



FACT BOOK



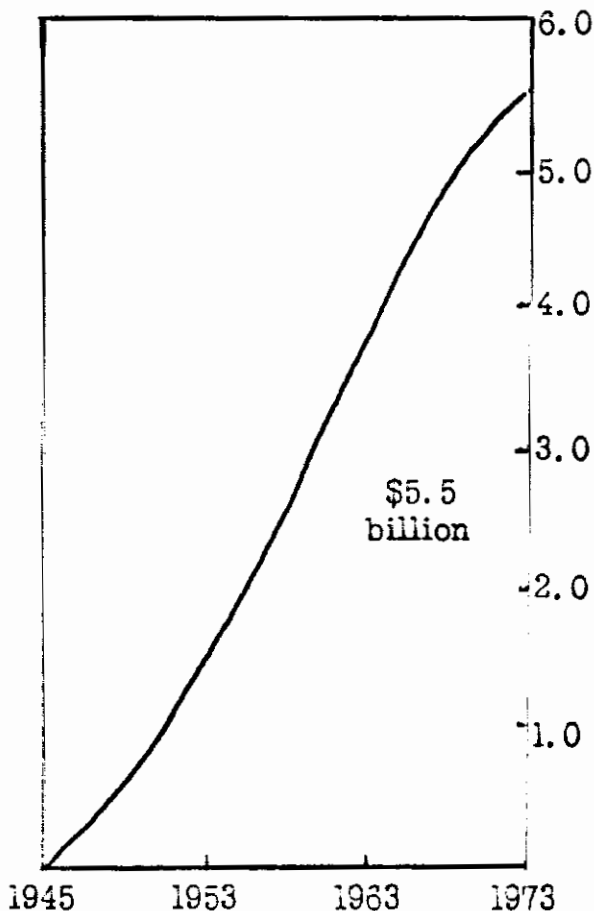
**UNITED STATES ECONOMIC ASSISTANCE TO KOREA
1954 - 1973**

United States economic assistance has played a significant role in Korea's economic development and social progress. The U. S. has provided approximately \$5.5 billion in bilateral economic assistance during the period FY1946 through FY1973. This amount was provided as follows: \$2.6 billion in supporting assistance and technical assistance and development grants; \$1.6 billion of PL 480

(Food for Peace assistance); \$0.4 billion in development loans and \$900 million in relief programs in the years immediately following the Korean War. "

TOTAL U. S. ECONOMIC ASSISTANCE TO KOREA

(in billions of dollars)



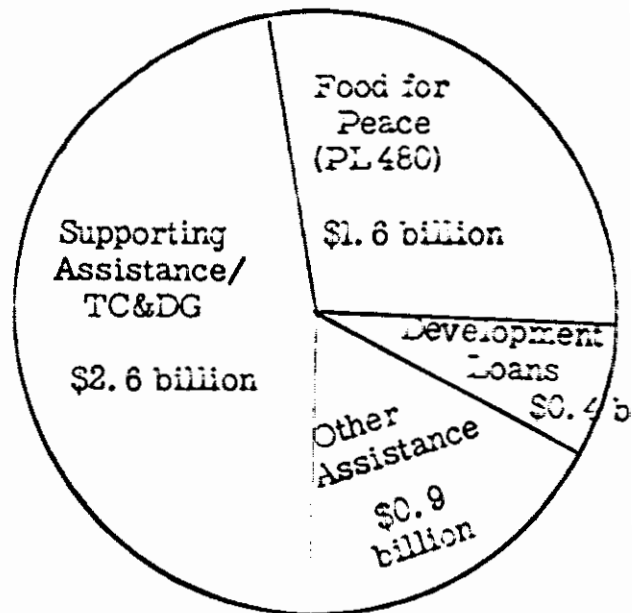
United States economic assistance began shortly after Korea's liberation in the post-World War II era but was interrupted by the Korean War in 1950. The U. S. Military Assistance Program (MAP) for Korea is not included in these tabulations. U. S. economic assistance to Korea for the period FY1946 through FY1953 has been estimated at nearly \$1 billion of the \$5.5 billion total.

International organizations to which the United States makes substantial contributions, such as the United Nations and the International Bank for Reconstruction and Development, have provided about \$580 million in economic assistance to Korea.

