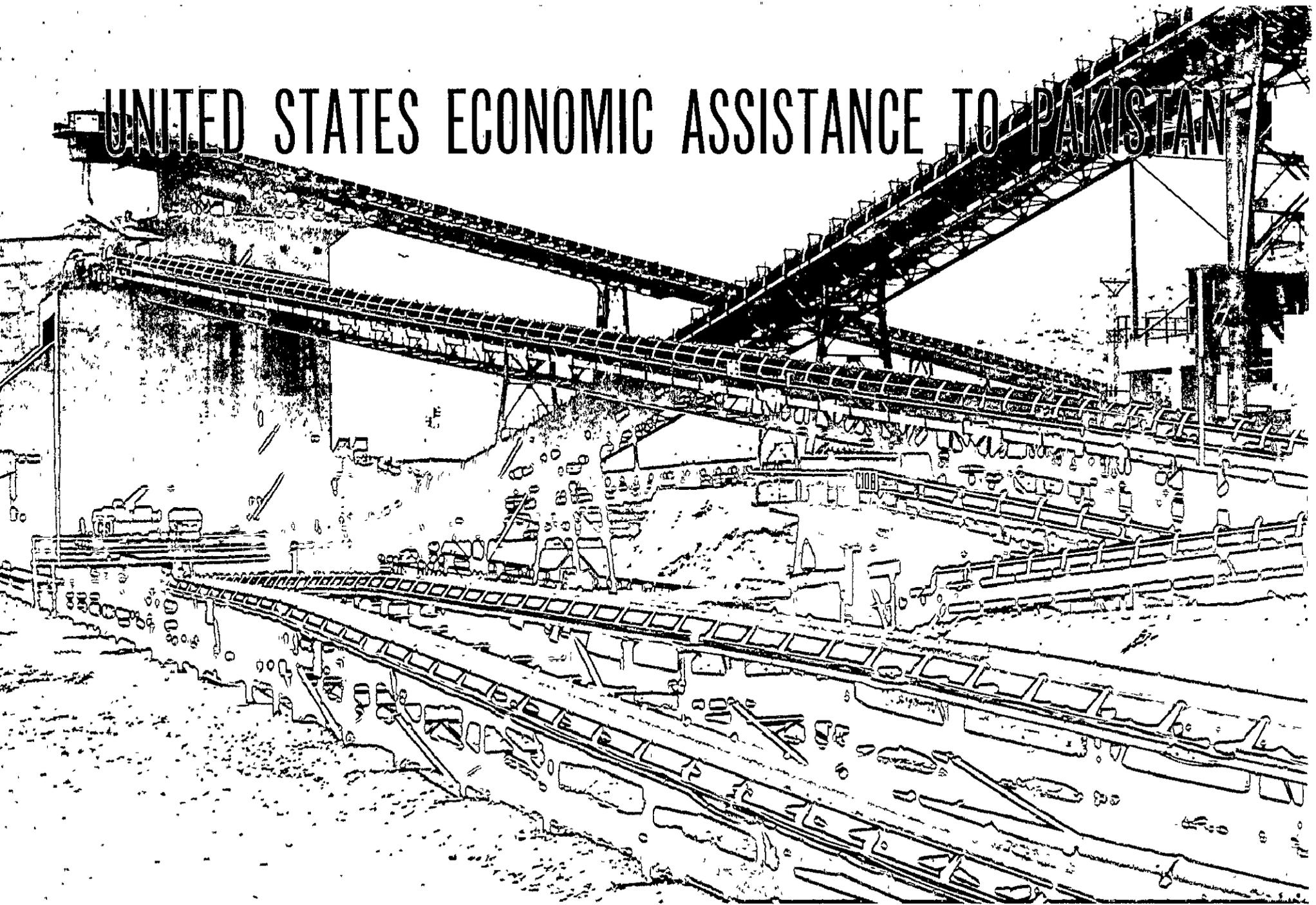


# UNITED STATES ECONOMIC ASSISTANCE TO PAKISTAN



UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT, PAKISTAN

APRIL 1971

## FOREWORD

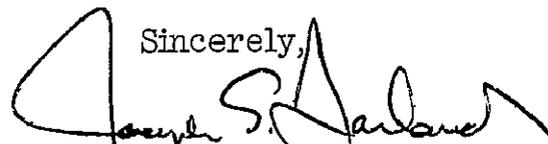
It is a pleasure for me to introduce this brief volume outlining the role the United States is playing in Pakistan's effort to win a better life for its people through economic and social development. As the envoy of the United States in this dynamic and important nation, I am deeply committed to furthering the friendship and partnership which exists between our two countries. For this reason, I place high priority on the work of the United States assistance program in Pakistan.

Economic assistance, in President Nixon's words, is "a means of helping and supplementing the efforts of nations to mobilize the resources and energies of their own people." It is, he says, "not a burden, but an opportunity to help others to fulfill their aspirations for justice, dignity and a better life." The main thrust for a country's development must come from within. Outside assistance, however, can often help a nation make more effective use of its own human and material resources. Pakistan has demonstrated an increasing capacity to use foreign aid efficiently; to analyze its development needs; to chart an effective modernization program; and to mobilize the required resources. Each nation must determine its own development goals and strategy decisions. It is Pakistan's right - and hers alone - to determine what kind of nation she wishes to be in the next five years, ten years, or even in the year 2000.

In his statement to the Congress on "U. S. Foreign Assistance in the 1970's," the President said the lower income countries "have been helped by us and by others, but their achievements have come largely through their own efforts. Many have scored agricultural breakthroughs which have dramatically turned the fear of famine into the hope of harvest. They have made vast gains in educating their children and improving their standards of health. The magnitude of their achievement is indicated by the fact that the lower income countries taken together exceeded the economic growth targets of the first United Nations Second Development Decade. These achievements have brought a new confidence and self-reliance to people in communities throughout the world. "

Pakistan and the United States have long been associated in the pursuit of peaceful progress. I am confident we shall continue to work together in our mutual effort to improve the quality of life for our peoples and for all mankind.

Sincerely,

A handwritten signature in dark ink, appearing to read "Joseph S. Farland". The signature is stylized with a large, sweeping initial "J" and a long, horizontal flourish extending to the right.

Joseph S. Farland  
United States Ambassador  
to Pakistan

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## INTRODUCTION

Pakistan began its history in 1947 with severe handicaps for achieving rapid economic growth. Little industry existed and institutions to service growth were largely nonexistent. Methods of agricultural production were traditional with little use of fertilizer or modern farming practices.

Progress since then has been dramatic. For example:

Industrial production increased ten fold between Fiscal Year 1951 and FY 1970.

Agricultural output increased 75% since 1949.

Electric power generation increased over 200% in the last 10 years.

Fertilizer consumption increased from 14,000 tons in FY 1953 to 720,000 tons in FY 1970.

These achievements reflect a major commitment to development. One indication of this is that since 1956 Pakistan's own domestic expenditures

for development have totaled more than Rs. 88 billion. Coupled with this willingness to mobilize its own resources, Pakistan has, in a number of areas, carried out policy reforms and used external assistance effectively.

Foreign assistance has played an important role in Pakistan's development. The United States has joined Belgium, Canada, France, West Germany, Italy, Japan, the Netherlands, Norway, Sweden and the United Kingdom in a consortium led by the World Bank to provide coordinated economic assistance and to work out with Pakistan plans for its effective use. In recent years, the Soviet Union, other Eastern European states and the Chinese Peoples' Republic have provided external aid to Pakistan. The United Nations Development Programme, assisted by various specialized international agencies, is also active in Pakistan.

The United States' foreign assistance program assists Pakistan's efforts to attain rapid economic growth guided by its own political ideals, social objectives and cultural heritage.

During the past two decades, the United States through the Agency for International Development and its predecessor organizations has provided assistance amounting to more than \$4 billion, 52% of total foreign aid during this period.

Nearly one half of this amount has taken the form of commodity loans which have permitted Pakistan to import the goods and raw materials needed to stimulate and sustain both industrial and agricultural growth. Fertilizers and pesticides imported under these loans have been crucial ingredients in Pakistan's large increase in wheat production during recent years - a phenomenon sometimes called the "Green Revolution". United States loans have supplied between one-third and one-half of the import requirements of Pakistan's growing industrial complex.

In addition to meeting food needs, the United States Public Law 480 ("Food for Peace") Program has, since 1955, played a major role in helping Pakistan mobilize resources for development. By loaning or granting back to Pakistan a major portion of the rupees generated by local sales of these foodstuffs, the United States has helped to finance the East Pakistan Rural Works Programs and the Indus Basin project (including Tarbela Dam) as well as major programs in agriculture, communications, education, health and family planning.

A third type of United States assistance has been channeled through specific capital project loans designed to help Pakistan lay the groundwork (infrastructure) which is essential for successful growth and modernization. These loans have provided foreign exchange to help build power generating

and distribution facilities, modernize railway equipment, improve ports and communications and help Pakistan reclaim hundreds of thousands of water-logged farm acres. Still other project loans have helped finance malaria eradication efforts and improved urban water and sewerage systems.

More than 3, 500 Pakistanis have received higher education or advanced training abroad under A. I. D. projects. Today they are making noteworthy contributions to Pakistan's economic and social well-being in almost every development field.

In addition to these forms of bilateral assistance administered by A. I. D. the United States has contributed to the Indus Basin Development Fund, supplying more than half of both the foreign exchange costs and the foreign-contributed rupees involved. The United States also provides support to multilateral and regional institutions such as the International Development Association and the Asian Development Bank which assist Pakistan's development.

The following pages present a brief summary of the problems confronting Pakistan's development effort and the contribution that United States aid has made in assisting Pakistan to achieve its development goals.

## II. BACKGROUND

1. Geography. Pakistan's 365,000 square mile area is composed of five provinces of vastly different size and topography. East and West Pakistan are separated by the width of India, 1,100 miles by air and 3,000 miles by sea. East Pakistan is a delta plain with a wet tropical climate suited to the cultivation of jute and rice. It is plagued by alternate monsoon floods and winter drought. Sixty-one per cent of East Pakistan is arable. West Pakistan, composed of the four provinces of Punjab, Baluchistan, Sind and the Northwest Frontier, is five times the size of the Eastern province. It is semi-arid in climate with vast desert and mountain areas. Twenty-one per cent of West Pakistan is suitable for cultivation. Extensive irrigation allows the growing of wheat, cotton and sugarcane.

2. Population. With a population of more than 130 million, Pakistan is the world's fifth most populated nation and the world's largest Islamic state. More than half its population (75 million) live in East Pakistan which has a population density of 1,315 per square mile, one of the highest in the world. If all the people in the world were put in the U.S. it would have roughly the same population density as East Pakistan. The people of East and West Pakistan possess distinctly different linguistic and ethnic characteristics.

3. Physical Resources. Pakistan is deficient in minerals and must depend on imports for base metals and fuels. There are, however, extensive reserves of natural gas in both East and West Pakistan, and these reserves are being utilized as is the hydro-electric potential of the Indus River system. West Pakistan also has deposits of coal, chromite, limestone and gypsum. Although forests cover some 5% of Pakistan's land surface, these are located primarily in remote areas of East Pakistan.

Agriculture is the chief occupation of 80% of Pakistan's people. Industrialization is developing rapidly, especially in West Pakistan, and in FY 1970 industry's contribution to the country's Gross National Product (GNP) stood at 11.2%. 1/

4. Economic Policy. Faced with massive problems of low income, widespread illiteracy and poor public health, the Government of Pakistan has chosen to develop and apply the country's resources relying heavily on the private sector. Thus far the public sector has mainly provided basic infrastructure in water and power, railways and roads, and has sponsored industry where private enterprise has been reluctant to enter. The government seeks to foster self-sustained economic growth at the fastest possible rate consistent with its social goals in order to make Pakistan independent of the need for net foreign aid by 1985.

1/ Small and large scale combined.

In the past few years this policy has been rewarded by spectacular increases in the food production in West Pakistan and by a growing contribution from the private sector to the overall development. Despite these achievements and the fact that the government has allocated a record amount for development during the Fourth Five-Year Plan (1970-1975), announced in July 1970, Pakistan's efforts to modernize are beset by a host of complex social, economic and political challenges. These range from the disparity between the pace of economic development between East and West Pakistan to an increased concern over the need for education, labor and business reforms.

5. The Role of the United States. United States economic assistance to Pakistan is intended to help Pakistan attain rapid economic growth and improvement in the quality of life of its people guided by Pakistan's own political ideals, social objectives and cultural heritage. American assistance is being provided to help Pakistan achieve:

- 1) Foodgrain self-sufficiency through such factors as the use of fertilizer, applied research, improved varieties, improved technology, price incentives, and irrigation.
- 2) A reduced population growth rate through an effective and expanded Family Planning program.

- 3) The expansion of infrastructure in power, transport and education.
- 4) Continued expansion of private industrial production.
- 5) Wider educational opportunities, particularly for literacy.
- 6) Higher standard of living for its people through sustained economic growth.

