

PEACE CORPS

Congressional Presentation

Fiscal Year 1969

March 1968

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PEACE CORPS  
WASHINGTON

OFFICE OF  
THE DIRECTOR

Members of Congress:

It has been our privilege to present to you annually a report in which we detail the current work of the Peace Corps, what we have learned from the past, and the direction in which we are heading.

We think the Peace Corps after seven years has gained experience and insights without losing its original dynamism. Although the Peace Corps is dedicated to service overseas, we are learning that service breeds service and that returning Volunteers bring their experience to bear on their own society.

By August 31, 1969, we anticipate combined Volunteer and trainee strength at 15,200, an increase of 630 over the level expected on August 31, 1968. We also anticipate that Volunteers will be serving in approximately 60 nations, an increase of three host countries.

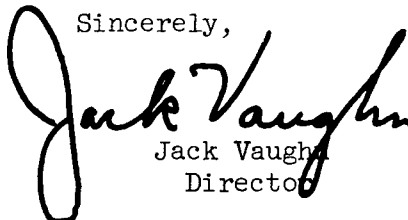
While much has changed in seven years the Peace Corps' primary work remains in the field of education, but we are steadily expanding our efforts in agriculture, rural development and health. At the same time we are strengthening Volunteer skills with increased technical support and improving our ability to match their skills to host country needs.

To continue this work, we are requesting \$112.8 million for Fiscal Year 1969.

The Peace Corps message of hope from despair and understanding from suspicion is being heard. A start has been made, but there are great distances to go.

I hope you find the report helpful.

With high regard,

Sincerely,  
  
Jack Vaughn  
Director

## INTRODUCTION

Seven years ago the Peace Corps was a new untried experiment for the American Government. The greatest certainty held about it was that it was an idea whose time had arrived. As we look back, we see how unknown were the directions we would take, the problems we would encounter, the refinements we would require. Like any new institution, we had to learn.

There were doubts, for example, whether many Americans could live in rugged and often isolated circumstances abroad. The Congress had established that Volunteers would have to serve "under conditions of hardship if necessary," and it was widely assumed that these conditions would loom as the major obstacles to service. Affluent Americans can't take it, it was said, and even if they did stick it out they would spend most of their energies on simply staying alive and well.

The Peace Corps Volunteers demonstrated that merely to endure was the least of the burdens of service. They determined that the frontiers of the Peace Corps were not primarily physical, but psychological, that change was effected less by environment than by attitude and behavior. These subtleties of service abroad obviously emerged more quickly among the Volunteers than among those who from long distance continued to perceive the Peace Corps in terms of heroic survival instead of in terms of meaningful confrontation and interaction with another culture. In varying degrees, this suspended image has plagued the Peace Corps from the beginning.

But the message of the Volunteer unfolded: the job was the most crucial element of Peace Corps service.

This message was not immediately clear, partly because the "job" was really more than that--a kind of "role" that stood outside the traditional interpretations of work as a structured, product-oriented task--and partly because Volunteers quickly obscured their work function by their abilities to "win friends" and get along in a variety of ways theretofore unknown and unanticipated at home or abroad.

A kind of novelty underwrote their success--the appearance on the development scene of a new type of American who went to serve, not on his own terms, but on the terms of the people with whom he lived and worked. Basking in this success, the Volunteer found emotional and psychological sustenance in his work, even if he couldn't quite define what he was doing in terms of middle level manpower.

Today we are four generations and 33,000 Volunteers beyond 1961. We have learned that the people served by the Volunteers acquire attitudes such as hope, belief in their own abilities and worth as an individual, an honest view of their failings, a sense of service.

We have seen that this kind of human change is the first essential for a nation, or a community, to guide its own destiny. Peace Corps Volunteers are among the few strangers in a foreign culture who can assist in such change. They are concerned with people, and with attitudes and behavior, as well as with physical environments. The Volunteers have made the Peace Corps an institution which has to do with changing people. At its best, it changes Peace Corps Volunteers themselves and the men and women with whom they work.

It is often easier for us to see the changes that take place in those we know who have become entwined in another culture, who have been touched by another people. For many Volunteers the experience has affected their basic attitudes toward life.

Last year the number of returned Volunteers surpassed the number of Volunteers overseas; and as the number grows, we witness more and more in our own society the results of these changes. Volunteers are returning to the United States with a greater interest in entering public service. Their experience has also affected their parents and friends. A young woman who was a member of the first Peace Corps group in Ethiopia wrote recently, four years after she completed service:

" It seems to me that there is a by-product of Peace Corps that some day may be worth evaluating, but it is elusive and may lie dormant. This by-product is the world awareness that is born in the family and friends of a Peace Corps Volunteer. I am very aware of this in my home state where many times the isolationist attitude is seen at its genial best. The fact that there is a world 'out there' sometimes never dawns on them until they are emotionally involved with someone out there. Then the world takes on new dimensions: poverty and leprosy and a lack of education suddenly take on a new meaning for them because you are there. If every Volunteer has a group of twenty people around him that are in some degree affected in this way, the subtle magnitude of what is happening can be visualized. Regardless of what happened to me, and the effect is beyond measurement, the money that Peace Corps spent on me was well invested because of the world awareness that was forced upon my family and friends. After this, I guess I really don't have to say that I am very proud to have been a part of Peace Corps."

This year the Peace Corps is requesting \$112.8 million for our operations in fiscal year 1969. This appropriation will provide for 9,200 trainees and will permit us to reach a level of 15,200 Volunteers and trainees by August 31, 1969. This will be an increase of 630 Volunteers and trainees over the current Program Year. We also anticipate starting new programs in several more nations, bringing the number of nations served to about 60.

This request is no longer based on an unknown quantity, for the Peace Corps Volunteer is established as a potent and effective force for change. The task is infinitely more complex than it was in 1961, or 1964, and the responsibility to support the Volunteer in a creative and meaningful role is much greater. By the spring of 1966 the Peace Corps had enough evidence of what the Volunteer could do and of the solidity of his contribution that we were ready for a sophisticated programming exercise that has sharpened our use of the Volunteer and increased his effectiveness overseas.



## NEW TRENDS IN PROGRAMMING

In the spring of 1966, we took the first steps toward development of a decentralized, long-range planning system designed to work with host country governments to focus Peace Corps programs more explicitly on the central problems of the nations in which we work and to enable us to program for maximum effectiveness our most valuable resource, the Peace Corps Volunteer.

Our first objective was to define the aims of each of our country programs in relation to Peace Corps' overall goals and the major problems facing each country, so that Peace Corps Volunteers could be effectively engaged in the most important and the most satisfying work.

The major focus of our attention was, as it is today, on the Volunteer himself--what he can bring to his experience in skills and attitudes and what he can bring back as a better American: one who understands the problems and aspirations of the people of the developing nations.

Each country director prepared an analysis of the most important development problems in his country of assignment, as seen by the host government and the Peace Corps, identified those lending themselves to Peace Corps assistance, and proposed concrete goals for Peace Corps activities.

The following examples of program goals are taken from proposals submitted in 1967 by Peace Corps country directors as a result of the second annual planning exercise:

In Colombia, where little more than half of urban children and less than ten per cent of rural children finish more than the second grade, a major Peace Corps goal is to train teachers. Two hundred and fifty Volunteers, or more than one-third of the Volunteers in Colombia, are in education programs.

The goal for the 53 Volunteers in Guyana is to increase the number and percentage of secondary school graduates qualified to take the General Certificate of Education examinations, and the success rate--currently about 5 per cent--among those who take them.

In Africa, a high priority of almost every government is the expansion of secondary schools in order that young Africans can be trained to take over the running of their governments and economies. We have over 2,000 Volunteers working as teachers or teacher trainers in Africa--75 per cent of them in secondary schools. These secondary school teachers have been crucial in staffing the expansion of secondary school systems and are thus making it possible for thousands of additional young Africans to receive high school educations.

In southern Togo, 60 per cent of the population lives on a corn staple diet and more than 30 per cent of cultivated land is used for growing it. Yet more than half the corn crop may be destroyed by weevils and other insects while it is stored. Volunteers are showing farmers a cheap and simple way to fumigate the granaries, killing the insects while leaving the corn safe for consumption.

The dearth of trained manpower in Botswana is immense, even by African standards. Less than 50 Botswana citizens hold university degrees. The goals of 34 education Volunteers in Botswana are to facilitate expansion of secondary school capacity and to upgrade the quality of elementary school education through provision of teacher trainers and more highly qualified teachers.

Ceylon is second in world tea output and a major producer of rubber, but, because of concentration on exports, food production for local consumption has lagged behind the needs of the population. Fifty-six Volunteers are now at work assisting subsidiary crop

development (potatoes, rice, onions, corn, sorghum and others), dairy production, applied nutrition and rural community development.

In Korea, the rural health infrastructure is a weak link in the Republic's health program. The Government plans to cope with this problem by establishing a network of more than 1,300 district health centers in rural areas, making use of health auxiliaries for preventive health and health counseling services. The major threat to the program's implementation is the lack of qualified manpower to staff these centers. The Peace Corps has attached 105 Volunteers to the Korea teams engaged in the work of starting up these health centers.

Country directors and host government officials analyze and discuss goals and compare alternative programs. In the 1967 analyses, they requested that the Peace Corps plan to multiply the number of Volunteers in agricultural programs by more than two and one half times by the end of Program Year 1970. This would mean some 5,300 Volunteers in food supply programs compared with some 2,000 at the beginning of the current Program Year.

The new country plans called for doubling the number of Volunteers in health projects from some 1,500 Volunteers during the current Program Year to 3,000 in 1970. A major activity would be the prevention or eradication of specific diseases such as malaria and TB. Disease prevention will play an increasingly important role in our health programs, as we and the countries we assist have found that Volunteers can be trained in the precise skills necessary to mount an effective attack against these crippling and killing diseases.

In Thailand, for example, Volunteers working with the National Malaria Eradication Project helped supervise malaria surveys, train workers and administer treatment. Volunteers were thus able to contribute to a decrease in malaria by as much as 20 to 40 per cent in areas of several hundred thousand people.

A relatively new Peace Corps activity is in the area of family planning. Since December, 1966, a total of 234 Volunteers have been sent in response to requests from host governments for assistance to their family planning programs. The Volunteers, most of them specially trained liberal arts graduates, are involved in all but the surgical aspects of family planning: public information programming and promotion, record keeping, supervision of supplies, establishment of new family planning centers, counseling and demonstration of effective teaching techniques

Ninety-seven Volunteers are at work full time in family planning in India. This summer a first Peace Corps group of graduate nurses will be trained to teach Indian nurses examination techniques and follow-up care in programs promoting the intra-uterine device.

Some 105 Volunteers in Korea, 17 in Tonga (South Pacific), 8 in the Dominican Republic and 7 in Tunisia also are participating in family planning education programs.

The systematic comparison of alternative programs to achieve newly defined goals has caused the Peace Corps to place increased emphasis in many countries on teacher training programs in preference to classroom teaching of children. The number of Volunteers in education programs is roughly the same as in spring 1966; however, the percentage serving as teacher trainers has increased by approximately one-fourth.

Community development continues to be a central focus of Peace Corps programs, particularly in Latin American countries where CD programs account for more than 40 per cent of all program requests. As reported to you last year, in response to host country priorities, we are

placing greater emphasis on rural community action than on urban programs. This year, rural programs accounted for 77 per cent of our community development programs compared with 67 per cent last year.

Programs are approved in the field by the U.S. country team and receive two thorough screenings by the Peace Corps in Washington. The first is in one of the four Regional Offices: Africa; Latin America; North Africa, Near East and South Asia; and East Asia and Pacific. The second screening is in the Office of Planning, Program Review, and Research, where the final worldwide allocations of Volunteers are made.

In both screenings, the program is checked against the country director's description of the critical needs of his country and his goals for Peace Corps programs. It is analyzed against a background of problems experienced in that particular country or in similar programs elsewhere in the world. Recommendations and comments by Volunteers who have served in each country are carefully studied in this process.

The training plans and training demands receive particular attention from a team of specialists in the various technical areas in which the Volunteers are to be prepared. Training plans are crucial, as most persons who volunteer for the Peace Corps must be given training to provide specific new skills to meet the technical needs of the developing nations.

Finally, once it has been established that the program is important to the development plans of the host country and that program and training goals are feasible, the program is compared to other requests from around the world. Volunteer applicants are then assigned to the programs which are expected to result in the most effective use of the Peace Corps' human and financial resources.

After the program details have been worked out, the Agency for International Development reviews the program and concurrence of the Secretary of State is secured before the program is finally approved by the Director of the Peace Corps.

As a result of this planning system we think we have made considerable progress in setting priorities among the needs of the countries in which we work and in establishing useful goals for the programs in which we are involved. We are more effectively applying to each program proposal the experience of the 33,000 Volunteers who have served in 834 projects in 63 nations over the past seven years.

Complete and systematic descriptions of our program activities and quantitative measurement of our program results are extremely useful as tools for improving programs. We are giving more attention to the problem of systematic measurement of program effectiveness which will allow us to compare one program with another. We have made some progress in coping with the major obstacles to such measurement: the great variety of project goals, the seemingly intangible aims of human development and attitude change, and political sensitivity involved in Americans doing evaluative studies in another society. A number of research projects have been devised to solve these problems. These include:

1. Joint Effectiveness Study of Peace Corps Programs in Turkey. This study is being designed by the Turkish Government and the Peace Corps. If feasible, it will be the first joint study (with the host country government as co-researcher) of Peace Corps effectiveness. If successful, it will be the model for other Peace Corps countries.

2. Effectiveness of Peace Corps Volunteers in Uganda, Tanzania and Ethiopia, and Design of a System for Assessing Overseas Impact in Education, under contract with the Institute for Communication Research, Stanford University.

3. Research on Education Television Program in Colombia: Programming and Effectiveness, under contract with Leland Stanford Junior University.

4. Impact of Peace Corps Volunteers Serving in Philippines Math/Science Project, under contract with Leland Stanford Junior University.

5. Effectiveness of Peace Corps Teachers in Sierra Leone, under contract with Raymond Lewis.

6. Assessment of the Peace Corps Tuberculosis Control Project in Malawi, under contract with the University of North Carolina.

7. Assessment of the Peace Corps Public Health Project in Bolivia: Anthropological Report, under contract with the Research Institute for the Study of Man.

8. Peace Corps Teacher Training Effectiveness in the Dominican Republic. A study by the Peace Corps of host country teachers and host country pupils, of Peace Corps teacher training programs.

9. Programming and Effectiveness of the Bolivia Tuberculosis Control Program. A study done as part of Volunteer support by David Danielson, a public health specialist, formerly with the University of Washington, and now with the Office of Medical Programs of the Peace Corps.

10. Office of Planning, Program Review, and Research Questionnaire Study. Analysis of experimental questionnaires completed by 433 Volunteers (334 education, 86 health, and 13 agriculture Volunteers) in eleven projects in seven countries (Afghanistan, Colombia, Iran, Philippines, Thailand, Tunisia and Turkey), concerning their impact.

We look forward to even greater use of measurement data in making decisions on programs. Since Peace Corps Volunteers serve two-year tours, the decision on whether to continue an activity is made by the Peace Corps at least every 24 months, permitting us to revise or initiate new programs more often than many other government agencies.

Our progress in measurement, however, does not mean that the Peace Corps has solved the many problems associated with programming. Some problems, in fact, cannot be solved by the Peace Corps alone, for they arise from the fact that the Peace Corps' duty is to serve--to serve people and agencies other than itself, and to serve governments other than the American government.

Peace Corps has no programs except the host country programs in which we participate. We act only on the invitation of governments, and our actions arise from their needs, not ours. We do not blindly follow the dictates of governments; neither do we create programs for them.

The foreign political arena is an area over which the Peace Corps has no control and effectively no influence, and properly so. Local politics including sudden changes of government, racial feelings, personal idiosyncracies, entrenched bureaucratic positions and international cold war suspicions occasionally arise as obstacles to effective Peace Corps programs. By maintaining close contact with local officials we seek to foresee and avoid programs which would be ultimately, if not immediately, detrimental to the Peace Corps and to the governments and communities concerned.

Another area which has continued to pose problems is in programming the American who volunteers for the Peace Corps. In 1961 no one could predict accurately exactly what trained manpower would volunteer for Peace Corps service or what sort of skills the interested nations would request.

The Peace Corps has always welcomed the technically trained and experienced Americans who were able to volunteer. We have placed them in programs where we have used their skills individually, or in programs where they can provide technical support to Volunteer generalists. For example:



David Kadane, a corporation lawyer at the height of his career volunteered and was assigned to Tanzania as a special assistant to the Attorney General. He negotiated contracts with a diamond mining concession and was a member of President Julius Nyerere's special seven-man commission which investigated the cooperative movement. His wife, Helen, is a trained nutritionist who had worked with the United Nations in New York. In Tanzania, she became head of the Freedom from Hunger campaign.

Frank and Edna Vaccaro had 16 years experience in raising rabbits before they became community development Volunteers in Guatemala. They began the rabbit co-op in Chimaltenango in 1965. Starting with 500 does the co-op produced some 15,000 rabbits in one year's time of which some 10,350 were sold for meat and pelts. The meat production has fostered a number of related small industries. Encouraged by their present success and by U.S. furriers who have confirmed the high quality of the pelts, the Vaccaros and Guatemalans look forward to expanding the rabbit co-ops.

In Chile, five professional Volunteer foresters are participating in a reforestation program in support of 35 Volunteers whose experience in this area was gained exclusively in Peace Corps training. The team works in erosion control and reforestation in conjunction with a Chilean agency.

In Iran teams, each consisting of a professionally trained architect, an engineer, and a Volunteer generalist trained by the Peace Corps in drafting and surveying, worked with the Iranian community development organization on the design and construction of public works projects.

We have learned that vast numbers of Americans who would like to volunteer their skills find it difficult to do so because of family and career commitments. The majority of our Volunteers, therefore, are young Americans volunteering two years of service between the end of college and the

beginning of career and family formation. The central problem of Peace Corps programming has been to find ways to use effectively this non-technical resource to meet the technical needs of the developing world.

To solve this problem, we have worked with overseas governments to develop programs which focus on one segment of the technical job. We have developed programs for which we can provide the Volunteer the requisite skills during Peace Corps training which lasts an average of 12 weeks.

Approximately 1500 Volunteers, for instance, are working on major health problems, although no more than 18 per cent of these had medical training before entering the Peace Corps. We have long known that the Peace Corps would be unable to begin meeting the needs overseas for trained physicians or nurses. Indeed, public health specialists today could not meet these needs. We have tried, therefore, to develop ways to use the Peace Corps Volunteer as a medical auxiliary.

Under the medical supervision of the University of North Carolina and the Ministry of Health in Malawi--a nation whose president, Hastings K. Banda, is an American-trained physician and Ph.D.--a carefully controlled experiment was carried out. The Volunteers were trained to become technically proficient in the handling of one widespread and killing disease--tuberculosis. They learned to take case histories and conduct diagnostic laboratory tests. Once their diagnoses had been confirmed by a tuberculosis specialist, the prescribed course of medication was supervised by the Volunteers in the patients' homes. Family life was not disrupted, and scarce hospital beds were not used for the program.

This experiment by the Peace Corps and the Government of Malawi is of significance in the developing world. Formerly, tuberculosis was treated only by a physician whose 20 years of

education qualified him to handle the whole gamut of man's ills--from broken legs to ulcers to the problems of birth. The Peace Corps learned in Malawi that a one-problem specialist could help make up for the lack of trained physicians.

The Peace Corps is applying the same technique to the technical problems of agriculture. Agriculture is the basis of almost all the economies in which we are working and is the full time occupation of most of the working population. Yet, in the United States, only 5½ per cent of our citizens are farmers, and all the universities of the United States turn out only 9,000 agricultural degree holders per year.

The Peace Corps found, therefore, that it could not provide the traditional type of agricultural extension agent who could advise on corn, wheat, garden vegetables, animal husbandry, irrigation, poultry raising, etc.

We learned, however, that we can teach a Volunteer about one or several related crops or other farm products so that he can assist a government engaged in an intensive program to increase the production of a particular crop.

Volunteers are thus joining the Government of India's program for grain production, principally sorghum and maize. In Nepal, the Philippines, and Sierra Leone, Volunteers work with intensive rice production programs.

To date, more than 400 Volunteers have helped India to establish a poultry industry in its villages. During one year alone, egg production, in areas assisted by Volunteers, more than doubled--from 366,000 to 1,000,000 eggs per week.

In the area of public works, by focusing on one aspect of the technical job, the Peace Corps has made it possible for Volunteers to build bridges up to 80 feet long in Tanzania and to span gorges in the Himalayas.

We feel we have been successful in training Volunteers in this technical work, and we are now explaining to other governments the ways in which Peace Corps Volunteers can be used to solve different types of technical problems.

Another problem area is in technical and professional support of the Volunteer. From the beginning, the Peace Corps has recognized the need for giving technical support to Volunteers, and much of this support has come from U.S. private institutions. The greatest contribution of the private sector has been in training Volunteers, but also of significance has been on-the-job technical advice without which the generalist Volunteer often could not operate.

To help provide day-to-day professional support to Volunteers, we have contracted with American Colleges and universities, service organizations, voluntary agencies and private business for overseas representatives. These are called Contractor's Overseas Representatives (CORs). They are themselves professional experts, and in addition, they are able to tap the home resources of the contractor, including home office expertise, consultants, and programming capabilities.

Also providing on-the-job support to Volunteers are Program Technical Representatives (PTRs) who are professional personnel directly hired by the Peace Corps. Where professional backstopping by a contractor's organization in the United States is not required by the field situation, we use PTRs. The directly-hired PTRs have enabled us to achieve significant savings, and we now have more PTRs than CORs (78 PTRs to 41 CORs).

Volunteers also receive technical support by writing the Publications and Information Center (PIC) of the Peace Corps. PIC answers a yearly average of 3,000 requests for advice, and the office supplies basic technical reference materials throughout the Peace Corps.

Volunteers can correspond with specialists around the world through the auspices of VITA (Volunteers for International Technical Assistance, Inc.). A non-profit, private organization (sometimes called the "postal Peace Corps"), VITA puts Volunteers in touch with specialists who can give technical advice on specific development problems. It is expected that VITA will process more than 1,100 requests from the Peace Corps this year.

Some examples of such technical support provided by PIC and VITA:

A Volunteer in Colombia wanted to build a simple laser to demonstrate to chemistry students the physical characteristics of light. PIC provided the needed plans and information. Total cost for constructing the laser: \$1.15.

A Volunteer in Chile wanted to know how to write music in Braille. With the help of the Library of Congress and PIC, the Volunteer is teaching sighted teachers to write music in Braille and unsighted students to read it.

A Volunteer in Sierra Leone wanted to know if a bridge could be built out of cement and railroad rail. VITA provided the information by return mail. Consequently, bridges have been built in every district; in some districts there are dozens.

