A.I.D.

Assistance

TO THE

PHILIPPINES

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SUMMARY OF

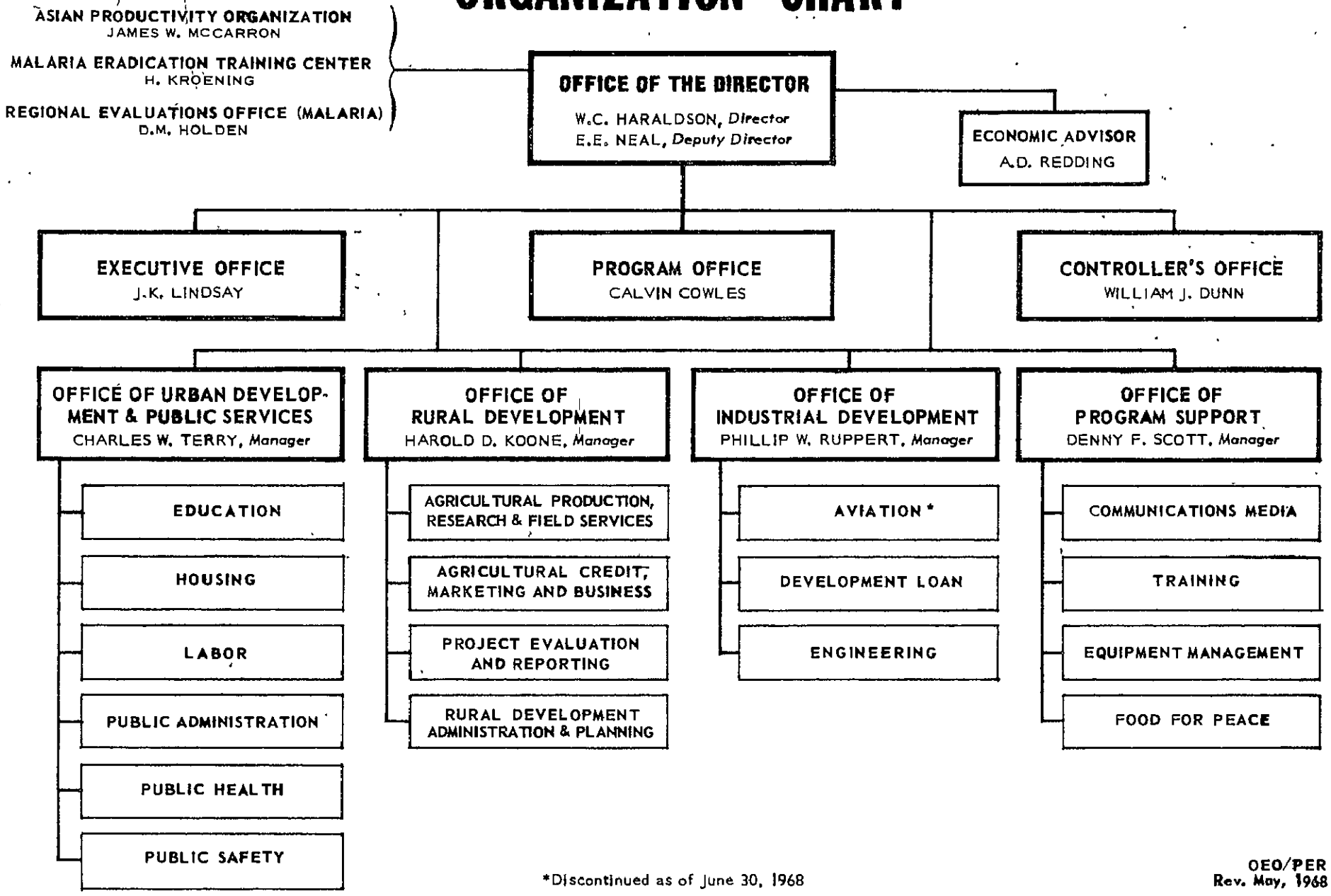
USAID - NEC

TECHNICAL ASSISTANCE PROJECTS

USAID/Philippines
Program Office
June, 1968

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT
MANILA, PHILIPPINES

ORGANIZATION CHART



*Discontinued as of June 30, 1968

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I. Program History

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

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

Although the lines of delineation are not sharp the third and present phase of the U.S. assistance program started in 1965. By this time institutional development had been largely completed and in some respects even overbuilt. This left a confused array of appropriate indigenous institutions side by side with inappropriate, often inoperative, institutions either superimposed during the colonial era or installed at the urging of an outside assistance agency. In this third phase the USAID program has changed to one which emphasizes the strengthening and improving of existing institutions and which provides assistance to local governments in selected provinces. The strategy being followed is essentially pragmatic. In brief it consists of working directly with selected provincial and local governments, and private institutions to achieve results at the local level which may be extended to other parts of the country. There is also, of course, continuing assistance and collaboration with those national agencies which are able and willing to make contributions.

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

II. Country Performance and Self-Help

The Philippines has extensive natural resources, a physical environment generally conducive to agriculture, and a relatively well educated population. Most people express a strong preference for a private enterprise economy and a democratic political system. However, the Philippines has seldom demonstrated an ability to use its natural and human resources to achieve an economic growth rate which surpasses or even equals the rate of population increase. The Philippines' population growth of at least the officially proclaimed 3.4 percent per year is among the highest in the world. Dissatisfaction with the gap between economic and political aspirations and actual accomplishment is expressed through increased student protests and the continued presence of dissident activities in Central Luzon.

Since decontrol of the peso over five years ago, the average increase in GNP has been about 5 percent a year, or only 1.5 percent per capita. The estimated current per capita GNP of about $170, low as it is, does not reveal the wide diversity of income distribution and the property of most farmers, who comprise the bulk of the population, and of the growing numbers of urban squatters.

The growth rate in terms of GNP shows signs of an upturn, however. In 1967 the growth rate was estimated at about 5.6%, in real terms, attributable to continued substantial industrial growth and a significant new improvement in domestic agriculture. In addition, because of the increased farmer participation in the new program for increasing rice yields, there is hope that the improving economic growth rate will be more widely shared, although the specific effect of the increased production on the social and economic structure is not known.

Inadequate Government resources have severely limited economic growth. Domestic revenues are only 10% of GNP which are the lowest rate in the area except for Indonesia. Recent increases in internal tax and customs collections are promising, but high operating expenses still

leave little margin for development programs.

In recent years a steady rise in imports has outstripped increases in exports, causing an unfavorable trade balance. Trade deficits, however, have been offset by earnings from invisibles, including large sums derived from U. S. defense expenditures and veteran payments (157 million and $ 46 million, respectively, in FY 1967). Despite the need for foreign investment, there has been a net outflow of capital in recent years, reflecting an unsettled and uncertain investment climate.

Under the leadership of President Marcos, the Philippines, during 1966 and 1967, has made some notable advances, including:

-- a substantial increase in rice production;

-- a significant improvement in highway and road construction;

-- an expansion of national irrigation systems;

-- an anti-smuggling campaign that contributed to a 37% rise in customs revenues in FY 1967;

-- a major effort to improve tax administration, resulting in a 20% increase in FY 1967 tax revenue; and

-- an attack on the acute shortage of educational facilitities through construction of 2500 school buildings in 1967, with an estimated 14,000 scheduled to be built in 1968.

Other efforts are being mounted in nutrition, law enforcement, aviation, telecommunications and housing and urban development.

A. I. D. has played an important role in this progress. U. S, technicians working closely with Filipino officials have been instrumental in expanding the cultivation of high-yield rice seeds. U. S. -owned and U. S. -controlled local currencies have been used to stimulate the expansion of agricultural credit through private rural banks and to accelerate the completion of a multi-purpose dam. An A. I. D. dollar loan of $4.7 million expended in FY 1967 is providing equipment for the urgently needed rehabilitation of irrigation systems. Rehabilitated U. S. excess equipment has been made available to provincial motor pools to improve road maintenance and construction. A. I. D. -financed tax, customs, treasury, aviation, health, and reclamation experts all have contributed to improvements in their respective fields.

President Marcos has acknowledged that despite the significant progress of the past two years, major problems remain to be solved. He has referred to the fact that "peace and order" is a continuing problem, that a determined campaign is needed to stamp out graft and corruption and to improve the administration of justice, and that the government must obtain new tax measures, achieve greater operating efficiency and maximize the share of budgetary resources going into capital development. There has been little real effort to implement the national land reform program or perhaps better said, the program has had little effect on the intended beneficiary.

The Government has approved an increase in domestic and foreign borrowing limitations, a police reform measure, a decentralization bill giving local governments slightly more autonomy, an investment incentives act, a liberalization of the Philippine Corporation law to ease the generation of investment capital, and a public works bill supporting the development program. In the current Philippine Congressional session President Marcos is asking for passage of tax legislation, an omnibus tarriff bill, and an authorization for administrative reorganization.

III. Description of Present Projects

Land Resources Utilization: provides limited commodity and local currency support to local and national agencies engaged in the preparation of tax maps and cadastral surveys. Advisory services are provided by technicians assigned to the Rural and Provincial Development Project.