In the period since 1953 approximately \$1.9 billion has been extended to Korea in the form of U. S. Supporting Assistance grants, need by Korea for the import of vital commodities such as raw materials and equipment for industry; oil and lubricants for transportation; fertilizer for farmers; and equipment for certain capital projects related to reconstruction. The need for this type of assistance has been declining. On the other hand, about \$600 million has been provided for specific projects, in the form of Technical Cooperation and Development Grants.

Approximately \$1.6 billion has come under all titles of Public Law 480, the U. S. Food for Peace program designed to help meet the basic food and fiber requirements of developing countries. Title I of PL 480 provides for the sale of U. S. agricultural commodities on concessional terms. The local currency generated by the sale of these commodities has been used to finance ROK-US bilateral programs, including ROKG budget support; local currency loans for development of small and medium industrial enterprises; as well as U. S. uses in support of the AID program in Korea. Title II authorizes grants of agricultural commodities for relief, welfare, and development activities. In addition to relief and welfare uses, Title II has been provided in Korea as food-for-work to support self-help projects--primarily in land reclamation, irrigation and reforestation.

Other important facets of the U. S. aid program to Korea have been development grants for technical assistance and development loans. Technical assistance has been provided in all of the key areas in Korea's economy and has included the training of over 3,600 Korean specialists in the United States and other developed countries. Today, Korea has

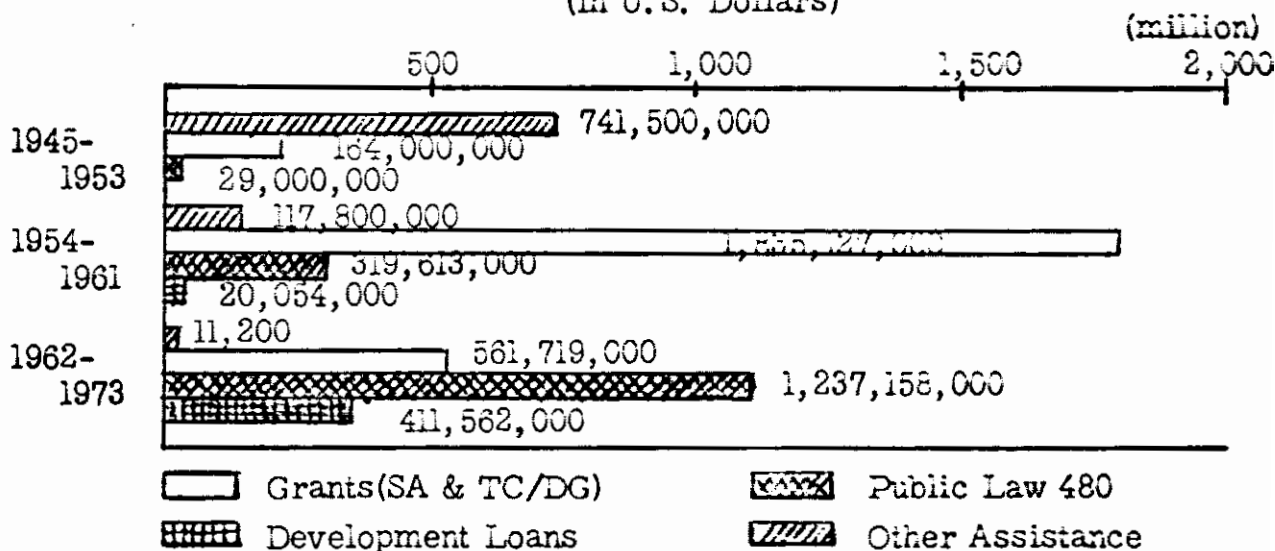


U. S. ECONOMIC AID TO
KORFA 1948 thru 1973

acquired many of the basic skills needed for development. As a result, U. S. technical assistance has concentrated on institutional development - such as agricultural cooperatives and extension services - and on key policy development areas such as fiscal and monetary management, so that the appropriate economic and institutional environment is established within which investment and growth will be able to continue on a self-sustained basis.