Since 1952, the United States has provided Pakistan with an estimated \$4 billion in economic assistance. This aid has included:

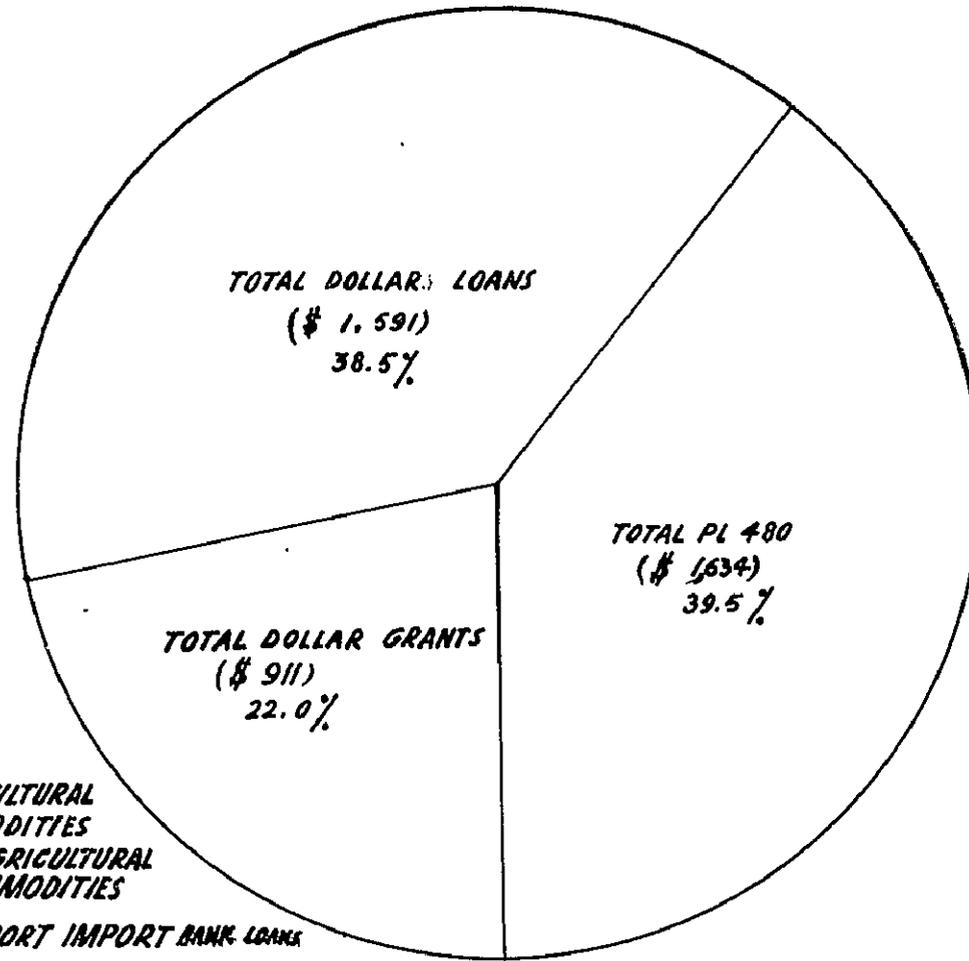
- 1) Commodity imports - needed for economic development (fertilizers, pesticides, iron and steel) and financed through dollar loans;
- 2) Technical assistance - the services of American advisors and facilities for training Pakistanis abroad financed through dollar loans and grants;
- 3) Capital project assistance - equipment, technical services and training to assist in capital projects, mostly in water and power development;

- 4) Public Law 480 commodities - chiefly wheat, imported to supplement Pakistan's own food resources. Rupees generated by the sale of these commodities have been used primarily to support the Government of Pakistan's development budget.

This assistance, combined with aid from other countries and from such international organizations as the World Bank and the United Nations, provides an important tool for Pakistan's economic development efforts.

# U.S. ECONOMIC ASSISTANCE TO PAKISTAN

FY 1952 TO 1970 (\$ MILLIONS)



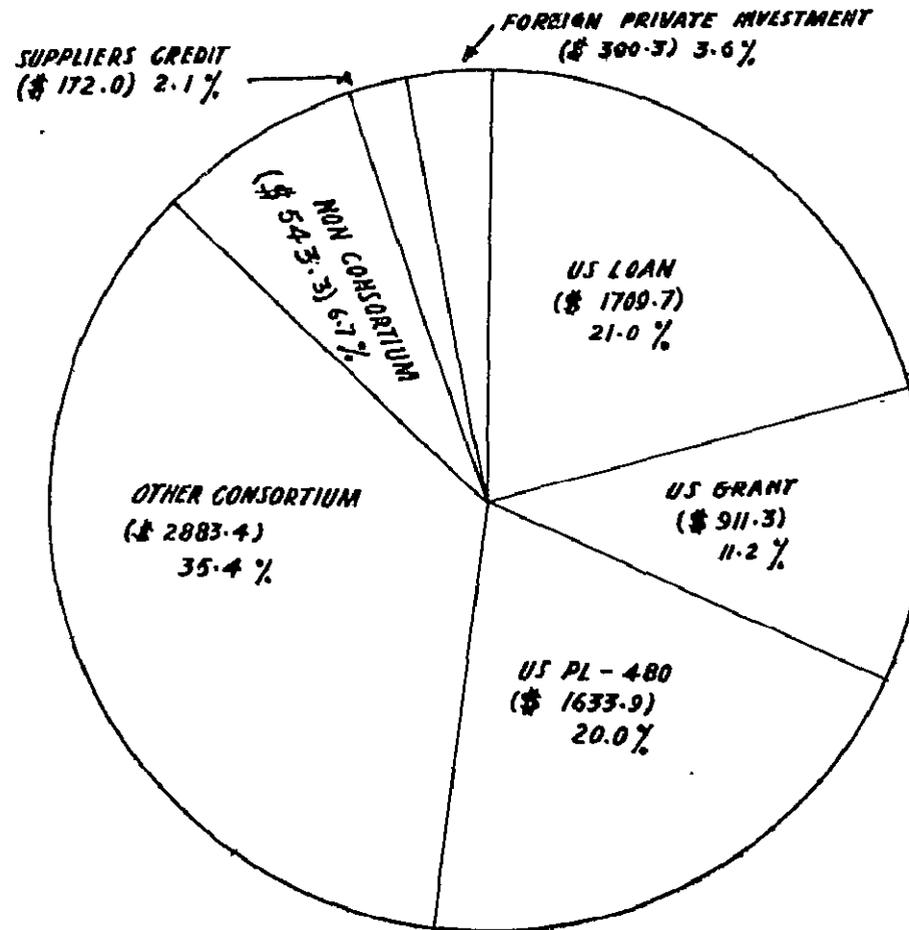
PL-480 = TITLE I SALE OF AGRICULTURAL  
COMMODITIES  
TITLE II GRANTS OF AGRICULTURAL  
COMMODITIES

DOLLAR LOANS = EXCLUDING EXPORT IMPORT BANK LOANS  
DOLLAR GRANTS = INCLUDING INDUS

GRAND TOTAL \$ 4,136

# FOREIGN ECONOMIC ASSISTANCE TO PAKISTAN

INCLUDING INDUS BASIN  
(OBLIGATIONS IN \$ MILLION)



GRAND TOTAL (\$ 8155.4)  
FY 1952 - 1970

### III. AGRICULTURAL DEVELOPMENT

Agriculture is the most important sector of Pakistan's economy. In FY 1970 it was the largest contributor to Pakistan's Gross National Product (GNP) and accounted for 37% of exports. It employs 80% of the work force. Agricultural conditions vary greatly between East and West Pakistan, and agricultural development programs for the two wings are very different.

#### WEST PAKISTAN

Because of recent substantial increases in wheat production, West Pakistan no longer has to rely regularly on imports for sufficient quantities of its most important food. As recently as FY 1968 1.5 million tons of wheat were imported into West Pakistan. By Fiscal Year 1970 imports were limited to small amounts necessary to control seasonal price rises. Good weather has contributed to this dramatic increase in production. However, chief credit goes to the introduction of new high yielding varieties of wheat coupled with the complementary policies of financing to provide essential fertilizer, water, and other inputs. The Agency for International Development (A.I.D.) was involved in many ways in this success, providing fertilizer, pesticides, funds for agricultural equipment and seeds, agricultural technicians and technical aid in developing water management programs.



THREE VIEWS OF TUBEWELLS PUMPING WATER INTO IRRIGATION CHANNELS AT SCARP PROJECTS

SCARP Projects -- West Pakistan's agricultural achievements are reflected in the Salinity Control and Reclamation Program (SCARP). In five large SCARP areas seven million acres of agricultural lands have been either reclaimed or improved and provided with greatly improved irrigation. In addition new high-yielding varieties of wheat have been introduced and farmers have enthusiastically accepted them. A. I. D. has made its greatest long-term investment in West Pakistan agriculture through financial and technical support of the first three SCARP projects. It provided about \$50 million in dollar loans plus substantial local currency support and technical advice.

In the 19th Century the British built a complicated series of canals to irrigate the Punjab. By the time of Partition in 1947 decades of seepage from the canals had caused the water table to rise and waterlog potentially excellent agricultural lands. Moreover, evaporation of irrigation water from the surface of these lands had caused heavy salt deposits which blocked plant growth.

The SCARP projects were developed to counteract this. They involve remodelling of canals and construction of electrified wells to pump underground water to stop waterlogging by lowering the water table and provide additional irrigation water to wash out salinity. The additional water which the wells provided for irrigation increased crop yields and permitted more flexibility in the kind of crops that could be grown.

The SCARP projects are one aspect of the ambitious water development policies of the last two decades. For discussion of another, the Indus Basin Development Project, see Water and Power page 22.

High Yielding Varieties -- In 1966 A.I.D. financed and assisted the Government of Pakistan to import from Mexico 50 tons of a new variety of wheat. Now known as "Mexipak white", the variety was quickly in demand because it produced the kind of flour preferred by Pakistanis. Mexipak white was first planted on 2,500 acres. A.I.D. technicians worked with the Government Extension Service on a farmer education program which showed how to plant and fertilize the new seeds. By FY 1969 they were planted on more than 6 million acres. Average yields per acre had more than doubled.

Fertilizer -- Large amounts of fertilizer are essential for the high-yielding varieties. In 1967 A.I.D. worked with the Government to develop a new, effective fertilizer distribution system. A.I.D. has also provided foreign exchange for almost half of the \$200 million worth of fertilizer imported since 1965.

New Research Requirements -- Now that West Pakistan can produce as much wheat as it needs, a research program to enable it to sustain and diversify agricultural production deserves top priority. A.I.D.'s contribution to West Pakistan agriculture is now concentrated in financial and technical support for such research.

To help establish a research base, A. I. D. provides financing for a Washington State University research advisor to West Pakistan Agricultural University at Lyallpur and training in the United States for staff of the University and other agricultural research institutions. U. S. -owned local currency (Rs. 3. 4 million to date) helps finance priority applied research projects selected by the national Agricultural Research Council (ARC).

A. I. D. is also assisting the Government to develop a research program for production of crops which can be used to make edible oils. Oils are important for a nutritionally balanced diet. With rising incomes and sufficient supplies of wheat, demand for oils has almost doubled in the last five years of which about 50% must be imported. A. I. D. expects to provide a four-man team to design and help carry out a two-year research program to increase production of groundnuts (peanuts), a major oil-producing crop.

#### EAST PAKISTAN

East Pakistan has not yet become self-sufficient in rice, its most important food. The rice production problem shows why the control of population growth is a necessary part of a sound economic development program. Rice production has increased since Partition, but the population has nearly doubled (40 million to 75 million). Increased production is well behind the rising demand for food from the growing population.

In addition to being one of the most densely populated areas in the world, East Pakistan has both a climate and terrain which hinder agricultural development. It suffers from periods of drought and periods of monsoon flooding. Along the long coastal delta much potential farmland is marshy. Thus the foremost agricultural problems in East Pakistan come down to a need for water control and a need for more productive varieties of rice seeds. An attack on the former, through the A.I.D. supported Coastal Embankments Program, has been underway since 1964. A.I.D. is also contributing to more rice production in East Pakistan by helping introduce new high-yielding varieties of rice.

Coastal Embankments -- Even if there were no destructive annual cyclones, the coastal area of East Pakistan would be a difficult place in which to live. Extreme population density forces farmers to work land which is below high tide levels, and crops are damaged both by the salt water tides and monsoon floods.

To protect the crops and increase the amount of land that can be farmed, A.I.D. has helped finance a 2,300-mile coastal embankments program. Now more than half complete, the project involves the building of 15-foot earth embankments to keep the ocean tides and river floods out of agricultural lands. Concrete sluices are built into the embankments to permit excess rain water to drain out of protected areas while preventing high salt water tides from getting in.

The project is being assisted by a \$6.5 million AID loan supplemented by Rs. 38 million in grants and loans. In areas where embankments have been completed for three years, agricultural production this year is expected to be more than double the pre-project levels. The embankments were not specifically designed for cyclone protection, but during the catastrophic November 1970 cyclone they were responsible for saving many thousands of lives.

During the ten years since the project began, a great deal has been learned about ways of coordinating and improving the total agricultural production systems of the delta areas. Studies are underway to widen the coastal embankment program to include development of land and water use, soil science, agricultural economics, fisheries and transportation.

Rice Production - Until recently there have been no high-yielding varieties of rice which could be widely used in East Pakistan. However, in 1970, the Government of East Pakistan bought and planted a new variety (IR 20), which had been developed at the International Rice Research Institute in the Philippines. The seed produced very well on 200,000 acres during the most important summer-fall growing season; yields increased by about 30%. The Government now hopes to develop a program which will result in 8 million acres of land planted with IR 20 by the end of the next five years. If this is successful, East Pakistan should be growing all the rice it needs.



