PD-ACC-985

MUTUAL SECURITY PROGRAM

FISCAL YEAR 1952

BUDGET ESTIMATES volume A

Appropriation Language and Explanation

Consolidated Budgetary and Narrative Statements for all MSP Titles

Justification of Global Multilateral Technical Cooperation Program

BEST AVAILABLE

MUTUAL SECURITY PROGRAM

Fiscal Year 1952 Budget Estimates

VOLUME A

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MUTUAL SECURITY PROGRAM

Summary of Obligations and Appropriation Requests
(In Millions of Dollars)

	Military Assistance			Economic Assistance			Total		
	Actual 1950	Actual 1951	Estimate 1952	Actual 1950	Actual 1951	Estimate 1952	Actual 1950	Actual 1951	Estimate 1952
TITLE I - EUROPE									
Total Obligations	$ 840.8	$ 3,761.2	$ 5,594.3	$ 4,022.1	$ 2,485.5	$ 986.4	$4,862.9	$6,246.7	$6,580.7
Add Request for Cash to Liquidate Prior Year's Contract Authorization			44.5			-			44.5
Deduct Carry-over From 1951			-566.3			-1.4			-567.7
Appropriation Request			5,072.5			985.0			6,057.5
TITLE II - NEAR EAST & AFRICA									
Total Obligations	172.9	292.7	485.0	6.3	33.0	175.0	179.2	325.7	660.0
Deduct Carry-over from 1951			- 69.0			-			-69.0
Deduct Reimbursable Obligations			-1.0			-			- 1.0
Appropriation Request			415.0			175.0			590.0
TITLE III ASIA & PACIFIC									
Total Obligation	34.3	410.5	659.6	95.2	210.8	361.8	129.5	621.3	1,021.4
Deduct Carry-over from 1951			-124.4			-54.9			- 179.3
Appropriation Request			535.2			306.9			842.1

(Continued on next page)

MUTUAL SECURITY PROGRAM

Summary of Obligations and Appropriation Request (Continued)
(In Millions of Dollars)

	Military Assistance			Economic Assistance			Total		
	Actual 1950	Actual 1951	Estimate 1952	Actual 1950	Actual 1951	Estimate 1952	Actual 1950	Actual 1951	Estimate 1952
TITLE IV - AMERICAN REPUBLICS									
Total Obligations	-	-	40.0	6.9	13.4	22.0	6.9	13.4	62.0
Deduct Carry-over from 1951			-			-.8			-.8
Appropriation Request			40.0			21.2			61.2
TITLE VI - GENERAL PROVISIONS									
Total Obligations	-	-	-	17.3	7.1	55.0	17.3	7.1	55.0
Appropriation Request						55.0			55.0
ALL TITLES									
Total Obligations	1,048.0	4,464.4	6,778.9	4,147.8	2,749.8	1,600.2	5,195.8	7,214.2	8,379.1
Add Request for Cash to Liquidate Prior Year's Contract Authorization			44.5			-			44.5
Deduct Carry-over from 1951			-759.7			-57.1			-816.8
Deduct Reimbursable Obligations			-1.0			-			- 1.0
Appropriation Request			6,062.7			1,543.1			7,605.8

Note: Obligations have been adjusted by function & Titles to conform with the Appropriation Structure proposed for 1952.

THE MUTUAL SECURITY PROGRAM FOR FISCAL YEAR 1952

GENERAL STATEMENT

I. THE OBJECT AND SCOPE OF THE MUTUAL SECURITY PROGRAM

A. INTRODUCTION

The United States and the rest of the free world are faced with the fact of Communist aggression and subversion. The danger confronting us is great and immediate. It jeopardizes the security of free nations. It has demanded prompt and effective action by the United States, which has taken three principal forms:

(1) To build up our own military strength;

(2) To organize our productive might so that it will serve our security interests;

(3) To strengthen the will and the capacity of our associates in the free world to do the things required of them in pursuit of the security interests that we have in common with them.

The first of these tasks is under way and funds have been requested to enable the Department of Defense to hasten the rebuilding of our armed strength. The second of these tasks falls to the American productive economy--its industries, its farmers, its workers--guided and helped by the defense mobilization agencies. The Mutual Security Program described herein is designed to further the accomplishment of the third of these tasks.