Development loans have been a significant source of U. S. aid to Korea and reached a peak of \$70 million in 1966. The use of these loans has reflected the more advanced economic and financial base of the Korean economy as well as the increased ability of Korean specialists to plan and execute capital investment projects. There are two types of loans, identified according to the purpose for which they are extended. Capital Project Loans are loans that deal with the construction, expansion, equipping, and/or altering

U. S. ECONOMIC ASSISTANCE TO KOREA 1945-1973
(In U. S. Dollars)



of a physical facility. Non-Project Loans are made available to provide resources to ease critical balance-of-payments situations. The loans are extended at very favorable credit terms, generally 40 years with a 10-year grace period on the principal. Interest is now set at a minimum of 2 percent a year during the ten-year grace period and 3 percent a year for the thirty-year loan repayment period. Major sectors of U. S. lending activity have been electric power, communications, transportation, mining and manufacturing, including small and medium industries, and agriculture.

SUMMARY OF U. S. ECONOMIC ASSISTANCE TO KOREA
(In thousands of dollars)

<u>Type of Aid</u>	<u>Fiscal Year Periods</u>			<u>Totals</u>
	<u>1945-1953</u>	<u>1954-1961</u>	<u>1962-1973</u>	
Grants (SA & TC/DG) ¹	164,000	1,835,127	561,719	2,560,846
Development Loans		20,054	411,562	431,616
Public Law 480	29,000	319,613	1,237,158	1,585,771
Other Assist Assistance	741,500	117,800	11,200	870,500
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Grand Totals	934,500	2,292,594	2,221,639	5,448,738

1. SA - Supporting Assistance
TC/DG - Technical Cooperation/Development Grants

MULTINATIONAL AID TO KOREA

In addition to the bi-lateral AID program, the U.S. also participates in Korean development through contributions to various international institutions engaged in development work. To date, Korea has received about \$590 million in assistance from such organizations.

ASSISTANCE TO KOREA THROUGH WORLD-WIDE ORGANIZATIONS IN WHICH U.S. PARTICIPATES

<u>Organization</u>	<u>Korean Assistance Received</u>
United Nations (UNDP, etc.)	31, 800, 000
World Bank (IBRD)	267, 500, 000
International Finance Corporation (IFC)	3, 100, 000
International Development Association (IDA)	87, 000, 000
Asian Development Bank (ADB)	197, 811, 000
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Total	587, 211, 000

