

U.S. ECONOMIC ASSISTANCE
TO
UNITED ARAB REPUBLIC

1 FEB 1963

U.S.AID MISSION
CAIRO

F O R E W O R D

The American program for economic and technical assistance to the United Arab Republic began in 1952. During the years 1952 to 1956 the so-called Point IV program consisted of such traditional and diverse elements as agricultural development, transportation and communications, industrial development, health, education, public administration, community development and housing.

During this four-year period, U.S. aid to Egypt amounted to a total of \$86,128,000, and more than 100 Americans were assigned to develop and carry out the various projects.

However, relations between the United States and the revolutionary regime, which were cordial from 1952 to 1954, sharply deteriorated in 1955. Following the outbreak of hostilities in November 1956 between the U.K., France and Israel and the U.A.R., the U.S. Aid Mission was withdrawn and the program suspended. Even the distribution of surplus American agriculture through CARE and other voluntary agencies was ended.

Assistance was resumed late in 1958 in an atmosphere of improving relations, with a sale of wheat under the authority of Title I, PL 480. Relations continued to develop satisfactorily and the United States Operations Mission was reconstituted in March 1959.

It has been the policy of USAID/UAR to concentrate its assistance efforts in a limited number of activities. The program since 1959 has been comprised of the sale or donation of American agricultural commodities, loans from the Development Loan Fund, a participant training program, and the use of short-term consultants mainly in connection with carefully selected technical cooperation projects. Since 1958, the American assistance to the UAR has amounted to more than \$800,000,000, mainly in PL 480 commodities. Thirty-five American employees are presently assigned to USAID/UAR.

Current technical and economic assistance projects in which USAID is participating are summarized on the following pages.

FOOD FOR PEACE

PL 480 Program

The largest single element of U.S. aid to the UAR is the PL 480 program, particularly Title I. The UAR has only six million acres under cultivation and is not able to become self-sufficient in foodstuffs. The present population of approximately 26 million people is increasing at the rate of $2\frac{1}{2}\%$ per year and the problem of adequate food supply is likely to remain serious in the future, notwithstanding the additional land to be reclaimed and brought under cultivation with water to be stored at the High Dam, and increases in agricultural productivity. Already in the current fiscal year the U.S. has delivered or agreed to deliver almost one hundred and fifty million dollars worth of surplus agriculture products, principally wheat and corn.

On October 8, 1962, a three-year agreement under Title I was signed for the delivery of surplus agricultural commodities to the UAR for local currency. Actual amounts will be reviewed each year. Under the agreement 85% of the local currency proceeds will be available for lending to the UAR for economic development.

Another section of the legislation (Title III of PL 480) provides for the free distribution of surplus agricultural products through such voluntary agencies as CARE, Church World Service, and the Catholic Relief Services. This program is the largest in the world and in Fiscal Year 1963 will amount to about \$30 million (Credit Commodity Corporation cost).

In summary, under the Food for Peace programs, the UAR can acquire foodstuffs from the U.S. with no drain on its scarce foreign exchange and later use a major portion of the funds paid to the U.S. Government to finance economic development, health and education.

A G R I C U L T U R E

Egyptian-American Rural Improvement Service

In view of the limited arable area in the UAR and its relatively large and increasing population, the reclamation of new land is extremely important to the economic development of the country. The Egyptian-American Rural Improvement Service (EARIS) is engaged in reclamation of cultivable land and the resettlement of landless farmers. The project also aims at the improvement of agrarian social as well as economic conditions in selected areas of the country.

The EARIS undertaking originated in 1953, was renewed in 1958 and extended in 1960. Originally the U.S. committed ten million dollars and Egypt contributed the equivalent of 15 million dollars in local currency.

At Abis, the largest of the three projects included in EARIS, approximately 13,300 of the 30,800 acres in the area have been reclaimed and 11,393 acres have been distributed to farmers. An additional 6,700 acres are ready for distribution. Three complete villages of nearly 4,000 houses have been constructed complete with schools, shops, mosques, hospitals, clinics and administrative buildings.

Hydraulic Research and Experiment Station

The main objective of this project is to develop a modern hydraulic experiment station capable of carrying out research essential to the coordinated and efficient development of the UAR's water resources. Specific goals are construction of a new experimental hall for model studies of erosions of rivers, canals and lakes and training of selected members of research engineers in the use, maintenance and repair of modern instrumentation.

Ground Water Investigations - Western Desert

One of the most pressing problems of increasing agriculture production in the UAR concerns the development of new cultivable lands. The Western Desert comprises an area of 250,000 sq. km. and supports a population of only 45,000. It is believed that much additional land could be cultivated if adequate water can be located, and there is sufficient recharge to support significant resettlement.

