PD-ACC-997

Mutual Security Program

MUTUAL DEVELOPMENT AND TECHNICAL PROGRESS

TECHNICAL COOPERATION ADMINISTRATION

PROPOSED PROGRAM fiscal year 1954

PART I

I. INTRODUCTION

II. NEAR EAST AND AFRICA

III. SOUTH AND SOUTH EAST ASIA

BEST AVAILABLE

ECONOMIC ASSISTANCE AND TECHNICAL COOPERATION

SUMMARY - ALL TCA REGIONS

(In Thousand Dollars)

	Actual 1952		Estimate 1953		Proposed	
	Act for Int.Dev.	Special Aid	Act for Int.Dev.	Special Aid	Act for Int.Dev.	Special Aid
Near East and Africa	37,774.0	114,764.0	51,391.0	130,291.0	43,792.5	170,000.
South and Southeast Asia	85,668.1	-	68,382.5	16,500.0	49,100.0	94,400.
Latin America	17,788.3	-	21,595.5	-	24,342.0	-
Multilateral Technical Assistance	12,330.0	-	13,767.1 1/	-	13,750.0	-
Total	153,560.4	114,764.0	155,136.1	146,791.0	130,984.5	264,400.0
Grand Total	268,324.4		301,927.1		395,384.5	

1/ Includes $4,595.8 proposed as a supplemental estimate for FY 1953

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TECHNICAL COOPERATION ADMINISTRATION
1954 BUDGET SUBMISSION

I. GENERAL INTRODUCTION:

A. Technical Cooperation. $130,984,500
(Whereof:Bilateral. . . . . .$117,234,500)
(Whereof:Multilateral - UN&OAS $ 13,750,000)

Technical assistance is an essential part of the United States effort for building up the strength of the free world. It is a basic instrument of United States foreign policy.

In the Middle East, Southeast Asia, and Latin America nearly a billion people -- two-thirds of the free world -- are struggling to find new ways of life that will raise them above the poverty, ignorance, and disease of many generations. Their aspirations are rooted in normal instinctive desires -- for sufficient food, healthier bodies, and a chance for their children to have better things than they themselves could enjoy. The appeal of Communism, especially in underdeveloped areas is the promise of better food and rising living standards for the masses. United States policies must take the initiative from empty communist promises and slogans by joining with other peoples in tangible cooperative development programs which will visibly bring steady improvement in living conditions and build confidence in free economic institutions.

The principal objective of the Technical Cooperation Program is to share with the peoples of underdeveloped areas the knowledge and skills they need to develop their own abilities and resources. This is done by sending United States and other skilled experts into the cooperating countries to train the native peoples, and by bringing selected local leaders and technicians to the U. S. for advanced training. To be convincing, teaching must be backed up by results. Consequently, limited supplies and equipment are provided to ensure persuasive results from each project.

U. S. technicians work side-by-side with the ordinary people of other countries. They teach by demonstration and example. Their aim is to improve the skills and understandings that local workers use in their daily activities. The fruits of such technical cooperation multiply by geometric progression, starting slowly and gaining momentum as more and more people learn to help themselves and in turn teach others. Once the door to the productive capacities of a people is unlocked, economic and resource development tends to proceed at a constantly accelerating pace. Outside assistance is needed less and less.

B. Special Economic Aid for Critical Areas $264,400,000
(Whereof: Near East. . . . . $170,000,000)
(Whereof: South Asia . . . . . $ 94,400,000)

In some underdeveloped areas, however, poverty and unrest among large numbers of the people dangerously expose political and economic institutions to the planned aggression of organized communism. In these less stable situations, pressures are great and time is short. Extra effort is required.

In most countries, under more favorable circumstances, initial capital for development of natural resources is normally furnished by private investors, local taxation, or other regular sources of national and international credit. But where political and economic instability are great and the needs of the people urgent, these sources may not be enough. The modest economic assistance that goes with technical cooperation may need to be stepped up and supplemented by special United States financial aid.

Technical Cooperation and Special Economic Aid for critical areas are in general closely related, yet distinct, devices for encouraging economic development, free and democratic institutions, and improved international understanding in underdeveloped countries. Where this emergency aid is necessary, it must be closely integrated with technical cooperation. Special economic aid need not change the essential character of technical assistance as a program of self-help and self-development. Instead it should serve to increase the effectiveness of technical assistance by providing additional opportunities for the people to make use of their new and growing skills. Such Special Economic Aid is recommended in certain strategic regions of the Near East and South Asia, because of conditions that are immediate, compelling, and urgent.

Although technical cooperation and Special Economic Aid are integrally interrelated, each has its own character and each is a device to meet a particular need. Consequently, they are presented as separate components of the FY 1954 budget submission, separately justified and based on separate legislative authority. The particular justification for each case is presented under the separate regional statements.

C. General Objectives of Technical Cooperation.

Technical cooperation has the long-range objective of helping the people of underdeveloped regions to help themselves, by sharing with them modern skills, methods and scientific discoveries that will enable them to develop their own resources. The objective is not for the United States to develop economic resources for the host government, but to teach the people how to do the job, and how to get started.

Fundamental needs get first attention -- increased food production, better health and sanitation, improved elementary and vocational education. More complex problems are undertaken only as the people accustom themselves to changed ways and increased personal responsibilities, and can make use of new skills and new tools.

Point 4 technicians emphasize self-help methods in getting their jobs done. Projects must be truly cooperative -- cooperatively planned, administered, and financed -- so that the people and their government will feel a sense of responsibility and participation. Therefore, TCA fits its services into the over-all economic and social programs of the host government. U. S. knowledge and experience support programs which the people of the country later will be able to finance and operate by themselves.

The host government must always request assistance in projects undertaken. TCA specialists do not go where they are not invited. And the participating country is required to contribute its "fair share" of the cost of the joint program. TCA encourages the maximum local contribution, though this may take the form of labor, services and materials as well as funds. Our experience shows a steady increase in money, effort and popular support from the host countries as individual projects get underway -- until U.S. support can eventually be withdrawn entirely and the host country can take over the entire operation.

TCA uses various techniques for achieving joint planning and execution. In some countries cooperative service agencies, jointly staffed and administered by U. S. and local technicians, are set up as bureaus within the ministries of the host government. These agencies are financed by contributions from the two governments to a common pool. Withdrawals can be made only upon agreement of the principal U. S. technician and the Minister concerned.

In other countries a joint fund may be established for the whole cooperative program or for segments of it, even if no joint agency is set up. Or joint planning may be accomplished by committees including both host government officials and officers of the TCA mission.

In day to day operations, our technicians are partners with their local opposites at all levels. The Director of the TCA mission deals with the host government at its highest levels of authority. His senior staff works closely with the heads of ministries. Other technical staff members, as advisers to local officials, work right in the villages in community development projects, visit farms with local extension workers, help devise new implements or demonstrate their uses, or demonstrate new and improved methods and practices.

In addition to the TCA program the United States has contributed approximately 60 percent of the cost of multi lateral technical cooperation carried on by the United Nations and its specialized agencies, and the Organization of American States. TCA personnel coordinate their activities with UN agencies (FAO, WHO, etc.) to avoid duplication and to increase the effectiveness of both. Private agencies also have their field workers in many underdeveloped countries, and TCA cooperation with them has been increasingly effective.

Major Emphases.

The Technical Cooperation Program puts first things first. Programs vary from country to country according to needs, but most programs start with agriculture, health and education.

The underdeveloped countries are predominantly agricultural, but their people are always hungry. Despite the disproportionately large number of farmers, the countries are deficient in food production. Food must be imported, using funds which could go into capital goods (essential to development) which also must be imported. Technical cooperation gives high priority to improvement of farm practices, better seed, more fertilizer, and improved tools.

Disease contributes to low productivity. Disease saps energy and weakens whole populations even more than it kills and cripples. Joint public health and sanitation projects aim at control or eradication of such diseases as malaria, dysentery, tuberculosis, yaws, and schistosomiasis.

The people of the underdeveloped areas are held back by illiteracy. TCA education projects aim at rapid instruction of masses of people, both children and adults, and the teaching of basic vocational skills.

Other important fields of activity for TCA include mineral resources; trade and industry; transportation, communication and public works; and general projects of community and village development.

Parallel with direct training by U. S. technicians working in the countries, technical cooperation provides more advanced training for selected local officials and technicians. These trainees have usually been brought to the United States to study at our technical schools and universities and to observe U. S. farm and factory methods. Now more and more we are shifting to special regional centers, sometimes outside the United States, where trainees can work under production and marketing conditions more nearly like conditions in their home countries.

Special Objectives.

As the Technical Cooperation Program works toward its own general objective, it aids in four other major tasks essential to the security of the free world.

1. It fights communism where military weapons are useless -- where impoverished people seeking greater political freedom and material welfare may be misled as to how to realize their hopes.

2. It demonstrates that general economic conditions can be improved and levels of living can be raised through democratic methods and institutions, where decisions and actions by free individuals provide the main force for progress.

3. It helps develop an expanding multilateral trade among regions and nations of the free -- to the benefit of the underdeveloped economies, the United States, and our Western Allies.

4. It advises host governments how best to use loan capital so that the choice of sound development projects will help create economic climates attractive to private foreign investment and conducive to the increasing prosperity of the free world.

AGRICULTURE, FORESTRY, AND FISHERIES

Although the economies of most underdeveloped countries are primarily agricultural, food production is deficient both in quantity and quality. The lack of proper nutrition keeps the productivity of the people at low levels and makes them particularly vulnerable to disease. The inadequacy in agricultural production is often due less to lack of resources than to inefficient methods of cultivating the land. Consequently, the greatest single TCA effort goes into the production and utilization of food and agricultural products.

In general, agricultural projects are undertaken which set examples that can be followed by the countries themselves, but which also contribute immediately to the total food supply. The principal types of activity are: increasing yields per acre by introducing better seed, crop rotation and greater use of fertilizer; improving livestock by controlled breeding, artificial insemination and modern feeding practices, including grasslands development; introducing improved pest-control techniques and farm-storage practices for grains, hay, other produce, and animal fertilizer; developing advisory agricultural extension services to make available to the "dirt farmer" the best knowledge that can be of use to him; expanding local agricultural credit, particularly through farm credit unions; establishing cooperative machinery pools for local farm use; and supporting loan requests to public lending institutions through technical studies and recommendations.

Two or three examples will illustrate the character of the projects in these widely-ranging areas of activity. The northern highlands of Peru, for instance, offer great sheep raising possibilities but little had been done to improve primitive sheep ranching practices in the area. At the request of the Peruvian government a project was started in the latter part of 1950 which has nearly doubled the amount of wool yield per sheep, repaid the total initial cost of the project, and increased earning power of the cooperating families in the area far beyond anything they had previously dreamed possible.

In the Near East, Africa and South Asia, TCA is cooperating with a number of governments and with the United Nations Food and Agriculture Organization in a regional locust-control program. It is designed to promote international cooperation in controlling locusts; to assist the countries in coordinating and improving control activities, including aerial spraying and reconnaissance; and to help in training entomologists, mechanics and pilots to enable the countries to take over responsibility for the entire program. Operations are coordinated under a TCA field office at Beirut, administered by the Bureau of Entomology and Plant Quarantine of the Department of

Agriculture under authority delegated by TCA. U. S. funds requested for the program in FY 1954 total $413,000, while the contributions of the participating countries will amount to $12,000,000.

In Peru the cooperative U. S.-Peruvian Agricultural Service initiated a machinery pool towards the end of 1945 to provide services, materials, and supplies, that are essential for improving agricultural practices in areas where normal commercial channels have not yet developed sufficiently to supply farmers' needs, and, in sparsely settled areas, to provide services that commercial establishments might not find profitable. The pool introduces and improves new insecticides, machines, equipment, and other supplies. Farmers pay for what they receive, and the project is self-sustaining. As private enterprises moves in to take advantage of demonstrated opportunities, the pool withdraws.

The Peruvian machinery pools have been so successful that the International Bank for Reconstruction and Development has loaned Peru $1,300,000 to purchase machinery to supplement their operations. The additional machinery will make it possible to cultivate an additional 50,000 acres of land annually and to reclaim annually about 12,500 acres acres of once productive land. Much of the new equipment will be used in leveling, draining and contouring for more effective irrigation on Peru's dry coastal plain. At least $1,000,000 a year should be added to total production from the reclamation operation alone. Point 4 technicians supervise operations until nationals are trained to continue the program unassisted.

Point 4 machinery pool operations in Latin America are also creating new opportunities for U. S. businessmen. Farmers tend to stick with those types and makes of machines with which they have become familiar. Demonstration of U. S. equipment is helping U. S. manufacturers to expand the Latin American market which now takes 34 percent of all U. S. exports of agricultural machinery and implements.

HEALTH AND SANITATION

In underdeveloped areas, many if not most of the people suffer from debilitating diseases which seriously retard economic activity. In some areas the malaria incidence rate is as high as 90%; in others trachoma may plague 75 to 90% of the population. National health services are weak, lacking even the minimum number of trained professional workers.

TCA is cooperating in health programs with 35 countries of Latin America, Africa, the Middle East and South Asia. In all these countries, TCA is providing advisory services to the ministries or departments of health, and helping to train professional and sub-professional health and sanitation workers. With TCA cooperation, countries are making advances in developing safe water supply systems, wells, and sanitary methods of human waste disposal; in controlling major diseases; in protecting the health of children; in expanding nursing services; and in gaining public support and use of health services.

TCA is also helping in the establishment of community centers to supply a variety of health services.

Already positive accomplishments are to be seen. Health services are reaching many people for the first time. Illness is no longer inevitable. In parts of Iran, the TCA-assisted National Malaria Control Program has cut malaria incidence from 90% to 10%, and over 4,000,000 people have already been protected. The success of water supply projects in Mexican villages has led to many requests for TCA cooperation.

Development of national health programs and community health services is making a marked contribution to general well-being, economic productivity, and to the stimulation of that local interest and participation which is so essential to progress.

HOUSING (Included in Health and Sanitation Activities)

Housing and shelter for people of the underdeveloped areas are generally grossly inadequate and constitute a major obstacle to progress. Through programs of technical cooperation, an effort is being made to help the people learn how to build decent quarters by their own effort, with local materials and technical guidance. The small financial aid required for materials is usually provided by the host government. The success of the health, sanitation, and other programs is partly dependent upon decent housing.

Inadequate shelter is nothing new. Since World War II, however, conditions have deteriorated, because of lack of technical ability, material shortages, population growth, inflation, political unrest, the movement from country to city, and migration of refugees. The tremendous scope of the problem has baffled many leaders of underdeveloped countries.

TCA's cooperative housing program is designed to give technical guidance to countries seeking to improve their primitive housing standards. The philosophy is essentially one of aided-self-help. The technicians help people to learn how to construct simple, sanitary and healthful homes from readily available local materials. The types of houses recommended are directly related to the climate, economic status and living requirements of the people. TCA also furnishes specialists to countries seeking aid in city, town and village

planning, design of water supply and sewerage disposal systems, community facilities, schools and the development of low-cost building supplies from indigenous materials.

U. S. housing technicians give home-construction demonstrations to illustrate the benefits to be derived from better quarters. For example, a simple method can be demonstrated of building an efficient kitchen for cooking over open fires, without chimneys, in a living room.

COMMUNITY SERVICES (Included in Health and Sanitation Activities)

Increased productivity and economic development require consideration of many closely related social problems. Consequently, the Point 4 program is concerned with the development of useful social organizations and programs as an integral part of the effort to raise standards of living. These programs are necessary if all elements of the population are to take advantage of the opportunities for self-help. They are also designed to deal with social obstacles to economic progress or conditions that are aggravated by economic and technological change. On the request of governments, TCA provides specialists to aid and advise on: (1) developing group and community self-help organizations, (2) preventing or dealing with social problems resulting from economic and technological change, (3) establishing or strengthening social welfare and related community services.

EDUCATION

The essence of all Point 4 projects is education. Whether working in the field of agriculture, health, engineering or public administration, the primary purpose of technical cooperation is to transmit the knowledge and skills that will help develop the capacities of human beings to improve their own conditions of life.

Within the overall objective of the program, education specialists have a specific and important responsibility in helping people who, for the most part, have never had access to schools and systems of basic and vocational education. It is significant that among these people, whose needs are many, the need for education is deeply felt and the demand for schooling is insistent and widespread.

TCA education activities may be summed up as follows:

1. Cooperation with Ministries of Education of host governments in planning and developing school systems which provide both basic and vocational education for both adults and children.

2. Teacher training programs which introduce modern teaching methods, for literacy, vocational arts and crafts, and community living.

3. Adult education programs for literacy, vocational training and home-making purposes. Such projects are not restricted to class rooms, but draw also upon industry to provide apprenticeship training.

4. Cooperation with universities and other institutions of higher education of TCA countries to develop their staffs, facilities, curricula and their relationships with appropriate institutions in the U. S., often through the exchange of students and faculty.

The rapid increase of schools and adult literacy classes in many Point 4 countries is stimulating an interest in female education where women and girls have long been denied access to schools. In this connection, the pioneer work of some 125 American women technicians in a number of technical fields is immensely valuable.

The TCA education program is making increasing use of modern visual aids which are the indispensable tools of technicians in their work of communicating ideas and demonstrating skills to large numbers of people. Experience shows that Point 4 visual aids are most effective when they are simple, when they are locally produced and when they reflect the setting and the customs of the country where they are to be used. Training of nationals in the development and use of simple visual aids is an important element in the TCA education program.

NATURAL RESOURCES

Proper conservation and development of natural resources are essential for real and lasting improvement in the living standards of people in the underdeveloped countries. One of the most precious resources is water -- particularly in the Middle East, South Asia, and certain semi-arid areas of Latin America. U. S. technicians, under Point 4 auspices, are working in cooperation with the technicians of the host countries to forward water resources development for multipurpose use of irrigated agriculture, hydroelectric power, domestic and stock water. Coupled with these developments are projects for re-establishing forests and range lands worn out during centuries of overcutting and overgrazing. In many countries special assistance is given to development of fresh water and deep sea fisheries.

Mineral resources, both metallic and nonmetallic, are increasingly important to the economies of all countries. Our technicians

are guiding exploration and development of minerals in cooperative projects and are training the technicians of the host countries in improved practices of exploration, mining and processing of minerals.

INDUSTRY, TRADE AND LABOR

Some measure of increased industrialization logically accompanies the effort to grow more food, improve health and education. At present, many of the people in the underdeveloped areas can work only during the farming season and need other employment during the off periods. Crops are partly wasted for lack of industrial processing facilities. National economies which are too dependent on the price of a few raw materials are often extremely unstable. Scarce foreign exchange frequently has to be spent to import goods which could be processed efficiently with domestic resources.

Point 4 is helping existing industries in newly developing countries to improve their operating efficiency and the quality of their products. As available resources and markets warrant, Point 4 also offers aid in developing new industries. It assists in field and laboratory studies of local raw materials and their utilization in order to suggest new products and processes. In addition, Point 4 provides technical cooperation in searching for, developing or processing basic industrial materials.

TCA specialists attached to its country missions or available through other arrangements, provide a wide range of advisory services for industrial development. One mechanism for doing this is through productivity centers such as are being established in Brazil and Chile. Again, the services of private consulting firms can be made available to another government under contract, as has been done in Burma and Indonesia, and is being started in Egypt. Or, home and other small-scale industry can be stimulated and guided by Point 4 specialists, as is being done in Ecuador.

The Point 4 program is cooperating with governments in dealing with the labor and manpower problems inherent in programs for increasing productivity and raising living standards. As the program progresses, these problems are appearing in ever sharper focus and can be expected to require increased attention. Technical labor experts have been assigned to several countries to advise other governments. Specific projects are completed or under way in such fields as industrial training (including training of foremen); productivity; industrial safety and hygiene; labor statistics, and governmental labor administration. Trainees have come to the United States for practical on-the-job training in industry, governmental labor administration and labor-management relations. Technical information and materials are being provided to Latin American productivity servicios.

TRANSPORTATION AND COMMUNICATIONS

Without adequate transportation and communication systems, a country's economic development cannot progress far. Transportation and communications must keep pace with, or pave the way for development in other fields of activity. Growing more wheat or rice has limited value if it cannot be moved to market. Industries cannot be developed unless they have access to necessary raw materials and a means of distributing their products. Better transportation enables vital raw materials to become a source of badly needed income to underdeveloped countries and a means by which they can contribute to the prosperity of the free world. People and ideas must move with commerce to strengthen the vitality of the free world. Transportation and communication systems must not only be developed, but maintained effectively if they are to be useful.

TCA cooperates with other governments in a wide range of such activities, including the development and maintenance of road, water, rail, and air facilities. This cooperation involves surveys and advice on routes, on construction, maintenance, and operating methods. Point 4 technicians contribute also to effective use of Export-Import and International Bank loans as, for example, in Liberia and Ethiopia.

PUBLIC ADMINISTRATION

Point 4 technicians are now advising host governments on modern methods of public administration. In most countries with which TCA is working, management of government offices and public services is antiquated. Only by developing trained government administrators and agencies capable of effectively planning and executing economic development programs, may we be assured that the benefits of our efforts will endure after the termination of United States technical assistance.

Many countries have shown an interest in getting advice to help them improve their public administration. Requests are usually for services of competent U. S. technicians to assist on specific problems, or for training grants under which nationals come to the United States or elsewhere for advanced study and observation. These two approaches are integral parts of the TCA public administration program. Results of this work include the establishment in Saudi Arabia of a new monetary agency to centralize control of receipts and expenditures on the basis of recommendations of a TCA mission, and the establishment of an executive budget system in Uruguay with the help of several local officials who had received training in the United States.

COMMUNITY DEVELOPMENT OR "GENERAL PROJECTS"

TCA experience in reaching people at the "grass roots" has emphasized the importance of getting active participation by individual farmers, workers, and their families at the village level. Things done for people often prove not to be permanent; whereas self-help activities tend to "bring the people to life" and lay a permanent basis of community support behind the advances made. Increasing emphasis, therefore, is being placed on a "community development" approach in all regions of TCA responsibility. This provides for coordination of technicians from many fields -- usually agriculture, health and sanitation, education and social welfare and often also industry and other social activities. By putting services of a variety of technical experts behind the development problems of selected localities the impact of the total program is multiplied.

Particularly interesting in a number of community development projects is the device of training multipurpose village workers who live in the native community and help the people actively take part in meeting their own felt needs. These village level workers also promise to provide an important channel by which national ministries may reach down to the people themselves with such regular established services as agricultural extension and other centrally organized activities. In some other instances, as in Iran, a team of a number of specialists actually work together in the local community. In general "a community development" approach performs the following special functions:

(a) provides a framework for ensuring a coordinated approach to community development,

(b) provides an opportunity for the people to plan and carry out self-help activities,

(c) develops local leadership and the capacity of the community to carry on development programs after outside assistance is withdrawn,

(d) serves as a channel for reaching the people with technical assistance and services available from the government and other sources.

Village development programs of this general kind are being particularly emphasized in India, Pakistan, Iran, Iraq, and Egypt; but a great many other countries in both hemispheres are carrying on similar projects in selected localities.

TRAINING

The policy of the Technical Cooperation Administration is to train as many technicians as possible in each of the cooperating countries, using local facilities and projects as educational laboratories. This gives each United States technician serving abroad a heavy responsibility for teaching. Training on the job has the advantages of being in the learner's language and in an environment which he understands.

In some instances, it is desirable for trainees and leaders to go to a training center in a nearby country. The use of training facilities in the region as well as those in the country provides instruction and experience of either a broader or a more highly specialized kind.

An example of regional training is that carried on in the American University of Beirut, Lebanon to which trainees go from a number of Arab states. A similar program is underway in Puerto Rico for Latin American technicians.

A considerable number of leaders and more advanced trainees are being selected for training in the United States. This ever-increasing training responsibility is shared by the other Departments and agencies of the U.S. Government and by the educational and business institutions of this country. The careful blending of training between Governmental and non-governmental agencies is important to provide a balanced experience in both theory and practice.

An experiment in special-purpose training is planned for Puerto Rico. A limited number of trainees bound for the United States from South Asia and the Near East countries may go first to Puerto Rico. There they would enroll for a month's general demonstration of the Puerto Rico plan for raising the standard of living of its own people.

In Panama, the Inter-American Coast and Geodetic Survey is using its splendid facilities and leadership to train a few Latin American technicians to make and to utilize maps and aerial photographs.

This summer in the United States there is being established an experimental training center for the short term training of foreign students graduating from American universities. It is thought that this plan might eventually supply a considerable number of the junior technicians so greatly needed by their countries.

PRIVATE INVESTMENT ASPECTS OF POINT 4 PROGRAM

The Point 4 Program has served to increase directly and indirectly, the capacity of underdeveloped economies to absorb domestic and foreign capital.

I. Indirectly, technical cooperation serves to overcome some of the obstacles to the flow of private investment abroad by aiding economic development, by increasing the productivity of the labor force, by helping host governments to modernize their services, by encouraging ~~governments to modernize their services, by encouraging~~ receptivity to private investment, by helping in the development of local capital markets, and by developing the human resources essential to economic development.

II. Directly, TCA has attempted to implement the mandates of the Act for International Development and the Mutual Security Act of 1951, as amended, in the area of private investment by:

A. Locating and drawing attention to opportunities for private investment abroad.

In cooperation with the Department of Commerce, TCA instructed its missions in the field to work with host governments, local business groups and individual businessmen for the purpose of identifying and developing specific information on opportunities for investment, to assist in supplying background information, and to assist in negotiations with the host government in an attempt to make the investment climate more attractive. Through State Department facilities TCA helps report specific opportunities for private investment and patent licensing to Commerce Intelligence. These opportunities are made available to the Foreign Commerce Weekly, with secondary publicizing through the 42 Regional offices of the Commerce Department. The regional offices contact private individuals and business firms who are potential foreign investors, licensors or licensees. Furthermore, in cooperation with MSA, TCA has taken steps to extend the Contact Clearing House Service to TCA counties, making use of the 750 private business service organizations in the U.S. which actively participate in the program.

B. Service to Business

As a means of promoting U.S. private foreign investment, TCA has authorized the Department of Commerce on a reimburseable basis (1) to prepare a series of Investment Guides; (2) to extend investment counselling services by members of the staff of the office of International Trade; and (3) to prepare a census of U.S. direct investments abroad.

C. Extension of Investment Guaranty Program

The Investment Guaranty Program, which had been limited to ECA areas, was extended to countries covered by the AID by the Mutual Security Act of 1951. It was implemented in a TCA area when Israel concluded negotiations for the program in August, 1952; Haiti concluded similar negotiations recently. Discussions have been held with representatives of the Governments of India, Pakistan, Iraq, Indonesia and Burma, and negotiations with other countries will be carried on in Washington. In cooperation with State and Mutual Security Agency, TCA is engaged in implementing the Investment Guaranty Program in the areas in which TCA operates.

D. Industrial Development - Private Investment Program

TCA activities in this area involve (1) planning and carrying out industrial development projects appropriate for inclusion in a regular Point 4 program of technical cooperation financed jointly by the U.S. and the host government; (2) planning and carrying out projects designed to stimulate the investment of local private capital in industrial development; (3) planning and carrying out projects designed to stimulate the investment of foreign capital (especially U.S. capital) in industrial development.

E. Contractual Use of Private Agencies

TCA enters into contracts with both private business enterprise and non-profit educational, research and welfare organizations and institutions for services in connection with all major phases of its program. TCA has found, however, that non-profit educational and voluntary institutions are the principal private sources for technical skills in education, public health and agriculture of the type most suited to the underdeveloped areas, while private business enterprise is the chief reservior of skills in the fields of industry, natural resources development, and the engineering and economic phases of the program. Contracts with private business organizations represent 56 percent of the dollar total in the period from the inception of the program through Dec. 31, 1951; 58 percent of the total in the period Jan. 1, 1952 through Feb. 28, 1953. Moreover, it is expected that the number and value of contracts with business enterprises will increase still more rapidly as TCA efforts to expand technical cooperation in the fields of industry and nonagricultural resource development bear fruit. The percentages above do not include contracts for the procurement of commodities from private U.S. supplies under TCA programs, authorized in the amount of approximately $60,000,000 in fiscal year 1952.

F. The Role of Public and Private Funds

The use of public funds in developing basic facilities is often a prerequisite for the attraction of private capital. The roles of public and private funds, therefore, are by no means mutually exclusive. They complement each other. It is upon the foundation laid by multipurpose projects essential for sound economic development -- projects for the promotion of health, education and housing, and of transport, power and communications -- that we may look for an appreciable expansion in investment opportunities attractive to the private investor.

Over and beyond TCA activities described above, the future of U.S. private investment abroad is related, among other considerations, to U.S. import and export policy, balance-of-payments, our success in helping to restore convertibility to the major currencies of the world, the negotiation and conclusion of Friendship, Commerce & Navigation treaties, preferential tax treatment for income on new investment, extension of Investment Guaranties and operations of the Export-Import Bank. These are questions that await determination of basic objectives in foreign economic policy, and establishment of appropriate executive mechanisms with responsiblity for overall implementation.

COST ELEMENTS IN PROGRAM

The TCA program costs shown in the present submission are composed of slightly different cost elements from those included in prior years. For FY 1954 all "program" expenditures shown include an estimate of certain domestic expenses heretofore included under Administrative Expenses (which have always been part of Title I) and exclude certain field expenses for program direction which have heretofore been included in the country "program" funds.

The "domestic program expenses" now included are expenditures that can either be identified specifically with a particular field project or program activity or be related directly to the implementing of broad functional fields of overseas operation. Examples of such expenses are those incurred by the participating agencies (e.g. The Departments of Agriculture, Commerce, Interior, etc.) as a result of their handling TCA trainees from host countries or providing technical "backstopping" and general advice and assistance for the field technicians. All domestic contracts placed by TCA for technical services in support of field operations will be charged to "program" expenses in FY 1954.

On the other hand the so-called "program direction" elements of each country's field operation (including costs of the Country Director and his principal executive and administrative staff -- not specifically assigned to a particular technical field) will be charged in FY 1954 to administrative expense under Title I instead of to program funds.