EAST PAKISTAN COASTAL EMBANKMENTS PROTECT  
FARMLAND FROM THE SEA

In support of this ambitious effort, A. I. D. plans to provide advisors to work with the East Pakistan Agriculture Department and Agriculture Development Corporation in such fields as fertilizer and pesticides, rice agronomy and irrigation training. A. I. D. will also provide short-term technicians and train Pakistanis in the U. S. Dollar grants are being made for demonstration equipment.

Agricultural Research -- In East Pakistan, as in the West wing, there is a need for a research program to find out what the country must do to sustain long-term agricultural growth. Under a new program, A. I. D. is placing seven agricultural scientists at the East Pakistan Agricultural University (EPAU) at Mymensingh. This group is being provided under a contract with a Consortium of five Georgia universities. A. I. D. will also provide research equipment (such as refrigeration equipment and germinators), short term advisors and participant training in the United States.

A. I. D. is also supporting the East Pakistan agricultural research effort by providing an advisor to the East Pakistan Agricultural Research Board to help determine research priorities. It will also provide 6.6 million in U. S. -owned rupees to the Research Board for distribution to research institutions.

Rural Works -- A. I. D. also indirectly supports the Pakistan rural works program which in turn encourages agricultural development. Now mainly in East Pakistan, the program is partly financed with rupees earned from sales of United States' agricultural commodities in Pakistan. The rupees are used to employ idle farmers during the slack (winter) season in labor-intensive local activities. Many of the projects contribute to summer dry season agriculture. They include building farm-to-market roads, developing credit cooperatives and digging irrigation channels or installing small irrigation pumps.

#### IV. PL 480

Since 1954 the United States has been supplying agricultural commodities to developing countries under PL 480, the Agricultural Trade Development and Assistance Act. Of the total of approximately \$4 billion of United States economic assistance to Pakistan PL 480 has been \$1.6 billion -- roughly 40%.

PL 480 in Pakistan has provided mainly food grains (mostly wheat) and lesser amounts of edible oil (like kitchen cooking oil), tallow (for soap), milk, cotton and tobacco.

Ten percent of PL 480 commodities coming into Pakistan have been provided to the country on a grant basis. These are provided under a section of the Act which authorizes grants to meet emergency food needs during natural disasters such as cyclones and droughts. U. S. private voluntary organizations, such as CARE, are also provided with commodities to distribute under the grant program.

The remaining 90% of the goods are sold to Pakistan. Until recently, most commodities were paid for in rupees and thus did not add to Pakistan's foreign exchange burden. Moreover, the bulk of the rupees were then granted or loaned back to Pakistan to be invested in the development program. Thus PL 480 rupees helped to finance local currency costs of the canals and dams of the Indus Basin Project and the East Pakistan coastal embankments project. They paid for an imaginative rural works program which employs thousands of idle farmers

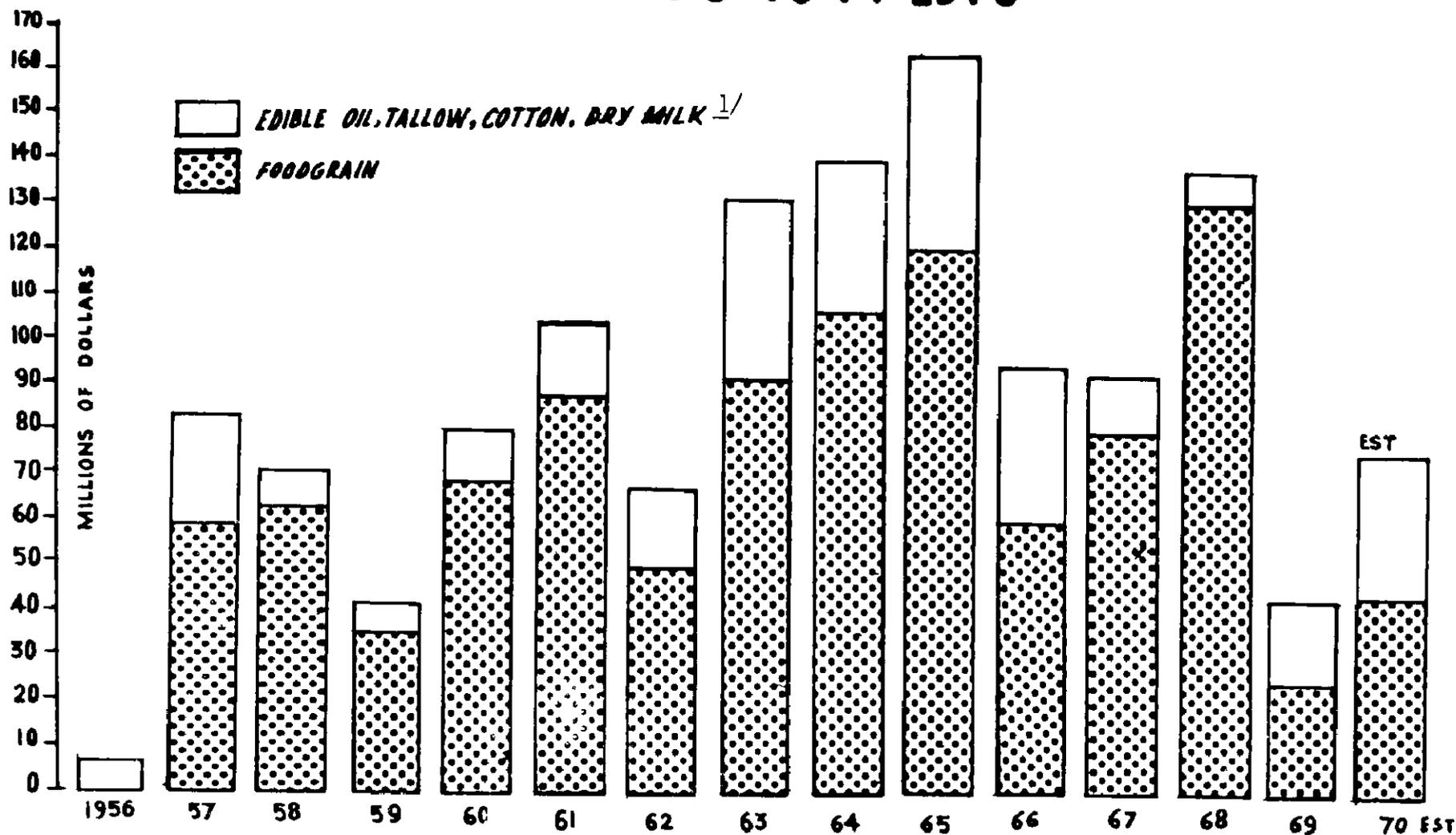
and landless laborers on small public works projects at the village level. Part of the PL 480 rupee proceeds were put into a special fund for "Cooley loans" to private Pakistani firms associated with U.S. companies. Beginning in 1971 all PL 480 purchases are made under dollar credits which call for a ten-year grace period followed by a 30-year low interest repayment period.

While the U.S. is no longer earning rupees from the sale of PL 480 goods, the Government of Pakistan earns rupees when it sells the commodities on the local market. These will be used for continued support of such development programs as coastal embankments and rural works.



TONS OF WHEAT FROM THE UNITED STATES ARE PACKED  
FOR SALE UNDER THE PL 480 PROGRAM

# P.L. 480 TITLE I IMPORTS (ARRIVALS) FY 1956 TO FY 1970



<sup>1/</sup> Non Fat Dry Milk

## V. WATER AND POWER

The Indus Basin Project -- The most dramatic aspect of water and power development in Pakistan is the Indus Basin Project. At the time of Partition, the traditional water relationships of the Punjab were destroyed. The region's eastern rivers had their headwaters in India. By the time their flow reached Pakistan, not enough water remained to irrigate lands to the west and south of the new international boundary.

The solution to this problem involves one of the most ambitious construction programs found anywhere in the world. The rivers of the Western Punjab have been joined together by a number of canals to assure that there is enough water in each to irrigate the areas adjacent to it, and dams have been and are being built to assure sufficient water in the winter months when there is no snow melting at the Himalayan source of the rivers. Each task alone is massive. The canals that have been built represent a larger undertaking both in length and in amount of excavation than those in Panama and Suez. They must be controlled with numerous barrages to guarantee that the water will be available where and when necessary. Two of the dams, Mangla and Tarbela, are the largest in the world.

Initial authority for the project comes from the Indus Waters Treaty of 1960 which created the Indus Basin Development Fund with contributions from Australia, Canada, West Germany, New Zealand, United Kingdom and the United States. Total contributions to the Indus Basin Fund were \$1.2 billion, of which the U.S. provided just over 50% in grants and loans (excluding Tarbela).

Part of the project, Tarbela Dam on the Indus, is such a massive undertaking that it has been financed separately. It is now expected to be finished in 1976 at a cost of over \$1 billion. (Of this, \$324 million remained from the Indus Basin Fund.) The total of United States contribution so far is \$174 million, of which \$37 million alone was spent in the United States for purchase of mammoth machinery. When completed, Tarbela will be by far the largest dam in the world, and will complete a system comparable to the Tennessee Valley Authority complex in the United States in its potential effect on people's lives in terms of increased utilization of the land and electrification.

Other Projects -- A. I. D. has lent \$132 million for power generation and distribution since FY 1959 to finance 397,000 KW of new facilities, now either complete or under construction, which constitutes 24% of the installed capacity in Pakistan.

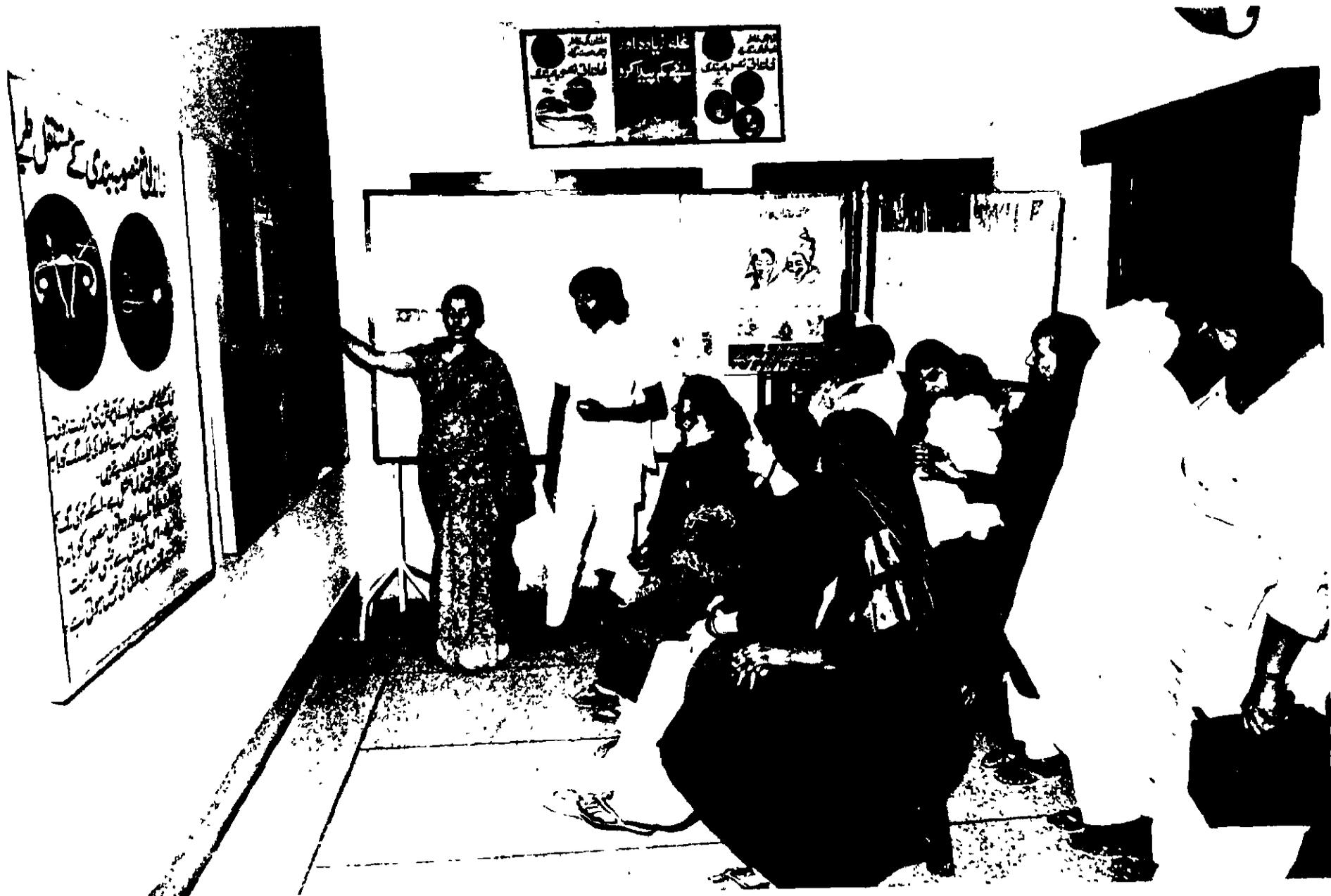
An illustration of the type of activity being supported in West Pakistan is the Lyallpur Thermal Plant, a 132 MW generating station which will help meet the increasing power needs of industry, land reclamation and rural electrification in the area served by West Pakistan Water and Power Development Authority's (WAPDA) main grid system. An A. I. D. loan of \$17.3 million will defray the foreign exchange costs of the installation.