That program embodies proposals for military and economic assistance to our associates in the free world that will enable them most effectively to make their respective contributions to the common effort. In it, there are combined substantially all of the measures of assistance to foreign countries that are envisaged for fiscal year 1952. All of them relate directly and forcibly to the advancement of the mutual security of free nations. All of them are necessary for the achievement of security.

The proposals linked together in the Mutual Security Program are part of our total national security program. National security, however, has aspects which need special emphasis at the present time:

(1) Our security is inseparable from the security of the free world within which we are the strongest member and should exert commensurate leadership;

(2) Security requires not only armed forces and weapons and the capacity to produce weapons, but also strength and stability.

For these reasons the program embodies proposals of economic aid to help build or maintain economic stability, aid to make possible expanding production of food and basic materials, and technical assistance to economically underdeveloped countries.

The preservation of our national security and the security of the free world is a priceless objective. With the kind of aid being proposed we will move forward rapidly toward a situation where we should be reasonably sure that aggression will not take place. The need for our assistance should taper off as this situation is reached. The rapid creation of military strength in the free world and increasing productivity abroad should permit, within a few years, the further maintenance of forces and development of the economies of most of the areas of the free world without further grant aid from the United States.

B. SCOPE OF THE MUTUAL SECURITY PROGRAM PROPOSALS

The proposals for 1952 appropriations for assistance to other areas of the world are shown in the table below:

MUTUAL SECURITY PROGRAM, 1952

	Economic	Military
Europe	$985,000,000	*$5,072,476,271
Near East and Northern Africa	175,000,000	415,000,000
Asia	306,905,866	535,250,000
Latin America	21,245,653	40,000,000
Basic materials development (global)	55,000,000	-
Total	1,543,151,519	6,062,726,271

* Includes $44,476,271 to liquidate prior years contract authorization

The components of the program presented above are:

(1) Direct defense assistance, to provide military goods and training and technical services to countries that need them and can use them in the defense of freedom;

(2) Economic assistance in the form of resources needed for the support of adequate defense efforts and to help maintain general economic strength in areas vital to the security of the free world;

(3) Technical assistance and in some cases relatively small amounts of developmental grant aid to economically underdeveloped countries to help them increase the effectiveness of their economies and thus make them stronger members of the free world;

(4) Contributions to further the technical cooperation programs of the United Nations including its specialized agencies and the Organization of American States, in the amount of $13 million;

(5) Funds to be contributed to special United Nations programs for reintegration of Arab refugees in the near East, in the amount of $50 million, and for reconstruction in Korea in the amount of $69.75 [redacted] million (which with $50 million authorized and appropriated in the fiscal year 1951 and not utilized will meet the United States share of this program).

For the foregoing purposes, the Congress of the United States is asked to authorize, for the fiscal year 1952, the appropriation of $6,063 million for military aid and $1,543 million for economic aid. Each of these sums includes an apportionment of the Administrative expenses of the program.

C. RELATIONSHIP TO PRESENT AND PAST PROGRAMS

The mutual security program has many parts and many kinds of specific activity. It has nevertheless a unifying purpose which makes of these diverse parts a coordinated whole. Its purpose is to enable the free world to stand secure against the present danger. Each part of it is designed to serve this purpose.

The individual components of the total program are not themselves wholly new. In the Mutual Defense Assistance Program we began the job of providing military aid to countries that are partners with us in a common defense effort. In the European Recovery Program we have, since 1948, been helping Europe to reestablish economic stability and rebuild its productive power. These are essential prerequisites of an adequate European defense effort and Marshall plan techniques are being adapted to serve the new defense purposes. Under the International Development Act, we are already furnishing "know-how" so that economically underdeveloped countries can help themselves to make economic progress and to become effective and strong. We have been contributing to similar technical assistance programs carried on by the United Nations and the Organization of American States.

Not only does the Mutual Security Program include and continue whatever in these going programs is applicable to the conditions we now face; it also takes into account the lending capacities and the probable programs of the International Bank for Reconstruction and Development and the Export-Import Bank, and such private investment activity as is likely to take place in the face of present world tensions.

Thus, there is an essential continuity in our plans and efforts. The Mutual Security Program now brings together all of these present efforts and directs them to the overriding end of building free worlds strength against Soviet tyranny; it adapts them so as to deal flexibly and effectively with the present danger; and it enables them to be more clearly understood and more effective.