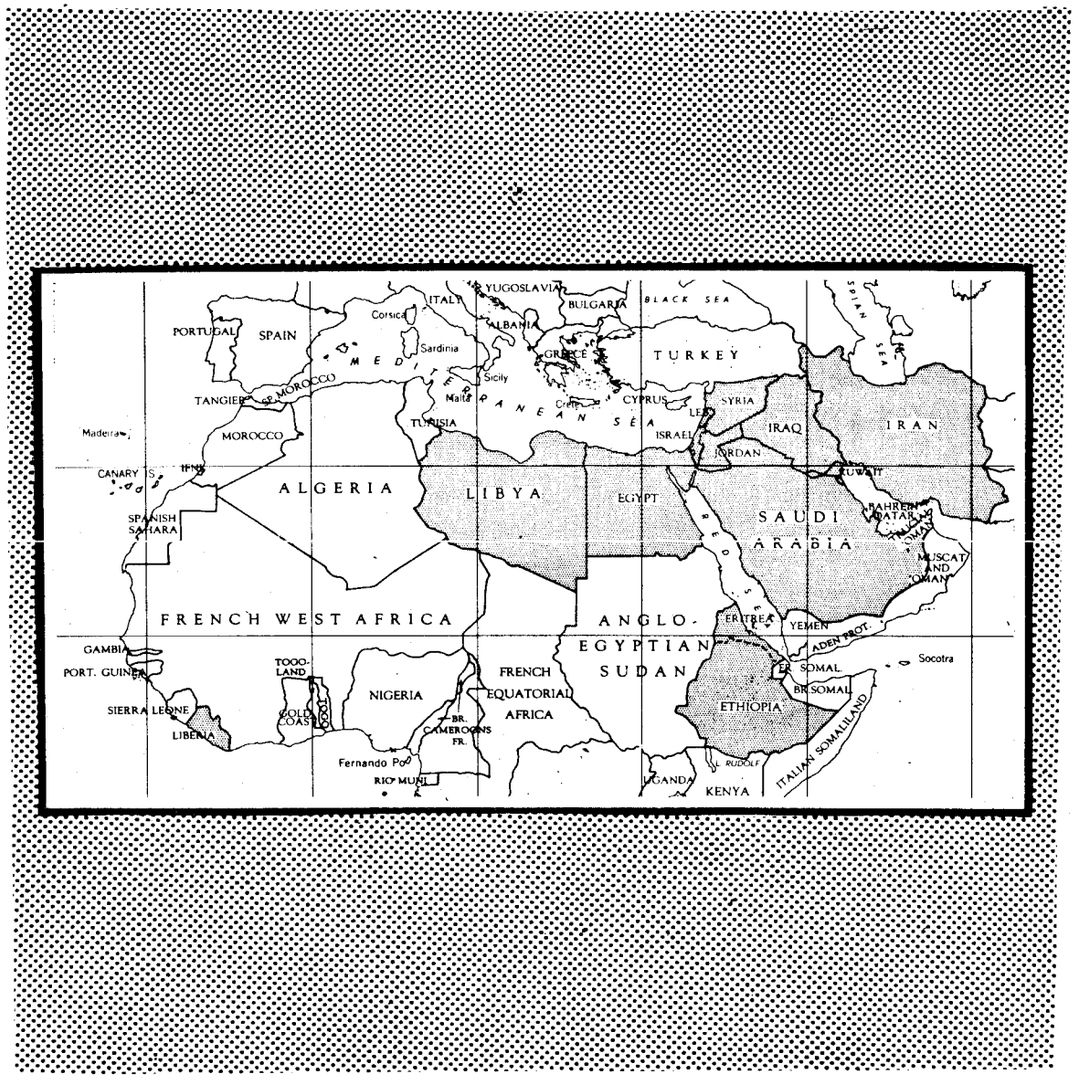
To reflect comparability in the three successive fiscal years all obligation figures for FY 1952 and 1953 have been adjusted so as to include and exclude the same cost elements as are shown for FY 1954.

ECONOMIC ASSISTANCE AND TECHNICAL COOPERATION
Near East and Africa
Comparative Summary of Obligations by Activities
(In Thousand Dollars)

Activity	Actual 1952	Estimate 1953	Proposed 1954
1. Bilateral Technical Cooperation	37,774	51,391	43,792
2. Special Aid	114,764	130,291	170,000
Total Obligations	152,538	181,682	213,792
Net Comparative Adjustment between Appropriations	957	1,392	
Total Programmed	153,495	183,074	
Unprogrammed FY 1953		801	
Total Available	153,495	183,875	213,792

THE TCA PROGRAM FOR THE NEAR EAST AND AFRICA

FISCAL YEAR 1954



The Area and the Problem

This great region includes 12 independent countries.* It extends east and west from mid-North Africa to the borders of Afghanistan, and north and south from Iran (which has 1200 miles of common border with the Soviet Union) to Ethiopia on the western approaches to the Indian Ocean. It dominates the eastern Mediterranean, the Southern Caspian, the Red Sea and the Persian Gulf, and lies athwart the most important land, sea and air communication lines between West and East. It includes the land bridge between the Eurasian heart-land and Africa; and beneath the barren sands of some of its most desolate deserts lie the world's greatest known reserves of petroleum. Because of its location and its petroleum and other raw materials this area is of maximum strategic importance in relation to world affairs today.

*INDEPENDENT COUNTRIES OF THE NEAR EAST AND AFRICA

Area and Population

Country	Square Miles	Population	Country	Square Miles	Population
Egypt	386,000	20,729,000	Lebanon	4,000	1,285,000
Ethiopia	350,000	15,000,000	Liberia	43,000	1,648,000
Iran	628,000	19,140,000	Libya	679,000	1,124,000
Iraq	168,000	5,100,000	Saudi Arabia	700,000	6,000,000
Israel	8,000	1,577,000	Syria	72,000	3,291,000
Jordan	35,000	1,320,000	Yemen	75,000	4,500,000
			TOTAL	3,148,000	80,714,000

Notwithstanding its strategic importance, the region now represents an important link in the free world's chain of defenses. International tensions coupled with the social, political and economic maladjustments that characterize most of the countries internally, represent an open invitation to subversion from within and to aggression from without. Underlying the frequent manifestations of unrest is resurgent nationalism - the determination of the countries to achieve complete political and economic independence and the great drive of the underprivileged masses to change the intolerable conditions of poverty, ignorance and disease in which the large majority live.

The Area and The Problem (continued)

National independence has only recently been won by most of the nations of the area after centuries under the rule of the Ottoman Empire and later of the great European powers. The present generation of adults is familiar with that domination and there is a strong current of resentment toward their former rulers, although frequently paralleled by basic sympathy toward a western outlook. U.S. and European aid to Israel has injected additional suspicion into the Moslem world's relationship with the West. The resulting tension manifests itself as neutralism in the East - West struggle, especially among Arab leaders. This attitude represents an obstacle to the development of those new and constructive relationships with the free world that all the nations of the area so urgently need.

United States Objectives for the Area

The political and economic situation in the region presents a grave threat to the strategic interests of the U.S. throughout the world. At the same time it presents an inescapable challenge to enunciate clearly-defined U.S. objectives, and to project adequate programs for realizing them.

The political and economic objectives of the U.S. for the area, taking into account the aspirations of the countries themselves and of the problems they face, include:

A. Promotion of stable governments and peaceful relations within the region;
B. Expansion of economic development and trade, including the removal of discriminations and restrictions impeding trade with and among individual states;
C. Promotion of friendly relations between the region and the West, looking to a fuller participation of its people in the structure of the Free World and to a climate in which plans for the region's defense can mature;
D. Friendly cooperation of the countries of the region in the event of general war.

Two Types of U.S. Programs Required for FY 1954

The U.S. economic programs proposed for the Near East and Africa for FY 1954 are of two separate, although related types, in accordance with the requirements of the specific objectives to be achieved. The first type, technical cooperation, is a projection of the FY 1952 and FY 1953 programs. The second type, special economic aid, involves the continuation of certain emergency programs and, for the first time, direct aid for capital-development purposes in several countries where such investment is particularly needed.

A. The Technical Cooperation Program.

The Technical Cooperation program was initiated in FY 1952 under the Act for International Development, and further developed in FY 1953. It is meeting a need for technical resources, the lack of which has hampered the efforts of Near Eastern leaders attempting to plan and execute programs to correct long standing economic and social maladjustments. The program has already proved its worth as an instrument of U.S. foreign policy and is essential for achieving the long range U.S. objectives for the area. TCA will require new obligational authority of $43.8 million for FY 1954 to continue this program throughout the region at the levels required.

B. Special Economic Aid

In addition to the long-range problems there are certain clearly defined emergency situations which, if allowed to continue, would seriously threaten the stability of the region, and other situations where outside financial support might materially contribute to the economic strength and development of the entire area. These cannot be dealt with through the operation of the long-range, low-intensity Technical Cooperation Program alone. A Special Economic Aid Program of substantial magnitude and impact power is required to provide the economic basis which is pre-requisite to the achievement of pressing U.S. political objectives. More specifically, this means continued emergency aid for Israel and for the Arab refugees, the initiation of U.S. grant aid for certain development projects in the Arab States, and continuation of at least present levels of the cooperative program between the Iranian Government and TCA. New authorizations totaling $170 million will be required for FY 1954 for these purposes, but new appropriations are not at present contemplated for the Palestine refugees in FY 1954 - so that new obligational authority is being asked at this time for only $140 million. Because of the nature of the problems involved, this program will be specifically justified in a separate classified document to be presented to the Congress.

The Technical Cooperation Program

By any objective criteria, especially the standard of living prevailing, the countries of the region are seriously under-developed. The following basic economic and social factors, present to a greater or lesser degree in all twelve countries, define their long-range economic-development problems and opportunities, and indicate the role and function of U.S. Technical Cooperation in relation to their solution.

A. An excessive proportion of the people are on the land. They depend upon agriculture or livestock raising for a living, and normally use inefficient, antiquated and destructive land and water-use practices. These, coupled with archaic and feudal land-tenure relationships, result in low productivity, the eventual destruction of the land and water resources, and in widespread rural poverty, ignorance, disease and discontent. The governmental services of agricultural experimentation and extension, education and health are still incipient and ineffective, and fail to reach the great majority of the rural population.

The Technical Cooperation Program proposed for FY 1954 is specifically related to this problem as follows:

1. Approximately 70% of it is allocated to the problems of rural people. This large percentage is necessary not only because 80% of the people of the area are rural, but because theirs is the basic long-range problem.
2. It provides essential aid to the governments in organizing and developing their agricultural experimentation and extension programs, and thereby enables them to provide efficient modern land and water-use techniques to the farmers.
3. It provides assistance in combating plant disease and insect pests.
4. It provides aid for establishing systems of supervised credit, and other technical services related to land distribution and reform programs.
5. It assists in the establishment of machinery pools and machinery-maintenance systems, where mechanization of agriculture is feasible and desirable.
6. It provides for rural health activities, and for endemic disease control and prevention. It includes aid in relation to the development of village water supplies and environmental sanitation.
7. It provides aid in the development of functional rural education systems, including teacher training and rural school-facilities development.

All of these activities are essential to increase agricultural productivity and rural welfare. They constitute the means whereby the governments and people of the region can make maximum use of whatever land and water resources they may have now or in the future. They provide positive aid in relation to specific problems. Even more important they provide the element of hope in the future, heretofore lacking for most of the rural people of the area.

B. Urban industrial development has not kept pace with the influx of population into the cities. Industry in the urban areas today cannot provide a decent standard of life for the people dependent on it, nor absorb the surplus of population now on the land. It is on a small scale and inefficient, and results in high-cost industrial production, low wages and widespread urban poverty, ignorance, disease and discontent. Governmental services in health and education tend to have an academic approach - with little effect on practical daily problems, and there is little training for industry. The most essential urban services, such as water supply and sewerage disposal, are normally lacking or completely inadequate, with resultant slums, and health and social problems of all sorts. The effective capital-forming capacity of the area is very low, notwithstanding the presence of a few wealthy families in each country. Even this limited capital, moreover, is not effectively mobilized. Furthermore, these countries are not now attractive to outside private-capital investment, because of the dangers and restrictions inherent in the resurgent nationalism everywhere prevalent, and because educational, health, food-supply and transport pre-requisites for developing a suitable investment climate have not been created. The labor force is relatively unskilled and management is poor. There is a serious shortage of fuel and power in the countries which do not produce oil. Markets are restricted because of the low per-capita income, especially among the farmers. The result of all this is that production costs are generally high despite low wages. Local industrial products are often incapable of competing, even in their own country, with industrial products of the U.S. and Europe, except during periods of very high prices.

As in the case of the problems related to agricultural development, those related to industrial development represent at once a challenge and an opportunity to the Technical Cooperation Program. In this field, also, the program proposed for FY 1954 is specific-

The Technical Cooperation Program (continued)

ally designed to assist the countries in eliminating some of the factors now inhibiting development. It provides:

1. Aid for the development of vocational-education systems essential for the proper training of the labor force.
2. Urban health programs, with special emphasis on the congested slum areas, striking at a basic cause of labor discontent.
3. Special assistance and training in developing modern labor-management practices in industry.
4. Industrial surveys, and aid in organizing laboratories for studying the industrial possibilities of local natural resources.
5. The construction, in some instances, of pilot plants to demonstrate efficient modern equipment.

These components of the program are specifically designed to assist the peoples and governments of the Near East and Africa in creating the conditions prerequisite to industrial development. They reflect the recognition that industrial development is essential to broaden and balance the national economies, so that they can provide a more acceptable standard of life for their people. The program thereby helps to create an attractive climate for local and foreign private investment.

C. The distribution and marketing system is archaic and inefficient. Today the camel caravans and the periodic markets in certain towns are still important factors in the transport and sale of goods. Modern methods and techniques of handling and marketing produce have not been adopted, with the result that there is excessive waste, periodic gluts and shortages in the markets, wide fluctuations in prices, and an excessive spread between the prices charged to the consumer and those received by the producers. In some countries it is not uncommon to find surplus supplies of food in one section matched by famine in another.

The Technical Cooperation Program proposed for FY 1954 provides essential aid to the countries and peoples in solving some of the problems involved. It includes.

1. Basic engineering surveys for national highway systems, and engineering assistance and demonstration projects for farm-to-market roads.
2. Demonstrations of modern highway equipment, establishment of maintenance shops, and training in equipment repair and maintenance.
3. Market surveys and training in marketing methods.
4. Aid in the development of food processing and conserving industries.
5. Aid in developing adequate communications within and among the countries.
6. Aid in the development of air-transport systems.

Through these activities the program proposed for FY 1954 provides the essential aid needed by the governments to enable them to improve their basic transportation, marketing and communications systems, and thereby improve their economic efficiency and make both local and foreign private investments more attractive.

D. There are underdeveloped or only inadequately developed natural resources throughout the area. The most significant, in relation to long-range economic development, are the following:

1. The irrigation and power potential of the area. In all of the Arab States, Iran and Israel, the limiting factor on agricultural production is the lack of water. In all of these countries there are national or internation rivers whose waters are not now being used effectively, either for irrigation or for power development. Reasons for this include the following:

   a. Most of these countries have not been able to obtain the investment capital required for the construction of major irrigation or power projects. This has been the case even in some instances where the credit rating of the country is adequate to justify loans for such projects, because the technical competence has not been available to set the projects up in a bankable form.
   b. The basic engineering surveys have not been made.
   c. Some of the most important streams are international in character, and the countries have not been able to reach agreement on regional development plans.
   d. The technical and administrative competence required for the organization and administration of irrigation districts, and for the operation of public power projects, has not been available within the countries themselves.

   The Technical Cooperation Program proposed for FY 1954 provides for the engineering surveys required to set up such construction projects in bankable form, and for the training programs required to train the personnel needed to build and operate them.

The Technical Cooperation Program (continued)

2. The Petroleum of Iran, Iraq and Saudi Arabia. Basic to the economic development of the area is the problem of a shortage of power and investment capital. The petroleum industry, in the case of the above countries, can provide both.

The development of this industry during the last decades has brought undreamed-of wealth to heretofore extremely poverty-stricken nations. National policies related to this new source of wealth are now being formulated.

The impact of the petroleum industry upon the economic development of the countries where it has been found is that of an unearned windfall. This great new source of wealth did not result from any increase in the productivity of the industrial and agricultural economies of these countries, which are otherwise still essentially as underdeveloped and as unproductive as ever. The function of the oil industry in relation to their economic development has been merely to provide them a domestic source of capital for investment, and a cheap source of power. This analysis of the function of the oil industry in relation to economic development provides the basis for projecting the role of the Technical Cooperation Program in those countries which have oil. Their need for this type of aid in relation to overall country economic development and to the improvement of basic services is approximately the same as that of other countries in the area. Their need for special technical advisory services in such fields as fiscal organization and administration, specifically related to the problem of developing effective investment policies, is substantially greater. The program proposed for FY 1954 provides for these needs. A special problem of the program in this region is that of aiding in mobilizing local investment capital for industrial development. The major source of this is the petroleum revenues. Although at the present time the revenues are all being absorbed in the countries which produce them, nevertheless it is entirely possible that in the future some of them may become available, also, for investment in other countries of the area. It will be one of the functions of the Technical Cooperation Program for FY 1954 to develop and present such regional opportunities so that they may become attractive to those who control the disposition of the oil revenues.

3. The unreclaimed lands of Iraq, Syria and Iran. There are great extensions of once-irrigated lands in these three countries, that have been allowed to revert to desert, or become saline or swampy. With a relatively small investment, these lands could be reclaimed. Such reclamation would have a direct bearing on the basic problem of excess population on the land. In most instances the reclaimable lands belong to the state, and could be used immediately for resettlement.

The extent to which reclamation is possible, and estimates of costs, must be determined on the basis of engineering surveys. In most instances these are not within the present competence of the local governments, and outside technical cooperation is required.

The Technical Cooperation Program proposed for FY 1954 is specifically designed to furnish this aid by providing:

a. Basic engineering surveys.
b. Special assistance in relation to land resettlement and reform programs.
c. Aid in the organization of the basic governmental services related to agricultural development.
d. Some special pilot reclamation projects, in addition to the surveys required to make other such projects bankable. Without these services, it would be far more difficult, if not impossible, for the countries themselves to carry out effective reclamation projects and to relate them adequately to the underlying needs for rural improvement.

4. The underdeveloped lands and minerals of Ethiopia and Liberia. Ethiopia and Liberia, two independent countries in Africa included in this region, have relatively large undeveloped agricultural and mineral resources.

Ethiopia, within easy shipping distance of the food-short areas of the Near East and South Asia, has no modern packing plant which can process her surplus cattle and sheep for export, although hundreds of thousands of these animals grow old and die each year for want of a market for the meat. If the political obstacles can be overcome, the meat and other surplus foods which Ethiopia can provide could easily take care of the food deficits of Israel and other countries of the Near East.

The relationship which the Technical Cooperation Program can have to the development of these resources is well illustrated by the case of Liberia, where a small program has been

The Technical Cooperation Program (continued)

in operation for about 10 years. This experience could be of great significance to the future economic development of all Africa south of the Sahara. Twenty-five years ago this little republic, produced less than one million dollars worth of exports to exchange in the markets of the world for the salt, shoes, cloth, hoes, and other requirements of an under-developed economy. In 1951, Liberian exports exceeded $51,000,000 in value. This change resulted almost entirely from the development of the latent resources of the country through the investment of private U.S. capital, coupled with the application of technical assistance. In 1943, a U.S. Geological Survey team examined the iron ore deposit of Bomi Hills, about 40 miles inland from Monrovia. Their report interested an American entrepreneur who obtained a concession and developed a mining operation. In 1952, about 1,000,000 tons of highest-grade iron ore, valued at approximately $15,000,000, were landed at Baltimore, Maryland, from this mine. The mining company hopes to double the production in 1953.

A Technical Cooperation Program forester, after completing reconnaissance surveys of Liberia's forests, recently estimated these forests can produce under a sustained yield operation, timber worth $135,000,000 annually. A ship left New Orleans in July, carrying sawmill and timber-harvesting equipment to start operations in Liberian forests. The program proposed for FY 1954 will continue to provide such surveys and generally aid in analyzing the resource potential of the two countries.

E. Factors related to governmental attitudes and handicaps. These define the relationship of the Technical Cooperation Program to the countries' own economic-development programs. They include the following:

1. The governments of all the countries of the area are responding positively to the pressures generated by existing conditions. Most of them understand the general nature of their problems, and are making a strong effort to develop economically by:

   a. Improving their basic services in health, education, and agricultural extension and experimentation.
   b. Improving their economic-development planning.
   c. Sponsoring public highway and power development.
   d. Sponsoring industrialization.

2. The governments of nearly all the countries of the area are handicapped in their economic-development efforts by two distinct problems;

   a. The budgets available for their basic services and public works are inadequate.
   b. The inadequate budgets tend to be inefficiently used.

3. The governments of all the countries need and normally welcome U.S. technical cooperation.

F. Feasibility of Program Proposed for FY 1954. The Technical Cooperation Program is now underway in 10 of the 12 countries of this region, (in all except Syria and Yemen). In each instance the program is truly cooperative, and the host government is bearing a fair share of the cost. The U.S. contributes technicians, funds for training awards, and some funds for supplies and equipment, as may be required to make effective the technicians' work.

By the end of FY 1952, TCA was able to place more than 400 technicians in the field. It is anticipated that there will be approximatley 800 technicians on the rolls by the end of FY 1953, and approximately 100 will be undergoing processing at that time. The program proposed for FY 1954 calls for an an additional 300 persons on the rolls or in process by the end of FY 1954. The rate of recruitment maintained during fiscal years 1952 and 1953 will meet these requirements of the program.

It is anticipated that by the end of FY 1953 TCA will have awarded some 400 training grants, and this is approximately the rate required under the FY 1954 proposal for this phase of the program.

The rate of supplies and equipment procurement by the end of FY 1953 will be well above the rate called for by the FY 1954 request. The field cost component in a number of instances includes the construction cost of facilities in the host countries and the employment of local personnel. During FY 1953, such construction was initiated where required for effective technical demonstration, including such things as schools, extension offices, health centers, laboratories and experimental stations. This constitutes an initial investment needed for an effective technical cooperation program. The

The Technical Cooperation Program (continued)

already obligated funds from prior fiscal years will largely complete the construction of such facilities during FY 1954.

Special Economic Aid.

For FY 1954 authorization of a special economic aid program of $170 million (new appropriation of $140 million) is requested in addition to the technical cooperation program already described. This program has been conceived and developed as an integrated package of developmental aid to cover the needs of the region as a whole. It is particularly related to the problems of Israel and the Arab States; and it seeks to provide the economic backing for ensuring implementation of important internation actions which will be necessary to settle the difficult problems involved. In addition, a portion of the funds will be required to supplement the FY 1954 technical cooperation program for Iran by sufficient financial aid to make possible the maintenance of at least present levels of the joint U.S./Iranian program in that country. The Iran country statement therefore, which follows, justifies a composite technical cooperation and "special economic assistance" program which should total a minimum of $25 million. The $170 million package,as a whole, is specifically justified in a classified document to be presented to the Congress.

Summary

The nature of the long-range problems of economic development in the Near East and Africa, and U.S. objectives for the region, define the Technical Cooperation Program proposed for FY 1954. The only realistic method of combating the long-range danger of Communist subversion in this area is to change the basic conditions upon which social and political unrest feeds. The United States must convince the people of these countries that it supports progress and improvement, and not a blind adherence to the status quo or a return to the past. The Program proposed provides the means for assisting governments who need and request U.S. aid to improve their basic services and to develop their own natural resources. It supports those elements of political leadership who seek to guide their countries along the lines of evolutionary progress, and it provides help for cooperating governments in creating the investment climate and business opportunities necessary to attract local and foreign capital for industrial development. Through this program, the U.S. provides concrete proof that we are ready to help the people of the Near East and Africa develop their economies for their own benefit.

In addition to the long range objectives served by the Technical Cooperation Program, the U.S. has immediate and urgent strategic interests in accelerating economic development which cannot wait, and which can only be met by an adequate program of Special Economic Aid. Its justification lies in the overriding need for keeping this vital area aligned with the West in the present struggle.

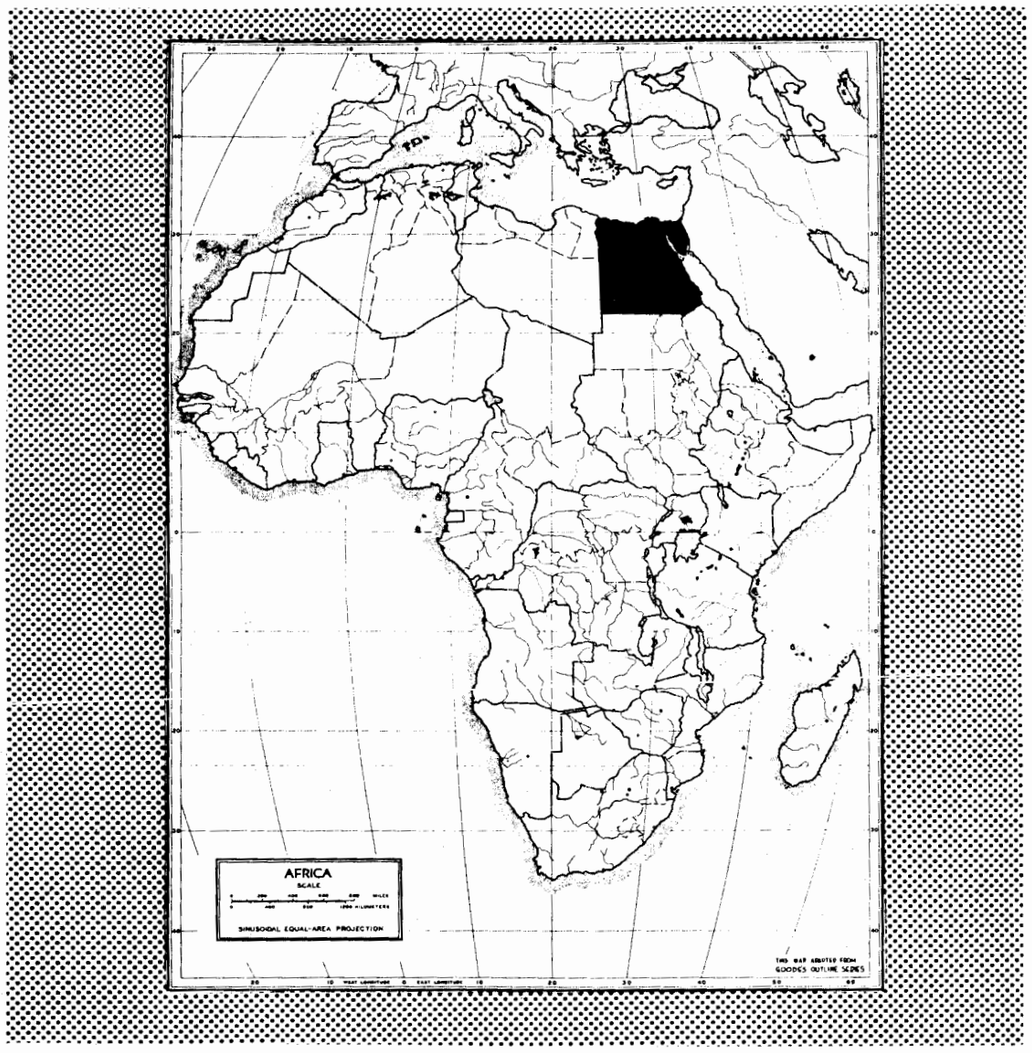
ECONOMICAL ASSISTANCE AND TECHNICAL COOPERATION
Near East and Africa

Comparative Summary of Obligations by Country
(In Thousand Dollars)

Country	Actual 1952		Estimate 1953		Proposed 1954	
	Act for International Development	Special Aid	Act for International Development	Special Aid	Act for International Development	Special Aid
Egypt	326	---	12972	---	11876	---
Ethiopia	1072	---	1394	---	1631	---
Iran	23761	---	23324	---	13907	a
Iraq	359	---	1884	---	2237	---
Israel	835	63500	2550	70228	1521	---
Jordan	3437	1264	2821	---	2258	---
Lebanon	3397	---	701	---	2852	---
Liberia	773	---	1564	---	1283	---
Libya	1473	---	1178	---	1534	---
Saudi Arabia	171	--	1468	---	742	---
Syria	---	---	---	---	2937	---
Regional Projects	2170	---	1535	---	1014	---
Undistributed by Countries		50000b		60063b		170,000a
Total Obligations	37774	114764	51391	130291	43792	170,000a

a Special Economic Aid item includes minimum aid required to maintain operation in Iran at approximately $25 million level.
b For relief and resettlement of Palestine Refugees.
New appropriations are not at present REQUESTED for $30 million of total (for relief and resettlement of Palestine Refugees.)

EGYPT



U. S. Program Cost FY 1954------- $11,876,000
Estimated Egyptian Contribution - $15,000,000
No. of U. S. Technicians----------153
No. of Training Awards----------192

I. RESOURCES AND NEEDS

Natural:

Egypt has an area of 386,100 square miles of which less than 4%, (13,200 square miles), is habitable, and the rest is desert. Of the habitable area approximately 6,000,000 acres in the Nile Valley are cultivated. As the Nile River flows 960 miles through Egypt it is joined by no tributaries. Great dams, the main one at Aswan, regulate the flow of the river. Chief agricultural crops are cotton, wheat, corn, and rice. Two or three crops a year can be grown on the rich alluvial soils. The Egyptian economy depends largely upon agriculture, which provides about 45 percent of the national income and about 90 percent of export earnings, virtually all from cotton. There may be some possibilities for the development of oil and iron-ore resources, and some raw materials are available for light industry which thus far constitutes most of Egypt's industrial development.

Human:

Egypt's population is estimated at 20,439,000, including 204,000 Arabs from Palestine, now given refuge in the Gaza Strip. Population density is extremely high -- about 1,600 a square mile -- in the Nile Valley. Approximately 75 percent of the people are engaged in agriculture, and about 82 percent are illiterate. Disease is prevalent throughout rural areas, especially bilharzia, hookworm, and eye diseases. In many of the villages human poverty and misery seem to reach the lowest limits of human endurance.