In East Pakistan, A.I.D. has contributed \$39.9 million towards the cost of the Karnafuli Hydro-electric Project. Although the project was originally designed for two 40 MW generating units, a third 40 MW unit has become necessary to meet expanded power demand in the eastern grid system of East Pakistan. A.I.D. is financing the foreign exchange costs of this third unit with a \$5.3 million loan. A supplementary power source in this region is a 44/50 MW thermal plant at Siddhirganj, which is to be added to an existing 30 MW steam-generating station. This will satisfy the needs of the rapidly developing economies of Dacca and Chittagong. An A.I.D. loan of \$8.5 million is helping finance the construction of this new facility.

## VI. FAMILY PLANNING AND HEALTH

Pakistan is now at a turning point in developing a family planning program. Many of those couples easily convinced of the importance of family planning have been reached. The Government's family planning efforts now must be directed to changing attitudes toward family size before it can convert more reluctant elements of the population. There is a growing understanding by the Government of Pakistan that development gains will be wiped out unless the population growth rate is reduced. Many villagers also understand that there are fewer acres to farm and fewer jobs as the population increases, but so far this knowledge has not counteracted the traditional belief that many sons are needed to insure financial security in old age.

The Fourth Five-Year Plan (1970-1975) calls for a nearly doubled family planning budget (to Rs. 695 million). The Plan features a restructured field organization which will gradually substitute a smaller, better paid, literate corps of field workers for the large, untrained group whose task had been largely limited to distribution of contraceptives. The new corps will be broken into 8,500 man-woman teams which will register all fertile couples in their districts and contact them once a month. Bonuses will be given to teams in areas with reduced birth rates.



VARIOUS METHODS OF CONTRACEPTION ARE EXPLAINED  
AT A FAMILY PLANNING CLINIC IN KARACHI

The Fourth Plan also consolidates training, research and evaluation operations by establishing two Training-Research-Evaluation Centers (TRECs), one in Dacca and one in Lahore, to take over functions previously scattered among a number of agencies. The TRECs are designed to meet the much enlarged training requirements of the new field corps and are part of the attempt to shift the emphasis of the program from simple distribution of contraceptives to motivation, education, and innovative research.

A. I. D. supports the family planning program in three areas: commodities, a technical advisory staff in Pakistan, and participant training of Pakistanis in the United States. For fiscal 1971 it is programmed to provide \$850,000 worth of commodities. These include contraceptives, drugs, surgical supplies, jeeps, data processing machines, audio-visual equipment and educational materials. A. I. D. is providing pills to begin an oral contraceptive program and is encouraging domestic production of pills. It plans to provide about \$370,000 for advisors and participant training. About 44 participants will be trained in health administration, population dynamics and census procedures. Most of the United States advisors will be working with the TRECs and The Pakistan Family Planning Association.

#### PUBLIC HEALTH

The main area of United States assistance in health has been in malaria eradication. Since 1961 A. I. D. has granted Rs. 120 million and provided \$680,000 for technical assistance to the nationwide effort to eliminate the disease

which affects about 20 million people in Pakistan. A. I. D. and World Health Organization specialists work with Central and provincial government malaria programs which use DDT and spray equipment provided under dollar loans.

It is expected that United States grant assistance will be phased out by the end of FY 1971. Continued support may be available under the A. I. D. commodity loan for a limited period, but it is expected that whatever additional longer term foreign support is desired by the Government of Pakistan for the malaria control effort will be provided by the World Health Organization.

A. I. D. also provides participant training in the United States for Pakistani public health personnel. It provides logistical support for the famous Pakistan-SEATO Cholera Research Laboratory in East Pakistan. United States rupees earned through PL 480 sales are used to support a number of nutrition programs which are run by CARE, UNICEF and the World Food Organization.

## VII. EDUCATION AND MANPOWER

Since 1953 A. I. D. has been involved in programs to train Pakistan's work force. Assistance has touched almost every area of education. It has involved budgetary support for educational reorganization; for technical and vocational training; and for the building and staffing of teacher's colleges, agricultural and engineering colleges, and business and public administration institutes. A. I. D. is now participating in new projects to develop a job-related approach to increasing literacy and to improve the quality and availability of textbooks at a low cost.

Functional Literacy. Only 15 percent of the population of Pakistan is literate. The Government is beginning a pilot project to test new methods of teaching literacy. The project emphasizes making people quickly literate in areas related to jobs. Thus a farm laborer would be taught reading with materials showing planting methods or the proper use of fertilizer. A. I. D. plans to provide two full-time and several short-term advisors to help the Government set up a Functional Literacy Center in East and West Pakistan. These Centers will develop texts and teaching materials, train literacy instructors and experiment with pilot programs. By FY 1973 the Government expects to organize a full-scale functional literacy program on the basis of this groundwork.

Textbook Reprint and Translation. There are not very many textbooks available in Pakistan, and most of those that exist are inadequate or imported and costly to students. A new A. I. D. program will permit reprinting of American

textbooks by Pakistani firms. A subsidy from U. S. -owned rupees will enable the private Pakistani publishers to pay United States royalty costs and sell locally made reprints of the books at a low price. A. I. D. will provide consultants to help with arranging for local production of United States texts.

It is expected that this program will lead to a second phase in FY 1972 in which English-language textbooks will be translated into Pakistani languages with adaptations to make them more relevant to the country.

The Institutes of Education and Research (IER), at Lahore and Dacca, developed under A. I. D. contracts with two American Universities (University of Indiana at Lahore, 1959-67, and Colorado State College in Dacca, 1959-69), train primary and secondary school teachers and administrators to staff the schools of East and West Pakistan. Many IER faculty members have completed post-graduate studies in America under A. I. D. 's participant training program.

Besides training teachers, IER staff fill an important role in improving the quality of education in Pakistan by gathering and interpreting educational information for central education planning. They also serve on government advisory committees to develop curricula and teaching materials and to plan educational reorganization.

The Summer Science Institutes, under contract since FY 1967 with the U. S. Institute of International Education, provide training for teachers of mathematics and science at college, university and polytechnic levels. Courses are presented at the Institutes during the summer by teams of American and Pakistani specialists.

Research. Pakistan's Planning Commission, the National Manpower Council and the Ministry of Education have initiated studies sponsored by A. I. D. to determine the composition of the labor force in relation to job opportunities, and to examine the need for different types of education and skilled manpower training.

Technical Training Centers. One of the biggest manpower problems facing Pakistan lies in the lack of skilled tradesmen. One attack on this has been the establishment of Technical Training Centers at Karachi and Dacca under an A. I. D. contract with the University of Hawaii (1961-68). The Centers give a one and half year course to 1,350 students. Recent studies show that graduates advance rapidly in positions, income and their ability to contribute to Pakistan's economic development.

## VIII. INDUSTRY AND THE PRIVATE SECTOR

Industry has had an important role in Pakistan's economic growth. From 6% of GNP in 1950, manufacturing had risen to 12% of GNP by 1970. The average annual growth rate has been 8%. Large scale manufacturing had a growth rate of 14%, one of the highest in the developing world. Since 1960 foreign exchange earnings from Pakistan's industrial production have increased three-fold; 50% of Pakistan's total exports are manufactured items, chiefly textiles.

The infusion of United States raw materials and spare parts into the private sector through successive commodity loans has been an important factor in the progress achieved in industrial development. Such loans ensure greater utilization of existing plant capacity and enable the Government to be more flexible in liberalizing controls over industry. Commodity loans were signed for \$103 million during FY 1970.

Loans for specific industrial development projects have also been a feature of A. I. D. 's contribution to Pakistan's industrial development. Generally speaking, A. I. D. has not made these loans directly, but has made funds available to Pakistani institutions which then relend to private sector firms. Between 1958 and 1966 three loans for a total of \$22 million and a rupee loan of \$30 million were made to the Pakistan Industrial Credit and Investment Corporation (PICIC) which provides foreign exchange financing and local currency to private industry.

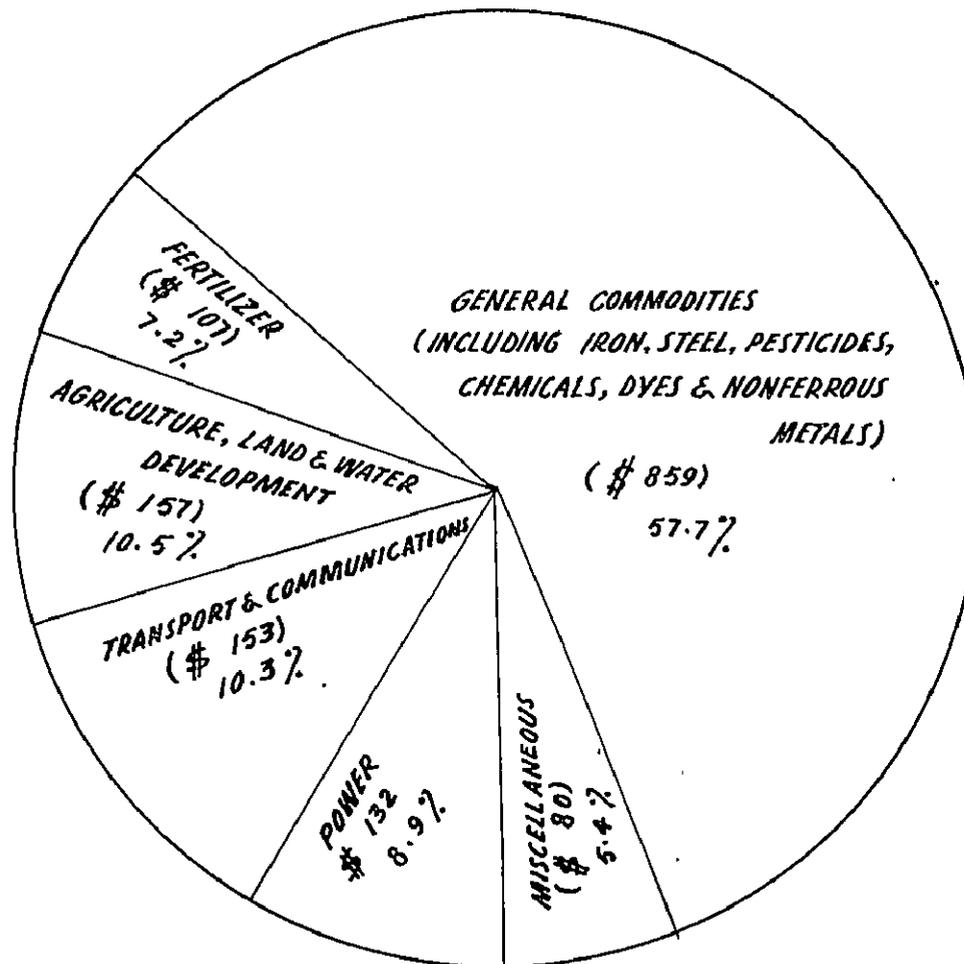
In East Pakistan, A.I.D. is encouraging the development of small industries with a technical assistance grant to the East Pakistan Small Industries Corporation (EPSIC). This grant, together with assistance from the World Bank, finances the services of an American consulting firm which provides on-the-job training in loan processing, credit evaluation and feasibility assessments.

Another aspect of A.I.D.'s assistance to industry is the Cooley Loan program which sets aside part of the rupee proceeds from the sale of PL 480 commodities for loans to private Pakistani companies with American associates. (see page 40).

A.I.D. also assists the new Securities and Exchange Authority of Pakistan (SEAP), which was set up in 1970 to regulate the securities market. SEAP is designed to increase investor confidence in the stock market by requiring more detailed reporting of the operations of companies, brokers and dealers. A.I.D. is providing a long-term advisor to the SEAP and will send three participants a year to the U.S. for training in securities regulation. It is also giving books and technical journals to the SEAP.