Various elements of the problems facing the Peace Corps have been with the agency since its beginning. As we have learned our job better, we have learned what we must do better. Like most of the work that the Peace Corps is doing, this requires time, effort and patience. Somehow, things seemed simpler four generations of Volunteers ago, possibly because of the high drama surrounding them. Here is how a Volunteer recently described it from his post in Africa:

"The first Volunteers probably had a wilder and, perhaps, a more interesting time and were accepted immediately because of the Peace Corps 'Idea,' whereas present Volunteers have to prove themselves by their deeds, not by their novelty value. . . It seems that we are beginning, only beginning, to prove ourselves, and the Volunteers who come after us in the next years will have even a better chance to improve upon this general trend. Hopefully our legacy will provide future Volunteers with better direction. . ."

Many of the new directions of Peace Corps work began with the long range programming exercise launched in 1966. On the following pages we present the results of this effort in 10 nations.

## BOLIVIA

In Bolivia the Peace Corps is principally engaged in rural community development (RCD) and in related rural programs to increase agricultural production, develop educational and vocational skills, and improve health. RCD takes on special dimensions in Bolivia where 70 per cent of the population lives in the extremely poor rural areas, mainly on the high barren Andean plateau--the Altiplano, where conditions are particularly severe.

RCD workers have the frustrating and difficult task of effecting broad scale changes in areas where the slightest change is resisted. They must implant a spirit of cooperation among individuals who have long been accustomed to the austere philosophy of "every man for himself." Because of such deeply entrenched obstacles, rural community development is seldom a through-going success story. But break-throughs do take place, and Peace Corps Volunteers in Bolivia have had their fair share of successes in inspiring attitudinal changes among the rural peasants with whom they work.

Volunteers working with the Bolivian National Community Development Agency often engage in projects which have impressive repercussions over a wide geographic area. A project initiated by one Peace Corps Volunteer in his village was for the construction of baths used to dip sheep for disease control and washing wool prior to clipping. This touched off a movement for the building of sheep baths among hundreds of sheep growers in several villages on the Altiplano.

Bolivia is a food importer. Volunteers have recently conducted some 300 demonstrations to stimulate the use of a new variety of potato seed. The "Plan Potato" as it has come to be called, was coordinated at every point with the Bolivian authorities. After the demonstrations, 120,000 pounds of seed were distributed to the farmers who had attended the sessions. Effective use of this seed will improve the quality and yield of future potato crops.

The second major Peace Corps effort in Bolivia is to combat tuberculosis. Volunteers have been assigned to the rigorous tropical Yungas area of Eastern Bolivia where TB is most common. The direct goal of the project is to control TB by treating active cases and vaccinating the unprotected. The emphasis is on curing people who are sick as well as a public health activities program aimed at preventing the transmission of the disease.

After five months of work, and with 16 months still ahead of them, Volunteers have completed 13,822 clinical histories and tuberculin tests and have given 5,507 vaccinations. Four hundred and fifty-one people identified as being active carriers of tuberculosis are on treatment. The program is clearly moving toward the accomplishment of its goal of reaching 80 per cent of the population of the Yungas. Bolivian staff workers and doctors, spurred on by the progress of the Peace Corps Volunteers, are now taking a more active role than before in the field work vital to the continued success of the project. The Bolivian Ministry of Health has asked the Peace Corps to assist in establishing a similar program in another area of Bolivia with a high incidence of tuberculosis.

Other Peace Corps activities include a cooperative project which provides management assistance to 75 savings and loan cooperatives. A projected agricultural extension project will aim at stimulating greater exports of wool by increasing the percentage of sheep, llama and alpaca sheared from the present 10 per cent per year to at least 50 per cent.



As of June 30, 1968 there will be 200 Volunteers serving in Bolivia. Approximately 87 will be working in rural community development, including 30 in a mining area; 59 in agricultural extension, cooperatives, and arts and crafts; 30 in tuberculosis control; 12 in vocational education and 12 teaching in universities.

## DOMINICAN REPUBLIC

The Dominican Republic has a population of approximately 3,500,000. The annual population growth of 3.5 per cent is one of the highest in the world. Population pressure is particularly marked in urban areas where some 35 per cent of the population lives. A very high percentage of urban youth is literate, but on a national average only five of every 100 children who begin elementary school go beyond the sixth grade, and only 69 per cent of all children of elementary school age attend school. Peace Corps Volunteers work in the areas of agricultural and rural development, education, health, and urban development.

The Peace Corps' largest in-service teacher training program began in the Dominican Republic only two years ago. Already, it has had a demonstrably positive effect on the quality of education in that country.

So far, some 700 Dominican primary school teachers, who teach a total of 30,000 children, are enrolled in the course. A research study, Peace Corps Teacher Training Effectiveness in the Dominican Republic, completed in February, 1968, shows that these teachers now use significantly better teaching techniques than teachers who have not participated. According to the report, the participants are "clearly superior" to non-participants.

In 1959, the Dominican Republic's Ministry of Education formally recognized the need for additional training for primary teachers. But plans for the training did not begin to materialize until the Peace Corps promised substantial help for an in-service program for rural areas. Twenty-seven Volunteer teacher trainers arrived in 1966, and 35 more were provided in 1967. Plans call for expansion to 90 Volunteers

in 1969. At that point, the Peace Corps teachers will be providing in-service training to 950 Dominican teachers per year. These teachers in turn will be bringing new methods and enthusiasm for learning back to 45,000 pupils.

According to the Dominican Ministry of Education, 4,500 primary teachers (70 per cent of the country's total) have below standard classroom skills. Over a 15-year period, the Peace Corps hopes to reach all these teachers.

The need for the program stems from the fact that throughout rural areas of the Dominican Republic, most primary school teachers have less than an eighth grade education. The country's three normal schools graduate a total of only 90 persons per year. Few of the normal school students are drawn from--or return to--rural villages. Poor primary education is perpetuated by poor teaching and vice versa. However, the Dominican Republic lacks the facilities and the funds to provide more training for the rural primary teacher.

Volunteer manpower and on-the-job training counter the problem of insufficient funds and training facilities. By horse, bus, taxi and motorbike, Volunteer teacher trainers travel on weekdays to tiny one-room schoolhouses scattered throughout the country's mountains and canefields to observe the Dominican teachers at work. On Saturdays and for seven weeks each summer, the Dominican teachers gather in centrally-located "centros," which are equipped by AID with modern teaching aids, for seminars in methodology and regular coursework. At the end of three years, teachers who successfully complete the in-service course will receive pay raises and certificates. The Peace Corps estimates that the program's cost per Dominican teacher per year is considerably less than \$100.

The Dominican Republic's commitment to the program has been manifested by a continued increase of counterpart workers for Volunteers. Thirty Dominican teacher trainers work along with Volunteers. By 1969, there will be 45.

In addition, all Dominican educational personnel interviewed by the researchers highly endorsed the program and agreed it should be extended throughout the country. The research study also indicates that Dominican teachers participating in the course are more enthusiastic about their educational roles than non-participating teachers. Moreover, the students of participants apparently have developed more positive attitudes towards education than pupils of non-participating teachers.

The 72 Volunteers in agricultural and rural community development programs work under the supervision of the Agrarian Reform Institute, the Office of Community Development (OCD) and the Institute for Cooperatives. The Volunteers' specific responsibilities include creating local community action groups and educating them to use available technical resources for self-help purposes. For example, low interest credits are available for crop loans and agriculture-related public works to those communities with demonstrated need and a plan for their use. Follow-up by Volunteers and Dominican promotores encourage the proper utilization of these resources.

In urban areas Volunteers work as promotores to organize and assist community groups to take the steps necessary to carry out self-help projects. The Volunteers have also interested several private Dominican agencies in providing leadership training and financial assistance. Another small but important urban program involves Peace Corps cooperation with the Ministry of Health in the government's Mother-Child Health Program, which includes family planning.

Other Volunteers are involved in tuberculosis control. Working in pilot areas in the western part of the country, the Volunteers do the field work necessary to identify the incidence of TB and work with Dominican agencies to provide treatment for active cases.

## ETHIOPIA

With developmental problems similar to many African countries, Ethiopia faces a rapidly increasing population and a variety of economic difficulties, including possible famine in some geographic areas.

Peace Corps goals in Ethiopia include assisting the government in meeting the following development objectives (by order of priority): to increase opportunities for education and improve its quality and relevance, to increase skilled manpower especially in the field of health, to increase farm productivity and income, and to improve the rural environment.

It is possible to give some indication of Peace Corps accomplishment in education, as well as in health programs. Involvement in agriculture is only now beginning and thus cannot be gauged at the present time.

With less than four per cent of school age children enrolled in school and a country-wide literacy rate of only five per cent, Ethiopian education needs to be expanded. Methods and curricula need to be improved.

Of the 457 Volunteers in Ethiopia (as of June 30, 1968) some four-fifths will be serving in education programs. The arrival in 1962 of a first group of 276 Volunteer teachers permitted an immediate increase in secondary school enrollment of 2,250, bringing total enrollment to a high of 24,470. These Volunteers taught in 49 schools situated in 15 towns and villages. In 1967, Volunteers were teaching in 96 schools in 79 communities.

They currently teach in all government secondary schools, and in 45 per cent of the government junior-secondary schools. Perhaps most significantly, nearly all of the Ethiopian secondary school graduates who have entered the seventh grade in or after 1964 were exposed to a minimum of one Peace Corps teacher.

From the standpoint of qualitative change, the Ministry of Education has accepted the aural-oral method of language instruction encouraged by the Peace Corps and is introducing standard English tests based on this method into the elementary schools. Since English is Ethiopia's second official language and the language of instruction starting in the seventh grade, the potential long-range effects of better English teaching are important.

Adult education classes, a rarity when Volunteers first arrived, now are quite common. Presently, 65 Volunteers assigned to secondary schools are also teaching evening adult education courses, and 20 are teaching evening university extension courses.

Formerly, the majority of all teaching Volunteers were to be found in the major cities. While many remain, an increasing proportion are being programmed into the rural schools, thus reaching a wider group of students and teachers, and increasing educational opportunities in rural Ethiopia. Peace Corps teachers are, moreover, seeking to develop more materials relevant to the life of the rural student. More recently, some Peace Corps teachers are taking on the new role of teacher trainers.

Health is a second area for Peace Corps involvement. Health problems are extensive, and medical personnel (320 doctors, 300 of whom are expatriate), clinical facilities (less than 3,000 hospital beds) and training institutions (six nursing schools graduating less than a total of 40 nurses each year) are all in critically short supply.

Peace Corps work in Ethiopian health programs has focused primarily on paramedical training of personnel to work in rural dresser stations. (the medical qualifications for a dresser are roughly those of a practical nurse.)

Prior to that time only one such government school was in operation. Since late 1964, seven dresser training schools have been started. Twenty-eight Peace Corps Registered Nurses and three Ethiopian nurses who have taught in these institutions have graduated approximately 375 dressers.

The major programming change has been the introduction of a pilot team approach to rural development in the fall of 1967. While it is both necessary and desirable to continue present involvement in education, it is expected that a growing number of Volunteers will be programmed into non-teaching, rural development projects.

## INDIA

Today, Peace Corps programs in India are concentrated in two areas: food production and family planning. The government of India has defined these as its greatest needs. Prior to 1965, India had placed considerable emphasis upon industrial development at the expense of agriculture. With the drought of 1965-66, India shifted her priorities in order to develop an agricultural system capable of feeding her more than 500 million people and to stem the tremendous population growth which so taxed its resources.

In food production, Volunteers work in agricultural extension to promote grain production and poultry and piggery development; they assist in minor irrigation projects including soil and water management and tubewell development and undertake other activities involving food production, storage, distribution, and usage. Working with agricultural extension experts, Volunteers are assigned to districts known as Intensive Agricultural Areas (IAA) that have been selected to receive a concentration of improved high yielding seeds, fertilizers, pesticides, irrigation, and extension aid in order to maximize production results. The role of the Volunteer is to bridge the gap that may exist between local government representatives and the tradition-bound farmers. His job is to motivate the farmer to be more receptive to change and to expedite the government support for the farmer.

Some examples indicate the types of contributions Volunteers can make. In one village, within an 18-month period Volunteer demonstrations and promotional activity resulted in an increase in high yield seed usage from 10 acres to over 500 acres. In another village, Volunteer activity contributed to a 50 per cent per acre increase in potato yield.



Since 1962, Peace Corps Volunteers have been involved in the development of a poultry industry, and their participation has become increasingly sophisticated. From encouraging the commercial production of the "vegetarian" egg or "The Peace Corps" egg, Volunteers have become increasingly involved in poultry management and marketing practices. One state which had not considered undertaking a hatchery and breeding scheme before the arrival of Volunteers has now allocated funds and requested additional Volunteers for a program designed to increase egg and meat production 70 per cent on a state budget increase of only six per cent.

To decrease agricultural dependency upon monsoon rains, India is expanding its tubewell program. Volunteers assist in site selection, actual drilling, rig maintenance and pump installation, and instruct Indian counterparts in these operations. In an emergency well drilling program in Bihar, Volunteers assisted in the drilling of over 200 wells.

In nutrition and health programs, Volunteers promote the production and consumption of foods such as vegetables and eggs. Volunteer activity in one state has resulted in a CARE allocation to construct 22 buildings to serve as centers for mothers and children. Volunteers in these programs are among the principal source of distribution of UNICEF seeds for kitchen and school gardens.

India's family planning programs offer a wide range of services. Volunteers work primarily in the promotional and educational aspects of the program. They have aided in establishing important family planning centers in Bombay and in publicizing the concept of family planning through mass-media and audio-visual techniques in several states.

While food supply and family planning are priority areas, the Peace Corps continues to place limited numbers of Volunteers in other important fields. By June 30, 1968, there will be 391 Volunteers in agricultural extension and village level food production, 68 Volunteers in poultry development, 168 Volunteers in applied nutrition and rural health, and 28 Volunteers in tubewell development - a total of 655 Volunteers in the major priority of food production

and related fields. In addition, 97 Volunteers will be working in family planning, while 83 Volunteers will be working in consumer cooperatives, small industries, and teaching, a total of 835 Volunteers.

Peace Corps participation in India, of course, is affected by the political situation. The Congress Party's losses in state and national elections have been accompanied by a shift in some powers from the center to state units. States led by other parties express independence from central control in every way possible. Particularly in those states with Communist participation in coalition governments, all U.S. activities have been under scrutiny, including the Peace Corps. In most instances, however, the Peace Corps has been judged ultimately on the basis of its individual programs.

## IRAN

The major problems facing Iran center on the poverty and backwardness of Iran's rural areas. The single most urgent problem confronting Iran is the need to increase food production. The yields per acre of most crops continue to be among the lowest in the world. Average farm income (\$55.00 per capita per annum) corresponds with the general economic depression of rural areas.

Other development objectives for Iran are to staff a rapidly expanding educational system and to build social services and infrastructure required by provincial towns and villages. In 10 years, public school enrollment has increased from 1,000,000 to 3,000,000. A community development organization and a new municipal engineering officer are doing important work but need additional personnel, such as the Peace Corps can provide.

The Peace Corps is seeking to respond to these development needs. To promote agricultural development some 25 Volunteers (as of June 30, 1968) serve as co-workers to Iranian extension personnel. The extension service of the Ministry of Agriculture has some 1,000 career extension agents - not nearly enough to meet the needs of the country's 40,000 rural towns and villages. The Volunteers help relieve the pressure on the Iranian extension agents (who individually may service as many as 25 villages) and stimulate thinking about new ideas and approaches to agricultural development. Volunteers are being trained specifically to assist Iranian agents in livestock and sugar beet production. Other Volunteers are engaged in 4-H type rural youth work and in home management activities with rural women.

Although the Government's major effort is in literacy education, the need for a working knowledge of a second language is closely tied to the modernization and development of Iran. English is rapidly becoming the most important foreign language, and it is a compulsory subject in all secondary schools and in several universities.

The most efficient Peace Corps involvement in education is in English teaching at secondary schools and universities. Despite the importance of English per se, the main contribution of the Volunteers who teach English as a foreign language is their effect in bringing to Iran modern teaching methods. Of the 217 Peace Corps Volunteers in Iran, 119 are serving as teachers.

The above programs reflect the Peace Corps' increasing emphasis in Iran on agriculture and on intensive training for Volunteers in livestock and sugar beet production. Social development is given second priority, the emphasis being on utilizing construction, architectural and engineering skills. The number of Volunteers in Education remains essentially the same, and assignments will continue to focus on English instruction.

## KENYA

Peace Corps Volunteers in Kenya are concentrating their efforts in two areas -- agriculture and education, corresponding with the priorities set by the Kenyan Development Plan. Elaborating these goals, President Jomo Kenyatta has emphasized in agriculture the need to develop small-scale farming as a modern and productive economic activity, and the need to equip African farmers with the capital and management skills required to operate large scale farms. In education, the government gives highest priority to secondary education, including a commitment to expand the output of secondary students as rapidly as capital and teacher limitations permit.

Volunteers are addressing themselves to the above stated objectives in the following ways:

Twenty-nine Volunteers (as of June 30, 1968) will be working for the Department of Agriculture to help African farmers on ex-European and indigenous farm lands to adopt new techniques of farming and increase farm yields. Volunteers perform a valuable function as agricultural extension assistants and as assistant farm managers.

Sixty-eight Volunteers will be working with the Kenyan land-settlement program -- one of the few successful land reform movements in the world. The Volunteers assist in the administrative and technical aspects of establishing Kenyans on farm lands formerly held by Europeans. Volunteers presently constitute one-third of the field staff of the Department of Settlement. Involved are 1,200,000 acres of land, purchased and settled by 30,000 African families.

The 1965-66 annual report of the Ministry of Settlement describes "sympathetic and hardworking Volunteers who made a notable improvement in clean milk production," whose "patient coaching of cooperative committees was of particular value," and whose work in water projects was "carried out with great enthusiasm enabling hundreds of farmers to be supplied with water earlier than originally anticipated."

Under the supervision of the Ministry of Education 150 Volunteers are teaching at secondary schools throughout the country. Volunteers comprise about 14 per cent of all degree-holding teachers in the country. The number of government secondary schools where Volunteers teach comprise 42 per cent of all the secondary schools in Kenya.

The political situation in Kenya is much like that in many countries of Africa: there is increasing pressure for rapid and complete Africanization. In agriculture and education Volunteers will be replaced as qualified Kenyans become available.

## MALAYSIA

The Federation of Malaysia came into being only five years ago. Today East Malaysia (the Borneo states of Sabah and Sarawak) and West Malaysia (Malaya) can look back with pride to five years of steady economic, political, and social progress. Malaysia offers a model to the developing nations in its ability to formulate and implement realistic development plans. As a result, the unity of the geographically separated units of the nation has been enhanced and the people of Malaysia have more jobs, a higher standard of living, improved health and education, and just cause to look at the future with optimism.

To assure that the Peace Corps programs are in line with Malaysia's priorities the Peace Corps continually consults with Malaysian planners. Each October Peace Corps staff and Malaysians meet and decide on Peace Corps programs for the coming year. Priorities for the 520 Volunteers in Malaysia (as of June 30, 1968) are Education, Health, and Agriculture.

Peace Corps education programs have adjusted to Malaysia's changing needs. The programs initially stressed the social sciences and humanities. Today, Malaysians have been trained to teach these subjects, so Volunteers are being phased out of these curricula. Two years ago, Malaysia decided to offer secondary school education to all. The dramatic increase in secondary school population created a serious lack of trained teachers. Volunteer teacher trainers were able to assist Malaysia in meeting this need. Now, the emergency met, the 387 education Volunteers in Malaysia (as of June 30, 1968) are concentrating on new

goals in math, science, industrial arts, and agricultural education curricula.

Health problems are severe in Malaysia, particularly in rural areas where the death rate is double that of urban areas. Seventy-five Volunteers, well trained in specifically defined areas, are now at work to help control the spread of certain communicable diseases, expand and improve medical and health facilities and assist in the training of Malaysian health workers.

Volunteers have enabled Malaysia to put into operation TB centers throughout the Malay Peninsula. In 1968 they will begin work in Sabah. So effective has been their work that Peace Corps will phase out of TB control work in Malaya in 1970, several years ahead of schedule. This year Volunteers will begin working with Malaysians in a malaria eradication program based in part on successful programs in Thailand. Other Volunteers are concentrating on environmental sanitation in rural areas and are establishing a blood bank system.

Fifty-eight Peace Corps Volunteers are working with rural Malaysians on problems of food production and the improvement of rural life. Volunteers with agriculture degrees are scarce; but as in health, Peace Corps experience has shown that generalist Volunteers trained in a limited number of skills can effectively work in agriculture. By stressing rice, the basic crop, Volunteers are able to work, in cooperation with Malay agriculture advisors, with Malaysian farmers on a practical basis. They organize rural youth clubs, similar to America's 4-H program, and assist Malaysian agriculturists in introducing new methods of rice culture.



## MICRONESIA

Many of the problems of Micronesia may be laid to the geographical dispersion of islands. The more than 2,000 islands of Micronesia are scattered over three million square miles of ocean -- an area approximately the size of the continental United States. The limited land area and the vast distances separating the islands have always been obstacles to trade, investment, mobility, educational and cultural development, and the emergence of national unity.

In Micronesia, Peace Corps operates under the auspices of the United States Trust Territory Administration. The High Commissioner is fully advised of all significant program developments in Peace Corps Micronesia programming and has indicated complete support. Micronesian leaders are similarly consulted through their Peace Corps Advisory Council.

The United Nations Visiting Mission, which had recommended in 1961 and 1964 that the Peace Corps be sent to Micronesia, concluded its 1967 report with a tribute "to the Peace Corps for its service and growing achievement in Micronesia."

The Peace Corps' major program goals are in the fields of education, health and agriculture. Many languages have evolved in the far-flung islands. The Trust Territory's education program stresses the teaching of English at the elementary school level as a means of developing a common

language by which Micronesians can communicate with one another and develop a sense of unity. More than 320 of the 627 Volunteers in Micronesia as of June 30, 1968 will be addressing this priority goal. This year they have begun to use the Tate Language Materials developed for use with Pacific peoples in teaching English as a second language. At present, Micronesian participation in secondary education, teacher training, etc. is limited by inadequate knowledge of English. The work of the Peace Corps Volunteers will help remove that obstacle.

A second priority for the Peace Corps in Micronesia is in the area of health. Some 90 Volunteers trained as Health Auxiliaries are assisting health authorities in disease eradication and preventive medicine. Volunteers have completed a Micronesia-wide census, the first of its kind by the Peace Corps. It has been praised as a model of accuracy and completeness and is an invaluable tool for economic, social and health planning. Building on this census, Volunteers are completing a survey of three major diseases--tuberculosis, filariasis, and leprosy. Having identified incidence of these diseases and the individuals affected, Volunteers will deal with day-to-day health problems such as sanitation, environmental sanitation, and maternal-child health. The program is closely coordinated with Dr. William Peck, Trust Territory Assistant Commissioner for Public Health.

