 percent of the total wheat acreage and over 25 percent of the total rice acreage are in high-yielding varieties.

- Irrigation projects are being assisted. In Afghanistan's Helmand Valley 363,000 acres have been brought under cultivation through irrigation projects.

- Agricultural training institutions have been established in developing countries through AID's sponsorship.

AID is helping small farmers boost food production by making available high-yield seeds.

• Assisted by AID and other nations, fertilizer plants are being constructed in a number of developing countries. Pakistan and Bangladesh, for example, are building new fertilizer factories, which will utilize their own ample reserves of high quality natural gas. AID has programmed over $16 million to support the new International Fertilizer Development Center in Muscle Shoals, Ala., which has launched a major effort to discover new fertilizers and fertilizing methods for use in tropical less-developed nations.

• The United States is the largest single donor to the Consultative Group on International Agricultural Research, which coordinates funding for eight international research centers. The primary purpose of the centers, which receive up to 25 percent of their financial support through AID, is to support efforts in the developing countries aimed at increasing food production and improving food quality. Particular emphasis is given to the development of new agricultural technologies and better farming practices.

• Small farmers are being helped. In Guatemala, with financial and tech-

Above: Fisheries projects provide an abundant, low-cost source of protein. Right: Technicians like this Brazilian seed specialist are working to improve seed varieties.

nical support from AID, new lands are being opened up to settlement by small farmers and landless laborers and approximately 300 kilometers of farm-to-market roads are scheduled for construction. The INVIERNO program in Nicaragua is providing easy credit and extension services to small farmers.

• AID is participating in programs to expand food storage facilities and related training. In Senegal, for example, the Government buys and stores large quantities of locally produced foodgrains as a buffer against future droughts and as an incentive to cereals production.

In the area of nutrition, AID is assisting numerous programs:

• High-protein, soy-fortified products and other foods donated under the Food for Peace program are being distributed by U.S. voluntary agencies to nearly 25 million children around the world.

• In several Asian countries, U.S. food aid is being used in part to subsidize the food consumption of the poor through fair price shops. Nearly 1.5 million needy mothers, pre-school and school-age children in the Philippines are receiving high-protein foods.

• In Central America, two countries are fortifying sugar with Vitamin A. Several Asian countries are attempting to fortify tea, salt and flavoring agents. In each case these unconventional "carriers" reach those in greatest need. In each case AID technical assistance was involved.

AID has long utilized the invaluable resources of America's agricultural colleges and universities. The schools have furnished hundreds of consultants and advisors in agriculture and nutrition programs. They have helped create colleges and training schools modeled on the land-grant concept and have provided guidance and training for faculties. One of the latest cooperative efforts in the food and agriculture field is the so-called "Title XII" liaison between AID and U.S. land-grant and sea-grant institutions. Through a Board of International Food and Agricultural Development, the employment of resources from the academic community will be substantially expanded. The name "Title XII" stems from legislation authorized by Congress in the Foreign Assistance Act of 1975.