D. THE NATURE OF THE PRESENT DANGER

It is not necessary to review in detail the course of events by which hopes and expectations entertained at the end of World War II have turned to disillusionment, or to recapitulate all of the steps by which the world has passed in the last six years from the promise of peace to the threat of war. Throughout those years it was evident that the Soviet Union was bent on extending its area and domination. Repeatedly probings and stabbings were made, testing whether the free countries of the world were ready or willing to resist this disposition to penetrate, to conquer, and to subject. The pattern of Communist efforts ranged from the blockade of Berlin to inspired insurrections in Malaya and the Philippines and to full-scale hositilities in Greece and Indochina.

On June 25, 1950, the Soviet satellite, North Korea, invaded, without warning, the territory of the Republic of Korea. Overt aggression had occurred. The reaction of the free nations was prompt. The forces of the United Nations were developed to oppose the invading forces. The challenge that armed aggression might go unopposed was met.

Since the invasion of Korea and particularly since Communist China chose to commit its forces against the United Nations, the free nations have had to govern their course of action by a clear recognition of the possibility of total war which might result from the Kremlin's resort to piecemeal armed aggressions. In the presence of such a threat to freedom and peace, vigorous security and defense efforts are needed and resolute support of these efforts by all is required. The effectiveness of the United Nations as a collective security organization must be stregthened. The resources of the free world must be mobilized. The determination of the peoples of the free world to carry on their security effort until adequate defensive strength has been achieved must be firm.

The free nations must coldly assess the actual force that is aligned against them. It is a massive military machine comprising in the west over 200 mobilized divisions with good weapons and with good and improving air and naval support; and comprising in the east over 5,000,000 men under arms. Communism has at its disposal also a well-organized and demonstrably effective apparatus for prompting internal disturbance, for weakening morale, and for impeding economic recovery and progress in free countries.

To meet this formidable force and to mulify its power to further Soviet ambitions for the conquest of the world, the free nations need to organize their vast potential strength and to develop it into actual strength. There is little time for this to be done; out there is enough time if all the free peoples work together with unanimous purpose and resolute speed. To do it, however,

the free nations must face and overcome certain major problems confronting them. These problems can be identified and discussed under the headings: "Raising of forces"; "Production for defense"; "Economic development"; and "Morale."

E. THE RAISING OF FORCES

The presently activated military strength of the United States and the other nations of the free world is but a slowly increasing fraction of their potential strength. The land forces available to the free nations are inferior in numbers to the total land forces under Soviet direction. This disparity in land strength has heretofore been offset by other factors, most significantly by United States possession of atomic weapons.

The Soviets, however, have now succeeded in producing an atomic explosion and have apparently obtained by espionage some detailed knowledge of our atomic developments. As time moves on, the previous balance of military strength will be dangerously tipped against the free world unless free nations quickly build total strength. They can no longer rely upon qualitative superiority in certain categories of weapons. They must mobilize all the components of military strength and in particular must organize and equip land forces capable of protecting their resources against invasion and capture.

The need is not merely for the enlistment and conscription of men. Mobilization of forces involves economic drains and burdens that many of our associates cannot support unaided but that we can help them to support. Moreover, the need is for the creation of effective forces, which means forces equipped with adequate weapons and trained in the use of those weapons. The Mutual Security Program proposes to help by the provision of both weapons and training. The forces aspect of the problem, insofar as it involves weapons, merges into the production aspect.

F. PRODUCTION FOR DEFENSE

Military strength cannot be created overnight. Armed forces require great quantities of complicated and expensive equipment. The production of this equipment requires materials, tools, and manufacturing facilities which must be provided by expansion and by diversion from peaceful uses. It takes months and sometimes years before production plans can be translated into quantities of finished tanks, planes, and other weapons.

Sheer quantity of output is not enough. It is necessary to produce the right kinds of weapons, in the right proportions, of the right materials and specifications, in the places and with the production facilities most suitable-- and all this in relation to carefully worked out and time-phased plans for the recruitment and training of forces.