Most Micronesians earn their livelihood by fishing or farming. Coconut groves, yielding copra, produce the major Micronesian export. Volunteer generalists, trained specifically in problems of coconut culture, are assisting small farmers in improving their crop and increasing production. Volunteer agriculture workers hope to aid the Micronesian people in achieving a 50 per cent increase in copra output by 1972.

Other Volunteers are working to improve fishing operations. In a territory which is over 95 per cent water, it is clear that better utilization of the resources of the seas is absolutely essential if Micronesia is to attain any degree of economic viability.

Volunteers are working in credit unions, cooperatives, and small business development. There are now 43 credit unions in Micronesia with assets amounting to over \$500,000, an over 70 per cent increase since 1966. Community development Volunteers have initiated self-help efforts in a vast number of projects ranging from school poultry farms to road and bridge construction. Present plans call for the construction of approximately 40 schools through the School Partnership Program. Volunteer lawyers, architects, engineers, and mass media developers are assisting Micronesians to create the infrastructure and communications network necessary for further national development.

## PERU

The government of Peru is giving first priority in its development plans to increasing and diversifying food production and nearly equal emphasis to improving and expanding its education system. Other pressing needs are to better assimilate the people who are streaming into the cities from the outlying provinces, and to develop industries in areas outside Lima. Peace Corps program objectives are directed to these development aims; by providing Volunteers, we are enabling government agencies to extend their services further. By June 30, 1968, some 295 Peace Corps Volunteers will be at work in Peru on these priority areas.

Food production is inadequate for Peru's needs, and food imports are rapidly rising. The obstacles to improved agricultural production are various, but the Peace Corps is making an important contribution in two areas: agricultural extension and cooperatives. Some 86 Volunteers are helping small farmers by assisting the agricultural service (SIPA) in its activities to improve food production techniques and methods (particularly tropical fruits, beans, potatoes, chickens, and livestock), to encourage 4-H type clubs, and introduce better home management practices. Another 63 Volunteers are working with SIPA and with the National Institute of Cooperatives (INCOOP) to improve the management of existing cooperatives and increase their effectiveness in the promotion of the above farm production and in food distribution and marketing. Although rural community development is an important part of the Volunteers' work, the technical assistance provided by Volunteers is becoming increasingly important.

Peru spends a larger portion of its national income and government budget on education than almost any other Latin American country. Teachers salaries are high, teachers are in abundant supply, school enrollment is increasing, and the rate of illiteracy is rapidly declining. In contrast to these favorable indicators, the quality of education remains generally at a low level, particularly in rural areas. The sciences, mathematics, and other technical studies particularly need strengthening. Some 36 Volunteers have been assigned to teacher training schools in rural areas where they teach the sciences and mathematics for both the primary and secondary school levels and work with the school faculties and administration to develop better curricula and teaching methods.

In the urban barriadas 70 per cent of the residents are under 25 years of age and 50 per cent are under 15 years of age. One of the most pronounced desires of the population is for education, but there are not nearly enough schools and educational facilities. Some 52 Volunteers are working with the Ministry of Education to help residents of the Lima, Arequipa, and Chimbote barriadas to make the fullest use of resources available for school construction and teaching. A secondary aspect of the program is to promote educational and recreational activities through the establishment of youth groups.

A group of 22 Peace Corps Volunteers is working with the Banco Industrial Peruano and regional development corporations to extend credits and technical assistance to small industries and to teach managers of small industries effective management and administration practices. The objective is to contribute to the improvement of the operations of small industries which provide an income and employment base for regions outside of Lima. A further aim is to decrease local dependency on products imported from Lima and abroad.

## NIGER

Niger is a land-locked country consisting primarily of desert sands, Saharan Mountains, and savannah land producing millet, sorghum and goats for domestic consumption and peanuts, cotton and cattle for export. Roughly five per cent of the population is literate, and only 10 per cent of school-age children go to school; and the per capita annual gross national product is only \$75.00.

Peace Corps' efforts in Niger are directed toward increasing the effectiveness of rural institutions and their leadership, improving agriculture production and marketing, expanding rural health services and extending and upgrading literacy programs and English teaching.

One hundred and thirteen Volunteers will be at work in Niger on June 30, 1968. Nearly 50 of them are helping to promote agricultural development. A major project has been to help develop a cooperative marketing structure. The Volunteers train villagers to organize and operate co-ops and seek to interpret the objectives of the national cooperative organization (UNCC). The Volunteers have made a significant contribution, even to the point of developing and teaching an accounting system which can be used by illiterate farmers.

More than 40 Volunteers are engaged in a variety of health projects. Volunteer generalists plus a few doctors and nurses are promoting better environmental health and sanitation practices. They are assisting provincial health personnel, working with clinics, offering health education programs, and are training health assistants.

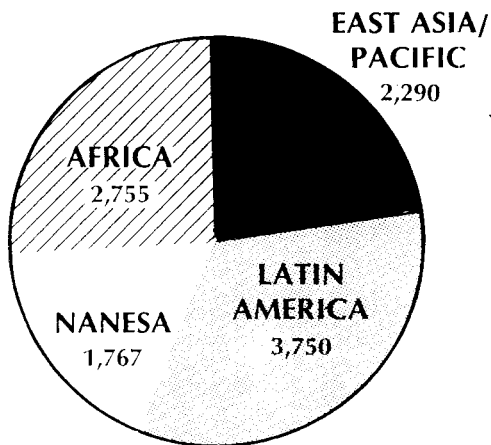
Other Volunteers are helping to implement a UNESCO plan for teaching adults to become literate in their native language. Another group of Volunteers is teaching English as a foreign language. They have translated into French and provided to the Ministry of Education for nation-wide distribution the first English textbook suited specifically to the students of Niger.

The Peace Corps program in Niger is small in comparison to the magnitude of the country's current development problems, but Volunteers are making an effective contribution, particularly by relaying their optimism and sense of commitment to those future leaders of Niger who are determined to accelerate their country's developmental progress.

On a recent trip to the United States, his Excellency Diori Hamani, President of Niger, said:

" I consider the Peace Corps the best gift that the United States has made to Niger. For when one is 22 to 25 years old with his future before him and accepts to come to work in the difficult conditions of Niger, in total selflessness, for such young men and women one can only have admiration, consideration and esteem for that generation."

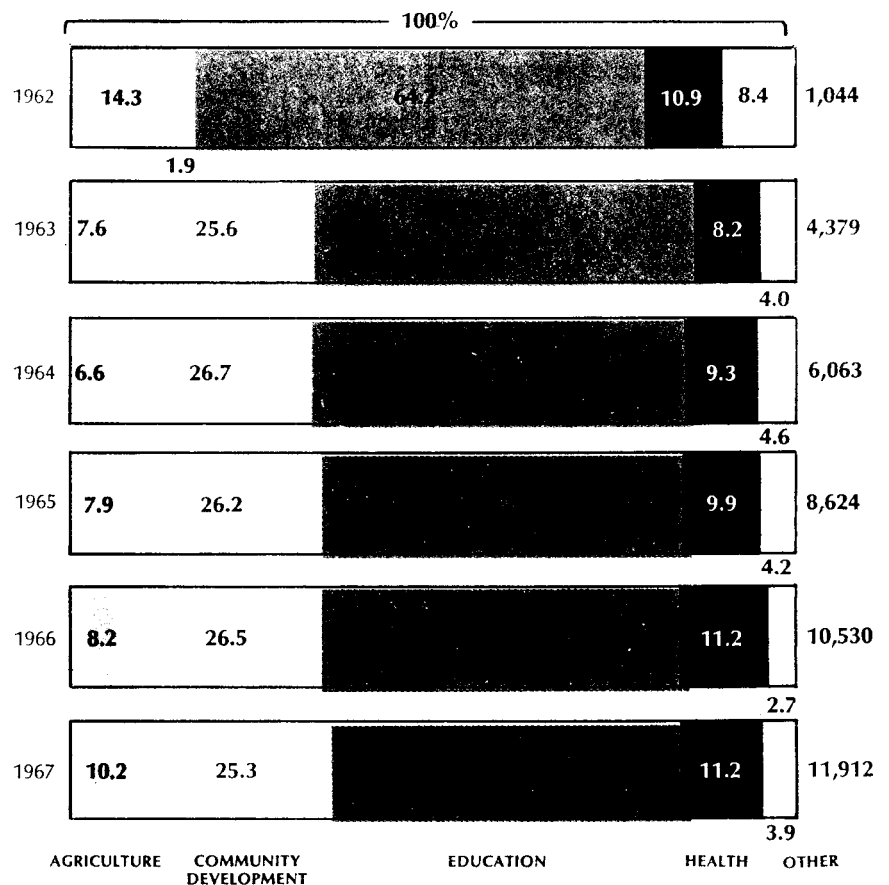
# PEACE CORPS STATISTICS



**WHERE THEY ARE HEADED** is depicted in the chart above which projects the number of Volunteers overseas as of June 30, 1969. Latin America continues to absorb the most Volunteers. A more detailed representation of Peace Corps work in the four major regions is contained on the following pages.

**WHAT VOLUNTEERS ARE DOING** by type of program is charted at right. Education continues to be the task of almost half of the Volunteers. (Figures as of June 30, 1967.)

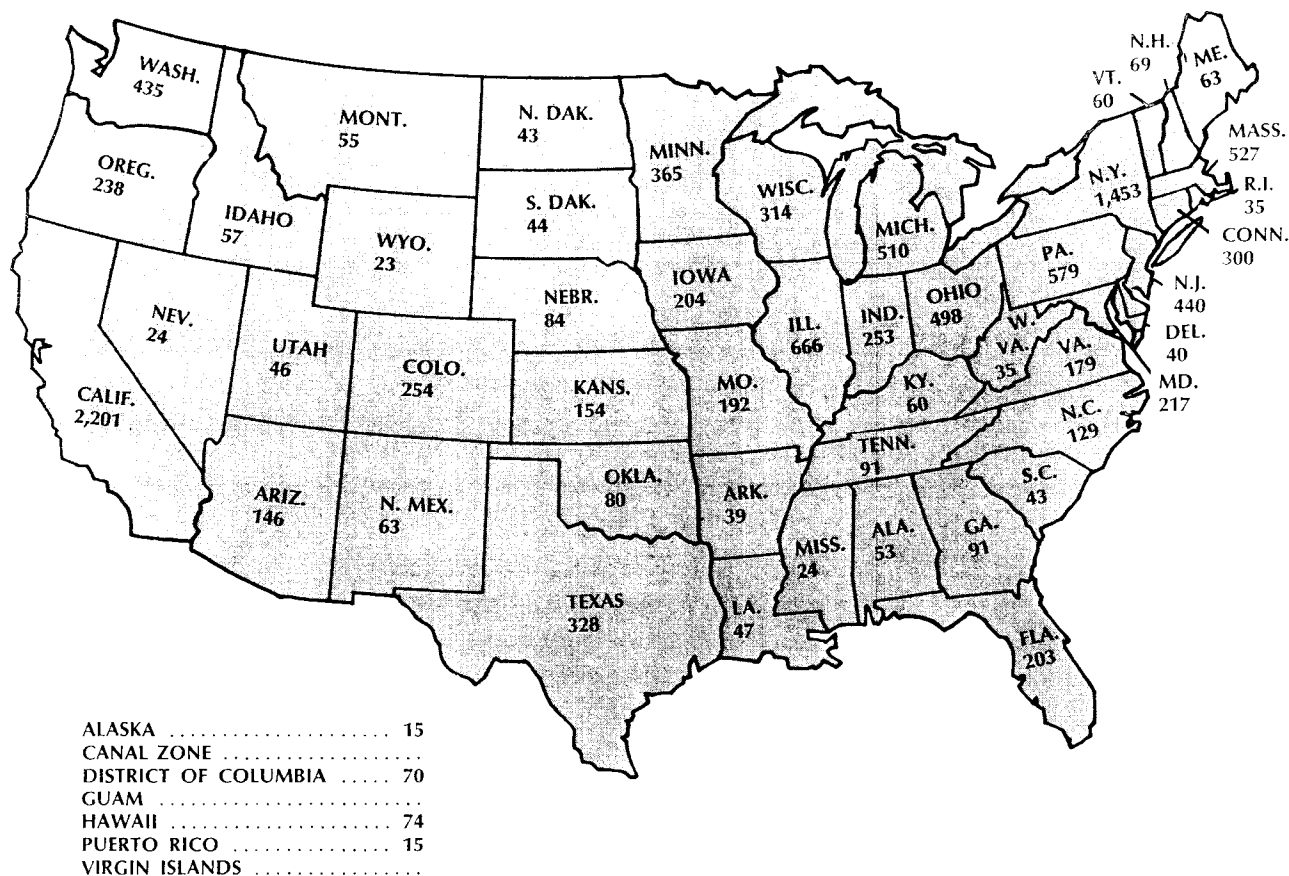
The work of the Peace Corps will never be told in statistics alone. But the numbers do provide a basic index of the scope of its operations. By October, 1967—early in the seventh full year of Peace Corps history—more than 30,000 Volunteers had gone overseas. Also, the number of former Volunteers surpassed the number of current Volunteers. Here is a breakdown of Volunteers by region of service and by type of program.



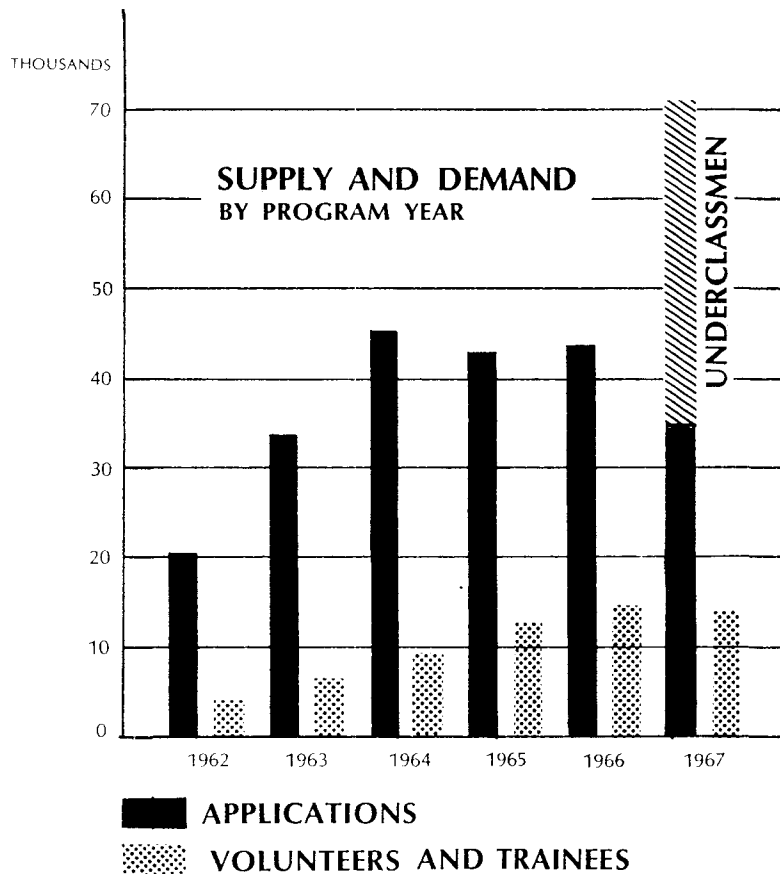


# WHERE THEY COME FROM

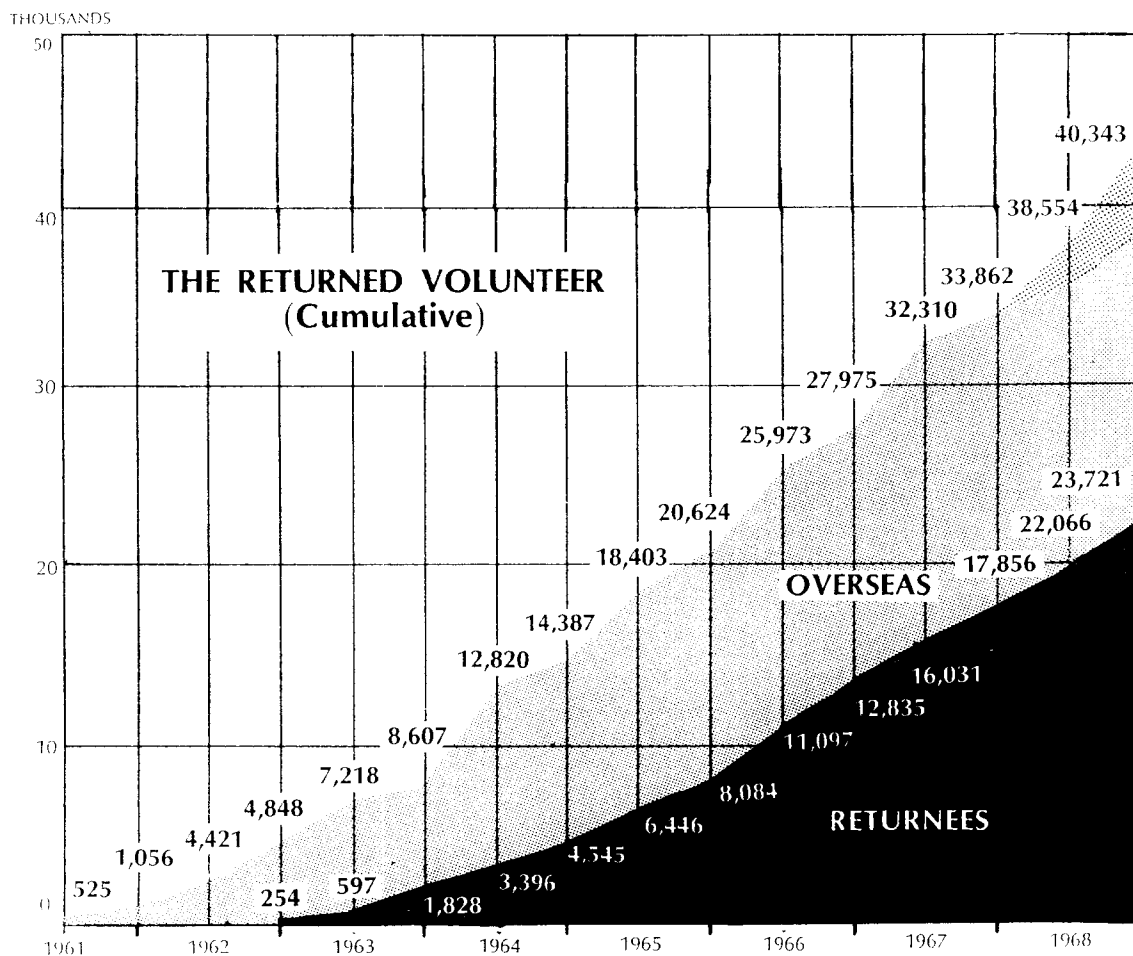
**H**ere is the profile of the typical Volunteer. He (65% are male) is college educated (96% have attended some college and 80% have a B.A. degree or higher). The average age is 24.2 years old, although 137 Volunteers, serving at the end of last year, were over the age of 50. The number of married Volunteers continues to increase—last year one out of every five were married. During the first six years, 1,548 Volunteers married during their service.



**POINTS OF ORIGIN:** Big contributors are California, New York and Illinois. Western states account for one of four Peace Corps Volunteers and trainees. Biggest per capita states are Washington, Vermont, Colorado and Oregon. Totals show the number of Volunteers in service as of December 31, 1967.

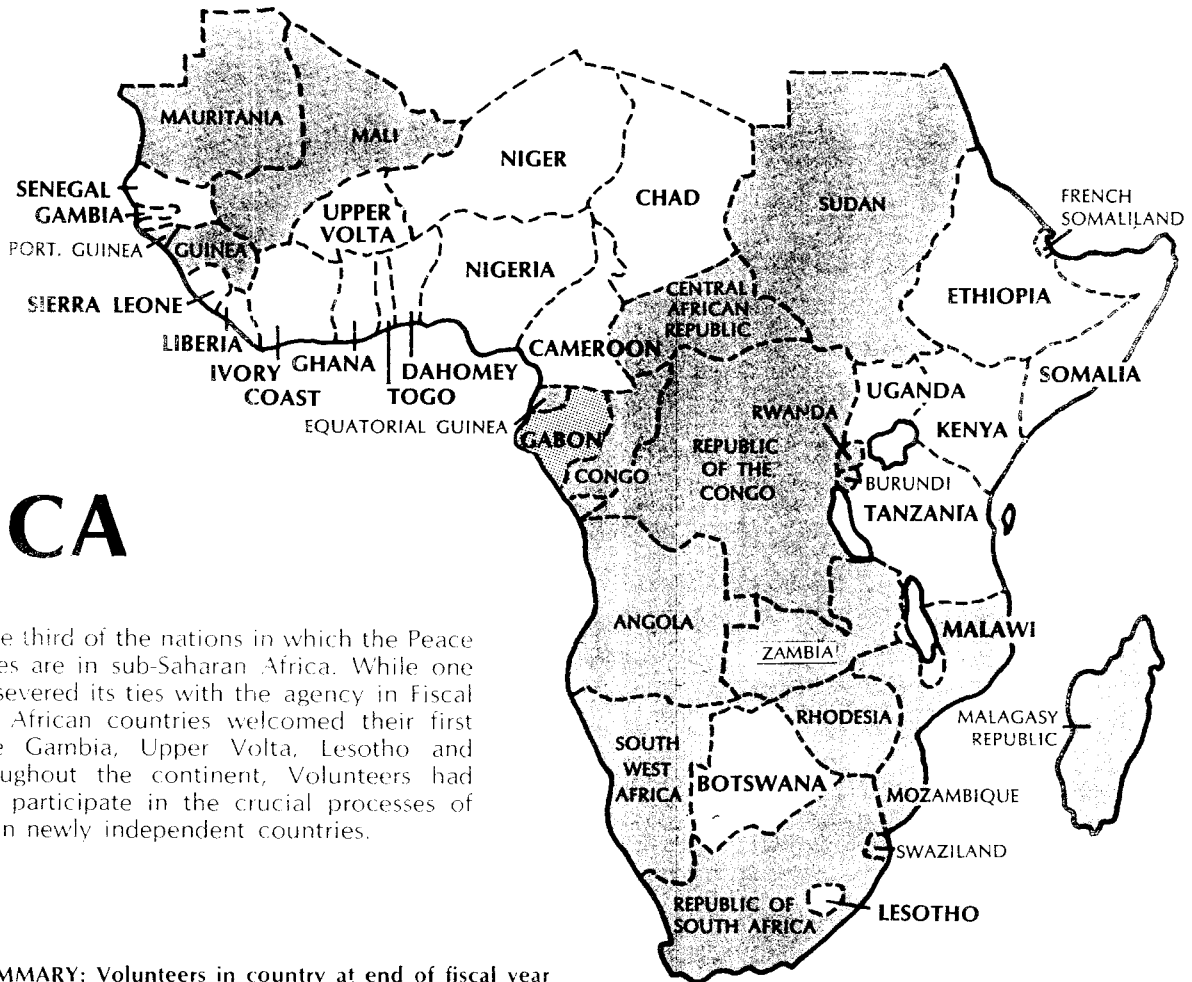


**APPLICANT TO VOLUNTEER**  
history is charted at left. More than 250,000 Americans have applied since 1961. In 1967, for the first time, the Peace Corps distinguished between applications from college seniors and graduate students (who are most likely to be accepted to training during current year) and underclassmen who would be available for service in future years. Of 35,000 applicants, 21,000 were college seniors. Another 36,000 underclassmen expressed interest during recruiting year, largest number in Peace Corps history.