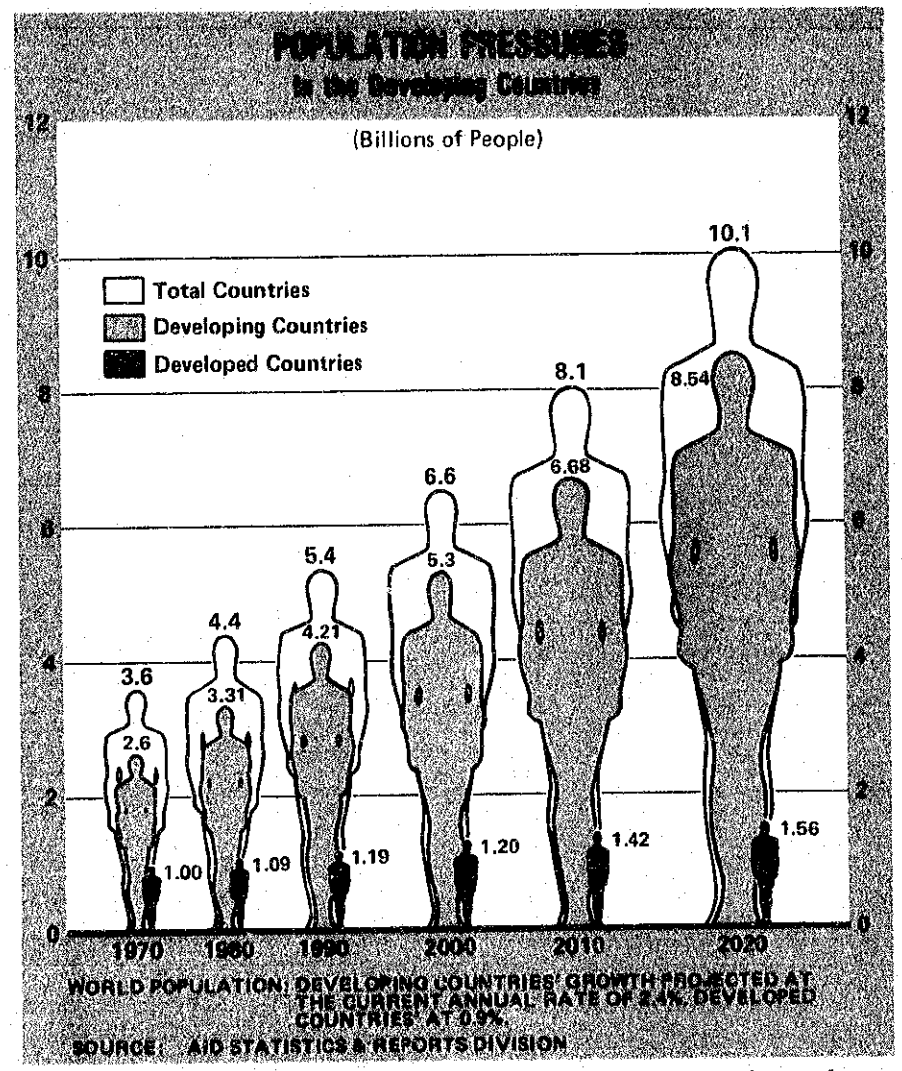
Irrigation is a critical element in increasing agricultural productivity.

grated, low-cost health delivery systems. In populous countries relying on "labor-intensive" approaches to development, health/family planning measures that help increase productivity and learning capacity are particularly crucial to development progress.

AID's assistance is provided in each instance only at the request of the host government or institution. Family planning policies and programs in the developing countries are determined by the governments themselves. AID supports these policies and programs with loans, grants, technical assistance, advisory services or whatever assistance is feasible and appropriate.

Many of AID's efforts in the population field are channeled through nongovernmental agencies such as the International Planned Parenthood Federation, the Pathfinder Fund and the Population Council. Some of these organizations began programs several decades ago. In addition, AID finances population research and training by U.S. colleges and universities.

In 1963 only four developing countries had national family planning



World population will double in 35 years if present rates of growth are not checked.

policies and programs. By the beginning of 1976, more than 80 developing countries had established some kind of policy and program. For example, before 1966 no Central American country had started a major family planning effort. Today most Central American governments support some services within their national health programs.

In some developing nations—notably Singapore, Taiwan, Korea—rapid development and expanding opportunities for women, in conjunction with provision of family planning services, have sharply reduced birth rates. Information and effective contraceptive methods are generally available and birth rates have fallen significantly.

Integrated Health Plans

The integrated delivery of health, nutrition and population services is emphasized by AID as an approach that promises to benefit the largest number of people, including those in isolated rural areas. Such programs expand training of para-medical and non-medical personnel, provide contraceptive supplies, take account of social and economic factors influenc-