Priority is being given to the dissemination of new simplified tax-mapping techniques utilizing aerial photographs. The aerial photographs provide more complete and current information on land use and they permit the preparation of tax-maps in a much shorter time than would be the case with traditional land survey methods. These new methods, coupled with an energetic tax collection effort, could permit provincial, municipal, and barrio governments to double their property tax revenues. While the property tax is fequently not the major source of revenue for the province, it is the only significant tax over which the province has control. In many cases, improved assessment and collection of property taxes will generate enough funds to finance significant development projects at the local level. Consequently, assistance is not made available to a province unless the province makes an effort to increase its property tax revenuas.

Provincial Development: the agricultural base of most provincial economies in the Philippines dictates that economic programs should stress improvement of agricultural productivity and marketing and improvement of such key infrastructure items as irrigation systems and farm-to-market roads. This project aims to improve the capacity of selected provincial governments to systematically plan and implement economic development programs. Priority is given to the creation of effective provincial development organizations, the preparation of realistic short-range economic plans for selected provinces and the improvement of property tax assessments and collections.

The national government retains strong controls over provinces -- especially in the area of finance -- but there is little coordination and communication among provincial and national agencies involved in activities at the provincial level. The project therefore seeks to better concentrate and utilize the total resources which are made available from these various sources and encourages the development of a central government capability to provide technical assistance to provincial governments on development problems and to assist provincial representatives in their relations with national agencies.

Another activity of this project is program evaluation and reporting. For example, systematic agricultural surveys were made before and after NEC/USAID-supported development activities were initiated in two municipalities in Laguna and Tarlac. The data from these surveys is now being analyzed to identify the changes which have occurred since 1965.

Agricultural Services: Assists the Rice and Corn Production Coordinating Countil (RCPCC) and other Philippine organizations to achieve and maintain self-sufficiency in rice, corn and other basic food crops. The principal USAID role has been to act as a catalyst to demonstrate the feasibility and economic value of changing cultivation practices and using new seed varieties such as IR8.

Pilot programs initiated by USAID in Laguna and Tarlac provinces in 1965 showed that rice yields could easily be doubled if the farmer had adequate credit and production inputs and if he were assured of a reasonable market price for his produce. Successes in the pilot provinces led the Philippine Government -- with the strong personal support of President Marcos -- to establish a national program directed first toward achievement of rice self-sufficiency. Approaches which were effective in the two pilot provinces were expanded to cover 10 additional provinces which were designated as Priority I areas for rice production. (There are presently 15 Priority I provinces).

USAID's program inputs have largely consisted of technical assistance and advice, limited commodities for demonstration purposes and for strengthening existing institutions, and local currency support for critical activities. For example, the USAID developed IR8 Rice Kits which contained all the inputs required to raise one-tenth of a hectare of rice. The enthusiasm of farmers for the 700 kits distributed under the NEC/USAID program stimulated the private sector to also develop and distribute kits. By the end of 1967, over 22,000 kits had been sold. The area planted to IR8 grew from a small pilot plot of 1,280 square meters in the dry season of 1966 to 159,840 hectares by the wet season of 1967. In most cases, the farmers planting IR8 doubled their yields and often they tripled them. By December 1967, about 13 percent of the area planted to rice was covered by IR8 or the other two major new varieties: BPI-76 and C-18. During the dry season of 1968, about 30 percent of the area planted to rice was covered by these three new varieties.

The gains in rice production permitted the Philippines to reduce projected rice imports from 377,258 MT to 182,850 MT for 1967. This produced a reported savings of almost $31 million in foreign exchange. By June 10, 1968, arrangements had been completed to export 40,000 MT of locally grown rice (primarily IR8) thus signalling the transference of the Philippines into a rice exporting country for the first time in recorded history. Exporting will relieve the over-supply and concommitant low prices created in some areas by abundant harvests. Consequently, USAID efforts are increasingly directed toward improvement of domestic food marketing systems and development of facilities which will ensure that the quality of Philippine rice intended for export is high enough to compete in the international market. The progress made in rice production has also permitted USAID advisors to devote more attention to the achievement of self-sufficiency in secondary food crops and livestock --- particularly feed corn, sorghum, mung beans, and swine.

Equipment Pool Improvement: is directed at strengthening the capabilities of provincial governments and central government agencies to construct and maintain feeder roads, small irrigation and flood control facilities, and to carry out other public works projects. The original project covered the ten provinces designated as the Priority I Area for the production of rice and corn. Two additional provinces, Leyte and Zambales, and the National Irrigation Authority were subsequently incorporated into the program.

Training of employees in maintenance and supply operations procedures is continuing on a province-by-province basis and the techniques of testing equipment operators and shop personnel are being

refined. The result of this refinement is the employment of the most qualified personnel and a more efficient operation.

Equipment maintenance continues to improve in some of the provinces. However, the ordering of spare parts and the receipt of additional equipment has been curtailed during the past six months in many provinces due to shortage of local funds required to offset expenditures of dollars under this project. Also, the investigation of the 608 Excess Property Program conducted by AID/W has delayed delivery of equipment ordered under this program.

Agricultural Credit and Cooperatives: Provides the normally subsistence-level farmer with the credit he requires to finance production inputs. Credit has traditionally been provided by landlords or money-lenders -- often at usurious rates. In August 1966, an NEC/USAID contribution of ₱5 million in PL480 Title I funds was used to establish the Agricultural Guarantee and Loan Fund (AGLF). Its purpose is to provide farmers with supervised credit at reasonable interest rates. The AGLF strategy of coupling technical supervision with production loans had been successfully tested on a smaller scale in the provinces of Laguna and Tarlac. The borrowing farmer was thus required to follow modern cultivation techniques and plant the new high-yielding rice varieties before he could receive a loan.

The Central Bank of the Philippines administers the AGLF through private rural banks which normally work with government agricultural technicians to ensure that the borrowers use the loans properly and improve their farming techniques. In many areas, private agro-business firms such as ESSO and Atlas have established stores near the rural banks to ensure the ready availability of the production inputs needed by the borrowing farmer.

Repayment of loans to rural banks has generally been good, but some bankers have exerted less energy in collection than the situation demanded.

The success of the AGLF attracted additional funds from Philippine Government appropriations and from insurance and social security agencies. The AGLF had thus grown to ₱29 million by early 1968 and about 173 rural banks were participating in the program. Vice-president Fernando Lopez recently pointed out to the Philippine Senate that during the first year of AGLF operations, 6,951 borrowers in 32 provinces had increased their rice yields to an average of 37.2% (inspite of typhoon losses). He urged the Congress to appropriate an additional ₱21 million to permit the expansion of AGLF operations.

Population Planning: The annual increment of births over deaths is estimated at 3.6 to 4.5 percent. About 1,000,000 babies are born annually. An estimated 500,000 individuals come into the labor market 10 years and older annually. The population will double by 1990 (34,000,000 to 68,000,000). The GOP has not officially established a policy regarding family planning but has adopted a permissive attitude.

Assistance is being provided to five private institutions and a research project on knowledge, attitudes and practices is being carried out under an AID-financed contract with Notre Dame University. Todate under the project initiated in FY 1967 315 medical personnel and 538 para-medical personnel have been trained and 20 clinics have been established. The plan of action is to: (a) train locally health and para-health personnel in responsible parenthood and maternal and child health, (b) establish MCH clinics by making use of existing trained personnel and providing facilities, (c) provide specialized training in the U.S. or third country to qualified personnel who may be utilized as resource persons for local training, (d) conduct basic research on responsible parenthood and maternal and child health, (e) encourage medical and related schools to emphasize responsible parenthood and maternal and child health in their basic curricula, (f) establish a coordinating body which will integrate activities of cooperating institutions.

As of June 1 the proposal to continue to provide assistance in family planning had not been approved by the National Economic Council.

Nutrition Support: supports the GOP efforts to eradicate clinical malnutrition in pre-school children and to make a determined effort to eliminate the post-weaning arrest in growth and development characteristic of the Philippine infant population. Two program focuses upon two broad activities: namely, applied nutrition and food and nutrition research. In applied nutrition, feeding stations or mothercraft centers will be operated as education demonstration units at which mothers will learn and practice the improved feeding of their children. Food for Peace commodities (CSM and vegetable oil) will be utilized to support such units until community and home garden production of protective foods is achieved. Promotion of home production of protective foods is an important aspect of the program. The applied nutrition program is staged to reach 9 provinces and provide 36 barrio feeding stations over a 4-year period. It is estimated that about 175,000 infants and pre-school children will be reached with this program.

Research efforts in foods and nutrition will be directed to the identification of those foods which most effectively balance the energy foods, rice and corn so that such food crops can be subjected to technological processing and nutrition tests as are needed to establish their value in child feeding programs.

USAID and GOP will share the costs of this program. USAID will initially assume all salary obligations of persons employed in the program, but with gradual phase-out toward complete responsibility by the GOP for personnel services to maintain a viable on-going program in Public Health Nutrition. Likewise, a cost-sharing for equipment, supplies, travel and contingencies will be phased toward complete responsibility on the part of the Philippine Government for the continuation of a public health nutrition program as a regular government obligation.

