

U.S. ECONOMIC ASSISTANCE TO LAOS BY SECURITY RELATED,  
SOCIAL IMPACT AND ECONOMIC ORIENTED ACTIVITIES  
 FY 1969

<u>Security Related Activities</u>	<u>Dollars</u> (000)	<u>Local Currency</u> (\$000 240:1)	<u>Kip</u> (000)	<u>Percentage</u> (\$ + Kip)
Military Technical Support	2,242	71.3	17,102	
Air Technical Support	3,060	---	---	
Village Health Program	1,601	223.7	53,696	
Civil Police Administration	466	21.9	5,255	
Sub-total - Projects	(7,369)	(316.9)	(76,053)	
Technical Support (38%)	<u>1,868</u>	<u>1,220.5</u>	<u>292,922</u>	
Total - Security Related	9,237	1,537.4	368,975	18%
<u>Social Impact Activities</u>				
Operation Brotherhood	853	414.8	99,553	
Rural Self-Help	1,060	241.2	57,876	
Refugee Relief and Resettlement	2,117	312.1	74,897	
Well Drilling	394	43.4	10,423	
Support for C.R.A.	167	68.8	16,514	
Maternal and Child Health	990	---	---	
Sub-total - Projects	(5,581)	(1,080.3)	(259,263)	
Technical Support (21%) PL 480, Title II	1,032 <u>800</u>	674.5 <u>---</u>	161,878 <u>---</u>	
Total - Social Impact	7,413	1,754.8	421,141	15%
<u>Economic Stabilization &amp; Development</u>				
Education	1,736	292.7	70,246	
Agriculture	2,680	677.9	162,709	
Industry	340	708.6	50,068	
Laos National Roads	3,915	1,051.2	252,280	
Rural Public Works	2,741	1,724.3	413,828	
Public Administration	275	31.6	7,587	
Sub-total - Projects	(11,687)	(3,986.3)	(956,718)	
Technical Support (41%) Foreign Exchange Operations Fund United States Import Program Invisibles	2,015 19,200 2,500 <u>783</u>	1,316.9 --- --- <u>---</u>	316,048 --- --- <u>---</u>	
Total - Economic Stabilization and Development	<u>36,185</u>	<u>5,303.2</u>	<u>1,272,766</u>	67%
TOTAL - ECONOMIC ASSISTANCE	<u>52,835</u>	<u>8,505.4</u>	<u>2,062,882</u>	100%

US AID TO LAOS  
Obligations  
(In Thousands of Dollars)

<u>Projects</u>	<u>FISCAL YEARS</u>					
	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>
Agriculture Development	552	891	1,632	3,735	2,621	2,680
Industry Development	51	--	--	71	231	340
Dev. of Lao National Road System	1,735	4,777	3,666	5,578	4,884	3,915
Public Health Development	1,704	2,789	2,790	1,698	2,667	3,444 <sup>a/</sup>
Education Development	889	824	1,256	1,506	1,940	1,736
Civil Police Administration	--	895	557	654	501	466
Public Administration Development	--	--	--	254	202	275
Customs Development	137	92	98	--	--	--
Development of rural Economy	1,576	2,527	5,465	5,855	7,136	4,362
Refugee Relief and Resettlement	1,979	4,534	4,112	4,554	3,566	2,117
Military Technical Support	2,861	3,304	3,459	3,799	3,413	2,242
Air Technical Support	9,177	8,676	8,810	6,395	6,400	3,060
General Technical Support	<u>3,008</u>	<u>4,205</u>	<u>6,216</u>	<u>5,389</u>	<u>5,239</u>	<u>4,915</u>
Sub-Total	23,624	33,514	38,061	39,488	38,800	29,552
<u>Non-Project Assistance</u>						
FEOF	3,681	4,000	10,000	13,800	18,600	19,200
Invisibles	2,300	3,666	2,535	1,545	1,025	783
Commercial Import Program	10,735	7,348	5,000	1,900	4,475	2,500
(POL)	(2,735)	(2,465)	(3,000)	(1,300)	(3,475)	(1,300) <sup>b/</sup>
(NON-POL)	<u>(8,000)</u>	<u>(4,883)</u>	<u>(2,000)</u>	<u>(600)</u>	<u>(1,000)</u>	<u>(1,200)</u>
Sub-Total	16,716	15,014	17,535	17,245	24,100	22,483
PL 480, Titles II and III	<u>1,700</u>	<u>300</u>	<u>400</u>	<u>1,200</u>	<u>800</u>	<u>800</u>
GRAND TOTAL	<u>42,040</u>	<u>48,886</u>	<u>55,996</u>	<u>57,933</u>	<u>63,700</u>	<u>52,835</u>

<sup>a/</sup> Including Maternal and Child Health 990

<sup>b/</sup> Kerosene and diesel only. Gasoline transferred to FEOF.

U.S. ECONOMIC ASSISTANCE  
(\$ million)

	<u>Through FY 1967</u>	<u>FY 1968</u>	<u>FY 1969</u>	<u>Estimated FY 1970</u>
<u>NON PROJECT</u>	<u>66.5</u>	<u>24.1</u>	<u>22.5</u>	<u>19.2</u>
FEOF	31.5	18.6	19.2	17.1
Invisibles	10.0	1.0	0.8	--
USIP (NON-POL)	15.5	1.0	1.2	1.9
USIP (POL)	9.5	3.5	1.3	0.2
<u>PROJECT</u>	<u>202.0</u>	<u>38.8</u>	<u>29.5</u>	<u>29.0</u>
Agriculture Development	8.3	2.6	2.7	2.7
Industry Development	2.0	0.2	0.3	0.5
Transportation	36.4	4.9	3.9	2.6
Public Health Development	11.8	2.7	2.4	2.5
Mathernal & Child Health	---	---	1.0	0.2
Education Development	7.7	2.0	1.7	1.8
Civil Police Administration	4.0	0.5	0.5	0.6
Public Administration Dev.	1.6	0.2	0.3	0.5
Development of Rural Economy	25.6	7.1	4.4	4.1
Refugee Relief & Resettlement	15.6	3.6	2.1	2.1
Military Technical Support	14.7	3.4	2.2	2.6
Air Technical Support	40.8	6.4	3.1	4.2
General Technical Support	33.5	5.2	4.9	4.6
PL 480	<u>5.5</u>	<u>0.8</u>	<u>0.8</u>	<u>0.9</u>
GRAND TOTAL	<u>274.0</u>	<u>63.7</u>	<u>52.8</u>	<u>49.1</u>