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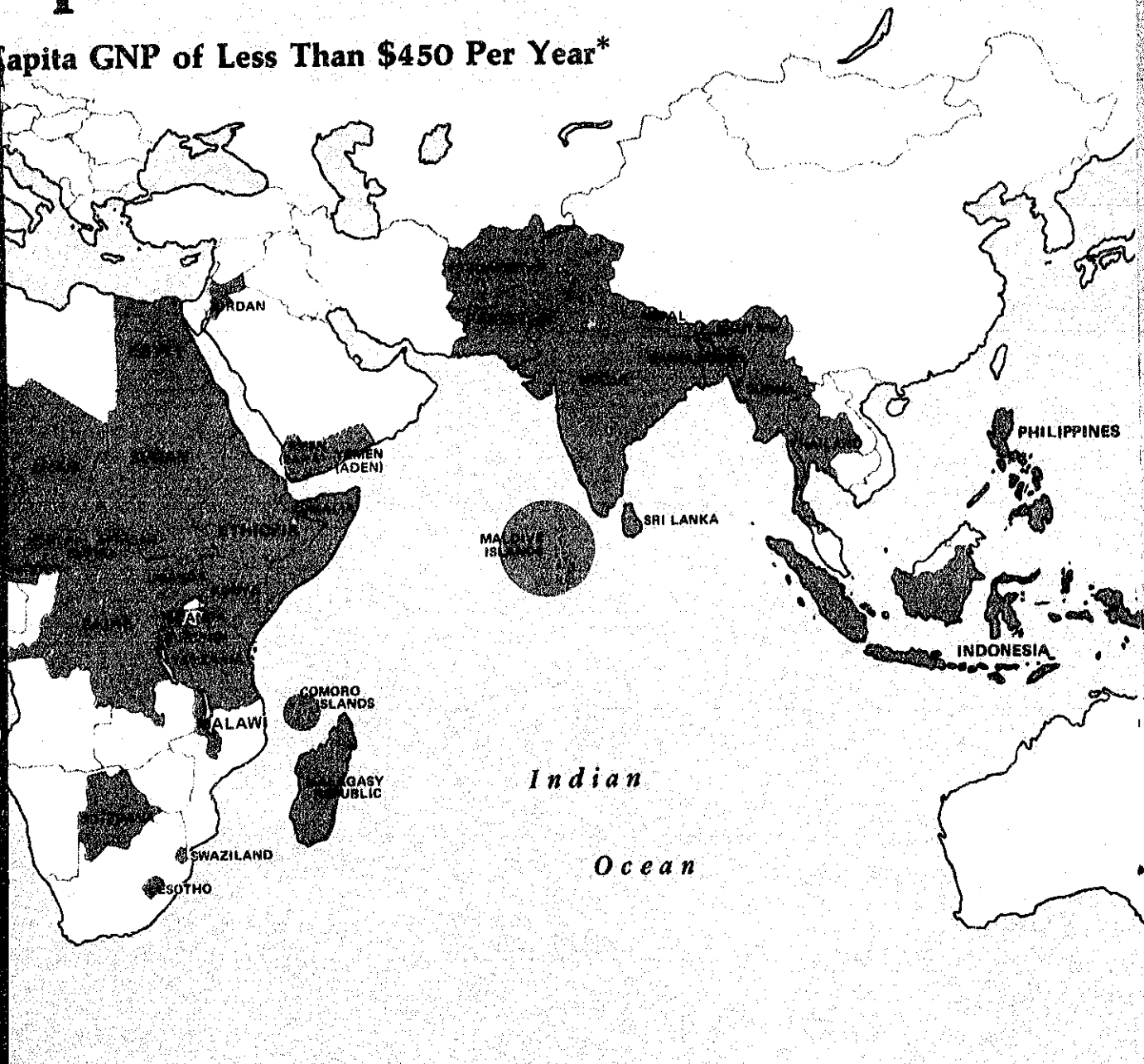
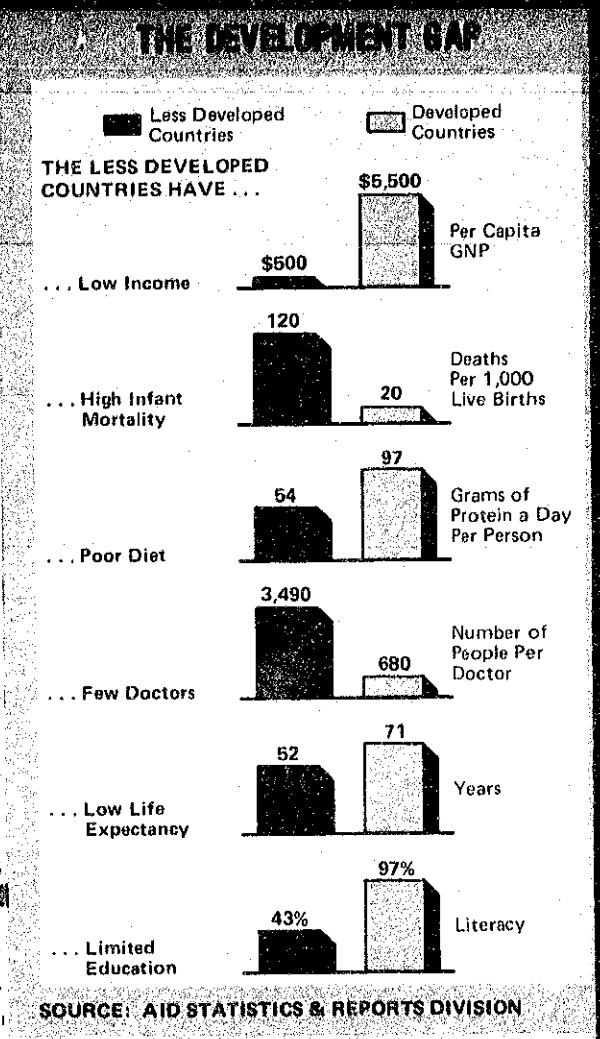
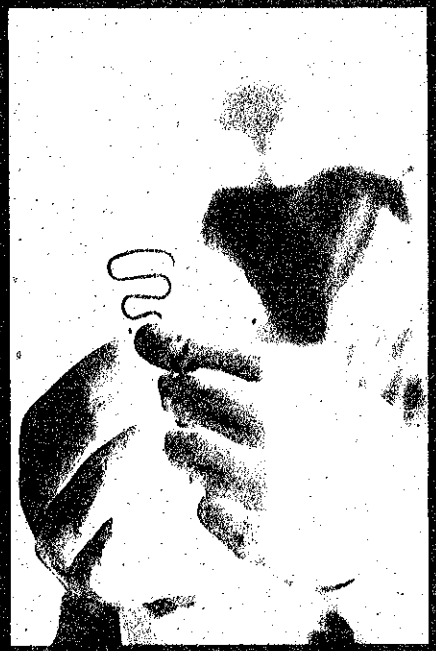