The in-country activities will be backed up with the Virginia Polytechnic Institute Contract with AID/W. The contract is for purposes of furnishing a full-time program coordinator to the Public Health Division-USAID/Manila to provide technical assistance in all agricultural specialties and to oversee and strengthen research quality in both government and university laboratories.

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

Beginning in FY 1968 the Malaria Eradication Service (MES) began to define malarial areas in accordance with recognized epidemiological methods. Spraying operations are begun on a unit-by-unit basis only after a headquarters MES team approves the unit's readiness in accordance with the team's judgment as to the adequacy of the preparations as outlined by the delimitation study. The project agreement

entered into by USAID and the National Economic Council on March 28, 1968 states that the goals of the program are: (A) To develop the government infrastructure and support functions which are essential in carrying out eradication procedures in an economic and efficient manner; (B) To determine malarious and non-malarious areas by internationally recognized epidemiological methods; (C) To interrupt the transmission of malaria at a rate consistent with eradication goals; (D) To provide continuing assessment of the progress of the program and status of malaria throughout the Philippines through epidemiological methods; (E) To provide a continuous assessment of vector and suspected vector anohelines in regard to their population densities, longevity, infectivity and degree of contact with man and utilize findings for the valuation and guidance of program operational procedures; (F) To prevent re-introduction of malaria into the Philippines.

U.S. assistance, through FY 1967 has amounted to $7.6 million in commodity and technical support. In FY 1968 USAID has programmed $952,000 in support of the program. The commodity element includes 32 million pounds of DDT and spare parts, tools and shop equipment needed to maintain the many vehicles used by MES. Five of the 10 malaria specialists needed for the program have arrived and a new Chief Malaria Advisor has been nominated. In addition 35 Peace Corps Volunteers are being readied to work with Philippine counterparts in the Malaria Eradication Service.

Internal Security: helps to increase the capability of the National Bureau of Investigation (NBI) and selected rural and urban law enforcement agencies to reduce lawlessness and maintain order. Violence and disorder have steadily increased since Philippine Independence in 1946. They hamper social and economic growth. Corruption permeates nearly every aspect of a political and governmental structure. Smuggling and tax evasion deprive the government of revenue needed for development projects and public services. The 1350 separate law enforcement agencies are ill-equipped, poorly trained, and under-paid.

Advice and assistance to law enforcement agencies selected by USAID and the Police Commission includes in-country training, integration of communications networks, updating of scientific investigation capability and development of traffic control and enforcement procedures.

Training - The first of a series of six nationwide police training centers has been established in Rizal province and construction of another center in Cagayan de Oro in Misamis Oriental has been started. Erection of centers at Zamboanga, Cebu City, Naga City, and Baguio is planned.

The present program has trained over one-third of all police chiefs in country during the last twelve months.

Communications - Communication commodities have been obligated for five municipalities in Rizal, and an additional $230,000 is programmed for a law and order network in at least three mutually selected locations outside of Rizal during FY 1969.

Criminalistics - A new instrumental laboratory has been constructed by the NBI and stocked by AID to undertake the training of seven technicians in modern methods of criminalistics, including ultraviolet, chromatography, and micro-diffusion. Courses have been given to NBI agents, narcotics specialists, and other specialized technical groups in crime scene investigation. Manuals have been developed and published for the guidance of criminalistics.

Traffic - Accident investigation cars with associated equipment have been programmed by USAID for San Juan, Marikina, Mandaluyong, Malabon, and Parañaque. One radar and five traffic lights, as well as duplicating and filing equipment have been ordered for each of these municipalities.

General - USAID has responded to requests for a survey in Pasay and assistance in establishing a small crime laboratory in San Jose, Nueva Ecija. It has also participated in ambulatory training programs at the request of numerous provincial departments.

Project Execution System: Provides technical assistance and commodity support for the Presidential Project Execution System. This System functions within the Presidential Economic Staff (PES) and as a part of the immediate Office of the President. It also functions in coordination with the Department of National Defense, Department of Public Works and Communications, and all other agencies directly involved in the implementation of public works projects. Overall objectives of PES are to identify implementation bottlenecks and to provide recommendations designed to facilitate and insure project completion on timely and well-integrated base.

A. I. D. inputs have consisted of equipping a Project Coordinating Committee Center at Camp Aguinaldo with a communications system which enables the Center to monitor all infrastructure project reports. This communications system utilizes all available military and civilian communications and telecommunications media and provides a single effective national system for the flow of information between implementing agencies and the Operations Rooms. Expansion of the communications system is being undertaken to include flow of information from project sites.

In the current year training in project management and planning is being afforded to participants selected by the PES and other central government agencies, and a small airplane is being procured so that the on-sight inspection and evaluation of projects will be facilitated.

Fiscal & Financial Coordination: assists the GOP Joint Committee on Financial Management Improvement (established in December, 1966) and its assigned staffs, study groups and task forces in their efforts to modernize and improve GOP financial management. The Committee in its first meeting of December 20, 1966 assigned priority to the complete revamping of the postal money order system. Characteristics and defects of this system are:

(a) From ₱1,000,000 to ₱2,500,000 is being lost each year through forgeries and counterfeiting of the present money orders. The overdraft in the Money Order Account as of April 30, 1968 is ₱48,747,766 on a cumulative basis.

(b) The reconciliation of issued and paid money orders, performed by the General Auditing Office, is approximately seven years in arrears. Since this audit is performed manually the staff has not been able to keep abreast of it. Accordingly forgeries and counterfeits have not been detected.

(c) Postmasters are constantly running short of cash, in their till, to pay money orders presented.

(d) The magnitude of the system is enormous. Over 1,400 post offices issue and pay money orders. Over 3,250,000 are issued per year for about ₱350,000,000. Banks cannot clear them through the regular clearance system but must present them for cashing at local post offices.

AID has provided the services of a technician who has helped redesign the present postal money order system. The major attributes of the new system are as follows:

(a) A punchcard money order is proposed to facilitate timely audit and quickly detect fraudulence and deflacation;

(b) Changes are recommended to improve the channels of commerce and finance by greater use of commercial banks, increasing maximum amount limit of money orders, broadening its negotiability, and clearing of paid money orders through the regular bank clearing system. It is also believed that these changes will facilitate the economic development of the Philippines;

(c) A revision of money order fees in keeping with the cost of providing the service; and

(d) Numerous other recommendations designed to provide better service to the public and make the new system more susceptible to proper control and audit.

1,500 Friden Imprint Punch Machines excess to the needs of the U.S. are being modified for use in the Philippine Money Order System. These will be delivered in Manila between July 15 and September 15, 1968. New purchased money order forms have been designed and are being printed by IBM and IBM processing equipment required for the central reconciliation of the system has been ordered. The new system is scheduled for installation effective October 1, 1968.

Public Personnel Administration: assists the Government of the Philippines (GOP) with their efforts to improve the effectiveness of Civil Service (CS) operations. Increased efficiency of CS operations is emphasized through a stepped-up examination program, expanded performance and qualifications standards coverage and improved executive development programs.

A full time U.S. technician assists the Civil Service Commissioner and his staff with activities relating to: (1) the reduction of the backlog of ungraded civil service examination papers. In the last nine months the backlog has been reduced from 260,000 to 60,000, (2) the career Civil Service examination that will be given to nearly 500,000 competitors on July 21, 1968, With USAID assistance, these papers will be graded in six months through machine processing. One hundred and sixteen thousand hours of hand processing that would require several years of time will be eliminated, (3) installation of photo copy certification equipment similar to that of the U. S. Civil Service to promptly respond to requests for lists of eligible police officials. (4) the preparation of qualification standards for twenty occupational groups common to most government agencies. 5,000 Copies of this 670-page volume are being printed and will be distributed to public officials and to college university libraries.

Malaria Eradication Training Center (Regional): provides training for medical officers, entomologists, administrators, engineers, and technicians engaged in the world-wide campaign to eradicate malaria. Depending upon the number of nominations received from the participating countries, two or three standard training courses are conducted by the Center each year. Approximately 25 participants attend each session.

Short-term intensive training in specialty subjects such as epidemiology, administration, entomological techniques, laboratory management, and other subjects are also scheduled and presented according to program demands. These courses may be given concurrently with the standard training courses.

The regular staff of the Center also provides continuing guidance and support to local training activities in different countries including periodic visits to these countries in order to review training needs of the program and to assist in the assessment and evaluation of the malaria eradication program.

Over 700 participants have received training at the Center since its inception in FY 1958. During the past three years, the Center has trained three Peace Corps groups for malaria eradication projects in Thailand and one for the Philippines. In addition, a training course for instructors for training centers in the participant countries has recently been instituted.

Funds for the project are provided under a joint agreement between the U.S. Public Health Service, AID, WHO and the Republic of the Philippines.

Civil Aviation Assistance: Because of Philippine geography, air transportation plays a major role in the nation's development. The target of this activity has been to assist the Philippine Civil Aeronautics Administration (PCAA) in modernizing and expanding the national airways system in support of safe, expeditious movement of air traffic.