# U.S. DEVELOPMENT LOAN ASSISTANCE - PAKISTAN

FY 1958 TO FY 1970 (\$ MILLIONS)



LOAN-EXCLUDING EXPORT IMPORT BANK LOANS

TOTAL \$ 1,488

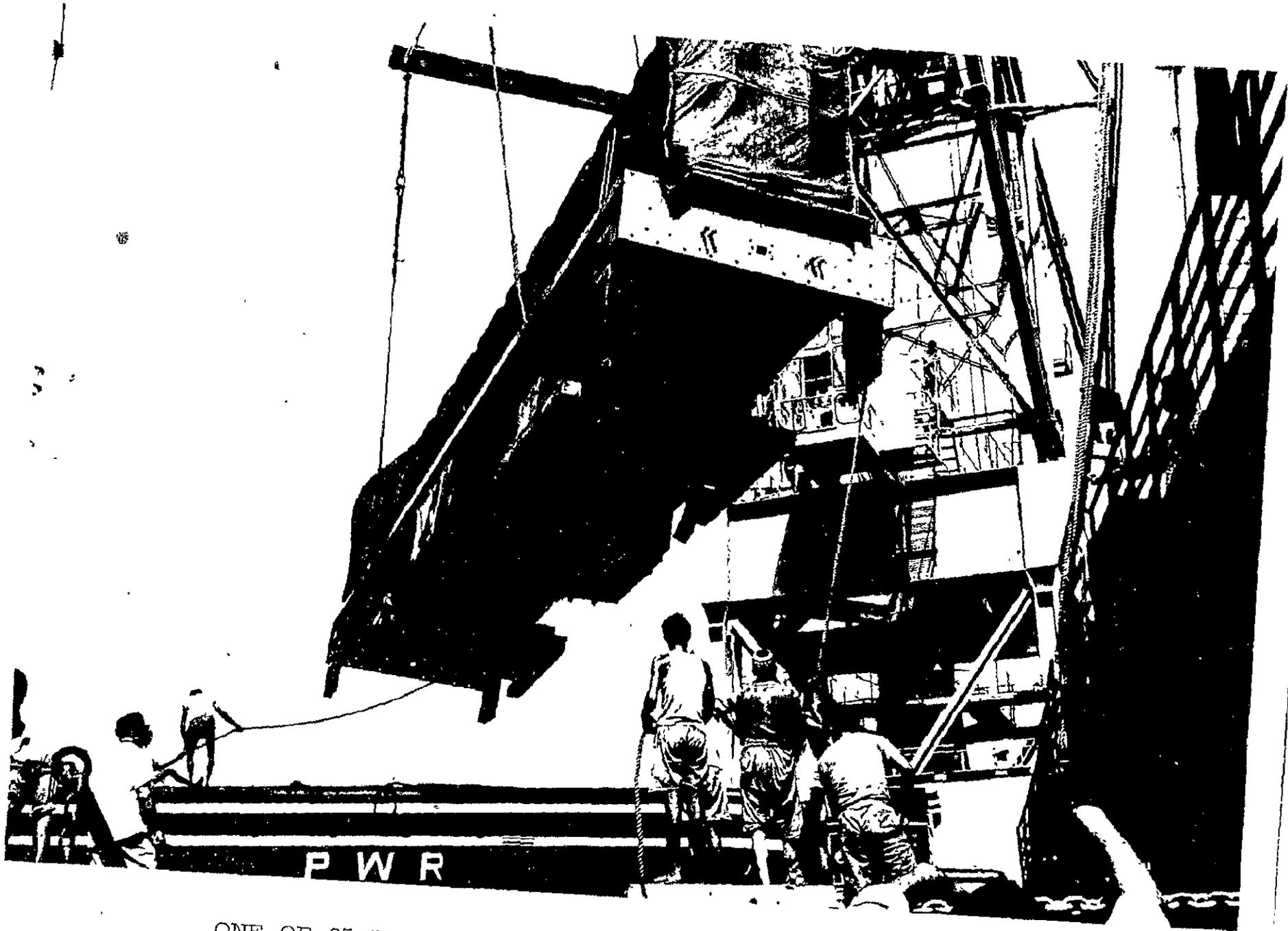
## IX. TRANSPORTATION AND COMMUNICATIONS

The bulk of traffic in West Pakistan is carried by railways, whereas inland water transport is the major means of moving goods in the East. In both sectors road transport is taking an increasing share of the load. Pakistan International Airways (PIA) links East and West Pakistan and provides transportation to isolated Himalayan areas. A. I. D. has provided assistance for all these forms of transportation in Pakistan.

PIA was developed into a modern airline between 1955-63 under a \$4 million A. I. D. program which brought in Pan American Airways technicians and management personnel. The program began with 25 advisors whose jobs ranged from flight training to passenger handling. In 1960 A. I. D. made a separate \$3 million loan for a jet runway at Karachi.

For railroad improvement A. I. D. has provided \$117.2 million in loans for the purchase of 216 diesel locomotives and the replacement of 447 miles of track on the East and West Pakistan railroad systems. For the Pakistan Western Railways, A. I. D. has also made loans to replace steel bridges, enable the railroad to manufacture freight cars in its own shops, and modernize accounting.

In other aids to transportation A. I. D. has loaned \$11.6 million for the expansion of facilities at Chittagong, East Pakistan's chief port, and the



ONE OF 65 DIESEL LOCOMOTIVES BEING PROVIDED TO PAKISTAN  
UNDER A \$15.1 MILLION A.I.D. LOAN IS UNLOADED AT KARACHI

development of Chalna anchorage as a safe and efficient alternative to the heavily congested Chittagong Harbor. A loan of \$14.6 million has provided for the design and construction of seven bridges in a section of the Asian Highway leading west from Dacca. Interwing telecommunications have been improved and major East wing cities are now connected by a microwave network financed by a \$4.7 million loan.

## X. PUBLIC ADMINISTRATION

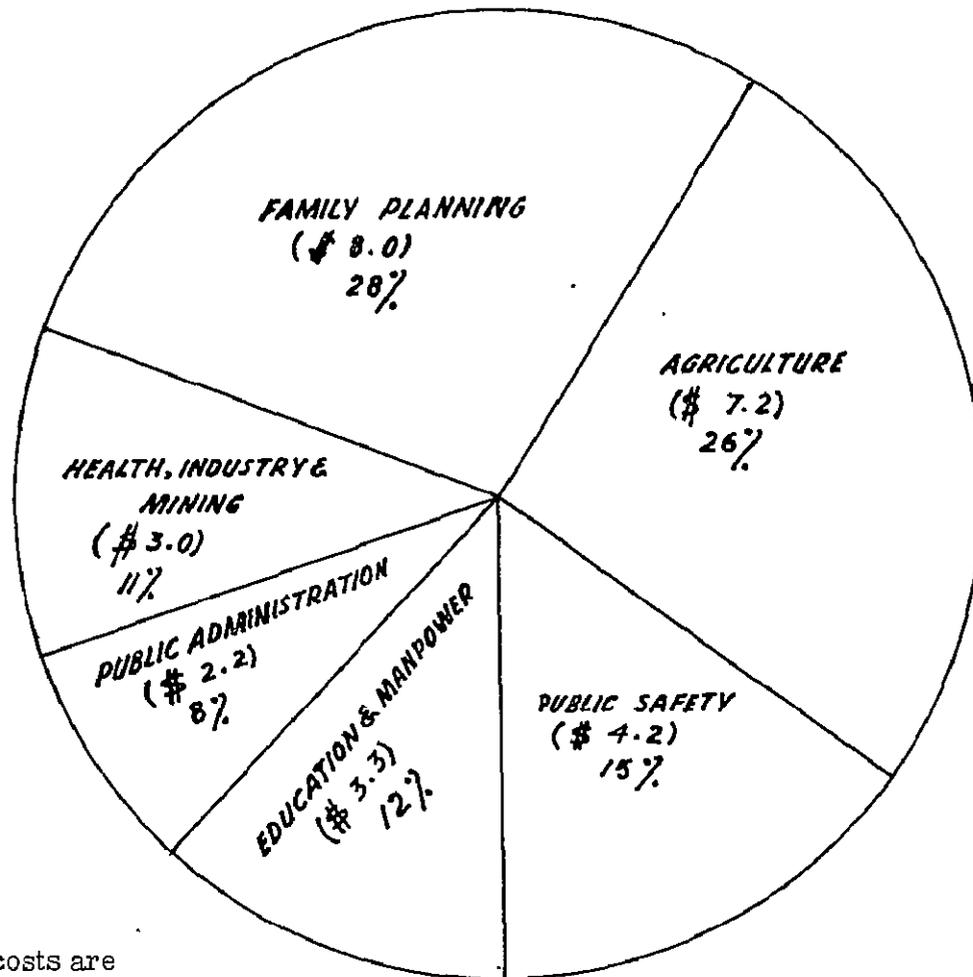
Since 1951 A. I. D. public administration advisors have assisted in a variety of programs to improve the administrative operations of the Pakistan government. In statistical services, A. I. D. has provided Bureau of Census advisors to improve the quality and timeliness of Pakistani statistics. The advisors are now working on the Agricultural and Population Censuses.

Beginning in the early 1960s through contracts with the University of Southern California, the University of Pennsylvania and Temple University, A. I. D. participated in the establishment of institutions for training business and public administration students. As a result, today Pakistan has an effective Institute of Business Administration at the University of Karachi, a Department of Administrative Sciences at the Punjab University, and three National Institutes of Public Administration at Dacca, Karachi and Lahore.

Under a continuing program, several hundred officers of provincial and central governments have been sent to the United States for academic or observational on-the-job training. The A. I. D. public administration program also provides short-term advisors on request to various government offices.

# TECHNICAL COOPERATION PROGRAM

FY 1967 TO FY 1970 (\$ MILLIONS)



NOTE: Mission program support costs are distributed in this table proportionally among sector activities.

GRAND TOTAL \$ 27.9

## XI. CYCLONE RELIEF AND RECONSTRUCTION

Almost every year there are destructive cyclones along the East Pakistan coast of the Bay of Bengal. In November 1970 a particularly violent storm hit a remote and largely roadless area where thousands of migrant laborers were harvesting the rice crop. It is estimated that 300,000 persons died and 235,000 homes were destroyed; it was one of the worst natural disasters in history.

The immediate relief operation involved 105 countries and international organizations. The U.S. contributed \$2 million worth of commodities including 50,000 tons of food grains, 100,000 tents, the use of 10 helicopters, 50 assault boats, 10,000 blankets and 60,000 water bottles. These were financed through the A. I. D. contingency fund.

In early 1971 A. I. D. was developing a reconstruction program for the devastated areas. It included granting an additional 150,000 tons of grain, expansion of the Coastal Embankments Program (p.16), construction of cyclone shelters and establishment of a low-cost housing program. The housing program is to begin with 10,000 units built by CARE, with A. I. D. providing the foreign exchange. Reconstruction activities are to be financed by a special \$7.5 million Congressional appropriation and the use of up to 520 million U.S.-owned rupees.