# AFRICA

More than one third of the nations in which the Peace Corps serves are in sub-Saharan Africa. While one nation, Gabon, severed its ties with the agency in Fiscal Year 1968, four African countries welcomed their first Volunteers: The Gambia, Upper Volta, Lesotho and Dahomey. Throughout the continent, Volunteers had opportunities to participate in the crucial processes of nation-building in newly independent countries.

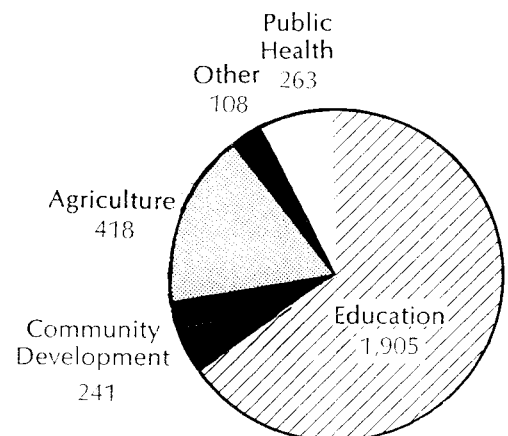


**EIGHT YEAR SUMMARY: Volunteers in country at end of fiscal year**

	1962	1963	1964	1965	1966	1967	(now sched- uled) 1968	(esti- mated) *
Ghana .....	51	129	136	110	111	208	235	215
Nigeria .....	109	258	508	634	719	719	260	240
Sierra Leone .....	37	120	159	150	233	236	280	260
Tanzania } Tanganyika }	35	26	125	326	366	290	163	155
Cameroon .....	39	88	103	118	77	50	45	
Ethiopia .....	278	402	565	566	432	457	425	
Gabon .....	41	70	35	49	71	—	—	
Ivory Coast .....	49	51	55	63	71	113	105	
Liberia .....	132	272	335	399	317	285	260	
Niger .....	16	42	43	48	129	113	105	
Malawi } Nyasaland }	42	97	230	231	153	92	85	
Senegal .....	34	62	51	55	75	128	120	
Somali Rep. ....	35		58	80	96	64	60	
Togo .....	44	59	56	49	109	88	80	
Guinea .....		52	95	81				
Kenya .....			129	197	229	247	230	
Uganda .....			35	56	118	132	125	
Botswana .....					56	53	50	
Chad .....					30	19	15	
Mauritania .....					11	—	—	
Gambia .....						16	15	
Upper Volta .....						45	40	
Lesotho .....						70	65	
Dahomey .....						25	20	
<b>Totals .....</b>	<b>232</b>	<b>1,243</b>	<b>2,093</b>	<b>3,010</b>	<b>3,421</b>	<b>3,427</b>	<b>2,935</b>	<b>2,755</b>

**WHAT VOLUNTEERS WILL BE DOING IN AFRICA: 1969**

Keeping in tune with the needs in a rapidly changing region of the world, the Peace Corps will continue to diversify its programs with a special emphasis on rural work through agriculture, public health and community development projects. Education, however, will remain the major Peace Corps effort.



\* The estimates for the June 30, 1969 strength in country are based on a projection of the June 30, 1968 in-country strength. The actual number of Volunteers in each country on June 30, 1969 may vary from these projections as actual Volunteer allocations for each country are made at a later date on the basis of firm host country requests and worldwide comparisons of programs. The total estimate allows for 40 Volunteers for new countries.



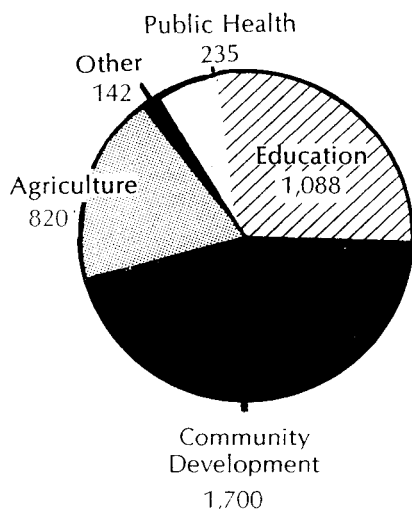
# LATIN AMERICA

By number of Volunteers, this is the largest of the Peace Corps regions. More than 10,000 Volunteers have served or are serving in Central and South America in seven years. The programs function in 19 nations and the major emphasis is on community development: to create a sense of identity and purpose among the people the Peace Corps serves and to promote self help as a desirable and practical method for the improvement of men and communities.

## WHAT VOLUNTEERS WILL BE DOING IN LATIN AMERICA: 1969

Community development and education comprise the major thrust, with agriculture emerging as the third major program area.

## WHAT THE VOLUNTEERS ARE DOING: 1968

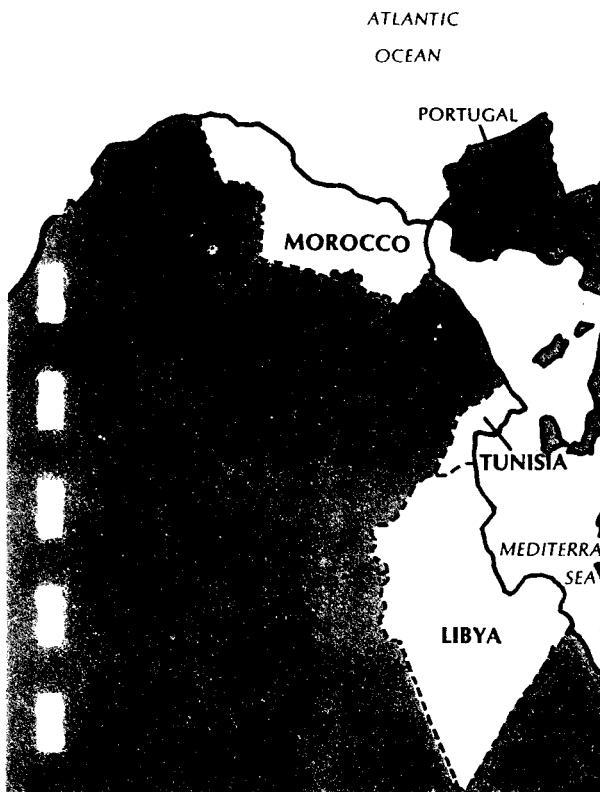


## EIGHT YEAR SUMMARY: Volunteers in country at end of fiscal year

	1962	1963	1964	1965	1966	1967	(now sched- uled) 1968	(esti- mated) * 1969
Brazil	43	168	210	548	639	601	610	575
Chile	63	99	106	294	397	392	280	260
Colombia	103	229	561	544	506	522	612	575
El Salvador	25	21	49	55	51	105	122	110
Jamaica	38	32	62	77	70	101	125	115
Eastern Caribbean Islands	15	14	17	5	45	89	130	120
Venezuela	23	83	117	265	292	352	295	275
Bolivia	35	112	126	220	266	303	200	185
British Honduras	33	18	49	33	42	46	40	
Costa Rica	26	65	61	107	154	132	125	
Dominican Republic	144	171	85	101	140	200	185	
Ecuador	156	236	309	211	255	245	230	
Guatemala	27	105	83	69	140	160	150	
Honduras	27	46	103	107	174	200	185	
Panama	28	76	133	196	171	180	170	
Peru	285	293	379	301	349	295	275	
Uruguay	18	4	48	65	44	40		
Guyana						44	52	45
Paraguay						35	57	50
Totals	345	1,484	2,276	3,214	3,439	4,034	3,985	3,750

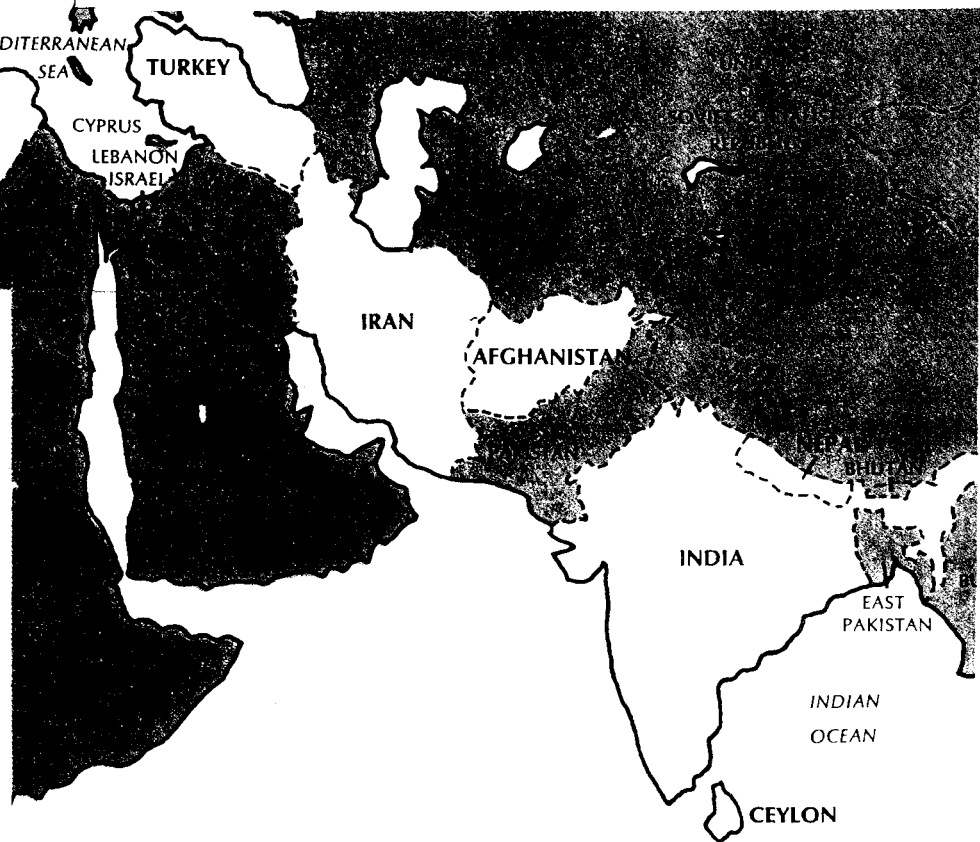
\* The estimates for the June 30, 1969 strength in country are based on a projection of the June 30, 1968 in-country strength. The actual number of Volunteers in each country on June 30, 1969 may vary from these projections as actual Volunteer allocations for each country are made at a later date on the basis of firm host country requests and worldwide comparisons of programs. The total estimate allows for 40 Volunteers for new countries.

# EIGHT YEAR SUMMARY: Volunteers in country at end of fiscal year



	1962	1963	1964	1965	1966	1967	(now sched- 1968)	(esti- mated) *
India	26	115	153	401	754	1,133	835	770
Pakistan East	29	172	191	141	35	83	84	75
West								
Morocco	56	102	133	117	117	252	136	125
Tunisia	94	48	135	192	207	179	165	
Afghanistan	35	62	136	181	207	179	165	
Ceylon	36						58	55
Cyprus	23							
Iran	41	36	149	272	267	217	200	
Nepal	65	96	120	150	221	225	210	
Turkey	39	114	338	481	225	123	115	
Libya						18	13	12
Totals	83	676	802	1,553	2,182	2,406	1,870	1,767

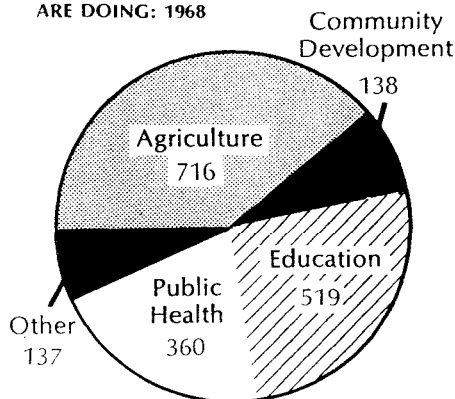
\* The estimates for the June 30, 1969 strength in country are based on a projection of the June 30, 1963 in-country strength. The actual number of Volunteers in each country on June 30, 1969 may vary from these projections as actual Volunteer allocations for each country are made at a later date on the basis of firm host country requests and worldwide comparisons of programs. The total estimate allows for 40 Volunteers for new countries in 1969.



## WHAT VOLUNTEERS WILL BE DOING IN NANESA: 1969

Because of the major effort in India, agriculture will be the largest Peace Corps program in NANESA. However, education and public health also receive high priority.

## WHAT THE VOLUNTEERS ARE DOING: 1968

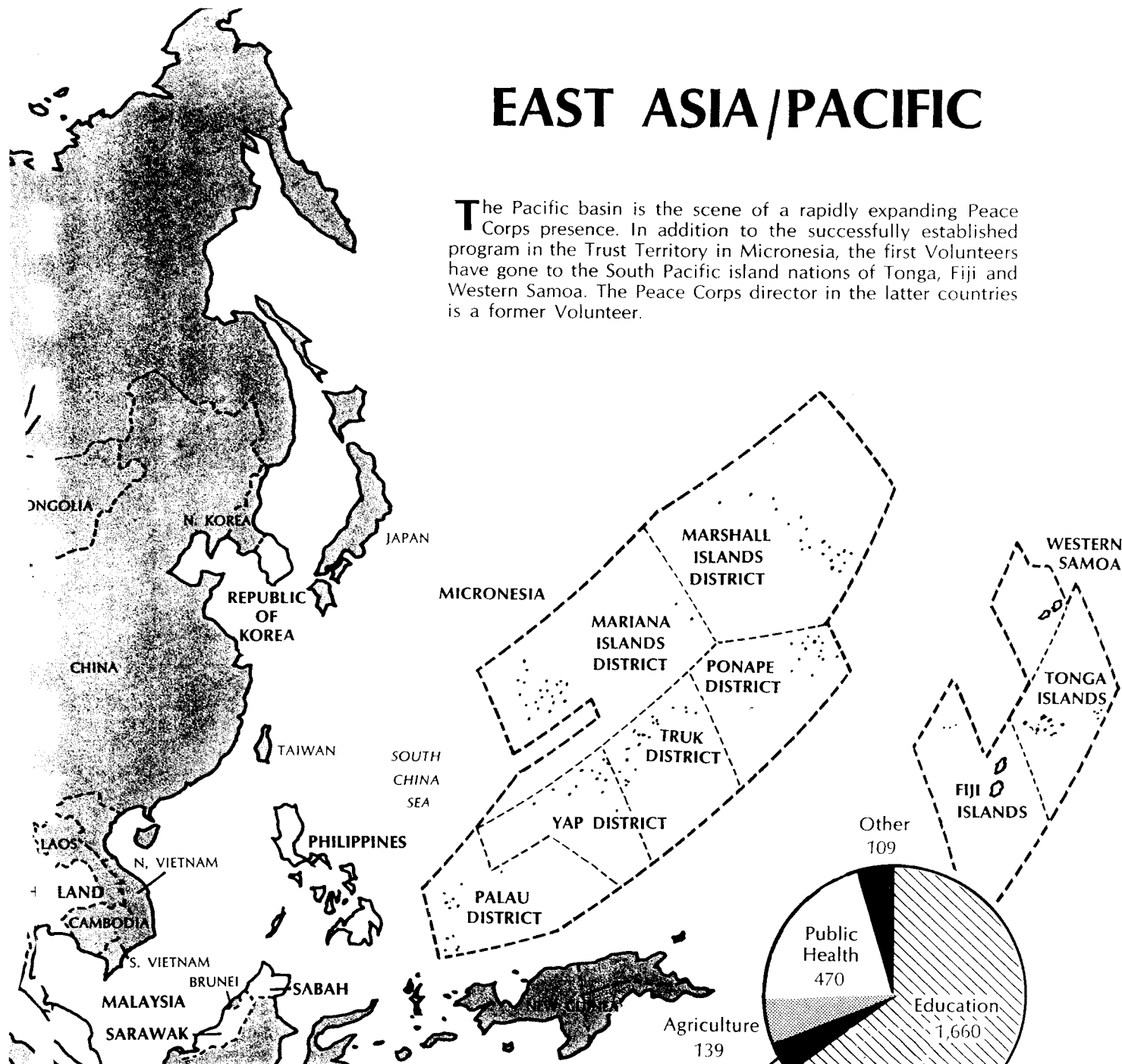


# NORTH AFRICA/ NEAR EAST/ SOUTH ASIA

From the Atlantic to the Bay of Bengal, Volunteers serving in the nine nations of the NANESA region are engaged in a diverse series of programs ranging from tuberculosis control in Morocco to tubewell construction in India. In addition to their labors on food production and nutrition problems on the sub-continent, Volunteers also promote family planning education at the request of the Indian government. In this region, too, the Peace Corps has returned to Ceylon, after an absence of nearly three years.

# EAST ASIA/PACIFIC

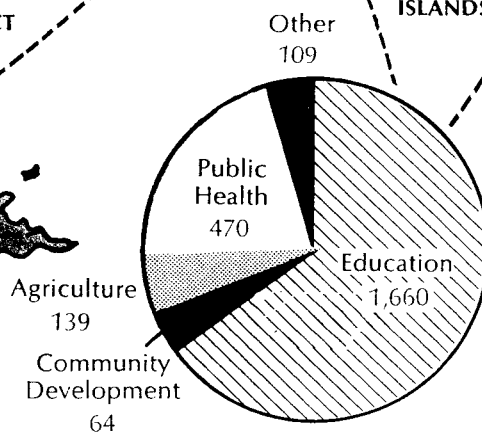
The Pacific basin is the scene of a rapidly expanding Peace Corps presence. In addition to the successfully established program in the Trust Territory in Micronesia, the first Volunteers have gone to the South Pacific island nations of Tonga, Fiji and Western Samoa. The Peace Corps director in the latter countries is a former Volunteer.



EIGHT YEAR SUMMARY: Volunteers in country at end of fiscal year

	1962	1963	1964	1965	1966	1967	(now sched- uled) 1968	(esti- mated) * 1969
Malaysia .....				378	561	583	520	480
Malaya .....	67	169	206				—	—
Sabah/Sarawak .....		91	124				—	—
Philippines .....	272	472	286	227	571	601	510	470
Thailand .....	45	227	245	242	356	321	207	190
Indonesia .....	17	31					—	—
Korea .....						92	245	225
Micronesia .....						448	627	580
Western Samoa .....							157	145
Tonga .....							118	110
Fiji .....							58	50
<b>Totals .....</b>	<b>384</b>	<b>976</b>	<b>892</b>	<b>847</b>	<b>1,488</b>	<b>2,045</b>	<b>2,442</b>	<b>2,290</b>

\* The estimates for the June 30, 1969 strength in country are based on a projection of the June 30, 1968 in-country strength. The actual number of Volunteers in each country on June 30, 1969 may vary from these projections as actual Volunteer allocations for each country are made at a later date on the basis of firm host country requests and worldwide comparisons of programs. The total estimate allows for 40 volunteers for new countries.



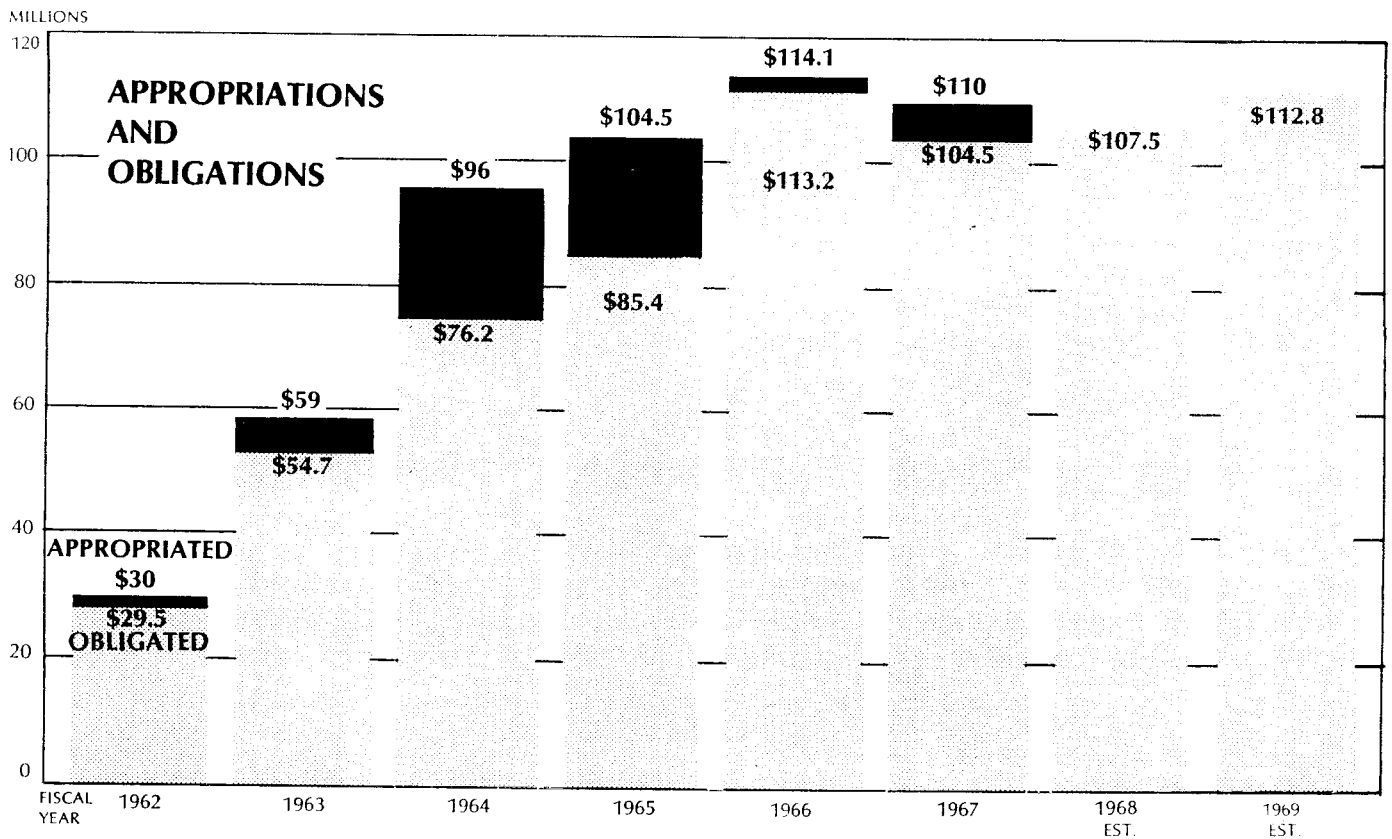
WHAT THE VOLUNTEERS ARE DOING: 1968

## WHAT VOLUNTEERS WILL BE DOING IN EAST ASIA/PACIFIC: 1969

While education is the prime concern for Volunteers in East Asia/Pacific, the public health program continues its rapid rate of growth.

