

Nonetheless, Tunisia, like many other developing countries, is suffering a deficit in her balance of payments. The deficit in the balance of goods and services has exceeded \$100 million annually during the past several years. Although a substantial portion of the deficit has been financed by foreign aid and private capital, the uncovered balance has been financed by drawing on foreign exchange reserves. Accordingly, current usable foreign exchange reserves have dropped to the precariously low figure of \$21 million.

TOURISM

Tourism has great potential for bolstering the economy of Tunisia. The Government has undertaken an intensive development program to encourage more visitors to the country. Several new hotels are being constructed and air and ground transportation is being improved. More hotel workers and guides are being trained, with many being sent to U.S. universities to study techniques in hotel management.

Tunisia has miles of sandy beaches along the Mediterranean with a pleasant climate during most of the year. There are numerous points of interest, including ancient Carthage and other ruins. Cultural activities take place in outdoor theaters once used by the ancient Romans. These are but a few of the attractions Tunisians offer, along with prices below those at comparable European tourist centers.

U.S. ASSISTANCE

U.S. economic aid has consisted of dollar and hard-currency grants, and development loans from various sources. Dollar grants were made for commodity imports such as sugar, petroleum products, tea, and textiles.

Since fiscal year 1962 commodity imports have been handled on a loan basis only. The total of commodity imports from inception of this program to June 30, 1965, is \$94.5 million, nearly half of which is loans.

Loans amounting to \$118,250,000 have been granted for specific projects such as the construction of a dam, airport, pulp plant, and the establishment of loan funds in the industrial and agricultural development banks. In this connection, a considerable sum of Public Law 480 assistance has been extended.

Technical assistance to the extent of \$17.9 million has been provided in a variety of fields, including agricultural development, small industries, transportation, and communications.

THE PEACE CORPS

The Peace Corps in Tunisia began operations in August 1962 with 65 volunteers under the direction of Tunisian Government officials in the fields of housing, physical education, English teaching, and road-building and maintenance. In the past 3 years the number of volunteers has increased to 215. The Peace Corps is providing the people of the country with technical assistance and with a wide range of badly needed skills.