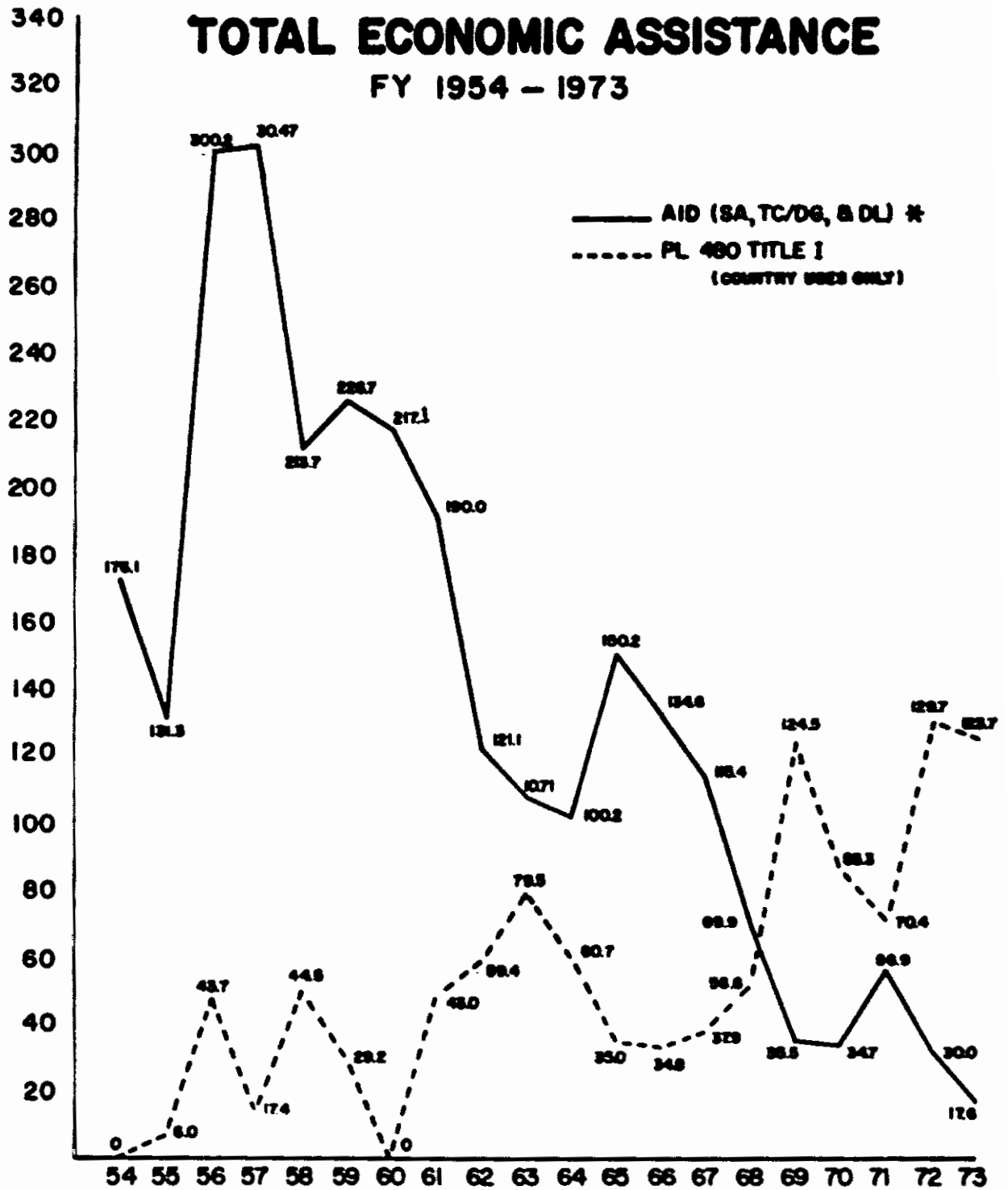
U. S. ECONOMIC ASSISTANCE TO KOREA

FY 1954 through FY 1973
(in millions of dollars)

FY	1		Development Loan		Public Law 480			Total
	<u>S. A.</u>	<u>T. A.</u>	<u>Cap. Proj.</u> ³	<u>Non-Proj.</u> ⁴	<u>Title I</u>	<u>Title II</u>	<u>Other</u>	
pre-1954	-	164.0	-	-	16.0	13.0	741.5	934.5
1954	96.7	79.4	-	-	-	1.0	55.5	232.6
1955	131.3	-	-	-	6.0	9.6	54.5	296.9
1956	222.4	77.8	-	-	43.7	16.8	2.0	362.7
1957	209.9	94.8	-	-	17.4	27.3	2.0	351.4
1958	177.4	36.3	-	-	44.5	22.3	1.5	282.0
1959	183.0	36.9	6.7	-	29.2	16.9	1.0	273.7
1960	184.2	22.7	5.2	5.0	0	14.2	0.7	232.0
1961	177.5	9.4	3.1	0	43.0	27.8	0.6	261.4
1962	92.5	9.6	19.0	0	59.4	10.2	1.3	192.0
1963	91.5	5.2	10.4	0	79.5	11.4	1.4	199.4
1964	75.2	3.2	21.8	0	60.7	33.5	-	194.4
1965	70.7	3.1	76.4	0	35.0	28.1	-	213.3
1966	59.2	6.3	57.2	11.9	34.8	76.4	0.5	246.3
1967	44.8	8.5	34.5	27.6	37.9	27.6	1.4	182.3
1968	29.9	12.4	0	27.6	56.6	40.4	1.7	168.6
1969	18.7	4.9	1.9	10.0	124.5	55.3	1.4	216.7
1970	10.0	4.7	10.0	10.0	83.3	24.1	1.6	143.7
1971	0	5.1	6.0	45.8	70.4	22.4	1.9	151.6
1972	0	3.5	2.5	24.0	129.7	11.2	-	170.9
1973	0	2.6	0	15.0	123.7	0.9	-	142.2
Total	1,849	685.9	254.7	176.9	1,095.3	490.4	870.5	5,448.6

- 1) Supporting Assistance
- 2) Technical Assistance
- 3) Capital Project Loans
- 4) Non-project Loans