Prior to the beginning very little training was done in the operational field (air traffic controllers and communication) and the training in force at the time was very basic and non-professional. Classroom and laboratory facilities were sub-standard. Equipment visual aids, etc., were 95 percent worn out, obsolete or inoperative.

With AID technical and commodity support a modern training center, large classroom, three well-equipped simulation laboratories and a technical library has been completed. Three basic air traffic control and communications classes of 30 students each have been graduated from the school since its completion in 1965. A complete updating and refresher course was given to every air traffic controller in the Manila area using the facilities of the school. Recurrent training for all controllers utilizing training center facilities is on a scheduled basis. Six courses in Management and supervisory technicians have been given to 78 employees of the Philippine CAA. These courses have been

taught exclusively by Aviation Division technicians, although several local instructor personnel are being trained to take over. Basic radar training was given to 23 controllers from the Manila Air Traffic Control facilities. Twenty-four air traffic controllers and communications have received stateside training under the Participant Training program.

In December 1967 the number of U.S. technicians assigned to the project was reduced to two. The project is scheduled for termination at the end of FY 1968.

Customs Administration Improvement: assists the GOP Bureau of Customs increase collections of customs revenues, and facilitates the handling of international trade through improvement in the Bureau's administrative, management and operational efficiency.

Prior to FY 1967 USAID and its predecessor agencies had provided the services of two technical advisors over a time period of approximately nine years. The general pattern of operations was such that improvements effected under the guidance of one Commissioner did not survive always under his successors. There has been, however, a continuous build-up of skills among career officers and employees of the bureau, which is a resources of considerable value.

Soon after the present administration took office in January, 1966, USAID received an urgent request from the Bureau for a renewal of technical assistance. After a series of discussions of this request with the newly appointed Commissioner, an agreement was reached to provide several short-term consultants in FY 1967 under an agreement with the U.S. Customs Bureau.

Following the recommendation of a group of short-term consultants, the Customs Service established an Entry Control Center which provided increased control over paperwork flow. It reduced the number of official documents lost while enroute through the customhouse and provided checks to reduce the time necessary for paperwork to pass from station to station in its normal routing.

On their own initiative, officials of the GOP Customs Bureau have: (1) Obtained the enactment of legislation creating a Philippine Coast Guard to take over a number of bureau functions that were not closely related to its primary functions, (2) made extensive improvements in its physical facilities, (3) substantially increased the salaries of bureau officials and employees, (4) successfully implemented a number of beneficial changes in its organization and work assignments and

(5) installed electronic data processing equipment through which all cargo arriving at the port of Manila will be processed.

Customs' collections for fiscal year 1966-67 made a record increased of 36.50 percent over 1965-66 which contributed 34 percent of the national overall income in 1966 and 38 percent in 1967. This performance exceeded even the most optimistic projections of government fiscal and budgetary authorities.

Tax Collection Improvement: assists the GOP Bureau of Internal Revenue carry out a broad-gauged improvement program designed to increase government tax revenue collections and to reduce tax delinquencies.

A U.S. Public Administration Advisor acts as leader of a team of regular tour and short-term tax advisors. Three full time technical advisors give primary support to the program areas of (a) collecting delinquent accounts and securing delinquent returns; (b) auditing returns; (c) ADP systems, including returns processing and control, automatic data processing, revenue accounting, and tellering; (d) organization and methods, manual development, operational reports and project control.

Short-term specialists supplement the above in the fields of criminal tax fraud and internal revenue tax code revision. Other program areas (e.g. Personnel, statistics) receive assistance as required and in balance with the man - day resources available to the U.S. Tax Team.

In general, these advisors provide technical and management advice to GOP officials, assist in indentifying and solving problems, and in developing work and control programs in support to BIR's action improvement program.

Total gross internal revenue collections during calendar year 1967 registered a gain over the previous year - 1,273 million pesos in 1966 compared with 1,478 million pesos in 1967. (The BIR collects 64% of all taxes levied in the Philippines).

Income tax returns filed during calendar year 1966 totaled 841,000 and during calendar year 1967 the returns totaled 847,000. The increase is slight but at the same time is significant because it measures the effectiveness of the BIR's public information program, the tax compliance program and the tax fraud program. Preliminary reports for 1968 indicate that the BIR reached its long sought goal of 1,000,000

tax filers.

A nationwide campaign has been launched to reduce the delinquent account inventory and to identify true delinquent accounts. Progress to date indicates that for the first time in many years a true list of delinquent accounts will be identified.

Tellering operations are being performed by approximately 2,000 BIR employees throughout the Philippines. Malversations are still in evidence. The BIR and the Tax Advisors are attempting to work out procedures which would allow the taxpayers to pay their taxes through the National Banking System.

As a result of tax fraud cases worked during the period from October 1966 to July 1967, criminal prosecution has been recommended against 39 taxpayers, including 4 corporations. At least 5 cases are pending in the Court of First Instance, 21 are in the hands of the fiscals (prosecuting attorneys) and the rest are in some phase of review or are being prepared for civil disposition.

Regional Training Services: provides administrative and other required support services for the technical training in the Philippines of approximately 400 participants annually under the AID Third Country Training Program and keeps up-to-date follow-up records on participants after completion of their training.

In FY 1967 480 participants were trained in the Philippines, while the projected total for FY 1968 is 400. By the end of FY 1968 more than 4,200 participants from 34 countries in Asia, Africa, and South America will have received training in the Philippines since the start of the regional training program in FY 1955.

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

Water Resources Development: Provides in-service training, guidance and assistance to the GOP in the establishment of long-range programs for comprehensive water resources development. Since its initiation in 1963 the project has: (1) investigated and published program reports on five major river basins; (2) completed a feasibility study on the Upper Pampanga River (Pantabangan) Project and (3) completed a comprehensive reconnaissance report

on the Central Luzon Basin (Pampanga and Agno Rivers), outlining development potentialities of 11 reservoir projects.

During the past year the U.S. Bureau of Reclamation personnel assigned to the project have concentrated their efforts on training Filipino technicians in gathering and analyzing basic data, and conducting investigations and studies needed to adequately evaluate and plan water resources development.

USAID assistance to the NIA has consisted of two PL-480 local currency loans. One for ₱50 million facilitated emergency repairs to 68 systems and the completion of 5 additional systems. As of June 1, 1968 four of the additional systems were completed, and the fifth was 80 percent completed.

The second loan (₱6.57 million) was approved to rehabilitate and expand the Angat River Irrigation system. This project called for the rehabilitation of the existing distribution system, the modification of the diversion dam to accommodate power releases from the upstream Angat storage dam so as to provide year round irrigation water, the addition of approximately 4,000 hectares of service area to the overall system, and the construction of badly needed service roads within the system's service area. The modified diversion structure was inaugurated by the President on August 29th. It will provide irrigation for 31,000 hectares during the dry season and 27,000 hectares during wet season. Overall project is 93 percent complete as of May 1, 1968. Final completion is schedule for June, 1968.

A study of the NIA's equipment inventory and needs, together with recommendations for upgrading its equipment management and capability was prepared by a USAID technician and presented to the NIA in January, 1967. The study was generally accepted and resulted in an application for a loan of ₱4.7 million. The loan funds is being used by the National Irrigation Administration to procure equipment. Approved specifications for the equipment have been forwarded to the U.S. Bureau of Public Roads and invitations for bids have been published. Meanwhile, administrative and management improvements continue to be implemented within NIA.

Asian Labor Education Center: provides a forum for Asian Trade unionists to discuss the problems that confront the trade union movement, and helps develop responsible leadership in trade unions in developing Asian countries.

The Asian Labor Education Center, known as ALEC, is part of the

University of the Philippines. In addition to its Philippine program the Center annually conducts three 8-week training sessions for approximately 75 labor leaders selected by Asian countries. 52 of these participants (46 third-country and 6 Filipinos) are funded by AID and the others are funded by such organizations as the Asia Foundation, International Labor Organization, Colombo Plan, International Trade Secretariats, UNESCO, Philippine Social Security Commission, and University of the Philippines.

From the beginning of ALEC's regional sessions in January, 1960, 500 labor leaders from 270 trade unions in 17 countries have been trained. Total AID funding from FY 1958 to the present has been $700,000. This has been utilized for operational costs, scholarships, faculty salaries and travel expenses relating to the project. Its projected budget for FY 1969 is $70,000.

IV. FY 1969 Program

We hope the momentum generated in certain areas over the past two years will gather greater speed in the months to come. The next two years of the incumbent administration offer a promising opportunity for substantial developmental progress. In response to this increased Philippine momentum, A.I.D. proposes assistance of $12 million for FY 1969 or nearly 50 percent above the allocation for FY 1968. The $12 million includes Technical Assistance of $7 million and Development Loans of $5 million.

Donations of about $8 million in PL-480 commodities for Food-for-Work, school feeding and maternal child care activities are planned for FY 1969, and additional dollar credit sales may be considered as well.

