DEPARTMENT OF STATE
WASHINGTON

May 16, 1951

The President:

I am submitting herewith the first Quarterly Report of the Technical Cooperation Administration for transmittal to the Congress in accordance with the requirements of the general appropriation act for the fiscal year 1951. A draft message of transmittal to the Congress also is enclosed.

Respectfully submitted,

James E. Webb
Under Secretary

Enclosures:

1. First Quarterly Report of the Technical Cooperation Administration.

2. Draft Message to the Congress.

The President,

The White House.

TO THE CONGRESS OF THE UNITED STATES:

In accordance with the requirements of the general appropriation act for the fiscal year 1951, I transmit herewith the first Quarterly Report of the Technical Cooperation Administration for the quarter ending December 31, 1950.

Enclosure:

First Quarterly Report of the Technical Cooperation Administration, submitted by the Secretary of State.

THE WHITE HOUSE.

TECHNICAL COOPERATION ADMINISTRATION

DEPARTMENT OF STATE

QUARTERLY REPORT FOR THE PERIOD ENDING DECEMBER 31, 1950

This first quarterly report of the Technical Cooperation Administration naturally deals in the main with beginnings.

It records the laying of a firm base for achieving the purposes of the Congress and the President in creating the Technical Cooperation (Point Four) Program to help the underdeveloped areas of the world to help themselves.

The position at the end of 1950 may be summarized:

1. An administrative entity was operating actively.

2. General Agreements had been signed with Brazil, Ceylon, India, Liberia, Nicaragua, Panama and Paraguay, and discussions looking toward General Agreements were under way with more than 20 other countries.

3. Approximately 110 bilateral projects were in operation, and 200 others were under staff study.

4. Complete administrative procedures had been worked out for the whole operation of passing upon requests for technical cooperation, from the receipt of such a request by any of some 60 United States diplomatic missions to the final decision after it had been given informed, painstaking consideration.

5. There were 368 American technicians and 174 foreign technicians at work on operating projects in the field, supported by 102 technicians in this country providing technical support for their colleagues abroad. Also, 264 trainees from 36 countries were under instruction in this country.

6. Almost

6. Almost 600 selected applicants to staff prospective projects were undergoing the Federal Bureau of Investigation inquiry required by law before appointment.

Coupled with these concrete developments, and illuminating the whole effort with the hope of meaningful results, was the enthusiasm for selfhelp in improving productivity and standards of living aroused throughout these important areas of the world (from which come 73 per cent of United States imports of strategic and critical materials.)

Funds for the program became available September 6, 1950. (Specifically, this was the approval date of the General Appropriation Act, 1951, otherwise Public Law 759 - 81st Congress, of which Title I of Chapter XI provides the money for the technical cooperation program. Authority for the program was supplied earlier in the Act for International Development, Title IV of Public Law 535, which was approved June 5, 1950.) Hence this report covers the time from September 6 to December 31, 1950.

Two days after the approval of funds the President signed Executive Order No. 10159 delegating to the Secretary of State authority to administer the program. On October 27, the Secretary set up the Technical Cooperation Administration within the Department.

The appointment by the President of Dr. Henry Garland Bennett, President of Oklahoma State College of Agriculture and Mechanical Arts, as permanent Administrator was confirmed by the Senate on December 7.

The genesis of the program is so well known that it is enough to recall

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that in defining the fourth point of United States foreign policy in his Inaugural Address on January 20, 1949, the President declared:

"We must embark on a bold new program for making the benefits of our scientific advances and industrial progress available for the improvement and growth of underdeveloped areas ... We should make available to peaceloving peoples the benefits of our store of technical knowledge in order to help them realize their aspirations for a better life."

It is pertinent also to recall that Article 56 of the United Nations Charter pledges members to joint and separate action in cooperation with the United Nations to promote a higher level of well-being in all countries, including the underdeveloped countries. The President's words thus reaffirmed and in part redeemed this pledge. Moreover, they were in the best American tradition, ranging over the years from dedication of the Boxer funds from China for scholarships to Chinese students to the well-known modern programs of government, religious groups and private foundations.