Capital:

National income is estimated at $2,300 million of which about 40 percent is from agriculture. The Egyptian budget for 1951/52 is estimated at $665 million. There is an extreme concentration of wealth. The general trend in the balance of payments is unfavorable, with exports of goods at $587 million and imports at $671 million (1951). Of exports, 90 percent are cotton and cotton products. The Export-Import Bank loaned $7 million in 1947 for construction of a fertilizer plant. Egypt has 3,400 miles of railroads.

II. GENERAL SITUATION

Egypt is one of the natural leaders of the Arab world. Under new and dynamic direction, her government is engaged in a revolutionary attempt to demonstrate what can be done by "bringing the people to life". Her efforts to overcome the handicaps of limited resources -- overcrowded by millions of poverty-stricken peasants -- deserve maximum U. S. support.

Of Egypt's total area 96 percent is uncultivated and uninhabited desert. The cultivable and inhabited area of 13,200 square miles capable of supporting a fixed population consists almost entirely of a narrow irrigated valley extending up the Nile for some 900 miles above Cairo (to the Sudan boundary), and of the irrigated delta below Cairo spreading out in a broad triangle to the Mediterranean. The remainder of the country consists of desert with scattered oases inhabited only by a few thousand nomads, altogether. In the Nile Valley there are about 1,600 people to the square mile, making it one of the most densely populated agricultural areas on earth. Such population pressure contributes to the abject poverty of the fellahin (the Egyptian peasants) and to the disease and ignorance of most of the people. Village homes are overcrowded mud huts, littered with straw and other debris and which the family share with their livestock. They are typically without furniture and bare, except for corn stalks, and manure cakes for fuel, and a minimum of crude household utensils. Most of the houses are unsanitary, and the resulting spread of debilitating diseases seriously cuts down the efficiency of the working population. Bilharzia (blood flukes) and ankylostoma (hookworm) affect over 90 percent of the 16,000,000 fellahin. Eye disease (trachoma) causes Egypt to have the highest percent of blindness in the world. The death rate among children is also the highest in the world; for 60 percent of the children born alive die before reaching the age of six years. Over 80 percent of the population is illiterate.

Despite its difficult problems, Egypt has the possibility of developing the basis for a more acceptable standard of life for her people. This potential for economic development is to be found largely in increasing agricultural production by getting the active participation of the fellahin in improving practices of irrigation, drainage and cultivation, and in reclamation of substantial additional crop and grazing lands. Possibilities for extending the total productive area include the construction of new dams and canals, reclamation of desert areas for controlled grazing (by water spreading and other dry-farming measures) and large-scale drainage and de-salination of flooded and salted areas of alluvium. Other possibilities lie in the exploitation of presently underdeveloped and even uncharted mineral resources and of unutilized power and industrialization potentials. In the last three decades, particularly in the past ten years, the Egyptian Government has formulated many programs to improve economic and social conditions. As planned, all of these programs are impressive; as executed, with a few notable exceptions the results are meager and disappointing. Few benefits have reached the fellahin and improved their lot.

With the advent of the Naguib government, however, a new hope emerges for the country's economic and social development. In spite of adverse economic conditions and the passive opposition of certain influential groups, the Naguib government is vigorously pursuing a policy of reform and reconstruction. Significant steps taken in line with this policy have been the decree of an extensive land-reform program, continuous efforts at governmental reorganization, and new controls over rents, retail prices, wages, imports and exports. In addition, a National Production Council has been established. This agency, in cooperation with committees set up by Ministries, is vigorously projecting action programs to increase industrial and agricultural production. The eyes of the whole Near East are closely following developments.

The pressure on the present government to provide immediate evidence of its ability to improve conditions is mounting rapidly. To meet this urgent situation and maintain political stability, the government needs comprehensive integrated plans for development; skilled personnel; and capital assistance to effectuate these plans. The technical cooperation program will provide the aid which the Egyptian Government must have to make effective its sincere efforts to achieve a better standard of living for the people of Egypt. It will make possible a more effective use of whatever capital is obtained elsewhere for the large-scale irrigation and power developments which Egypt requires to solve her basic population problem.

Late in FY 1953 a greatly expanded technical cooperation program was requested by Egypt. Under this a joint Egyptian-American Rural Improvement Service has been set up as an agency of the Egyptian Government to demonstrate in two entire provinces what can be done by putting all available technical services behind the development of the agricultural community. Egypt is contributing over $15 million to a joint fund into which the United States is placing approximately two-thirds as much from FY 1953 funds; and a special "task force" of American technicians is now in Egypt to put plans into operation. Every care is being taken that the methods used and costs involved are such that successful results can be applied throughout the country.

III. THE PROGRAM

Objectives:

1. Improve the irrigation, drainage and cultivation practices of the Egyptican farmer by a village level approach which will assure his active participation in a nation-wide drive for agricultural expansion.

2. Expand the cultivated area and improve diversification of crops as a means of raising present inadequate food levels and increase Egypt's export earnings.

3. Carry out intensive community development programs in several demonstration provinces to establish a pattern for all Egypt.

4. Expand health and sanitation facilities - primarily aimed at combating dysentery, trachoma and other filth-spread diseases.

5. Expand industrial production by development of mineral resources and improving processing and other industries.

Chronology of Agreements:

General Agreement, - May 5, 1951
Project Agreements:
- Agriculture - November 8, 1951
- Helicopter Dusting - June 26, 1952
- Desert Grazing - August 12, 1952
- Social Affairs - November 6, 1951
- Low Cost Housing - November 6, 1951
- Education - August 1952

Memorandum of Understanding - August 11, 1952
Rural Improvement Joint Fund Agreement - March 1953

Financing:

Egypt's contribution for the program initially proposed for FY 1953 amounted to $4,252,000. Recently Egypt has agreed to contribute approximately $15,700,000 additional to a program of Rural Development in two provinces against a specific U. S. FY 1953 contribution of $10 million. It is expected that in FY 1954 Egypt's contribution will be at least in the same relationship to U. S. costs.

Contributions to going programs exclusive of the Rural Development Program should therefore approximate $5 million. Furthermore, it is anticipated that the province-wide joint community development program will in FY 1954 be expanded to a third area -- with Egyptian contributions at least matching ours -- so that the total FY 1954 Egyptian share of joint programs should exceed $15 million.

PROGRAM COSTS
(Costs in Thousand Dollars)

	FISCAL YEAR 1953 PROGRAM						PROPOSED FISCAL YEAR 1954 PROGRAM					
	U.S. Technicians		Training Awards		Other		U.S. Technicians		Training Awards		Other	
	No.	Cost	No.	Cost	Costs	Total	No.	Cost	No.	Cost	Costs	Total
Agriculture, Forestry & Fisheries	17	228	22	88	599	915	24	264	38	93	1824	2181
Health & Sanitation*	16	209	32	128	166	503	23	253	42	105	1025	1383
Education	6	83	10	40	52	175	7	77	12	30	500	607
Natural Resources	9	106	10	40	270	416	16	176	26	80	1098	1354
Industry and Trade	12	200	10	40	10	250	14	194	22	55	269	518
Transportation and Communications	--	--	16	64	60	124	6	66	20	50	155	271
Public Administration**	3	86	5	20	10	116	--	--	20	50	--	50
General Projects	3	31	--	--	10204	10235	63	724	12	32	4543	5299
Domestic Program Costs	--	48	--	48	142	238	--	36	--	86	91	213
TOTAL	66	991	105	468	11513	12972	153	1790	192	581	9505	11876

* Includes Housing, Social Welfare & Vital Statistics
** Includes Public Finance, Census and Weather

GENERAL PROJECTS

Total U.S. Cost - $5,299,000
No. of U.S. Technicians - 63
No. of Training Awards - 12

Objectives: To demonstrate (in three entire provinces) what can be done by combining all available technical assistance behind the overall development of rural activities. The emphasis will be on getting the active participation of the fellahin -- "bringing the people to life" in order to basically improve farming practices, village sanitation, and elementary schooling, within a framework of economic expansion which will include extensive land reclamation, improved transportation, and development of supporting industries.

Major Activities in FY 1954

Province Development Programs -- $5,025,000

This is a broad cooperative program of development which will attack the basic problems of rural life in the provinces of Beheira and Fayoum using 1953 funds and be expanded in 1954 into a third selected province, probably in Upper Egypt. These provincial programs include the reclamation of land for the resettlement of landless peasants in connection with Naguib's land reform program, farm credit, the establishment of rural schools and the organization of a system of fundamental education in health sanitation and agriculture for adults, the organization and fostering of village crafts industries, the establishment of sanitary water-supply services, and additional health centers for villages.

Progress to Date

The project agreement for the Fayoum and Beheira programs was signed on March 19, 1953. This agreement created an Egyptian-American Rural Improvement Service as an agency of the Government of Egypt, and immediately thereafter a joint Egyptian-American Task Force was organized to plan and put into action the details of specific projects to be undertaken. Agreement No. 1 has been signed by the Co-Directors of the Rural Improvement Service setting up the administration for the program of rural development.

GENERAL PROJECTS (Continued)

Major Activities in FY 1954

The improvement of farm-to-market roads, and similar activities will be demonstrated in these two projects at a level which may be carried on as a permanent policy of the Government of Egypt. The program provides for technicians for all three province development projects, but the program costs for Fayoum and Beheira will continue to be financed in Fiscal Year 1954 from the funds made available pursuant to the Agreement signed in 1953.

Youth Conservation Corps -- $274,000

This project will permit cooperation with the Government of Egypt to organize a program of public works for the training of Egyptian youth in basic craftsmanship, and to relieve unemployment -- thereby quieting Communistic unrest through such activities as erosion control and revegetation of denuded desert range lands, the construction of small irrigation projects, the improvement of roads, the construction of schools and health centers, and the construction of domestic sanitary water-supply facilities.

Progress to Date

Unrest in the cities is being fostered by wide-spread unemployment and the desperation of people who see no hope in the future. The Government of Egypt and TCA have drawn up plans for the organization of an Egyptian Conservation Corps with its primary purpose to train the underprivileged youth of Egypt while providing productive employment.

AGRICULTURE, FORESTRY AND FISHERIES

Total U.S. Cost - $2,181,000
No. of U.S. Technicians - 24
No. of Training Awards - 38

Objectives: To assist the Government of Egypt in establishing an extension service; increasing the crop yield per acre; diversifying crops; improving livestock and poultry; developing new land for cultivation; expanding fisheries.

Major Activities in FY 1954

Livestock Improvement -- $1,128,000

In production of a superior and adaptable stock of cattle, sheep, goats and poultry; development of animal health services and production of vaccination serums; training in artificial insemination, diet and care of livestock, and demonstration in water spreading for desert grazing.

Agricultural Extension -- $663,000

Development of a system of demonstration centers emphasizing hybrid corn, farm machinery, grain storage, and results of the wheat rust laboratory program.

Progress to Date

A program of training in artificial insemination has been initiated; 65,000 chicks imported and distributed; arrangements are under way for serum production laboratory; and importation of 2,200 goats for breeding purposes. A desert grazing demonstration area has been terraced, dyked and 2,500 acres seeded. Livestock projects are particularly important for overcoming villagers' suspicion of new methods, generally -- as livestock is among the fellahins' most cherished possessions.

Two pilot agricultural centers were established in FY 1953; American hybrid corn planted and crosses best suited to the Egyptian climate are being developed; bids issued for demonstration grain storage equipment and a rural storage program planned, and plans and specifications drawn for grain terminal elevators in Cairo and Alexandria.

AGRICULTURE, FORESTRY AND FISHERIES (Continued)

Major Activities in FY 1954	Progress to Date
Land Reclamation -- $225,000	
Continuation of research and testing at soil salinity laboratory and continuation of drainage demonstration project designed to increase amount of cultivable lands through removal of excessive salts.	Drainage methods have been demonstrated in the southern part of the Delta, and drainage research and engineering instruction initiated at Cairo University.
Fisheries Development -- $165,000	
Improvement of fishing and marketing methods, plus on-the-job training.	An appraisal of the fisheries industry has been made and a program outlined for the exploitation, propagation, processing and marketing of fish.

HEALTH AND SANITATION

Total U.S. Cost - $1,333,000
No. of U.S. Technicians - 23
No. of Training Awards - 42

Objectives: To assist the Government of Egypt to improve the health and environmental sanitation of the peasants by means of health education, better housing, rural latrine construction and water facilities. Emphasis is on improvement of home and child care and on strengthening of social welfare programs.

Major Activities in FY 1954	Progress to Date
Health Service Development -- $313,000	
Training nurses; in-service instruction in maternal and child health for health center personnel; establishment of guides and standards for school health programs; and training medical and laboratory technicians in the U.S. Naval Medical Research Unit in Cairo.	The nurses' training, school health and maternal and child health programs are in operation; the hospital training center has been selected; and a formalized training program for medical and laboratory technicians is being worked out.
Environmental Sanitation -- $761,000	
Installation of simple latrines and the establishment of pure drinking water sources with inexpensive hand pumps.	Field work in sanitary-privy program initiated in January 1953. Several thousand bore-hole privies were completed in FY 1953 by a corps of Egyptian lay-sanitarians. Ten Egyptian sanitary engineers to constitute the primary leaders of field teams are studying sanitary engineering in the United States.

HEALTH AND SANITATION (Continued)

Major Activities in FY 1954	Progress to Date
Housing -- $182,000	
Demonstrate in 60 villages construction of improved houses with local materials, with specially designed brick making machine loaned to villages, with local operators.	As a result of an intensive study initiated in 1952 by Arthur D. Little, a subsidiary of MIT (pursuant to a contract with TCA) a strong, inexpensive, moisture-resistant brick was developed from Nile mud, and a simple machine designed and built for use by local people. A Mosque, financed locally to demonstrate the use of this improved sun-dried brick, is under construction; and a demonstration wall has been completed near Cairo proving the versatility of this inexpensive, universally-available material.
Social Welfare -- $127,000	
Advisory service to the Ministry of Social Affairs and in-service training: to strengthen and improve the rural social centers as a medium for villager participation in self help and as a channel for agricultural extension, health services, adult education, home improvement demonstrations and training in handicrafts for home use and for sale; to improve the administration of social programs and the training of social welfare personnel, especially those strengthening existing training centers.	TCA staff technicians have been working continuously with the Ministry of Social Welfare in the improvement of its programs to strengthen the Rural Social Centers of Egypt, and a great impetus has been given to the training of nurse-midwives by year-round classes for training and retraining of field nurse-midwife personnel.

EDUCATION

Total U.S. Cost - $607,000
No. of U.S. Technicians - 7
No. of Training Awards - 12

Objectives: To assist in improving educational facilities and in expanding existing teacher training institutions so that Egypt can materially raise the level of literacy, and to assit in expanding vocational education so that a supply of trained workers will be available for industrial development.

Major Activities in FY 1954	Progress to Date
Fundamental Education -- $607,000	
Expansion of the system of fundamental and vocational education and equipment of vocational shops and other facilities.	The Egyptian Ministry of Education, UNESCO and TCA are jointly developing a feasible educational program for the country. A fundamental education center was established by UNESCO, with some material aid from TCA.

NATURAL RESOURCES

Total U.S. Cost $1,354,000
No. of U.S. Technicians - 16
No. of Training Awards -- 26

Objectives: To assist the Government of Egypt to expand the cultivable area by more efficient use of water resources, to survey the water and mineral potential of the country, and to develop mineral resources.

Major Activities in FY 1954	Progress To Date
Irrigation -- $1,067,000	
Drilling 50 experimental wells in Qena Province to irrigate 12,500 acres; soils classification and other services supporting a GOE project for immediate development of water resources in the Amiriya section; completing land capability survey in the Maryut area; continuation of underground water surveys in desert fringe areas and oases.	Preliminary planning completed and some wells drilled in Qena Province in FY 1953; the Maryut land capability and underground water surveys are under way.
Mineral Resources -- $135,000	
Assistance will be given to the Government in the formulation of modern mining legislation and procedures for utilization of mineral lands; a mineral research laboratory will be established.	New Project -- One of the important aspects of raising the economic level of the people of Egypt is the need for a more diversified form of economic life. The discovery and exploitation of commercial mineral resources would add to the basic materials available for the defense of the Free World and would broaden the base of Egyptian development.
Aerial Survey -- $152,000	
A central aerial survey and photogrametry unit will be established in the Egyptian Army to provide aerial survey service to all branches of the Government. Assistance will be given in selection of equipment and training of personnel.	An aerial photo survey is now underway covering the site of the high Aswan dam, the reservoir area, and the lands below to be influenced by the construction of the dam. This survey will assist in the solution of many perplexing engineering problems. The dam if built will greatly increase the irrigated land area of Egypt and provide an abundance of power for industrial development.

INDUSTRY AND TRADE

Total U.S. Cost - $518,000
No. of U.S. Technicians - 14
No. of Training Awards -- 22

Objectives: To assist the Government of Egypt in the expansion and diversification of its industry.

Major Activities in FY 1954	Progress To Date
Industrial Survey and Development -- $395,000	
U.S. technicians will continue to work with Egyptians in analyzing Egypt's industrial potential and in drawing up a plan for implementation.	A team of highly-qualified industrial specialists and economists is working on the first phases of the survey under a 1953 contract. The concentration of unemployed and chronically under-employed people in the cities, and the miserable conditions under which they live, make urgent the need for the development of opportunities for employment in industry.
Industrial Research -- $123,000	
To establish a research laboratory to train key personnel in the testing of industrial materials and a central laboratory for scientific and industrial research. This project will implement a national research program recently initiated by the Naguib Government.	New Project -- This project is closely linked with the one immediately preceding and its justification rests on the same facts.

TRANSPORTATION AND COMMUNICATION

Total U.S. Cost - $271,000
No. of U.S. Technicians - 6
No. of Training Awards - 20

Objectives: To assist Egypt to develop transportation facilities as an essential link in the economic development program.

Major Activities in FY 1954	Progress To Date
Schools and Training Awards -- $271,000	
Continuation of assistance in the establishment and maintenance of a school for training highway-construction personnel - operators, mechanics and supervisors - to be operated in conjunction with the Engineering Department of Ibrahim University. Training awards will be granted to 20 airway-communications and railway-maintenance personnel.	Plans have been drawn up and approved for a technical school for the practical training of personnel in the fundamentals of highway construction and in the operation and maintenance of mechanical equipment. Aviation and railway technicians are studying in the United States.

PUBLIC ADMINISTRATION

Total U.S. Cost - $50,000
No. of Training Awards - 20

Objectives: To assist the Egyptian Government to establish an effective administrative system as an instrument of the development program.

Major Activities in FY 1954	Progress To Date
Training Awards -- $50,000	
Egyptian officials and students will receive training awards to take in-service and academic training in public administration in the U. S.	Trainees are now in U. S. under 1952 - 53 program grants.

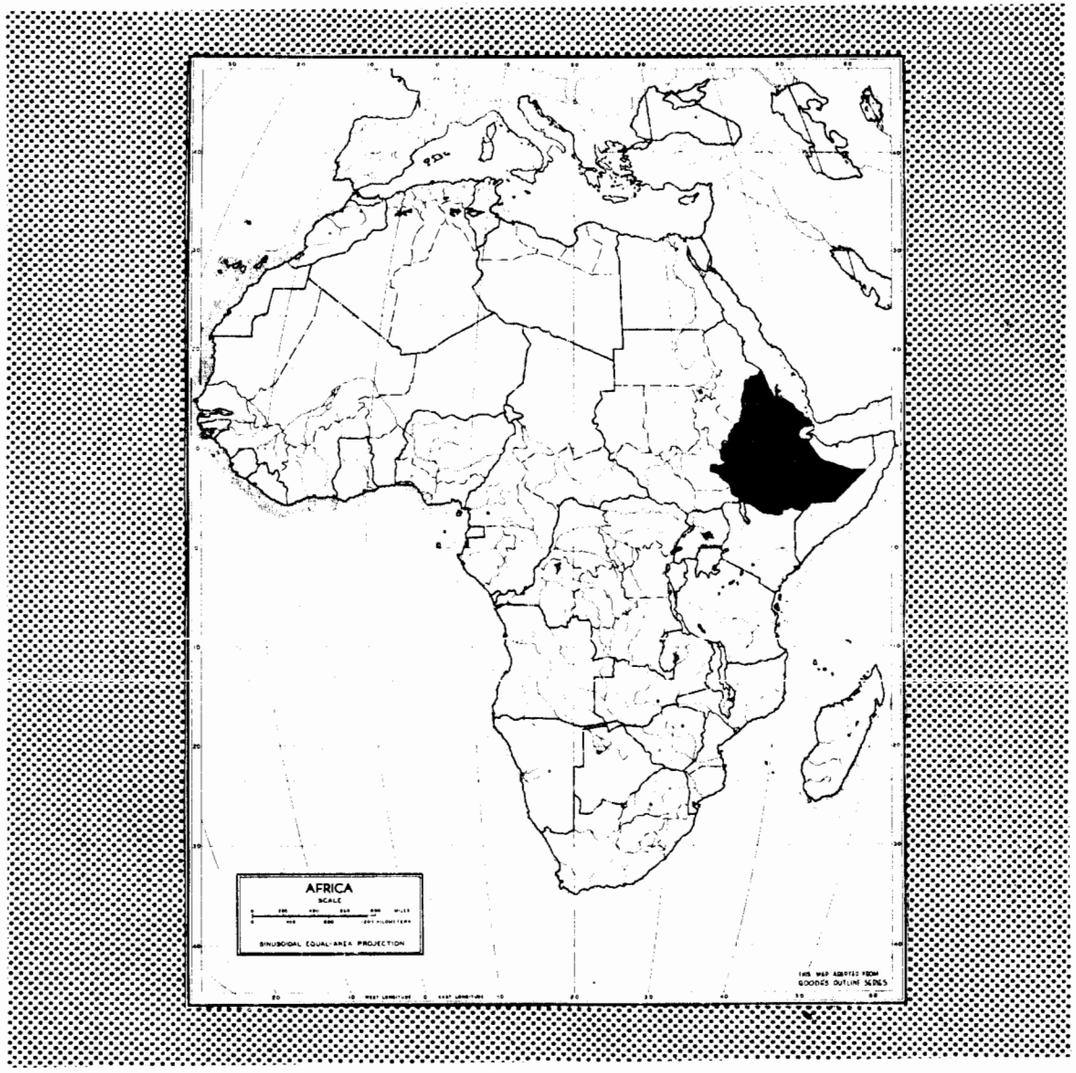
IV OTHER TECHNICAL ASSISTANCE PROGRAMS

The United Nations Technical Assistance Administration and three of the UN specialized agencies are giving technical aid to Egypt. A UNTAA expert is advising the Government on social welfare problems, while ICAO specialists are working in the field of civil aviation. UNESCO, in cooperation with other specialized agencies, has recently established a fundamental education center north of Cairo. WHO is carrying on campaigns to combat tuberculosis, bilharzia and venereal disease, and in addition, is providing fellowships to enable Egyptians to study abroad in such fields as public health, epidemiology and sanitary engineering.

UNICEF, WHO, and the Government of Egypt have signed an agreement which will lead to the erection of a plant to produce DDT.

Coordination of TCA programs with those of other agencies is accomplished through developing close working relationships with these agencies and through coordination with the National Production Board.

ETHIOPIA



U. S. Program Cost FY 1954 - $1,631,000
Estimated Ethiopian Contribution - $3,000,000
No. of U.S. Technicians - 76
No. of Training Awards -- 21

I. RESOURCES AND NEEDS

Natural:

Ethiopia is especially fortunate in its natural endowment. Of its estimated 350,000 square miles, 250,000 are arable so that the country has the potential not only of becoming self-sufficient in foodstuffs, but also of developing a substantial export surplus. Extensive water resources (the Blue Nile has its source in Ethiopa), apparently extensive mineral resources (coal, potash, mica and gold deposits), and a favorable climate combine to favor future economic development. Federation with Eritrea in September 1952 gave it an outlet to the sea.

Human:

Ethiopia shares with most other underdeveloped countries the general problems of extensive disease and illiteracy. Estimates of literacy run as low as 1 percent. The population, estimated at 15 million, is almost entirely agricultural with small peasant farmers and nomadic tribesmen utilizing primitive agricultural methods. There is little skilled or semi-skilled labor.

Capital:

Exports of coffee, oilseeds, hides and cereals assist in maintaining a favorable balance of trade. The Ethiopian Government has undertaken a limited development program, aided by IBRD and Export-Import Bank loans. The country has 1500 miles of primary and 9000 miles of secondary roads both badly in need of reconstruction and one narrow-gauge railroad (490 miles) to the port of Djibouti in French Somaliland.

II. GENERAL SITUATION

Ethiopia has a long established Christian heritage. It comprises a number of racial groups speaking upwards of 30 dialects. This factor together with extreme topographic features - a high mountainous plateau area surrounded by arid lowlands - have tended to regionalize and isolate the country from the rest of the world. Accordingly, the country has not been exposed to recent forces for

social and technological change.

Ethiopia is potentially rich in both human and agricultural resources - rich soils and ideal growing conditions. Notwithstanding these factors the economy is a subsistence one, owing to primitive farming methods and absence of adequate communication and transportation facilities. Since more than four-fifths of the people derive their livelihood directly from agriculture, improvements in this field are particularly important for developing a viable national economy. Increased agricultural production will not only benefit the native population, but will also make an important contribution to meeting food and agricultural raw material needs of a number of neighboring Middle Eastern countries. In order to achieve this goal the country needs to introduce modern farming practices and implements, establish a sound educational base, extend public health measures and train Ethiopians in basic vocational skills.

Education and training are basic needs which must be met. Ethiopia is potentially a bread basket for the Near East; but at present, even such simple devices as the wheel are not in general use. Farmers carry their products to market on their own backs, or on the backs of donkeys and mules. Few industries exist and few Ethiopians find managerial or supervisory positions. Only a hundred towns in a country much larger than Texas have telephone or telegraphic ties with the capital.

Ethiopia's people are industrious and intelligent. Given some assistance they can easily realize their natural aspirations for a better way of life. Her resources are challenging -- great hydroelectric power potentials, rich soils, large numbers of cattle and other livestock.

In the past, Ethiopia has been the victim of foreign aggression and exploitation and anti-foreign sentiment is not unnatural. Point 4, however, has received maximum support from local elements who have been associated with our technicians as co-workers. This is because the program is a joint operation and the Ethiopians have taken pride in working with U.S. Technicians in strengthening their own institutions and they feel the program is really theirs, designed for their benefit and doing the things they want done. The result has been large voluntary contributions to the cost of the program, almost an embarrassing amount of publicity in the local newspapers, and an insistent demand for new undertakings far beyond what can be met from available U. S. funds.

Objectives

1. Broaden educational base with emphasis on vocational agricultural subjects, to provide teachers, other technicians and administrators for future leadership.

2. Introduce improved methods of production, processing, and marketing of crops, through an efficiently organized extension service.

3. Eliminate or control locust and other agricultural pests.

4. Plan and demonstrate effective practices for conservation and use of water resources.

5. Introduce public health measures and develop a corps of trained health workers for service within Ethiopia.

6. Establish a favorable climate for investment by local and foreign capital and thereby encourage new enterprises.

Chronology of Agreements

General Agreement signed June 16, 1951.
Program Agreement for College of Agricultural and Mechanical Arts - May 15, 1952.
Technical and Science Education in Schools of Secondary and Elementary level - June 17, 1952.
Water Resources Reconnaissance Study - June 23, 1952.
Secondary Agricultural Schools- June 24, 1952.
Agricultural Pest Control (Locust Control) - November 7, 1952.
Industrial and Vocational Craft Project - November 7, 1952.
Exchange of diplomatic notes for extension of Point 4 in Ethiopia to Eritrea, completed December 24, 1952.
Public Health Program Agreement - April 30, 1953.

Financing

The program operates under a series of project agreements, through which the Technical Cooperation Administration provides technicians, training awards, and, jointly with the Ethiopian Government, deposits funds to a joint account. Under FY 1952 and FY 1953 program agreements, the U.S. has made deposits of $900,000 and the Ethiopian Government has committed itself to deposits of $723,000 as well as contributions in kind valued at approximately

$1,500,000. Under FY 1954 program U.S. deposits will total $405,000 and Ethiopian contributions are estimated at approximately $3,000,000, including $365,000 in deposits to joint fund accounts.

PROGRAM COSTS
(Costs in Thousand Dollars)

	FISCAL YEAR 1953 PROGRAM						PROPOSED FISCAL YEAR 1954 PROGRAM					
	U.S. Technicians		Training Awards		Other		U.S. Technicians		Training Awards		Other	
	No.	Cost	No.	Cost	Costs	Total	No.	Cost	No.	Cost	Costs	Total
Agriculture, Forestry & Fisheries	28	371	--	--	207	578	40	542	--	--	264	806
Health and Sanitation	6	66	--	--	50	116	7	77	7	12	52	141
Education	6	65	10	10	50	125	7	91	10	22	75	188
Natural Resources	7	75	--	--	50	125	7	77	--	--	48	125
Industry and Trade	5	72	--	--	50	122	2	26	4	11	45	82
Transportation & Communications	2	20	--	--	3	23	--	--	--	--	--	--
Public Administration	4	54	--	--	--	54	3	33	--	--	2	35
General Projects	7	77	3	3	141	221	10	110	--	--	110	220
Domestic Program Costs	--	6	--	6	18	30	--	6	--	14	14	34
TOTAL	65	806	13	19	569	1,394	76	962	21	59	610	1,631

AGRICULTURE, FORESTRY AND FISHERIES

Total U.S. Cost - $806,000
No. of U.S. Technicians - 40

Objectives: To provide the most effective assistance possible to the Government of Ethiopia in planning, organizing and developing a national system of agricultural and mechanical arts education at college and secondary levels; controlling agricultural crops and livestock pests; and jointly with local officials, working out feasible and effective methods for livestock and range management.

Major Activities in FY 1954

Education and Extension - $692,000

To start construction of the basic physical plant for the operation of an Agricultural and Mechanical Arts College, with associated extension, research and demonstration farms; to continue operation of the agricultural secondary school, and start a second school in another province.