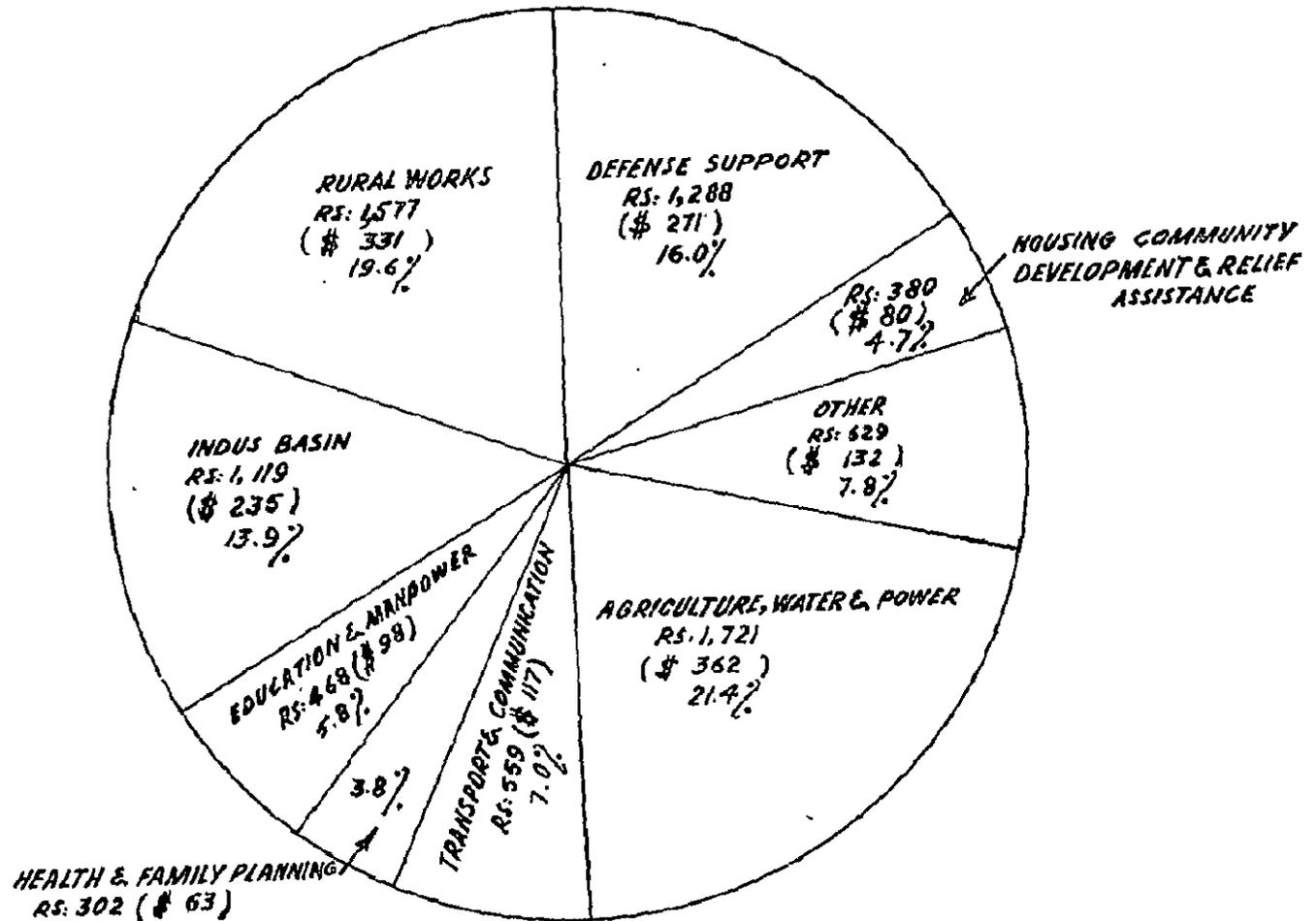


RELIEF GOODS ARE UNLOADED FROM A BOEING 747  
AT DACCA AFTER THE NOVEMBER 1970 CYCLONE

# LOCAL CURRENCY PROGRAM

FY 1956 (INCEPTION) TO FY 1970

ALL FIGURES MILLIONS \$1=RS.4.7619  
FY 1956 - FY 1970

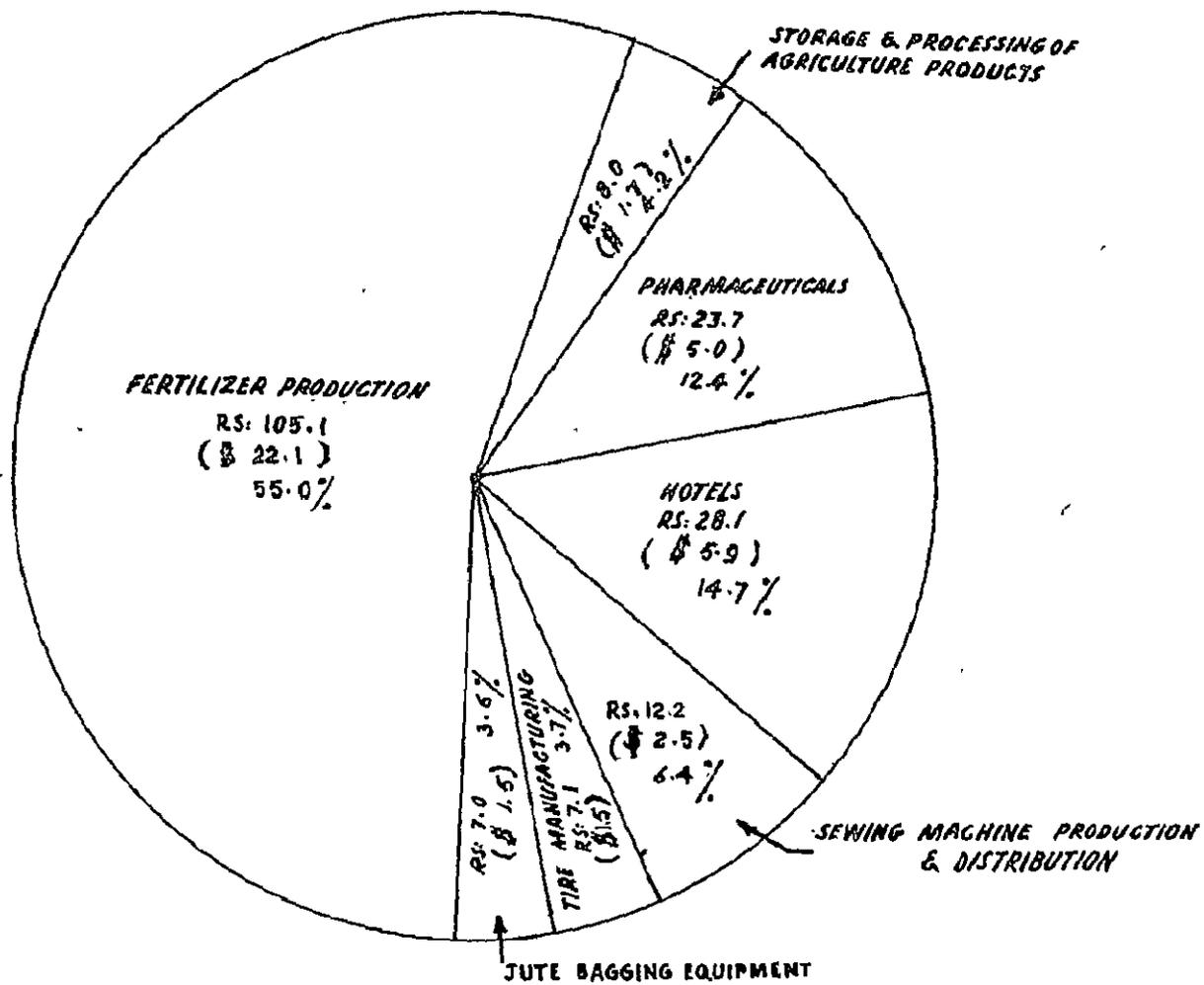


TOTAL THROUGH FY 1970 RS: 8043 MILLIONS  
(\$ 1,689) MILLIONS

# COOLEY LOANS - PAKISTAN

ALL FIGURES IN MILLIONS  
\$ 1 = 4.7619

FY 1958 TO 1970



TOTAL RS: 191.2 (\$ 40.2)

Commitments of Foreign Assistance, Suppliers  
Credits & Foreign Private Investment to Pakistan  
During Third Plan by Donors, FY 1966 - 1970  
(In Millions of Dollar\$)

	FY 66		FY 67		FY 68		FY 69		FY 70		Third Plan	
	(Actual)		(Actual)		(Actual)		(Actual)		(Estimate)		(Estimate)	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
U.S. Bilateral Aid	136.2	23.7	299.5	42.0	411.8	58.8	100.9	14.4	202.1	30.7	1150.5	34.3
U.S. Loans 1/	70.7	12.3	154.0	21.6	172.8	24.7	71.4	10.2	107.5	16.3	576.4	17.2
U.S. Grants	6.9	1.2	6.0	0.8	6.9	1.0	8.2	1.2	5.2	0.8	33.2	1.0
PL - 480	27.3	4.7	114.4	16.0	175.3	25.0	2.8	0.4	86.9	13.2	406.7	12.1
Indus/Tarbela 2/	27.0	4.7	22.6	3.2	50.0	7.1	12.0	1.7	- 8/	-	111.6	3.3
ExIm Bank	4.3	0.8	2.5	0.4	6.8	1.0	6.5	0.9	2.5	0.4	22.6	0.7
IBRD/IDA	87.2	15.1	62.8	8.8	45.0	6.4	177.5	25.3	96.4	14.6	468.9	14.0
Other Consortium 3/ 4/	192.4	33.4	198.5	27.8	125.7	17.9	173.4	24.7	206.3	31.3	896.3	26.8
Non-Consortium 4/	75.1	13.0	60.0	8.4	50.5	7.2	127.9	18.2	62.3	9.5	375.8	11.2
Multilateral Aid 5/	-	-	3.2	0.4	1.0	0.1	15.8	2.2	-	-	20.0	0.6
U.S.S.R. and Eastern Europe	69.5	12.1	43.3	6.1	44.0	6.3	62.7	8.9	39.3	6.0	258.8	7.7
Chinese People's Republic	-	-	6.9	1.0	-	-	40.6	5.8	-	-	47.5	1.4
Other Non-Consortium 6/	5.6	1.0	6.6	0.9	5.5	0.8	8.8	1.3	23.0	3.5	49.5	1.5
Indus/Tarbela	66.7	11.6	44.4	6.2	37.0	5.3	71.0	10.1	60.0	9.1	279.1	8.3
Suppliers Credits 7/	-	-	28.6	4.0	9.3	1.3	19.9	2.8	10.8	1.6	68.6	2.0
Foreign Private Investment	18.4	3.2	19.5	2.7	21.6	3.1	30.9	4.4	21.0	3.2	111.4	3.3
<b>Total Commitments:</b>	<b>576.0</b>	<b>100.0</b>	<b>713.3</b>	<b>100.0</b>	<b>700.9</b>	<b>100.0</b>	<b>701.5</b>	<b>100.0</b>	<b>658.9</b>	<b>100.0</b>	<b>3350.6</b>	<b>100.0</b>

1/ Only A. I. D. Loans

2/ Includes Indus Grants

3/ Includes Commitments by Consortium countries outside Consortium and bilateral aid committed by Commonwealth Development Finance Corporation (CDFC) and Exporters Re-finance Corporation Ltd. (ERC) of U. K.

4/ Includes monetized food aid agreements.

5/ Representing commitments by Asian Development Bank (ADB), International Finance Corporation (IFC) and United Nations Development Program (UNDP)

6/ Representing Australia, Norway, Denmark, Austria, Switzerland, Turkey and Kuwait.

7/ Suppliers credits by U. S. and U. K.

8/ 1970 Tarbela contribution consists of draw down from money previously appropriated for the Indus Basin Development Fund.

Sources: 1. Memorandum for the Pakistan Consortium, 1970-71.  
2. Program Operations Report for U. S. grants and PL 480.  
3. FY 1972 Pakistan Country Field Submission for Indus/Tarbela Loans.

Table Showing Absolute and Relative Status of Foreign Assistance Disbursements to Pakistan during Third Plan, FY 1966-1970  
(In Millions of Dollars)

	FY 66		FY 67		FY 68		FY 69		FY 70		Third Plan	
	(Actual)		(Actual)		(Actual)		(Actual)		(Estimate)		(Estimate)	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
I - <u>Aid</u>												
<u>U. S. Bilateral</u>	281.6	47.4	273.2	41.7	263.3	38.0	245.9	38.7	264.2	41.0	1328.2	41.2
A. I. D. (Dollar Loans & Grants)	133.7	22.5	157.9	24.1	109.5	15.8	164.4	25.9	138.2	21.4	703.7	21.8
PL 480 <u>1/</u>	117.5	19.8	91.5	14.0	118.9	17.2	44.7	7.0	73.0	11.3	445.6	13.8
Indus/Tarbela	23.0	4.7	20.0	3.1	27.0	3.9	35.0	5.5	51.0	7.9	161.0	5.0
Exim Bank	2.4	0.4	3.8	0.6	7.9	1.1	1.8	0.3	2.0	0.3	17.9	0.6
IBRD/IDA <u>2/</u>	49.1	8.3	82.3	12.6	97.2	14.0	76.9	12.1	80.0	12.4	385.5	12.0
Other Consortium <u>4/</u>	131.0	22.1	137.0	20.9	208.9	30.1	70.0	26.8	136.0	21.1	732.9	24.3
Non-Consortium <u>5/</u>	66.5	11.2	82.4	12.6	50.7	7.3	87.5	13.8	56.0	8.7	343.1	10.6
Indus/Tarbela	65.7	11.1	57.0	8.7	60.0	8.7	49.0	7.7	72.0	11.2	303.7	9.4
Food Aid	-	-	23.0	3.5	13.0	1.9	6.0	0.9	37.0	5.7	79.0	2.5
<u>Total Gross</u>	593.9	100.0	654.9	100.0	693.1	100.0	835.3	100.0	645.2	100.0	3222.4	100.0
Memo:												
U. S. gross as % of total gross		47.4		41.7		38.0		38.7		41.0		41.2
II - <u>Debt Service</u>												
U. S. <u>3/</u>	10.3	11.9	8.0	7.4	13.0	8.7	15.0	10.1	18.0	10.7	64.3	9.7
Other	76.0	88.1	100.0	92.6	136.0	91.3	134.0	89.9	150.0	89.3	596.0	90.3
<u>Total Net</u>	86.3	100.0	108.0	100.0	149.0	100.0	149.0	100.0	168.0	100.0	660.3	100.0
Memo:												
U. S. net as % of total net		53.4		48.5		46.0		47.5		51.6		49.3

- 1/ Title I disbursements, titles II and III value of arrivals.  
2/ U. S. contributes 40% of IDA funds.  
3/ Relates to A. I. D. and predecessor agency debt service in dollars only and Export-Import Bank debt service.  
4/ Includes disbursements by Consortium countries outside Consortium, Suppliers' credits and disbursement by Commonwealth Development Finance Corporation (CDFC).  
5/ Includes disbursements by international organizations; namely, Asian Development Bank (ADB), International Finance Corporation (IFC) and United Nations Development Program (UNDP).

Sources:

1. Memorandum for the Pakistan Consortium, 1970-71 for data for FY 1966 to 1969.
2. Government of Pakistan statement on aid flows, July - December 1969 for FY 1970 estimates.
3. Basic Program Data Book; A. I. D. /Washington Operations Reports and AID/Pakistan disbursement records for PL-480 data.
4. A. I. D. /Washington status of Loan Agreements (W-224) for U. S. A. I. D. debt service.
5. A. I. D. /Washington U. S. Overseas Loans and Grants for Exim Bank debt service.