The differences between developed and developing countries are shown here.

*Based on 1974 data included in World Bank Report for 1976.



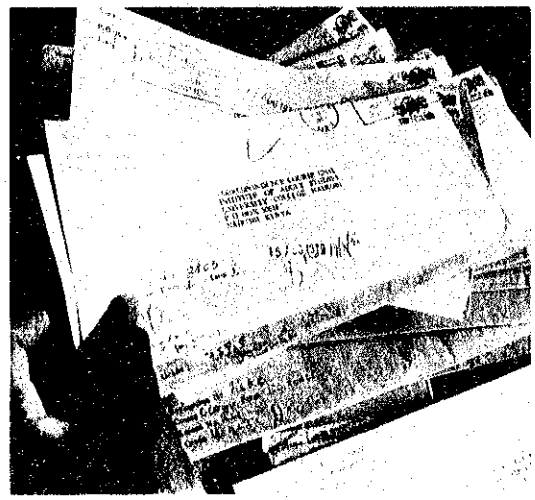
AID provides funds for contraceptives such as the "loop" for use in family planning campaigns.

Above: A Thai health worker sprays a dwelling in the continuing war against the malaria-carrying mosquito. Below: A rural health clinic in Nepal provides basic maternal and child care as well as family planning services.

ing fertility and generally improve rural environmental health. Some examples:

- Under a five-year, $8.4 million program in Thailand, some 12,000 paraprofessionals recruited from rural areas are being trained as part of a nationwide network for the distribution of contraceptives and basic health information. Parts of Thailand's system of using family planning information in literacy programs have been adopted in Turkey, India, the Philippines and Malaysia.
- U.S. assistance to Tunisia includes education and medical advisors, participant training, contraceptive supplies and contributions toward local operating costs. One result has been about an 11 percent decrease in the general fertility rate from 1971 to 1974.
- In 1976, 21 countries were participating in the development of low-cost delivery systems to provide health, nutrition and family planning services. Health planning on a national scale is being expanded from seven to 21 countries.

• In Swaziland, six experts from Eastern Michigan University are training local people in curriculum development as part of a government program to restructure the national educational system. The goal is to shape a school system that will better meet the needs of the population—particularly for vocational, rural and nonformal education—than the existing formal educational system. AID is providing $3.2 million to support the five-year program.



Above: An education program in Ecuador emphasizes what adults can do to improve their own lives. Left: A radio correspondence course for primary school teachers, developed by the University of Wisconsin and AID, has improved the quality of instruction throughout Kenya.

El Salvador's unique educational television program was made possible by funds from AID.