Progress to Date

Surveys and recommendations have been made for the agricultural college site and recommendations submitted for long-range extension and research program.
Agricultural secondary school opened in October 1952 and preparations are being made for the opening of second school.
Research program in agricultural crops is underway.

Pest Control - $19,000

To provide for Ethiopia's participation in regional locust control program.

Locust-spraying operations were conducted in November - December 1952 and were to be continued in spring of 1953. A pest control unit is being set up in the Ministry of Agriculture.

Livestock Improvement - $95,000

Experimentation in selective breeding; TCA will cooperate with FAO in program of animal disease control with special emphasis on rinderpest, utilizing channels of extension service. Vaccines will be provided.

The program is to be initiated in the latter part of FY 1953.

HEALTH AND SANITATION

Total U.S. Cost - $141,000
No. of U.S. Technicians - 7
No. of Training Awards - 7

Objective: To assist the Government of Ethiopia in controlling endemic and epidemic diseases and in improving the general health of the people throughout the country.

Major Activities in FY 1954	Progress to Date
Health Training - $82,000 To provide training through: school for junior health workers, guidance to provincial officials and training local staffs, advanced training for qualified students, introduction of basic hygiene and health education in schools.	A survey of health needs and possibilities in FY 1953 resulted in recommendations for a health program which were accepted by the Ethiopian Government. Program is being started in spring of 1953, and will be carried forward in FY 1954.
Sanitation - $59,000 To provide engineering surveys for a sanitary system for Addis Ababa, and for construction of safe water supply and other facilities in the provinces.	A sanitation engineer is now in Ethiopia advising government officers on sanitation matters and developing plans for an action program.

EDUCATION

Total U.S. Cost $188,000
No. of U.S. Technicians - 7
No. of Training Awards - 10

Objective: To provide professional advice to the Ministry of Education on how to accelerate the rate and direction of expansion of technical and science education at primary and secondary levels.

Major Activities in FY 1954	Progress to Date
Technical Education - $91,000	
To continue providing advisory services to Ministry of Education on courses, teaching materials, equipment and methods for technical subjects. Teacher training institutes will be organized and shop management instruction given in specialized trade fields.	Technical Adviser on Education started work in February 1953 on curriculum, teaching materials and equipment requirements. Is currently training teachers from the provinces in use of newly arrived shop and science equipment.
Vocational and Industrial Crafts - $97,000	
Operations will be continued in a handicraft school established in FY 1953, and a second school will be established.	The National Handicraft School has been reorganized from a factory operation to a training institution, including basic education as well as craft training.

NATURAL RESOURCES

Total U.S. Cost - $125,000
No. of U.S. Technicians - 7

Objective: To assist the Ethiopian Government in surveying and planning the use of now unused resources for agriculture and power.

Major Activities in FY 1954	Progress to Date
River Development and Irrigation - $125,000	
As preliminary step to planning river development, reconnaisance will be made of the water potential of the Awash River Basin and water sheds. On selected area demonstration will be given of water storage and use, including irrigation, potable water supply, soil testing, small power installations, etc.	As result of initial survey, development program the Awash River has been approved. Engineering team arrived in March 1953, and is now collecting stream flow data for use in development of a feasibility.

INDUSTRY AND TRADE

Total U.S. Cost - $82,000
No. of U.S. Technicians - 2
No. of Training Awards - 4

Objective: To advise the Ethiopian Government on potential opportunities for industrial enterprise. To assist in developing a climate which will attract capital, either local or foreign.

Major Activities in FY 1954	Progress to Date
Stimulation of private investment - $82,000	
Technicians will collect data on resources suitable for industrial development; advise Ministry of Commerce and Industry on organization of a Development Service to stimulate business; set up a Technical Information Center to serve industry and potential investors with basic economic data.	Development program, recommended as result of general industrial survey conducted early in FY 1953 has been prepared and agreements for carrying forward program are being negotiated.

PUBLIC ADMINISTRATION

Total U.S. Cost - $35,000
No. of U.S. Technicians - 3

Objective: To assist the Government of Ethiopia in improving its organizational structure by introducing modern government management and training nationals.

Major Activities in FY 1954	Progress to Date
Miscellaneous projects - $35,000	
Technicians will continue program of advice and consultation to government departments on fiscal procedures and procurement; conduct or direct organizational and procedural studies; advise on establishment of civil service system.	Continuing technical advice has been given on fiscal procedures; consultations leading to civil service system are under way.

GENERAL PROJECTS

Total U.S. Cost - $220,000
No. of U.S. Technicians - 10

Objective: To assist the Government of Ethiopia in extending Point 4 program to Eritrea (after Federation in September, 1952) with specific reference to agriculture, health, vocational education, and use of water resources.

Major Activities in FY 1954	Progress to Date
Eritrea Point 4 Program - $220,000	
Pursuant to Federation with Ethiopia in September 1952, a program of technical assistance in Eritrea is being initiated. A demonstration program will be conducted in a selected area, comprising agricultural extension and demonstration; establishment of a school for nurses, midwives and laboratory technicians; establishment of a three-year vocational school; and survey of water resources.	Program being authorized.

IV. OTHER TECHNICAL ASSISTANCE PROGRAMS

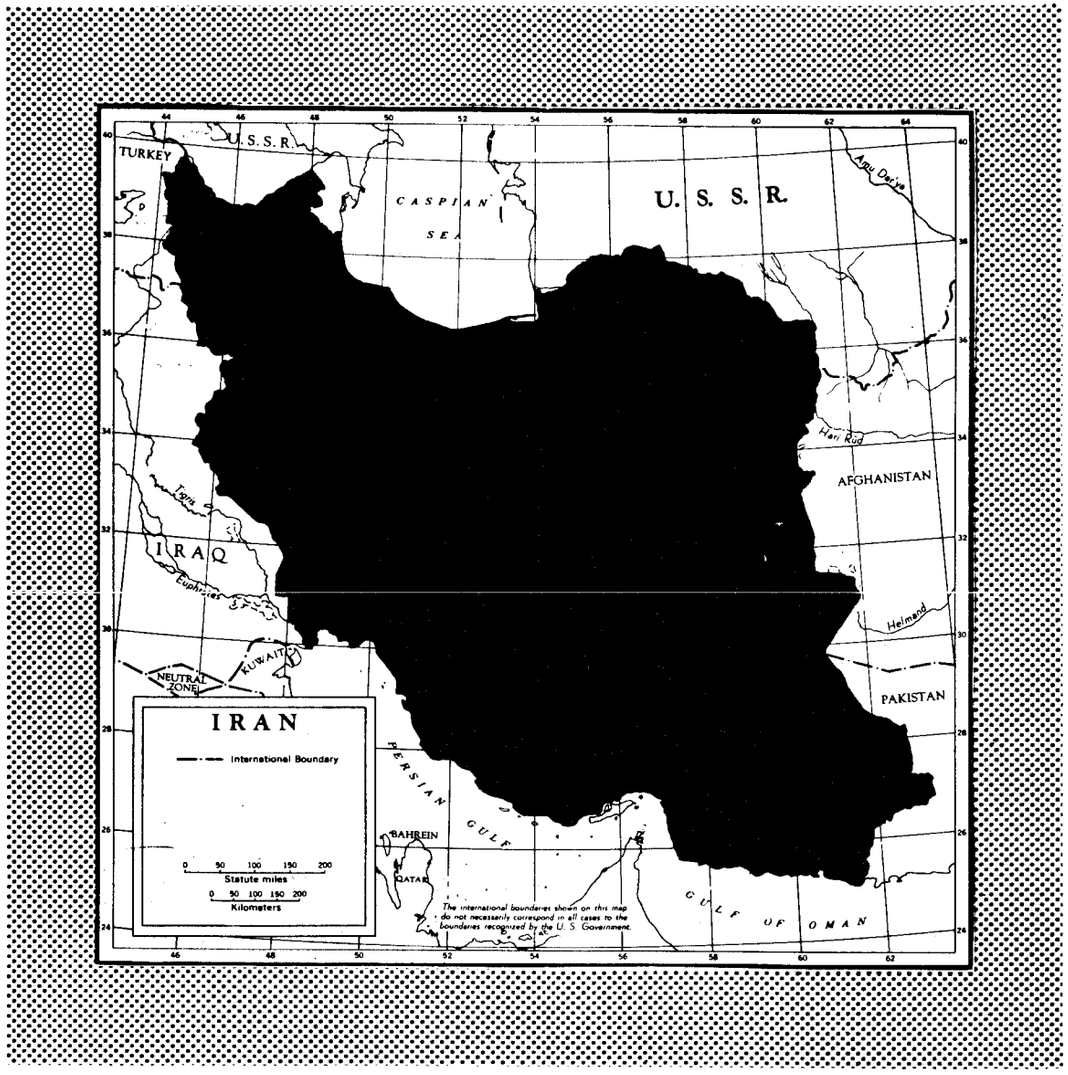
International Civil Aviation Organization Mission of five technicians is conducting an educational program in meteorology, radio maintenance, aircraft maintenance and map plotting.

WHO, with five technicians, is conducting programs to combat leprosy and venereal disease and has sent 21 technicians abroad for training in medicine, nursing and sanitation. WHO plans to cooperate with the Technical Cooperation Administration in a sub-professional training program.

FAO, with seven technicians, is giving technical direction to rinderpest vaccination program. FAO has trained 200 Ethiopians in biological use and production, and has rendered advisory services to the Ministry of Agriculture.

In general, activities of the multilateral agencies are complementary to those of the Technical Cooperation Administration. Working arrangements with WHO insure coordination of planning. Advisory Planning Committee consisting of Ethiopian, U.S., and multilateral agency representatives coordinates activities in the field of agriculture.

IRAN



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U. S. Program Cost FY 1954 - $24,907,000*
Estimated Iranian Contribution -- $18,000,000
No. of U.S. Technicians----------255
No. of Training Awards---------- 96

(* Financed partly under the act for International Development and partly by Special Economic Aid - to assure maintenance of an integrated total Iranian program at least at present levels, approximately $25,000,000 annually.)

I. RESOURCES AND NEEDS

Natural:

Area 628,000 square miles (some 2 1/2 times the size of Texas). Situated between the Caspian Sea and the Persian Gulf, Iran has 1200 miles of common border with the Soviet Union. High mountain ranges take up two-thirds of the area and there are extensive salt and sand deserts unfit for cultivation. Only about 1/15 of land is cultivated. Rainfall varies from up to 40 inches annually in Caspian littoral to only 4 inches in Isfahan area; part of this occurs as heavy snowfall in winter, from which large quantities of unutilized waters drain into seas and deserts. The Karun is the only sizeable river. Mineral wealth is chiefly petroleum. Undetermined and largely unexploited deposits of coal, iron, and other minerals are reported. About 11 percent of total land area is in valuable forests, the richest of which are in the Caspian littoral. Fishery resources in the Caspian area are rich, but those along the Persian Gulf are relatively unused.

Human:

Population estimated at 19,140,000; 80 percent rural. There are 28 cities of over 30,000 population. Tribal groups number about 4 million, about half of whom are nomads. The people are predominantly Moslem.

Capital:

Until the curtailment of oil revenues in 1951 resulting from the Anglo-Iranian Oil Company dispute, Iran normally depended on oil revenues for approximately two-thirds of its foreign-exchange income. In the last year of AIOC activities, an estimated $96,400,000 accrued to Iran from its operations. Cessation of this revenue has had three major serious results: (1) lacking other

RESOURCES AND NEEDS (continued)

sources of foreign exchange. Iran has been hard-pressed to pay for its surplus of imports over exports. (2) The social and economic programs of the Seven Year Plan Organization of Iran, into which the technical cooperation program in Iran was geared, have been postponed. (3) Iran has been unable to meet its internal budgetary needs.

II. GENERAL SITUATION

Eighty percent of Iran's population is engaged in subsistence agriculture, but only one-fifth of Iran's arable land is being farmed. Agricultural production is low because of the primitive agricultural methods; because of poor seed and inadequate tools; and because most of the limited rainfall is wasted. Once-fertile lands are barren, or have become alkaline wastes through exhaustion and careless irrigation. Hardwood forests are being destroyed to make charcoal for fuel, while known deposits of coal remain underground for lack of machinery and transportation. A promising fishing industry has been allowed to deteriorate.

A large percentage of the people suffer from diseases, with little medical care. Malaria, tuberculosis and dysentery are endemic in almost every part of the country. Trachoma blinds thousands in childhood or later. Infant mortality averages 50 percent of the births. Elementary sanitation practices are largely unknown. The Iranian school system is geared to provide a type of education theoretically needed for an intellectual elite. Only a few now attend, and 90 per cent of the people are illiterate. Without technical or vocational school facilities, the 2 percent of the population forming the semi-skilled laboring class can hardly provide the type of manpower needed to expand Iran's industrial capacity.

Private investment in Iran, either national or foreign, has never reached appreciable proportions, with the exception of foreign investment in oil. Traditonally, most of the wealthy people if Iran convert their wealth into land, which is relatively unproductive, or else into gold or silver. For that reason most of Iran's small industrial capacity has had to be developed, at least in part, with public funds. Exhorbitant interest rates and the practice of buying on consignment make it extremely difficult for private industry and trade to mature.

It was in the country known today as Iran that the great ancient civilization of Persia once flourished. The country's potential is still great and its capacity to contribute to the welfare of humanity is substantial. Today, neither the country's natural resources nor its manpower are being used adequately. Iran has lacked the social and governmental organization and the technical knowledge required to improve its lot. A feudal land-tenure system, indifferent to the peasants' welfare and unresponsive to economic requirements, has further handicapped the country's progress.

All these factors together define the underlying problem, of which political ferment and unrest is the overt manifestation. The communists, through the Tudeh party, are exploiting these conditions to promote subversion. This fact, together with the accident of geography, which gives Iran 1200 miles of common border with Russia, explains why Iran must be specially aided in solving the most pressing of those problems to enable her to preserve her freedom. It also explains why it is necessary to provide certain special economic aid over and above the long-range, low-intensity technical cooperation program. This has been done in connection with the programs for Fiscal Years 1952 and 1953, which operated at the level of $23.5 million annually, and which provided a somewhat larger component for supplies and equipment than is normal in a Point 4 program.

Fortunately for the West, during the last few years Iran has taken positive steps to vitalize her national economy. In 1949, the Seven Year Development Plan was projected. That plan provided for a national program to improve agriculture, health and education, to develop industry and commerce, and to exploit natural resources by using revenue from Iran's oil. When oil revenues ceased in 1951, however, because of the Anglo-Iranian oil dispute, the Plan had to be suspended just as it was taking effect; since little help for the Plan could come from Iran's other sources of revenue. In addition, the loss of oil revenue and lower customs receipts from reduced imports meant that Iran could produce only half of the funds required for her annual budget, and only a little more than a half of the foreign exchange needed for normal imports.

The result of this development was a dangerous reduction in the rate of development; and this was reflected immediately in increasing political and social unrest. The operation of the Technical Cooperation Program during the last year has been an appreciable factor in keeping such manifestations from erupting into chaos which the communists would no doubt welcome. In this connection, the fact that this

GENERAL SITUATION (continued)

program symbolizes an open tie with and support from the West has become ever more important. It has strengthened the hand of pro-western elements in the Government and among the people.

The program proposed for Iran for FY 1954 has eliminated certain anomalies present in the proposals for FY 1952 and FY 1953. This has been done by including under technical cooperation only those elements that relate most directly to the development of basic services, in which the supplies and equipment components are directly required to make the work of U.S. technicians and their local counterparts effective. At the same time, however, it is recognized that such development as could result merely from the operation of a strictly-limited technical cooperation program is not adequate to cope with the political problems involved. It is necessary to maintain the rate of overall development at least at the level already reached on the basis of the FY 1952 and 1953 programs. For that reason, it will be necessary to provide limited funds from the Special Economic Aid program package for the Near East, to supplement technical cooperation in a total integrated program for Iran of at least $25,000,000. This amount is only sufficient to insure the execution of the highest-priority projects, most of which are already underway. The amounts of special aid required by fields of activity for this purpose have been shown in the illustrative program table below. This does not rule out the possibility that further special assistance may be required for large-scale construction, developmental aid, or other special purposes.

III. THE PROGRAM

Objectives:

To improve the living standards of the Iranian people and to promote the country's social and political stability by encouraging and strengthening her economic-development efforts to:

1. Increase the supply of food and other agricultural products to meet adequately the needs of the people.
2. Improve public health and sanitation as the primary attack against endemic diseases.
3. Improve and expand fundamental education in the villages, and technical training in support of industrial development.
4. Develop industries and mining as a means of increasing opportunities for employment, and of giving better balance to the economy.
5. Improve marketing methods and channels.
6. Encourage development of stabler and more democratic institutions, including improved land-tenure position for the peasants.

Chronology of Agreements:

General Agreement (exchange of notes) January 19 and 20, 1952.

Program Agreements:

Agriculture, April 1, 1952; Extension February 4, 1953.
Public Health, April 1, 1952; Extension Dec. 31, 1952.
Education, April 1, 1952; Extension March 19, 1953.
Natural Resources, June 21, 1952.
Industry, May 12, 1952.
Transportation, May 21, 1952.
Communications, June 21, 1952.
Public Administration, February 25, 1953.
Community Housing, May 19, 1952.
Land Distribution, September 27, 1952.
Student Assistance (repaid in local currency), March 29, 1952; Extension September 7, 1952.
Sugar Purchase (generating local currency), exchange of notes, March 20-31, 1952; Extension, exchange of notes, October 28-29, 1952.

Financing:

Operating funds obligated for technical cooperation by 1954 program agreement will, for the most part, be contributed to joint funds. Seven [redacted] of these have been established and intended U.S. contributions are as follows:

THE PROGRAM (continued)

Agriculture	$1,732,000
Health & Sanitation	1,328,000
Education	620,000
Natural Resources Development	980,000
Transportation & Communications	245,000
Industry & Labor	349,000
Public Administration	406,000
	$5,660,000

While local currency will be required for certain local costs of the program, the United States contribution will be in dollars, and the local currency needed will either be contributed by Iran or purchased pursuant to agreements negotiated with the Iranian Government (because of the disparity of various official rates of exchange).

The Government of Iran, notwithstanding its difficult financial problems, has so far contributed its fair share of the total cost of the program. In 1953, this contribution amounted to approximately $16 million, and in FY 1954 it is anticipated that it will amount to $18 million.

PROGRAM COST
(Cost in Thousand Dollars)

	FISCAL YEAR 1953 PROGRAM						PROPOSED FISCAL YEAR 1954 PROGRAM							
	U.S. Technicians		Training Awards		Other		U.S. Technicians		Training Awards		Other	Total Tech.	Special	Total
	No.	Cost	No.	Cost	Costs	Total	No.	Cost	No.	Cost	Costs	Assistance	Econ.Aid	
Agriculture, Forestry & Fisheries	49	575	51	157	3314	4046	87	1037	31	75	3324	4436	1170	5606
Health & Sanitation	36	409	37	108	5726	6243	56	680	17	85	2576	3341	1600	4941
Education	28	300	20	67	2378	2745	41	491	7	35	1609	2135	815	2950
Natural Resources	7	60	12	50	751	861	18	206	14	70	1271	1547	3065	4612
Industry	17	180	26	88	2823	3091	33	375	16	80	699	1154	3550	4704
Transportation & Communications	1	11	13	55	929	995	13	151	9	45	276	472	800	1272
Public Administration	2	20	21	77	937	1034	5	55	2	10	411	476	---	476
General Projects	1	14	--	--	3847	3861	2	22	-	--	48	70	---	70
Domestic Program Costs	--	90	--	90	268	448	-	47	-	113	116	276	---	276
TOTAL	141	1659	180	692	20973	23324	255	3064	96	513	10330	13907	11000	24907

AGRICULTURE, FORESTRY AND FISHERIES

Total U.S. Costs----------$5,606,000
Of which, under AID---------$4,436,000
Special Economic Aid needed-$1,170,000
No. of U.S. Technicians----------87
No. of Training Awards----------31

Objectives: To assist the Ministry of Agriculture of Iran in the development of agricultural forestry and fishery resources through providing training, demonstration and technical guidance in developing programs in agricultural extension, plant production and improvement, livestock improvement and animal husbandry, irrigation practices, forestry and conservation practices and administration, and improvement of commercial-fishery operations.

Major Activities in FY 1954

Progress to Date

Agricultural Extension -- $890,000

In-service training of Iranians to become extension agents. Establishment of extension offices in selected areas. Establishment of farm-machinery cooperatives, including training in farm-machinery maintenance, repair and use. Assistance to Karaj Agricultural College in developing effective teaching and research. $790,000 under AID.

In addition $100,000 special economic aid required for vehicles in support of the establishment of an Iranian "county agent" system.

Emergency seed-wheat supplies totalling 1100 tons distributed to famine-stricken farmers in Tabriz region in spring of 1952, averting large-scale desertion of villages; 24 extension agents trained. They aided 20,711 farmers in 800 villages by demonstrating effective grain-farming practices. Extension program subsequently expanded, now instructing 255 Iranian extension agents. During November-January 1953 over 2000 landowners and 4600 other farmers contacted by extension activities, and an additional 7300 persons attended 80 demonstrations. Wheat harvesting with machinery and grain cradles demonstrated. Dry farming methods demonstrated at Karaj Agriculture College experimental farm; college research and teaching facilities improved, and 20 technicians and over 100 students trained in operation and maintenance of farm machinery. Development of plans for organizing farm-machinery cooperative.

Plant Production -- $1,509,000

Seed improvement, including vegetables, cereals, sugar beets, cotton, forage crops. Demonstration of cotton cultivation, ginning and grading methods. Determination of suitable areas for sugar beet cultivation. Improvement of tea, rice, sugar cane and citrus fruit cultivation. $809,000 under AID.

In addition $700,000 special economic aid will be required for the purchase of insecticides and fungicides, fertilizers and improved seed.

226,000 acres of crops protected in 1952 by locust-control demonstrations. Grain yields on demonstration plots increased by 40 to 100 percent by improved seeds. Quality wheat seed distributed to 7000 farmers on exchange basis. Forage-crop seed distributed to farmers under seed-exchange plan. Many varieties of quality vegetable seeds introduced, resulting in improved harvests. Instruction of 585 technicians in horticulture, many school gardens started, and 2300 farmers in attendance at garden demonstrations. 50 technicians trained in wheat-smut control, and 167 in cotton classifying.

Livestock Improvement -- $847,000

Improvement of animals and poultry by feeding experiments, establishment of breeding centers, and development of veterinary program including in-service training in veterinary practices, establishment of veterinary laboratories, and assistance to Tehran Microbiological Institute in production of animal vaccines and serums. $747,000 under AID.

In addition, $100,000 special economic aid will be required for the purchase of animal vaccines and serums, and breeding stock.

Superior breeding stock (jacks, bulls, heifers, sheep, milk-goats, baby chicks, hatching eggs) imported to improve native livestock and poultry. Artificial breeding centers established; 65 technicians trained in artificial insemination methods. 5000 farmers given similar demonstration instruction. 40 technicians trained in general livestock improvement and management. Over 200,000 animals treated for livestock diseases; 894 technicians trained in livestock-disease control and 975,000 farmers given aid including vaccination of their cattle; veterinarian program enthusiastically received, especially by tribal people.

Irrigation -- $518,000

Demonstrations and experiments in improved irrigation of sugar beets and cotton. In-service training courses on applied irrigation practices. (All under AID)

300 technicians trained in irrigation practices; irrigation experiments on sugar beets and cotton very successful.

THE PROGRAM (continued)

Forestry and Conservation -- $263,000

Establishment of demonstration and experimental centers for selective tree cutting. Establishment of tree nurseries, and demonstration tree planting. Establishment of small demonstration saw-mills. Demonstration of water conservation for timber lands. Woodlot planting to supply fuel for villages. Development of commercial charcoal kilns. In-service training of technicians in forestry-conservation practices and administration. (All under AID)

About 85,000 trees planted in new village woodlots to supply fuel; several hundred villagers instructed in tree planting; more than 6000 farmers attended woodlot and other forestry demonstrations.

Fisheries -- $379,000

Improvement of Persian Gulf commercial fishery operations, including demonstrations of improving dried-fish production, and preservation and canning of fish. $109,000 under AID.

In addition, $270,000 special economic aid will be required for buying supplies and equipment (including tinplate).

The extraordinarily-rich fishing resources of the Persian Gulf have remained largely undeveloped because of lack of proper methods, and materials for processing the catch. This project will rehabilitate a major cannery, now inoperative. In general, this assistance will complement and make productive a much larger investment already made by the Plan Organization.

Land Reform: -- $1,200,000

As described under general projects below, this sum will be utilized for agricultural support of Village-Council and land-distribution and development activities in coordinated area projects throughout Iran. (All under AID)

See comment under "general projects."

HEALTH AND SANITATION

Total U.S. Cost-------$4,941,000
Of Which Under AID----$3,341,000
Special Economic
Aid Needed----------$1,600,000
No.of U.S.Technicians---------56
No.of Training Awards---------17

Objectives: To assist the Ministry of Health of Iran in (1) the development of public-health clinics, laboratories and mobile units, (2) the development of disease-control programs, with emphasis on malaria and trachoma, (3) the development of sanitary-engineering and municipal water-supply systems, (4) the improvement of facilities, curricula and methods in medical schools for the training of medical, nursing, and public-health and sanitation students, and (5) the establishment of a Department of Preventive Medicine in the Ministry of Health; and also to assist the Housing Bank and the Plan Organization of Iran in the development of low-cost housing.

THE PROGRAM (continued)

Major Activities in FY 1954	Progress to Date
Health Facilities Development and Operations -- $938,000	
Assistance to Pasteur Institute of Ministry of Health for vaccine production and for in-service training of laboratory technicians. Development of epidemic disease-control program. Assistance to Tehran tuberculosis center (in cooperation with WHO) including provision of a mobile X-ray unit and enlargement of BCG* program. Reorganization of Meshed sanatorium for lepers. Establishment of urban and rural health centers, suburban health laboratories, and mobile health units. In-service training of over 300 health visitors and health visitor aides for health centers. $738,000 under AID. In addition, $200,000 special economic aid will be required for vehicles, drugs and pharmaceuticals and building materials.	Established a Cooperative Bureau of Local Health Services in Ministry of Health to carry out all cooperative public-health programs. Instituted tuberculosis and other disease-control programs. Three health centers placed in operation; now serving over 10,000 people per month. Three large and five small health mobile units placed in operation. (Nearly 22,000 persons in 31 villages serviced by small mobile units in one month). School health program initiated; over 2000 children per month given health examinations. Approximately 40 health-visitor aides trained and assigned to health centers.
Health-Training Institutions -- $325,000	
Improvement of facilities at Tehran Medical School for training medical and public-health students. Development of curricula at Shiraz and Meshed nursing schools. (All under AID)	Initiation of pediatric nursing course at Saadi Hospital, Shiraz. Technical books and magazines provided for Tehran Medical College and Shiraz Branch Medical School libraries.
Endemic Disease Control -- $1,436,000	
Malaria control: DDT spraying of endemic areas, and introduction of new malaria-suppression drugs. Trachoma research: development of virology laboratory at Shiraz. $536,000 under AID. In addition, $900,000 special economic aid will be required for the purchase of DDT, anti-malaria drugs and other pharmaceuticals and medical supplies.	Continued National Malaria Control Program; in 1952 sprayed 12,659 villages (estimated population of more than 4 million). Incidence of malaria in some areas reduced from 90% to below 10%; Malaria course initiated at Tehran University medical school. Trachoma Control Laboratory placed in operation at Shiraz; studies initiated on incidence of trachoma. Mobile X-ray units placed in operation for studying incidence of tuberculosis. Several thousand persons examined. In disease-control demonstration, several thousand villagers immunized for typhoid, and over 10,000 persons dusted and deloused for typhus prevention.

* tuberculosis vaccine

THE PROGRAM (continued)

Sanitation -- $627,000

Development of village-sanitation services, facilities and practices: provision of village bathhouses, water supplies, and refuse disposal facilities; in-service training of about 1000 village sanitarians; construction of demonstration deepwater wells. (AID)	Completion of 8 public bath houses and installation of 4000 village and school latrines. Completion of 33 deepwater wells with pumping units providing sanitary water. 81 well operators trained. Completion of 14 wells with water-distribution systems. Tehran Water Treatment Plant in progress. Bander-Abbas Water System in progress; completed parts already resulting in marked reduction of water-borne diseases. 75 sanitarian aides, and 8 sanitary engineers trained. Completion of sanitation clean-up of City of Dezful ("City of the Blind"), including construction of drainage canal, sewers, and 2000 latrines, with resulting reduction of flies and trachoma.

Housing -- $615,000

Financial advisory services to Housing Bank, and continuation of FY 1953 program providing technical guidance in housing projects with emphasis on urban housing. $115,000 under AID. In addition $500,000 special economic aid is needed for building materials and local costs in support of Iranian urban housing program.	Demonstrations of low-cost housing in progress in 13 locations; construction of post quarters for provincial police and their families.

Land Reform -- $1,000,000

As described under general projects below, this sum will be utilized for health and sanitation support of Village-Council and land distribution and development activities in coordinated area projects throughout Iran. (AID)	See comment under "general projects."

EDUCATION

Total U. S. Cost---------$2,950,000
Of which under AID-------$2,135,000
Special Economic Aid
Needed----------815,000
No. of U. S. Technicians---------41
No. of Training Awards----------7

Objectives: To assist the Ministry of Education of Iran in the development of school facilities, school administration and teacher supervision, teacher training, educational curricula and methods, and adult education.