This is an intricate production problem. The object is to make the best possible use of the combined resources of all the

free nations. The industrial production capacity of the free world outside the United States is largely concentrated in Western Europe. This European productive power is not in itself adequate to insure the needed measure of strength in Europe and in any case there are obstacles to its effective employment.

One of the obstacles is the [illegible] imported industrial raw materials. Additionally, there is the fact that the Western European countries are existing on a narrow economic margin. They are just recovering from the ravages of a past global war. They will lack economic flexibility and certain key components of productive capacity. Upon their newly recovering economies has been placed the added burden of creating large military forces. Unaided, they cannot deliver the great surge of effort required for rearmament in the present danger. They will be able to make their potential strength actual on the urgent basis needed only if we help them to meet their key deficiencies.

G. ECONOMIC DEVELOPMENT

Within the community of free nations the United States and the highly industrialized communities of Western Europe depend, to a great extent, on the economically underdeveloped areas. This is illustrated by the fact that the underdeveloped areas supply 49 percent of the total free world production of certain strategic materials such as tin, diamonds, natural rubber, jute, chromite, manganese ore, bauxite, wool, copper, lead, zinc, and iron ore. It is further emphasized by the fact that 100 percent of United States requirements of tin, diamonds, natural rubber and jute are imported from these areas.

The term "economically underdeveloped areas" applies to those free countries in Asia, Africa, and Latin America which are characterized by low standards of living, low per capita incomes, low standards of literacy, poor conditions of sanitation and health, and high death rates. They are still relatively untouched by the scientific and technological advances which have occurred in the United States and Western Europe in the last century and a half.

Yet these countries constitute in terms of population and land area the largest part of the free world, with nearly half of the total population of the world and 70 percent of the population of the free world. They contain a large part of the world's natural resources. In them are found all of the world's natural rubber, all of its jute, two-thirds of its proved oil reserves, most of its tin, manganese, quinine, and many other strategic materials.

At the same time these vast resources form a base upon which, with technical help and some financial help from the more advanced countries, these underdeveloped countries can build strength within themselves.

The economically underdeveloped areas are highly susceptible to Communist propaganda and subversion which exploits discontent over prevailing low standards of living. Failure in these countries to show economic progress, and the inability of free governments to find some way to start building an effective and dynamic structure, at best saps the resolution of these countries to protect their freedom, and in some instances threatens to destroy the very foundations of national unity.

Therefore, the effective development of strength in the free world requires that the economically more advanced members of that community of nations provide technical and economic cooperation to help the relatively underdeveloped members to make needed advances in the basic fields of agriculture, education, health and transport.

Technical assistance involves primarily the provision of personal services of competent personnel to help meet the scarcity of trained administrators and technicians in these countries, and to assist the governments and people to do for themselves the things that need to be done. It is the export of "know-how" from the technically advanced to the less advanced countries.

It is not enough, however, merely to demonstrate to underdeveloped countries how to improve public services and how to use more modern methods of agricultural and other production. To be really beneficial, the knowledge thus gained has to be translated into daily practice in these countries. Nearly all of the basic resources, financing, and efforts for this purpose have to come from the underdeveloped countries themselves, supplemented by their ability to borrow foreign capital. Some of the needed equipment and supplies, however, can come only from abroad, and the part of these items needed to give initial impetus must in many cases be provided on a grant basis in order to be useful in the immediate future.

H. MORALE

Genuine strength involves not merely armed forces, military equipment, industrial production, and raw materials. It involves even more importantly a sense of common interest in mutual security. Strength and determination to pursue this common interest must be built upon realistic hope that the protection of freedom will bring in its train the opportunity and the fact of progress. The community of free nations must be convinced that strength once built will be used to create conditions in which free people can satisfy their hunger for social improvement, for economic progress, for the preservation and enrichment of cultural values.

The dictators in the Kremlin, from the inception of their planning for the conquest of the world, have recognized the importance of morale. On the one hand they have tried to build among their own subjects a fanatical devotion to their spurious goals. On the other hand they have used every tactic to destroy morale and to wreck economic progress in countries not under their sway. To a large extent the problem of morale can be overcome in the Soviet system by sheer force. The dictators of that police regime can issue ruthless orders and expect results even though millions of people suffer unwillingly as a result. In the free nations, however, major efforts must rest solidly upon the basis of genuine and sustained public understanding and support. More coordinated planning, national or international, is not enough. The peoples themselves must understand what needs to be done and must be morally prepared to do it.