Participant Training

Trained manpower is needed by the developing countries if they are to experience social, economic and political progress. Every year AID supports approximately 8,500 foreign nationals from the developing countries in training programs in the United States and elsewhere. These participants, as they are called, become the technicians and administrators who comprise the backbone of their countries' self-help efforts. Since 1941 approximately 177,000 have received training under the U.S. foreign assistance program. They now are working in their countries as cabinet ministers, members of legislative bodies, university presidents, deans and faculty members, rural health officers, agricultural technicians, labor leaders, engineers, teachers and government officials.

An AID participant from Nigeria works for his Ph.D. in soils science at Ohio State University. He plans to teach when he returns to his country.

Disaster Relief

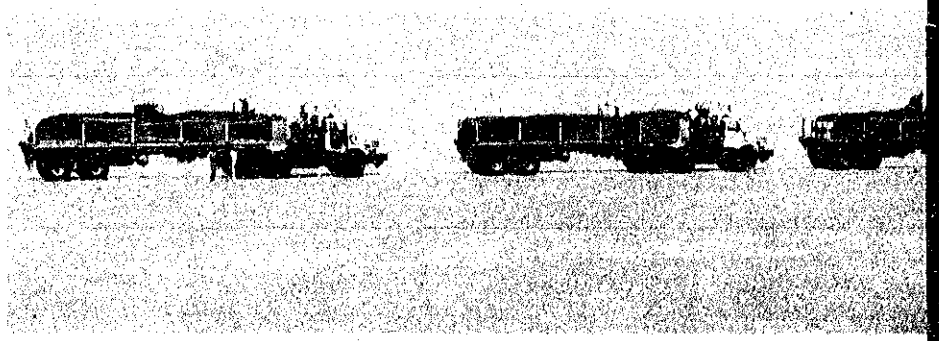
There is no activity in which the compassion of the American people is more visible than in the U.S. response to disasters which occur throughout the world each year. In one recent year more than 111,000 people died and 215 million others were affected as a result of disasters. Emergency relief of human suffering abroad, in the wake of floods, earthquakes, typhoons, epidemics and drought, continues to be an AID priority.

AID's Office of Foreign Disaster Assistance is the nation's center for coordinating U.S. Government and private relief efforts whenever help is needed in an overseas disaster. The AID Administrator serves as the President's Special Coordinator for International Disaster Assistance. In addition to assessing casualties and damages and providing promptly the kind of help needed, the Agency's programs also are designed to promote disaster preparedness, contingency planning and disaster prediction activities which could reduce human suffering and the cost of assistance.

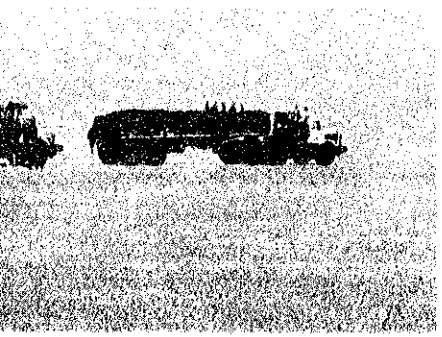
Since 1964, AID has responded to more than 475 foreign disasters and provided assistance valued at nearly $1.5 billion. Over the years this aid has taken many forms: donations under the Food for Peace Program; airlifts, airborne search and rescue teams; medical, technical and scientific staff; medical supplies, tents, cots, blankets, heavy equipment and hand tools; and cash donations for local purchases.

The earthquake that struck Guatemala in February 1976 is believed to have been the worst natural disaster in the history of Central America. When the shocks subsided, more than 23,000 people were dead and 77,000 injured. One out of every five persons—1,160,969—was homeless. The destruction covered a wide area of the country. U.S. emergency assistance worth $25 million was channeled through AID and involved a massive sea and airlift. Much of AID's prompt response was based on information provided by the innovative use of a U.S. Air Force U-2 high-altitude plane, which photographed the extent of the damage in detail. It was the first time the U-2 reconnaissance aircraft was used for such a purpose.