At present, A.I.D. is a major source of technical assistance but not a major contributor of financial assistance. In recent years, the Philippines has benefited from Japanese reparations ($140 million since 1960) and UN contributions (approximately $20 million since 1960), as well as capital from the World Bank ($160 million since 1960) and the Export-Import Bank ($100 million since 1960). Rising U.S. defense expenditures ($157 million in FY 1967) and veteran payments ($46 million in FY 1967) have stimulated the economy. The Peace Corps is continuing to provide some 700 volunteers primarily for educational programs. The Asian Development Bank will assist, but is unlikely to be a major contributor in the immediate future. A.I.D. requires that assistance activities be highly selective, consistent with the priority needs of the Philippines, and responsive to the immediate targets of the Philippine Government. Accordingly, A.I.D. assistance is being focused on (1) agriculture and rural development; (2) health; (3) public safety and (4) public adminis-

tration. In addition, some initial assistance is programmed for the rising problem of housing and urban development. Effective implementation of the program will depend upon the availability of American personnel to staff AID projects.

Agriculture and Rural Development

An estimated seventy percent of the population of 35 million live in rural areas, yet only one-third of the nation's national income is derived from the agriculture sector. President Marcos ranks rural development as the foremost need of the Philippines, and has provided strong leadership for an A. I. D. -assisted "Rice and Corn Self-Sufficiency Program." Taking advantage of the enormous potential of new strains or rice, developed in the Philippines by the International Rice Research Institute, the University of the Philippines and the government's research stations, the Philippines have mounted a comprehensive program to increase rice production.

The new rice varieties require new farming practices to reach maximum potential. The Philippine Government is trying to coordinate the efforts of national and local governmental agencies, private industry and research, and educational and religious institutions to provide the farmers with not only high-yielding seeds but also the fertilizer, pesticides and herbicides required, and instructions for their use. Agricultural technicians, specially trained in rice culture, are working directly with sources of reasonably-priced credit, now obtainable through privately-owned rural banks, the Government's Agricultural Credit Administration, and farmers' cooperatives.

Many irrigation systems are being rehabilitated. Partially-constructed systems are being completed, and additional systems are being planned. Farm-to-market roads are being constructed. The Government has raised its purchase price of rice and, in anticipation of increased production, is preparing to cope with the expanded requirements for handling, storage and marketing facilities.

USAID's role is primarily to serve as a catalyst to encourage the adoption of new techniques and systems. In 1965, AID initiated programs in the Provinces of Laguna and Tarlac to demonstrate the feasibility of increasing rice yields with new seeds and other crop inputs. It also initiated a generally successful program of supervised rural credit which combined agricultural technical advice with relatively easy loan terms for farmers. The success of these pilot efforts was recognized by the Marcos Administration and similar techniques were incorporated into a national program. The Philippine leadership in the national rice and corn program, including

cabinet level officials such as Executive Secretary Salas, have worked very closely with USAID personnel.

The successful undertaking of development programs at the provincial level (in Tarlac and Laguna) encourage the USAID, the National Economic Council, and the Office of the President to expand these efforts to other provinces. A new project will assist seriously interested governors to establish more effective organizations and plans for executing development projects. A national staff has been created in the NEC to provide technical assistance to the provinces and to promote better coordination of programs being undertaken in the provinces by central government agencies.

This Philippine rice program, less than two years old, has already produced remarkable results, considering the previous stagnant levels of rice production. In the 1966 wet season, less than 250 acres of farm land were planted with the new high-yielding seeds. In the 1967 dry season, more than 190,000 acres were under cultivation, and estimates for the 67-68 wet season range up to 555,000 acres planted to the new varieties. Using the new strains and following prescribed methods, many farmers are producing three to five times more rice per acre. The resulting harvests encourage the Philippine Government to re-export or cancel almost 200,000 metric tons of the 377,000 tons of rice it had contracted to import in 1967. The increase in rice production for the 1967-68 crop year is now estimated to be as much as 98.6 million cavans of rough rice, or 4.2% above the previous year. The increase would have been about 8-9% if severe typhoons had not damaged the wet season crop in many areas. It appears likely that for one of the few times in this century, no rice imports will be required in 1968. Production for the crop year 1968-69 will increase about 12% over the present crop year, according to an interagency committee of the GOP.

Health: Family Planning, Malaria Eradication and Nutrition

Without effective family planning, the Philippine population will double in the next 20 years. Many Filipinos, recognize the implications of such a rapid population increase, but the Government has not taken an official stand. Nevertheless, it has permitted A.I.D. to provide assistance to various private family planning organizations. A.I.D. assistance, which began modestly in FY 1967, is being expanded in FY 1968 and will be continued in FY 1969.

A.I.D. is contributing to the growing activity in family planning by providing technical assistance to a number of private groups and institutions for increased public education, establishment of clinics and

counseling centers and establishment of training facilities and courses for medical and paramedical personnel.

Although notable progress was made in earlier years to rid the Philippines of malaria (at one point it was estimated that 75% of the country had been cleared of this disease), a relaxation of vigilance has led to resurgence. In FY 1967, after the Philippine Government initiated a number of legislative, organizational and fiscal reforms on which continued A.I.D. help was conditioned, a new malaria eradication campaign was begun. A.I.D. proposes to continue support of this program.

A.I.D. has also undertaken a pilot program to increase the nutritional intake of pre-school children. This program will also use high-protein foods available under P.L. 480 to seek methods to alleviate malnutrition, now affecting 20% of the pre-school age population.

Public Safety

Inadequate law enforcment continues to plague the Philippines and to deter development. Although reliable statistics are not available the estimated 90 deaths attributed to violence during the 1967 election campaign are indicative of the problem. A.I.D. has provided assistance to the National Bureau of Investigation and the Manila Police Department to improve organization, records, communications, practices and facilities. A.I.D. now proposes to undertake a pilot program with the police in one province, Rizal.

Public Administration

A.I.D. has historically directed a substantial part of its assistance in the Philippines toward improved administration of national government agencies, focusing more recently on the key areas of revenue collection and project implementation--both areas of weakness now showing signs of improvement. Experts from the U.S. Bureau of Internal Revenue, Bureau of Customs, Treasury Department and Post Office Department are engaged in programs to improve the operations of counterpart agencies in the Philippines.

Housing and Urban Development

There is a growing shift of the Philippine population from rural to urban areas. The population of the cities is increasing at a rate of 5% to 8% a year. Urban areas have large numbers of squatters--ranging from 15% to 45% of the population. The present urban housing need is estimated to be 50,000 to 100,000 units per year and is growing. A.I.D. proposes

to undertake urban planning project limited to technical advisory services for city planning boards.

Development Loans

As a result of FY 1968 fund shortages, A.I.D. has had to restrict its consideration of Development Loan projects to two pilot rural electrification projects estimated at about $3 million. Other projects have had to be delayed until FY 1969, but even then, the $5 million proposed Development Loan level will permit only modest activity, to be selected from such areas as the establishment of grain storage facilities, the acquisition of agricultural machinery, the purchase of irrigation equipment and the development of agri-business plants through a line of credit to the Development Bank of the Philippines.

FY 1967
AID/NEC TECHNICAL COOPERATION PROGRAM (ACTUAL)
($000)

	Total	Technicians	Participants	Commodities	Contract Services	Other Cost
GOAL I - RURAL DEVELOPMENT	1,202	239	11	746	183	23
Rural Development - Pilot Provinces	121	83	8	11	-	19
Agric Credit, Co-ops & Mktg	27	-	-	4	23	-
Agricultural Services	389	92	3	291	-	3
Land Resources Inventory	20	20	-	-	-	-
Agric Productivity - Irrigation	7	6	-	-	-	1
Equipment Pool Improvement	478	38	-	440	-	-
Rural Electrification Co-ops	160	-	-	-	160	-
GOAL II - IMPROVEMENT OF GOVERNMENT SELECTED PROJECTS	852	435	251	159	7	-
Public Safety	176	67	33	76	-	-
Manila Police Improvement	120	44	46	30	-	-
Civil Aviation Assistance	227	162	65	-	-	-
Public Personnel Improvement	39	8	22	9	-	-
Tax Administration Improvement	118	93	15	10	-	-
Customs Administration Improvement	47	47	-	-	-	-
Fiscal & Financial Coordination	47	13	24	3	7	-
Project Execution System	78	1	46	31	-	-
GOAL III - INDUSTRIAL DEVELOPMENT	5	-	5	-	-	-
Economic Development Foundation	5	-	5	-	-	-
GOAL IV - SURVEYS & STUDIES RELATED TO DEVELOPMENT PLANNING	262	72	-	-	190	-
Water Resources Survey	72	72	-	-	-	-
Telecommunications System Survey	80	-	-	-	80	-
Grain Storage, Handling & Mktg Study	110	-	-	-	110	-