The free nations are moving ahead with the job of creating strength individually and collectively. Not only are the energies and resources of each of the free nations being brought to bear but through the various international organizations their efforts are mobilized. Thus through the United Nations and through the North Atlantic Treaty, the Rio Treaty, and other collective security arrangements, the morale of the free nations is reinforced by the unity which is strength and by the encouragement of visible progress toward common goals.

Strength begets strength; and accomplishment now will strengthen the conviction of free peoples that they can build within their great community the power to repel present threats and to work effectively toward the fulfillment of their basic aspirations.

I. ECONOMIC IMPACT OF THE PROGRAM ON THE UNITED STATES ECONOMY

The impact on the United States economy of these proposals for foreign assistance cannot meaningfully be identified separately from the impact of the entire United States security program of which the Mutual Security Program and our own national defense program are only parts. There is no simple evaluations of what is the impact on our economy of one part as distinct from the impact of the other parts.

It is clear that resources will be strained by this total effort, that shortages will develop, and that serious problems of stabilization will arise.

It is equally clear, however, that the security job can be done. The burden that will be placed upon the American economy is one that can be sustained or even greatly increased if that should become necessary.

It is important to bear in mind that this program is a program for mutual security. Our contributions to other countries have as their purpose to enable those other countries to do these parts of the total security task which we could not do alone in any case. The purpose is, for example, to take advantage of the considerable potential defense production that exists or can be created in Europe. Failure of the European countries and ourselves to take such advantage would appreciably increase the burden of defense on our own military production and our own economy.

J. CONCLUSION

The Mutual Security Program proposed herein has been calculated in size, scope, and direction to be that best suited to further the national security of the United States during the fiscal year 1952.

It, with the program for the build-up of our own forces, should be considered an effort made necessary by the urgent and critical situation which confronts the United States and with it the free world.

It is based on these simple positive points:

(1) The best hope of preventing another world war lies in making ourselves and our friends strong.

(2) To do this requires the intelligent development and utilization of the resources of the entire free world through international cooperation.

(3) The strength which will come from the collective efforts of free countries will far exceed the strengths of the separate national components.

It follows the difficult but only feasible course of building by mutual and cooperative effort the strength to deter aggression or defeat it and rejects the clearly unthinkable alternatives of either abandoning the rest of the world to communism or attempting to defend it by our own efforts alone.

MUTUAL SECURITY PROGRAM

Military and Economic Assistance (All Titles)

Comparative Summary of Obligations by Functions and Activities

Function and Activity	Actual 1950	Actual 1951	Estimate 1952
Military Assistance			
Improving Effectiveness of Ground Forces (Total)	$ 834,746,701	$ 2,577,086,766	$ 3,462,303,8[illegible]
Materiel	834,139,001	2,568,704,916	3,455,8[illegible],250
Training	607,700	8,381,850	6,494,64[illegible]
Improving Effectiveness of Naval Forces (Total)	74,002,991	437,663,446	[illegible]4,763,3[illegible]
Materiel	72,919,203	424,748,765	[illegible]3,457,27[illegible]
Training	1,083,788	12,914,681	11,306,0[illegible]
Improving Effectiveness of Air Forces (Total)	132,707,555	1,419,426,050	2,267,850,5[illegible]
Materiel	129,268,381	1,393,172,645	2,245,950,8[illegible]
Training	3,439,174	26,253,405	21,899,700
Administration	6,413,139	29,344,569	53,000,000
Total Direct Obligations (Military)	1,047,870,386	4,463,520,831	6,777,917,825
Reimbursable Obligations (Military)	136,135	852,162	960,000
Total Obligations (Military)	1,048,006,521	4,464,372,993	6,778,877,825
Add Request for Cash to Liquidate Prior Years' Contract Authority			44,476,271
Deduct Carry-over from 1951			- 759,667,825
Deduct Reimbursable Obligations			-960,000
Appropriation Request (Military)			5,062,726,271

(Continued on next page.)