Unlike an earthquake or flood, which strikes suddenly and dramatically, the Sahelian drought developed gradually over a six-year period from 1968-1974. The prolonged dry spell caused thousands of deaths and extensive damage to agriculture and livestock in the seven West African nations of Chad, Niger, Upper Volta, Mali, Mauritania, Senegal, and The Gambia. By the time the rains returned in the latter half of 1974, approximately six million people had been affected directly or indirectly by the dislocations in both the nomadic and rural way of life. The U.S. Government, primarily through AID, contributed $165 million in food and transport



Above, right: A truck convoy carries 1,500 tons of Food for Peace sorghum across the Sahara Desert to drought victims in Niger. Right: A survivor of the Guatemalan earthquake walks through the devastated town of San Martin Jilotepeque.



services between 1973 and 1975, about 40 percent of the total donated by the world community. Much of the food has been used in Food for Work projects, which are an integral part of the development effort. An additional $40.6 million for other emergency and short-term recovery assistance included airlifts, animal feed, medicines, logistical support, medical supplies, drugs, emergency shelters and blankets. A major recovery and rehabilitation program has been launched and longer-term efforts have begun to mitigate the effects of future droughts and restore self-sufficiency to the affected populations.

Left: An American helicopter carries relief food for flood-stricken Pakistan. Right: One of the great catastrophes of the past decade was the Sahel drought.

Haitian villagers who receive Food for Work through Church World Service are building a road that will make it easier to bring their produce to market.

Private and Voluntary Organizations

Private and voluntary organizations are an important part of the U.S. foreign aid effort. Of the more than 100,000 such groups in the United States today, over 400 are helping to meet the needs of people overseas. AID assists many of them to undertake development projects in such areas as food production, nutrition, population planning, health and education. Ninety-four of these organizations are registered with AID's Advisory Committee on Voluntary Foreign Aid.

The non-governmental agencies and organizations are administered by groups of private citizens who seek to improve the quality of life of people overseas through material relief, rehabilitation or social and economic development. Supported for the most part by donations from individuals, they are remarkably varied in origin, motivation, constituency and objectives, but their numerous programs have a common basis in the American tradition of voluntarism and helping the needy.

The work of these organizations is a valuable contribution to the development process and AID is seeking to expand its cooperation and support. In 1975 U.S. Government support for voluntary agencies totaled $354 million, which included grants and contracts for specific programs, allocations for Food for Peace and reimbursement of overseas shipping costs.

Americans are familiar with the names of some of the better known agencies—CARE, Catholic Relief Services, Church World Service and Save the Children Federation, for example. Lesser known but vitally important are such groups as Partners of the Americas, International Voluntary Services and Project Concern. Such established organizations as ORT, YMCA and YWCA also are engaged in assisting the peoples of developing countries. Examples of the innovative activities of the voluntary agencies:

• With a $55,000 AID grant, the Asia Foundation and the Girl Guides of Thailand are training girls and young women from poor villages in home economics, nutrition, handicrafts, leadership and other skills designed to increase their participation in the development process.

A young Moroccan learns welding in an ORT vocational training school.

• Operation Bootstrap Tanzania, with AID backing, has undertaken an experimental program to introduce vocational skills in Tanzanian rural primary schools, designing training courses that will involve students in existing community development projects to utilize and perfect their skills.

• Another grant is enabling a private Nicaraguan development foundation, FUNDE, to expand its successful program of credit cooperatives for urban market women to rural areas.

• AID has provided funds to AFRICARE, which is assisting in rehabilitation and development efforts in the Sahel region of West Africa. Its projects include wells construction, reforestation, irrigation, nomad resettlement, integrated rural development and health training.

• AID, through the American Foundation for Overseas Blind, is providing over $1 million to help determine what role Vitamin A deficiency plays in blindness.

Rural electrification is assisted by AID and the National Rural Electric Cooperative Association.

Cooperatives

The participation of the urban and rural poor in their countries' development is being encouraged by the support of cooperatives.

AID has assisted rural electrification efforts in 29 countries, surveying resources, organizing new cooperatives and assisting old ones.

- In 1951, when India launched its first five-year plan, scarcely 3,700 villages were electrified. Today the number has risen to about 90,000, although some half million villages are still without electricity.

- Loans totalling $77.4 million are being used in the Philippines to help finance rural electrification cooperatives. Begun in 1972, the program has built up 42 co-ops, which are supplying electricity to one million villagers. When completed it will provide 24-hour-a-day electrical power to at least 40 percent of the rural population which previously had no such service.

- In the highlands of Guatemala, AID has helped six cooperatives provide credit, marketing and supply services to nearly 75,000 members. Production loans and improved farming methods are helping to boost family income.