EDUCATION (Continued)

Major Activities in FY 1954	Progress to Date
Educational Facilities Development - $824,000	
Development of rural school facilities: technical guidance in building and equipping schools on demonstration basis; demonstration of modern teaching methods; development of school organizations. Development of 6 vocational industrial schools in major industrial centers; technical guidance and provision of demonstration equipment. Training in home improvement in city and village schools for girls; curriculum improvement and provision of demonstration equipment. Continuation of development of school recreation program initiated in FY 1953. $434,000 under AID. In addition, $390,000 special economic aid is needed for building materials and local costs of the Iranian school-construction program.	Fifty-two elementary schools build and equipped, 18 repaired and renovated: in Isfahan alone more than 6,000 children thus enabled to attend school for first time. Forty-eight other rural schools opened in Veramin area, enrolling over 5,000 children. Two agricultural schools completed, 6 demonstration teacher-training schools placed in operation, and 5 Tehran school playgrounds in operation.
Educational Facilities operations - $609,000	
Extension of rural school-supervisory program initiated in FY 1953: in-service training for school supervisors who will train and supervise rural school teachers. Continuation of English courses for Government officials and technicians working in fields related to Point 4 activities. $409,000 under AID. In addition, $200,000 special economic aid is needed for school supplies and equipment.	Instruction of 15 rural-school supervisors, 12 agricultural-school directors, and 40 provincial chiefs of education; English-language instruction of over 2,800 government officials and technicians in progress; instruction of 4 librarians for Tehran and provincial technical libraries.
Teacher Training -- $717,000	
Training of rural school teachers and introduction of new curriculum into the rural schools of the country. $492,000 under AID. In addition, $225,000 is needed for vehicles and for school supplies and equipment.	In-service training given to over 1,500 school teachers; instruction of 556 normal-school graduates in visual aids; education booklets printed and distributed among elementary teachers.
Land Reform -- $800,000	
As described under general projects below, this sum will be utilized for education-program support of Village-Council and land distribution and development activities in coordinated area projects throughout Iran. (All under Aid)	See comment under "general projects."

NATURAL RESOURCES

Total U.S. Cost----------$4,612,000
Of which under AID----------$1,547,000
Special Economic Aid Needed-------$3,065,000
No. of U. S. Technicians----------18
No. of Training Awards----------14

Objectives: To assist the Ministry of Agriculture and the Plan Organization of Iran in the development of water and mineral resources by providing surveys and teaching facilities to determine the feasibility of natural-resources developments, including the construction of multi-purpose dams, and the development of mining operations.

Major Activities in FY 1954	Progress to Date
River-Basin Surveys -- $775,000	
Collection of stream-flow, rain-fall and evaporation data in connection with dam construction and irrigation developments; establishment of stream gauging and meteorological stations; soil analyses and land-classification surveys. In-service training of at least 200 persons, as counterparts to U.S. technicians. (All under AID)	Land and water use surveys in connection with multi-purpose dams in progress (in collaboration with FAO); 10 technicians trained in land classification and drainage engineering.
Multipurpose Dams -- $3,645,000	
Provision of technical assistance for the organization of a central Iranian agency responsible for country-wide water-development planning, engineering and direction, and the training of a technical staff competent to conduct the necessary surveys, collect data and supervise construction and operation of the various projects. Continuation of basic surveys and technical guidance for already-initiated projects. $580,000 under AID.	Construction work underway on Karkeh, Golpayegan, and Sheikh Ali Khan Dams, and irrigation tunnel for latter in progress.
In addition, $3,065,000 special economic aid will be needed for machinery, dam construction materials and other supplies in support of the Iranian dam-construction and irrigation-development programs.	
Tehran Engineering College - $192,000	
Establishment of engineering laboratory for instruction in testing of soils, minerals analyses, and engineering-materials investigations. (AID)	Tehran Engineering College Laboratory plans have been developed. This is necessary to provide sound data for all the projects in progress.

INDUSTRY, TRADE AND LABOR

Total U.S. Cost	$4,704,000
Of Which under AID	$1,154,000
Special Economic Aid Needed	$3,550,000
No. of U.S. Technicians	33
No. of Training Awards	16

Objectives: To assist the Plan Organization and the Ministries of Labor and National Economy of Iran in establishing commodity-grading and standardization methods, handicraft and small industries cooperatives, and in completing selected manufacturing plants. To provide aid in developing programs in labor training, general labor welfare, and labor-management relations.

Major Activities in FY 1954	Progress to Date
Surveys and Pilot Development Projects -- $440,000	
Continuation of technical guidance in establishment of a Bureau of Standards and Analysis Laboratory in the Ministry of National Economy and equipping it for testing commodities in Iran and for establishment of commodity standards. (All under AID)	This laboratory is now under construction. The laboratory technicians are being trained.
Handicraft and Small Industry -- $507,000	
Continuation of project for establishment of producer, consumer, and marketing cooperatives. $147,000 under AID. In addition, $360,000 special economic aid is needed for buying machinery and other supplies and equipment for small industries.	Initiated in FY 1953. Required to improve handicraft products and provide proper marketing procedures.
Manufacturing -- $1,620,000	
Technical guidance in textile-mill and cement-plant operation, to complete projects initiated in FY 1952. Technical guidance to Plan Organization's expansion in textiles, cement, chemical fertilizers, jute and paper manufacturing, lumber mills and related manufacturing plants. $120,000 under AID. In addition $1,500,000 special economic aid is needed for buying machinery and other supplies needed, in support of Iranian highest-priority developments of manufacturing potential.	Fars Cement Plant being completed. Rey Cement Plant construction in progress and plant expected to be in operation within a few months. Tehitsazi Cotton Mill (Tehran): one contract awarded and other contracts to be negotiated. Shiraz Municipal Power System: materials for underground-cable system ordered; negotiations under way for purchase of electric-generating equipment.
Food Supply Processing -- $1,845,000	
Technical Guidance in introduction of modern production and management methods in sugar factories, and dried-fruit and food-canning factories. $155,000 under AID. In addition, $1,690,000 special economic aid is needed for buying machinery, tinplate and other supplies needed, in support of the Iranian plans to increase the country's food supply.	Fassa Sugar Refinery: some construction contracts awarded and some machinery received. Tehran Slaughterhouse: project operations now being planned.

INDUSTRY, TRADE AND LABOR (Con't)

Major Activities in FY 1954	Progress To Date
Labor -- $292,000	
Technical guidance to Ministry of Labor in in-service training, and in development of code related to child and woman labor, unemployment insurance, employment services, labor management and relations, worker's health and safety, and labor welfare; demonstration activities in industrial plants. (All under AID)	351 industrial-plant surpervisors trained in labor-management relations; 180 technicians trained in cotton classification.

TRANSPORTATION AND COMMUNICATIONS

Total U.S. Cost	$1,272,000
Of Which under AID	$ 472,000
Special Economic Aid Needed	$ 800,000
No. of U.S. Technicians	13
No. of Training Awards	9

Objectives: To assist the Ministry of Roads and Communications of Iran in the development of highways and farm-to-market roads, telephone, telegraphic and radio communications, and civil-aviation facilities and pilot training.

Major Activities in FY 1954	Progress To Date
Highways -- $970,000	
Construction and maintenance of farm-to-market roads and highways: continuation of technical guidance on demonstration-roads projects, and in-service training in maintenance and operation of road-construction equipment, initiated in FY 1953. $170,000 under AID. In addition, $800,000 special economic aid will be needed for buying road-construction machinery and supplies in support of the Iranian highway-construction program	Demonstration construction and improvement of 6 highways in progress; several small bridges constructed and widened; portions of highways surfaced; over 1,000 persons being trained in road construction methods.
Communications -- $130,000	
In-service training of Iranian technicians (in cooperation with UN technicians) in installation, operation and maintenance of telegraphic, telephone and radio equipment. (All under AID)	Contracts awarded for supplying equipment for radio, telephone and telecommunications-improvement project under joint operation of TCA and UN mission.

TRANSPORTATION AND COMMUNICATIONS (Cont'd)

Major Activities in FY 1954	Progress To Date
Civil Aviation -- $172,000	
Continuation of in-service training (initiated in FY 1952) in installation, operation and maintenance of meteorological and air navigation equipment. In-service training of senior pilots (in cooperation with UN Aviation Mission and Department of Civil Aviation) in instrument flying. Technical guidance to small airports in improvement of airport facilities. (All under AID)	Instruction of 150 technicians in air-traffic control, meteorological forecasting and observation, radio maintenance and repair, communications supervision, and radio-communications operating (by ICAO mission with TCA furnishing technical guidance and demonstration equipment); installation of one air-navigation beacon (also in cooperation with ICAO)

PUBLIC ADMINISTRATION

Total U.S. Cost (All under AID)-------$476,000
No. of U.S. Technicians----------5
No. of Training Awards----------2

Objectives: To assist the National Municipal Police of Iran in the development of improved organization and methods of police work, and the Ministries of Interior and Agriculture of Iran in the development of a public-statistics program.

Major Activities in FY 1954	Progress To Date
Government Administration -- $65,000	
In-service training of National Municipal Police in laboratory techniques of police work, improved methods of traffic control and communication, and maintenance of modern police equipment. (All under AID)	This program has just been initiated.
Public Statistics -- $411,000	
Continuation of Operation of Statistical Planning and Processing Center for development of country-wide statistical program, including agricultural, health and social statistics. In-service training and demonstration in gathering public statistics with emphasis on agricultural census. (All under Aid)	A Statistical Planning and Processing Center for development of public statistics has been organized. Demonstration agricultural census of Fars province conducted in late 1952; 39 agricultural engineers trained for preliminary survey of area; (approximately 50 census supervisors trained by UN mission and they in turn have trained 400 census enumerators).

GENERAL PROJECTS

Total U.S. Cost (All under AID)----------$70,000
(Plus $3,000,000 programmed under other activities)
No. of U. S. Technicians----------2
(Plus technicians assigned to other activities)

Objectives: To assist the Ministry of Court of the Shah of Iran in establishing financial and technical services for new land distribution under the Crown Land-Distribution Program; and to assist the Ministry of Interior and other Ministries of Iran, and the Agricultural Bank of Iran, in executing agrarian-development activities through local village councils, pursuant to the Increase of Tenants' Share Act.

Major Activities in FY 1954	Progress To Date
Land Reform -- $70,000	
Continuation of financial-advisory services to the Agricultural Bank and to the Crown Lands Commission Development Bank, and in-service training of area and village supervisors of Crown Lands Distribution Program through Near East Foundation, initiated in FY 1953. TCA Technicians in all fields of activity will also peform services for land-reform projects. (All under AID)	The Crown Lands Bank of Development has been provided with grant-in-aid funds in the amount of $220,000 [redacted] for low-interest loans to new land distributees. Bank has so far made loans to 650 farmers (among nearly 900 new free-holders in Veramin District) for purchasing wheat and barley seed, oxen, food, tools and fertilizers, and for rental of tractors for ploughing. In-service training given to area and village supervisors to direct technical training, guidance and economic assistance to new land holders and to the Village Councils. Through these supervisors, advised by TCA technicians, the following community-development activities have been carried out: demonstrations of wheat and barley cultivation; demonstration of family-size vegetable gardens; encouragement of villagers to build three schools and install sanitary latrines; demonstration of use of tractors on a machinery-pool basis; and designing of a water reservoir.

Special Comment:

In addition to funds provided specifically for financial advisory services to the Agricultural Bank, and to the Crown Lands Commission Development Bank, the FY 1954 program, as indicated above, includes $3 million to conduct activities in the fields of agriculture, health and sanitation, and education, under the Iranian Act Increasing the Tenants' Share, and to support activities under the Crown Lands Distribution program. $1,200,000 has been programmed for projects under Agriculture; $1,000,000 for projects under Health and Sanitation; $800,000 for projects under the Education Program.

In connection with Crown Lands Distribution, it is proposed to increase TCA's contribution to the Crown Lands Commission Bank. Cooperatives set up in former Crown Lands villages following the distribution of lands, will be enabled to obtain loans for specific production purposes on behalf of villages as a whole. Work will be directed toward training and increasing the number of Crown Lands Commission supervisors that are helping villagers bridge the difficult transition period to their status of free holders. To facilitate the changeover in Crown Lands villages where land has only recently been sold to the peasants, TCA also intends to work directly with the Iranian Ministries of Health, Agriculture and Education in projects that are specifically related to those villages. The projects will parallel the ones planned for the country as a whole in those three fields of activity.

The Iranian Act Increasing the Tenant's Share provided for a contribution by landlords of a specific part of their former share of the crops

GENERAL PROJECTS (Cont'd)

for community-welfare activities to be administered by special Village Councils. The responsibilities of these new local organizations are extremely heavy, considering the level of education and experience of the village leaders. Storing and selling crops received from landlords under the Act, accounting for funds, arranging and controlling credit and loans for farmers, and undertaking development and improvement projects will be some of the unusual duties that the village councils will have to perform. They will have to do this without prior experience and with inadequate guidance and help from the Government.

TCA assistance will largely be directed toward training community workers and providing these to work with the village councils, and giving special assistance where needed in connection with village development and improvement projects. In addition agricultural, health and education services will be provided that will be similar to those described in the Agriculture, Health and Education sections of this presentation.

In addition TCA will contribute funds to a revolving Joint Fund in the Agricultural Bank from which loans will be made to the village councils for the advance of credit to farmers and for the councils' development and improvement projects. Repayment of the loans to the revolving fund will be used to support rural credit operations as soon as village cooperatives like those in Crown Lands villages can be set up.

IV. OTHER TECHNICAL ASSISTANCE PROGRAMS

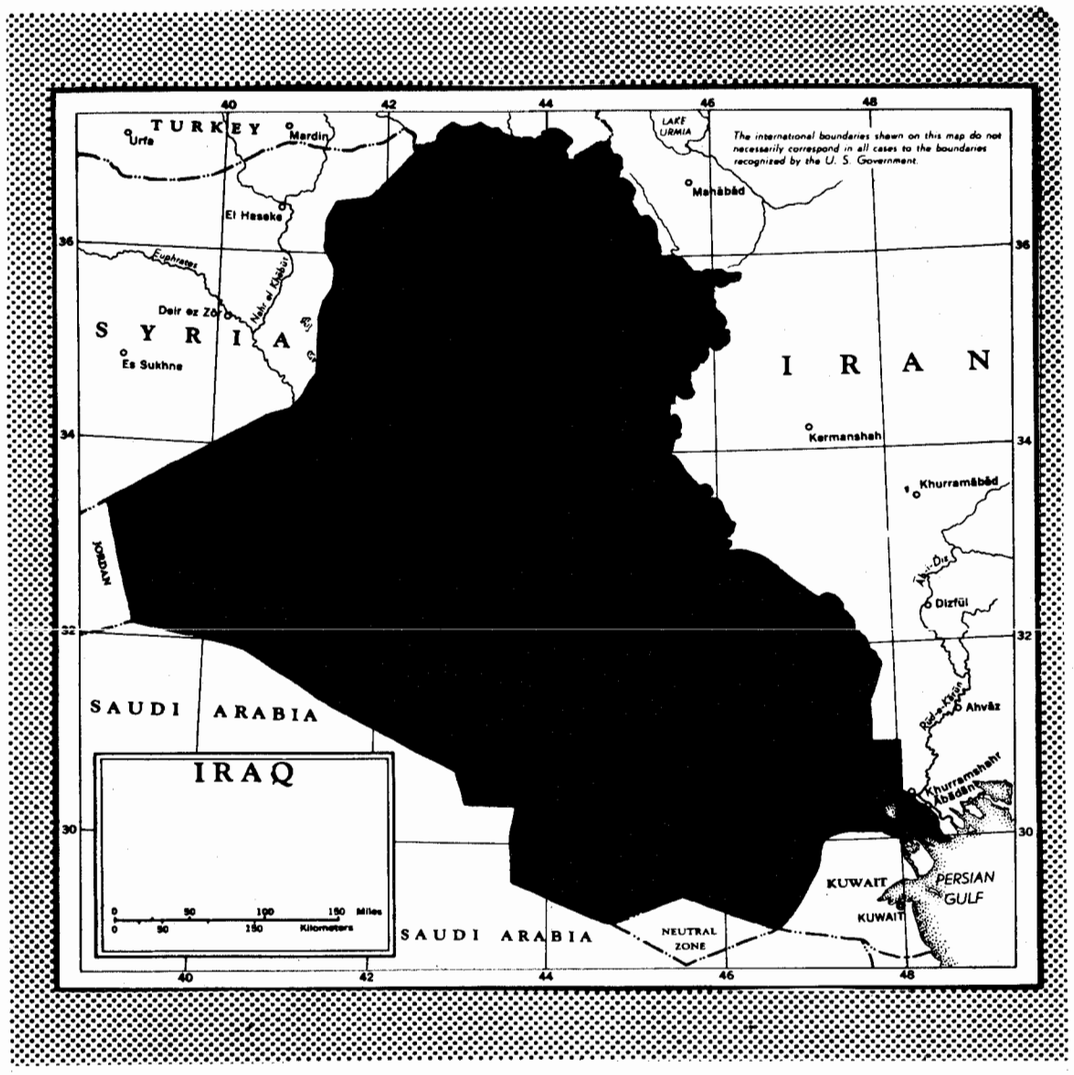
The United Nations has one of its largest technical assistance programs in Iran, with over 50 experts, including representatives of 5 specialized agencies. UN-TAA experts are advising the government on road building, railway operations, textile factory methods, salt mine management, and hydroelectric power development.

FAO experts are working in the fields of agricultural development, forest resources, agricultural credit, soil and water conservation, and range management. UNESCO specialists are giving assistance to technical and agricultural schools.

WHO is carring on programs in tuberculosis, malaria, leprosy, trachoma and veneral-disease control. WHO experts are also assisting the School of Nursing in Tehran and helping to establish a Maternal and Child Health Demonstration Center in that city.

The TCA Mission to Iran works in close cooperation with UN experts, and has contributed funds to Iranian projects supported by UN technical assistance, which would otherwise have remained incomplete. For example, technical direction of the TCA malaria and tuberculosis programs is partly provided by WHO experts. The UNTAA Resident Representative attends the TCA Country Director's Staff Meeting each week. Heads of the WHO and FAO missions maintain close working relationships with their TCA counterparts in the planning of program activities.

IRAQ



U. S. Program Cost FY 1954---$2,237,000
Estimated Iraq Contribution-$16,640,000
No. of U.S. Technicians----------~~117~~ 4
No. of Training Awards----------51

I. RESOURCES AND NEEDS

Natural:

The site of ancient Mesopotamia civilizations, present-day Iraq, encompasses extremes of desert in the west and south, rain-clad mountains in the northeast, and a broad central oasis or alluvial plain of great potential fertility. Of a possibly cultivable area approaching 30,000,000 acres, only 11,000,000 are now under cultivation. There is a critical need for better irrigation and drainage. The Tigris and Euphrates rivers, crossing the country from one end to the other, join at Basra, the country's only port, 80 miles from the Persian Gulf - and below this salty soils confine agriculture largely to date palms. Chief crops elsewhere are wheat, barley, rice, millet, cotton, and tobacco; while Basra supplies 90 percent of the commercial date exports of the entire world. Petroleum production from the country's large oil reserves amounted to 8,000,000 metric tons in 1951.

Human:

The population of 5,100,000, 96 percent Moslem, is overwhelmingly agricultural. In transition from a tribal society to a nation, determined to shape its own destiny, the Iraqis face all the problems accompanying social change against a general background of poverty, illiteracy and disease.

Capital:

Exports of petroleum, barley and dates support a favorable trade balance. 1951 exports were $186 million, including $104 million oil; imports were $143 million. 70 percent of the government's receipts from oil are placed, by law, at the disposal of the Iraq Development Board, whose activities are concentrated on irrigation, drainage and highway construction. IBRD loans of $12,800,000 in 1950 were 37 percent disbursed by December 31, 1952. Transportation routes include 1,000 miles of government-owned railway; 6,500 miles of highway, of which only 500 miles are surfaced; and small craft navigation on the Tigris - Euphrates river system.

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II. GENERAL SITUATION

Iraq has been a land coveted, attacked, and repeatedly conquered from time immemorial. With its newly discovered oil resources and its potentially great agricultural wealth, it is an even more tempting prize. It is traversed from northwest to southeast by two great rivers, the Tigris and the Euphrates, watering broad, rich valleys of alluvial soil. Some 80 percent of the 5 million population derives its livelihood from the soil, with most of them working as sharecroppers for wealthy landlords. The remainder of the population lives in the cities, dependent largely on trade and commerce. Of the total land area of Iraq, about two-thirds is desert and only about one-fifth is arable - but this portion could produce many times its present output. Of these arable lands, only about one-fourth is under cultivation in any one year. Land areas not under cropping are used for grazing. Large numbers of sheep and goats are grazed largely by nomadic or semi-nomadic tribesmen over the semi-desert areas, on the slopes of mountains, and on the fallow land in the cultivated areas. The 4 million rural people are nearly all tied to the land in a system of tenancy, receiving not more than two-fifths to half of the crops they produce. They are untrained in agricultural techniques, have little or no opportunity to acquire lands of their own, and suffer from malaria, bilharzia, trachoma and other debilitating diseases. Eighty percent or more are illiterate.

Iraq is blessed with substantial oil resources and the oil industry provides employment for some 12,000 people. Other industrial employment is negligible. Studies to date indicate there are no commercial quantities of metallic resources in Iraq, and investigations are still under way with respect to non-metallic minerals.

In looking to the future one must conclude that Iraq is indeed fortunate, and the potential for a better standard of living is excellent. Its potentially cultivable lands are at least triple the extent of those being used; and its population is small relative to this arable area. The Government is using its oil revenues to construct dams for water storage, for irrigation and flood control; and some day hydroelectric power will be available for new industries. New schools, hospitals, highways are to be built; and the railroads and port of Basra are being improved. Old irrigation systems are being rehabilitated and public lands are being reclaimed for the resettlement of peasant farmers on their own farms. Credit facilities are being established to assist independent farmers and those who live as tenants in villages and towns. Only the beginnings, however, have been made in these programs and the benefits remain for the future.

The success of Iraq's effort will depend to a great extent on the effectiveness of the technical cooperation programs, which have accordingly been given a high degree of importance by the Iraq Government. It further realizes that organizational "know-how" is as important as technical skills, so that organizational and administrative assistance has also been requested.

III. THE PROGRAM

Objectives:

1. Increase agricultural knowledge and skills through extension and demonstration work on seeds, irrigation, improved stock, range management, farm tools and machinery.
2. Multiply educational facilities - primary, secondary, and technical - through teacher training.
3. Plan programs, demonstration methods and action procedures to make effective the Government's program of land resettlement and reclamation, including the necessary irrigation and credit facilities and tenure arrangements.
4. Control or eradicate locusts and other crop pests.
5. Attract capital, local and foreign, to the potential for profitable investment in Iraq..
6. Establish appropriate health programs in selected areas; attack fundamental problem of child and maternal health.
7. Organize governmental program for social welfare services.
8. Work with appropriate Ministries in planning public works projects for improving Iraq's public facilities.

Chronology of Agreements:

Point 4 General Agreement was signed April 10, 1951, and became effective June 2, 1951.
Anti-Locust Campaign, March 17, 1952.
Agricultural Development & Improvement, March 18, 1952.
Audio-Visual Team, March 19, 1952.
Water Resources Development, April 28, 1952.
Public Works, including Highways, May 21, 1952.
Industrial Development, May 21, 1952.
Education, May 21, 1952.
Public Health & Sanitation, June 27, 1952.
Social Welfare Services, August 18, 1952.
Assistance to Iraq Development Board, December 2, 1952.
Mini Sirt Land Development, April 7, 1953

Financing:

With large revenues from petroleum production earmarked for economic development, the Iraq Development Board has been utilizing U.S. technical assistance in planning the most effective use of the

funds and in training Iraqis in economic development activities. Major emphasis has been upon irrigation and similar projects; demonstration projects in health, agriculture and education look toward use of these resources in a balanced program of economic development. In FY 1953 the Iraq contribution to TCA projects was $16,621,000 of which approximately $12 million represents contributions by the Iraq Development Board for construction of highways, irrigation facilities and other development projects. The contribution for FY 1954 is estimated at $16,640,000. However, there are indications that Development Board contributions will be substantially increased over these figures.

PROGRAM COSTS
(Costs in Thousand Dollars)

	FISCAL YEAR 1953 PROGRAM						PROPOSED FISCAL YEAR 1954 PROGRAM					
	U.S. Technicians		Training Awards		Other		U.S. Technicians		Training Awards		Other	
	No.	Cost	No.	Cost	Costs	Total	No.	Cost	No.	Cost	Costs	Total
Agriculture, Forestry & Fisheries	20	299	5	20	118	437	20	235	9	36	116	387
Health & Sanitation*	17	147	8	32	20	199	17	225	9	36	112	373
Education	16	144	5	20	120	284	16	217	8	32	110	359
Natural Resources	12	117	5	20	37	174	12	171	5	20	14	205
Industry, Trade & Labor	2	24	2	8	77	109	2	30	1	4	15	49
Transportation & Communications	5	139	2	8	55	202	5	160	4	16	10	186
Public Administration**	3	32	1	4	10	46	3	48	6	24	12	84
General Projects	29	214	10	40	139	393	29	435	9	36	80	551
Domestic Program Costs	--	8	--	8	24	40	--	7	--	18	18	43
TOTAL	104	1124	38	160	600	1884	104	1528	51	222	487	2237

* Includes Housing, Social Welfare, & Vital Statistics.
** Includes Public Finance, Census & Weather.

AGRICULTURE, FORESTRY AND FISHERIES

Total U. S. Cost-----$387,000
No. of U.S. Technicians----20
No. of Training Awards------9

Objectives: To assist the Iraqi Government in establishing a program of agricultural research in increasing the effectiveness and coverage of its present extension facilities, and in increasing the number of trained extension and farm workers.

Major Activities in FY 1954

Agricultural Extension -- $115,000

Continuation of a program to expand and strengthen Iraqi agricultural extension services; conduct demonstrations of plant and animal disease and insect control; work directly with extension service personnel in demonstration programs in selected liwas (states).

Agricultural Experimentation -- $137,000

An expanded program of agricultural experimentation over a wide range of agricultural problems.

Agricultural Education -- $135,000

Continuation of a program of improving agricultural education through courses in technical and vocational agriculture in two colleges and other schools; instruction to begin in use and repair of farm machinery.

Progress to Date

The first itemized budget for agriculture was passed by the Parliament. An extension training course has been held and extension service established in three liwas (states). A national program of forage and fodder products has been mapped. Locust spraying operations were carried out in 1952 and 1953. One rodent control demonstration has resulted in 35 villages carrying on a rodent control program. It is estimated that eradication of rodents would save 20% of the grain in these villages.

The program of experimental farms has been shifted from emphasis upon seed production to a broader program of experimentation and demonstration for crop improvement; research has been initiated in cotton varieties, sugar, tobacco production and processing of cereals.

Four technicians are working with the staff of the Abu Ghraib Agriculture College and other schools have been assisted in curriculum development, teaching methods, and equipment procurement. The college, organized three years ago, has an enrollment of 90 students. In June 1954 the first class of 20 college-trained agriculturalists will be graduated.

A program of supervised agricultural credit with capital provided by the Agricultural Bank has been established in one of the resettlement communities to demonstrate supervised credit for tenants and prospective land purchasers. Credit will be extended at reasonable rates (present rates range from 50% to 100%) and management supervision will be provided to insure proper use of the funds.

HEALTH AND SANITATION

Total U.S. Cost----------$373,000
No. of U.S. Technicians--------17
No. of Training Awards----------9

Objectivies: To advise officials of the Iraqi Government on the organization of health and sanitation programs; to assist in developing effective local public-health activities.

Major Activities in FY 1954	Progress to Date
Maternal and Child Health -- $118,000 Continuation of a program of improving an existing health center for the training of midwives and nurses for work in maternal and child health.	A maternal and child health team of 6 technicians is in the field. The Minister of Public Health has constructed a health center;assigned a female doctor,the first to graduate from the Royal Medical College; provided supplies and equipment for the center and assigned nurses to obtain practical training in modern child and maternal health practices. Upon completion of their training the nurses will be used to staff health centers in the country.
Health Demonstration -- $140,000 A liwa (state) public health department to be organized and operated to serve as a pilot for demonstration of public health services and for training. A nationwide environmental sanitation and fly control program to be organized.	Health adviser is working with the Ministry of Public Health on organization of the Department. The agreement provides for the team of U.S. technicians to establish a health center and train Iraqi health officials who upon completion of their training can staff other health centers being established in the country.
Advisory Services -- $115,000 To advise the Development Board and Ministry of Health, U.S. technicians will be provided in connection with a hospital and health center program.	This will be a new activity. The Government of Iraq is building hospital centers out of its own funds. Advice has been requested for technical assistance to insure that the building program is adequately geared to the National health program and health needs.

EDUCATION

Total U.S. Cost-------$359,000
No. of U.S. Technicians-----16
No. of Training Awards-------8

Objectives: To aid the Government of Iraq in adapting its elementary, secondary, and vocational education to Iraqi needs, in improving educational facilities and in increasing the number of qualified teachers.

Major Activities in FY 1954	Progress to Date
Rural Education -- $136,000 Continuation of cooperation with the Ministry of Education in improving its rural education system. Elementary school facilities to be expanded, and courses and teaching materials adapted to Iraqi needs introduced.	Initiated late in fiscal year 1953. One technician in field.

Home Economics -- $29,000

Course in Home Economics to be continued and improved in the College for Women. Continuation of a project for training home economics teachers.

A Home Economics department has been established in Queen Aliya College, the principal school for women. The Home Economist, working with the Dean of the College, has developed a curriculum. The Ministry of Education has constructed ~~a new program.~~ Through the efforts of the U.S. technician modern equipment and methods are being introduced.

Vocational and Industrial Education - $194,000

Continuation of a program for training teachers of vocational subjects suitable for business, industry and agriculture. Vocational and technical schools to be established in Baghdad. Some equipment to be procured for demonstration purposes.

Staff assistance has been given in technical schools in Kirkuk, Basra and Baghdad. One of the teachers has designed a very simple camel - or donkey-drawn harrow which was built in the school and is now being demonstrated by the county agents in the area. This is the first time the peasants have seen a mechanical device within their means which could replace the old hand methods.

NATURAL RESOURCES

Total U.S. Cost----------$205,000
No. of U.S. Technicians--------12
No. of Training Awards----------5

Objectives: To assist the Iraqi Government in reclaiming or bringing new lands into use by irrigation; providing potable village water supplies and domestic water for settlers on Government land; settlement of nomadic tribes; channeling large national financial resources into useful projects.

Major Activities in FY 1954

Water Resources Planning -- $23,000

Continuation of assistance to the Development Board in overall planning of water resources, and engineering and design for the Board's irrigation program.