In January, 1949, the task of formulating the proposed program was assigned to the Department of State, already active in related fields. Plans were worked out along two major lines - multilateral activity to be channeled through the United Nations and regional agencies, and bilateral projects to be developed and executed jointly by the United States and another country.

The U. S. delegation to the United Nations Economic and Social Council in March, 1949, proposed an expanded United Nations program of technical assistance. This proposal won approval August 15 by the United Nations Economic and Social

Council

Council and the authorization of an appropriation November 16 by the General Assembly. A total of $20,046,552 was pledged by participating United Nations members. The U. S. agreed to supply 60 per cent of the amount, not to exceed $12,007,500. This was followed by establishment on July 31 of the United Nations Technical Assistance Administration.

Meanwhile, to develop the bilateral program, an Interim Office for Technical Cooperation and Development was established in the Department of State with the Honorable Capus Waynick, Ambassador to Nicaragua, as Acting Administrator. The personnel, funds and the 24 operating programs of the Institute of Inter-American Affairs were incorporated in the proposed new program, as were 75 projects of the Scientific and Cultural Cooperation Program which operated under Public Law 402.

There followed approval by the Congress of the Act for International Development, explicitly providing for technical cooperation programs on a multilateral basis through the United Nations or other international organizations and on a bilateral basis between the United States and other countries.

When the Technical Cooperation Administration was established the Interim organization was suspended and, after careful screening, its personnel and operating projects were taken over.

A broadly consultative body, not burdened by administrative detail, was created in the Inter-Departmental Advisory Council on technical cooperation. It is made up of representatives of Federal Government agencies concerned with the program, including the Departments of Agriculture, Commerce, Interior, Labor,

State and Treasury, the Housing and Home Finance Agency, Federal Security Agency, Bureau of the Budget, Economic Cooperation Administration, Institute of Inter-American Affairs and Export-Import Bank.

The President announced on November 29 the appointment of an International Development Advisory Board to advise on general or basic policy. Mr. Nelson A. Rockefeller was named by the President and confirmed by the Senate as chairman of the board. The membership is required by the Act to be "broadly representative of voluntary agencies and other groups interested in the program, including business, labor, agriculture, public health and education." A special assignment given the board by the President was to study the Gray Report on Foreign Economic Policy with particular respect to problems of underdeveloped areas.

Funds available for the program amounted to $34,500,000. Of this, $26,900,000 was newly appropriated, $5,000,000 came with the absorption of the Institute of Inter-American Affairs and $2,600,000 derived from appropriations for the exchange-of-persons activities of the Department of State.

From the total, $12,007,500 was allocated to meet the United States' pledge to the United Nations; $1,000,000 was allocated to the Organization of American States; $6,600,000 was earmarked tentatively for continuing existing projects, and $398,000 was transferred to the Commerce Department to finance that part of its Service to Business which is devoted to stimulating foreign investments. This left some $14,500,000 for new projects.

To facilitate its work the Technical Cooperation Administration and the Interim group preceding it had three steps under way to implement the program.

First.

First, to get the program launched as quickly as possible, it had been decided that the Technical Cooperation Administration would start operating specific projects through the facilities of the Department of Agriculture, Department of the Interior and other government agencies with special experience and competence in the fields of activity embraced in the technical cooperation programs.

Second, procedures for avoiding duplication as between United Nations multilateral and United States bilateral projects had been established.

Third, procedure for receiving, analyzing and deciding upon requests from other governments for technical cooperation had been established.

Under the decentralized operations plan the Technical Cooperation Administration staff was organized as a small, closely-knit group concerned with planning, policy, legal matters, program review and management. Project supervision and operation, for the most part, were delegated for the time to the various technical agencies previously mentioned.