A program of groundwater exploration is presently being conducted in the oases area south and west of Cairo to ascertain the extent of its development potential. The U.S. is assisting with this project by providing the services of six technicians, including geologists, well drillers and a mechanic. An extensive aerial and magnetometer survey has been completed covering 86,000 square miles of the desert by Aero Service Corporation of Philadelphia. The photomosaics have been made and the necessary mapping will be done by the Egyptian Government. AID has approved an allotment of \$225,000 for this work in fiscal 1963, bringing the total to date to approximately \$1,626,500. The project is expected to end in FY 1964.

I N D U S T R I A L D E V E L O P M E N T

Under the long-range industrial development program, projects are in process of planning throughout Egypt and US AID is assisting in the effort by providing assistance on the following projects financed from development grant funds.

General Organization for Executing the Five Year Industrial Plan (GOEFYIP)

This is a new project to provide industrial engineering planning assistance to the General Organization for Execution of the Five Year Industrial Plan (GOEFYIP) of the Ministry of Industry on the economic and technical aspects of the program. To assist GOEFYIP, AID has contracted for the services of the U.S. engineering firm EBASCO Services, Inc., which has assigned a full-time six man consultant team to work on the project. The EBASCO team will help establish, develop and train a technical staff facility. They will also perform studies of specific industrial enterprises. Implementation of this project started in January 1963 and will extend over a three-year period with a total U.S. dollar contribution amounting to about \$850,000.

Engineering Education, University of Assiut

The Rector of Assiut University has requested US AID assistance to help establish teaching standards, organize and partially staff the University's Engineering Faculty, with emphasis in the mechanical, electrical and civil engineering departments. The University, established in 1955, is located roughly midway between Cairo and the new Aswan Dam construction site in Egypt's most underdeveloped area. Assiut University was planned to provide university training facilities in an area of approximately 6 million population in preparation for the demands of the programs centering on the electric power and water development in Upper Egypt.

As a first step in accomplishing this objective, US AID is providing the services of three engineering education consultants to conduct a four to six weeks survey (during January and February 1963) of Assiut's current and planned Engineering Faculty and report recommendations as guidelines for future AID assistance contemplated for this project.

Telecommunications Training Center

In 1955 the UAR embarked upon a 15-year program to modernize, expand and improve its internal and international communications system of telecommunications, telegraphy, micro-wave, and related services throughout Egypt under the Ministry of Communications through the Telecommunications Organization.

Telecommunications Training Center (Cont'd)

To achieve this program, adequately trained installation, operating and maintenance personnel are required in increasing numbers as the program progresses. AID has provided funds to permit a two-man survey team to assess the needs and extent of training facilities required to fulfill the Telecommunications Organization requirements. As a result, the services of a team of seven communication consultants from the Radio Corporation of America's subsidiary, RCA Institutes, Inc., have been contracted for to organize, staff and provide supervisory guidance and assistance to the New Telecommunications Research and Training Institute in Cairo. Work is expected to begin in the latter part of FY 1963 and will extend over a five year period. Total cost of this project to the United States is expected to be nearly \$2 million.

LOANS FOR INDUSTRIAL DEVELOPMENT

American assistance in the field of industrial and manufacturing development includes the following loans and grants:

Bagasse Pulp Mill

Loan Agreement No. 116 in the amount of \$6,700,000 is to help the Borrower, Al Nasr Company for Bagasse Pulp Industry, finance the foreign exchange costs of establishing a Bagasse Pulp Mill with an initial production capacity of approximately 60 tons per day. The mill is being established, in conjunction with the Edfu Sugar Mill, to process sugar cane bagasse into pulp which is then used in the production of various kinds of paper and paper products. A supplementary loan application in the amount of \$5,300,000 is under consideration which, if approved, would enable doubling the daily output of processed pulp.

Industrial Bank

The U.S. has made available under DLF Loan Agreement No. 123 of August 31, 1960 a loan of \$7,000,000 to the Industrial Bank for the purpose of enabling the bank to extend sub-loans, on an intermediate and long-term basis, to finance the foreign currency costs of a variety of industrial projects to be carried out by private industrial enterprises in the U.A.R.

Edfina Company

In 1961 \$200,000 was made available under DLF Loan Agreement No. 115 to assist the Edfina Company in carrying out the expansion and diversification of its food canning and freezing plant in Alexandria.

Misrayon Cellophane Plant

AID Loan No. 17 in the amount of \$3 million is to assist the Borrower, Societe Misr pour La Rayonne, expand the production capacity of viscose slurry and cellophane at its plant in Kafr-El-Dawar, Egypt.

Grain Handling Facilities

The UARG is carrying out a program to develop modern grain storage facilities throughout the country under the auspices of the General Egyptian Organization for Silos and Storage. The total program will provide 743,000 tons of silo capacity and 210,000 tons of flat storage capacity at fifty-four locations in Egypt. The U.S. is helping the UARG through AID Loan No. 18, in the amount of \$17 million, finance the first phase of this program. Local currency costs amount-

ing to LE 7.52 million (equivalent to about \$17.3) are being provided by US AID as a grant under Public Law 480, Section 104(e). Establishment of modern grain handling facilities will substantially reduce losses from insects, rodents, and deterioration to the extent of eventually offsetting the investment costs of this project.