MUTUAL SECURITY PROGRAM

Military and Economic Assistance (All Titles)

Comparative Summary of Obligations by Functions and Activities (Continued)

Function and Activity	Actual 1950	Actual 1951	Estimate 1952
Economic Assistance			
Country Aid	3,982,862,992	2,094,784,388	938,291,000
EPU Capital Fund	-	350,000,000	-
Special Technical and Economic Aid	14,332,369	163,273,383	255,486,000
Technical Assistance	12,999,729	13,407,711	20,000,000
Bilateral Technical Cooperation	7,417,618	13,689,233	66,256,000
Multilateral Technical Cooperation	-	13,007,500	13,000,000
Ocean Freight Voluntary Relief Packages	8,023,608	3,690,256	2,800,000
Palestine Refugee Program	6,000,000	25,450,000	50,000,000
Relief of Refugees Coming into Israel	-	-	50,000,000
United Nations Korean Reconstruction Agency	78,594,174	38,989,365	119,950,838
Exchange of Student Program	2,073,587	3,549,301	4,377,112
Basic Materials Development	17,280,500	7,064,108	55,000,000
Confidential Funds	6,118	10,521	50,000
Administration	18,197,505	22,860,768	25,000,000
Total Direct Obligations (Economic)	4,147,788,200	2,749,776,534	1,600,211,000
Deduct Carry-over from 1951			-57,059,481
Appropriation Request (Economic)			1,543,151,519
Total Direct Obligations (Military and Economic)	5,195,658,586	7,213,297,365	8,378,128,825
Reimbursable Obligations (Military)	136,135	852,162	960,000
Total Obligations (Military & Economic)	5,195,794,721	7,214,149,527	8,379,088,825
Add Request for Cash to Liquidate Prior Years' Contract Authority			44,476,271
Deduct Carry-over from 1951			-816,727,306
Deduct Reimbursable Obligations			-960,000
Appropriation Request (Military and Economic)			7,605,877,790

Note: Obligations have been adjusted by function and title to conform with the appropriation structure proposed for 1952.

UNITED STATES CONTRIBUTIONS TO MULTILATERAL TECHNICAL COOPERATION PROGRAMS

COMPARATIVE SUMMARY OF OBLIGATIONS BY TITLE

	Fiscal Year 1951	Fiscal Year 1952
1. Europe	$ 342,000 a/	$ 342,000
2. Near East and Africa	3,751,500	3,744,000
3. Asia	4,914,000	4,914,000
4. Latin America		
United Nations Programs	3,000,000	3,000,000
Organization of American States Programs	1,000,000	1,000,000
Total	13,007,500	13,000,000

a/ The United States contribution of $12,007,500 in Fiscal Year 1951 to the UN Technical Cooperation Program is for the Program's first financial period July 1, 1950 through December 31, 1951, the remaining $1,000,000 is for OAS.

GENERAL NARRATIVE STATEMENT ON MULTILATERAL TECHNICAL ASSISTANCE

Realizing the important role which international agencies can play in economic development activities, the United States has supported, in addition to our own bilateral programs, international programs in this field, carried on by the United Nations and its Specialized Agencies and the Organization of American States. The United Nations agencies were rendering technical assistance within their regular programs before the President set forth Point IV. The extent to which they were able to undertake projects, however, was greatly limited by their budgets. Accordingly, the United Nations expanded Technical Assistance Program was instituted in 1950. Fifty-four nations pledged their support in the amount of approximately $20 million, of which the United States pledged $12,007,500, which represented approximately 60 percent.

Besides the already apparent political advantages in using multilateral agencies, we have material interests. The multilateral programs make available many experts from other countries, which is especially important to us when the drain on United States experts is heavy. About three-quarters of the experts presently recruited for the United Nations technical assistance programs are non-United States nationals. Experts with certain specialized skills, in such fields as fisheries, are more readily available in other countries. Further, the multilateral programs relieve the United States of some of the cost because other countries are also making contributions. As the United Nations is strengthened as a constructive force by giving practical aid to countries and enabling the peoples of the world to see it at work on concrete day-to-day problems, governments will feel more secure in maintaining a firm stand on the side of the free world, politically as well as economically. If we continue to use both the bilateral and multilateral approaches, we will gain good will from that fact and will contribute greatly to the political objectives of the United States.