This plan applied only to bilateral projects. The multilateral operations of the United Nations are conducted by that body through its Technical Assistance Administration and the U. N. specialized agencies and are coordinated by a Technical Assistance Board composed of the heads of the specialized agencies, Food and Agriculture Organization, World Health Organization, United Nations, Educational, Scientific and Cultural Organization, International Labor Office and International Civil Aviation Organization. The United States Government is directly represented on each of these bodies. Policy direction is given by the

Technical Assistance Committee, whose members are the governments represented on the Social and Economic Council, and by the United Nations General Assembly.

Defining the fields of action as between United Nations multilateral and United States bilateral projects was not a simple matter, and it has not been completed. The multilateral approach seems best where several countries are involved, as in international control of the spread of animal diseases. The bilateral type of procedure appears better adapted to single-country endeavors such as building a farm experiment station or planning a road system.

In some cases the United States has historical or other special interests which make it preferable to work out a bilateral program with a particular country. In the final analysis, the recipient government decides whether to request technical assistance from the United States or an international agency.

To eliminate overlapping, the Bureau of United Nations Affairs in the Department of State, which keeps in constant touch with the United Nations, has set up special recording and clearance procedures for all such projects. Similar precautions are taken respecting the Organization of American States. The procedure in both cases helps to prevent what might appear to be competition between agencies.

There are two types of agreements between the United States and cooperating governments:

1. The General or "Umbrella" Agreement sets forth the main lines of cooperation which will be uniform throughout most of the program. It specifically incorporates the conditions laid down by the Congress in the Act

for International

for International Development and is designed to simplify compliance and to clear the way for separate agreements dealing with individual projects.

2. The Project Agreement determines the kind and size of an undertaking and the terms for its execution. Such agreements vary greatly in form and content, ranging from a simple understanding for a single expert to advise on a technical problem to provision for a joint economic development commission to formulate a comprehensive program.

The general procedure followed is this: Each request for technical cooperation is received by the United States diplomatic mission in the originating country and is given preliminary review. It is then sent with the mission's recommendation to Washington, where it undergoes staff study with the collaboration of appropriate technical agencies and regional bureau of the Department of State. To avoid duplication, it is checked against projects of other agencies, including the United Nations. With all of the facts and considerations assembled, the TCA Administrator studies the proposal and makes the final decision. If this is favorable, the Administrator determines the line of action to be followed and allocates funds.

In countries where the size of the program warrants the cost, a Technical Cooperation Officer will be appointed. He will have general supervision over all such projects in the country in which he serves and will handle the mechanics of project requests and project agreements, under the general direction of the mission chief. It may prove practical in some situations to have such an officer responsible for several neighboring countries.

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Care is taken in considering applications to assure that (1) Legal requirements of the Act are met (2) the project will carry out the spirit of the Act by improving the particular country's economic situation, (preferably on a continuing basis,) and (3) the requesting country assumes a fair share of the cost, especially by providing office space, facilities and transportation in the country and by assigning local technicians to work with American technicians for training purposes.

Such training has special importance in continuing long-term successful operation of projects after the United States technicians have completed their assignments. With the same object in view, qualified local persons are brought to the United States and trained, in many cases for specialized positions to which they will return.

It is the Administrator's policy to hold to a minimum all authorizations for preliminary plans and surveys as such. Many projects consist in whole or in part of planning and survey activities, but these are generally carried on as parts of a specific action program. Planning or research is not regarded as an end in itself. A small amount of construction is done, chiefly for teaching purposes. A limited quantity of industrial training equipment, such as lathes and saws, is furnished in urban vocational and industrial instruction, and printed teaching aids and texts and some hand tools are supplied to rural elementary education projects. The broad policy in all operating projects is for the host country to furnish supplies and the United States technical knowledge. Necessarily, there are exceptions, as circumstance requires.

Staffing

Staffing of the Technical Cooperation Administration in Washington proceeded slowly prior to December 31, in part because of the necessity of subjecting all applicants to meticulous investigation. At the year's end there were 157 staff employees of the Technical Cooperation Administration, including the Institute of Inter-American Affairs, and 103 others were employed by technical agencies cooperating in the program. There were 587 FBI investigations pending.

It was set forth at the outset that this report was concerned with beginnings.