Cairo West Power Plant

The UARG with the help of a recently announced AID loan of \$30.6 million is expanding the generating capacity of the electrical power system of the Cairo Electricity and Gas Administration (CEGA), by the addition of the new oil fired steam electric Cairo West Power Plant having an installed capacity of 261 MW. In addition to the AID dollar loan USAID intends to lend the UARG 4.2 million Egyptian Pounds from funds available under Public Law 480, Section 104(g) to cover approximately 70% of local costs. The new plant installation complete with 220 KV stepup station, buildings, civil works, and appurtenances is being carried out under a contract with Westinghouse Electric International Company.

Cooley Loans

- (a) Borrower - National Bottling Company of Egypt, S.A.E.
Guarantor- Pepsi-Cola Co., United States.

A Cooley Amendment loan of LE 350,000 was made in January 1961 to assist the Borrower finance local currency expenditures with relation to the reorganization and expansion of its plant in the UAR and repay any outstanding debts to banks operating in the UAR.

- (b) Borrower - Pfizer, Egypt, S.A.E.
Guarantor - Chas. Pfizer Co. Inc., United States.

A Cooley Amendment loan of LE 107,400 was made to the Borrower in August 1962 to help finance local costs of a new pharmaceutical manufacturing plant in Cairo.

ECONOMIC STABILIZATION LOAN

As a separate loan activity the United States has made a \$30 million loan to the UAR Government under AID Loan No. 27 to provide foreign exchange for the importation into the U.A.R. of various categories of U.S. origin commodities such as: Chemicals and Pharmaceuticals; Iron and Steel; Mechanical Apparatus and Parts; Railroad Equipment; and partially limited types of Industrial Machinery, Petroleum Products and Vehicles. This loan is part of an international program, in which the International Monetary Fund is participating,

designed to help the UAR improve its balance of payments position and undertake fiscal and monetary measures to stabilize its finance.

An additional loan of \$10 million was subsequently approved in October 1962, under an Amending Agreement to AID Loan No. 27 contingent upon the UAR receiving other Western source stabilization loans equal to or in excess of \$30 million. This condition was fulfilled when Egypt signed separate loan agreements with England and Germany.

T R A N S P O R T A T I O N

Civil Aviation Development

Egypt is an important traffic generating point in the Middle East. An improved airways system will greatly enhance economic development and increase revenues through greater utilization and traffic handling capacity of its airports. At present the Cairo International Airport handles 800 total operations per week (400 flights) but it is estimated that the traffic potential is 1200 operations per week within five years.

The project is designed to assist the UAR in the establishment of a modern airway system plan, which can efficiently cope with the requirements of both domestic and international aircraft operations and in particular to the operation of jet aircraft.

The US is providing a team of seven technicians from the FAA to advise and assist in the planning, engineering and installation of facilities and in the local training of personnel to operate and maintain the system. The new airways system plan has been completed and equipment installation is 95% completed.

Total cost of the project is more than \$11 million of which the US is contributing approximately \$3 million.

SPECIAL PARTICIPANT TRAINING

As a special measure to facilitate the training of high level technical personnel, AID is providing for nearly 100 graduate students from the UAR in a variety of fields. These students are presently pursuing courses leading to Masters and Doctorate degrees in various universities throughout the United States. Some of the participants have already completed their training and a number of those receiving training will complete their program this year. The project will provide trained personnel in a number of fields important to the economic development of the UAR.

PUBLIC ADMINISTRATION

Population Census

The UAR Department of Statistics and USAID/UAR cooperated in a Population Census Project under which USAID provided funds for the rental of statistical equipment, as well as the services of a short-term consultant to assist in planning for the use of machines and equipment. Under the 1959 program, USAID provided training in the U.S. for six UAR statisticians. The participants completed their training and returned to the UAR to participate in the preparation of the data collected during 1960 prior to actual machine punching and tabulation. The population census was carried out in 1960 and the project was completed in March 1962. U.S. contribution was \$239,000.