A I R P O R T S

Numerous airports have been built or improved with United States assistance. Major projects have included the following:

1. Vientiane - paving of runway, taxiways and parking aprons and construction of other facilities.
2. Luang Prabang - paving of runway and parking aprons.
3. Savannakhet - assistance to the Ministry of Public Works in paving.
4. Houei Sai (Houa Khong Province) - construction of new airport after destruction of the previous one during the 1966 flood.
5. Sam Thong in Xieng Khouang Province.
6. Muong Soui at the western entrance to the Plain of Jars.
7. Muong Kassy on the Vientiane - Luang Prabang road.
8. Vang Vieng
9. Saravane
10. Attopeu - assistance to the Ministry of Public Works.

Other smaller airstrips constructed or improved include:

<u>Location</u>	<u>Province</u>
Phone Hong	Vientiane
Ban Done	Vientiane
Muong Phieng	Sayaboury
Nam Thouei	Houa Khong
Kengkok	Savannakhet
Muong Phoumachedy	Savannakhet
Muong Lahanam	Savannakhet
La Khone Pheng	Wapikhamthong
Houei Kong	Attopeu

Small airstrips have also been carved out of mountains and jungle at numerous refugee sites in northeastern and northwestern Laos.

## COMMUNICATIONS

The United States aid program has provided funds and technical assistance to three projects in the communications field. Together they account for a total dollar assistance of \$837,000.

1. Lao Photo Press. About \$340,000 and approximately 26 million kip have been furnished to the Ministry of Information for the improvement of news dissemination facilities. The bulk of this dollar contribution was used to provide modern printing facilities. The Lao Photo Press building (completed in 1963) was paid for with local currency assistance.
2. Lao National Radio. A total of \$123,000 has been provided to help maintain the four radio stations of the Royal Lao Government in Vientiane, Luang Prabang, Pakse and Savannakhet. Some sound and studio equipment was also provided under this project. Since 1962, Great Britain, Australia and the Federal Republic of Germany have taken over the major areas of support of the Lao National Radio.
3. Telecommunications. The United States Government provided \$374,000 and about 7 million kip for the procurement and installation of nearly all outside telephone equipment, including cables, poles, telephone instruments and associated equipment, for approximately 800 subscribers in Vientiane and its environs. In June, 1968 the RLG and USAID entered into an agreement which was to have led to USAID financing the installation of a telecommunications link between Vientiane and Nongkhai, Thailand. Subsequently, however, USAID acceded to the request of the Japanese Government that it take over this project and construct the link. USAID, however, continues to finance in Thailand for a sum of \$10,000 the training of the Lao technicians who will operate and maintain the new equipment.

A telecommunications network under the control of the Lao National Police, but for use by other agencies of the Royal Government as well, is now being established. All provincial capitals are connected with Vientiane. District (muong) capitals are now being tied into the network.

## Electric Power

Through budgetary year 1964 the United States supplied electrical generating equipment valued at \$705,000 for Vientiane's power distribution system. This included a new 1,000 KW unit which was installed in 1964 at the new power plant built with Japanese assistance.

The Nam Ngum project, to which the United States has pledged a contribution of half of the total costs of about \$31 million, will be the biggest project ever undertaken in Laos. Expected to be built by 1972, this project will provide 30,000 kilowatts of electricity in its first stage.

About one-half of the Nam Ngum power will satisfy the estimated consumption requirements of the Vientiane area in Laos at the time of completion of the project. The remainder will be available for sale to Thailand.

INDUSTRY

At the request of the Royal Lao Government, the United States financed a survey in 1965 by an American consulting firm on small industry possibilities in Laos. Progress is now being made in the development of such industries.

The retention of various kinds of industrial machinery and equipment in the Commodity Import Program financed by the United States at the Kip 240:\$1 exchange rate instead of the free rate of Kip 500:\$1 is designed to encourage the development of small industries which serve to increase exports or decrease imports or are developmentally desirable. Importation of machinery at this exchange rate in effect represents a subsidy, which is reserved for industries determined to be "priority" by the Royal Lao Government and USAID.

In March 1967, the Royal Lao Government and the United States Government concluded an agreement for the establishment of a "Small Industry Loan Fund" to be administered through the Development Bank of Laos. In the three years of the Fund's operation, FY 67-FY 69, the U.S. provided kip 348,000,000 to enable the Fund to make 5-year loans to small private industries in kip at an interest rate of 11 percent.

In order to promote and assist small farmer purchases of farm tractors under the Import Program over the past three years, A.I.D. has provided a deferred payment plan for approved buyers. Also, in FY 69 the RLG and USAID approved the establishment of a new "Mechanized Farming Loan Fund" which, on the same terms as the Industry Loan Fund, will advance 5-year loans to farmers or groups, mainly in the Vientiane Plain but also in areas surrounding other urban centers, for farm equipment including tractors, and land clearing machinery. This program is particularly designed to expedite clearing and cultivation of the Plain area in connection with the accelerated rice production program.

Presently under consideration is assistance in the development of a furniture factory and a veneer/plywood factory, to be followed by other wood product industries. It is also anticipated that assistance will be provided in establishing light metalworking industries, and possibly in the development of an industrial estate (park) near Vientiane.

Favorable feasibility studies have been made for the furniture factory and the plywood factory. In FY 1970 additional studies are planned to determine the feasibility of automotive battery manufacturing, metal working/fabricating, industrial estates (parks), textiles, and agro-industries such as rice flour milling, crude brown sugar processing, food processing, animal feed enrichment, slaughterhouses and others.