FY 1967

	Total	Technicians	Participants	Commodities	Contract Services	Other Cost
GOAL V - HUMAN RESOURCES DEVELOPMENT	1,347	88	2	1,177	20	60
Malaria Eradication	985	62	-	923	-	-
Textbook Production	146	26	-	120	-	-
Participant Follow-Up & Evaluation	6	-	2	4	-	-
Population Planning	210	-	-	130	20	60
	889	590	4	255	5	35
Technical Support	874	590	4	240	5	35
Special Development Activity Authority	15	-	-	15	-	-
TOTAL	4,557	1,424	273	2,337	405	118
REGIONAL	716.3	214.1	-	16.4	-	485.8
Asian Labor Education Center	70.0	-	-	-	-	70.0
Regional Malaria Advisors	10.5	9.5	-	-	-	1.0
Regional Technical Services	390.8	69.4	-	11.4	-	310.0
Regional Training Services	50.0	27.2	-	-	-	22.8
Malaria Eradication Training Center	164.0a/	90.0	-	5.0	-	69.0
Regional Evaluation Office	31.0a/	18.0	-	-	-	13.0

a/ Based on PASA Budget Plan
PIO/T 946-11-590-763-72-4660394

FY 1968
AID/NEC TECHNICAL COOPERATION PROGRAM (OPERATIONAL)
($000)

	Total	Technicians No.	Technicians Cost	Participant No.	Participant Cost	Commodities	Contract Services No.	Contract Services Cost	Other Cost
SECTOR I. AGRICULTURE AND RURAL DEVELOPMENT	1,091	19	525	18	48	474	2	44	-
Agri Productivity-Irrigation	40	2	40	-	-	-	-	-	-
Agricultural Services	433	7	170	13	29	214	1	20	-
Grain Storage/Hndlg/Mktg Study	- a/	-	-	-	-	-	-	-	-
Land Resources Utilization	23	-	-	-	-	23	-	-	-
Water Resources Survey	105	2	90	2	7	8	-	-	-
Equipment Pool Improvement	100	4	100	-	-	-	-	-	-
Rural Development	346	4	125	3	12	209	-	-	-
Agri Credit Co-ops & Mktg	44	-	-	-	-	20	1	24	-
SECTOR II. HEALTH	2,100	5	150	9	29	1,346	-	302	273
Malaria Eradication	1,097	5	145	-	-	952	-	-	-
Nutrition Support	177	-	-	-	-	57	-	120	-
Population Planning	826		5	9	29	337		182	273
SECTOR III. PUBLIC SERVICES	1,333	16	459	57	198	662	1	14	-
Public Safety	595	8	143	12	28	424	-	-	-
Textbook Production	29	1	29	-	-	-	-	-	-
Tax Administration Improvement	208	3 b/	159	7	19	30	-	-	-
Public Personnel Administration	109	1	23	9	47	39	-	-	-
Fiscal & Financial Coordination	156	1 c/	50	7	21	71	1	14	-
Customs Administration Improvement	60	1 d/	29	7	22	9	-	-	-
Project Execution System	176	1 e/	26	15	61	89	-	-	-
SECTOR IV. INDUSTRIAL DEVELOPMENT	157	2	120	9	37	-	-	-	-
Telecom System Survey	- a/	-	-	-	-	-	-	-	-
Civil Aviation Assistance	154	2	120	8	34	-	-	-	-
Rural Electrification Co-ops	3	-	-	1	3	-	-	-	-

	Total	Technicians No.	Technicians Cost	Participant No.	Participant Cost	Commodities	Contract Services No.	Contract Services Cost	Other Cost
SPECIAL DEVELOPMENT AUTHORITY	50	-	-	-	-	12	-	-	38
PARTICIPANT FOLLOW-UP AND EVALUATION	13	-	-	-	-	10	-	-	3
TECHNICAL SUPPORT	858	24	690	3	13	155	-	-	-
TOTAL	5,602	66	1,944	96	315	2,650		360	314

a/ Funded in FY 1967
b/ Excludes 4 Consultants
c/ Excludes 3 Consultants
d/ Excludes 2 Consultants
e/ Excludes 1 Consultant

REGIONAL PROJECTS	343		122	-	-	39	-	-	182
Asian Labor Education Center	97		3	-	-	8	-	-	86
Regional Technical Services	246		199	-	-	31	-	-	96

FY 1969
AID/NEC TECHNICAL COOPERATION PROGRAM (TENTATIVE)
($000)

	Total	Technicians No.	Technicians Cost	Participant No.	Participant Cost	Commodities	Contract Services No.	Contract Services Cost	Other Cost
SECTOR I - AGRICULTURE & RURAL DEVELOPMENT	2,145	31	930	25	80	1,060	3	75	-
Provincial Development (formerly Rural Development)	390	8	240	3	15	135	-	-	-
Agri-Business Education (formerly Agri Credit, Coops & Mktg)	255	1	30	-	-	150	3	75	-
Agricultural Services	600	9	285	10	30	285	-	-	-
Land Reform (formerly Land Resources Utilization)	250	2	50	8	20	180	-	-	-
Water Resources Development (formerly Agri-Productivity-Irrigation & Water Resources Survey)	175	5	155	4	15	5	-	-	-
Equipment Pool Improvement	320	4	120	-	-	200	-	-	-
Fresh & Brackish Water Fish Production	155	2	50	-	-	105	-	-	-
SECTOR II - HEALTH	2,435	14	370	26	40	1,425	-	200	400
Malaria Eradication	1,395	12	300	7	10	1,085	-	-	-
Nutrition Support	340	-	-	-	-	140	-	200	-
Population Planning	700	2	70	19	30	200	-	-	400
SECTOR III - PUBLIC SERVICES	1,560	30	804	74	228	490	1	38	-
Urban Planning	270	3	240	5	20	10	-	-	-
Internal Security (formerly Public Safety)	700	9	240	35	90	370	-	-	-
Tax Collection Improvement (formerly Tax Adm. Improvement)	215	7	165	7	25	25	-	-	-
Public Personnel Administration	55	1	28	4	15	12	-	-	-
Fiscal & Financial Coordination	110	5	46	7	21	5	1	38	-
Customs Administration Improvement	90	3	50	7	22	18	-	-	-
Project Execution System	120	2	35	9	35	50	-	-	-
TECHNICAL SUPPORT (Including Participant Follow-Up & Evaluation)	860	20	630	-	-	230	-	-	-
TOTAL	7,000		2,734		348	3,205		313	400

	Total	Technicians No.	Technicians Cost	Participant No.	Participant Cost	Commodities	Contract Services No.	Contract Services Cost	Other Cost
REGIONAL PROJECTS	312	5	115	-	-	31	-	-	166
Asian Labor Education Center	70	-	-	-	-	5	-	-	65
Regional Technical Services (includes Regional Training)	242	5	115	-	-	26	-	-	101

USAID ASSISTANCE TO THE PHILIPPINES
FY 1952 - FY 1968

PARTICIPANT TRAINING PROGRAM

Participant training has been an important part of the technical cooperation program of AID and predecessor agencies in the Philippines since its beginning in 1952. It is agency policy that all AID-sponsored training will be proposed and justified as an integral part of specific projects which are developed as part of the country's over-all economic development program. Training bears a direct relationship to the accomplishment of significant U. S. and host country (Philippine) objectives.

Since over the years (FY 52-68) joint U.S./Philippine projects and programs have varied as time and conditions have dictated modifications or changes in country objectives, so has the size and technical emphasis of participant training varied. Thus, the collective judgments of the Filipino officials and American advisors with respect to the relative importance of the various fields of development (including training) during the past 17 years have been reflected in the training program.

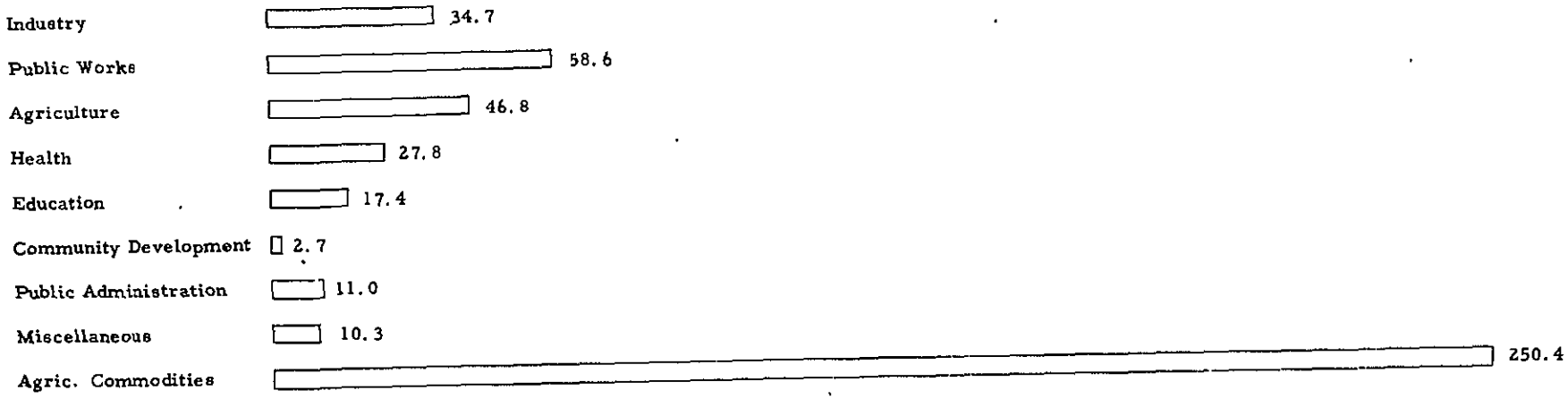
During the first nine of the seventeen-year period, greater emphasis was placed on the fields of Agriculture, Industry and Mining, Transportation, Labor, Education, and Health; while during later years, greater emphasis has been given to Aviation, Community Development, Public Administration, and Public Safety.