- The Dominican Poultry Producers Cooperative Society in the Dominican Republic leased an obsolete feed mill which had been closed down. U.S. cooperatives provided assistance in putting the mill back in operation, using simple tools and scrap from oil drums, and trained the islanders to operate and maintain it.

A loan from a small farmer co-op in Costa Rica has helped this villager expand her poultry production.

• In Korea, a $25 million loan guaranteed by AID is helping to build low-cost condominium apartments in Seoul and other cities. Another $10 million is financing a housing improvement program in slum and squatter areas of Seoul.

• In West Africa, AID is developing a project jointly with the World Bank and the Ivory Coast Government to provide low-income rental units, "sites-and-services" and other housing facilities and to upgrade slum dwellings.

• In Peru, more than 30,000 needy families are expected to benefit from a $25 million housing guaranty, which will make available the necessary financing for home improvement, utility services or basic shelter.

• In Botswana, the program will provide resources for building materials, "sites-and-services" loans and related management and administrative support.

A Peace Corps volunteer works with malnourished children and their mothers in an integrated health program in Upper Volta.

AID and Other Government Agencies

AID programs often are carried out with the cooperation of other U.S. Government agencies. In many countries the Peace Corps participates with host country nationals in programs such as well digging, road building and rural development—which are planned and financed by AID. The National Bureau of Standards is testing typhoon-proof housing construction in the Philippines for AID. Another AID-financed project in the Philippines being carried out by the Department of Interior's Wildlife Research Center has introduced an effective and inexpensive method of protecting rice crops from rodents, which annually destroy millions of tons of sorely needed cereal crops in food-short developing countries.

The Census Bureau has been instrumental in setting up modern census-taking facilities in developing countries under AID financing.

Some other agencies working with AID are the Departments of Agriculture; Health, Education and Welfare; and the National Aeronautics and Space Administration.

Research

AID-supported research of worldwide significance is being carried on in many fields—notably in health, agriculture and nutrition.

For example, under contract with AID:

• Kansas State University began in 1968 to explore inexpensive methods for improving the nutritive value of cereal-based foods. As a result of the University's research, a variety of low-cost, nutritionally improved foods were developed, including a soy-fortified wheat flour which can be used to produce bread that is virtually indistinguishable in taste and appearance from unfortified bread.

• A Carnegie-Mellon University team has developed a unique shelter that has drawn considerable attention. Built entirely of local materials and designed to withstand storms and floods, it answers the need for emergency housing that can be erected swiftly by unskilled people. Its sturdiness and low cost also make it attractive for long-term housing.

Aid for Peace

At this point in our history, the United States is at peace. No American troops are fighting anywhere. Tension among the great powers has eased.

Some areas of the world, however, require special attention in order to maintain and strengthen the chances for peace.

The Middle East

America has a vital stake in a lasting Middle East settlement. Our traditional concern for the security of Israel, the need to strengthen our relations with the Arab states, the danger of great power confrontation which chronic Arab-Israeli conflict creates, and the necessity for a cooperative approach to the energy problem are all facets of the American interest. In addition, there is the real need of the people in the Middle East for technological assistance to improve food production, combat disease and illiteracy and control burgeoning population growth.

Peaceful development of the area will reduce the incentives to violence and conflict and deepen the interest of all the area's peoples in reconstruction and development. Thus it continues to be in the U.S. national interest to be responsive to their needs.

In Egypt, U.S. funds are helping the Government to reconstruct the Suez Canal area, finance essential imports from the United States, boost food production, improve health and family planning services and attack other pressing economic and social problems.

Israel is purchasing sorely needed agricultural and industrial commodities and related services from the United States through financing provided by AID. Such assistance helps relieve its difficult balance-of-payments situation and rising economic pressures.

In Jordan, whose moderate outlook is of crucial importance in achieving a just and lasting resolution of the Arab-Israeli dispute, the emphasis of U.S. economic assistance is on agriculture and rural development projects, particularly in the Jordan River Valley.

Syria, which is attempting to diversify its foreign economic relations, is receiving capital and technical assistance from AID to help modernize agricultural practices, develop integrated health services and speed rural development.

Southern Africa

The United States supports a policy of self-determination, majority rule, equal rights and human dignity for all the people in Southern Africa. It does so in the name of moral principle, international law and world peace.

The countries of Southern Africa face a critical challenge in overcoming the racial tensions and divisions that threaten the social and economic