TIRE RECAPPING PLANT

USAID has continuing requirements for recapping substantial numbers of tires each year, and the tires have been transported to Bangkok for this service. In 1967 USAID received approval to procure an "excess property"

tire recapping plant that was earlier procured for Cambodia. This equipment was leased by USAID to a Lao industrialist who could make the construction/installation investment needed, and who could support, manage and control the staff and operation required. The lease agreement requires the plant to service USAID's tire recapping requirements on a priority basis.

The tire recapping plant is now successfully underway. In 5 months of operation there have been nearly 600 tires recapped. Production by 1971 is forecast at 6,500 tires, which should increase by 1974 to 9,000 units. Recapping by this method costs about half the new tire price, and USAID saves more than 10% on recapping costs by having the work done in Laos instead of in Bangkok. In later years the savings will be greater.

#### Lao Lumber Industry - Dramatic Growth in Exports

USAID has assisted in the expansion of lumber exports to Thailand by facilitating Lao sales to U.S. military facilities in Thailand. The following data shows the dramatic increase in lumber exports in recent years.

<u>Year</u>	<u>Dollar Export Value</u>
1966	\$ 80,000
1967	746,000
1968	1,014,000
1969 (estimated)	1,100,000

The RLG and USAID decided to give first priority in the use of the Small Industry Loan Fund to development of the lumber industry, as a greater return was projected than for other investments. In September 1967 the first loan of 91 million kip was made to an association of sawmill owners in Vientiane called the Lao Timber Company. Additional loan agreements were signed in January 1969 with sawmill owners in Pakse and Savannakhet. The Sedone Timber Company received a loan of Kip 24,103,000 and the Lane Xang Timber Company received a loan of Kip 24,317,000.

The USAID has been instrumental in the development of the Lao lumber industry in a number of ways. USAID has given wide support to a comprehensive forest survey, using aerial photographic interpretation techniques and the application of electronic data processing techniques to make a timber inventory that will guide the RLG and private logging companies in selecting areas for cutting so as to obtain maximum return with the least long-term damage to Lao forest resources. USAID also has provided short term consultant services, IVS forest advisors, vehicles, equipment and supplies, air transportation for forest surveys, and training programs for Lao foresters.

The RLG also has given strong support to forestry development by providing necessary building space and recruitment of additional personnel for the Bureau of Water and Forests in order to support the forestry surveys and reforestation projects.

It is significant to note in this respect that the USAID effort has been complemented by the contributions of other countries. Canada has provided a team of five forestry experts; Australia has sent a four-man team to investigate overall forest potential, and is providing training in Australia for RLG forestry officials, and in addition, is furnishing three forestry advisors and substantial commodity support beginning in early 1969. The Indian Government has recently assigned a forest statistician on a short-term basis to assist in the data processing operations. The Royal Thai Forest Department has assisted in many ways, especially with training of Lao Technicians and testing of Lao forest products. Also, active consideration by FAO and UN experts of an UNDP forestry project is scheduled for the fall of 1969. Thus, the development of the Lao lumber industry is an excellent example of a multinational approach to foreign aid assistance.

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R O A D S

The Royal Lao Government is concentrating on reopening and improving the main roads north and south from Vientiane and on opening roads which feed into the main roads or into the Mekong River. United States assistance plays a major role in this roads program.

Route 13 South from Vientiane to Thakhek, S vannakhet and Pakse was reopened to traffic, generally on all-weather basis, in the summer of 1965, and has become increasingly heavily used. A new 100-kilometer stretch of all weather road was built in the northern part of Khammouane Province to replace a previous dry season road through this heavily forested area. Work is continuing to strengthen and replace bridges and to widen and improve various stretches of this main road to Southern Laos.

Route 13 North from Vientiane to Luang Prabang, a 275 kilometer stretch of road, has been reconstructed and was opened to traffic in June 1969. The previous road had seriously deteriorated until at many points it was only a footpath through the jungle. Work started north of Phone Hong at the end of 1965, and by early 1968 the new road was opened to Muong Kassy. Construction of this road has also served as a training ground for hundreds of Lao highway construction workers at all skill levels.

Unfortunately, guerilla activities in the vicinity of the RIG-13, RIG-7 intersection in the last week of July resulted in closure of the route. Due to the security situation, no maintenance was possible during the rainy season and severe damage resulted. Repair of slides and washouts is now under way and traffic can now move through, though with difficulty.

Many other roads have been constructed or are in progress. The more important include:

1. Reconstruction and paving of the Vientiane - Thadeua road.
2. Construction of a concrete ferry ramp at the Thanaleng crossing of the Mekong River, 17 kilometers from Vientiane.
3. Construction of a new road connecting Route 2 east of Thadeua in Vientiane Province with Route 13 South at Kilometer 48.
4. Construction of a 14-kilometer road from Phone Hong to Ban Talat (near the site of the Nam Ngum Dam).
5. A 125-kilometer road from Houei Pamone (on Route 13 North, 15 kilometers south of Vang Vieng) to Sam Thong in Xieng Khouang Province is under construction at both ends.
6. Construction of a bridge across the Nam Khan at Luang Prabang City.
7. Improvement and construction of Route 1 in Sayaboury Province from Thadeua on the Mekong River through Sayaboury and Muong Phieng to Ban Nakhem.
8. Construction of a 24-kilometer road in northern Sayaboury Province from Hong Sa to the Mekong River.
9. Construction of a road in Houa Khong Province southeast from Ban Houei Sai toward Ban Dan.