Most of the AID-sponsored training of Filipinos have been U. S. training of officials, educators and technicans engaged in public sector projects. Of the some 3,500 programs or units of training, only 425 were completed by Filipinos in the private sector and only 460 were in third countries, about 12 and 13 per cent, respectively.

AID ASSISTANCE TO THE PHILIPPINES FY 1951 - FY 1968
MAJOR ACTIVITIES BY FISCAL YEAR
TOTAL $459.7 MILLION

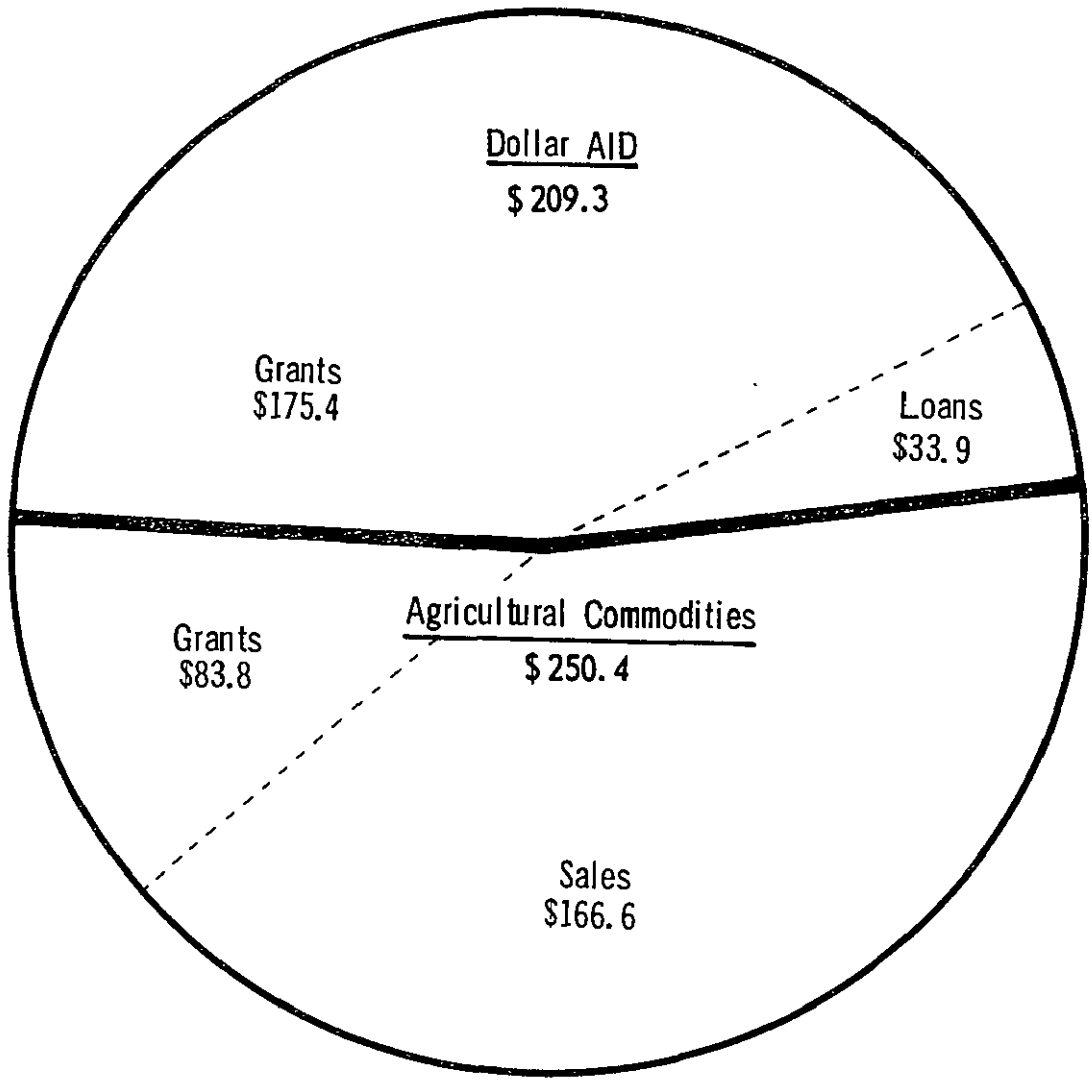
	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	Total
Industry	2.51	6.97	.65	.31	3.52	1.10	1.46	.79	12.32	.76	.30	.59	.21	.39	.12	.42	.24	2.00	34.7
Public Works (including Trans. & Communications)	.48	6.69	6.04	4.88	5.71	4.05	6.66	2.15	16.09	.29	.08	.01	.12	.09	.03	.10	.23	4.85	58.6
Agriculture	4.71	10.58	7.97	4.50	4.91	4.05	3.08	1.59	1.23	.92	.53	.26	.19	.20	.36	.10	.55	1.09	46.8
Health	.24	3.94	3.18	1.33	1.71	3.04	2.64	1.94	.66	1.34	.59	1.44	.45	.69	.68	.66	1.20	2.10	27.8
Education	.19	.99	2.93	2.30	1.30	.99	.80	.74	.98	2.29	1.24	.58	.48	.65	.24	.59	.15	.03	17.4
Community Development	-	.63	.01	-	-	.30	.09	.39	.33	.35	.12	.11	.13	.08	.10	.08	-	-	2.7
Public Administration (incl. Public Safety)	-	.57	.74	1.40	1.43	.59	.65	.57	.36	.60	.30	.25	.35	.35	.36	.54	.63	1.30	11.0
Miscellaneous (incl. Technical Support)	-	.03	(.29)	.55	.77	.43	.37	.35	.32	.47	.48	.51	.78	.75	1.08	1.17	1.57	.92	10.3
Agric. Commodities	.10	-	-	.10	9.25	17.98	29.73	22.62	20.52	17.96	37.33	7.60	9.80	22.10	17.40	27.96	6.10	3.80	250.4
Sales	-	-	-	-	8.55	16.88	27.06	14.32	12.62	12.66	30.53	-	-	11.40	12.57	20.00	-	-	(166.6)
Grants	.10	-	-	.10	.70	1.10	2.67	8.30	7.90	5.30	6.80	7.60	9.80	10.70	4.83	7.96	6.10	3.80	(83.8)