A CHRONOLOGY OF RECENT AMERICAN

ECONOMIC ASSISTANCE TO THE

UNITED ARAB REPUBLIC

January, 63
~~September 21, 1962~~

<u>DATE</u>	<u>STEP TAKEN</u>	<u>COMMENT</u>
<u>1958</u>		
1. April	Delivery of \$400,000 worth of equipment purchased under the 1956 Aid Program	This equipment had been held by various United States agencies. It comprised mainly road and communications equipment.
2. April	Resumption of United States participation in the Egyptian American Rural Improvement Service (EARIS)	The UAR was advised in April of United States agreement in principle to resumption of its participation in EARIS. Negotiations took place in August and September and the new agreement was signed in October. A check for \$1,700,000 to cover United States participation for the year 1958-59 was given the United Arab Republic on January 3. The first of the three American technicians to assist on the project arrived on March 30.
April	Resumption of the CARE Program	The UAR was advised in April of the United States' willingness to participate in a new CARE program. The program was approved and the agreement signed in September and first commodities arrived in October. The program included \$8 million worth of flour and milk powder to provide school lunches for 1,900,000 children for a 12-month period.
4. November	Export-Import Bank Loan of \$5 million to the Societe Egyptienne d'Engrais et d'Industries Chimiques, S.A.E.	A previous loan made by the Export-Import Bank for the Suez Fertilizer Plant had been repaid. The new loan will finance a substantial increase in the plant's facilities.
5. December	PL 480 Title I, Wheat Program	The PL 480, Title I Agreement, signed on December 24, provides for a sale to the UAR for local currency of approximately 200,000 tons of wheat, 100,000 tons of flour, and ocean transport for one-half of the shipment, with a total value of \$25 million.

<u>DATE</u>	<u>STEP TAKEN</u>	<u>COMMENT</u>																
1959																		
6. March	Release of Balance of 1956 Economic Aid Program	In March, the United States announced its intention to make available the balance of the funds under the 1956 \$40 million economic assistance program amounting to approximately \$5.5 million. See No. 10 below.																
7. March	Resumption of Technical Assistance Program	In March, the United States informed the United Arab Republic of its willingness to cooperate in a mutually agreed technical assistance program. See No. 11 below.																
8. May	Additional PL 480 Agreement signed	This Agreement included tobacco, rice, corn, barley, etc. Total dollar value was \$23.4 million.																
9. May	PL 480 Textbook Program	An allocation of \$175,000 worth of Egyptian pounds for PL 480 textbook program was made.																
10. June	Special Assistance Funds obligated for FY 1959	Procurement Authorizations were approved for the following commodities in the amounts indicated:																
		<table border="0"> <tr> <td>Locomotives</td> <td>\$2,500,000</td> </tr> <tr> <td>Tallow</td> <td>3,000,000</td> </tr> <tr> <td>Newsprint</td> <td>2,300,000</td> </tr> <tr> <td>Lubricants</td> <td>1,782,976</td> </tr> <tr> <td>VCRs & other</td> <td></td> </tr> <tr> <td>aviation equipment</td> <td>150,000</td> </tr> <tr> <td>Pumps</td> <td>35,000</td> </tr> <tr> <td></td> <td><u>\$9,767,976</u></td> </tr> </table>	Locomotives	\$2,500,000	Tallow	3,000,000	Newsprint	2,300,000	Lubricants	1,782,976	VCRs & other		aviation equipment	150,000	Pumps	35,000		<u>\$9,767,976</u>
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11. June	Technical Cooperation Program finalized as follows:	<ol style="list-style-type: none"> 1. Highway Improvement contract to provide services of 6 highway engineers, 1 administrative assistant, and up to 2 short-term consultants - \$193,000 Training grants for 6 participants \$32,200 2. Civil Aviation: <table border="0"> <tr> <td>Training grants for 18 participants</td> <td>65,000</td> </tr> <tr> <td>Consultant services</td> <td>1,300</td> </tr> </table> 3. Egyptian-American Rural Improvement Services (EARIS): <table border="0"> <tr> <td>Training grants for 12 participants</td> <td>50,500</td> </tr> <tr> <td>Technicians' services</td> <td>50,000</td> </tr> </table> 	Training grants for 18 participants	65,000	Consultant services	1,300	Training grants for 12 participants	50,500	Technicians' services	50,000								
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<u>DATE</u>	<u>STEP TAKEN</u>	<u>COMMENT</u>
1959		(Brought forward) \$392,000
		4. Population Census Training grants for 6 participants <u>21,000</u> \$413,000
12. July	Resettlement of 351 families	In connection with the EARIS Project 351 families moved to farms near Abis. (Some 1200 families have now been resettled in this area.)
13. July	Additional PL 480 Agreement signed	Agreement included 800,000 tons of wheat and flour. Total dollar value is \$57.7 million.
14. August	Export-Import Bank Loan	The Export-Import Bank announced a loan totalling \$9 million of a total amount of \$12 million for the purchase of 58 diesel locomotives.
15. September	Exchange of Persons Program increased to 200	Authorization was received to increase the Exchange of Persons program by eight-fold over FY 1959. Total number approved is 200. This is in addition to 42 participants under ICA FY 1959 program. (See No. 11.)
16. September	Revival of Fulbright Program	Binational Commission to administer the educational exchange program was revived, LE 404,000 involved.
17. October	Census Project approved	ICA approved U.S. participation in the population census, to be conducted in both the Syrian and Egyptian regions in 1960. Allotment of \$250,000 was received and will cover the costs of renting statistical tabulating equipment and the purchase of punch cards and other needed supplies.
18. November	Additional PL 480 Agreement signed (Syrian Region)	This agreement included 75,000 tons of wheat and 75,000 tons of flour for the Syrian region. Value is \$9,600,000.
19. November	Development Loan Fund Loan approved (Syrian Region)	Development Loan Fund signed an agreement to lend \$700,000 to the Kotab Woolen Mill in Damascus.