10. Construction of a 25-kilometer road from Paksone to Muong Cao in Borikhane Province.
11. Construction of roads from Route 13 South in Borikhane Province to Nong Bua and Ban Lao.
12. Construction of a 35-kilometer road in Khammouane Province from Thakhek to Nong Bok.
13. Construction of various roads around Kengkok in Savannakhet Province.
14. Opening of a road from Saravane west to Route 13 by rehabilitation of the Saravane-Ban Samia road and construction of a new road from Ban Samia to Ban Napeng on Route 13 near Khong Sedone.
15. Construction of a new road starting at Kilometer 21 on the Pakse-Paksong road and leading to Kheng Nhao near the eastern edge of the Bolovens Plateau in Sedone Province.
16. Construction of a 35-kilometer road from Paksong in Sedone Province to Houei Kong in Attopeu Province in the Bolovens Plateau.
17. Widening and asphalt surfacing of Route 10 from Pakse to the Lao-Thai border in Champassak Province.
18. Construction of a road from Champassak to Don Talat and to Soukhouma in Champassak to Phoutong on Route 10.

In addition to numerous other smaller projects, road maintenance by the Ministry of Public Works, with United States Assistance, is constantly being carried on.

An extensive program of training of personnel of this Ministry is also under way in order to place it as rapidly as possible in a position of being able to handle all road construction and maintenance throughout the Kingdom of Laos.

Some of the progress made during this period in improved maintenance of existing routes and increased capability of the RLG Highway Department can be illustrated with the following accomplishments under this project:

	<u>FY 67</u>	<u>FY 68</u>	<u>FY 69</u>	<u>Planned FY 70</u>
Road Maintenance (km.)	2,025	2,241	2,100	2,553
Road Construction or Improvement (km.)	290	151	189	140
Bridge Construction or Major Improvement (No.)	10	28*	39**	27
Trainees Completing Formal Courses (not including on- the-job training)	113	222	175	270

\* 11 of these were bridges rehabilitated following enemy action.

\*\* 24 of these were bridges rehabilitated following enemy action.

EDUCATION

Education has for several years been a major area of United States assistance to the Royal Lao Government. Following are major examples of physical accomplishments in the education field as of June, 1969:

Textbooks Distributed	2,903,395
Classrooms Constructed	2,511
Students Enrolled in Assisted Schools	185,000
Students Completing Courses in Assisted Teacher Training Schools	3,104
Teachers Provided In-Service Training	4,129
Total Classrooms in Country	6,114
Number of Students Enrolled in Schools	207,697
Number of Teachers	5,931

USAID has obligated \$11,671,000 for education since 1955.

In the field of primary education the United States has helped to build and repair schools and classrooms, develop and print Lao language textbooks, furnish equipment and supplies, construct offices and warehouses for Primary School Inspectors, and provide in-service and participant training for teachers and school administrators.

In cities and major towns, 22 permanent masonry-type groupes scolaires buildings of 12 rooms each for the first six grades have been built, or are under construction. Their locations are as follows:

<u>City or Town</u>	<u>Province</u>	<u>Number</u>
Vientiane	Vientiane	6
Luang Prabang	Luang Prabang	4
Sayaboury	Sayaboury	1
Houei Sai	Houa Khong	1
Paksane	Borikhane	1
Thakhek	Khammouane	1
Nong Bok	Khammouane	1
Savannakhet	Savannakhet	2
Kong Sedone	Wapikhamthong	1
Pakse	Sedone	2
Champassak	Champassak	1
Khong Island	Sithandone	1

Substantial groupes scolaires buildings have also been built, some on force account basis and some on a self-help basis, in numerous other places. These include Vang Vieng, Xieng Ngeun (Luang Prabang Province), Sam Thong

and Long Tieng (Xieng Khouang Province), Muong Cao (Borikhane Province), Kengkok, Muong Phalane and Lahanam (Savannakhet Province), Muong Wapi (Wapikhamthong Province), Houei Kong (Attoupeu Province), and many others. Altogether, USAID has assisted 111 groupes scolaires buildings throughout the country.

Almost all USAID support for the construction of primary school classrooms, aside from the 22 masonry-type groupes scolaires listed above, is channeled through the Rural Self-Help project, with technical assistance provided by Rural Public Works. The number of classrooms which USAID has helped to construct or repair in recent years in this manner is as follows:

USAID-Supported Rural Self-Help Construction of Primary School Classrooms

	<u>Classrooms</u>			<u>Costs</u>	
	<u>New</u>	<u>Replacement</u>	<u>Total</u>	<u>Dollars</u>	<u>Kip</u>
FY 1964-1968	556	644	1,200	329,935	113,532,000
FY 1969	176	250	426	56,556	13,155,000
FY 1970 (Proposed)	320	166	482	---	----

The practice of self-help construction is now being applied to urban as well as rural areas. In FY 69, USAID support was approved for the self-help construction of 33 classrooms in urban areas under the Community Education project.

Primary school textbooks have been developed in the Lao language in all subjects for the first six grades. These books, totaling 2,682,288, have now been placed in the hands of every Lao child in grades 1 - 6. The subjects consist of health, civics, history, geography, arithmetic, reading, gardening, poetry, Lao fables, ethics, youth movement, and home economics.

In consultation with the Royal Lao Government, United States assistance in the field of primary education is being reoriented to give greater emphasis to grades 4 - 6 than to grades 1 - 3. The reason for this change in focus is to make education at the grades 4 - 6 level available to a larger number of students and thus reduce the high drop-out rate at the completion of grade 3. This will insure an increasingly higher rate of literacy in Laos.

With the rapid development in primary education over the past few years, teacher training has assumed constantly greater importance. The United States has provided, or is providing buildings, equipment, supplies and some teaching staff for the following teacher training institutions:

Type of Institution  
and Location

Buildings

School of Pedagogy  
Dong (Vientiane)

12 classrooms buildings, 5 practical arts buildings, 4 laboratory buildings, 2 girls' dormitories, 12 boys' dormitories, 1 dispensary, 2 kitchens, 3 dining rooms, 1 director's houses, 24 faculty apartments, 1 warehouse, 1 auditorium/gymnasium, etc.