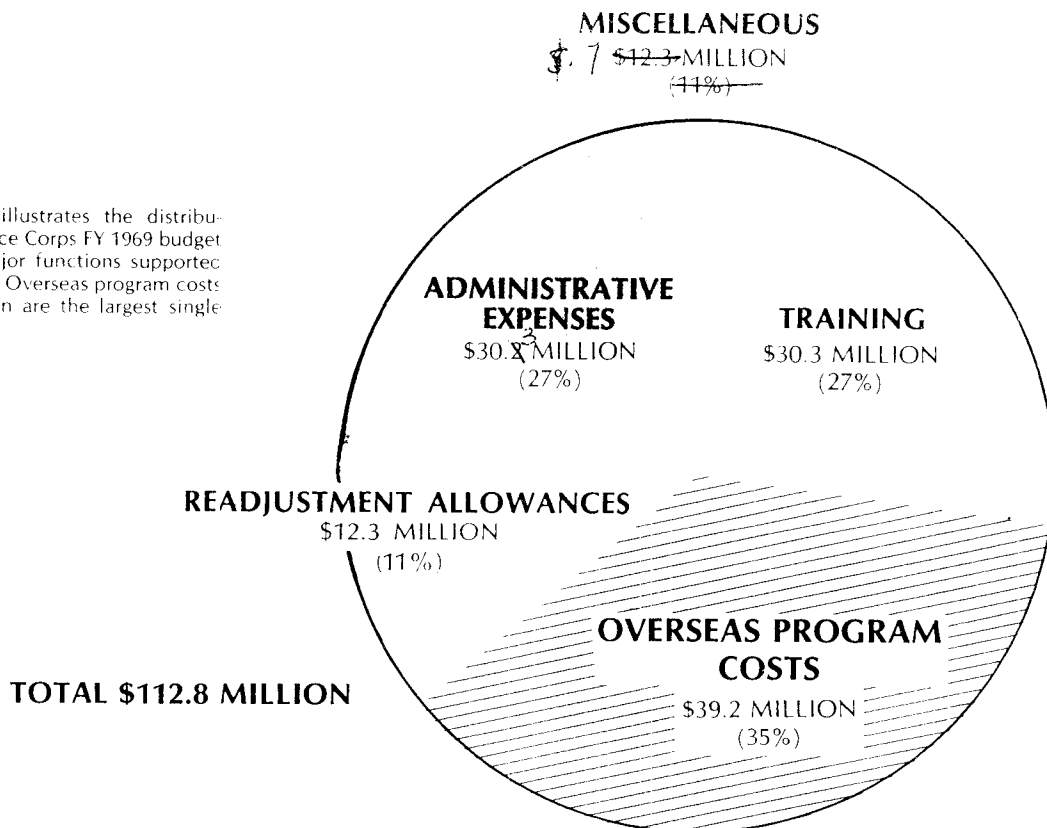
# THE COST

**B**etween the end of Program Year 1962 (the first full year of the Peace Corps) and 1969, total strength will have grown from 2,816 Volunteers and trainees to 15,200 Volunteers and trainees, while the total number of countries will grow from 17 to approximately 60. In the same period, appropriations increased from \$30 million to \$107.5 million in FY 1968 and \$112.8 million requested for FY 1969. Increased efficiency in selection, training and administration of overseas programs, along with restraints in the size of Washington headquarters staff, have helped to keep costs down

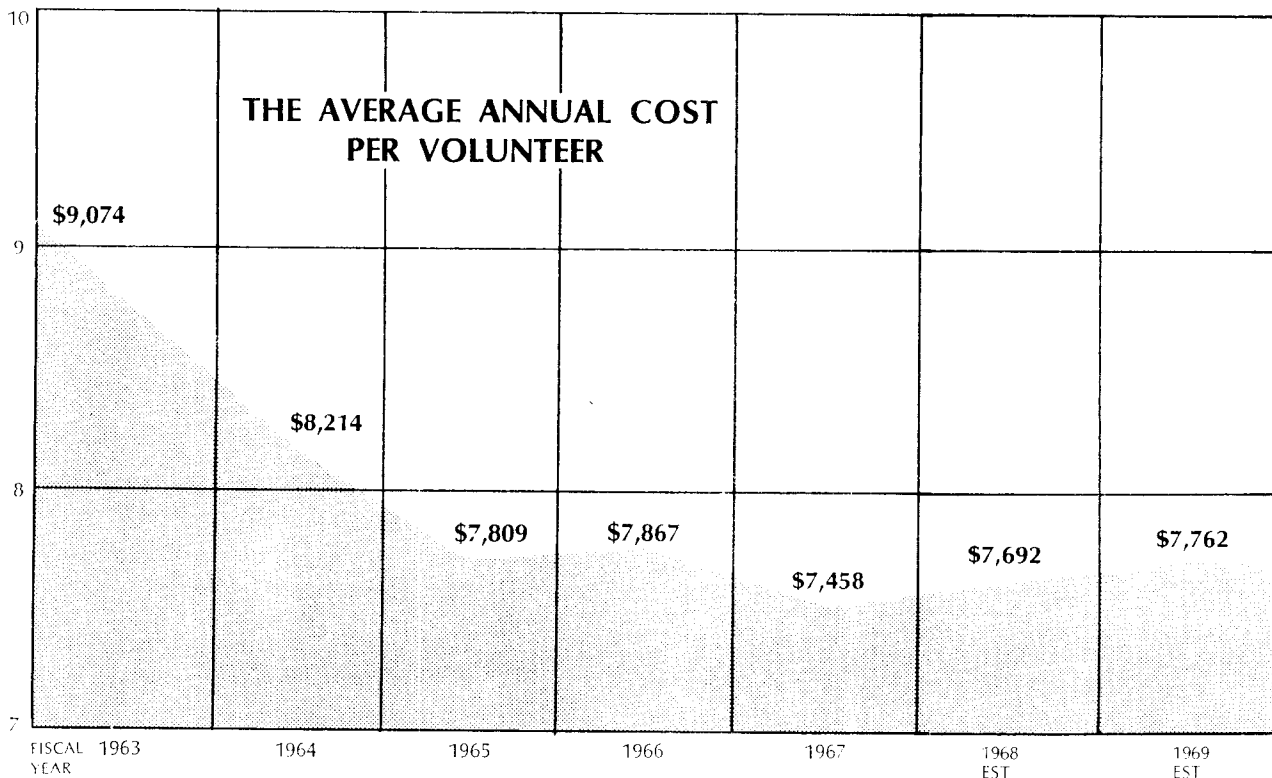


**RECEIVED AND SPENT:** Of \$110 million appropriated by the Congress during Fiscal Year 1967, the Peace Corps obligated \$104.5 million. The estimates for Fiscal Years 1968 and 1969 are \$107.5 million and \$112.8 million respectively; the increase of \$5.3 million in 1969 is principally due to a larger training input. Administrative expenses, which accounted for 32 per cent of Peace Corps costs in 1962, are 27 per cent in 1968 and 1969.

This diagram illustrates the distribution of the Peace Corps FY 1969 budget among the major functions supported by these funds. Overseas program costs of \$39.2 million are the largest single category.



\$ THOUSANDS



A considerable decrease in the cost per Volunteer was effected in 1967 mainly because of reductions made in the cost of training. The rise in the cost per Volunteer in 1968 and 1969 reflects the added costs of the Federal pay raise, the impact of direct-hire physicians rather than Public Health Service physicians, additional administrative expenses and mandatory payments to other agencies.



## THE BUDGET FOR FY 1969

The Peace Corps budget request for FY 1969, as in prior years, is the end-product of intensive analysis and review both within the Peace Corps and by the Bureau of the Budget. This year's estimate represents a conservative projection of our program plans and our funding requirements. This conservatism reflects our intent to ask the Congress for the minimum needed to effectively continue the operations of the Peace Corps in FY 1969. It is a budget which has been molded to meet the "rigorous screening of priorities," referred to by the President in his Budget Message to the Congress.

The total new obligational authority requested for fiscal year 1969 is \$112.8 million. This compares with previous appropriations of \$114.1 million in 1966, \$110 million in 1967 and \$107.5 million for 1968.

### Major Program Changes

The appropriation estimate of \$112.8 million is \$5.3 million or 5% higher than in fiscal year 1968. This increase is primarily in training and pre-training costs for the planned 1969 input of 9,200 trainees:

	<u>\$ in millions</u>
FY 1968 program (8,050 trainees)	\$107.5
Training and pre-training costs	+ 5.3
Other Volunteer Costs	- 1.6
Administrative Expenses	+ 1.6
	<hr/>
FY 1969 program (9,200 trainees)	\$112.8

Since the bulk of Peace Corps costs are relatively fixed and devoted to the support of Volunteers already overseas, a reduction of any magnitude in the FY 1969 budget would require cutting back the one real variable in our program - the 1969 training input.

As a result of the reduced training input in fiscal years 1967 and 1968, the average number of Volunteers overseas will decrease in 1969 and will fall even lower by 1970 unless the 1969 training input of 9,200 trainees is approved and attained:

<u>Training input in —</u>		<u>Effect on Average Number of Volunteers Overseas in —</u>	
FY 1966	10,200	FY 1967	11,645
FY 1967	8,265	FY 1968	11,837
FY 1968 est.	8,050	FY 1969 est.	11,120
FY 1969 est.	9,200	FY 1970 est.	11,350

Thus, the impact of a reduction in 1969 funds would be a reduction in 1969 training input which would, in turn, result in lower Volunteer strength in 1970. Therefore, the major issue of this 1969 budget is whether the Peace Corps of 1970 will remain at about its 1969 strength (which was below 1967 and 1968) or undergo a further reduction. The Congress' support of the additional funds required for a program of 9,200 trainees will prevent a further decline in the size of the Peace Corps and will enable us to provide the Volunteers needed as replacements for programs which are already in progress.

The other major increase in 1969 is an additional \$1.6 million in Administrative Expenses. The major elements of this are:

\$0.3 million for the full-year cost in 1969 of the Federal pay raise, which increases Administrative costs by \$0.6 million in 1968 and \$0.9 million in 1969;

\$0.3 million for support of programs in new countries;

\$0.3 million for the full-year cost in 1969 of personnel added during 1968 principally for new country programs;

\$0.2 million for overseas administrative support by the State Department; and

\$0.3 million for post assignment and return travel of our overseas staff.

The proportion of Administrative Expenses to the total appropriation remains at 27% in both 1968 and 1969.

The Peace Corps and the Congress share a mutual desire to control the level of Administrative Expenses and to reduce these costs wherever possible. The effect of periodic pay raises, the growth in the number of host countries, and a steady increase in the cost of goods and

services all combine to exert a pressure which produces rising administrative costs from year to year. In addition, the heavy proportion of personnel salaries, fixed payments to other agencies and other mandatory costs leaves relatively little management flexibility in Administrative Expenses. Our efforts will continue to focus on presenting the minimum budget requirements and exercising the maximum control over these funds.

The detailed computations and justifications for the budget estimates are included in the accompanying pages.

### Revision in Budget Content

The following table illustrates the change in budget content for 1969 to include Peace Corps trust fund operations as well as the appropriation as part of the total budget.

		New Obligational Authority \$ in thousands		
		<u>FY 1967</u>	<u>FY 1968</u>	<u>FY 1969</u>
1.	General and special funds (appropriation) <u>NOA</u>	\$109,896	\$107,500	\$112,800
2.	Trust funds			
PLANNED	a. Gifts and donations from the public	2	1	1
	b. U.S. dollars advanced from foreign governments (Liberia)	267	350	350
	c. School Partnership Program	<u>326</u>	<u>370</u>	<u>440</u>
	Total, Trust Funds, <u>NOA</u>	595	721	791
1967 TREASURY DEPT REPORT	d. Less receipts from the public and dollars received from the Government of Liberia	- 302	- 383	- 383
	Total, Peace Corps <u>NOA</u>	\$110,189	\$107,838	\$113,208

Peace Corps trust funds are comparatively small and have little impact on total funding requirements. This is illustrated by the fact that the total funding change (from \$107,838,000 in 1968 to \$113,208,000 in 1969) is \$5,370,000, or virtually the same as the \$5,300,000 change in appropriated funds (from \$107,500,000 to \$112,800,000).

#### Cost Reduction Program

During the past year, the Peace Corps has continued its cost reduction efforts by encouraging and enforcing practices which produce valid savings. The scope of this program extends not only to Washington headquarters offices but to all country programs overseas as well.

Of particular note has been our success in reducing contract training costs to an average of \$2,743 per trainee in 1967, as opposed to \$2,912 per trainee in 1966. A further attempt is being made to reduce this average to \$2,725 per trainee in 1968 and 1969 in spite of rising costs and more intensive training.

In addition, reductions have been made in certain Administrative costs. For example, we have been able to obtain real savings in such areas as Washington overtime - from \$391,000 in FY 1966 to \$191,000 in FY 1967 with a further reduction to \$180,000 in FY 1968.

A description of our major cost reduction actions for fiscal years 1968 and 1969 has been included in this Presentation and is summarized as follows:

	<u>\$ in millions*</u>	
	<u>FY 1968</u>	<u>FY 1969</u>
<u>Volunteer and Project Costs</u>		
Training and Trainee Travel	\$1.4	\$1.5
Overseas Volunteer Costs	1.0	1.4
<u>Administrative Expenses</u>	<u>.9</u>	<u>.3</u>
Total	<u>\$3.2</u>	<u>\$3.1</u>

\*Totals do not add due to rounding.

### Host Country Contributions

Host country contributions, either in cash or in kind, serve to reduce the cost of the Peace Corps program to the U.S. Government. In view of the relatively constant Volunteer strength overseas, these contributions are estimated to remain at about the FY 1967 level:

FY 1967 Actual	\$3,574,000
FY 1968 Estimate	\$3,487,000
FY 1969 Estimate	\$3,500,000

### Summary

The budget request for 1969 presents our estimate of the funds needed to maintain the Peace Corps at approximately its current strength. In this budget, we have incorporated all savings and cost reductions made in prior years and, where possible, have made additional reductions below the 1967 or 1968 levels. At the same time, the financial management system of the Peace Corps has been further strengthened to ensure the continued close control and management of our funds.

The judgment of national priorities must be made by the Congress. Your approval of this request will be more than a vote of continued confidence in the Peace Corps. It will be a sound investment in developing human resources among young Americans and our friends abroad - an investment which will continue to pay dividends at home and abroad for decades to come.

Summary of Cost Reduction Achievement

The following table summarizes the magnitude of cost decreases in fiscal years 1968 and 1969 as compared to accomplishing these programs at the actual unit costs and methods of operation experienced in fiscal year 1967.

<u>Category of Cost</u>	(thousands of dollars)	
	<u>1968</u>	<u>1969</u>
<u>Training Costs</u>	<u>\$696</u>	<u>\$741</u>
<u>Trainee Travel Costs</u>	<u>684</u>	<u>733</u>
<u>Overseas Volunteer Costs:</u>	<u>975</u>	<u>1,370</u>
International travel	325	325
Various supplies, services and equipment	47	166
In-country travel	24	23
Professional support	579	856
<u>Administrative Costs</u>	<u>855</u>	<u>255</u>
Total	3,210	3,099

### COST REDUCTION ACHIEVEMENT

Cost reductions in thousands  
of dollars over the costs  
and programs of FY 1967

	<u>FY 1968</u>	<u>FY 1969</u>
<u>Training Costs</u>	\$696,000	\$741,000

During fiscal year 1967, the unit cost per contract trainee was carefully controlled at \$2,750 per trainee. This control resulted in a reduction in actual costs from \$2,912 per trainee in FY 1966 to \$2,743 in FY 1967. A further reduction to \$2,725 per trainee is planned for fiscal years 1968 and 1969.

A summary of the unit training costs illustrating changes from the 1967 level follows:

	<u>Unit Cost Per Trainee</u>		
<u>Type of Program</u>	<u>1967 Actual</u>	<u>1968 Estimate</u>	<u>1969 Estimate</u>
<u>Regular Complete</u>			
Contract	\$2,743	\$2,725	\$2,725
Training Centers	2,504	2,504	2,504
<u>In-Country Training</u>			
Complete	1,987	1,900	1,900
Contract and In-Country	2,650	2,650	2,650
<u>Advance</u>			
Degree	4,750	2,725	2,725
Intern	2,250	2,300	2,300

The Peace Corps has had to make a major effort to prevent training costs from going substantially above the FY 1967 level, let alone achieving a reduction below the FY 1967 level. The pressure for higher costs has been due in part to the general increase in the prices of materials and services. More significant, however, has

been the pressure for additional language and skill training to meet our program requirements. As a result, training programs last fall began to expand from our 12 - 14 week average to 16 or 17 weeks. Since then an intensive effort has been underway to restructure the entire training format within the 12 - 14 week training period so as to achieve all necessary training without incurring the added costs of longer training programs.

In addition, several new directions have been initiated in Peace Corps training. Programs were developed that combined training in the United States with training in the host country, and where practicable, training was conducted entirely in the host country. The total cost of contract and in-country training in 1967 was \$2,650 per trainee, and for training done completely in-country, \$1,987.

In program year 1967, 17 percent of all regular trainees received either all or part of their training in the host country. In program years 1968 and 1969 this percentage will increase to an estimated 31 percent for a savings in total training costs of \$490,000 in FY 1968 and \$539,000 in FY 1969. This savings, and the decrease in unit costs for regular contract training from \$2,743 to \$2,725 comprise the total cost reduction of \$696,000 in FY 1968 and \$741,000 in FY 1969.

<u>Trainee Travel Costs</u>	<u>\$684,000</u>	<u>\$733,000</u>
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Trainee travel costs have been significantly reduced due to the discontinuance of a home leave period after training. Prior to January 1, 1967 all trainees were permitted to return to their homes for a period of 8 - 10 days after successfully completing training and prior to overseas departure. This period was shortened to a maximum of 3 days and a ticket is purchased directly to the port of embarkation. The resultant savings in per diem and ticket costs has enabled the Peace Corps to reduce the cost of trainee travel from a 1966 actual of \$212 per trip to \$187 in FY 1967.

A further reduction to \$113 a trip is forecast in FY 1968 and FY 1969, since cancellation of home leave will be effective for the full twelve months of these fiscal years.

#### Volunteer Costs

The following list of major cost areas is the result of many individual actions taken by Peace Corps Directors overseas and by the Washington offices which support our overseas operations.



<u>International Travel</u>	<u>\$325,000</u>	<u>\$325,000</u>
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The timely establishment of dates for overseas departures, and the coordination of training project dates for programs assigned to contiguous countries has permitted the Peace Corps to employ charter aircraft for Volunteer assignment travel. This has produced savings in ticket costs and in the shipment of personal effects. In FY 1968, current estimates call for approximately 25 charter flights which will carry 3,174 Volunteers to their assigned countries.

<u>Medical Supplies and Services</u>	<u>\$47,000</u>	<u>\$100,000</u>
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During FY 1967, the contents of PCV medical kits were reduced in the light of usage and reevaluation of requirements. In addition, the Peace Corps utilized regional overseas Department of Defense supply points for logistical support, which reduced shipping costs considerably, and represented significant savings over open market prices. We are planning on a reduction in the unit costs per Volunteer man-year for these supplies and services from \$169 in 1967 to \$165 in 1968, and \$160 in 1969.

<u>In-Country Travel</u>	<u>\$24,000</u>	<u>\$23,000</u>
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A Volunteer while on official business overseas receives his transportation costs and a per diem allowance while in this status. Except for job requirements, such travel is necessary only a few times a tour - for medical treatment, midterm and completion of service conferences, and transfers of assignment. Examples of the many steps taken to reduce costs include: midterm and completion of service conferences held on a regional rather than national basis, reimbursement made to the Volunteer for the actual cost of travel, rather than on the basis of per diem rates, and PCV's increasingly receiving discount rates by some host country national airlines, while on official Peace Corps business.

<u>Miscellaneous Supporting Costs</u>	<u>\$66,000</u>
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The summary index applicable to this category is the unit cost per Volunteer man-year. These costs include a wide variety of support ranging from Volunteer rents and utilities, to overseas language instruction, group meetings, printing, in-country transportation of job-related supplies, maintenance, repairs and operation of vehicles and other equipment, and reimbursement for damaged property. The FY 1969 unit cost of \$248 per Volunteer man-year represents a reduction from the \$257 cost per man-year currently planned for FY 1968.

Professional Support

\$579,000

\$856,000

A very important need of the Peace Corps has been for skilled professional personnel to serve overseas supervising, supporting, and technically backstopping the efforts of the Volunteers. Historically, much of this professional support has been provided by contracting with companies or individuals, often at a considerable cost to obtain the proper talent and provide the necessary logistics such as transportation overseas, local travel, and housing. These skilled professionals, as Contractor's Overseas Representatives, represented an average man-year cost of \$45,100 in 1967. This cost has been reduced to an average of \$35,660 per man-year in FY 1968 and FY 1969.

In addition, beginning in FY 1967 the Peace Corps assigned qualified direct hire staff members in the same capacity of providing professional and technical support to Volunteers. For all expenses, including salaries, allowances, travel and quarters, the total average cost per man-year for these direct hire personnel is about \$21,000. These actions should reduce the total cost of professional support by \$.6 million in FY 1968 and \$.9 million in FY 1969.

## ADMINISTRATIVE COST REDUCTIONS

	<u>FY 1968</u>	<u>FY 1969</u>
<u>Pay raise costs</u>	<u>\$600,000</u>	

The entire Administrative cost increase of \$600,000 resulting from the Postal Revenue and Federal Salary Act of 1967 has been absorbed within the appropriation of \$107.5 million thereby eliminating the need for any supplemental appropriation for FY 1968.

<u>Overtime</u>	<u>\$11,000</u>	<u>\$11,000</u>
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During FY 1967, Peace Corps offices in Washington held paid overtime costs to \$191,000 as compared to the \$391,000 spent in FY 1966. We are achieving further savings and the FY 1968 and FY 1969 overtime estimates have been reduced to \$180,000, or \$11,000 below last year's experience.