<u>DATE</u>	<u>STEP TAKEN</u>	<u>COMMENT</u>
<u>1959</u>		
20. December	Loan to finance TV	The Director of USOM signed a project agreement authorizing a loan of LE 4,500,000 of U.S.-owned Egyptian pounds generated under PL 480. This sum encompasses the foreign currency requirements as well as a substantial amount of local currency needed for the establishment of a TV network and TV facilities in both the Egyptian and Syrian Regions.
<u>1960</u>		
21. January	Development Loan Fund loan	Development Loan Fund agreed to lend \$200,000 to Edfina Food Processing Plant in Alexandria.
22. February	A. Total Project Program FY 1960	ICA gave final approval and allotment of funds for a project program amounting to approximately \$3.5 million. Combined Technical Cooperation and Special Assistance obligation at the end of FY 60 are as follows:
	a. Groundwater Investigations in the Western Desert -	\$669,300
	In addition, the equivalent of \$247,000 in Egyptian pounds under Section 402 were made available in support of this project.	
	b. Civil Aviation Development for Egypt, \$1,147,600; Civil Aviation Development for Syria, \$555,600; Total	1,703,200
	c. Special Participant Program	548,100
	d. Population Census	252,200
	e. EARIS (Egyptian-American Rural Improvement Services)	119,400
	f. Technical Support	132,300
	g. Industry, Training	15,000
	h. Atomic Energy Training	17,600
	i. Highway Development	13,500
	Total	<u>\$3,470,600</u>
	Of the above amounts, \$2,000,000 represented Special Assistance project funds; \$1,470,600 are Technical Cooperation funds.	

<u>DATE</u>	<u>STEP TAKEN</u>	<u>COMMENT</u>
<u>1960</u>		
	B. Total Non-Project Program FY 1960	ICA approved and allotted \$2.2 million for commodity procurement. At the request of the UAR, the money was earmarked for tallow.
23. February	DLF Loan approved	Development Loan Fund approved loan of \$6,700,000 for Bagasse Plant in Egypt.
24. March	Local Currency Loan for Production Budget	Project Agreement signed providing for a loan of 7 million Egyptian pounds, obtained from the proceeds of previous sales of American agricultural products in the UAR, for use in the National Production Budget. This agreement was later supplemented by an additional L.E. 8,000,000.
25. March	Supplemental PL 480, Title I Sales Agreement signed (Egyptian Region)	According to the terms of this agreement, the UAR will import \$15 million worth of soybean oil, and corn from the United States. Payment for these commodities will be made in Egyptian pounds. Seventy-five percent of the Egyptian pounds paid for these commodities will be made available at a future date to the UAR (Egyptian Region) in the form of loans for projects to be agreed upon.
34		
26. April	Two DLF Loans approved for Egyptian and Syrian Regions	Development Loan Fund approved loans for Industrial Bank (Egyptian Region) and Industrial Bank (Syrian Region) in respective amounts of \$7,000,000 and \$5,000,000. Loan Agreements were signed in August and September respectively.
27. June	Title III PL 480 Program	For FY 1960, the program of free distribution of American agricultural commodities through voluntary agencies in the UAR aggregated \$8,299,000.
28. August	Additional PL 480, Title I Agreements signed for Egyptian and Syrian Regions	Agreements were signed whereby 900,000 tons of wheat and wheat flour (value \$58.3 million) will be imported by the Egyptian Region and 250,000 tons of wheat and wheat flour (value \$17 million) into Syrian Region.