Normal School Luang Prabang	Classroom-office building (6 rooms), classroom building (12 rooms), 2 dormitories converted to 4 classrooms each, 3 other 200-student dormitories, demonstration school, dining hall, 3 faculty houses, etc.
Normal School Pakse	2 classroom buildings (one 6-room and one 12-room), 2 dormitories converted to 4 classrooms each, 3 other 200-student dormitories, dining hall and kitchen, 3 faculty houses, etc.
Normal School Vang Vieng	2 classroom buildings and kitchen (on self-help basis)
Normal School San Thong	Classroom building and kitchen (on self-help basis)
Normal School Savannakhet	Classroom building (12 rooms), 2 dormitories, auditorium/dining hall.

In addition to the above institutions, the RLG has established normal schools at Ban Keun (Vientiane Province) and at Kene Thao (Sayaboury Province). Both of these schools are self-help construction projects of the Ministry of Education.

There are now some 2,200 students in training as teachers in these institutions. This number will grow as these teacher training schools continue to expand. Lao language textbooks in pedagogical subjects are being developed for these schools. A total of 176,107 copies have been delivered to date.

The United States has also recently entered the field of secondary education at the request of the Royal Lao Government. Under this arrangement, a grade 7 - 10 school was opened in Vientiane in October, 1967, a second school opened in Phone Hong in October, 1969, and a third school, at a site to be determined, is proposed for construction in FY 1970.

These new secondary schools are designed to assist the Royal Government in carrying out the objectives of the Lao Educational Reform Act of 1962. Instruction is given in the Lao language, thus initiating action toward the Royal Government objective of Laotianizing all educational instruction by 1980. The new schools also innovate by offering both vocational and academic tracts of instruction. Secondary-level textbooks in the Lao language are being developed for all subjects, with a current delivered total of 45,000 copies.

PUBLIC HEALTH AND SANITATION

United States assistance has been concentrated particularly in rural areas and has provided the first medical care ever available to thousands of villagers. The Public Health program plays a significant role in meeting United States objectives in both the security and developmental categories and is implemented through two basic approaches: (a) Village Health (VHP), and (b) Operation Brotherhood (OB).

The Village Health Program presently supports approximately 230 dispensaries, clinics, and hospitals to provide medical assistance to the rural population in cluster areas and to refugees and paramilitary forces in the war zone. These units are reporting 200,000 patient visits per month. U.S. dollar assistance in this project in FY 1969 was \$1.6 million. This level of support has been about the same over the past three years. Rural dispensaries (including military) which are supported by USAID:

<u>Province</u>	<u>Number of Dispensaries</u>
Attopeu	1 - 2
Borikhane	6 - 4
Champassak	2 - 4
Houa Khong	42 - 48
Khammouane	16 - 18
Luang Prabang	9 - 17
Sam Neua	3
Saravane	18 - 13
Savannakhet	19 - 17
Sayaboury	18 - 29
Sedone	12
Vientiane	13 - 15
Wapikhamthong	12 - 8
Xieng Khouang	68 - 72

In addition, a 150-bed hospital has been built and equipped at Sam Thong in Xieng Khouang Province and is the only hospital serving all of north-eastern Laos. A modern, well-equipped 50-bed hospital has been constructed at Vang Vieng, and was opened in late 1967. A new 50-bed hospital has just been completed in Khong Sedone in Wapikhamthong Province and a 50-bed hospital in Long Tien.

The Operation Brotherhood project, staffed by Filipino personnel, has been in existence since 1963 and supports the operation of seven hospitals providing in-patient and out-patient care for approximately 240,000 people annually, and public health service to the people around the hospitals. The number of hospital cases has risen by approximately 30% in FY 1969.

To an increasing extent the Mission and the RLG desire to upgrade RLG medical personnel qualifications to the point where they can assume the medical and administrative hospital tasks now carried out largely by OB personnel. OB personnel work in the following government hospitals:

<u>Hospitals</u>	<u>OB Staff</u>	<u>Number of Beds</u>	<u>Remarks</u>
Vientiane	34	108	
Vang Vieng	6	50	
Sayaboury	9	40	
Kangkok	9	25	
Paksong	10	40	
Khong Sedone	6	50	
Ban Houei Sai	6	30	Opened in April 1969 with staff previously removed from Attopeu and located temporarily in Pakse.
Admin. Staff	<u>19</u>	<u>---</u>	
Totals	<u>99</u>	<u>343</u>	

The project objective is to replace the Filipino personnel with a sufficient number of trained Lao to keep these hospitals in operation, and to transfer administrative and financial responsibility for operation of these hospitals to the RLG. The remaining life of the project will consist therefore, of implementing a five-step phase out plan which has been developed jointly by USAID, OB and the RLG. It was determined that FY 1975 was the earliest that phase out could take place without unreasonable disruption of existing services.

The first phase of this plan has already begun with the RLG assumption, beginning in FY 1969 of expenses of local personnel and daily operational costs for the hospitals at Khong Sedone and Vang Vieng. In addition, the OB staff of Attopeu and Saravane were forced to leave their hospitals during April 1968 because of poor security conditions. The Attopeu staff, temporarily in Pakse, has been transferred to an RLG hospital in Ban Houei Sai. The Attopeu hospital is now staffed on a skeleton basis by Lao medical personnel, with commodity support from USAID.

The OB staff at Vang Vieng and Kengkok are scheduled for phase out at the close of FY 1972, the staffs in Khong Sedone and Sayaboury in FY 1973, Paksong and Ban Houei Sai in FY 1974, and finally, Vientiane at the end of FY 1975. This plan would reduce the number of Filipino contract employees from 99 in FY 1971 to 82 in FY 1972, 65 in FY 1973, 46 in FY 1974, and 0 by the end of FY 1975. Gradual phase out of administrative staff will accompany the annual hospital phase outs.

FY 1969 cost of this project was \$853,000; \$520,000 for OB contract costs and the remainder in commodity and related expenses. The contract costs are projected to remain at the current high level of usage through the close of the project. Subsequently, some commodity support to municipal hospitals may continue through another program (perhaps the Village Health Activity), since it is not foreseen that Laos will have sufficient foreign exchange in FY 1975 for the purchase of all the necessary drugs and medicines.