<u>Use of space on chartered aircraft</u>	<u>\$50,000</u>	<u>\$50,000</u>
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Washington and overseas staff on international travel and newly assigned staff enroute to their posts are using vacant space on chartered aircraft transporting Volunteers to their overseas assignments.

<u>Recruiting field offices - manpower savings</u>	<u>\$60,500</u>	<u>\$60,500</u>
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Four regional recruiting offices have been established in Boston, Atlanta, Chicago and San Francisco. This decentralization has resulted in a more effective utilization of recruiting manpower and has reduced staff requirements by 15 recruiters.

<u>Recruiting field offices - travel savings</u>	<u>\$75,500</u>	<u>\$75,500</u>
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Recruiting from regional offices has also produced savings in travel costs because recruiting officers now travel by cheaper means of transportation and in a smaller geographic area from their home offices rather than from Washington.

<u>Domestic travel - use of GSA automobiles</u>	<u>\$40,000</u>	<u>\$40,000</u>
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By the increased use of GSA automobiles rather than commercial rental cars, domestic travel costs have been reduced an estimated \$40,000 a year. This savings will be used to absorb increased travel requirements in FY 1968 and FY 1969.

	<u>FY 1968</u>	<u>FY 1969</u>
<u>Automation of Volunteer Payroll</u>	<u>\$18,000</u>	<u>\$18,000</u>

In FY 1968 and 1969, readjustment allowance payments for terminating Volunteers have been automated. This has permitted the Peace Corps to accomodate a rapidly growing workload volume in these payments without increasing the numbers of staff. A total savings of three positions has been realized.

SUMMARY OF OBLIGATIONS BY ACTIVITY

Fiscal Years  
(In millions of dollars)

	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u> <u>Est.</u>	<u>1969</u> <u>Est.</u>
Volunteer & Project Costs	\$ 19.7	39.3	58.4	65.6	89.6	79.8	78.8	82.5
	%(66.7)	(71.9)	(76.7)	(76.8)	(79.1)	(76.4)	(73.3)	(73.1)
Administrative Expenses	\$ 9.8	15.4	17.8	19.8	23.6	24.7	28.7	30.3
	%(33.3)	(28.1)	(23.3)	(23.2)	(20.9)	(23.6)	(26.7)	(26.9)
 TOTAL	 \$ 29.5	 54.7	 76.2	 85.4	 113.2	 104.5	 107.5	 112.8

# VOLUNTEER AND PROJECT COSTS

	Obligations		
	(In Thousands of Dollars)		
	<u>1967</u>	<u>1968</u>	<u>1969</u>
I. Pre-Training	\$ 4,804	\$ 4,180	\$ 4,617
II. Training	23,873	20,735	25,630
III. Overseas Costs	37,570	40,313	39,224
IV. Readjustment Allowance	12,969	12,872	12,329
V. Research	315	400	400
VI. Title III Activities	144	100	100
VII. School Partnership Program	176	200	200
	<hr/>	<hr/>	<hr/>
Grand Total	\$79,851	\$78,800	\$82,500

Volunteer and Project Costs

	Unit Costs (In Dollars)		
	1967 <u>Actual</u>	1968 <u>Estimate</u>	1969 <u>Estimate</u>
<u>I. PRE-TRAINING</u>			
A. Background Investigations (per investigation)	\$ 415	\$ 415	\$ 415
B. Health Examinations (per examination)	18	18	18
<u>II. TRAINING</u>			
A. Regular Complete			
1. Contract (per trainee)	2,743	2,725	2,725
2. Training Centers (per trainee)	2,504	2,504	2,504
3. In Host Country			
a. Complete (per trainee)	1,987	1,900	1,900
b. Contract & In-Country (per trainee)	2,650	2,650	2,650
B. Advance			
1. Degree (per trainee)	4,750	2,725	2,725
2. Intern (per trainee)	2,250	2,300	---
3. ATP (per trainee)	3,302	---	---
4. PC/VISTA Associates (per trainee)	2,292	---	---
C. Support Related Requirements			
1. Trainee Travel (per trip)	187	113	113
<u>III. VOLUNTEER COSTS</u>			
A. International Travel (per trip)	626	625	625
B. Allowances			
1. Living (per Vol. Man-Year)	1,174	1,180	1,180
2. Leave (per Vol. Man-Year)	169	180	180
3. Clothing			
First year (per successful trainee)	100	100	100
Second year (per Volunteer 1 year overseas)	50	50	50
C. Health Care			
1. Physician (per physician Man-Year)	23,690	24,215	24,525
2. Direct-Hire Physicians (per physician Man-Year)	---	---	30,000
3. Supplies and Services (per Vol. Man-Year)	169	165	160
D. In-Country Travel (per Vol. Man-Year)	113	111	111
E. Supplies and Equipment (per Vol. Man-Year)	105	105	105
F. Support Related Requirements			
1. Vehicle Procurement (per vehicle)	2,880	2,880	2,880
2. Vehicle Shipment (per vehicle)	800	800	800
3. Miscellaneous Costs (per Vol. Man-Year)	254	254	248
G. Professional Support			
1. COR's (per COR Man-Year)	45,100	35,660	35,660
2. PTR's (per PTR Man-Year)	20,360	21,000	21,100
<u>IV. READJUSTMENT ALLOWANCE</u>	939	940	941

Volunteer and Project Costs

	Obligations		
	1967 <u>Actual</u> (\$000)	1968 <u>Estimate</u> (\$000)	1969 <u>Estimate</u> (\$000)
I. <u>PRE-TRAINING</u>			
A. Background Investigations	\$ 4,665	\$ 4,038	\$ 4,453
B. Health Examinations	<u>139</u>	<u>142</u>	<u>164</u>
SUBTOTAL	\$ 4,804	\$ 4,180	\$ 4,617
II. <u>TRAINING</u>			
A. Regular Complete			
1. Contract	\$15,595	\$ 9,320	\$11,990
2. Training Centers	2,254	3,706	4,006
3. In Host Country			
a. Complete	315	832	1,567
b. Contract & In-Country	2,042	4,477	5,948
B. Advance Programs			
1. Degree	133	300	273
2. Intern	34	57	45
3. ATP	579	188	54
4. PC/VISTA Associates	422	349	164
C. Field Experience Training	232	---	---
D. Support Related Requirements			
1. Medical Support	285	280	317
2. Language Informant Service	300	255	270
3. Trainee Travel	<u>1,589</u>	<u>971</u>	<u>996</u>
SUBTOTAL	\$23,873	\$20,735	\$25,630
III. <u>VOLUNTEER COSTS</u>			
A. International Travel	\$ 6,782	\$ 8,374	\$ 8,761
B. Allowances			
1. Living	13,672	13,968	13,122
2. Leave	1,969	2,131	2,002
3. Clothing	<u>959</u>	<u>1,017</u>	<u>988</u>
First Year	664	642	719
Second Year	295	375	269
C. Health Care			
1. USPHS Physicians	3,056	3,342	1,225
2. Direct Hire Physicians	---	---	2,400
3. Supplies & Services	1,969	1,953	1,779
D. In-Country Travel	1,321	1,314	1,234
E. Supplies & Equipment	1,224	1,243	1,168
F. Support Related Requirements			
1. Vehicle Procurement	530	648	576
2. Vehicle Shipment	147	180	160
3. Bureau of Employee Compensation	185	387	513
4. Miscellaneous Costs	2,967	3,007	2,758
G. Professional Support	<u>2,789</u>	<u>2,749</u>	<u>2,538</u>
SUBTOTAL	\$37,570	\$40,313	\$39,224
IV. <u>READJUSTMENT ALLOWANCE</u>	\$12,969	\$12,872	\$12,329
V. <u>RESEARCH</u>	\$ <u>315</u>	\$ <u>400</u>	\$ <u>400</u>
VI. <u>TITLE III ACTIVITIES</u>	\$ <u>144</u>	\$ <u>100</u>	\$ <u>100</u>
VII. <u>SCHOOL PARTNERSHIP PROGRAM</u>	\$ <u>176</u>	\$ <u>200</u>	\$ <u>200</u>
GRAND TOTAL	\$79, 851	\$78,800	\$82,500



## I. PRE-TRAINING

### A. Background Investigations

Background Investigations are conducted by the Civil Service Commission for the Peace Corps. An investigation is initiated when a prospective Volunteer accepts an invitation to a training program. The Peace Corps reimburses the Civil Service Commission for these costs at a rate presently set at \$415 per investigation.

#### Basis for the Computation and Total Costs:

FY 1967 - 10,547 investigations were completed in FY 1967.  
Total obligations were \$4,665,000.

FY 1968 - Present estimates call for 9,729 investigations to be initiated during FY 1968 for a total obligations requirement of \$4,038,000.

FY 1969 - The estimate is based on 10,730 investigations in FY 1969 for a total cost of \$4,453,000.

### B. Health Examinations

Performed by Government facilities and private physicians. Required of all individuals prior to entrance into training programs.

#### 1. Unit Costs:

Average of \$18 in FY 1967 and held constant for FY 1968 and 1969.

#### 2. Basis of the Computation and Total Costs:

FY 1967 - 7,722 examinations. Total cost of \$139,000.

FY 1968 - Estimated 7,900 examinations. Total cost of \$142,000.

FY 1969 - Estimated 9,100 examinations. Total cost of \$164,000.

## II. TRAINING

### A. Regular Complete

This includes all training programs which are conducted for approximately 12 to 14 weeks followed by immediate assignment of the Volunteers. Regular complete training programs are conducted in four ways: by contract, in Peace Corps training centers, in the host country, and by a combination of contract and in-country.

#### 1. Contract

In fiscal year 1966, the average cost per contract trainee was \$2,912. In 1967 the Peace Corps succeeded in reducing this average to \$2,743 per trainee. A further reduction to \$2,725 per trainee is planned in fiscal year 1968 and 1969. This effort to hold down training costs is made in the face of a continuing rise in the cost of goods and services.

##### a. Basis of the Computation:

- FY 1967 - Actual contracts for 5,685 trainees.  
This included contracts for 898 trainees to enter training after August 31, 1967.
- FY 1968 - This includes 3,220 trainees who will receive all of their training within the United States in program year 1968 and 200 trainees who will enter training after August 31, 1968, for a total of 3,420.
- FY 1969 - An estimated 4,400 trainees will receive all of their training at colleges and universities in the United States in program year 1969.

##### b. Total Costs:

- FY 1967 - \$15,595,000
- FY 1968 - \$ 9,320,000
- FY 1969 - \$11,990,000

## 2. Training Centers

Since 1965, facilities in Puerto Rico and the Virgin Islands have been operated by the Peace Corps for the purpose of training Volunteers. In program year 1967, these two camps had an annual capacity of approximately 1,000 trainees. Two new camps were opened in the fall of 1967 - the Escondido Training Center in Escondido, California, and Leland Training Center in Baker, Louisiana - with capacities of 400 and 200 trainees respectively. Under optimal operating conditions the training centers will have a combined capacity of 1,600 trainees in FY 1969.

### a. Basis of the Computation and Estimated Costs:

- FY 1967 - The actual unit cost in FY 1967 was \$2,504 per trainee. Actual FY 1967 training centers starts were 912 with obligations being incurred for 900 starts during the fiscal year for a total of \$2,254,000.
- FY 1968 - Estimated FY 1968 training center starts are 1,510 with costs of \$2,504 per trainee being incurred for 1,480 during the fiscal year. The resulting total is \$3,706,000.
- FY 1969 - During program year 1969 an estimated 1,600 trainees will enter the training centers. Based on continuation of the 1968 unit cost of \$2,504 per trainee, the total obligation requirements are \$4,006,000.

### 3. In-Country Training

Training in host countries was begun on a significant scale in 1967. This experience has demonstrated that where conditions are suitable, training in host countries can produce better training at a lower cost. In-country training takes two forms: training done completely in-country under the direction of the Peace Corps, and training conducted partly in the United States under contract with additional training overseas under the direction of the Peace Corps country staff. Both forms are of approximately 12 weeks duration, the latter generally being divided between 8 weeks in the U.S. and 4 weeks in-country.

#### a. Complete In-Country Training

FY 1967 - During program year 1967 386 trainees received training in-country. \$315,000 was required in FY 1967, and \$452,000 in FY 1968 for a total cost of \$767,000. The average cost for the full program was \$1,987 per trainee.

FY 1968 - A total of 600 program year 1968 trainees will train completely in-country. The amount required in FY 1968 is estimated to be \$380,000 with a balance of \$760,000 in FY 1969. The total cost of \$1,140,000 represents an average cost of \$1,900 per trainee.

FY 1969 - The 1969 program is based on 725 trainees to be trained in-country at the average cost of \$1,900 per trainee. Of the total funding of \$1,378,000, \$801,000 is required in FY 1969.

#### b. Contract and In-Country Training

FY 1967 - For the 892 trainees who received training in the U.S. and overseas, the average cost was \$2,650 resulting in a total cost of \$2,364,000 distributed in both FY 1967 and 1968. Of this total, \$2,042,000 was obligated in FY 1967 (\$1,885,000 for contract costs and \$257,000 for in-country training done in FY 1967). The balance of \$322,000 was incurred for in-country costs in FY 1968.

FY 1968 - An estimated 1,870 trainees will be trained at an average cost of \$2,650, or a total cost of \$4,956,000 distributed in both FY 1968 and 1969. 345 of these trainees will enter and complete their training before the end of the fiscal year and their related FY 1968 cost is \$914,000. The remaining 1,525 will be contracted for in FY 1968 with estimated obligations of \$3,241,000. The total FY 1968 cost is therefore \$4,155,000 and the remainder of \$801,000 will be required in FY 1969 for completion of training in-country.

FY 1969 - 2,175 trainees are estimated for 1969. Based on the average cost per trainee of \$2,650 the total funding is \$5,764,000 distributed in both FY 1969 and 1970. 1,000 of these trainees will enter and complete their training before the end of the fiscal year and their related cost is \$2,650,000. The remaining 1,175 will be contracted for in FY 1969 with estimated obligations of \$2,497,000. The total FY 1969 cost is therefore \$5,147,000 and the remainder of \$617,000 will be required in FY 1970 for completion of training in-country.

#### Summary of In-Country Training

<u>Complete</u>	<u>Unit Cost</u>	<u>Program Factor</u>	<u>Obligations (\$000)</u>				<u>Total</u>
			<u>FY 1967</u>	<u>FY 1968</u>	<u>FY 1969</u>	<u>FY 1970</u>	
1967 Input	\$1,987	386	\$ 315	\$ 452	\$ ---	\$ --	\$ 767
1968 Input	1,900	600	---	380	760	--	1,140
1969 Input	1,900	725	---	---	807	470	1,277
			\$ 315	\$ 832	\$1,567	\$470	\$ 3,184
<u>Contract &amp; In-Country</u>							
1967 Input	\$2,650	892	\$2,042	\$ 322	\$ ---	\$ --	\$ 2,364
1968 Input	2,650	1,870	---	4,155	801	--	4,956
1969 Input	2,650	2,175	---	---	5,147	617	5,764
			\$2,042	\$4,477	\$5,948	\$617	\$13,084

B. Advance Training

Advance training programs conducted by the Peace Corps in FY's 1967, 1968 and 1969 are discussed below. There are four categories: degree training; intern programs; ATP training and PC/VISTA Associates training.

1. Degree Training

Degree trainees receive one to two years of formal academic training at a college or university with additional summer training in the United States prior to being assigned overseas as Volunteers. This type of training is especially geared to providing technically trained, skilled manpower in areas such as agriculture and math/science.

Basis of the Computation and Total Cost:

- FY 1967 - In program year 1967 28 trainees begin training at an average cost of \$4,750. The high average cost resulted from the cancellation of one program and a shortfall in the other program. The programs were initiated late in program year 1967. With a full year of preparation in 1968 such a problem is not anticipated.
- FY 1968 - The 1968 program calls for 110 trainees at an average cost of \$2,725. The total funds required will be \$300,000.
- FY 1969 - An estimated 100 trainees will enter degree programs in 1969 at a cost of \$273,000.

## 2. Intern Programs

Intern program trainees, after a period of preparation during their junior year of college, train during the summer in the country to which they will be assigned. They return to complete their senior year of college with special emphasis on skill, language, and cultural training, and are then assigned overseas as Volunteers.

### Basis for Computation and Estimated Costs:

FY 1967 - During program year 1967 24 trainees entered the initial intern program. Obligation requirements were \$34,000. An additional \$10,000 was obligated in 1968 for their in-country costs.

FY 1968 - An estimated 40 trainees will enter at a contractual cost of \$47,000. An additional \$45,000 is estimated for FY 1969.

### 3. Advance Trainee Program (ATP)

A.T.P. trainees receive training during the summer after their junior year with an additional period of training given either under contract or directly by the Peace Corps after completing their senior year. Contractual costs of the first two phases were reduced during 1967 from 1966 experience: Phase I from \$2,722 to \$1,935, and Phase II from \$712 to \$574.

FY 1967 - 238 ATP trainees entered training in program year 1967. A total of \$579,000 was obligated for Phases I and II. Phase III funds of \$153,000 will be obligated in 1968 for contract costs and \$54,000 is estimated for in-country costs in 1969. In addition, \$35,000 has been obligated in FY 1968 for Phase III training of FY 1966 ATP's.

Phase I	-	238 trainees @ \$1,935 per trainee =	\$465,000
Phase II	-	202 remaining trainees @ \$574 per trainee =	\$116,000
Phase III	-	167 remaining trainees @ \$1,239 per trainee =	\$207,000

No further trainees are planned for ATP programs in 1968 and 1969 pending further evaluation of advance training methods.



#### 4. PC/VISTA Associates Training

This training program was begun in the summer of 1967 and was conducted in conjunction with the VISTA Associates Program of the Office of Economic Opportunity. Training will be completed in the summer of 1968. Complete training for this program averages an estimated \$2,298 per trainee.

FY 1967 - \$422,000 was obligated in FY 1967 for the initial phase of training for 408 trainees at an average cost per trainee of \$1,034.

FY 1968 - \$349,000 is estimated for the contractual costs of the second summer of training.

FY 1969 - Obligation requirements are estimated to be \$164,000 for in-country training during the summer of FY 1969.

Taking into account the full \$935,000 costs for all three fiscal years, the average cost per trainee for this program is \$2,292.

Summary of Obligations for Advance Trainees

			<u>Obligations in \$000</u>			
	<u>Number of</u> <u>Trainees</u>	<u>Unit</u> <u>Cost</u>	<u>1967</u> <u>Actual</u>	<u>1968</u> <u>Estimate</u>	<u>1969</u> <u>Estimate</u>	<u>Total</u>
<u>Degree Program</u>						
PY 1967	28	\$4,750	\$ 133	\$ --	\$ --	\$ 133
PY 1968	110	2,725	--	300	--	300
PY 1969	100	2,725	--	--	273	273
<u>Intern Program</u>						
PY 1967	24	2,250	34	10	--	44
PY 1968	40	2,300	--	47	45	92
<u>Advance Training Program</u>						
PY 1966*	86	--	--	35	--	35
PY 1967	238	3,302	579	153	54	786
<u>PC/VISTA Associates</u>	408	2,292	422	349	164	935
			<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total			\$1,168	\$894	\$536	\$2,598

\*Costs shown are solely for in-country phase of training in the summer of 1967.

C. Field Experience Training

This training generally takes the form of work in the communities and country-side of Puerto Rico under the supervision of Peace Corps staff. The period of training is short (about 3-4 weeks). In FY's 1968 and 1969 this operation has been merged with the Puerto Rico Training Center, and the obligation requirements are included in the Training Center costs.

Obligations Requirements

FY 1967 - Obligations for supervisory staff and related expenses totaled \$115,000. There were an estimated 1,940 trainee weeks at a cost of \$60.00 per week or \$117,000. Total obligations were \$232,000.

D. Support Related Requirements

This category includes medical supplies and services provided to trainees at contract universities, the training centers and to in-country trainees; transportation of foreign nationals to and from training sites to serve as language instructors; and travel of trainees to and from training sites.

1. Medical Support

Trainees being trained in the host country or the Puerto Rico and Virgin Islands training centers receive medical attention prior to departure for the training sites. In addition, medical supplies such as immunizations are supplied to contractors.

FY 1967 - \$285,000  
FY 1968 - \$280,000  
FY 1969 - \$317,000

The increase in 1969 is based on the increase of 15% in regular trainees, and 20% for in-country trainees.

## 2. Language Informant Service

FY 1967 - Actual obligations for language informant travel totaled \$300,000.

FY 1968 - Estimated obligations for FY 1968 are \$255,000.

FY 1969 - Estimated obligations are \$270,000 reflecting the increase in the total of trainees scheduled to receive complete training in the United States.

## 3. Trainee Travel

Obligations are incurred for trainee travel in the month of entry into training. Prior to the spring cycle of program year 1967 which began in February, 1967, trainees received a period of home leave, generally of 8 days, after completing training. This practice was discontinued on January 1, 1967. This action reduced the average cost from \$212 in 1966 to \$187 in 1967. With home leave cancellation effective for all of FYs 1968 and 1969, a further reduction to \$113 per trip is anticipated.

FY 1967 - 8,484 trainees at \$187 per trip for a total cost of \$1,589,000.

FY 1968 - <sup>8,577</sup>~~8,143~~ trips at an average of \$113 per trip or <sup>971,000</sup>~~\$920,000~~.

FY 1969 - Total requirements are estimated to be <sup>8,814</sup>~~\$1,012,000~~ for <sup>996,000</sup>~~8,955~~ trips at \$113 per trip.

Summary of New Trainee Input

<u>Trainee Entrees (Program Year)</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>
Contract	5,377	3,920	4,600
Training Centers	912	1,510	1,600
In Host Country			
Complete	386	600	725
Contract & In-Country	<u>892</u>	<u>1,870</u>	<u>2,175</u>
Sub-Total Regular Complete	7,567	7,900	9,100
ATP	238	---	---
Intern	24	40	---
Degree	28	110	100
PC/VISTA Associates	<u>408</u>	<u>---</u>	<u>---</u>
Sub-Total Advance	<u>698</u>	<u>150</u>	<u>100</u>
Total	8,265	8,050	9,200

Funding Provisions as Required  
in the Fiscal Year

Contract	5,685	3,420	4,400
Training Centers	900	1,480	1,600
In Host Country			
Complete	386	600	725
Contract & In-Country	<u>892</u>	<u>1,870</u>	<u>2,175</u>
Sub-Total Regular Complete	7,863	7,370	8,900
ATP	238	---	---
Intern	24	40	---
Degree	28	110	100
PC/VISTA Associates	<u>408</u>	<u>---</u>	<u>---</u>
Sub-Total Advance	<u>698</u>	<u>150</u>	<u>100</u>
Total	8,561	7,520	9,000

### III. Volunteer Costs

All costs related to support of Volunteers overseas are included in this section. The costs of travel of the Volunteers to and from the host countries, their allowances, health care, and a large variety of other operational in-country support are provided from these funds.