The United Nations Expanded Technical Assistance Program is well under way and is gaining momentum rapidly. Funds for the first financial period, July 1, 1950 through December 31, 1951, equalled approximately $20 million, of which it is estimated $15 million will be used by the end of 1951, and approximately $5 million will be applied to the 1952 program. Given the scope of the program as it is now developing, it is estimated that the calendar year 1952 program will amount to approximately $25 million, $20 million in new contributions plus $5 million in 1951 carry-over. Of the $20 million of new funds for 1952, we believe that a United States contribution of $12 million, which represents 60 percent of the estimated new money, is consistent with the real national interest of the people of the United States in the work of the United Nations in the economic development of underdeveloped countries. In addition to the $8 million that is expected to be contributed directly by other countries, recipient countries are expected to bear at least an equal part of the individual project costs in local expenditures.

Figures for the 1952 program of the Organization of American States are not yet available. In view of our national interest in Latin America and Latin America's importance to us, we believe that a United States contribution of $1 million is appropriate. It is expected that contributions from the Latin American countries will be such that our contribution will not exceed 70 percent of the total.

SUMMARY OF OBLIGATIONS BY ILLUSTRATIVE PROJECTS BY TITLE

UN MULTILATERAL TECHNICAL COOPERATION PROGRAM a/

	Europe	Near East and Africa	Asia	Latin America	Totals
1. Joint Commissions & Economic Surveys	$ 18,000	$ 218,600	$ 390,400	$ 408,000	$ 1,035,000
2. Agriculture, Forestry & Fisheries	230,000	2,376,000	2,470,250	1,448,750	6,525,000
3. Education	44,100	530,400	1,198,500	432,000	2,205,000
4. Health	100,000	2,090,000	1,730,000	1,030,000	4,950,000
5. Industry & Labor	166,430	815,070	1,665,000	862,700	3,509,200
6. Transportation & Communication	3,600	155,000	198,000	75,400	432,000
7. Mineral Resources	3,150	38,000	86,000	30,350	157,500
8. Water Resources	8,550	104,700	202,750	152,000	468,000
9. Government Administration & Services	67,070	691,230	1,273,000	1,185,800	3,218,300
Total	641,500	7,019,000	9,214,500	5,625,000	22,500,000
Administrative Costs	71,500	780,000	1,023,500	625,000	2,500,000
Grand Total	$ 713,000	$ 7,799,000	$ 10,238,000	$ 6,250,000	$ 25,000,000
				Contributions of Other Governments	- 12,000,000
				Appropriation Request (U. S. Contribution)	$ 13,000,000

a/ The 1952 Program for the Organization of American States is to be planned at the Extraordinary Session of IA-ECOSOC, meeting in Panama on August 20, 1951. Estimates will not be available until the session has been completed. The fiscal year for both the OAS and UN programs coincides with the calendar year.

SUMMARY OF 1952 OBLIGATIONS BY UNITED NATIONS SPECIALIZED AGENCIES

Agency	Europe	Near East and Africa	Asia	Latin America	Total
1. United Nations	$ 100,000	$ 1,262,000	$ 2,200,000	$ 2,188,000	$ 5,750,000
2. International Civil Aviation Organization	-	122,000	128,000	-	250,000
3. Food & Agricultural Organization	255,000	2,650,000	2,720,000	1,625,000	7,250,000
4. World Health Organization	111,000	2,250,000	1,952,000	1,187,000	5,500,000
5. International Labor Organization	177,000	650,000	1,360,000	563,000	2,750,000
6. United Nations Educational Scientific & Cultural Organization	70,000	865,000	1,878,000	687,000	3,500,000
Total	$ 713,000	$ 7,799,000	$ 10,238,000	$ 6,250,000	$ 25,000,000
				Contributions by Other Governments	- 12,000,000
				Appropriation Request (U. S. Contribution)	$ 13,000,000

NARRATIVE STATEMENT OF SPECIALIZED AGENCY PROGRAMS

UNITED NATIONS TECHNICAL ASSISTANCE ADMINISTRATION (UNTAA)

The UNTAA undertakes only such projects as do not fall within the scope of the specialized agencies. Many aspects of social welfare and public administration are a necessary corollary to a program of economic development and are of particular significance for the less developed areas of the world. To countries whose most immediate need is for assistance in economic development planning and in setting up priorities, survey missions are being sent, organized and coordinated by the UNTAA although experts from other agencies may be included. In the field of statistics the UNTAA is sending out experts to work with the government statistical services and to train local statisticians in modern methods. Other fields of UNTAA activity include transportation and communications, the development of small-scale and cottage industries coordinated closely with the ILO, and the appointment of technical assistance resident representatives to serve as coordinators of all United Nations technical assistance in any given country.