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<u>1960</u>																														
29. August	PL 480, Title II Agreement with Syrian Region	To alleviate hardship caused by third successive severe drought in Syrian Region, U.S. donated 50,000 tons of wheat flour. Value of gift, including ocean freight, was approximately \$7,500,000.																												
30. September	Additional Export-Import Bank Loan	The Export-Import Bank announced the approval of a \$22.5 million loan to the U.A.R. for the purchase of 100 General Motors Diesel locomotives.																												
31. September	Additional PL 480, Title II Agreement with Syrian Region	U.S. agreed to donate approximately 50,000 tons of foodstuffs, mostly animal feed, for Syrian Region drought relief. Value including ocean freight was almost \$7,000,000.																												
32. September	PL 480, Title I Agreement with Syrian Region amended	It was agreed to amend the August agreement and include \$1,600,000 additional wheat and wheat flour for the Syrian Region.																												
September	Two DLF Loans Approved for Egyptian and Syrian Regions	Development Loan Fund approved loans for telecommunications projects for Egyptian and Syrian Regions in respective amounts of \$1,300,000 and \$2,500,000.																												
34. October	Local Currency Loan for Development Budget Syrian Region	Project agreement signed providing for loan of L.S. 15,000,000 in U.S. owned foreign currency for support of Development Budget in Syrian Region.																												
35. October	Total Project Program FY 1961	USOM programmed funds for approved projects which resulted in the following obligations:																												
		<table border="0"> <tr> <td>Groundwater Investigations,</td> <td></td> </tr> <tr> <td> Western Desert</td> <td>\$511,934</td> </tr> <tr> <td>Agricultural Training</td> <td>7,100</td> </tr> <tr> <td>Telecommunications Training</td> <td></td> </tr> <tr> <td> Center</td> <td>420,500</td> </tr> <tr> <td>Civil Aviation (Egypt)</td> <td>310,952</td> </tr> <tr> <td>Civil Aviation (Syria)</td> <td>253,156</td> </tr> <tr> <td>Special Participant Program</td> <td>417,160</td> </tr> <tr> <td>Public Adm. Training</td> <td>23,200</td> </tr> <tr> <td>Atomic Energy Training</td> <td>6,650</td> </tr> <tr> <td>EARIS</td> <td>119,689</td> </tr> <tr> <td>Technical Support</td> <td>212,380</td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td style="text-align: right;">Total</td> <td><u>\$2,282,721</u></td> </tr> </table>	Groundwater Investigations,		Western Desert	\$511,934	Agricultural Training	7,100	Telecommunications Training		Center	420,500	Civil Aviation (Egypt)	310,952	Civil Aviation (Syria)	253,156	Special Participant Program	417,160	Public Adm. Training	23,200	Atomic Energy Training	6,650	EARIS	119,689	Technical Support	212,380			Total	<u>\$2,282,721</u>
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○	<u>1960</u>		
36.	December	Treaty signed for Avoidance of Public Taxation	In Washington a treaty was signed by officials of the UAR and US for the avoidance of double taxation.
37.	December	EARIS Agreement extended	UAR Minister of Agriculture and USOM Mission Director signed an agreement extending the cooperative reclamation project until December 1964. Additional American contribution of LE 1,450,000 pledged.
	<u>1961</u>		
38.	January	Additional PL 480, Title I Agreement with Egyptian Region	Agreement was signed providing for the sale of 15,000 tons of cottonseed and/or soybean oil. Total value of the imports, including \$200,000 for ocean freight, is \$4,600,000.
39.	January	Additional Gift of Flour to Syrian Region approved	Washington approved donation of additional 50,000 tons of wheat flour to Syrian Region. Total value of gift, including ocean freight, was \$7,600,000.
40.	February	Cooley Amendment Loan approved	Export-Import Bank approved a section 104 (e) PL 480 local currency loan to National Bottling Company of Egypt (affiliate of Pepsi-Cola International) in the amount of LE 350,000.
○			
41.	May	Additional PL 480, Title I Agreement with Egyptian Region	Agreement was signed providing for the sale of 200,000 tons of wheat and wheat flour, total value of which, including a portion of ocean freight is \$13,000,000.
42.	June	Additional PL 480, Title I Agreement with Egyptian Region	Agreement was signed providing for the sale of 50,000 tons of yellow corn and 3,000 tons of cottonseed and/or soybean oil. Total value, including a portion of the ocean freight, is \$4,000,000.
43.	June	Title III PL 480 program	For FY 1961, the program of free distribution of American agricultural commodities through voluntary agencies in the UAR, aggregated \$23,550,000.
44.	July	Local Currency Loan for Production Budget (Egyptian Region)	Agreement signed providing for loan of LE 12,000,000, derived from the sales of American agricultural products in the UAR, for use in financing specific projects in the Production Budget. This agreement was later supplemented by an additional LE 3,000,000. These include a number of the petro-chemical and other chemical industries and in highway construction.
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<u>DATE</u>	<u>STEP TAKEN</u>	<u>COMMENT</u>
1961		
45. September	Additional PL 480, Title I Agreement with Egyptian Region	Agreement was signed providing for the sale of 900,000 tons of wheat and wheat flour and 100,000 tons of yellow corn. Total value, including a portion of ocean freight, is \$64,100,000.
46. October	Amendment to September 2 PL 480, Title I Agreement	On October 8, an agreement was signed amending the September agreement to include approximately 4,500 tons of tobacco, the value of which is about \$6,500,000. In addition, the estimated cost of ocean freight is \$200,000.
47. October	U.S. and U.A.R. contributions to EARIS	On October 24, 1961, the USAID/Cairo Mission Director delivered a check to his counterpart in the amount of LE 330,000 as the American contribution to EARIS, the joint project which is concerned with land reclamation, resettlement and community development. UAR contribution was LE 960,000 to cover this delivery and #50 below. 60-40 ratio: is thereby maintained.
November	Amendment to September 2 PL 480, Title I Agreement	On November 11 an agreement was signed amending the September agreement to include 200,000 tons of corn, 20,000 tons of inedible tallow, 250 tons of non-fat dry milk and 18,000 tons of cottonseed soybean oil. Total value, including a portion of ocean freight, is \$20,740,000.
49. December	Title II, PL 480 program approved by A.I.D./W	A.I.D./W has approved a Title II, PL 480 program for the UAR aggregating 200,000 metric tons of yellow corn which will be distributed free to needy farmers to relieve the distress caused by failure of the corn and cotton crop. Total value, including ocean freight, is \$29,100,000.
1962		
50. January	U.S. and U.A.R. contributions to EARIS	On January 16, 1962, the USAID/Cairo Mission Director delivered a check to the Minister of Agrarian Reform (also Co-Director of EARIS) in the amount of LE 310,000 which completed the U.S. contribution to EARIS for FY 1962. The U.A.R. contribution totalling LE 640,000 for the fiscal year 1962 is LE 960,000 which has been made available as a drawing account in the U.A.R. Central Bank.