U.S. Economic Assistance to Pakistan FY 1952 - FY 1970  
(Excluding EXIM Bank, Including Indus, PL-480)  
(In Millions of Dollars)

	Pre Plan					First Plan					Second Plan					Third Plan					Total thru FY 70			
	FY 52	FY 53	FY 54	FY 55	thru FY 55	FY 56	FY 57	FY 58	FY 59	FY 60	FYs 1956-60	FY 61	FY 62	FY 63	FY 64	FY 65	FYs 1961-65	FY 66	FY 67	FY 68		FY 69	FY 70	FYs 1966-70
Loans	-	15.0a/	-	20.0a/	35.0	26.0a/	42.0a/	3.9	79.2	40.4	191.4	92.0	49.7	185.7	108.4	340.0	775.8	70.7	154.0	172.8	83.4	107.5	588.4	1590.8
Project	-	-	-	14.2	14.2	21.8	0.8	3.8	79.2	40.4	145.8b/	22.0	4.7	72.4	41.1	101.7	241.9	21.5	14.1	33.4	0.4	4.5	73.0	475.8b/
Power	-	-	-	-	-	-	-	-	33.5	2.0	36.5	5.3	-	24.7	-	50.7	80.7	10.1	-	5.2	-	-	15.3	131.5
Transportation	-	-	-	-	-	-	-	-	9.0	28.5	37.5	8.7	-	34.5	13.9	33.1	80.2	5.4	-	15.1	-	-	20.5	148.2
Communication	-	-	-	-	-	-	-	-	-	-	-	-	-	4.7	-	-	4.7	-	-	-	-	-	-	4.7
Land & Water Dev.	-	-	-	-	-	-	-	-	32.5	-	32.5	0.5	-	9.4	10.9	5.9	26.7	-	14.1	-	0.4	1.5	16.0	75.2
Industry	-	-	-	-	-	-	-	-	4.2	9.9	14.1	7.5	4.7	-	0.2	-	12.4	-	-	-	-	-	-	28.5
Health	-	-	-	-	-	-	-	3.8	-	-	3.8	-	-	2.6	1.5	12.0	18.1	-	-	10.7	-	-	10.7	30.8
Consulting Services	-	-	-	-	-	-	-	-	-	-	-	-	-	1.2	9.9	-	11.1	6.0	-	2.4	-	3.0	11.4	22.5
Commodity	-	15.0	-	5.8	20.8	4.2	41.4	-	-	-	45.6	-	45.0	113.3	67.3	238.3	463.9	49.2	139.9	139.4	71.0	103.0	502.5	1082.8
Indus-Tarbela	-	-	-	-	-	-	-	-	-	-	-	70.0	-	-	-	-	70.0	-	-	-	12.0	-	12.0	82.0
PL - 480	-	73.7	2.8	37.2	114.9	46.6	73.1	67.5	85.8	104.4	407.1	48.0	160.2	187.5	187.2	142.3	705.2	27.3	114.4	175.3	2.8	86.9	408.7	1633.9
Title I Sales Agreements (Sold for Rupees)	-	-	-	20.1	29.1	16.8	73.1	60.4	85.8	104.4	340.5	45.2	157.6	155.4	155.4	125.2	638.8	25.2	111.0	175.1	-	86.9	368.2	1406.6
(Sold for Dollars)	-	-	-	(29.1)	(29.1)	(18.8)	(73.1)	(60.4)	(85.8)	(104.4)	(340.5)	(45.2)	(157.0)	(155.4)	(155.4)	(125.2)	(638.8)	(25.2)	(111.0)	(175.6)	-	(34.3)	(307.1)	(1315.5)
Title II Grants	-	73.7	2.8	8.1	84.6	29.8	-	7.1	-	-	36.9	0.4	-	28.3	4.8	12.1	45.6	-	2.8	-	2.6	-	5.4	172.5
Emergency Relief	-	-	-	-	-	-	-	-	-	-	29.7c/	2.4	2.6	3.8	7.0	5.0	20.8	2.1	0.6	0.2	0.2	-	3.1	54.8
Voluntary and International Relief Agencies d/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants	9.2	10.6	25.3	43.0	88.1	105.3	83.0	78.7	95.9	108.5	469.4	90.6	74.9	33.8	21.5	41.2	271.0	33.9	28.6	3.9	8.2	5.2	82.8	911.3
Project	9.2	10.6	20.7	9.9	50.4	33.7	35.9	14.6	5.9	7.8	97.9	7.3	8.5	8.7	8.5	8.4	41.4	6.9	6.0	6.9	8.2	5.2	33.2	222.9
Non-Project	-	-	4.6	33.1	37.7	71.6	47.1	62.1	90.0	100.7	371.5	85.5	31.9	0.5	0.7	-	118.6	-	-	-	-	-	-	527.8
Indus-Tarbela	-	-	-	-	-	-	-	-	-	-	-	6.8	34.5	24.8	12.3	32.8	111.0	27.0	22.6	-	-	-	-	49.6
Total Economic Assistance	9.2	99.3	28.1	100.2	238.0	177.9	198.1	148.0	260.9	253.3	1067.9	239.6	284.8	407.0	297.1	523.5	1752.0	131.9	207.0	355.0	94.4	199.6	1077.9	4135.8
(Excluding EXIM)	-	-	-	-	-	-	-	(3.2)	-	-	(3.2)	(6.2)	(12.1)	(16.2)	(5.5)	(3.3)	(43.3)	(4.3)	(2.5)	(6.8)	(6.5)	(4.0)	(24.1)	(70.6)
(EXIM-Indus Loan)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(50.0)	-	-	(50.0)	(50.0)
Total Including EXIM	9.2	99.3	28.1	100.2	238.0	177.9	198.1	151.2	260.9	253.3	1071.1	245.8	296.9	423.2	302.6	526.6	1795.3	136.2	299.5	411.8	100.9	203.6	1152.0	4256.4

- a/ Mutual Security Agency Loans made prior to establishment of the Development Loan Fund in FY 1958.  
Breakdown by sectors of project loans is not available
- b/ Includes Mutual Security Agency loans, however their sectoral breakdown has not been shown.
- c/ Not allocated to any fiscal year
- d/ UNICEF, CARE, Church World Service, Catholic Relief Services

Sources: Program Operations Report 6/30/69 and 3/30/70.  
USAID/Pakistan Records.

1/  
CURRENT A.I. D. LOANS  
(In Millions of Dollars)

PROJECT LOANS

<u>Purpose</u>	<u>F.Y</u>	<u>Loan Amount</u> <u>Signed</u>	<u>De-Obligations</u> <u>4/</u>	<u>Loan Amounts (NET)</u> <u>5/</u>
<u>East Pakistan</u>				
043 - East Pakistan Power Distribution	1963	8.6	2.0	6.6
057 - Chalna Anchorage	1963	3.6	1.2	2.4
059 - Coastal Embankments	1964	6.5	2.2	4.3
081 - Karnafuli Third Unit	1965	3.8	-	3.8
081A- Karnafuli Third Unit	1968	1.5	-	1.5
082 - Siddhirganj Thermal	1965	8.5	-	8.5
091 - Two Transmission Lines	1965	2.8	-	2.8
092 - Dacca Aricha Road	1965	14.0	-	14.0
094 - Chittagong Port Facilities	1965	3.4	-	3.4
124 - General Consultants EPWAPDA	1968	2.4	-	2.4
136 - General Consultants PHE	1968	1.0	-	1.0
139 - Seed Potato Multiplication	1969	0.4	-	0.4
143 - Groundwater Survey	1970	1.5	-	1.5

1/ Includes all loans in which disbursements are being reported and which have not expired.

4/ The difference between the loan amount signed and the loan amount as of 6/30/70 has been assumed as deobligated.

5/ Loan amounts excluding deobligations as of 6/30/70.

1/  
CURRENT A. I. D. LOANS (Cont'd.)  
(In Millions of Dollars)

PROJECT LOANS

Purpose	FY	Loan Amount Signed	De-Obligations 4/	Loan Amount (NET) 5/
<u>West Pakistan</u>				
055 - SCARP - 2A	1963	10.8	1.3	9.5
079 - Consulting Services & Urban Water Supplies	1965	3.6	1.5	2.1
085 - PWR I	1965	7.5	-	7.5
087 - SCARP - 2B	1967	18.1 <u>2/</u>	-	14.1
090 - West Pakistan Power Distribution	1965	12.5	-	12.5
102 - Mançla Dam Transmission Lines I	1966	8.2	0.7	7.5
107 - General Consultants WPWAPDA	1966	8.5	2.5	6.0
126 - Mançla Dam Transmission Lines II	1968	3.7	-	3.7
129 - PWR II	1968	15.1 <u>3/</u>	-	15.1
141 - Indus	1969	12.0	-	12.0
<u>Both Wings</u>				
071 - Telecommunication Facilities	1964	4.7	-	4.7
135 - Malaria Eradication	1968	6.8	0.4	6.4
142 - Consulting Services	1970	3.0	-	3.0

1/ Includes all loans in which disbursements are being reported and which have not expired.

2/ Agreement signed for \$18.1 million later amended to \$14.1 million.

3/ Agreement signed for \$13.1 million later amended to \$15.1 million.

4/ The difference between the loan amount signed and the loan amount as of 6/30/70 has been assumed as deobligated.

5/ Loan amounts excluding deobligations as of 6/30/70.

CURRENT A. I. D. LOANS (Cont'd.)  
(In Millions of Dollars)

COMMODITY LOANS

Number	FY	Loan Amount Signed	De-Obligations 4/	Loan Amount (NET) 5/
127	1968	25.0	-	25.0
131	1968	115.0	-	115.0
140	1969	71.0	-	71.0
144	1970	20.0	-	20.0
148	1970	103.0	-	103.0

4/ The difference between the loan amount signed and the loan amount as of 6/30/70 has been assumed as deobligated.

5/ The loan amounts excluding deobligations as of 6/30/70.

Current Technical Assistance Projects  
Financing      FY 1967-1970

(In Thousands of Dollars)  
Fiscal Year

<u>Project Number and Title</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970*</u>
<u>Agriculture</u>				
143    Agriculture Organization, East Pakistan	349	323	204	218
145    Agriculture Area Development, West Pakistan	297	339	306	254
257    Hydrologic Monitoring and Research	8	41	112	175
296    Agriculture Research East Pakistan	-	-	55	100
West Pakistan	-	-	-	140
320    Agriculture Technical Support	<u>-</u>	<u>-</u>	<u>-</u>	<u>296</u>
Sub-Total:	654	703	677	1183
<u>Industry and Mining</u>				
251    Mineral Resources Appraisal	-	-	-	67
258    East Pakistan Small Industry Development	<u>45</u>	<u>-</u>	<u>131</u>	<u>130</u>
Sub-Total:	45	-	131	197
<u>Health and Sanitation</u>				
139    Malaria Eradication	164	156	163	178
256    Family Planning	210	224	3046	2000
321    Public Health Technical Support	<u>-</u>	<u>-</u>	<u>-</u>	<u>44</u>
Sub-Total:	374	380	3209	2222

\* As of June 30, 1970.

Current Technical Assistance Projects  
Financing FY 1967-1970

(Cont'd.)

(In Thousands of Dollars)

<u>Project Number and Title</u>	<u>Fiscal Year</u>			
	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970*</u>
<u>Public Administration</u>				
037 Statistical Services	263	252	176	256
299 Government Administrative Staff Improvement	-	-	30	58
303 Government Financial Management	-	-	155	30
323 Public Administration Technical Support	<u>-</u>	<u>-</u>	<u>-</u>	<u>77</u>
Sub-Total:	263	252	361	421
<u>Education</u>				
144 East Pakistan Universities	267	315	375	133
053 Teacher Training Institute	218	160	(-) 4	12
276 Commercial Institutes	-	270	-	35
278 Summer Science Institutes	176	325	335	285
322 Education Technical Support	<u>-</u>	<u>-</u>	<u>-</u>	<u>188</u>
Sub-Total:	661	1070	706	653
<u>Public Safety</u>				
113 Public Safety	<u>781</u>	<u>499</u>	<u>592</u>	<u>694</u>
Sub-Total:	781	499	592	694
<u>Program Support</u>				
000 Program Support	<u>2010</u>	<u>3962</u>	<u>2710</u>	<u>2530</u>
Sub-Total:	2010	3962	2710	2530
Total:	<u>4788</u>	<u>6866</u>	<u>8386</u>	<u>7900</u>

Sources: USAID/Pakistan PBS FY 1968-1971

Program Division Status and Action Report (Table 3)

\* As of June 30, 1970.

PL 480 SALES AGREEMENTS SIGNED  
(In Millions of Dollars)

<u>PL - 480 Title I</u>	<u>FY 1955</u>	<u>FY 1956</u>	<u>FY 1957</u>	<u>FY 1958</u>	<u>FY 1959</u>	<u>FY 1960</u>	<u>FY 1961</u>	<u>FY 1962</u>	<u>FY 1963</u>	<u>FY 1964</u>	<u>FY 1965</u>	<u>FY 1966</u>	<u>FY 1967</u>	<u>FY 1968</u>	<u>FY 1969</u>	<u>FY 1970</u>	<u>TOTAL</u>
Agreement No: Date	I 1/18/55	II 3/2/56	III 8/7/56	IV 11/15/57	V 11/26/58	VI 4/11/60	VII 4/ 10/14/62					VIII 5/28/66	IX 5/11/67				
Amount signed 1/ (Sold for Rupees)	<u>29.1</u>	<u>16.8</u>	<u>74.4</u>	<u>85.4</u>	<u>85.8</u>	<u>114.6</u>	<u>45.2</u>	<u>621.6</u>	-	-	-	<u>25.2</u>	<u>111.7</u>	<u>175.1</u>	-	<u>86.9</u>	<u>1451.8</u>
(Sold for Dollars)	(29.1)	(16.8)	(74.4)	(85.4)	(85.8)	(114.6)	(45.2)	(621.6)	-	-	-	(25.2)	(111.7)	(136.6)	-	(34.3)	(1380.7)
Commodity	-	-	-	-	-	-	-	-	-	-	-	-	-	(38.5)	-	(52.6)	(91.1)
Wheat	-	-	25.5	36.6	53.7	82.9	15.4	341.1	-	-	-	17.6	54.9	124.8	-	52.1	804.6
Rice	-	16.8	25.0	14.4	7.2	-	13.2	-	-	-	-	-	-	-	-	-	76.6
Edible Oil	0.4	-	2.4	-	10.4	12.0	3.8	127.6	-	-	-	6.4	21.8	29.2	-	30.1	244.1
Cotton	21.5	-	7.5	-	1.7	1.7	2.9	15.9	-	-	-	0.6	-	4.1	-	2.2	58.1
Tallow	-	-	-	0.2	-	-	-	18.0	-	-	-	-	5.8	8.1	-	-	30.1
Non Fat Dry Milk	2.4	-	0.1	2.2	0.2	0.4	-	1.8	-	-	-	-	-	1.9	-	-	9.0
Tobacco	3.3	-	1.5	-	-	1.0	4.0	6.0	-	-	-	0.6	2.8	2.7	-	1.5	25.4
Other 2/	1.5	-	12.4	12.0	12.6	16.6	5.9	111.2	-	-	-	-	26.4	4.3	-	1.0	203.9
Deobligated 3/	-	-	1.8	5.0	-	10.2	-	-	-	-	28.0	-	0.7	-	-	-	45.2
Title I Obligations	<u>29.1</u>	<u>16.8</u>	<u>73.1</u>	<u>60.4</u>	<u>85.8</u>	<u>104.4</u>	<u>45.2</u>	<u>157.6</u>	<u>155.4</u>	<u>155.4</u>	<u>125.2</u>	<u>25.2</u>	<u>111.0</u>	<u>175.1</u>	-	<u>86.9</u>	<u>1406.6</u>
Emergency Relief 4/5/	8.1	29.8	-	7.1	-	-	0.4	-	28.3	4.8	12.1	-	2.8	x	2.6	-	96.0
Voluntary Relief Agency 5/	1.2	-	-	-	-	29.7	2.4	2.6	3.8	7.0	5.0	2.1	0.6	0.2	0.2	-	54.8
TOTAL PL-480	<u>38.4</u>	<u>46.6</u>	<u>73.1</u>	<u>87.5</u>	<u>85.8</u>	<u>134.1</u>	<u>48.0</u>	<u>180.2</u>	<u>187.5</u>	<u>167.2</u>	<u>142.3</u>	<u>27.3</u>	<u>114.4</u>	<u>175.3</u>	<u>2.8</u>	<u>86.9</u>	<u>1557.4</u>

- 1/ The amount signed includes amount in the original agreement and amendments or supplemental agreements signed during the Fiscal Year.  
2/ Includes miscellaneous commodities and ocean transportation.  
3/ Amounts deobligated, not shipped under agreement.  
4/ Excludes \$76.5 million pre FY 1955 transfer authorizations.  
5/ Based on transfer authorizations.

x Less than \$500,000.