#### A. International Travel

The costs of travel and per diem of the Volunteers and the transportation of their personal effects to and from the host country. Also included are funds for transporting trainees receiving training in the host countries.

##### Basis of Computation and Total Costs:

- FY 1967 - Funds were obligated for 10,836 trips in FY 1967 - 5,661 returnees and 5,175 assignments. Total obligations were \$6,782,000 for an average cost of \$626 per trip.
- FY 1968 - Funds are provided for 13,284 trips - 6,444 assignments and 6,840 returns - at \$625 per trip or \$8,303,000. In addition, \$71,000 has been obligated to reassign Volunteers. The total cost is therefore \$8,374,000.
- FY 1969 - Funds will be required for an estimated 6,535 Volunteers and in-country trainees who will be assigned during the fiscal year. Returnees will increase to 7,488. The total of 14,023 trips at a unit cost of \$625 per trip results in total obligations of \$8,761,000.

## B. Allowances of Volunteers

### 1. Living Allowance

This allowance varies with local conditions and living costs. It covers day-to-day living expenses, including subsistence of the Volunteer. On a monthly basis (including a one-time settling in allowance) the FY 1967 average monthly allowance was \$97 or \$1,174 per Volunteer per year. The current estimate for FY's 1968 and 1969 is \$1,180.

#### Basis of the Computation and Total Costs:

FY 1967 - An average of 11,645 received living allowances in each month in the fiscal year. The total cost was \$13,672,000.

FY 1968 - Based on 11,837 Volunteer man-years and the average cost of \$1,180 per man-year, the total cost is \$13,968,000.

FY 1969 - Based on 11,120 Volunteer man-years and the average cost of \$1,180 the total estimate is \$13,122,000.

### 2. Leave Allowance

During a Volunteer's tour of service overseas (21 to 24 months) he is entitled to take 45 days leave, which is divided generally into 30 days during the first year and 15 days during the second year of service.

#### Basis of the Computation and Total Costs:

FY 1967 - Actual cost for 11,645 man-years was \$1,969,000.

FY 1968 - An estimated 11,837 man-years at \$180 per man-year = \$2,131,000.

FY 1969 - An estimated 11,120 man-years at \$180 per man-year = \$2,002,000.

### 3. Clothing Allowance

An allowance is provided to all Volunteers to enable them to purchase articles of clothing suitable to the country and climate of assignment. Generally each Volunteer receives \$85 upon the successful completion of training and a footlocker in lieu of \$15 clothing allowance bringing the total to \$100 for each Volunteer assigned overseas. After one year overseas each Volunteer generally receives \$50 in clothing allowance.

#### Basis of the Computation and Total Costs:

- FY 1967 - Total obligations were \$959,000. This consisted of \$558,000 for the 6,303 Volunteers who completed training; \$295,000 for the 5,900 Volunteers who completed their first year overseas, and \$106,000 for the purchase of 7,100 footlockers.
- FY 1968 - The total estimate is \$1,017,000, consisting of \$575,000 for 6,410 Volunteers who complete training, \$375,000 for 7,500 Volunteers completing their first year overseas, and \$67,000 for purchasing 4,500 footlockers.
- FY 1969 - The total obligation estimate is \$988,000; \$655,000 is for 7,344 Volunteers completing training, \$269,000 for 5,380 Volunteers completing their first year overseas, and \$64,000 for purchase of 4,300 footlockers.



## C. Health Care

The Peace Corps provides health care to all of its Volunteers overseas. The services of physicians on reimbursable detail from the Public Health Service, the provision of medical supplies and equipment, and necessary dispensary and medical facility space are required. As a result of changes in the Selective Service Laws, in fiscal year 1969 the Peace Corps will directly hire physicians to replace those physicians detailed from the Public Health Service who complete their overseas tours on June 30, 1968.

### 1. Physicians

- FY 1967 - The average number of physicians overseas during the fiscal year was 129. Obligations for their salaries, benefits, travel, supplies, etc., were \$3,056,000, or an average cost per physician of \$23,690.
- FY 1968 - The average number of physicians overseas is 138. Based on the costs experienced in FY 1967, as adjusted for the pay raise, the average cost is \$24,215 or a total requirement of \$3,342,000.
- FY 1969 - An average of 130 physicians overseas is estimated for 1969. 50 will be serving on detail from the Public Health Service at an average cost of \$24,525, 80 will be hired directly by the Peace Corps and their average cost is \$30,000. The resulting total requirement is \$3,625,000.

### 2. Supplies and Services

Requirements for medical supplies and services are in proportion to the average number of Volunteers overseas during the year.

- FY 1967 - Obligations were incurred for an average of 11,645 Volunteers overseas during the fiscal year (Volunteer man-years). The average or unit cost per man-year was \$169 for a total actual obligation of \$1,969,000.
- FY 1968 - Experience thus far in 1968 indicates an average cost per man-year of approximately \$165 for 11,837 Volunteer man-years, a total of \$1,953,000.
- FY 1969 - The 1968 unit cost per man can be reduced slightly to \$160 for 11,120 Volunteer man-years. Total obligation requirements equal \$1,779,000.

D. In-Country Travel

Those travel and per diem costs incident to the performance of Peace Corps Volunteer service overseas:

Basis of the Computation and Total Costs:

- FY 1967 - The average number of Volunteers overseas was 11,645. Actual obligations were \$1,321,000, an average of \$113 per man-year.
- FY 1968 - The unit cost per man-year has been reduced in 1968 to \$111 reflecting the location of staff closer to Volunteer job sites. This average cost will be required for 11,837 man-years for a total cost of \$1,314,000.
- FY 1969 - The unit cost of \$111 per man-year is projected for 11,120 man-years. Total requirement -- \$1,234,000.

E. Volunteer Supplies and Equipment

Supplies and equipment used by Volunteers in the program in which he is engaged. These include bicycles, textbooks, hand tools, medical instruments, and demonstration kits.

1. Unit Costs:

Actual 1966 experience was \$148 per Volunteer man-year. Close review of new programs as they are approved and careful control of expenditures has reduced this average to \$105 in 1967.

2. Basis of the Computation and Total Costs:

FY 1967 - Actual obligations for 11,645 man-years  
@ \$105 per man-year = \$1,224,000.

FY 1968 - Estimated cost of \$105 for 11,837 man-years  
- \$1,243,000.

FY 1969 - Estimated cost of \$105 for 11,120 man-years  
- \$1,168,000.

F. Support-Related Requirements

These requirements represent an aggregate of items ranging from the procurement of program-utilized vehicles to the printing of the Volunteer Magazine. Important among them are the following:

1. Vehicle Procurement

FY 1967 - Actual purchase of 184 program vehicles at a cost of \$530,000.

FY 1968 - Purchase of 225 program vehicles at an estimated cost of \$2,880 each, or a total of \$648,000.

FY 1969 - Purchase of 200 program vehicles at a unit cost of \$2,880. Total cost \$576,000.

2. Vehicle Shipment

The shipment of new vehicles overseas costs approximately \$800 each.

FY 1967 - 184 vehicles @ \$800 = \$147,000

FY 1968 - 225 vehicles @ \$800 = \$180,000

FY 1969 - 200 vehicles @ \$800 = \$160,000

3. Bureau of Employee Compensation

Annual required payments to Department of Labor under Federal Employees Compensation Act.

FY 1967 - \$185,000

FY 1968 - \$387,000

FY 1969 - \$513,000

#### 4. Miscellaneous Costs

These costs cover a variety of small requirements for the support of the Volunteer on the job. They include rental of Volunteer housing when not included in the living allowance, Volunteer language testing, printing and reproduction, reimbursement for lost property, etc. In the aggregate, they represent a recognizable factor when based upon the average number of Volunteers serving overseas.

##### Basis of the Computation and Total Cost:

FY 1967 - Based on the actual average number of Volunteers overseas, the average cost per man-year was \$254 for a total of \$2,967,000.

FY 1968 - An estimated 11,837 at \$254 = \$3,007,000.

FY 1969 - We believe the unit cost can be further reduced in 1969 to \$248 per man-year. For 11,120 man-years the request has been held to \$2,758,000.

## G. Professional Support

Various Peace Corps programs require specialized professional and technical support. In the past, these technical support services were provided to the extent possible through contractual arrangements with institutions in the United States which sent Contractor's Overseas Representatives (COR's) to work with Volunteers for a period of approximately two years. This support included institutional backstopping in the form of materials and resources as well as the COR personnel. As the demand for technical personnel has increased, we have sought to provide technically qualified personnel by hiring them directly for the Peace Corps overseas staff. These Program Technical Representatives (PTR's) are performing, at a lower cost, the duties formerly done by contract personnel. Where specialized needs exist, the Peace Corps is continuing to contract with institutions when such arrangements can be made to our benefit.

FY 1967 - (1) COR's - Contracts were signed to provide the services of 26 additional and replacement COR's for an average length of service of  $1\frac{1}{2}$  years. The average cost for the 37 COR man-years is \$45,100 or a total cost of \$1,669,000.

(2) PTR's - The average number on board for FY 1967 was 55 at an average cost of \$20,360 per man-year. This includes all costs of salary, orientation and language training, housing, travel, allowances, and related costs such as supplies, equipment and office space. Total obligations for PTR's were \$1,120,000.

FY 1968 - (1) COR's - Contracts will be signed for an estimated 10 new and 10 extension COR's at an estimated average cost of \$35,660 per COR year. We estimate that the average length of service will be between  $1\frac{1}{2}$  to 2 years for a total of 30 man-years @ \$35,660 = \$1,069,000.

(2) PTR's - An average strength of 80 PTR's is projected for FY 1968. The average cost is estimated to remain relatively constant at \$21,000 per man-year. Obligation requirements total \$1,680,000.

FY 1969 - (1) COR's - The estimate includes 5 new COR's serving an average of 2 years overseas and 2 extension COR's serving a one-year tour. Based on the FY 1968 average man-year cost of \$35,660 the total cost will be \$428,000.

(2) PTR's - As a result of the continued substitution of PTR's in place of contractor personnel, PTR average strength increases to 100 man-years @ \$21,100 for a total obligation requirement of \$2,110,000.

#### IV. Readjustment Allowance

Volunteers and trainees receive \$75 for each month of satisfactory service. These funds are placed in a deposit account for payment upon completion of service. The annual cost in FY 1967 was approximately \$939 including FICA. As the result of an increase in the FICA rate effective January 1, 1967, from 4.2 per cent to 4.4 per cent, the annual cost will average \$940 in FY 1968. Another FICA increase effective January 1, 1968 to 4.8 per cent will raise the factor to \$941 in FY 1969. The total obligations in each year are shown below.

FY 1967 -	\$12,969,000
FY 1968 -	\$12,872,000
FY 1969 -	\$12,329,000



## VI. Encouragement of Volunteer Service Programs (Title III)

Encouragement of Volunteer Service programs is the function of the Division of National Voluntary Service Programs of the Peace Corps, operating under Title III of the Peace Corps Act, as amended. Encouraging and assisting the development of other countries' Volunteer programs is done in two ways:

1. Bilaterally, and largely, through programs carried out under Title III authority.
2. Multilaterally, through coordinating the U.S.'s participation in the International Secretariat for Volunteer Services. Peace Corps support of this organization is limited to the detail of two staff members who serve on the staff of ISVS and work with the 4 to 6 professional staff personnel provided by other ISVS Council members.

### Total Costs

	<u>NVSP</u>	<u>ISVS*</u>	<u>Total</u>
FY 1967	\$83,000	\$61,000	\$144,000
FY 1968	63,000	37,000	100,000
FY 1969	58,000	42,000	100,000

\*Figures are solely personnel costs for ISVS

## VII. School Partnership Program

This program is designed to involve Volunteers overseas in the kind of self-help community effort necessary for effective community development, and to enable American school children to make meaningful contributions to the development of other countries' educational resources.

Funds are budgeted for the salaries, travel, supplies, and equipment of the 10 personnel who are involved in the supervision and direction of this program. The increase of \$24,000 over FY 1967 is principally due to the full year cost of salaries for personnel who entered on duty during FY 1967.

FY 1967	-	\$176,000
FY 1968	-	\$200,000
FY 1969	-	\$200,000

FY 1969 Budget  
Administrative Expenses  
(Dollars in thousands)

	<u>PC/Washington</u>			<u>Overseas Costs</u>			<u>Total</u>		
	<u>FY 1967</u>	<u>FY 1968</u>	<u>FY 1969</u>	<u>FY 1967</u>	<u>FY 1968</u>	<u>FY 1969</u>	<u>FY 1967</u>	<u>FY 1968</u>	<u>FY 1969</u>
A. Personnel and related costs	\$ 9,743	\$10,571	\$10,989	\$ 7,335	\$ 9,220	\$ 9,890	\$17,078	\$19,791	\$20,879
B. Administrative support operations	2,468	2,854	3,036	2,075	2,525	2,620	4,543	5,379	5,656
C. Administrative support - Dept. of State	---	---	---	3,053	3,530	3,765	3,053	3,530	3,765
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total	\$12,211	\$13,425	\$14,025	\$12,463	\$15,275	\$16,275	\$24,674	\$28,700	\$30,300

# ADMINISTRATIVE EXPENSES

(DOLLARS IN THOUSANDS)

	PC/Washington			Overseas Costs			Total		
	FY 1967 Actual	FY 1968 Estimate	FY 1969 Estimate	FY 1967 Actual	FY 1968 Estimate	FY 1969 Estimate	FY 1967 Actual	FY 1968 Estimate	FY 1969 Estimate
<u>Personnel and related costs</u>									
Personnel compensation									
Permanent employees - U.S.	\$5,999	\$ 6,228	\$ 6,598	\$3,949	\$4,836	\$5,092	\$ 9,948	\$11,064	\$11,690
Foreign nationals				250	420	450	250	420	450
Part-time employees	1,345	1,550	1,500	65	75	79	1,410	1,625	1,579
Reimbursable details	317	353	356	63	82	84	380	435	440
Overtime	191	180	180	16	20	21	207	200	201
Personnel benefits									
Retirement life & health insurance	498	539	560	290	352	378	788	891	938
Education allowances				102	140	144	102	140	144
Quarters allowances				243	315	326	243	315	326
Background investigations	205	221	245				205	221	245
Language training				120	150	170	120	150	170
Travel & transportation of personal effects for staff & dependents to & from overseas posts				1,109	1,300	1,554	1,109	1,300	1,554
Residential rents				470	580	603	470	580	603
Operational travel	1,188	1,500	1,550	658	950	989	1,846	2,450	2,539
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
SUBTOTAL - personnel costs	\$9,743	\$10,571	\$10,989	\$7,335	\$9,220	\$9,890	\$17,078	\$19,791	\$20,879

# ADMINISTRATIVE EXPENSES (cont'd)

(DOLLARS IN THOUSANDS)

	PC/Washington			Overseas Costs			Total		
	FY 1967 Actual	FY 1968 Estimate	FY 1969 Estimate	FY 1967 Actual	FY 1968 Estimate	FY 1969 Estimate	FY 1967 Actual	FY 1968 Estimate	FY 1969 Estimate
<u>Administrative support operations</u>									
PC/W comm's. (telephone, telegraph, cable)	\$ 437	\$ 500	\$ 500	\$	\$	\$	\$ 437	\$ 500	\$ 500
PC/W postage fees	425	529	625				425	529	625
PC/W office rents	6	50	100				6	50	100
PC/W equipment rentals & computer services	306	306	334				306	306	334
Overseas office rents, comm's. & utilities				612	674	690	612	674	690
Printing	343	400	400	15	15	20	358	415	420
Building alterations & repairs	38	55	55	85	95	100	123	150	155
Entertainment - PC/W	1	5	5				1	5	5
Overseas representation allowance				3	5	5	3	5	5
Vehicle maintenance & repair	1	1	1	75	75	100	76	76	101
Defense Contract Audit Agency Services	41	104	109				41	104	109
Security services from AID	79	87	90				79	87	90
Recruiting advertising	86	86	86				86	86	86
Contract mailing services	120	120	120				120	120	120
Miscellaneous services from other agencies	86	86	86	12			98	86	86
Miscellaneous contractual services	271	270	270	277	280	300	548	550	570
Supplies & materials	167	195	195	479	565	579	646	760	774
Equipment	52	50	50	368	435	440	420	485	490
Transportation of supplies & equipment	9	10	10	69	90	100	78	100	110
Vehicle procurement				60	225	225	60	225	225
Shipment of government vehicles				11	60	60	11	60	60
Payments to Bureau of Employees Compensation				6	1	1	6	1	1
Tort claims				3	5	-	3	5	
SUBTOTAL, administrative support	\$ 2,468	\$ 2,854	\$ 3,036	\$ 2,075	\$ 2,525	\$ 2,620	\$ 4,543	\$ 5,379	\$ 5,656
<u>Administrative support - Dept. of State</u>									
Shared administrative support				2,993	3,455	3,685	2,993	3,455	3,685
Administrative support - WACASC				60	75	80	60	75	80
SUBTOTAL, administrative support - State				\$ 3,053	\$ 3,530	\$ 3,765	\$ 3,053	\$ 3,530	\$ 3,765
TOTAL - Administrative Expenses Limitation	\$12,211	\$13,425	\$14,025	\$12,463	\$15,275	\$16,275	\$24,674	\$28,700	\$30,300
<u>Distribution by Function</u>									
Recruitment	1,885	2,120	2,229				1,885	2,120	2,229
Selection	1,635	1,775	1,816				1,635	1,775	1,816
Other Washington Operations	8,691	9,530	9,980				8,691	9,530	9,980
Overseas Operation				12,463	15,275	16,275	12,463	15,275	16,275
TOTAL	\$12,211	\$13,425	\$14,025	\$12,463	\$15,275	\$16,275	\$24,674	\$28,700	\$30,300

### ADMINISTRATIVE EXPENSES

These costs cover administrative expenses for Peace Corps Headquarters in Washington and overseas administrative operations in each host country. In total, these funds constitute a limitation contained in each year's appropriation act. The FY 1968 amount of \$28,700,000 includes \$600,000 related to the costs of the Postal Revenue and Federal Salary Act of 1967 (P.L. 90-206, December 16, 1967). The Peace Corps has taken action to absorb these costs within the total availability of the appropriation. Therefore, no supplemental request will be necessary for FY 1968. However, only \$300,000 of the \$600,000 pay raise cost can be absorbed within the \$28,400,000 limitation. Authority to increase the limitation to \$28,700,000 within the existing appropriation will be separately requested in the Government-wide FY 1968 supplemental appropriation request for the pay raise.

The following tables measure the historical trend of administrative expenses (1) as a percentage of the total appropriation and (2) in terms of the percentage distribution between Washington and overseas:

<u>Fiscal Year</u>	<u>Percentage of Total Obligations</u>
1962-1966 (average)	25.8
1967	23.6
1968 (est.)	26.7
1969 (est.)	26.9

The increase of 3.1% between 1967 and 1968 reflects the nine month's cost - from October 1967 to June 1968 - of the recent Federal pay raise and the full-year cost for support of staff and new countries added in 1967. The slight percentage increase of 0.2% in 1969 is entirely related to the full-year cost of the pay raise which is effective for all twelve months of FY 1969.

The impact of overseas staff and new countries on Administrative Expenses is illustrated by the continued growth in the proportion of overseas costs and the declining percentage for Washington operations:

<u>Fiscal Year</u>	<u>Washington</u>	<u>Overseas</u>
1963	72	28
1964	60	40
1965	54	46
1966	52	48
1967	49	51
1968 (est.)	47	53
1969 (est.)	46	54

## ADMINISTRATIVE PERSONNEL

Direct personnel costs such as salaries, benefits, operational travel, and other related expense requirements are by far the most significant element of Administrative Expenses and account for approximately 69% of all costs.

A summary of administrative personnel follows:

	Permanent full-time personnel Employment at end-of-year						
						(est.)	(est.)
	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>
<u>Overseas posts</u>							
U.S.	165	234	263	308	355	400	396
Foreign Nationals	<u>142</u>	<u>122</u>	<u>97</u>	<u>120</u>	<u>144</u>	<u>335</u> a/	<u>335</u> a/
Subtotal	307	356	360	428	499	735	731
<u>Washington</u>	<u>711</u>	<u>663</u>	<u>668</u>	<u>677</u>	<u>631</u>	<u>690</u>	<u>690</u>
Total	1,018	1,019	1,028	1,105	1,130	1,425	1,421

a/ The personnel plans for FY 1968 and FY 1969 include a "bookkeeping" adjustment which transfers into the authorized ceiling 191 foreign nationals who have previously been employed under contractual arrangements or are provided and paid by the host governments. Funds are requested only for those personnel who are paid by the Peace Corps. No funds are required for personnel provided and paid by the host government. This adjustment to the authorized employment is in conformance with the recommendations of the Bureau of the Budget and the General Accounting Office.

Except for the above change in bookkeeping, the personnel plan for end FY 1969 is based on holding the numbers of administrative staff at or below the 1968 level.

For Washington offices, the total is 690 at the end of both fiscal years, a staffing total which the Peace Corps has been able to hold relatively constant over the last five years in spite of the continuous addition of new countries and the steady growth in the numbers of Volunteers and trainees.

The need to adequately supervise and administer the Peace Corps program at the source - the host country - requires well-trained U.S. staff in adequate numbers. The numerous tasks involved in the direction and day-to-day administration of a country program must be done in a competent and timely manner if the Peace Corps program in that country is to be sound and successful.

Prior to FY 1969, the number of overseas staff has increased from year to year in an attempt to keep pace with the growing numbers of Volunteers, the advent of in-country training programs, and the increasing number of Peace Corps countries. Aside from the added staff for new countries, the number of overseas personnel is being reduced 16 positions by the end of FY 1969 in recognition of the downtrend in the number of Volunteers:

	<u>End Strength</u>		
	<u>FY 68</u>	<u>FY 69</u>	<u>Change</u>
Total overseas administrative staff	400	396	-4
Less staff added for new countries in 1967	35	35	
in 1968	25	25	
in 1969	<u>-</u>	<u>12</u>	
Overseas staff excluding effect of new countries	340	324	-16

Thus, the net decrease of four overseas positions is the combined effect of an increase of twelve for new countries and an overall reduction of sixteen.



## Cost Computations

### Personnel Costs

These funds provide for the salaries and associated benefits (retirement, life and health insurance) of U.S. and foreign personnel employed in Peace Corps, Washington, and on overseas staffs. It also includes the cost of part-time personnel, personnel on reimbursable detail from other agencies, and overtime work.