<u>DATE</u>	<u>STEP TAKEN</u>	<u>COMMENT</u>																												
1962																														
31. January	Allotment Received for 1962 Development Grant Program	AID/W approved an allotment of \$2,027,000 for the Development Grant program for FY 1962 in the following activities:																												
		<table border="0"> <tr> <td>New Valley Development</td> <td>\$311,100</td> </tr> <tr> <td>Community Development & Housing</td> <td>96,800</td> </tr> <tr> <td>Agricultural Training</td> <td>34,200</td> </tr> <tr> <td>Agricultural Extension</td> <td>30,000</td> </tr> <tr> <td>Civil Aviation</td> <td>223,500</td> </tr> <tr> <td>Telecommunications Training Center</td> <td>220,000</td> </tr> <tr> <td>5-year Industrial Plan Organization</td> <td>350,000</td> </tr> <tr> <td>Hydraulic Research</td> <td>114,000</td> </tr> <tr> <td>Technical Training</td> <td>30,000</td> </tr> <tr> <td>Special Participant Program</td> <td>201,300</td> </tr> <tr> <td>Population Census</td> <td>6,200</td> </tr> <tr> <td>National Economic Planning</td> <td>179,100</td> </tr> <tr> <td>Technical Support</td> <td>230,800</td> </tr> <tr> <td style="text-align: right;">Total</td> <td><u>\$2,027,000</u></td> </tr> </table>	New Valley Development	\$311,100	Community Development & Housing	96,800	Agricultural Training	34,200	Agricultural Extension	30,000	Civil Aviation	223,500	Telecommunications Training Center	220,000	5-year Industrial Plan Organization	350,000	Hydraulic Research	114,000	Technical Training	30,000	Special Participant Program	201,300	Population Census	6,200	National Economic Planning	179,100	Technical Support	230,800	Total	<u>\$2,027,000</u>
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Q. February	Additional PL 480, Title I Agreement with UAR	On February 10 agreement was signed providing for the sale of 200,000 tons of wheat and/or wheat flour and 50,000 tons of cottonseed and/or soybean oil. Total value, including a portion of ocean freight, is \$32,200,000.																												
33. February	DLF loan approved for Misrayon plant	Development Loan Fund approved \$3,000,000 loan to Societe Anonyme Misr pour la Rayonne for the expansion of the existing viscose and cellophane production.																												
34. February	DLF loan approved for construction of grain handling facilities	Development Loan Fund approved \$17,000,000 loan to help finance the construction of 49 grain silos throughout the UAR. To further support this project USAID/Cairo will make a grant of LE 8,080,000 in U.S.-owned currency.																												
35. April and May	Additional PL 480, Title I Agreements	In April and May, supplementary agreements were signed providing for the sale of 200,000 and 400,000 tons respectively of wheat and wheat flour. The respective values of the transactions are \$14,000,000 and \$28,100,000.																												