Irrigation Surveys -- $182,000

Continuation of a program of demonstration projects showing irrigation methods and production possibilities, and training personnel in drilling methods and in locating underground water supplies through the facilities of an irrigation laboratory.

Progress to Date

Construction plans are completed or in process for three storage dams, Tigris Valley flood control, two large irrigation projects and 20 other developments including remodeling ancient irrigation systems.

The irrigation and drainage laboratory has been established; contracts have been let and work is under way on 450 village wells. Detailed hydrological investigations have been made, involving 25,000 feet of investigative drilling. U.S. and local Soils Laboratory Technicians inspecting dike construction detected the use of unsafe packing materials. The likelihood that seepage would ~~have caused~~ serious damage to the dike costing thousands of dollars was averted.

INDUSTRY AND TRADE

Total U.S. Cost-------$49,000
No. of U.S. Technicians-----2
No. of Training Awards------1

Objectives: To assist the Iraq Government in creating an investment climate which will attract capital for the development of industry.

Major Activities in FY 1954	Progress to Date
Continuation of advisory services to the Industrial Bank, Development Board and Ministries on (a) means by which a favorable investment climate can be created; (b) the compilation of basic data on resources for potential investors; and (c) the coordination of local development proposals with Iraqi Government development plants to assure necessary ancillary facilities in order to attract private investment.	Information on needs and resources is being collected; facilities for handling investment inquiries have been organized, expediting replies. A favorable attitude toward prospective investors on the part of the Iraqi Government has been developed resulting in an Industrial Fair in Baghdad in the Fall of 1953. Substantial progress is being made in the negotiation of a guaranteed investment agreement.

TRANSPORTATION AND COMMUNICATION

Total U.S. Cost------$186,000
No. of U.S. Technicians-----5
No. of Training Awards------4

Objectives: To assist the Iraqi Government in planning and designing a system of roads through major areas of the country to facilitate economic development.

Major Activities in FY 1954	Progress to Date
Continuation of a program of advice to the Director General of Public Works in countrywide highway programs, including the planning and design of road systems in assigned areas; demonstrating bridge and other structural design; and testing road and bridge materials.	Construction is under way on all-weather surfaced Basra-Baghdad road, a Kut-Baghdad road, and 7 mountain access roads. The construction team, with Iraqi funds, designed and purchased laboratory and equipment, installed the laboratory, is training Iraqis in its operation, and tests road and bridge materials. The Iraq Public Works Agency has built, equipped and staffed a modern drafting room, essential in locating, designing and constructing modern roads.

PUBLIC ADMINISTRATION
Total U.S. Cost-----$84,000
No. of U.S. Technicians---3
No. of Training Awards----6

Objectives: To advise the Iraqi Government in methods and organization for the development of competent government administration in fields not reached by other substantive programs.

Major Activities in FY 1954

Advisory services in Government Administration will be continued through technical assistance in the fields of economics, social affairs, public finance, customs and taxation.

Progress to Date

The first advisers, specialists in land taxation, public finance and customs, arrived in Iraq very late in fiscal year 1953. A Social Affairs Adviser has been selected and will arrive in Iraq early in FY 1954.

GENERAL PROJECTS
Total U.S. Cost-----$551,000
No. of U.S. Technicians---29
No. of Training Awards-----9

Objectives: To assist the Iraqi Government in carrying out effectively its reclamation and resettlement programs for rural people.

Major Activities in FY 1954

Rural Improvement -- $299,000

Two teams to be established, one in a northern or Kurdish province and one in a southern or Arab province, to conduct coordinated village improvement programs, demonstrating what can be done by a community program in farming methods, processing, environmental sanitation, new sources of water supply and sanitary facilities. The programs feature training of Iraqi rural affairs officers, both locally and through training awards, providing a basis for extension of the program to other villages.

Miri Sirf Resettlement Program -- $102,000

Continuation of community-development assistance to the Iraqi Government in organizing villages on government-owned lands, in providing technical training and services to farmers and herdsmen, and in training competent local leaders.

Progress to Date

Initiated very late in fiscal year 1953. Between 2 and 3 million Iraqi village dwellers now live under miserable conditions on privately owned land and big land holdings. The Government of Iraq has undertaken a program designed to improve the health, education, sanitation, and housing facilities for this downtrodden mass of people. Technical assistance has been requested in the field of rural social-welfare improvement.

Miri Sirf, or "government lands", is the term commonly applied to the program of the Government of Iraq which should achieve fundamental reforms in the present feudalistic land-tenure system. It consists of aiding in the settlement and improvement of farm villages, with associated community-development activities, on presently government-owned land; so that the benefits of economic progress will go to free-holding farmers rather than to sheik and large absentee land owners. It is regarded by the Government of

General Projects (cont'd)

Miri Sirf Resettlement Program (cont'd)

Iraq and U.S. representatives, alike, as of fundamental importance to the country, with far-reaching implications. For example the Iraq Development Board allots the bulk of its irrigation and drainage budget to Miri Sirf lands. U.S. technicians and guidance are essential to assure successful results in balanced development of a number of new communities on land which in many cases has not previously been under cultivation. This major project agreement - in negotiation for many months under changing ministries - has just been formally signed.

Iraq Development Board -- $150,000

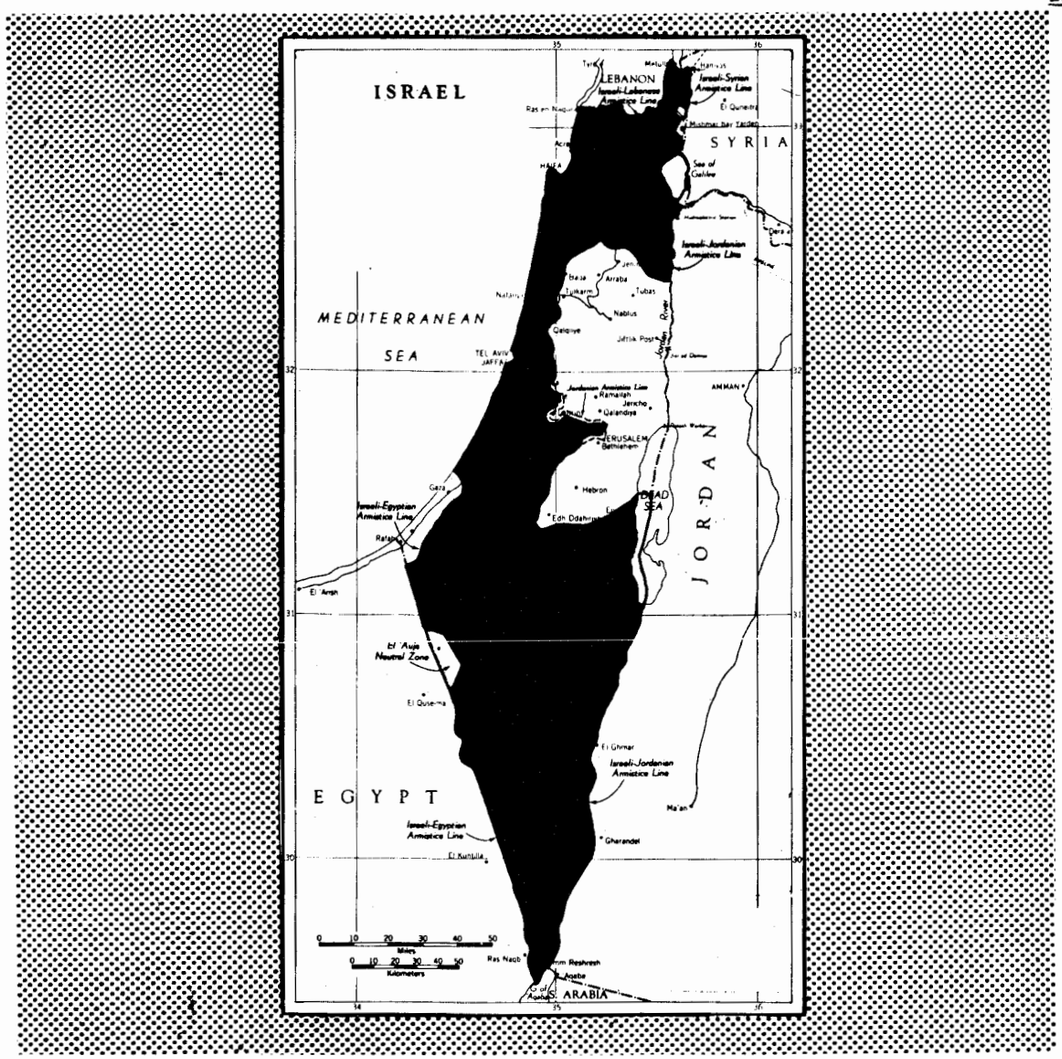
Continuation of a system whereby U.S. technicians are assigned to key posts in the Iraq Development Board Staff to assist in planning and implementation of the Board's program.

Four U.S. technicians are now serving with the Development Board. They are reviewing plans and contracts and in general providing managerial advice in this large undertaking.

IV. OTHER TECHNICAL ASSISTANCE PROGRAMS

Five UN Specialized Agencies - FAO, ICAO, ILO, UNESCO and WHO - are currently working in Iraq. One of the largest programs is that being carried on by FAO, which has approximately 20 technicians advising the Government on irrigation, fisheries, soil conservation, nutrition and agricultural statistics; UNESCO is carrying on a fundamental education project in cooperation with FAO and WHO and is also working in the field of technical education. ICAO is giving assistance in the field of civil aviation, and WHO is carrying on malaria, tuberculosis and venereal disease control campaigns. There are, in addition, a number of voluntary agencies, such as the Seventh Day Adventists, furnishing social services in Iraq. TCA has taken leadership in coordinating these programs with the TCA program and (through its participation on the Development Board) with the overall development efforts of the Iraqi Government.

ISRAEL



U. S. Program Cost FY 1954-----$1,521,000
Estimated Israel Contribution - $1,500,000
No. of U. S. Technicians---------- 72
No. of Training Awards---------- 60

I. RESOURCES AND NEEDS

Natural:

Israel's area is 8,000 square miles. Presently cultivated area is only 950,000 acres, averaging six-tenths of an acre per capita. Estimated cultivable land, if irrigation expanded 1,310,000 acres. Limited mineral resources - potash and other salts, limestone, sulphur, gypsum, glass sands, and ceramic clays. Potash, particularly, is produceable in large quantities. Deposits of copper, iron ore, and manganese, said to be largely of low quality, are not yet exploited. American geologists report geologic structures favoring possibility of oil, but no wells have so far been producers. Agriculture apparently must remain for some time the principal economic base.

Human:

Population (end-1952) 1,577,000 of which about 200,000 are non-Jewish. About 78 percent of population urban. Working force about one-third total population. Immigrant influx of last two years increased proportion of non-western Jews, intensifying problems of social adjustment and economic training. In general, however, people Western-oriented and quick to learn.

Capital:

Gross national product (1952) estimated $800.0 million. Total resources available to the economy (including deficit-financed imports) in 1952 - $1.2 billion of which 20 percent went ot investment, a decrease from the 26 percent of 1951. Exports covered only 20 percent of imports in 1952. Deficits covered principally by United Jewish Appeal, Bond Drive ($96.0 million at end of 1953) and U.S. Government aid. U.S. aid: Ex-Im Bank Loan $135.0 million, TCA-administered grants, $138.0 million. FY 1953 aid $72.7 million, of which $70.2 million under Relief and Resettlement of Refugees offset in part the balance of payments deficit. Principal exports are citrus fruits and polished diamonds.

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II. GENERAL SITUATION

Israel exhibits at the same time aspects of the most advanced and the most primitive economies. This is due largely to the transplanting of relatively large numbers of people from countries enjoying a high standard of living to this underdeveloped part of the world. The magnitude and urgency of the problem of absorbing 700,000 immigrants in five years has placed a tremendous burden on the new State. The desperation and pragmatic methods with which Israel's government has attempted to bridge the gap between what it produces and what it needs have had a direct impact upon the way both technical assistance and grant aid are used.

Roughly half the Jewish population of 1,450,000 immigrated since May 1948, the date of Independence. Apart from the size of this influx, other characteristics of the tremendous immigration have intensified Israel's population problem. Between 1945 snd 1951, the volume of immigration from Asia and North Africa has increased the proportion of Oriental Jews from 25 percent to 38 percent of total population, and raised the birth rate and the proportion of non-working-age-people. The result has been a larger drain on the already strained resources of the country without any commensurate increase in the national product. Fully 80 percent of adult refugees have had no training in trades which can contribute to building up the country. Health and sanitation levels are extremely low. Despite a phenomenal capital investment effort during the period 1948-1952, made possible in large measure by foreign grants and loans, economic development has not kept pace with requirements of the population increase. Over 200,000 immigrants are still in temporary shelters. The level of investment is still below that needed to give immigrants the means of "self-support". The tremendous capital investment of prior years had created a serious inflation but this had been arrested by the end of 1952.

Sixty percent of Israel is desert or semi-arid, and expansion of arable lands depends upon extending irrigation systems. The high cost of bringing more land under irrigation is compounded by the sociological problem of getting people to move from the cities to the land. Only about 5 percent of the immigrants who came between 1948 and 1952 listed their previous occupation in the farmer-fisherman category. This is in contrast to the situation which existed prior to the war when over 50 percent of the total population was rural. That percentage is now about 22. Food production, while rapidly increased since the Armistice, has not yet reached the previous levels attained prior to the exodus of the Arabs, who had constituted some 80 percent of the agricultural population. At present nearly half of Israel's food must be imported, at a cost approximating $60 million per year.

Israel is poor in natural resources. The only fully proven mineral resources in Israel are phosphates and the potash, chlorides and magnesium bromides of the Dead Sea. Possible oil is reported in a few geologic districts; but no test wells have yet been productive. Low grade deposits of copper, manganes, and iron ore are being examined to determine their extent.

The chief problems facing Israel today are the expansion of food production, which involves among other things a population shift from the cities to the farms; increased production of indigenous materials for local industry (i.e., cement, glass, etc.); and expansion and improvement in transportation and storage facilities.

Any permanent solution to Israel's economic problem involves working out a settlement with the Arab States which will permit Israel to play a reasonable part in Near Eastern trade and commerce. The economic welfare of the entire region would be greatly improved by such a solution. The sound economic development of the Near East requires sufficient mutual understanding to permit a freeing of trade among neighboring states, a reduction of import costs by more direct transport routes, and a savings in budgets and personnel presently devoted to military and defense activities.

III. THE PROGRAM

Objectives:

1. Increase agricultural production so as to be less dependent upon imports.
2. Provide assistance and training in health and sanitation.
3. Aid in education and training of immigrants in productive skills.
4. Locate and extend underground water to meet increased requirements of irrigation projects.
5. Develop potash and phosphate industries to satisfy demand for fertilizers.
6. Determine extent of mineral resources as basis for exploitation where feasible.
7. Coordinate and develop transportation network and port facilities to meet needs of agriculture, industry and exploitation of minerals.
8. Expand communications and power facilities.
9. Improve skills of governmental workers, both officials and lower echelons.

Chronology of Agreements:

General Agreement signed February 26, 1951;
Technical Cooperation Program Agreement signed May 9, 1952, amended August 17, 1952 and March 11, 1953;
Economic Assistance Agreement signed May 9, 1952, amended August 13, 1952.

Financing:

Both the U.S. and the Government of Israel contribute to a joint fund from which the necessary costs of project operations are met. The obligations to deposit in the joint account are established by an overall program agreement. Sub-agreements covering each field of activity specify the costs and the purposes for which funds are to be used. In addition to joint fund contributions the U.S. provides technicians and Israel provides numerous facilities and services. The Israel contribution to the fund is at least equal to the value of the U.S. contribution. Additional local financing for project activities is available from the funds deposited in a special account by the Israel Government as a counterpart to dollar expenditures under the refugee grant aid program.

PROGRAM COSTS
(Costs in Thousand Dollars)

	FISCAL YEAR 1953 PROGRAM						PROPOSED FISCAL YEAR 1954 PROGRAM					
	U.S. Technicians		Training Awards		Other		U.S. Technicians		Training Awards		Other	
	No.	Cost	No.	Cost	Costs	Total	No.	Cost	No.	Cost	Costs	Total
Agriculture, Forestry & Fisheries	6	41	9	33	345	419	13	143	10	30	183	356
Health and Sanitation	4	31	11	40	246	317	7	81	10	40	30	151
Education	6	43	12	41	257	341	12	132	11	37	137	306
Natural Resources	6	42	2	6	172	220	6	66	6	22	29	117
Industry and Trade	4	33	8	28	285	346	14	177	10	34	14	225
Transportation & Communications	4	33	8	26	65	124	9	99	7	21	17	137
Public Administration	7	41	9	26	207	274	8	108	6	18	16	142
General Projects	12	108	--	--	351	459	3	33	--	--	20	53
Domestic Program Costs	--	10	--	10	30	50	--	6	--	14	14	34
TOTAL	49	382	59	210	1958	2550	72	845	60	216	460	1521

AGRICULTURE, FORESTRY AND FISHERIES

Total U. S. Cost -- $356,000
No. of U.S. Technicians - 13
No. of Training Awards -- 10

Objectives: To increase agricultural production through the medium of action programs in agriculture; to assist in intensive development of irrigation by planning best system to be installed; to improve agricultural skills (particularly among the large numbers of immigrants previously untrained in agriculture) and land utilization, through an extension program; to conduct a livestock-improvement and range development program; to assist in determining optimum land utilization measures; to assist research and experimental stations in training personnel and in improving methods.

Major Activities in FY 1954	Progress to Date
General Agricultural Development - $22,000	
Assisting Ministry of Agriculture in planning and instituting action programs for increased agriculture production; and supervision of projects jointly undertaken.	Begun late in 1953. Israel's hopes for survival are largely dependent on the ability to increase foodstuffs production and reduce the necessity for food imports which are now more than twice the value of Israel's entire commodity exports. Full cooperation among U.S., FAO, and Israel technicians must be achieved and directed toward common goals.
Agricultural Extension and Training - $205,000	
Main elements of action program are to assist in further development and work of the experiment and demonstration farm and substations, and to carry the benefits of agricultural knowledge to the farmers. Enlarge and perfect system of giving guidance and training to new immigrants, of which nearly 200,000 have settled in rural areas. Assist with further "city to village" movement and with training of large numbers of farm workers resulting therefrom. Promote system of extension in six districts of the country.	Begun late 1953. Activities thus far confined to experimental and demonstration farm. Main challenge is to carry benefits of techniques and scientific improvements to the farms. Plans call for establishment of 60 new agricultural settlements next year; 200-250 over next five years. Essential that rapid increase in farm population be accompanied by systematic extension, demonstration, and training.
Range Development - $~~26~~ 103,000	
Increase livestock population; improve breeding; increase grazing and pastureland; introduce range management practices; develop grasslands, including introduction improved varieties; water-spreading; assist in putting to practical use benefits of experiments on grasses carried out by Israel and FAO.	Begun late 1953. Still in planning stage. Action program to be under way late summer. Israel is only "under-grazed" country in Middle East, due largely to exodus of flocks, along with Arab owners and shepherds. At same time proportion of cultivated land devoted to feedstuff production instead of to production for direct human consumption is greater than in the U.S. Drop in cattle population from 250,000 head under British Mandate to 65,000 head at present. Sheep population particularly low and presently being substantially increased. Essential that proper range management be practiced in order to provide maximum contribution toward improving present protein-deficient diet.

AGRICULTURE, FORESTRY AND FISHERIES (continued)

Major Activities in FY 1954	Progress to Date
Irrigation - $26,000 Assist Israel Government in refinement of plans and in extension of irrigation system; advise with respect to types of irrigation most practical for various types of farming and soils; assist in installation system and training in better practices in new areas.	Government of Israel plans major expansion of irrigated areas (tripling of present 500,000 acres) mainly by establishment of storage facilities in North and piping to South. Plan envisages use of substantial quantities of pipe, pumping equipment, and overhead irrigation, for which import cost is high. Assistance required in establishing less-expensive mehtods where area is suitable. Production from irrigated lands is far superior to non-irrigated area, particularly in South, where sizeable proportion of crop is lost in all except in years of most favorable rains.

HEALTH AND SANITATION

Total U. S. Cost -- $151,000
No. of U. S. Technicians - 7
No. of Training Awards ---10

Objective: Improve public health systems and services; train Israel technicians in public health; create awareness of need, and expand facilities for public health education; improve sanitary practices; control the spread of endemic diseases; create suitable housing conditions.

Major Activities in FY 1954	Progress to Date
General Health Improvement - $22,000 Assist Ministry of Health in planning and organizing improvements in public health service of Israel; supervise joint projects; assist in training and in development of training systems for Israel public health technicians; supervise selection and arrangements for training of public health trainees in U.S.	New project. Influx of immigrants has created new problems, increased the incidence of contagious diseases, and particularly of the diseases (such as typhoid, paratyphod and dysentery) which can be controlled largely by sanitary measures.
Public Health Education - $57,000 A public health education team, composed of a highly qualified public health educator, public health nurse, supervisor and a sanitarian training adviser will advise and assist in planning and organizing an overall public health education program, utilizing the available skills and services of local semi-professional and public health workers, organized by the Ministry of Health. Two demonstration centers will be established in rural areas in order to train local personnel and extend health and sanitation programs into needy areas.	New Project. The greatest problem in public health is to awaken local villagers to the need for essential sanitary and self-care measures. This project provides for systematically bringing to local Israeli communities a knowledge of simple health practices and help in overcoming local conditions which contribute to sickness and the spread of disease. Emphasis is on prevention (cleaniness, sanitary facilities, child care, etc.) rather than on curative medicine.

HEALTH AND SANITATION (continued)

Major Activities in FY 1954	Progress to Date
Environmental Sanitation - $42,000	
Expert sanitation training officer will assist in organizing and directing in-service training of municipal and government sanitarians; five trainees will be sent to the United States to conclude post-graduate training in public health engineering, university training in environmental health, and general sanitary engineering.	New Project. In view of the rapid urban development of Israel without the advantages of sufficient modern sewage disposal systems and other sanitation methods in food handling, milk pasteurization, etc., there is a great need for improved methods and increased awareness of the benefits of environmental sanitation.
Hospital Services - $19,000	
Provide training in the U.S. for five public health (hospital and clinic administration) officials.	New Project. Ministry is establishing a school for all branches of hospital and clinic administration in order to improve services and reduce costs. Five trainees will be selected for further training in the U.S. from the group of lay administrators, medical administrators, laboratory experts, clinical specialists and nurse teachers.
Housing - $11,000	
Furnish advice and assistance to Israel Government and to the U.S. Director of Technical Cooperation on less expensive methods of housing.	New Project. In the past four years about half of all investment in Israel went into housing or related construction. Imported materials create a severe drain on foreign exchange. Cheaper alternatives are required. Meanwhile the need for additional housing units continues, the building program thus far having increased the number of habitable rooms by 1 for each increase of 2 in population.

EDUCATION

Total U.S. Cost --- $306,000
No. of U.S. Technicians - 12
No. of Training Awards -- 11

Objectives: To assist in improvement of methods and systems of general education; provide facilities and technical assistance in enlarging the cadre of teachers for all educational levels; to assist with vocational training and industrial craft instruction for immigrants.

Major Activities in FY 1954	Progress to Date
Educational Improvement - $33,000	
Assist Ministry of Health in determining major possibilities of improving educational levels and practices; supervise the work of	Begun in late 1953. The influx since 1948 of nearly 700,000 immigrants from widely dispersed areas and cultures, many of them illiterate

EDUCATION - Educational Improvement (continued)

Major Activities in FY 1954	Progress to Date
joint project operations resulting therefrom; develop and supervise training programs for prospective Israeli educators, including awards for training in the United States.	and unskilled, places tremendous burden on the State, both for general education and for training in productive skills. Government has recently adopted policy leading to more complete system of public education. Needs advice and assistance in methods, facilities, systems and practices. Awards have been made for 8 trainees to study in the United States.
General Education - $109,000	
Teacher training in primary and secondary education, including assistance with establishment of normal school; assist in perfecting systems and training teachers for adult education; introduce training courses in shop trades and home economics in the elementary and secondary schools; survey schools to determine adequacy of facilities and equipment.	Program not yet under way. The requirements of adult, secondary, and elementary teaching far exceeds present ability of Israel to provide facilities and teachers. High percentage of illiteracy among recent immigrants makes adult education a particular need and problem. Assistance is needed in increasing numbers and in improving the competence of Israel's teachers, in organizing courses and curricula, and in introducing improved teaching methods. Labor requirements of the country and especially the non-industrial background of most of population make craft instruction in elementary schools an especially important preparation for subsequent training.
Vocational and Technical Education - $164,000	
Continue establishment of training courses; assist in equipping trade schools and vocational training centers (as result of survey recently completed); establish six new shops to serve as models in order to improve operation of existing shops; advise and guide existing training centers; improve agricultural schools and farm shops.	Vocational training courses established; advisory services being furnished; training centers under construction and equipment being procured; guides and standards for apprenticeship training established; specific apprenticeship training (and systems) established in certain industries; establishment joint working arrangements with Ministries of Labor and Education to coordinate and facilitate vocational education and apprenticeship training. Israel has a lower proportion of people employed in production (as a distinguished from services) activities than the United States or Western European countries. Statistics indicate that only 24% of immigrants since 1948 were previously gainfully employed, and of those gainfully employed 46 percent were in the services. Only 5 percent were farmers, fishermen, miners or quarry workers; 38 percent craftsmen, including only a few industrial workers; 5.5 percent industrial workers and 5.5 percent unskilled labor. There is a critical need for an increase in trained productive workers.

NATURAL RESOURCES

Total U. S. Cost --- $117,000
No. of U. S. Technicians -- 6
No. of Training Awards ---- 6

Objectives: To assist Israel in a wise and rapid exploitation of available natural resources; to help develop mineral potentialities; to develop means of utilizing available water resources.

Major Activities in FY 1954	Progress to Date
General Resources Development - $22,000	
Assist Ministry of Development in planning and initiation of projects to make maximum use of resources; supervise work of technicians, and coordinate awards and training-planning for technicians to be sent abroad.	Preliminary surveys on mineral potential have been accomplisned and modifications made in plans for exploitation. Project plans are partially developed. Several Trainees now in U.S.
Minerals Development - $14,000	
Assist private, quasi-government and governmental institutions in exploitation, sampling and testing; advise industry on extraction and processing; train young Israel technicians in techniques, methods, and procedure.	Mineral deposits have been examined and samples tested. Scarce materials exploration under way. Assistance and advice has been furnished on extraction and processing of phosphates, copper, manganese, iron and feldspar.
Geological Survey - $67,000	
Assist Israel Mining Industries in exploration of mineral areas, principally in the Wadi Jiraffe and Wadi Roman; preliminary survey and mapping; sampling, trenching, drilling and driving of exploratory test basis. Provide technical personnel and demonstration equipment to train young Israel geologists in exploratory methods and procedures and in undergrqund mining techniques.	New Project. Iron, manganes, Kaolin, and rock phosphate deposits exist but the areas have not been sufficiently explored and mapped. In view of the limited resources available, the training of local technicians to insure a maximum of efficiency in this type of work is essential.
Water Resources - $14,000	
Facilitate the expansion of agriculture in semi-arid regions through more complete and effective utilization of underground water; appraise quality and quantity of available resources; assist with exploratory well drilling and instruct local technicians in drilling operations; advise on proposals for the procurement of drilling equipment.	Well drilling operations are under way. A U. S. technician is advising and assisting Israel drill crews. Drills have been made as deep as 366 meters. Salinity tests and in some cases pumping tests are being made.

INDUSTRY AND TRADE

Total U. S. Cost -- $225,000
No. of U.S. Technicians - 14
No. of Training Awards -- 10

Objectives: To arrive at plans for more economic development of industry in Israel; determine means of encouraging private investment; encouragement of small industries; improve marketing and distribution facilities; and effect technical improvements in specified industries.

Major Activities in FY 1954	Progress to Date
General Industrial Development - $56,000	
Assist Ministry of Trade and Commerce (a) in plans for encouraging development of industries utilizing local materials and producing items which will make significant savings in foreign exchange imports; (b) in plans and projects for the attraction of private capital; (c) in establishment of criteria for raw materials allocations; (d) arriving at joint projects to assist the industrial sector.	Plans are being developed in each of the areas indicated, and a number of project plans agreed to, principally in assistance to selected industries.
Assistance to Selected Industries - $126,000	
Provide specialized technical assistance to increase productive efficiency in chemicals, petro-chemistry, textiles, metals, ceramics, and rubber goods.	Israel's drive toward self-sufficiency involves the production of finished goods from local raw materials, both for domestic use and for exports. There is a pressing need to decrease imports. Industrial efficiency must be greatly increased in order to compete in world markets. Plans have been completed for the erection of a petro-chemicals pilot plant; samples are now being tested in the U.S. in order to determine the best processing methods. Several trainees are studying in the U.S.
Food Supply, Marketing, and Distribution - $43,000	
Advise on food processing, marketing methods, quality controls, and export marketing of food products.	New project. Israel's greatest foreign exchange earner is citrus export. More attention needs to be given to other products and biproducts as well as to local processing and improved marketing of foods.

TRANSPORTATION AND COMMUNICATIONS

Total U. S. Cost -- $137,000
No. of U. S. Technicians -- 9
No. of Training Awards ---- 7

Objectives: To assist in the development of an integrated transport system; to advise on the utilization and maintenance of equipment for all media of transportation; to provide consultation on extension of telecommunication facilities to newly settled areas; to advise an efficient organization of harbor facilities.