Mother Child Health - The Mother Child Health project was begun in FY 1969 when \$990,000 was obligated for the construction of a central clinic and teaching facility in Vientiane and for basic equipment and commodities (including milk products, vitamins and steroids). Construction of the facility (on the grounds of Mahosot hospital) will take place during FY 1970.

The goal of the project is to better future generations of Lao by improving maternal child health and by introducing family planning techniques. It is envisaged that implementation of training objectives will commence while the central facility is under construction and that construction of provincial facilities will take place during FY 1971.

REFUGEES

The United States has helped the Royal Government extensively for several years in meeting the needs of tens of thousands of refugees from Communist violence. The number of refugees now requiring assistance is about 260,000. From 100,000 to 130,000 of these receive rice assistance (depending upon the time of year). The balance receive other forms of assistance, such as rice seeds, agricultural implements, clothing, etc. The United States contribution to refugee support in FY 1969 was \$2.1 million not including air transport cost which Refugee Relief must depend on because of delivery to remote areas.

The refugee relief and resettlement program is designed to deal with a constantly fluctuating refugee burden. This program is divided into four categories of assistance.

I. Relief Assistance

A. Full Relief. This is assistance provided to people who are in immediate need of food and other basic necessities because they have just fled from Communist-controlled areas or have been driven out of their homes by advancing Communists Military Forces.

B. Partial Relief. This is assistance generally provided to former "refugee-full relief," who have located in new, often remote areas, and have managed to become partially self-sufficient with minimal assistance needs.

II. Relocation Assistance

This is assistance generally given to former refugees, "full or partial relief," who move, or have been moved to new areas. The relocation usually occurs after a unilateral decision by a particular group of people to move because of poor security in the area they occupy. These relocatees generally are partially self-sufficient and receive foodstuffs and other commodities to supplement what they can produce for themselves. These people generally embark on a program designed to bring them to self-sufficiency in one to two years. These people generally prefer to live in the highlands and ultimately desire to return to their former homes. However, they are actively encouraged to live in the new areas on a permanent basis.

III. Resettlement Assistance

This is assistance given to former "refugees--full or partial relief," who have agreed to permanently resettle in areas provided for them by the Lao Government; resettlement locations are selected on the basis of their economic, political and strategic value. "Resettlers" receive the same kinds of assistance as "relocatees" plus some assistance in establishing a basic economic and social infrastructure--schools, wells, roads, dispensaries, etc.

#### IV. Assistance to Paramilitary and Their Dependents

This is assistance provided to the "hard-core" tribal military forces and their dependents. The rice this group manages to plant is usually stolen or burned by the enemy forces. These people are provided with food and other supplementary assistance, as needed, on a continuing basis.

#### ASSISTANCE TO REFUGEES (USAID Financed)

Category	FY 1969		FY 1970		FY 1971	
	Number Rec'g Assist.1/	Number Rec'g Food 1/	Number Rec'g Assist.2/	Number Rec'g Food 2/	Number Rec'g Assist.2/	Number Rec'g Food 2/
	1. Full Relief Assist.	82,000	82,000	117,000	117,000	117,000
2. Partial Assist.	20,000	11,000	25,000	12,000	25,000	12,000
3. Resettlement Assist.	8,000	5,000	8,000	5,000	5,000	5,000
Total	<u>110,000</u>	<u>98,000</u>	<u>150,000</u>	<u>124,000</u>	<u>124,000</u>	<u>124,000</u>

1/ Actual numbers as of June 1969

2/ Figures are averages based on anticipated monthly fluctuations.

#### RELIEF ASSISTANCE (USAID Financed)

Breakdown by Area	Total	Less Those Est.	Plus	Plus
	Receiving Assistance Sept. 30, 1969	to Attain Self-Sufficiency by Harvest November 1969	Est. New Arrivals Through FY 1970	Estimated Average FY 1970
Ban Houei Sai	13,500	4,000	5,000	14,500
Sayaboury	2,200	1,300	500	1,400
Luang Prabang	6,500	4,000	5,000	7,500
Xieng Khouang/Sam Neua	88,000	35,000	20,000	73,000
Vientiane/Borikhane	14,000	500	1,000	15,000
Thakhek/Savannakhet	2,200	----	500	2,700
Pakse	<u>8,000</u>	<u>3,000</u>	<u>5,000</u>	<u>10,000</u>
Total	<u>134,000</u>	<u>47,800</u>	<u>37,000</u>	<u>124,100</u>

US AID TO LAOS PROJECT ASSISTANCE

KIP Obligations  
(To Million of Kip)

L 301.01

SECTOR/PROJECT	FY 1955			FY 1956			FY 1957			FY 1958			FY 1959		
	Kip Value	% of Total	Dollar Equiv. (\$000)	Kip Value	% of Total	Dollar Equiv. (\$000)	Kip Value	% of Total	Dollar Equiv. (\$000)	Kip Value	% of Total	Dollar Equiv. (\$000)	Kip Value	% of Total	Dollar Equiv. (\$000)
Agriculture Development	7	3.93	200	15	6.76	429	21	6.78	600	17	5.97	486	15	4.60	187
Industry Development	13	7.30	371	1	0.45	29	5	1.61	143	2	0.70	57	2	0.61	29
Transp. (Rds, Airfields, Rivers)	47	26.41	1,343	70	31.53	2,000	74	23.87	2,116	69	24.21	1,971	60	18.41	749
Public Health Development	6	3.37	171	5	2.25	143	12	3.87	343	24	8.42	686	13	3.99	156
Education Development	16	8.99	457	25	11.26	714	9	2.90	257	10	3.51	286	26	7.98	323
Civil Police Administration	--	--	--	76	34.23	2,171	147	47.42	4,200	108	37.89	3,086	76	23.31	954
Public Administration Development	26	14.61	743	11	4.96	314	13	4.19	371	10	3.51	286	9	2.76	107
Development of Rural Economy	--	--	--	2	0.90	57	8	2.58	229	26	9.12	743	74	22.70	928
Refugee Relief and Resettlement	40	22.47	1,143	6	2.70	171	--	--	--	--	--	--	--	--	--
Military Technical Support	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Air Technical Support	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
General Technical Support	23	12.92	657	11	4.96	413	21	6.78	600	19	6.67	543	51	15.64	665
<b>Total</b>	<b>178</b>	<b>100%</b>	<b>5,085</b>	<b>222</b>	<b>100%</b>	<b>6,342</b>	<b>310</b>	<b>100%</b>	<b>8,857</b>	<b>285</b>	<b>100%</b>	<b>8,144</b>	<b>326</b>	<b>100%</b>	<b>4,098</b>