FOOD AND AGRICULTURE ORGANIZATION (FAO)

It has been said that hungry people cannot be taught, and it is axiomatic that improvements in health standards and mortality rates in countries in which food supplies are low are lost without an accompanying improvement in agriculture development. The provision of advice and assistance to governments on the efficient use of limited supplies of technical, financial, and material resources available for the development of a country's agriculture, forestry and fisheries is of paramount importance. FAO's technical assistance program directed toward the development of a country's resources includes these functional activities: integral rural development; extension and improvement of essential government services; land and water utilization, conservation, and development; crop improvement and protection; animal improvement and disease control; farm organization and management; conservation and management of forest lands; fish production and management of fisheries resources; nutrition; food management and home economics.

UNITED NATIONS EDUCATIONAL, SCIENTIFIC AND CULTURAL ORGANIZATION (UNESCO)

Illiteracy is a major problem to be coped with in most underdeveloped areas. An illiterate population is a drag on almost every aspect of economic development. In many countries there are few teachers available outside the main centers and practically no textbooks. In other countries specialized knowledge is needed if the standards of living are to be raised. Some countries are rich in resources but lack the technical means to develop them. Through fundamental education centers, UNESCO is attacking the problem of illiteracy, and the textbooks used are so prepared that in learning to read and write people will also learn about the importance of vaccination against smallpox, or why drinking water should be pure, or how to cultivate the soil. Where teachers and specialized knowledge are needed, UNESCO is undertaking the training of technicians, both in the country and through fellowships abroad, in the basic and applied sciences, and in the methods and techniques of research and scientific development. As soon as these technicians are qualified, they will replace the foreign specialists provided by UNESCO.

WORLD HEALTH ORGANIZATION (WHO)

It is generally recognized that a healthy population is an essential to economic development. The availability of effective manpower and the levels of human efficiency are closely connected with physical and mental well-being. Almost without exception the underdeveloped countries face vast health problems. The WHO is providing technical services specifically directed at helping governments plan and develop public health programs to combat malaria, tuberculosis, venereal and other communicable diseases. These programs are supplemented by projects to improve sanitation conditions, nutrition, etc. National health services and training programs for local personnel are being developed and strengthened to insure permanent benefits from the first type of assistance and to enable countries to cope with their own health problems in the future.

INTERNATIONAL LABOR ORGANIZATION (ILO)

The requests made to the ILO show clearly that the governments of underdeveloped countries are anxious to organize their manpower in accordance with development schemes, to rationalize handicrafts and small-scale production, to introduce safe, improved conditions of work and welfare, to raise productivity, to follow sound wages and industrial relations policies, and to initiate and enlarge schemes of social security. The ILO, in cooperation with the UNTAA, is undertaking projects to develop cottage and handicraft industries which permit farmers to earn cash income in off seasons with which to buy machine machinery and equipment. In other countries in which industrialization is retarded because of the lack of skilled workers the ILO is setting up vocational training programs, and training technicians and administrators. Where industrial development is in a somewhat more advanced stage, the ILO is rendering assistance in developing labor and industrial standards, social security laws, safety regulations, etc.

INTERNATIONAL CIVIL AVIATION ORGANIZATION (ICAO)

One of the most urgent needs of underdeveloped countries is a transportation system which will promote commerce and enable widely separated regions of the country to develop those industries having the greatest comparative advantages. While aviation is only one of the forms of transport which can be improved with benefit to underdeveloped countries, its peculiar advantage lies in the relative speed and economy with which it can be brought into operation, particularly in countries where climatic or geographic conditions make the initial outlay for other forms of surface transport costly both in money and time. ICAO's technical assistance programs fall into four general categories: (1) general advice on civil aviation and the establishment of competent civil aviation administrations within governments, (2) communications, (3) air traffic services, (4) meteorology. Emphasis will be laid on the initiation of projects which will be within the competence of the underdeveloped countries to carry out after ICAO's experts have left the country.