Without complacency it is felt that these beginnings offer promise of a satisfactory measure of success as the program proceeds.

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The following statistical tables show the status of funds available for technical cooperation under the Act for International Development in the quarter ending December 31, 1950. These tables show the break-down for administrative expenses and multilateral and bilateral technical cooperation programs. In this period, preliminary surveys constituted only a minor part of the program and were an integral part of various technical cooperation projects.

TABLE I

TABLE I

STATUS OF APPROPRIATION FOR FISCAL YEAR 1951

Technical Cooperation Programs

As of December 31, 1950

	Financial Plan	Authorizations or Allotments	Obligations	Payments
Multilateral Programs:				
Contribution to the United Nations	$ 12,007,500	$ 12,007,500	$ 12,007,500	$ 4,000,000
Contribution to the Organization of American States	1,000,000	1,000,000	1,000,000	250,000
	13,007,500	13,007,500	13,007,500	4,250,000
Bilateral Programs				
American Republics	5,177,421	2,689,882	707,576	476,289
Near East, Africa, and South Asia	5,049,140	1,598,155	177,444	117,465
Far East	2,106,800	125,064	53,913	41,148
General *	2,066,639	1,134,896	295,454	208,847
	14,400,000	5,547,997	1,234,387	843,749
Executive and Technical Direction and Administration	2,029,500	958,533	530,968	250,955
Total	29,437,000	19,514,030	14,772,855	5,344,704

* Includes program expenses which cannot be distributed geographically, such as service to American business, agricultural research carried on in the United States, and technical services maintained in the United States by Government agencies in support of technical cooperation programs.

TABLE II

TABLE II

STATUS OF APPROPRIATION FOR FISCAL YEAR 1951

Institute of Inter-American Affairs

	Available Funds	Allotments	Obligations	Expenditures
Bilateral Technical Cooperation Programs in the American Republics	$5,418,456	$5,093,500	$3,426,531	$1,292,087
Other projects *	302,500	302,500	16,310	10,602
Technical Direction and Administration	600,000	284,000	280,676	231,522
Total	6,320,956**	5,680,000	3,723,517	1,534,211

* Primarily training projects.

** Includes appropriation of $5,000,000; balance financed by carryover from fiscal year 1950.

TABLE III

TABLE III

Technicians on Foreign Assignment and Trainees in the U. S. Under the Point 4 Program as of December 31, 1950

BY OPERATING AGENCY

Agency	Number of Technicians	Number of Trainees in U. S.*
Department of Agriculture	72	25
Department of the Interior	31 *	44
Department of Commerce	11	55
Department of Labor	5	21
Federal Security Agency	17	41
Bureau of the Budget	-	20
Housing and Home Finance Agency	-	1
Institute of Inter-American Affairs	223	57
Department of State	1	-
Total	360	264

BY COUNTRY

TABLE III (Continued)

BY COUNTRY		
Country to which U. S. Technicians are assigned, or from which trainees come	Number of Technicians	Number of Trainees in U. S.
Afghanistan	2	2
Argentina	-	4
Bolivia	19	21
Brazil	34	36
Burma	-	2
Ceylon	1	2
Chile	5	15
China	-	2
Colombia	10	20
Costa Rica	13	4
Cuba	3	4
Dominican Republic	-	3
Ecuador	24	19
El Salvador	10	5
Guatemala	15	6
Haiti	16	10
Honduras	4	3
India	5	15
Indonesia	-	4
Iran	3	2
Lebanon	-	2
Liberia	15	1
Malaya	-	2
Mexico	18	21
Nepal	-	1
Nicaragua	3	5
Pakistan	1	2
Panama	12	5
Paraguay	29	1
Peru	52	14
Philippines	5	4
Saudi Arabia	2	1
Thailand	2	7
Uruguay	4	7
Venezuela	9	12
Technical Pool (IIAA)	23	
Special Projects	8 **	
Regional Projects	13	
Total	360	264

* Includes 14 trainees in Puerto Rico

** All in U. S.