TOTAL ECONOMIC ASSISTANCE FY 1954 - 1973

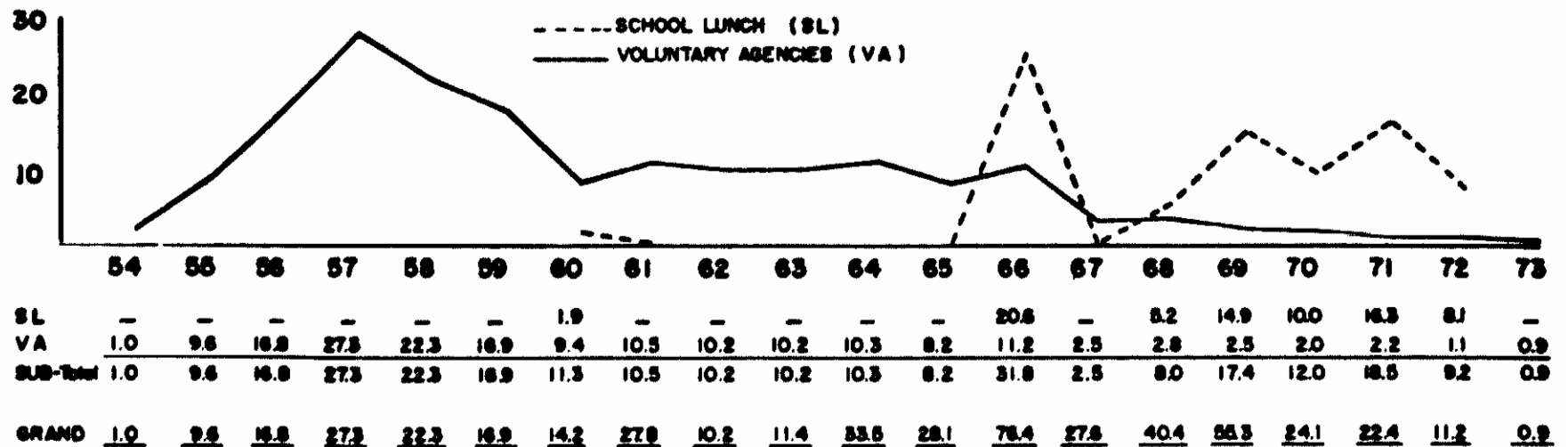
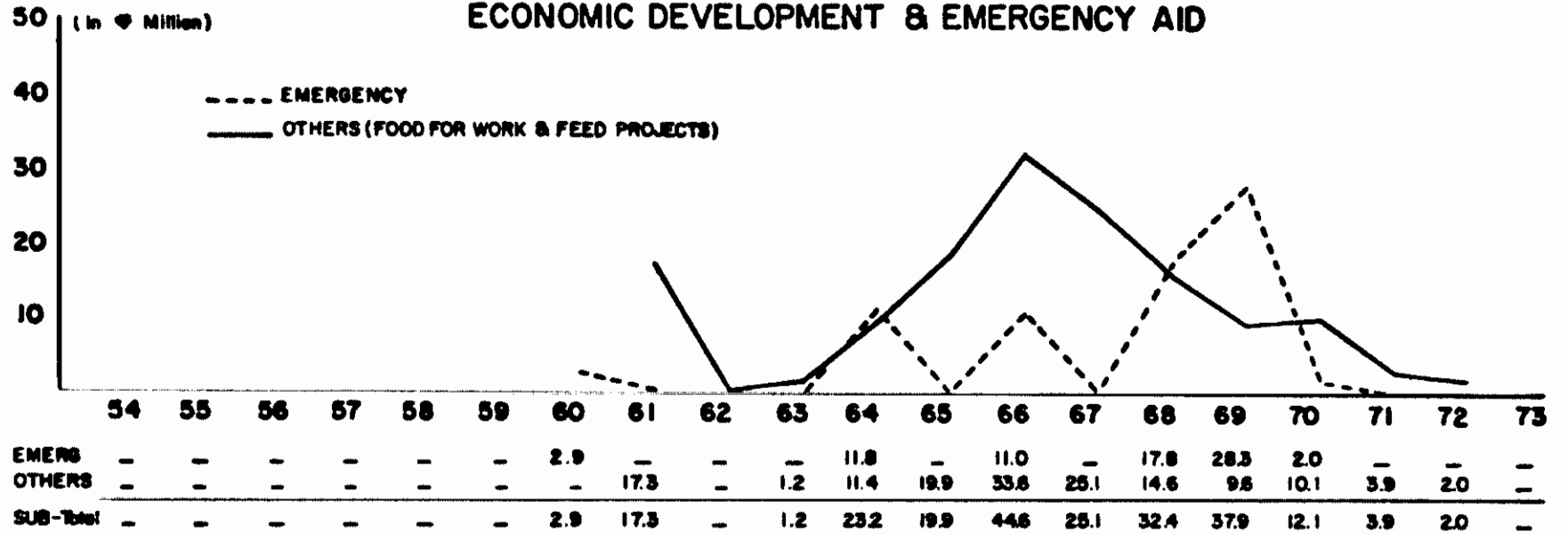