Major Activities In FY 1954	Progress to Date
General Transportation Development - $41,000	
Advise governmental units concerned with transportation on the development of a transportation plan to meet the economic requirements of the country including consideration of the distribution of loads between the various transport media; survey port operations and need for additional post facilities; develop cooperative programs for the improvement of transportation and communication.	Surveys have been undertaken, locating and analyzing weaknesses in existing transport system; recommendations have been submitted to the Israel Ministries with respect to port operations and administration, expanding utilization of rail facilities, aircraft servicing and procurement, and terminal operations. Further rationalization and expansion of the transport system is indispensible to establishing new settlements, providing for the movement of bulk materials from areas where mineral resources exploitation is being undertaken, and furnishing low-cost servicing of industrial plants. Economic growth is dependent upon the adequacy of transport facilities.
Road Transport - $17,000	
Continuation of assistance in improving present methods of road transport operations, advise on the maintenance of equipment (trucks and busses) and in organizing and rebuilding of maintenance shops.	Project begun late in FY 1953. Road transport is at present the principal transport medium in Israel. Many areas of the country, especially in south, are not serviced by rail. The need to import fuel and most spare parts makes optimum utilization of equipment and adequate preventative maintenance necessary for low-cost transportation.
Harbor Services - $22,000	
Assist in increasing the cargo handling capacity of the Port of Haifa through the proper use and arrangement of port transient sheds and supporting warehousing facilities. Advise on the movement and checking of cargoes off and on ship.	New Project. Haifa is the only major port in Israel. The volume of traffic has increased rapidly since 1948, now tasking the ability of the port to handle it. Faulty port management and freight handling have resulted in considerable loss of ship time in port.

TRANSPORTATION AND COMMUNICATIONS (continued)

Major Activities in FY 1954	Progress to Date
Rail Transportation - $27,000	
Assist the Israel Railroad in the reorganization and operation of the main railroad shops at Guishon; advise on round house and equipment turn-around procedures, schedules of maintenance, and maintenance routines. Assist in proper traffic control, tariffs, and schedules of operation.	Project not yet begun. The Israel Railroad has since 1948 continuously operated at a deficit. Though potentially the most economic form of transportation and a vital link in an efficient transportation network. The railroad now has difficulty in competing with truck and bus transport. This is due in large part to inadequate maintenance and poor scheduling.
Telecommunications - $30,000	
Assist the Israel Ministry of Communications in the expansion of its communication services by instructing local technicians in the maintenance and operation of teletype and teleprinter apparatus and circuits.	New Project. Israel must expand communication to keep pace with the growth of the country and with its commercial and industrial expansion. There is a scarcity of trained men and inadequate facilities for conducting courses.

PUBLIC ADMINISTRATION

Total U. S. Cost - $142,000
No. of U.S. Technicians - 8
No. of Training Awards -- 6

Objectives: To raise the level of governmental services and train a potential supply of competent, top-ranking public servants.

Major Activities in FY 1954	Progress to Date
Government Services - $142,000	
Advise on organization and standardization of governmental operations; in public finance; in general services; in labor relations; in public reporting; in production standards.	New Project. Israel is a new State with an extremely inexperienced bureaucracy, further complicated by the diversity in background normally found in an immigrant population. These conditions call for development of skills in government administration, and perfecting of governmental organization and procedures.

GENERAL PROJECTS

Total U. S. Cost --- $53,000
No. of U. S. Technicians - 3

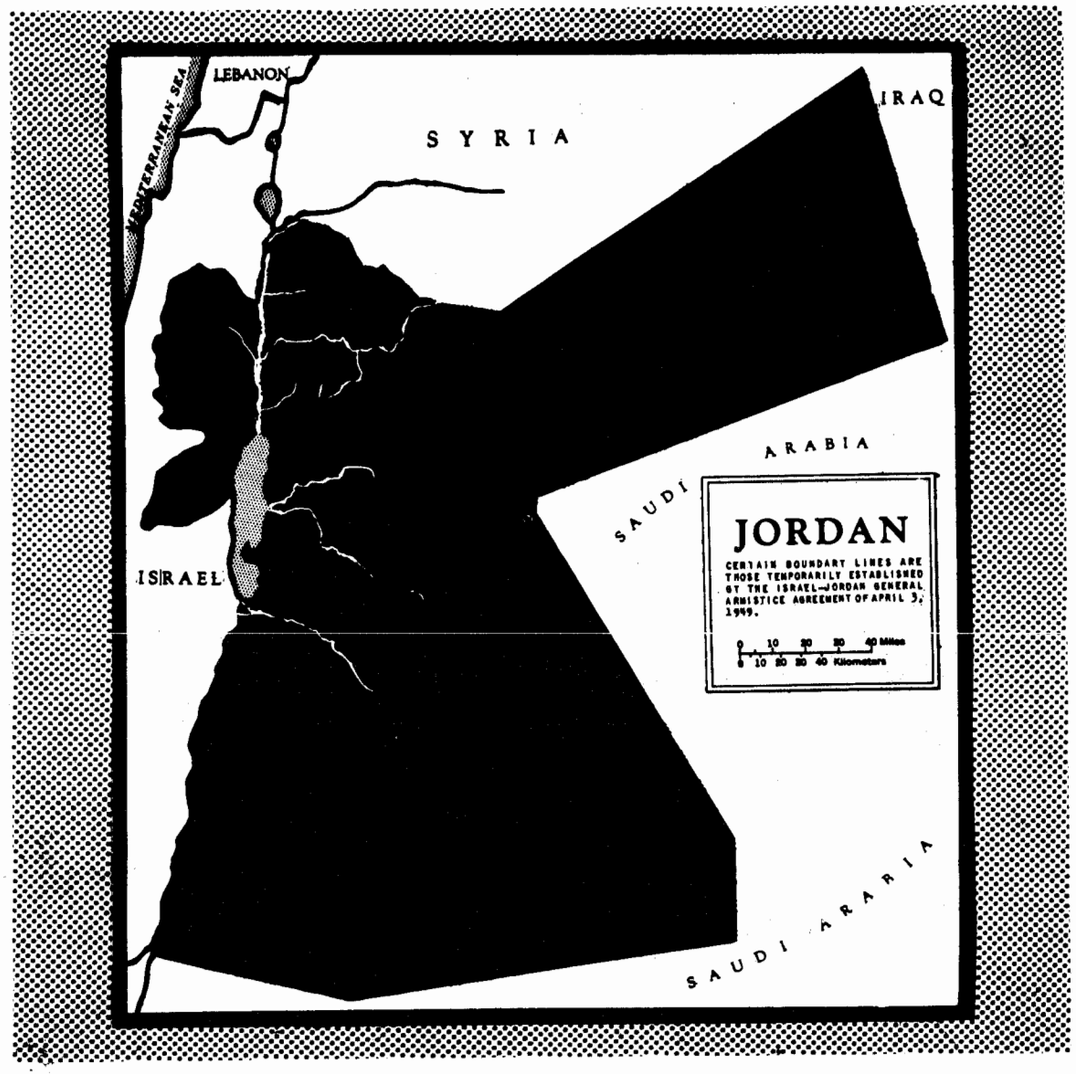
Objective: To raise the standard of living of the Arab minority in Israel by technical assistance in solving basic problems affecting the status of this group.

Major Activities in FY 1954	Progress to Date
Rural Improvement - $53,000	
Assist by means of specially trained teams in Arab villages to improve health conditions, agriculture, education and home crafts.	New Project. Ministerial working groups are planning program to improve health, education, and agriculture in Arab villages and to train teams to continue program.

IV. OTHER TECHNICAL ASSISTANCE PROGRAMS

Multilateral Program

The United Nations Technical Assistance Administration and five specialized agencies are working in Israel. UN-TAA has sent experts on public administration, harbor development and meteorology. FAO has 10 experts advising the Israeli Government in such fields as range management, livestock breeding, agricultural engineering, soil and water conservation and fisheries. ICAO specialists are giving assistance in the field of civil aviation and training Israeli in air safety methods. WHO experts are advising the government on public health nursing, tuberculosis and rabies control. The UN has assigned a Resident Officer in Tel Aviv who is responsible for the coordination of all UN technical assistance programs and who consults with the TCA Mission with the view to integrating the efforts of TCA and the UN.



U. S. Program Cost FY 1954 - $2,258,000
Estimated Jordanian Contribution - $2,160,000
No. of U.S. Technicians - 69
No. of Training Awards - 41

I. RESOURCES AND NEEDS

Natural:

Jordan, with an area of 35,000 square miles, is 90% desert. The country is landlocked, except for a small strip on the Gulf of Aqaba. Phosphate, potash, and manganese deposits offer an opportunity for some mineral development. The Jordan valley although having annual rainfall of only 1 to 4 inches, is potentially the heart of agricultural development, through irrigation by use of the waters of the Yarmouk and Jordan Rivers.

Human:

Jordan's population of 1,320,000 includes 450,000 Palestine refugees. Four-fifths of the population live in rural areas. Non-agricultural activities are primarily merchandising with some primitive industry. The economic situation has resulted in numerous indigents, and for a majority living is at a bare subsistence standard. Disease, illiteracy and poverty are the general condition.

Capital:

With few exports and limited internal industry, Jordan's own capital resources are small. British loans have provided budgetary support; the British also subsidize the Arab Legion. UNRWA provides refugee relief of $3 per month per person for the refugee, and is cooperating in development projects. There are few good roads and one short railroad line.

II. GENERAL SITUATION

Jordan is a country unbelievably poor in resources. A majority of the people of Jordan are illiterate, poor and unskilled. Their already desperate economic plight has been aggravated by the influx of half a million Palestine refugees. Unemployment and underemployment is the lot of a majority of the people -- with about three-fourths of the population dependent on subsidies of UNRWA and the Arab Legion. A majority of the remainder live as share croppers, tenant farmers and laborers. A small class of land owners control most of the limited arable land. The ordinary peasant has practical-

GENERAL SITUATION (continued)

ly no way of acquiring or retaining land because of usurious credit practices. The pattern of life for most of the people is primitive; the major preoccupation is the struggle for food. Medical services are practically non-existant for the masses; there are no schools available for two-thirds of the school-age population. Opportunities for learning a trade are almost entirely lacking.

Ninety percent of Jordan is desert, peopled by nomadic Bedouins. Arable lands suffer from lack of rainfall and primitive agricultural methods; productivity is low. The mineral resources are largely non-metallic substances -- bulky, far from market, and isolated by lack of transportation facilities. Investment capital is unavailable to exploit even these restricted resources. Jordan's needs are staggering: food, employment opportunities, basic health and education services, and communication facilities. The building blocks for these developments are chiefly the will of the people and their Government to make the effort, the potential of the waters of the Yarmouk and Jordan Rivers for increased food production and power, and underdeveloped mineral resources.

In a little over nine months of cooperative program operation, the Jordan Government has made important advances, with U. S. technical assistance toward solving its problems. Activities are being carried on in 219 cities, towns and villages throughout the Kingdom. Programs in agriculture and health have been initiated, and concrete steps taken to bring to reality the long-standing vision of development of the Yarmouk valley. Important to the United States is the cooperation established between the two governments, in a joint program geared into the regular organization of the Jordanian Government. Point 4 has broad acceptance and recognition among the people, and it is hoped this will counteract resentments against the West arising from the Israel-Arab States dispute.

The water-spreading program, "pushing back the desert," has become of international interest. Real progress has been made toward bringing to an end the pitiful conditions of the Arab refugees currently living under "soup kitchen" conditions. Through the joint efforts of Jordan, UNRWA and the technical cooperation program, plans for utilizing the waters of the Yarmouk in reclamation of lands for resettlement purposes, give hope for relieving Arab-Israel tensions.

III. THE PROGRAM

Objectives:

1. Increase food production to improve nutrition, reduce periodic need for food imports, and increase the farmer's income.
2. Develop small industries and mining, thereby increasing opportunities for employment.
3. Improve marketing techniques.
4. Develop essential transportation and communication systems.
5. Establish agricultural credit facilities.
6. Increase educational opportunities in the vocational and rural fields, thereby increasing the productive efficiency of both urban and rural workers.
7. Improve health and sanitation conditions by controlling disease and providing sanitary water supply, thus increasing the productive capacity of the country.

Chronology of Agreements:

General Agreement - February 27, 1951
Economic Assistance - December 20, 1951
Water Resources - June 4, 1951
Program Agreement - Water Resources Development, Agriculture, Health and Sanitation, Education, and Technical Cooperation Services (Mineral Development, Transportation, Census Organization, Industrial Development and Training Awards) - February 12, 1952.

Financing:

Program organized around Cooperative Departments within four major Ministries, with Technical Cooperation Service — Jordan (a special joint agency) operating the remaining activities. Operates under comprehensive joint fund program agreement, broken down by amounts for the respective Cooperative Departments.

Jordanian contribution for FY 1953 under "Fair Share" agreements has been established at $935,000; for FY 1954, estimated at $2.16 million.

THE PROGRAM (continued)

For FY 1954, U.S. contributions to the Joint Funds of the Cooperative Departments are planned as follows:

Agricultural Development	$175,000
Health & Sanitation	100,000
Education	200,000
Water Resources Development	525,000
Special Services	150,000
TOTAL	$1,150,000

PROGRAM COSTS
(Costs in Thousand Dollars)

	FISCAL YEAR 1953 PROGRAM						PROPOSED FISCAL YEAR 1954 PROGRAM					
	U.S. Technicians		Training Awards		Other Costs	Total	U.S. Technicians		Training Awards		Other Costs	Total
	No.	Cost	No.	Cost			No.	Cost	No.	Cost		
Agriculture, Forestry & Fisheries	11	149	4	16	263	428	15	165	6	18	192	375
Health & Sanitation *	11	147	--	--	230	377	9	99	8	40	107	246
Education	6	78	5	20	367	465	7	77	6	18	204	299
Natural Resources	31	278	1	4	634	916	26	311	11	36	543	890
Industry, Trade and Labor	7	121	1	4	129	254	8	111	9	36	180	327
Transportation and Communications	--	--	--	--	119	119	2	22	1	4	14	40
Public Administration**	2	19	15	36	150	207	2	22	--	--	14	36
General Projects	--	--	--	--	--	--	--	--	--	--	--	--
Domestic Program Costs	--	22	--	11	22	55	--	15	--	23	7	45
TOTAL	68	814	26	93	1,914	2,821	69	822	41	175	1,261	2,258

*Includes Housing, Social Welfare, & Vital Statistics.
**Includes Public Finance, Census and Weather.

AGRICULTURE, FORESTRY AND FISHERIES

Total U. S. Cost $375,000
No. of U.S. Technicians-15
No. of Training Awards - 6

Objectives: To assist the Ministry of Agriculture of Jordan in providing the necessary extension and demonstration of effective land and water use techniques, so that the farmers can increase their crop and livestock production to a point where it can meet the dietary requirements of the population, and provide some exports.

Major Activities in FY 1954

Agricultural Extension -- $192,000

Plant disease control and horticultural improvement. Demonstration of dusting machines, spraying equipment, insecticides and seed improvement and grading. Fruit and vegetable planting and nursery propagation.

Livestock Improvement -- $132,000

Demonstration of vaccines and other disease control measures. Development of improved breeds. Improvement of present stocks.

Farm Machinery Demonstration -- $51,000

Training farmers in the use and repair of farm implements. Organization of Division of Machinery Maintenance in Ministry of Agriculture.

Progress to Date

A Cooperative Department has been organized in Ministry of Agriculture. Demonstration in insecticides, fungicides, boll weevil and olive dacus fly control. Locust survey made. Nursery established; experimental stations improved. 60 Jordanians trained in nursery methods; 500 acres demonstration irrigation system completed.

Demonstration dairy barn has been completed. Dairy cooperatives have been organized by the government, and a study of cattle export trade made. Registration of Arabian horses, an important export, has been initiated.

44 Jordanians have been trained in farm machinery use and maintenance. A plan for rental of equipment from a machinery pool was established. There is a heavy demand by Bedouin tribes for camel-drawn slip scrapers designed and manufactured under the program.

HEALTH AND SANITATION

Total U. S. Cost $246,000
No. of U.S. Technicians-9
No. of Training Awards -8

Objective: To assist the Ministry of Health of Jordan in its programs to improve the general level of health by increasing medical facilities, providing pure water and adequate sewage disposal.

Major Activities in FY 1954

Medical Improvement -- $222,000

Supervision of Central Government Laboratory at Amman, which conducts training and laboratory analysis for health programs. Training of midwives and maternity nurses. Assistance for National Tuberculosis Sanitarium.

Progress to Date

A Cooperative Department has been organized in Ministry of Health. The Central Laboratory is 70% completed; 25 local technicians have been trained and another 25 are in training. Fifteen maternal and child health centers are in operation, and 40 nurses and midwives have been trained. Applicants for nurse training far exceed training school capacity.

HEALTH AND SANITATION (continued)

Environmental Sanitation -- $24,000	Progress to Date
The technician advises the ministry regarding programs for pure water and sewage and garbage disposal.	The Amman water supply has been improved, a malaria survey made of the Jordan-Yarmouk Valley and 15 Jordanians trained in environmental sanitation.

EDUCATION

Total U. S. Cost -- $299,000
No. of U. S. Technicians - 7
No. of Training Awards - 6

Objectives: To assist the Ministry of Education of Jordan to improve the standards of fundamental education and to develop a program of vocational education.

Major Activities in FY 1954	Progress to Date
Teacher Education -- $157,000	
U. S. technicians will assist in staffing and equipping a normal school for women and one for men, and a demonstration Rural Training Center to meet problems of rural people.	A Cooperative Department has been organized in the Ministry of Education. Women's teachers college operating since October 1952; summer school for 60 elementary headmistresses planned. Plans for men's teachers college under survey; summer school for 60 headmasters planned.
Vocational Education -- $85,000	
U. S. technicians will assist in planning, staffing and equipping Amman Trade School, and in development of craft activities to provide supplemental incomes, and to develop skilled employees.	Following a survey of the employment needs of 75 industries, the curriculum of the Amman Trade School has been revised. Based upon a survey of local crafts work and availability of local materials, plans have been completed for 3 school crafts programs and tentative plans for 20 arts and crafts shops.
Agricultural Education and Other -- $57,000	
Technical assistance will be given to the Khadouri Agricultural School and in agricultural education programs in elementary and secondary schools.	132 elementary schools have established school gardens for instruction purposes.

NATURAL RESOURCES

Total U. S. Cost $890,000
No. of U.S. Technicians-26
No. of Training Awards -11

Objective: To provide assistance to the Land Department of the Ministry of Finance in planning and carrying out a broad-scale water resources development program. This includes continuation of the supervision of the Yarmouk-Jordan project and aid in developing other sources of water.

Major Activities in FY 1954	Progress to Date
Irrigation Development - $499,000	
TCA staff will continue overall supervision of Yarmouk-Jordan Valley development. Primary activity will be the execution of 14 Wadi development projects, including rehabilitation of existing systems, construction of dams, canals, and reclamation of farm land. Assistance will be given in plans for the Wadi Duhleal Reservoir (which is to irrigate 2,500 acres for refugee resettlement) and in a survey of ground water resources, with design of necessary pumping installations.	A Cooperative Department for Water Resources has been organized in Finance Ministry. Preliminary surveys for the important Yarmouk-Jordan valley project have been developed, and a contract has been let for the next phase of the engineering surveys for the dam, which is a central part of the project. Surveys and Designs for the Wadi projects and for the Wadi Duhleal Reservoir have been completed. One Wadi project has been completed and another is ready for construction.
Development of Desert Grasslands - $267,000	
Jordanian engineers, field crews and tribal leaders will be trained in planning construction and operation of water-spreading structures to bring additional grasslands into use.	A 7,000 dunum (.2 acre) demonstration area in 1953 has amazed Jordanians and brought requests from eight Jordanian tribes for assistance in similar developments; they are now trying to spread water on 12,000 dunums. Two Roman cisterns were cleaned and repaired as demonstrations, leading to cleaning of seven cisterns by the people of five other villages.
Equipment Pool - $124,000	
A single shop which will provide maintenance service for all equipment used by the program is intended also to demonstrate shop organization and equipment maintenance to Jordanian agencies.	

INDUSTRY AND TRADE

Total U.S. Cost $327,000
No. of U.S. Technicians-8
No. of Training Awards -9

Objective: To assist the Government of Jordan to provide opportunities for employment and greater economic stability by expanding industrial production, exploiting mineral resources, and developing tourism.

INDUSTRY AND TRADE (continued)

Major Activities in FY 1954	Progress to Date
Industrial Development -- $86,000	
Guidance is to be given in development of small industries requiring small capital and large labor input. A survey is to be made of other industries which could be readily started with local materials and labor; together with development of credit facilities, an analysis of the market and distribution system, and other factors in industrial development.	An engineering survey has been made of power potentialities at 2 dam sites.
Mining Industry Development -- $221,000	
Surveys of resources and marketing opportunities will be carried forward; the economic feasibility of extracting potash from the Dead Sea will be determined, and assistance given in plant design and marketing; phosphate production will be reoriented for export through Aqaba and Beirut.	A mineral survey is underway; American companies have expressed interest in manganese development. The phosphate marketing survey has indicated excellent prospects; improved equipment to increase recovery rate is being introduced.
Tourism - $20,000	
Technical advice is to be given on improvement of advertising and of facilities for tourists to the Holy Land.	A government travel department is being established, Holy places rehabilitated, accommodations improved, and fifty hotel and restaurant employees are being trained.

TRANSPORTATION AND COMMUNICATIONS

Total U. S. Cost $40,000
No. of U. S. Technicians-2
No. of Training Awards -1

Objectives: To assist the Government of Jordan to develop transportation and communication systems needed to facilitate both the economic development program and the domestic and foreign exchange of goods; to ascertain basic facts about the existing facilities throughout the country.

Major Activities in FY 1954	Progress to Date
Transportation and Communication Development -- $40,000	
Assistance is to be given to the Jordanian Government in planning its road net, in establishment of maintenance shops and in demonstration of telecommunications equipment.	Road net surveys are in process. Bureau of Roads loaned one of its men to make initial survey.

PUBLIC ADMINISTRATION

Total U. S. Cost -- $36,000
No. of U.S. Technicians - 2

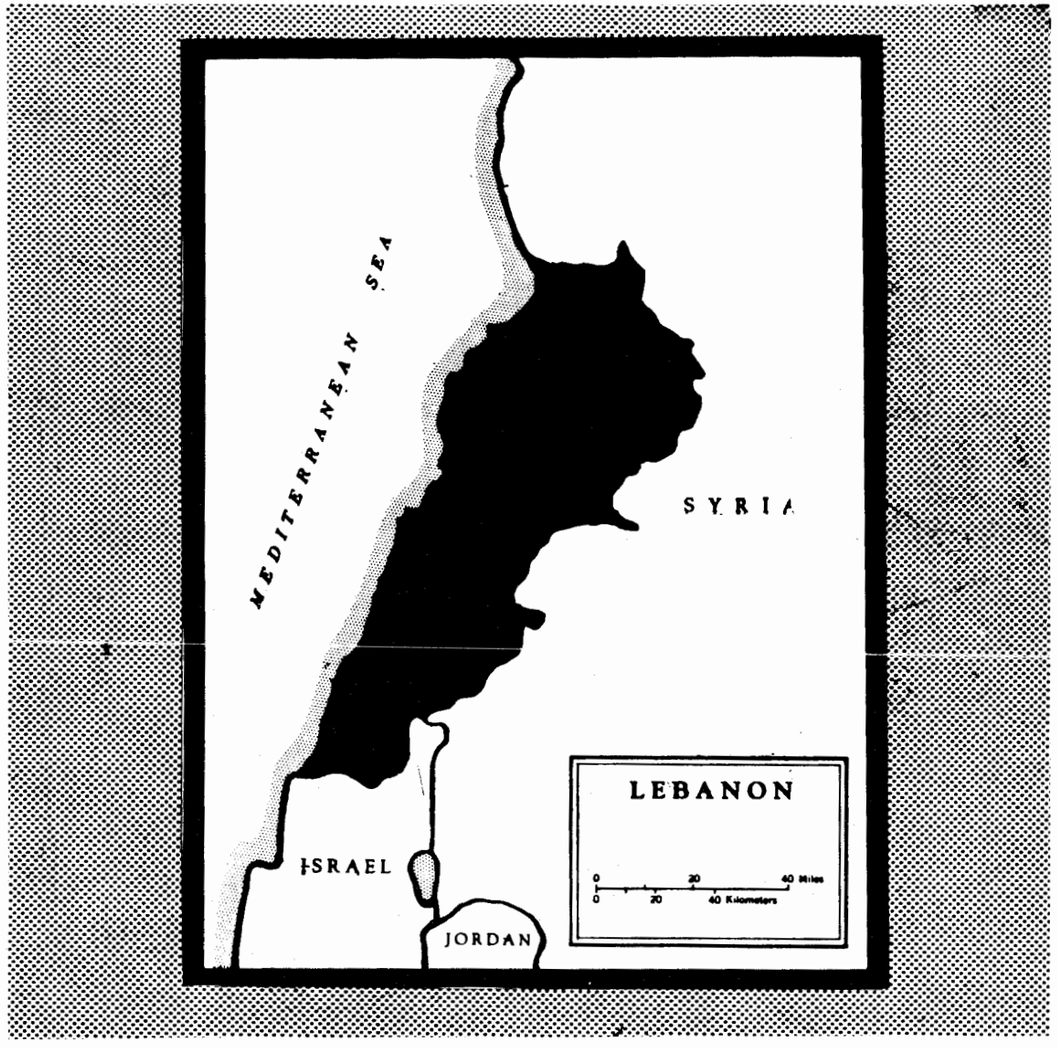
Objectives: To assist the Ministry of Economy in carrying out the first census of the country.

Major Activities in FY 1954	Progress to Date
Public Administration Development -- $36,000	
The program will continue advice and training in censuses of housing and population.	40 census supervisors and 380 enumerators, clerks and machine operators are being trained for housing census.

IV. OTHER TECHNICAL ASSISTANCE PROGRAMS

UNRWA is providing major assistance in the support of over 450,000 Arab refugees, and cooperation in the Yarmouk project, with a view toward resettlement of the refugees.

Britain provides substantial financial assistance to the Jordan Government through loans and through financing of the Arab Legion. Staff arrangements have been made for regular coordination and close working relationships between Point 4 personnel and personnel of UN agencies.



U.S. Program Cost FY 1954-----$2,852,000
Estimated Lebanon Contribution--$903,000
No. of U.S. Technicians----------70
No. of Training Awards----------52

I. RESOURCES AND NEEDS

Natural:

Lebanon has an area of approximately 4,000 square miles - twice the size of Delaware. Of its 2,565,000 acres, 46 percent or 1,200,000 acres are cultivable and 675,000 acres (26 percent, less than 1/2 acre for inhabitant) are cultivated. The main farm crops are cereals, tobacco, olive oil, fruits and vegetables. Production of foodstuffs is insufficient for the country's own needs.

Sidon and Tripoli are the port termini of the trans-Arabian and the Iraq oil pipelines. There is limited manufacturing. Textiles are the principal industrial product. Mineral resources are negligible.

Human:

The population approximates 1,285,000, including 125,000 Arab refugees. Moslems and Christians are about equally divided. Population increases 2% annually; density is about 317 per square mile. Literacy is much the highest among the Arab States, approaching 80%. Forty percent of the population lives in cities and towns; the remainder are engaged in agriculture. Life expectancy is 40 years. Disease is only slightly less prevalent than in other Arab countries.

Capital:

National income is estimated at $195 million. The annual budget is approximately $36 million (1952). The balance of trade is heavily unfavorable with annual exports of $19 million and imports of $71 million. Commodity income is augmented by tourism and remittances. Exports include citrus fruits, vegetables and olive oil. Remittances from Lebanese Americans are a major contribution to foreign exchange.

II. GENERAL SITUATION

Lebanon is a small country on the Eastern edge of the Mediterranean, with a narrow coastal plain approximately 120 miles long. The rest of the country consists largely of two mountain ranges running parallel to the sea. Between these two ranges is the fertile plateau of the Bekaa, an agricultural plain and in the north the plateau of the Akkar borders Syria. Rugged terrain and lack of adequate rainfall limit the amount of arable land. A population of 1,285,000, including 125,000 Palestinian refugees, lives primarily along the coast. About 40% of the inhabitants live in cities and towns which are primarily commercial centers, where most of the money-lending and land-owning class (representing the educated and politically articulate element in the nation) lives. Between this small elite group of the wealthy and the large masses of the people there is a widening gap in standards of living. This economic class cleavage further complicates the social structure, which is already widely split by the religious differences between the almost equal numbers of Moslems and Christians, and among the various sects of each.

Of the working population, an estimated 50% is directly or indirectly engaged in agriculture; small industry employs roughly 40,000 persons; and another 40,000 are chronically unemployed. Agriculture is characterized by low productivity because of poor land, lack of rainfall, antiquated farming methods and destructive land-use practices. These factors cause rural-village poverty, unrest in rural areas and mass migrations to cities. Life in the cities is characterized by submarginal wages, unemployment, slums and general poverty.

The major factors hindering economic development in Lebanon, aside from the lack of natural resources, are lack of reasonable credit facilities for agriculture and industry; control of financial resources by a small group of traders and commercial interests who appear loath to invest their money in local productive enterprises; and lack of effective governmental planning of development works. The hope for the future, despite these handicaps and the increasing population pressure, lies in harnessing the major natural resource in Lebanon, the Litani River, for irrigation and power; constructing irrigation and village water systems; and undertaking a program to eradicate the present deficiencies in health and education.

Lebanon exerts an influence in the Near East out of all proportion to its size and numbers. It is materially and culturally more advanced than most other Arab countries, and the ideas and outlook of its population are generally much closer to those of the West. America's reputation has been especially high in Lebanon, and connections have always been strong. There are said to be even more Lebanese in the United States than there are in Lebanon and their ties with relations back home tend to be closely maintained. For nearly 90 years the American University in Beirut has been an outstanding leader in education throughout the entire Near East. Of seven Arab delegations at the last UN session, five were headed by graduates of the AUB. Private American contributions also maintain several other educational establishments in Lebanon. The French have had at least equal influence on Lebanese education, particularly through St. Joseph's University founded in 1875. Altogether Lebanon has proven a particularly receptive and effective channel in transmitting Western influences throughout the entire Near East.

III. PROGRAM

Objectives:

1. Increase crop production through extension, research, and demonstration of approved agricultural, distributive and marketing practices.

2. Improve animal breeding, management, and health through demonstration of modern techniques of animal husbandry.

3. Determine the water and power potential of the Litani and other river basins and assist the Lebanese in preparing development plans.

4. Develop skills and resources necessary for increasing production, trade and investment.

5. Standardize and extend a nationwide system of compulsory, free primary education, and expand teacher and vocational training.