PAKISTAN

Cooley Loans  
(In Millions of Rupees)

<u>FY &amp; Date</u>	<u>Borrower</u>	<u>Loan Amount</u>
<u>1959</u>		<u>1.0</u>
4/17/59	Warner Lambert Pakistan Ltd.	(1.0)
<u>1960</u>		<u>4.0</u>
2/18/60	Abbott Laboratories Pakistan Ltd.	(2.0)
4/ 4/60	Pfizer Laboratories Ltd.	(2.0)
<u>1961</u>		<u>7.7</u>
7/15/60	Lederle Laboratories Pakistan Ltd.	(1.0)
3/ 7/61	Pakistan Fabric Company Ltd.	(2.0)
3/27/61	Intercontinental Hotels Corporation	(4.7)
<u>1962</u>		<u>3.9</u>
9/14/61	Wyeth Laboratories Pakistan Ltd.	(1.8)
10/11/61	Park Davis & Company Ltd.	(2.1)
<u>1963</u>		<u>18.8</u>
7/16/62	Pakistan Services Ltd.	(5.7)
8/14/62	Pakistan Fabrics Company Ltd.	(1.0)
9/29/62	Singer Sewing Machine Co.	(5.0)
4/18/63	General Tire & Rubber Co.	(7.1)
<u>1964</u>		<u>5.0</u>
8/12/63	Merck Sharp & Dohme	(1.5)
11/26/63	Intercontinental Hotels Corporation	(3.5)

PAKISTAN

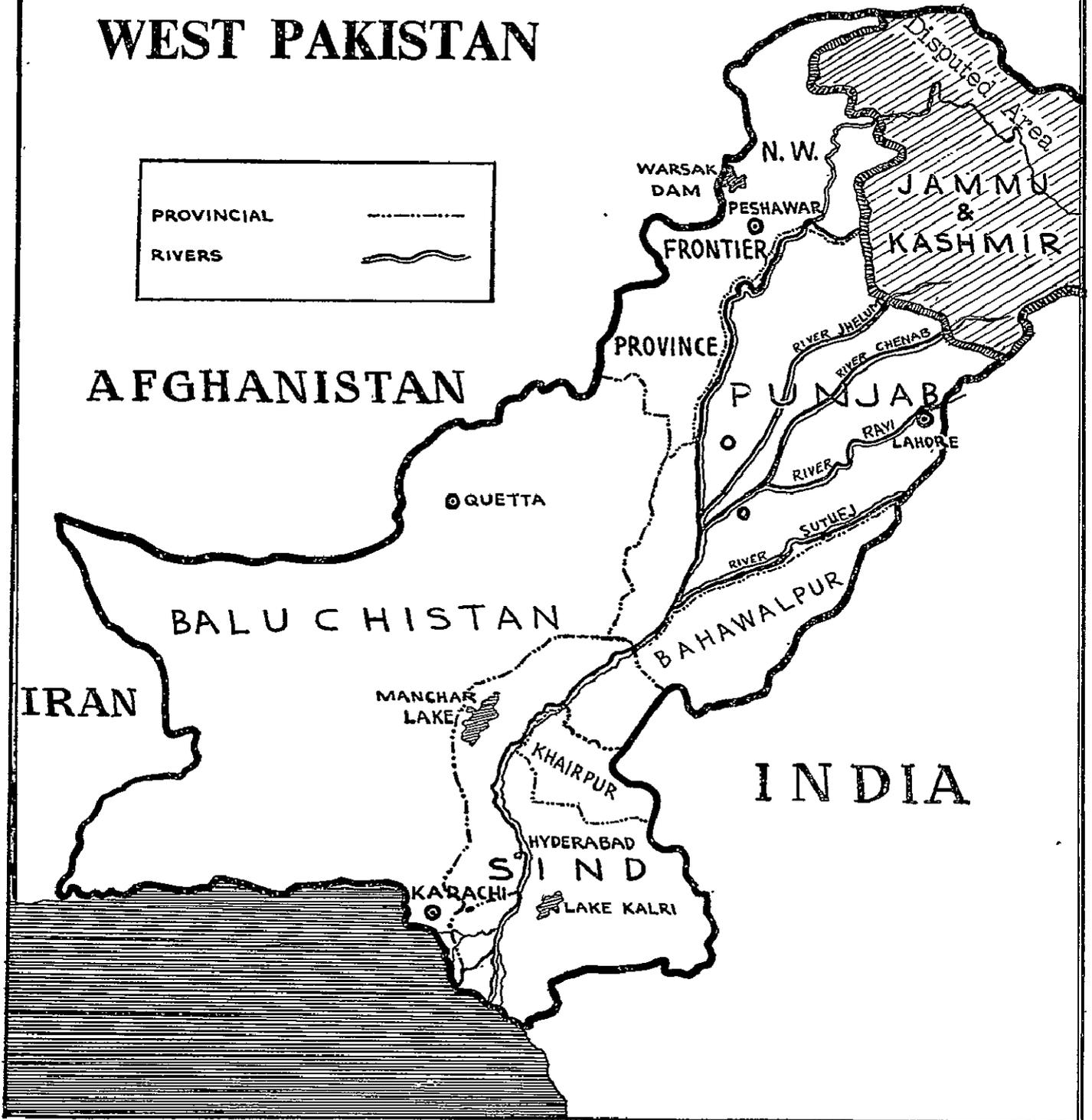
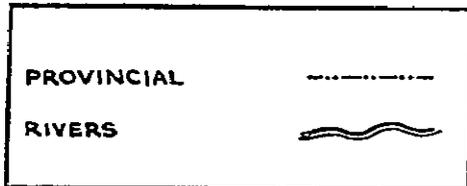
(Cont'd.)

Cooley Loans

(In Millions of Rupees)

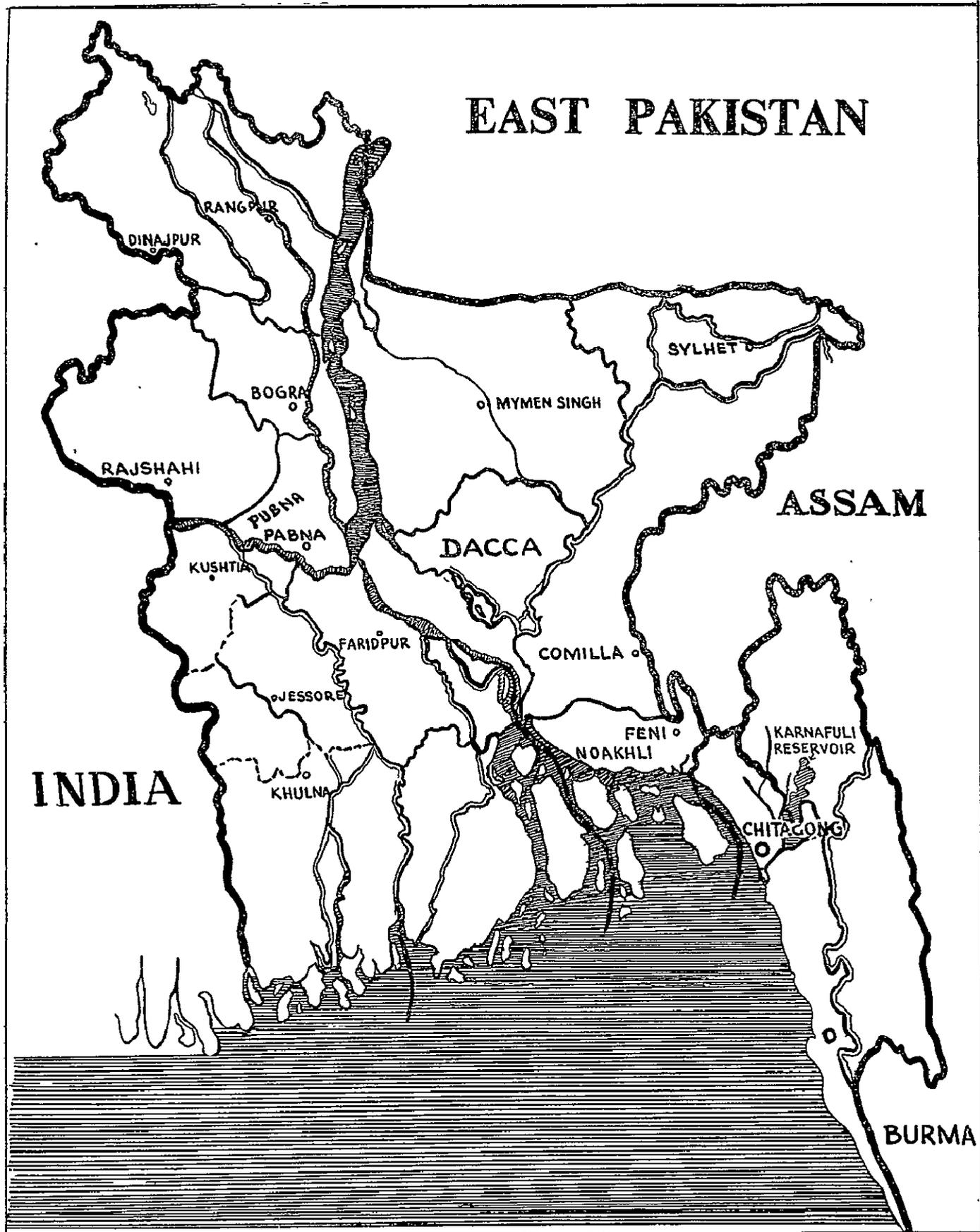
<u>FY &amp; Date</u>	<u>Borrower</u>	<u>Loan Amount</u>
<u>1965</u>		<u>16.5</u>
8/24/64	Pakistan Services Ltd.	(4.5)
8/24/64	Pakistan American Liberty Tank Ltd.	(0.5)
10/1/64	Carter Wallace Pakistan Ltd.	(1.0)
12/4/64	Shezan International Ltd.	(2.4)
2/ 4/65	Pakistan Fabric Company Ltd.	(2.2)
2/ 5/65	Arbor Acres Ltd.	(0.9)
6/ 4/65	Rafhan Maize Products Company Ltd.	(5.0)
<u>1966</u>		<u>11.9</u>
11/10/65	Pakistan Services Ltd.	(3.9)
1/ 17/66	Singer Industries Pakistan Ltd.	(2.2)
3/23/66	Pakistan Services Ltd.	(3.4)
3/24/66	Sunshine Farms Ltd.	(0.6)
3/28/66	Johnson & Johnson Pakistan Ltd.	(1.8)
<u>1967</u>		<u>0.8</u>
2/10/67	Searle (Pakistan) Ltd.	(0.8)
<u>1968</u>		<u>6.0</u>
7/ 3/67	Singer Sewing Machine Company	(5.0)
12/15/67	Johnson & Johnson Pakistan Ltd.	(1.0)
<u>1969</u>		<u>105.1</u>
7/23/68	Esso Pakistan Fertilizer Company Ltd.	(37.5)
10/24/68	Dawood Hercules Chemicals Ltd.	(67.6)
<u>1970</u>		<u>10.5</u>
2/ 7/70	Squibb of Pakistan Ltd.	(3.4)
6/12/70	Union Carbide	(7.1)
	TOTAL:	<u><u>191.2</u></u>

# WEST PAKISTAN



Map of West Pakistan, showing Provincial Divisions and Indus River System.

# EAST PAKISTAN



Map of East Pakistan, showing Districts and river systems.

THE COVER SHOWS A COMPUTERIZED CONVEYOR BELT WHICH CARRIES  
DIRT AND GRAVEL OVER TWO MILES TO BE USED AS FILL  
AT THE TARBELA DAM CONSTRUCTION SITE