TOTAL 176.1 131.3 348.9 32.1 208.7 226.7 217.1 190.0 121.1 107.1 100.2 150.2 134.8 115.4 68.4 36.5 34.7 56.9 30.0 17.6

* **SA** - Supporting Assistance **TC/DG** - Technical Cooperation/Development Grant **DL** - Development Loan

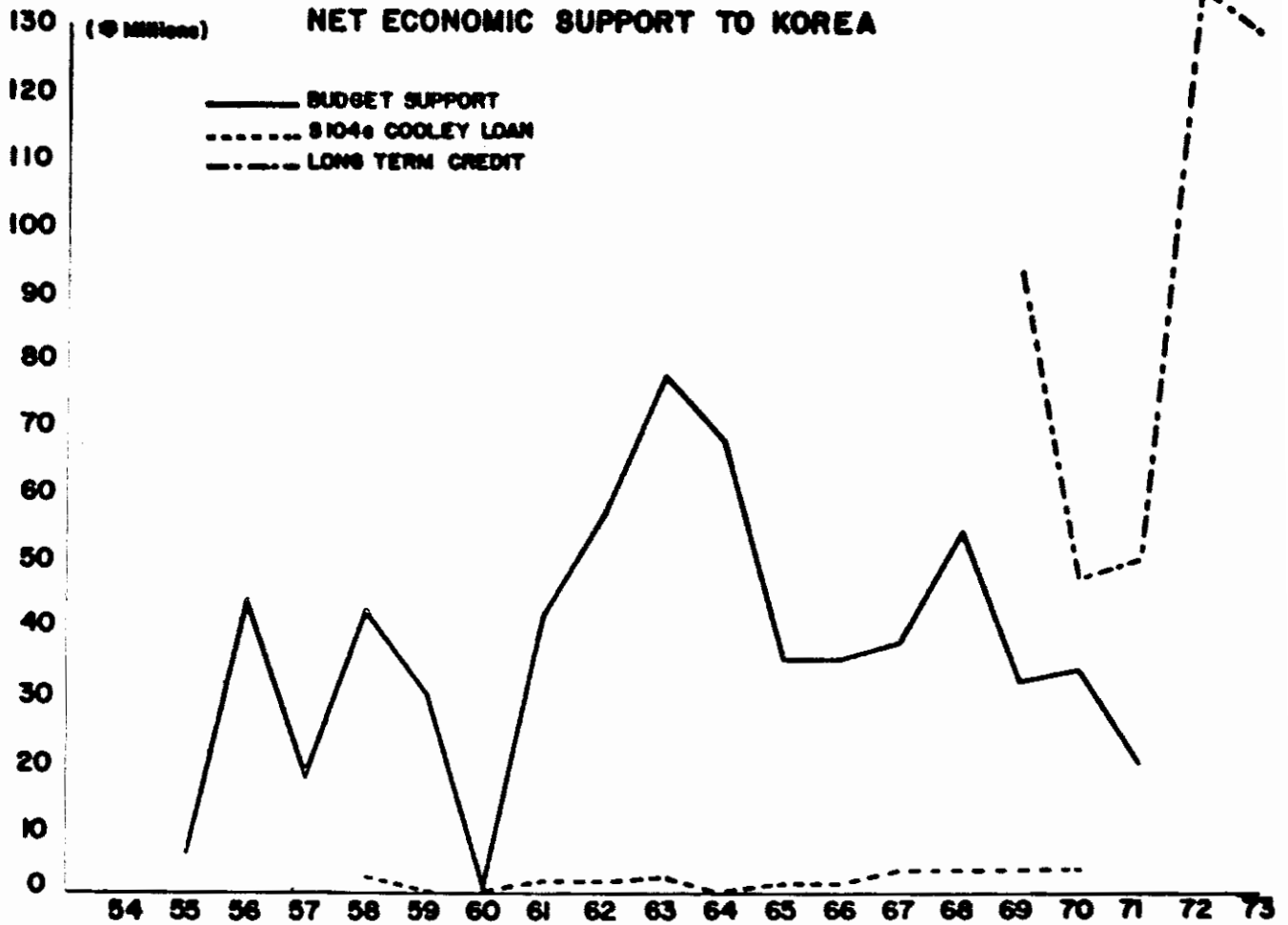
PL 480 TITLE II

ECONOMIC DEVELOPMENT & EMERGENCY AID

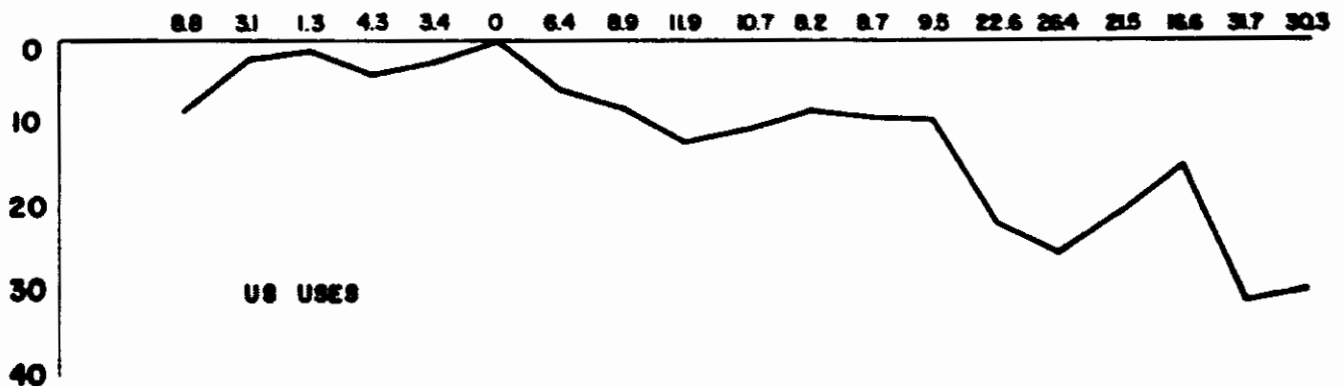


PL 480 TITLE I PROGRAM

NET ECONOMIC SUPPORT TO KOREA



COOLEY LOAN	-	-	-	2.1	-	-	1.1	1.5	2.0	-	0.4	0.4	2.8	2.8	2.9	3.3	-	-	-	
BUDGET SPRT	-	6.0	43.7	17.4	42.4	29.2	-	41.9	57.9	77.5	60.7	34.6	34.4	35.1	53.8	31.3	33.4	19.9	-	-
LT CREDIT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	90.3	46.6	50.5	129.7	123.7
TOTAL	-	6.0	43.7	17.4	44.5	29.2	-	43.0	59.4	79.5	60.7	35.0	34.8	37.9	56.6	124.5	83.3	70.4	129.7	123.7