#### 1. Permanent Employees - U.S.

		<u>End Strength</u>	<u>Man- Years</u>	<u>Average* Salary</u>	<u>Total (\$000)</u>
<u>Washington</u>	FY 1967	631	650	\$9,230	\$5,999
	1968	690	646	9,641	6,228
	1969	690	670	9,848	6,598
<u>Overseas</u>	FY 1967	355	322	12,263	3,949
	1968	400	377	12,828	4,836
	1969	396	390	13,056	5,092
<u>Total</u>	FY 1967	986	972	\$10,235	\$9,948
	1968	1,090	1,023	10,815	11,064
	1969	1,086	1,060	11,028	11,690

\* The increase in average salaries between FY 1967 and 1969 is principally due to the Federal pay raise which was effective for 9 months in FY 1968 and for the full year in FY 1969.

#### 2. Foreign Nationals

	<u>End Strength</u>	<u>Man- Years</u>	<u>Average Salary</u>	<u>Total (\$000)</u>
FY 1967	144	122	\$2,049	\$250
1968	335	210	2,000	420
1969	335	225	2,000	450

The increase in authorized end strength in FY 1968 and FY 1969 is caused by a transfer into the personnel authorization of 91 foreign nationals employed by the Peace Corps under various contractual arrangements and 100 provided by the host governments and paid from host nation funds. The total cost estimate of \$450,000 is based on 225 man-years for those personnel paid from Peace Corps appropriated funds. The average salary estimate of \$2,000 for FY 1969 is most conservative in view of the actual FY 1967 figure and the fact that these salaries are constantly adjusted upward for wage board or cost of living increases overseas.

3. Part-time employees

	(\$000)	
	<u>FY 1968</u>	<u>FY 1969</u>
Washington	\$1,550	\$1,500
Overseas	<u>75</u>	<u>79</u>
Total	\$1,625	\$1,579

4. Personnel on reimbursable detail from other agencies

Washington	\$353	\$356
Overseas	<u>82</u>	<u>84</u>
Total	\$435	\$440

5. Overtime

Washington	\$180	\$180
Overseas	<u>20</u>	<u>21</u>
Total	\$200	\$201

In total, these costs are projected below the FY 1968 level. In the case of Washington part-time employees, these funds provide the additional help, principally recruiters, selection and applicant processing personnel, who are needed on a part-time or intermittent basis depending on seasonal workload fluctuations.

The success in reducing overtime is demonstrated by the fact that although higher salary and overtime rates are effective in FY's 1967, 1968, and 1969 these costs have been more than cut in half from the FY 1966 level of \$412,000 to the current estimates of \$200,000 for FY 1968 and \$201,000 for FY 1969.

6. Personnel benefits

	(\$000)	
	<u>FY 1968</u>	<u>FY 1969</u>
Retirement, life and health insurance		
Washington	\$539	\$560
Overseas	<u>352</u>	<u>378</u>
Total	\$891	\$938

These costs are determined based on the applicable percentages of salaries. The increased cost from year to year is due to the increase in salary costs.

### Related personnel costs

Estimates for these funds are related to the numbers of overseas staff and their dependents. Included are education allowances for dependent children, quarters allowances, residential rent payments, language training required by the staff prior to assignment overseas, and the cost for travel of the overseas staff and transportation of their personal effects to and from the countries of their assignment.

	(\$000)	
	<u>FY 1968</u>	<u>FY 1969</u>
7. <u>Education allowances</u>	\$ 120	\$ 144
8. <u>Quarters allowances</u>	\$ 315	\$ 326
9. <u>Residential rents</u>	\$ 580	\$ 603
10. <u>Staff language training</u>	\$ 150	\$ 170
11. <u>Post assignment and return travel and transportation to and from overseas posts</u>	\$1,300	\$1,554

The most significant of these costs is travel and transportation of staff and dependents to and from overseas posts. The estimate for FY 1969 contemplates 451 trips at the current FY 1968 costs:

	(\$000)	
	<u>FY 1968</u>	<u>FY 1969</u>
Travel		
377 trips @ \$1,784	\$ 673	
451 trips @ \$1,784		\$ 805
Transportation of personal effects		
377 trips @ \$1,448	\$ 546	
451 trips @ \$1,448		\$ 653
Storage of household effects	\$ 81	\$ 96
	\$1,300	\$1,554

12. Background investigations of prospective staff members performed by the Civil Service Commission

Investigations are required for all prospective staff personnel. The current Civil Service Commission cost per investigation is \$415.

FY 1968	533 investigations	@	\$415	=	\$221,000
FY 1969	590 investigations	@	\$415	=	\$245,000

13. Operational travel

	(\$000)	
	<u>FY 1968</u>	<u>FY 1969</u>
Washington	1,500	1,550
Overseas	<u>950</u>	<u>989</u>
	2,450	2,539

Adequate travel by the Washington and overseas staffs is a truly essential element in providing the proper management and direction to the far-flung Peace Corps program. To minimize these costs, a continuous effort is made, both in Washington and overseas, to control travel by such means as: cancelling any trips of relatively low priority; the use by staff of charter flights carrying Volunteer groups to overseas assignments; careful and thorough scheduling of recruiting itineraries; by combining trips when possible; and by reducing per diem rates to the lowest practical level.

These efforts to keep travel expenses down have produced tangible savings. The current FY 1968 estimate of \$2,450,000 for operational travel is \$242,000 lower than our original estimate for this year; both the Washington offices and our overseas operations have contributed to this reduction. This lower level of travel has in turn been projected for FY 1969 with only two increases requested - \$50,000 for intensified recruiting and \$39,000 for overseas travel due to new countries, additional staff man years overseas, and the growing emphasis on overseas in-country training programs.

#### 14. Administrative support operations

This category covers a wide variety of day-to-day support costs amounting to about 19% of the total Administrative Expenses funds. It includes diverse but essential costs such as office rents and utilities, equipment rentals, printing, postage, telephone and telegraph charges, supplies, equipment, the procurement and operation of vehicles overseas, and payments for services received from other government agencies. An increase of \$277,000 is requested for administrative support operations in FY 1969.

##### a. Services from other agencies

Of the requested \$277,000 increase, \$104,000 is for support received from other agencies. Three costs account for this:

	(\$000)		
	<u>FY 1968</u>	<u>FY 1969</u>	<u>+ -</u>
Postage fees - Post Office Dept.	\$529	\$625	\$+ 96
Contract audit services performed by the Defense Contract Audit Agency	104	109	+ 5
Security services from the Agency for International Development	<u>87</u> \$720	<u>90</u> \$824	<u>+ 3</u> \$+104

The increase of \$96,000 for postage fees paid to the Post Office Department represents the higher cost of these services, principally due to the full year impact of the higher postage rates enacted in the Postal Revenue and Federal Salary Act of 1967.

A total of \$109,000 is estimated for contract audit services provided by the Defense Contract Audit Agency. These services are required because of the increased number of contracts awaiting final audit and payment. The \$5,000 increase is for the full year impact of an hourly rate increase initiated by the DCAA during FY 1968.

The estimated \$3,000 increase for security services provided by the Agency for International Development provides for mandatory increases in FY 1969 due to the full year effect of the pay raise and regular periodic step increases.

Excluding services received from other agencies an increase of \$173,000 is requested for other administrative support operations of which \$78,000 is for office space and the full year cost of equipment rentals begun in FY 1968 in Peace Corps, Washington. The remaining

\$95,000 is for additional overseas administrative support due to new countries and full year operations in the eight country programs begun during FY 1968 (Dahomey, Lesotho, Upper Volta, Tonga, Fiji, Gambia, Western Samoa and Ceylon).

b. Overseas administrative support

	(\$000)	
	FY 1968	FY 1969
Overseas office rents, communications and utilities	\$ 674	\$ 690
Printing	15	20
Building alterations and repairs	95	100
Vehicle maintenance and repairs	75	100
Miscellaneous contractual services and tort claims	285	300
Supplies and material	565	579
Equipment	435	440
Transportation of supplies and equipment	<u>90</u>	<u>100</u>
	\$2,234	\$2,329

15. Administrative Support from the Department of State

Under the Shared Administrative Support Agreement, the Department of State, through their various embassies, provides centralized administrative support to the Peace Corps and other participating agencies with overseas programs. This support includes budgeting and accounting, communications, security, procurement, and a variety of other logistical services. Each participating agency reimburses the State Department for these services. In addition, Peace Corps also utilizes the logistical services of the State Department's West Africa Central Associated Supply Center (WACASC) in Lagos.

	(\$000)	
	<u>FY 1968</u>	<u>FY 1969</u>
Shared Administrative Support	\$3,455	\$3,685
Administrative Support WACASC	<u>75</u>	<u>80</u>
	\$3,530	\$3,765

The additional \$235,000 requested for FY 1969 reflects higher costs to be paid by the State Department and the increase in the number of countries receiving such support.

### FINANCIAL SUMMARY TABLES

1. Reconciliation of FY 1967 Appropriation to FY 1969 Estimate
2. Statement of Authorizations and Appropriations - 1962-1969
3. Summary of Obligations - 1962-1969
4. Schedule of Obligations by Purpose - 1967-1969
5. Schedule of Obligations by Object Classification - 1967-1969
6. Schedule of Obligations for Administrative Expenses by Object Classification - 1967-1969
7. Schedule of Host Country Contributions - 1964-1969
8. Average Cost Per Volunteer - 1963-1969



RECONCILIATION OF FY 1967 APPROPRIATION TO  
FY 1969 ESTIMATE  
(in thousands of dollars)

<u>TOTAL NOA</u>		<u>Volunteer &amp; Project Costs</u>	<u>Administrative Expenses</u>
\$110,000	FY 1967 appropriation	\$85,500	\$24,500
-104	Transferred to Public Buildings Service, GSA	-	-104
-	Reprogramming for Federal pay raise	-416	+416
<u>-5,371</u>	Unobligated balance	<u>-5,233</u>	<u>-138</u>
104,525	FY 1967 obligations	79,851	24,674
	Changes:		
	Pre-training expenses	\$-624	
	Training expenses	-3,138	
	Overseas Volunteer expenses	+2,743	
	Readjustment allowances	-97	
	Research activities	+85	
	Title III activities	-44	
	School Partnership Program	<u>+24</u>	
-1,051	Subtotal Volunteer & Project Costs	-1,051	
	Changes:		
	Personnel and related costs		\$+2,713
	Administrative support costs		+836
	Administrative support - Dept. of State		<u>+477</u>
<u>+4,026</u>	Subtotal Administrative Expenses	<u>          </u>	<u>4,026</u>
\$107,500	FY 1968 Program	\$78,800	\$28,700

<u>TOTAL NOA</u>		<u>Volunteer &amp; Project Costs</u>	<u>Administrative Expenses</u>
\$107,500	FY 1968 Program	\$78,800	\$28,700
	Changes:		
	Pre-training expenses	\$+437	
	Training expenses	+4,895	
	Overseas Volunteer expenses	-1,089	
	Readjustment allowance	-543	
	Research activities	-	
	Title III activities	-	
	School Partnership Program	-	
		<hr/>	
+3,700	Subtotal Volunteer & project costs	+3,700	
	Changes:		
	Personnel and related costs		\$+1,088
	Administrative support costs		+277
	Administrative support - Dept. of State		<u>+235</u>
	Subtotal Administrative expenses		<u>+1,600</u>
<u>+1,600</u>		<hr/>	
\$112,800	FY 1969 Obligations	\$82,500	\$30,300

PEACE CORPS

STATEMENT OF AUTHORIZATIONS AND APPROPRIATIONS

(Dollars in Thousands)

<u>Fiscal Year</u>	<u>Original Authori- zation &amp; Budget Request</u>	<u>Amended Budget</u>	<u>Authorized</u>	<u>Appro- priated (Including re-appropri- ations)</u>	<u>Appropri- ation Transfers to GSA</u>	<u>Obligated as of June 30</u>	<u>Unobligated as of June 30</u>	<u>Re- appro- priated</u>
1962	\$ 40,000	\$ --	\$ 40,000	\$ 30,000	\$ --	\$ 29,496	\$ 504	\$ --
1963	63,750	--	63,750	59,000	444	54,692	3,864	3,864
1964	108,000	102,000	102,000	95,964	--	76,164	19,800	17,000
1965	115,000	106,100	115,000	104,100	7	85,449	18,644	12,100
1966	125,200	--	115,000	114,100	--	113,173	927	--
1967	110,500	112,150	110,000	110,000	104	104,525	5,371	--
1968	124,400	118,700	115,700	107,500	--	107,500 (Est.)	--	--
1969	112,800	--	--	--	--	--	--	--

SUMMARY OF OBLIGATIONS BY ACTIVITY

Fiscal Years  
(In millions of dollars)

	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u> <u>Est.</u>	<u>1969</u> <u>Est.</u>
Volunteer & Project Costs	\$ 19.7	39.3	58.4	65.6	89.6	79.8	78.8	82.5
	%(66.7)	(71.9)	(76.7)	(76.8)	(79.1)	(76.4)	(73.3)	(73.1)
Administrative Expenses	\$ 9.8	15.4	17.8	19.8	23.6	24.7	28.7	30.3
	%(33.3)	(28.1)	(23.3)	(23.2)	(20.9)	(23.6)	(26.7)	(26.9)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL	\$ 29.5	54.7	76.2	85.4	113.2	104.5	107.5	112.8

SCHEDULE OF OBLIGATIONS BY PURPOSE

	<u>1967</u>	<u>1968</u>	<u>1969</u>
<u>Administrative Expenses</u>	\$ <u>24,674</u>	\$ <u>28,700</u>	\$ <u>30,300</u>
Recruitment	1,885	2,120	2,229
Selection	1,635	1,775	1,816
Other Washington Operations	8,691	9,530	9,980
Overseas Operations	12,463	15,275	16,275
<u>Volunteers &amp; Projects Costs</u>	\$ <u>79,851</u>	\$ <u>78,800</u>	\$ <u>82,500</u>
Pre-Training	4,804	4,180	4,617
Training	23,873	20,735	25,630
Overseas	37,570	40,313	39,224
Readjustment Allowances	12,969	12,872	12,329
Research Studies	315	400	400
Title III Activities	144	100	100
School Partnership Program	176	200	200
	<hr/>	<hr/>	<hr/>
TOTAL	\$104,525	\$107,500	\$112,800

PEACE CORPS OBLIGATIONS

BY OBJECT CLASSIFICATION  
(In thousands of dollars)

	Total Appropriation			Volunteer and Project Costs			Administrative Expenses		
	FY 1967	FY 1968	FY 1969	FY 1967	FY 1968	FY 1969	FY 1967	FY 1968	FY 1969
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
Personnel compensation:									
Permanent positions	\$11,235	\$13,065	\$15,231	\$ 1,037	\$ 1,581	\$ 3,091	\$10,198	\$11,484	\$12,140
Positions other than permanent	1,451	1,763	1,785	41	138	206	1,410	1,625	1,579
Other personnel compensation	233	210	211	26	10	10	207	200	201
Special personal service payments	16,277	16,436	14,766	15,897	16,001	14,326	380	435	440
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total personnel compensation	29,196	31,474	31,993	17,001	17,730	17,633	12,195	13,744	14,360
Personnel benefits	16,499	17,932	17,586	15,360	16,585	16,177	1,139	1,347	1,409
Travel and transportation of persons	12,550	13,806	14,535	10,130	10,683	11,191	2,420	3,123	3,344
Transportation of things	2,874	3,553	3,757	2,320	2,847	2,934	554	706	823
Rents, communications, and utilities	3,060	3,792	4,086	952	1,203	1,284	2,108	2,589	2,802
Printing and reproduction	506	575	572	148	160	152	358	415	420
Other services	26,447	22,604	25,893	25,295	21,376	24,585	1,152	1,228	1,308
Services of other agencies	8,292	8,086	8,773	4,698	4,038	4,453	3,594	4,048	4,320
Supplies and materials	3,178	3,357	3,350	2,532	2,597	2,576	646	760	774
Equipment	1,885	2,279	2,230	1,405	1,569	1,515	480	710	715
Insurance claims and indemnities	13	17	--	10	12	--	3	5	--
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Obligations, Peace Corps	\$104,500	\$107,475	\$112,775	\$79,851	\$78,800	\$82,500	\$24,649	\$28,675	\$30,275
Allocation to State, Office of Inspector General, Foreign Assistance	<hr/> 25	<hr/> 25	<hr/> 25	<hr/> --	<hr/> --	<hr/> --	<hr/> 25	<hr/> 25	<hr/> 25
Total Obligations	\$104,525	\$107,500	\$112,800	\$79,851	\$78,800	\$82,500	\$24,674	\$28,700	\$30,300

PEACE CORPS

ADMINISTRATIVE EXPENSES

OBLIGATIONS BY OBJECT CLASSIFICATION  
(In thousands of dollars)

	FY 1967 Actual			FY 1968 Estimate			FY 1969 Estimate		
	<u>Hdqtrs.</u>	<u>Overseas</u>	<u>Total</u>	<u>Hdqtrs.</u>	<u>Overseas</u>	<u>Total</u>	<u>Hdqtrs.</u>	<u>Overseas</u>	<u>Total</u>
Personnel Compensation:									
Permanent positions	\$ 5,999	\$ 4,199	\$10,198	\$ 6,228	\$ 5,256	\$11,484	\$ 6,598	\$ 5,542	\$12,140
Positions other than permanent	1,345	65	1,410	1,550	75	1,625	1,500	79	1,579
Other personnel compensation	191	16	207	180	20	200	180	21	201
Special personal service payments	<u>317</u>	<u>63</u>	<u>380</u>	<u>353</u>	<u>82</u>	<u>435</u>	<u>356</u>	<u>84</u>	<u>440</u>
Total personnel compensation	\$ 7,852	\$ 4,343	\$12,195	\$ 8,311	\$ 5,433	\$13,744	\$ 8,634	\$ 5,726	\$14,360
Personnel benefits	498	641	1,139	539	808	1,347	560	849	1,409
Travel & transportation of persons	1,188	1,232	2,420	1,500	1,623	3,123	1,550	1,794	3,344
Transportation of things	9	545	554	10	696	706	10	813	823
Rent, communications, & utilities	1,026	1,082	2,108	1,335	1,254	2,589	1,509	1,293	2,802
Printing & reproduction	343	15	358	400	15	415	400	20	420
Other services	557	595	1,152	587	641	1,228	587	721	1,308
Services of other agencies	494	3,100	3,594	473	3,575	4,048	505	3,815	4,320
Supplies & materials	167	479	646	195	565	760	195	579	774
Equipment	52	428	480	50	660	710	50	665	715
Insurance claims & indemnities	<u>--</u>	<u>3</u>	<u>3</u>	<u>--</u>	<u>5</u>	<u>5</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total obligations, Peace Corps	\$12,186	\$12,463	\$24,649	\$13,400	\$15,275	\$28,675	\$14,000	\$16,275	\$30,275
Allocation to State, Office of Inspector General, Foreign Assistance	<u>25</u>	<u>--</u>	<u>25</u>	<u>25</u>	<u>--</u>	<u>25</u>	<u>25</u>	<u>--</u>	<u>25</u>
Total obligations	\$12,211	\$12,463	\$24,674	\$13,425	\$15,275	\$28,700	\$14,025	\$16,275	\$30,300

AVERAGE COST PER VOLUNTEER

<u>DIRECT COSTS</u>	<u>1963 FACTOR</u>	<u>1964 FACTOR</u>	<u>1965 FACTOR</u>	<u>1966 FACTOR</u>	<u>1967 FACTOR</u>	<u>1968 FACTOR</u>	<u>1969 FACTOR</u>
<u>PRE-SELECTION</u>							
Background investigation	\$ 448	\$ 483	\$ 532	\$ 539	\$ 552	\$ 552	\$ 552
Medical Exam	23	27	31	24	24	24	24
Travel	298	325	333	299	150	150	150
Training	2,477	2,983	3,102	3,769	3,646	3,525	3,548
Readjustment allowance	<u>259</u>	<u>312</u>	<u>312</u>	<u>331</u>	<u>311</u>	<u>311</u>	<u>311</u>
TOTAL PRE-SELECTION	\$ 3,505	\$ 4,130	\$ 4,310	\$ 4,962	\$ 4,683	\$ 4,562	\$ 4,585
<u>POST-SELECTION</u>							
Travel-International	\$ 1,493	\$ 1,450	\$ 1,518	\$ 1,316	\$ 1,252	\$ 1,250	\$ 1,250
Equipment & supplies	830	625	415	412	372	378	374
Vehicles	750	238	217	211	205	231	221
Housing	1,240	310	239	194	138	142	139
In-service training	100	65	85	115	103	107	104
Readjustment allowance	1,638	1,638	1,638	1,753	1,839	1,878	1,883
Settling-in & living allowance	2,750	2,420	2,386	2,409	2,299	2,360	2,359
Leave allowance	273	336	338	339	338	338	338
Clothing allowance	200	200	200	150	150	150	150
In-country travel	225	126	224	229	222	222	222
Medical care	<u>900</u>	<u>695</u>	<u>676</u>	<u>669</u>	<u>876</u>	<u>960</u>	<u>1,064</u>
TOTAL POST-SELECTION	\$10,399	\$ 8,103	\$ 7,936	\$ 7,797	\$ 7,794	\$ 8,016	\$ 8,104
TOTAL DIRECT COST FOR TOUR OF SERVICE	<u>\$13,904</u>	<u>\$12,233</u>	<u>\$12,246</u>	<u>\$12,759</u>	<u>\$12,477</u>	<u>\$12,578</u>	<u>\$12,689</u>
ANNUAL DIRECT COST	\$ 6,952	\$ 6,117	\$ 6,123	\$ 6,004	\$ 5,572	\$ 5,523	\$ 5,571
<u>INDIRECT COSTS</u>							
Research	27	55	45	33	22	27	26
Title III Activities	4	12	11	12	10	7	7
School Partnership Program	-	-	-	-	12	13	13
Professional Support	296	268	132	253	135	152	152
Administrative expenses	<u>1,795</u>	<u>1,762</u>	<u>1,498</u>	<u>1,565</u>	<u>1,707</u>	<u>1,970</u>	<u>1,993</u>
ANNUAL INDIRECT COST	\$ 2,122	\$ 2,097	\$ 1,686	\$ 1,863	\$ 1,886	\$ 2,169	\$ 2,191
AVERAGE ANNUAL COST	<u>\$ 9,074</u>	<u>\$ 8,214</u>	<u>\$ 7,809</u>	<u>\$ 7,867</u>	<u>\$ 7,458</u>	<u>\$ 7,692</u>	<u>\$ 7,762</u>

*Minimum 27 months 27 months 27 months*



HOST COUNTRY CONTRIBUTIONS BY REGION  
(In thousands of dollars)

	<u>ACTUAL</u>				<u>ESTIMATED</u>	
	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>
AFRICA	\$1,832	\$2,718	\$2,906	\$2,380	\$2,257	\$2,226
EAST ASIA & PACIFIC	492	251	453	489	486	458
LATIN AMERICA	232	172	191	180	194	191
NANESA	234	315	431	525	550	625
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL	\$2,790	\$3,456	\$3,981	\$3,574	\$3,487	\$3,500