SECTOR/PROJECT	FY 1960			FY 1961			FY 1962			FY 1963			FY 1964		
	Kip Value	% of Total	Dollar Equiv. (\$000)	Kip Value	% of Total	Dollar Equiv. (\$000)	Kip Value	% of Total	Dollar Equiv. (\$000)	Kip Value	% of Total	Dollar Equiv. (\$000)	Kip Value	% of Total	Dollar Equiv. (\$000)
Agriculture Development	24	4.50	300	--	--	--	--	--	--	--	--	--	32	4.06	375
Industry Development	3	0.56	37	--	--	--	--	--	--	5	1.08	62	--	--	--
Transp. (Rds, Airfields, Rivers)	133	24.95	1,663	40	29.63	500	32	20.25	400	96	20.64	1,200	188	23.86	952
Public Health Development	33	6.19	413	--	--	--	--	--	--	52	11.18	650	64	8.12	269
Education Development	29	5.44	362	12	8.89	150	24	15.19	300	38	8.17	475	139	17.64	903
Civil Police Administration	181	33.96	2,263	--	--	--	--	--	--	--	--	--	--	--	--
Public Administration Development	13	2.44	162	--	--	--	--	--	--	--	--	--	--	--	--
Development of Rural Economy	65	12.20	813	46	34.07	575	76	48.10	960	83	17.85	1,038	115	14.59	1,326
Refugee Relief and Resettlement	--	--	--	--	--	--	--	--	--	--	--	--	16	2.03	186
Military Technical Support	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Air Technical Support	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
General Technical Support	52	9.76	650	37	27.41	463	26	16.46	325	191	41.08	2,387	234	29.79	1,785
<b>Total</b>	<b>533</b>	<b>100%</b>	<b>6,663</b>	<b>135</b>	<b>100%</b>	<b>1,688</b>	<b>158</b>	<b>100%</b>	<b>1,975</b>	<b>465</b>	<b>100%</b>	<b>5,812</b>	<b>788</b>	<b>100%</b>	<b>5,796</b>

SECTOR/PROFJECT	FY 1965			FY 1966			FY 1967			FY 1968			FY 1969		
	Kip Value	% of Total	Dollar Equiv. (\$000)	Kip Value	% of Total	Dollar Equiv. (\$000)	Kip Value	% of Total	Dollar Equiv. (\$000)	Kip Value	% of Total	Dollar Equiv. (\$000)	Kip Value	% of Total	Dollar Equiv. (\$000)
Agriculture Development	117	7.26	488	180	6.70	750	157	6.63	654	191	8.87	796	163	7.92	679
Industry Development	--	--	--	--	--	--	127	5.37	529	22	1.02	92	46	2.24	192
Transp. (Rds, Airfields, Rivers)	218	13.53	908	287	10.68	1,196	359	15.17	1,496	318	14.77	1,325	252	12.25	1,050
Public Health Development	141	8.75	588	166	6.18	692	208	8.79	867	163	7.57	679	153	7.43	638
Education Development	175	10.86	729	424	12.06	1,350	219	9.26	13	78	3.62	325	70	3.40	292
Civil Police Administration	--	--	--	7	0.26	29	13	0.55	54	15	0.70	63	5	0.24	21
Public Administration Development	6	0.37	25	--	--	--	3	0.13	12	--	--	--	8	0.39	33
Development of Rural Economy	252	15.65	1,050	374	13.92	1,558	432	18.26	1,800	420	19.51	1,750	498	24.20	2,075
Refugee Relief and Resettlement	72	4.47	300	57	2.21	238	86	3.63	358	109	5.06	454	75	3.64	312
Military Technical Support	--	--	--	--	--	--	26	1.10	108	26	1.21	108	17	0.83	71
Air Technical Support	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
General Technical Support	630	39.11	2,625	1,292	48.08	5,385	746	31.11	3,067	811	37.67	3,379	771	37.46	3,212
<b>Total</b>	<b>1,611</b>	<b>100%</b>	<b>6,713</b>	<b>2,687</b>	<b>100%</b>	<b>11,196</b>	<b>2,366</b>	<b>100%</b>	<b>9,858</b>	<b>2,153</b>	<b>100%</b>	<b>8,971</b>	<b>2,058</b>	<b>100%</b>	<b>8,575</b>

OP/P: 9/30/69

Conversion Rates:

- To October 1958: Kip 35 = \$1.00
- To January 1964: Kip 80 = \$1.00
- To Present : Kip 240 = \$1.00

US AID TO LAOS PROJECT ASSISTANCE  
Dollar Obligations (\$000)