<u>DATE</u>	<u>STEP TAKEN</u>	<u>COMMENT</u>
<u>1962</u>		
56. June	Development Loan Agreement signed	On June 1, an agreement was signed whereby A.I.D. will loan to the U.A.R. \$20,000,000 to finance the importation of equipment and commodities.
57. June	Title III, PL 480	For FY 1962, the program of free distribution of American agricultural commodities through voluntary agencies in the U.A.R. aggregated \$27,300,000.
58. August	Cooley Amendment Loan Approved	A.I.D./Washington approved a section 104(e) PL 480 local currency loan to Pfizer Egypt S.A.E. in the amount of LE 107,400.
59. September	Additional PL 480, Title I Agreement	On September 1, a supplementary agreement was signed providing for the sale of 4,500 metric tons of tobacco. Total value, including \$200,000 for ocean freight, was \$6,500,000.
60. October	Multi-Year PL 480 Title I Agreement Signed	An agreement between the US and UAR was signed in Washington on Oct. 9 providing for the sale to the UAR against local currency of \$390 million of agricultural commodities over a three-year period. Commodities to be supplied are wheat, wheat flour, corn, vegetable oil, tallow, non-fat dried milk and frozen poultry. Value of the shipments during the first year (1963), including ocean transportation, totals \$96.9 million.
61. November	U.S. grant for Grain Handling Facilities	On November 15, a project agreement was signed with the Minister of Treasury and Planning which provides for a U.S. grant of LE 7,520,000 to assist the UAR in financing the construction of grain handling facilities.
62. November	U.S. Grant for Civil Aviation Project	A grant of LE 228,000 to the UAR approved by AID/W in support of the Civil Aviation Development Project. The money will be used for constructing buildings, roads, power lines and procurement of locally made equipment.

U.S. ASSISTANCE TO THE UNITED ARAB REPUBLIC
(stated in million of dollars)

January 23, 1963

	FY 1952	FY 1953	FY 1954	FY 1955	FY 1956	FY 1957	FY 1958	FY1959	FY1960	FY1961	FY1962	FY1963	Total
I. Technical Assistance													
Agricultural & Natural Resources	-	1.528	.992	.658	.312	.100	.003	-	.419	.109	.489	-	4.610
Industry & Mining	-	.241	.366	.088	.094	.029	-	-	.033	.421	.380	-	1.652
Transportation & Communications	-	.029	.007	.052	.063	.008	-	.291	.217	.181	.444	-	1.292
Health & Sanitation	-	.153	.472	.235	.216	.035	-	-	-	-	-	-	1.111
Education	-	.270	.471	.250	.321	.085	.001	-	-	-	-	-	1.398
Public Administration	-	.008	.023	.286	.054	-	-	.021	.002	.018	.185	-	.604
Community Development & Housing	-	10.109	.061	.198	.198	.046	-	.104	.119	.120	.097	-	11.052
Technical Support	.376	.313	-	.301	.185	.214	-	.021	.132	.202	.231	-	1.975
Special Participant Program	-	-	-	-	-	-	-	-	.548	.394	.201	-	1.143
Total	.376	12.651	2.392	2.068	1.443	.517	.004	.437	1.470	1.452	2.027	1.769	26.606
II. Special Assistance													
Agricultural & Natural Resources									.250	.410	-	-	.660
Transportation				16.439				2.550	.981	.130	-	-	20.100
Health & Sanitation				6.262				-	-	-	-	-	6.262
Public Administration				-				-	.250	-	-	-	.250
General Miscellaneous				1.408				-	-	-	-	-	1.408
Commodity Imports				7.639				7.218	2.200	-	-	-	17.057
Total				31.748				9.768	3.681	.540	-	4/	45.737
III. Food for Peace (PL 480)													
Title I					19.600			48.300	72.700	79.800	165.840	104.000	496.740
Title II											29.100		29.100
Title III	.808	-	.744	23.544	17.514	.455	2.080	9.587	8.299	23.550	27.300	35.582 ^{20.000}	149.463 ^{133.881}
Total	.808	-	.744	23.544	37.114	.455	2.080	57.887	80.999	103.350	222.240	159.582	675.303 ^{659.721}
IV. Export-Import Bank													
Suez Fertilizer Plant				7.500 ^{1/}				5.000					12.500
Diesel Locomotives									12.000	22.500			34.500
Total				7.500				5.000	12.000	22.500		4/	47.000
V. Development Loans													
Edfina								.200					.200
Bagasse Plant									6.700				6.700
Industrial Bank									7.000				7.000
Telecommunications										1.300			1.300
Misrayon											3.000		3.000
Grain Handling											17.000 ^{3/}		17.000
Commodity Imports											20.000	10.000	30.000
<i>Cairo West</i>								.200	13.700	1.300	40.000	10.000	65.200 ^{95,800}
VI. Fulbright Program	.415	.335	.279	.206	.186	.056	.002	.003	^{2/}	-	-	30.600	1.482
VII. Exchange of Persons Prog. (PL402)	-	-	-	-	.151	.151	.151	.198	.284	.400	.171		1.506
Grand Total	1.599	12.986	3.415	65.066	38.894	1.179	2.237	73.493	112.134	129.542	264.438	151.351	862.834 ^{877.252}

1/Loan has been repaid 2/UAR and US agreed that LE.404,798 in US owned foreign currency would be used for the ensuing fiscal years.
3/LE.7,520,000 will also be granted by US to support this activity. 4/Total for fiscal year not as yet determined.