MAJOR ACTIVITIES BY TOTAL INPUT 1951-1968



A.I.D. ASSISTANCE TO THE PHILIPPINES
1951 – 1968

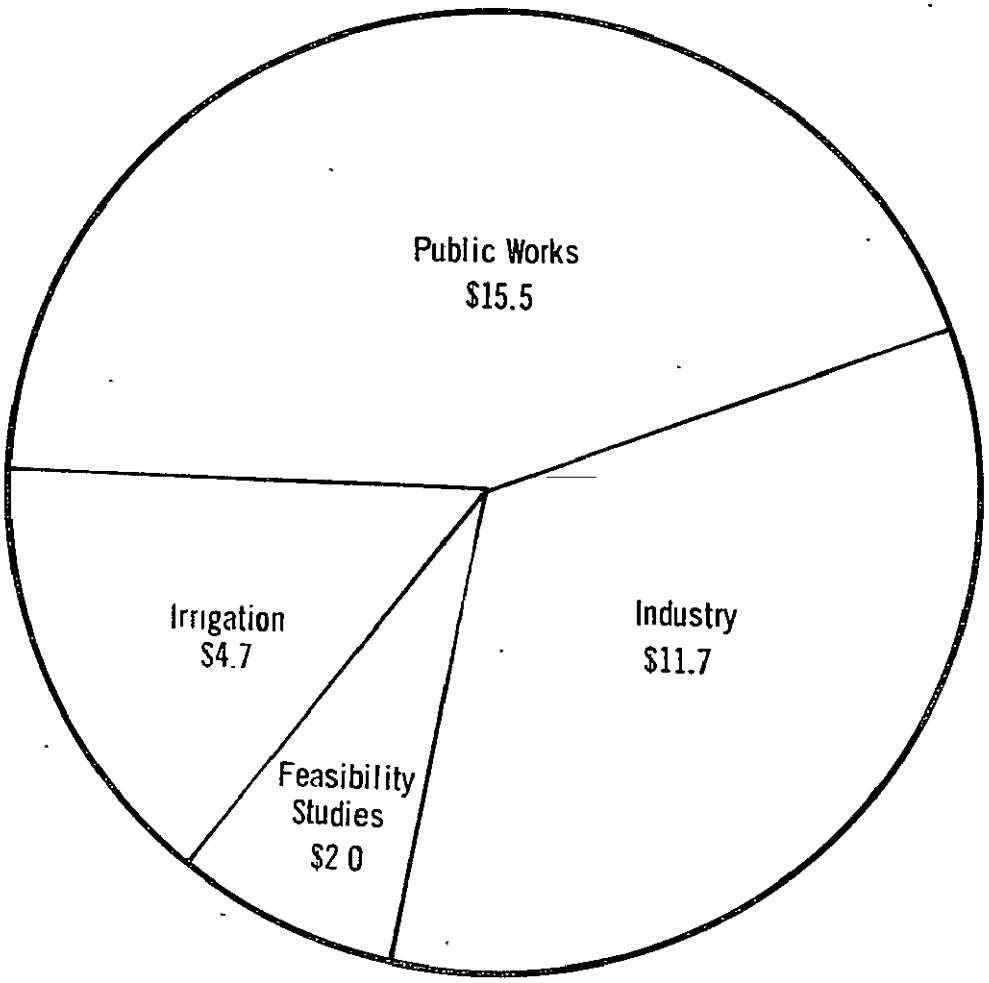
U.S. DOLLARS AND AGRICULTURAL COMMODITIES
$459.7 MILLION



A.I.D. ASSISTANCE TO THE PHILIPPINES
1951 – 1968

DOLLAR LOANS BY INVESTMENT SECTORS

TOTAL $33.9 MILLION



AGENCY FOR INTERNATIONAL DEVELOPMENT

COOLEY LOANS

Borrower/Purpose	Amount of Loan (Pesos)
Argo Refining Company, Inc. Cassava Starch Facilities	₱ 1,500,000.00
Wyeth-Suaco Lab. Inc. Pharm. Plant Facilities	375,000.00
White Rose Packing Corporation of the Philippines, Sardine Cannery	7,000,000.00
General Milk C. (Phil), Inc. Construction of Facilities and Working Capital	2,500,000.00
Wyeth-Suaco Lab. Inc. Laboratory & Plant Facilities	3,000,000.00
FILMAG (Phil), Inc. Estab. Iron Sands Mining Oper.	1,500,000.00
Arbor Acres Phil. Co., Inc. Poultry Breeding Farm	1,600,000.00
Bataan Pulp & Paper Mills, Inc. Pulp & Paper Mill Plant Rehabilitation	4,000,000.00
T o t a l	₱21,475,000.00

A. I. D. ASSISTANCE TO THE PHILIPPINES
1951-1968

Local Currency Distribution
(All accounts-cumulative)

(31 March 1968)

SOURCE	OBLIGATIONS
PL-480 Title I:	
Military Construction (104C)	₱ 30,635,939
Cooley Loans (104E)	21,475,000
Economic Development Loans (104F)	43,793,828
Grants: (104F)	
Community Development	9,286,638
Land Bank	329,302
Rice & Corn Production	208,298
Section 402:	
Grants:	
Military Construction	89,924,198
Community Development	26,596,341
Textbook Production	9,370,000
U. P. Construction	2,021,844
Land Bank	270,698
Rice & Corn Production	2,291,702
Loans:	
Development Corp. -Philippines	27,500,000
Industrial Development Loans	28,037,910
Agricultural Development Loans	5,000,000
Agricultural Services (Vehicle Loan Fund)	250,000

Counterpart:	Deposits	Disbursements
Project Support (Includes USAID Support)	264,361,090	260,474,417

AID ASSISTANCE TO THE PHILIPPINES
FY 1963 - FY 1968
EXCESS PROPERTY*

	FY 63	FY 64	FY 65	FY 66	FY 67	FY 68	TOTAL
607 EXCESS:	205,096	747,594	1,053,842	1,919,545	2,747,554	2,247,317	8,920,948
608 EXCESS:	-	227,893	1,633	445,121	704,890	252,731	1,632,268
T O T A L	205,096	975,487	1,055,475	2,364,666	3,452,444	2,500,048	10,553,216

"607" - Excess property (As is - Where is) from Clark Field, Subic Naval Base.

"608" - Excess property (Rehabilitated) from U.S., Germany and Japan.

* Based on original dollar acquisition value.

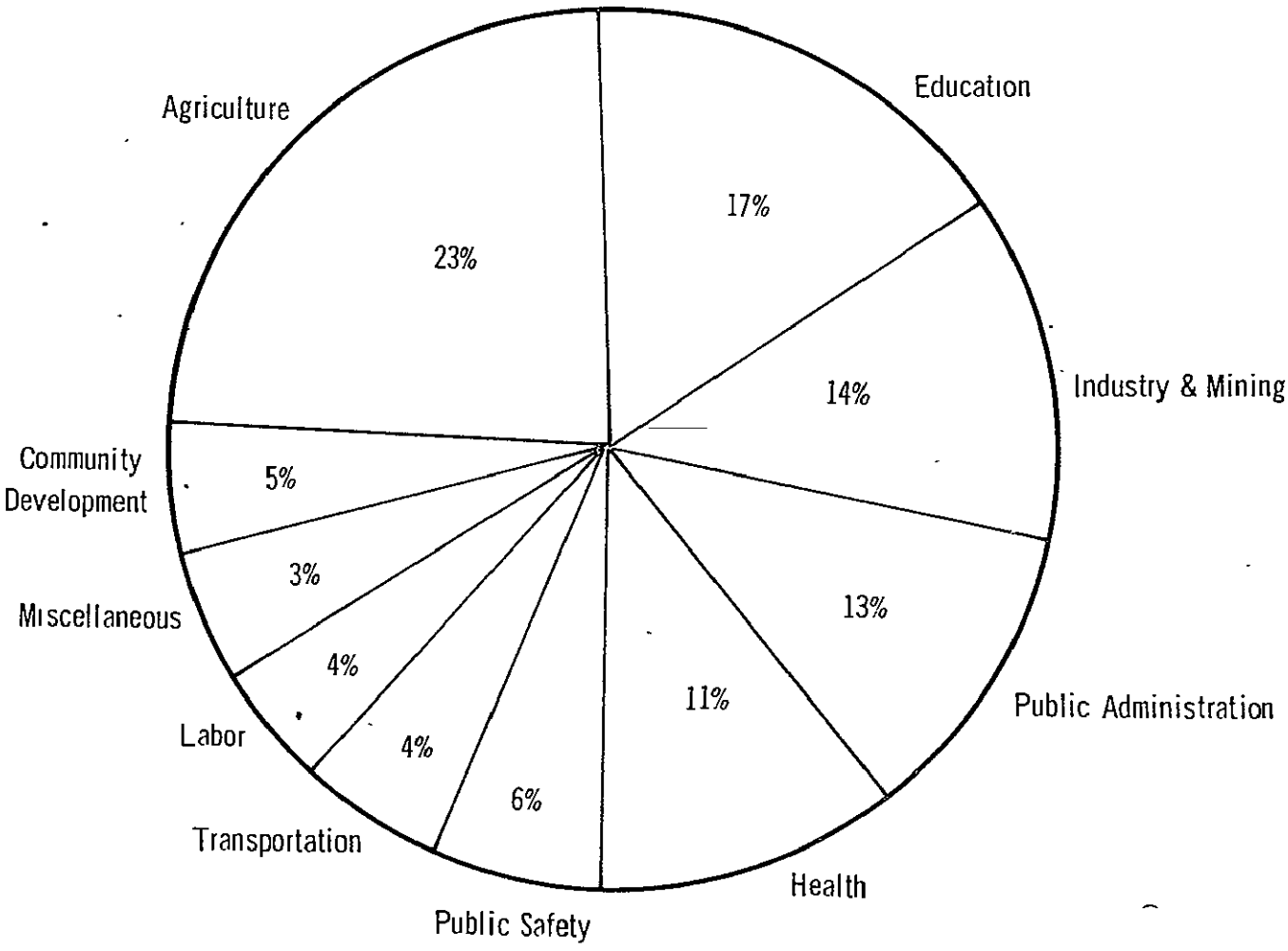
PO-5/8/68

May 14, 1968

USAID ASSISTANCE TO THE PHILIPPINES
PARTICIPANT TRAINING PROGRAM
FY 1952 - FY 1968

FY Funding	Total Participants	Number Completed Training	Number Now In Training	Number Not Yet Departed
1952	100	100	0	0
1953	119	119	0	0
1954	305	305	0	0
1955	347	347	0	0
1956	292	292	0	0
1957	308	308	0	0
1958	265	265	0	0
1959	250	250	0	0
1960	332	332	0	0
1961	183	183	0	0
1962	168	167	1	0
1963	233	230	3	0
1964	154	152	2	0
1965	156	154	2	0
1966	110	105	5	0
1967	80	73	6	1
1968	104*	15	7	82
Total	3,506	3,397	26	83

*Current program plans

USAID ASSISTANCE TO THE PHILIPPINES
PARTICIPANT TRAINING PROGRAM
FY 1952 – FY 1968

BY ACTIVITY FIELD