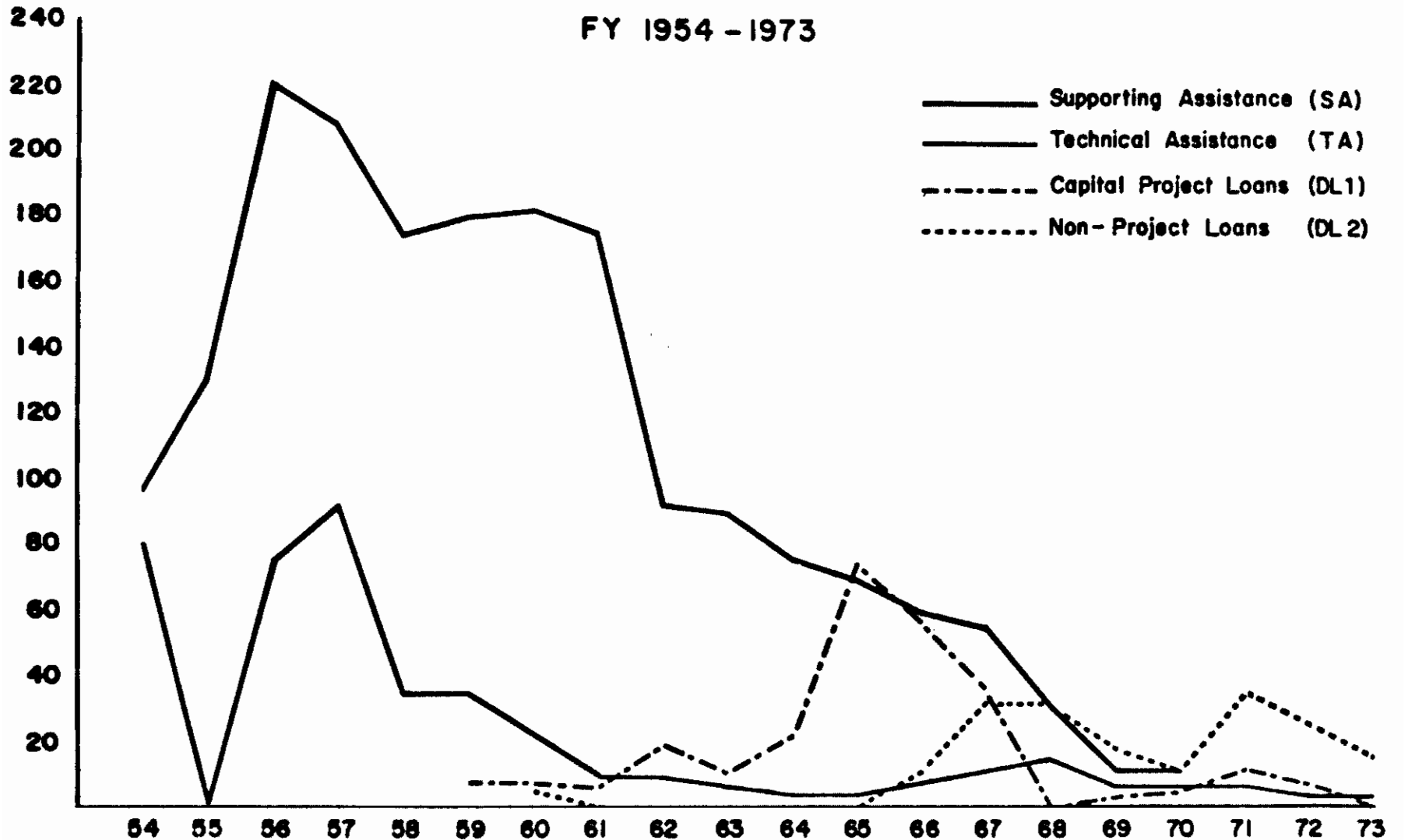


8.8 31 1.3 4.3 3.4 0 6.4 8.9 11.9 10.7 8.2 8.7 9.5 22.6 26.4 21.5 16.6 31.7 30.3

US USES

AID PROGRAM

FY 1954 - 1973



	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73
SA	96.7	131.3	222.4	209.9	177.4	183.0	184.2	177.5	92.5	91.5	75.2	70.7	59.2	44.8	29.9	18.7	10.0	—	—	—
TA	79.4	—	77.8	94.8	36.3	36.9	22.7	9.4	9.6	5.2	3.2	3.1	6.3	8.5	12.4	4.9	4.7	5.1	3.5	2.6
DL 1	—	—	—	—	—	6.7	5.2	3.1	19.0	10.4	21.8	78.4	57.2	34.5	—	1.9	10.0	6.0	2.5	—
DL 2	—	—	—	—	—	—	5.0	—	—	—	—	—	11.9	27.6	27.8	10.0	10.0	45.8	24.0	15.0
TOTAL	176.1	131.3	300.2	304.7	213.7	226.6	217.7	190.0	121.1	107.1	100.2	150.2	134.6	115.4	69.9	35.5	34.7	6.9	30.0	17.6