Sector/Project	FY 1955		FY 1956		FY 1957		FY 1958		FY 1959		FY 1960		FY 1961		FY 1962	
	\$ Value	% of Total	\$ Value	% of Total	\$ Value	% of Total	\$ Value	% of Total								
Agriculture Development	46	3.26	580	9.47	202	3.73	125	2.74	237	3.89	160	1.21	165	2.93	--	--
Industry Development	--	--	67	1.10	438	8.09	887	19.45	96	1.57	87	0.66	70	1.24	211	3.05
Transportation (Roads, Airfields, River)	38	2.69	2,869	46.86	2,326	42.96	805	17.65	1,840	30.17	8,894	67.39	1,083	19.23	1,249	18.03
Public Health Development	4	0.28	320	5.23	325	5.98	511	11.20	382	6.26	468	3.55	206	3.66	152	2.19
Education Development	27	1.91	118	1.93	172	3.18	298	6.53	243	3.89	302	2.29	338	6.00	741	10.70
Civil Police Administration	247	17.51	758	12.38	303	5.60	156	3.42	134	2.20	141	1.07	145	2.57	--	--
Public Administration Development	353	25.02	154	2.52	204	3.77	43	0.94	36	0.59	89	0.67	87	1.55	--	--
Development of Rural Economy	--	--	204	3.33	272	5.02	294	6.45	288	4.72	1,218	9.23	1,032	18.33	2,834	40.91
Refugee Relief & Resettlement	412	29.20	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Military Technical Support	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Air Technical Support	--	--	--	--	--	--	--	--	--	--	--	--	<sup>a/</sup> [335]	<sup>a/</sup> [5.95]	<sup>a/</sup> [1,220]	<sup>a/</sup> [17.61]
General Technical Support	284	20.13	1,052	17.18	1,173	21.67	1,442	31.62	2,843	46.61	1,839	13.93	2,505	44.49	1,740	25.12
<b>TOTAL</b>	<b>1,411</b>	<b>100%</b>	<b>6,122</b>	<b>100%</b>	<b>5,414</b>	<b>100%</b>	<b>4,561</b>	<b>100%</b>	<b>6,099</b>	<b>100%</b>	<b>13,198</b>	<b>100%</b>	<b>5,631</b>	<b>100%</b>	<b>6,927</b>	<b>100%</b>

a/ Non-add item, obligated under Rural Development sector.

(Data on prior years obligations current as of August 1968)

US AID TO LAOS PROJECT ASSISTANCE  
Dollar Obligations (\$000)

Sector/Project	FY 1963		FY 1964		FY 1965		FY 1966		FY 1967		FY 1968		FY 1969	
	\$ Value	% of Total	\$ Value	% of Total	\$ Value	% of Total	\$ Value	% of Total	\$ Value	% of Total	\$ Value	% of Total	\$ Value	% of Total
Agriculture Development	--	--	552	2.34	891	2.66	1,632	4.29	3,735	9.46	2,621	6.76	2,680	9.07
Industry Development	32	0.18	51	0.22	--	--	--	--	71	0.18	231	0.60	340	1.15
Transportation (Rds, Airfiels & River)	1,474	8.21	1,735	7.34	4,777	14.25	3,666	9.63	5,578	14.13	4,884	12.59	3,915	13.25
Public Health Development	460	2.56	1,704	7.21	2,789	8.32	2,790	7.33	1,698	4.30	2,667	6.87	3,444*	11.65
Education Development	997	5.56	889	3.76	824	2.46	1,256	3.30	1,506	3.81	1,940	5.00	1,736	5.87
Civil Police Administration	--	--	--	--	895	2.67	557	1.46	654	1.66	501	1.29	466	1.58
Public Administration Development	--	--	137	0.58	92	0.27	98	0.26	264	0.64	202	0.52	275	0.93
Development of Rural Economy	4,061	22.63	1,576	6.67	2,527	7.54	5,465	14.36	5,855	14.83	7,136	18.39	4,362	14.76
Refugee Relief & Resettlement	[2,200] <sup>a</sup>	[12.26]	1,979	8.38	4,534	13.53	4,112	10.80	4,554	11.53	3,566	9.19	2,117	7.16
Military Technical Support	1,350	7.52	2,816	11.92	3,305	9.86	3,459	9.09	3,799	9.62	3,413	8.80	2,242	7.59
Air Technical Support	7,741	43.14	9,177	38.85	8,676	25.89	8,810	23.15	6,395	16.19	6,400	16.49	3,060	10.36
General Technical Support	1,830	10.20	3,008	12.73	4,205	12.55	6,216	16.33	5,389	13.65	5,239	13.50	4,915	16.63
<b>TOTAL</b>	<b>17,945</b>	<b>100%</b>	<b>23,624</b>	<b>100%</b>	<b>33,514</b>	<b>100%</b>	<b>38,061</b>	<b>100%</b>	<b>39,488</b>	<b>100%</b>	<b>38,800</b>	<b>100%</b>	<b>29,552</b>	<b>100%</b>

\* Includes Maternaal and Child Health 990

US AID TO LAOS PROJECT ASSISTANCE  
Dollar Obligations (\$000)

Sector/Project	(Estimated) (FY 1970)		(Proposed) FY 1971		(Planned) FY 1972	
	\$ Value	% of Total	\$ Value	% of Total	\$ Value	% of Total
Agriculture Development	2,720	9.39	2,647	9.51	2,464	9.10
Industry Development	445	1.45	695	2.50	559	2.07
Development of Lao National Road System	2,569	8.87	3,357	12.06	3,092	11.43
Maternal and Child Health	146	0.50	446	1.60	265	0.98
Public Health Development	2,530	8.74	2,900	10.42	2,900	10.72
Education Development	1,805	6.23	1,649	5.92	1,705	6.36
Civil Police Administration	632	2.18	562	2.05	492	1.82
Public Administration Development	510	1.76	506	1.82	482	1.78
Development of Rural Economy	4,088	14.12	4,672	16.79	4,718	17.43
Refugee Relief & Resettlement	2,100	7.25	2,010	7.22	2,004	7.40
Military Technical Support	2,605	9.00	--	--	--	--
Air Technical Support	4,217	14.56	3,812	13.70	3,800	14.04
General Technical Support	4,593	15.86	4,565	16.41	4,581	16.93
<b>TOTAL</b>	<b>28,960</b>	<b>100%</b>	<b>27,831</b>	<b>100%</b>	<b>27,062</b>	<b>100%</b>