6. Extend public-health and preventive services to selected rural areas on a demonstration basis, and establish health laboratory, vital statistics and environmental-sanitation programs.

7. Train Lebanese government employees in specialized techniques and functions, for carrying out governmental responsibilities.

Chronology of Agreements:

Program Agreement for natural resources development; agriculture; education; industry; tourism; communications; and social service - June 26, 1952.

Project Agreements:

Lebanon slum clearance and low rent housing study - August 25, 1952.
Health and sanitation services to villages - August 7, 1952.
Urban health center - September 30, 1952.
Agriculture Development, Public Health, Communications, Economic Development - January 12, 1953.
Vital Statistics - January 30, 1953.
Kasmie Irrigation and Rural Improvement - February 16, 1953.
The Litani River Investigations - February 24, 1953.
Industry Institute - March 2, 1953.
Education (3) - March 3, 1953.
Young Lebanese Apprentice School - April 16, 1953.

Financing:

The Lebanese budget for 1952 totaled $36,083,333, of which more than 1/3 was used for the country's economic development. Included in the development fund was 15% for operations in the fields of agriculture, public health, education and public works. The joint Lebanon/U.S. Technical Cooperation Program received a direct appropriation of 1% of the budget for the above-mentioned fields of work. A supplementary appropriation of about $15,000,000 was voted for water development activities under the government's economic program. More than $200,000 was allocated to Lebanese scholarships as a part of the same economic program.

Because of the problems encountered in working out terms of project agreements under the FY 1952 program agreement, signing of many of the agreements was delayed until the middle of FY 1953. Consequently, the FY 1952 program agreement covered activities for both fiscal years. The U.S. contribution for the two years totaled $4,080,000 and Lebanon's contribution is estimated at $900,000 cash and $290,000 in kind - or a total of $1,190,000. The U.S. contribution for FY 1954 will be $2,852,000; Lebanese cash contributions are estimated at $733,000; contributions in kind are expected to equal or exceed the $150,000 rate of previous years.

PROGRAM COSTS
(Costs in Thousand Dollars)

	FISCAL YEAR 1953 PROGRAM						Proposed FISCAL YEAR 1954 PROGRAM					
	U.S. Technicians		Training Awards		Other		U.S. Technicians		Training Awards		Other	
	No.	Cost	No.	Cost	Costs	Total	No.	Cost	No.	Cost	Costs	Total
Agriculture, Forestry & Fisheries	14	176	--	--	--	176	14	168	20	100	382	650
Health and Sanitation *	12	120	--	--	--	120	12	145	14	70	145	360
Education	6	56	--	--	--	56	14	171	6	30	35	236
Natural Resources	24	273	--	--	--	273	26	304	5	25	185	514
Industry Trade and Labor	2	15	--	--	--	15	2	20	7	35	145	200
Transportation & Communications	--	--	--	--	--	--	--	--	--	--	--	--
Public Administration **	--	--	--	--	--	--	--	--	--	--	50	50
General Projects	2	6	--	--	35	41	2	26	--	--	764	790
Domestic Program Costs	--	4	--	4	12	20	--	9	--	21	22	52
TOTAL	60	650	--	4	47	701	70	843	52	281	1728	2852

* Includes Housing, Social Welfare & Vital Statistics
** Includes Public Finance, Census and Weather

AGRICULTURE, FORESTRY AND FISHERIES

Total U.S. Cost------$650,000
No. of U.S. Technicians -- 14
No. of Training Awards -- 20

Objectives: To assist the Government of Lebanon: in carrying out its agriculture development program, designed to increase production enough to provide food and fiber for the country's own needs and possibly for export; in standardizing grades and packaging of farm products for market; and in planning and carrying out irrigation and conservation programs.

Major Activities in FY 1954	Progress To Date
Extension-Crops and Farm Practices - $233,000	
Continue program of farm demonstrations and experiment stations to improve forage crops, and use and care of farm machinery; render advice on fishing practices; prepare and distribute information on farming methods; and demonstrate spraying and dusting methods.	Experiment station and demonstration center at Terboe Spring in Bekaa Valley is in operation; three other substations demonstrate findings to farmers. Demonstration of cotton dusting increased yield by 30 percent. Demonstration of hybrid corn increased production and provided better forage.
Extension - Livestock - $143,000	
Assistance and experimentation in livestock improvement through demonstrational operation of a dairy; management of breeding centers; artificial insemination; experimental feeding of dairy and beef cattle; veterinary services and balanced feeding for cattle and poultry.	Dairy barn is in operation; also breeding center, with artificial insemination. Experimental feeding of cattle is continuing.
Land Use - $154,000	
Conduct demonstration program in improving land utilization by demonstration of irrigation, drainage, reforestation, and terracing methods.	Reforestation demonstration is under way on 250 acres provided by Lebanon Government. Demonstrations of terracing and leveling have been conducted. Simple farm machinery has been demonstrated to villagers, with many of them adopting these new machines on their farms.
Credit and Marketing - $120,000	
Continue program for improving marketing practices and facilitating trade, through organization of cooperatives for milk distribution; improving methods in fruit packing, sorting and marketing; use of packing machinery; and development of an agricultural credit system in selected areas.	Analytical material has been assembled as to the existing basis for credit and as to marketing facilities. Fruit grader has been used in commercial packing house for first time (sales price was favorably affected, especially in relation to citrus fruit sales in Europe). On advice of a TCA technician, one of the first official acts of the new President was to forbid continuation of practice of dynamiting of fish.

HEALTH AND SANITATION

Total U.S. Cost --- $360,000
No. of U.S. Technicians - 12
No. of Training Awards -- 14

Objectives: To aid the Government of Lebanon in bringing the benefits of public health and sanitation facilities to its citizens; and in establishing minimum standards for housing and preventive health services.

Major Activities in FY 1954	Progress To Date
Village Health and Sanitation - $148,000	
Continue demonstration work on health-center operations designed to provide preventive and some curative services. This will demonstrate to the people the usefulness and desirability of effective public health services, and an efficient economical method of organizing such services.	Full-time public health and preventive medical services in the Bekaa Valley now serve some 60,000 people through a health center for maternal and child health and sanitation.
Testing Laboratory - $26,000	
Establish central health laboratory to serve health clinics and other health facilities.	Laboratory services are now being performed for village health clinics and new laboratory being organized.
Sanitation - $30,000	
Provide sanitary engineering advisory services to some municipal areas relative to sewerage and water facilities.	Sanitary engineer technicians have already performed consulting services in towns and have assisted with village health and sanitation project operations. Villages in Bekaa have adopted new types of privy and hygiene practices at water holes after demonstrations by sanitary engineers.
Nursing - $25,000	
Expand Demonstration School of Nursing to introduce modern nursing techniques. Advise and demonstrate nursing methods at existing nursing schools.	Nursing workshop held during summer with group of 30 nurses, to apply best methods to existing nursing facilities. Field trips and in-service training in nursing schools.
Statistics - $46,000	
Continue assistance in the field of vital statistics by laying out plans for obtaining required statistical data and training Lebanese so that they can inaugurate a program in vital statistics. Assist in health and welfare activities.	Vital statistics registration is under way, along with general health and welfare instruction. Technicians are working with Ministries of Health and Interior on establishment of health and vital statistics offices and national registration of births, deaths, marriages and morbidity.

Social Welfare - $45,000

Continuation of a contract with the YWCA of Beirut to provide training in vocational education and social welfare.

Vocational education classes have been held and general training given in social welfare activities. About 50 girls have already attended special courses, some studying teaching and others studying social welfare.

Housing - Beirut - $40,000

Continue a survey of slum areas in Beirut in relation to a proposed slum clearance and housing program to be carried out by the government and municipality; determine minimum requirements for housing and public services.

This project, started in FY 1952, was interrupted for local reasons. A slum clearance study is now in progress.

EDUCATION

Total U.S. Cost --- $236,000
No. of U.S. Technicians - 14
No. of Training Awards -- 6

Objectives: To assist the Lebanese Government in establishing a national system of primary education, and in expanding teacher and vocational training with adaptation to local needs.

Major Activities in FY 1954

Progress To Date

Demonstration School, Audio Visual Services and Teaching Materials - $156,000

Continue the demonstration elementary school, serving as a training and advisory center in practical education; continue instruction in audio-visual teaching aids and adoption of audio-visual methods in all phases of technical demonstration; and prepare and distribute suitable teaching materials.

A demonstration elementary school for approximately 200 children has been in operation since 1952. Educators from public and private institutions use the facilities and apply the methods developed there. Demonstrations of audio-visual techniques are made throughout the country. New teaching materials are distributed to schools requesting them.

Vocational Education - $80,000

Continue the program to expand training facilities for trades and industry, home economics, village arts and crafts, and other vocational education, primarily through teacher training.

Three technicians are currently working with Lebanese on vocational training surveys and on collection of statistical data. Workshops and demonstrations have been made in Kasmie area.

NATURAL RESOURCES

Total U.S. Costs --- $514,000
No. of U.S. Technicians -- 26
No. of Training Awards --- 5

Objectives: To furnish to the Government of Lebanon detailed data on economic and engineering feasibility of integrated multipurpose river development, as a means of providing additional land resources and power for the people of Lebanon.

Major Activities in FY 1954	Progress To Date
Litani River Survey - $456,000	
Continue the Litani River Basin investigations, the investigation of domestic water supplies, irrigation possibilities in the Bekaa Valley and other areas where Litani River water can be utilized.	First stages of a reconnaissance have been completed. Detailed investigation was started in March 1952. Local engineers and skilled labor are being trained on the job.
Overall Development Plan - $58,000	
Assist in conducting a survey of the potential utilization of other Lebanon waters into an integrated Basin Plan.	New Project - Work is to be started in early July, 1953. Full development of the Litani's potential will not provide the whole answer to Lebanon's needs for food-producing lands.

INDUSTRY, TRADE AND LABOR

Total U.S. Cost -- $200,000
No. of U.S. Technicians - 2
No. of Training Awards -- 7

Objectives: To provide assistance related to problems involved in expanding industry, and thereby increase industrial efficiency and employment opportunities in industry.

Major Activities in FY 1954	Progress To Date
Training Industrial Skills - $160,000	
Continue the program of providing technical guidance to Lebanese industry through the Industry Institute. This organization acts as a clearing house providing technicians, research and advisory services.	The Industry Institute has been organized as a corporate body and its Board has made recommendations to several Lebanese industrialists, requesting technical advice and research.
Trade and Industrial Development - $40,000	
Stimulate small industrial development through development of cottage and village industry, and providing marketing (including export) and management training.	New Project. Industrial development in Lebanon can only progress on a basis of small industrial enterprises throughout villages and small cities. Lack of resources limits big industrial development.

PUBLIC ADMINISTRATION

Total U.S. Cost - $50,000
No. of U.S. Technicians - (This project will use technicians assigned regularly to other specialized fields.)

Objectives: To advise the Ministries of National Economy on requirements and how to set up and operate a system for securing basic data on the rural life and economy of Lebanon.

Major Activities in FY 1954	Progress To Date
Rural Statistical Service - $50,000	
Continue training of Lebanese in Rural Statistics Service, under supervision of agricultural technicians, in collection, tabulation and analysis of field data for statistical reports and for census.	The training of Lebanese in this work is now in progress. A new rural statistical service has been established in the Ministry of National Economy.

GENERAL PROJECTS

Total U.S. Cost -- $790,000
No. of U.S. Technicians - 2

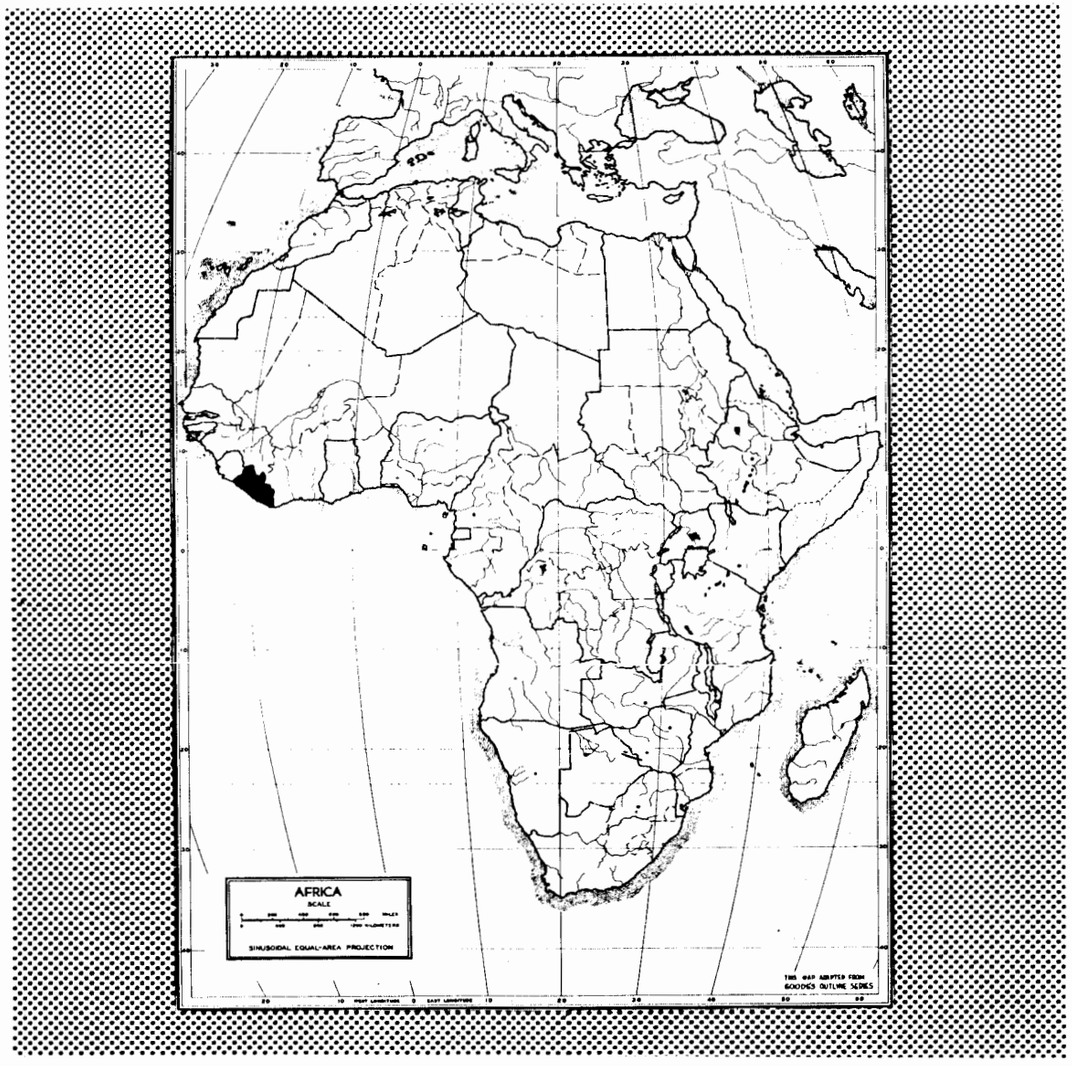
Objectives: To work with and demonstrate to the Government and people of Lebanon, in selected geographical areas, what can be accomplished in economic and social fields through integrated effort.

Major Activities in FY 1954	PROGRESS TO DATE
Rural Development - $790,000	
This operation includes three projects (Kasmie, Jebel Amel and North Lebanon) all of which have the same purpose. Each will involve area-wide demonstration of improved methods in agriculture, health, educational, occupational and vocational instruction; training of Lebanese leaders and workers for industry and agriculture.	Kasmie rural councils have drawn up plans and are working with villagers, i.e., their schools, health and sanitation, and water supply. Jebel Amel village water-supply work started with well drilling and sanitary controls on use of water. North Lebanon rural improvement is a new project. Rural improvement in this area, as yet untouched, has tens of villages in need of all types of technical assistance, urgently requested by the Government of Lebanon.

IV. OTHER TECHNICAL ASSISTANCE PROGRAMS

The United Nations Technical Assistance Administration, ICAO, UNESCO and WHO are all giving technical assistance to the Lebanese Government. UNTAA has sent two experts to Lebanon to advise on low-cost housing, while three ICAO specialists are working in the field of civil aviation. WHO is assisting in a malaria control program, and is also working in the fields of maternal and child health.

LIBERIA



U.S. Program Cost FY 1954 Total $1,283,000
Estimated Liberian Contribution $2,250,000
No. of U.S. Technicians----------81
No. of Training Awards----------6

I. RESOURCES AND NEEDS

Natural:

Liberia has an area of approximately 43,000 square miles. Iron ore deposits estimated at 100 million tons, are being exploited. Up until now rubber has provided 90 percent of exports, but it is hoped iron ore and timber will become increasingly important.

Of an estimated total of 24,000,000 acres, 10,000,000 are under shifing or "patch" cultivation; 11,500,000 are forested; 300,000 are tree crops; and 2,200,000 are wasteland. Under primitive farming the country is not self-sufficient in food production.

Human:

No census has been taken, but population is estimated at 1,648,000 mostly in tribal groups. Those having contact with the West are limited to a few thousands living along the coast. Endemic diseases include malaria, schistosomiasis, sleeping sickness, elephantiasis, and dysentery. Nearly all of the population is illiterate.

Capital:

The annual budget in 1951 was $12 million. The Export-Import Bank has loaned $1.3 million for sanitary services in the capital, Monrovia; $5 million for highway construction; and 4 million for exploitation of iron ore. The balance of trade is favorable, with 85 percent going to the U.S. There is no adequate transportation system, with only one railroad 40 miles long for iron ore shipment. To make up this lack Liberia is carrying out a road building program with an Export-Import Bank loan, with TCA technical guidance. The investment of U.S. industry in Liberia, including Firestone, Republic Steel and others, is already estimated to be in excess of $50 million.

II. GENERAL SITUATION

The small sparsely populated Republic of Liberia, the only independent nation in West Africa, maintains close ties with the United States. The population consists largely of illiterate, unskilled, poorly-fed, scantily-clothed natives engaged in subsistence agriculture in tribal villages under a communal system. These people retain many of their tribal customs and the government recognizes the tribal system in dealing with this portion of the population. They speak their own dialects despite the fact English is the official language. Health conditions are bad. The population is plagued by endemic infectious diseases, particularly malaria, and by malnutrition. Medical facilities are inadequate and the population is generally uninformed as to disease prevention measures.

Liberia has no modern manufacturing. Reliable electric power is available only in the capital city of Monrovia. There are few highways, no railroads for public transport, and no navigable rivers. Tsetse fly infection discourages the use of beasts of burden. The only bank in the country, the Bank of Monrovia, is a subsidiary of the Firestone Company. Until recently the most important economic factor in the national economy was the 80,000 acre rubber plantation owned and operated by Firestone. Since a large part of the government's income is derived from payments from concessionaires, its financial condition is dependent on world prices of rubber and iron ore.

The immediate and basic needs in Liberia are for more food to eat, and better health conditions. Opening up of the hinterland through the development of road systems, and development of electric power will permit more extensive exploration and exploitation of strategic natural resources. This will encourage foreign capital investment and help diversify the economy. Additional revenues and increased opportunity for employment and small capital ventures will open the way for additional economic and social advancement.

Liberia has always welcomed foreign investment. In 1925 the Firestone Tire and Rubber Company was granted a concession of 1,000,000 acres for the development of rubber production. Only about 100,000 acres of this grant have been developed to date, but Firestone has proved Liberia to be well adapted to the growing of this strategic crop.

More recently American capital (Republic Steel) has commenced development of the rich Bomi Hills iron ore deposit. Ore assaying 67% Fe is now being exported at a rate of 1,000,000 tons annually.

Other American concessionaires operating in Liberia are The Liberia Development Company and the R.G. LeTourneau Company. In addition, two German firms, two Spanish companies, and other firms have recently acquired or are negotiating for concession rights.

III. THE PROGRAM

Objectives:

1. Improve quantity and quality of food supply through research and agricultural extension, expand export crops, and increase fisheries.
2. Expand timber production by adoption of sound forestry utilization practices.
3. Increase productivity of people through improved health and sanitation facilities.
4. Improve elementary and vocational education geared to needs of country.
5. Develop a more diversified economy through emphasis on more balanced agriculture and on forest and mineral resources.
6. Assist in development of a highway network, hydroelectric power and engineering services.
7. Assist in improvement of governmental functions by developing greater administrative skills and efficiency.
8. Improve climate for both foreign and domestic capital investment by providing technical services, particularly in public administration and sales promotion.

Chronology of Agreements:

General Agreement signed December 22, 1950
Memorandum of Understanding - December 22, 1950, established Joint Liberian - U.S. Commission for economic Development.
Technical assistance projects in Liberia are agreed upon by the Joint Liberian - U.S. Commission for Economic Development on a calendar year basis.

Financing:

Liberia is paying a fair share of program costs. Liberian contributions in FY 1953 were estimated at $1,383,000 compared with U.S. contributions of $1,564,000.

For FY 1954 Liberia's contribution is estimated at over $2,000,000, which includes cash as well as contributions in personnel, buildings, office space and local travel and facilities. The U.S. contribution for FY 1954 will be $1,283,000.

Liberia has agreed to commit 20 per cent of her national revenue for cooperative projects in economic and social development. These funds are being expended upon projects approved by the Joint Liberian - U.S. Commission for Economic Development. The Commission approves the expenditure of over $32,000,000 for the country's Five Year Program for Economic Development inaugurated in 1950.

PROGRAM COSTS
(Costs in Thousand Dollars)

	FISCAL YEAR 1953 PROGRAM						PROPOSED FISCAL YEAR 1954 PROGRAM					
	U.S. Technicians		Training Awards		Other		U.S. Technicians		Training Awards		Other	
	No.	Cost	No.	Cost	Costs	Total	No.	Cost	No.	Cost	Costs	Total
Agriculture, Forestry & Fisheries	19	242	--	--	43	285	22	242	--	--	76	318
Health and Sanitation*	25	276	--	--	160	436	18	198	4	8	105	311
Education	3	25	5	10	85	120	5	55	2	5	51	111
Natural Resources	8	121	--	--	300	421	9	99	--	--	37	136
Industry and Trade	--	--	--	--	--	--	--	--	--	--	--	--
Transportation & Communications	17	195	--	--	35	230	18	198	--	--	41	239
Public Administration**	3	41	--	--	1	42	9	99	--	--	43	142
General Projects	--	--	--	--	--	--	--	--	--	--	--	--
Domestic Program Costs	--	6	--	6	18	30	--	4	--	11	11	26
TOTAL	75	906	5	16	642	1564	81	895	6	24	364	1283

* Includes Housing, Social Welfare & Vital Statistics
** Includes Public Finance, Census and Weather

AGRICULTURE, FORESTRY AND FISHERIES

Total U.S. Cost----------$318,000
No. of U.S. Technicians--------22

Objectives: To help Liberian farmers to improve agricultural production; to assist in establishing a farm credit system; to improve forestry practices; to expand fisheries production in order to improve diet.

Major Activities in FY 1954	Progress to date
Agriculture Extension -$229,000	
Continue operation of 5 nurseries and establish additional sub-stations for demonstration of improved farm practices as well as model farm and nursery units. Research in soils, animal husbandry, plant disease and insect control, food crops, tree crops, forage and fiber crops.	Five nurseries established; farm demonstrations held. Hundreds of villages serviced by extension work. Assistance in establishing large foreign concessions in cacao, bananas, coffee. Life histories of economic insects determined; control begun on vegetable and citrus insects and animal parasites.
Vocational Agriculture - $13,000	
Continue development of vocational education unit in high schools with emphasis on enrolling young farm people. Classroom and laboratory work in vegetable raising and poultry.	Classes began January 1952 in vocational agriculture in three high schools with 139 students then enrolled.

Forestry -- $34,000

Continue making surveys, organizing management of public forests, and development of woodlots. Research in species of woods will continue.

Completed extensive studies in species of local woods and their uses (Published in American Journal of Forestry). A forestry conservation law was drafted for the Government.

Fishery Development -- $22,000

Continue exploratory study of fishes in coastal areas to determine improved methods of catch, biological studies of best food species. Survey of streams and construction of 75 fresh water ponds and stocking with edible fish.

Preliminary phase of exploratory studies of fishes in coastal waters completed and fishes identified.

Farm Credit -- $20,000

Determination of farm credit needs to encourage expanded production of adequate food supplies and export. Several farms will be developed through cooperative production and marketing loans at lowest possible cost.

A farm credit law has been drafted for the Government and is now before the Legislature for action.

HEALTH AND SANITATION

Total U.S. Cost--------$311,000
No. of U.S. Technicians------18
No. of Training Awards--------4

Objectives: To assist in strengthening Bureau of Public Health; to provide scholarships and local training programs for professional and sub-professional groups; to conduct epidemiological surveys; to serve as clinical and technical consultants; to aid in organization of specific projects in infectious disease control, especially malaria; to conduct research on those tropical diseases limiting economic development; to establish rural health centers.

Major Activities in FY 1954

Progress to date

Malaria Control -- $60,000

Program is designed to meet the problem of coastal malaria involving ultimate elimination of brackish water mosquitoes as well as fresh water types. An active spraying program will be carried out. Filling and draining of swamps will be continued and expanded.

Internal swamp filling and drainage work started. Advisory assistance has been given. Liberia is developing an inexpensive malaria control program which it can carry on.

Nurses School -- $50,000

Training of nurses along professional lines will be continued. Work will be done at Tubman National Institute of Medical Arts.

Professional standards for nurses have been raised and curriculum improved. Full cooperation with U.S.P.H.S. Mission and UNESCO teachers on program has been achieved. Twenty nurses trained to date.

Health Demonstration -- $183,000

Public health clinic provides examination of each school child in Monrovia, mother and child health advice in clinics both in rural areas and Monrovia. Control of communicable diseases. Training for sub-professional health workers and midwives. Reasearch in tropical medicine will be continued.

Public health clinic operating in Monrovia. Research in progress at Liberia Institute of Tropical Medicine. Rural health clinic established at Gbarnga. Health education for nurses' aides and midwives under way.

Housing -- $18,000

Advisory services in development of construction standards and methods.

A special block-casting machine has been designed, and 25 houses demonstrating its use are completed, or in process. A method of utilization of locally-fabricated matting for walls and ceilings as a substitute for imported materials has been developed for use in urban houses.

EDUCATION

Total U.S. Cost--------$111,000
No. of U.S. Technicians-------5
No. of Training Awards--------2

Objectives: To improve vocational education and teacher training; to establish rural and urban demonstration schools at elementary level.

Major activities in FY 1954

Progress to Date

Elementary Education -- $111,000

Assistance to rural and urban elementary schools by improving schools, by training teachers, also school administrators. Activity provides demonstration school, vocational extension teacher-training, instruction in manual training and agriculture subjects given in elementary schools.

Six teachers are now under contract at Booker Washington Institute. Successful vacation school for teachers held summer 1952 with enrollment of more than 150.

NATURAL RESOURCES

Total U.S. Cost $136,000
No. of U.S. Technicians-9

Objectives: Provide advice to Secretary of Public Works and Utilities in formulation of programs in natural resources, conduct operations in aerial photography, and investigate opportunities for mineral development.

Major Activities for FY 1954	Progress to Date
Hydroelectric Investigations -- $14,000	
Supplemental hydroelectric investigation of potentialities in Liberia to permit development of economical electric power and assist in overall economic development program by attracting revenue - producing industries.	U.S. technician has been advising Liberian Government on current proposals for investigating hydroelectric power.
Geological Research -- $122,000	
Geological and mining engineering services for exploring, cataloging and inventorying mineral resources. Development of Liberian cartographic service; surveying and mapping; construction of a map of country based upon the aerial survey.	Creation of a Cartographic Service has been accomplished and Liberians are being trained in mapping techniques; to form nucleus of Government Cartographic Service.

TRANSPORTATION, COMMUNICATIONS AND PUBLIC WORKS

Total U.S. Cost $239,000
No. of U.S. Technicians 18

Objectives: To assist government in the development of a highway system; to advise on port development and operation; advise on public building and municipal engineering activities.

Major Activities for FY 1954	Progress to Date
Division of Highways Operations - $222,000	
Establish a Division of Highways; survey, design and construction supervision of Liberian National Highways System; construction of highway repair shop and maintenance facilities.	Reorganized Department of Public Works and Utilities. Established repair and maintenance facilities. Completed surveys on 102 miles of roads. Started surveys on 30 miles of roads.
Harbor Development -- $17,000	
Engineering services for additonal investigation, coordination and inspection of port facilities at Cape Palmas, in the construction stage of this port; investigations of additional port facilities in the vicinity of Greenville.	Field survey for shallow water port at Cape Palmas has been completed. Final report and preliminary design of port will be completed during FY 1953.

PUBLIC ADMINISTRATION

Total U.S. Cost $142,000
No.of U.S. Technicians 9

Objectives: To advise Liberian Government on organization of Bureau of Statistics, weather reporting and and municipal engineering services.

Major Activities for FY 1954	Progress to Date
Meteorology -- $28,000	
Operation of established weather observing network over Liberia; measurement of stream flow of major rivers; permanent river height-observing stations. Meteorological and hydrologic statistics survey in form suitable for operational use of engineers; training of Liberians in operation of a National Weather Service.	Expanded and continued meteorological services and stream gauging.
Municipal Services -- $98,000	
Continue work in establishing Division of Public Buildings and Housing within Liberian Government; provide architectural services for design of public buildings and self-aid housing for the masses; assist in creation of Division of Municipal Engineering within Department of Public Works and Utilities; provide engineering services to city of Monrovia.	Provided architectural services for: design of Suakoko Laboratory, elementary school, 50-bed hospital. Provided inspection services for construction jobs. Municipal services provided for Monrovia in street improvement, mapping and zoning the city, collaboration with consulting engineers on water works and sewer contract.
Census Statistics -- $16,000	
Develop methods and procedures in programming, planning, execution of census and other statistical activities. Evaluate governmental statistical services, prepare recommendations regarding formation of Central Statistical Office. Outline program of statistical investigation and training program.	The technician, a U.S. Bureau of the Census consultant, has been training Liberian Government employees in census operations.

IV. OTHER TECHNICAL ASSISTANCE PROGRAMS

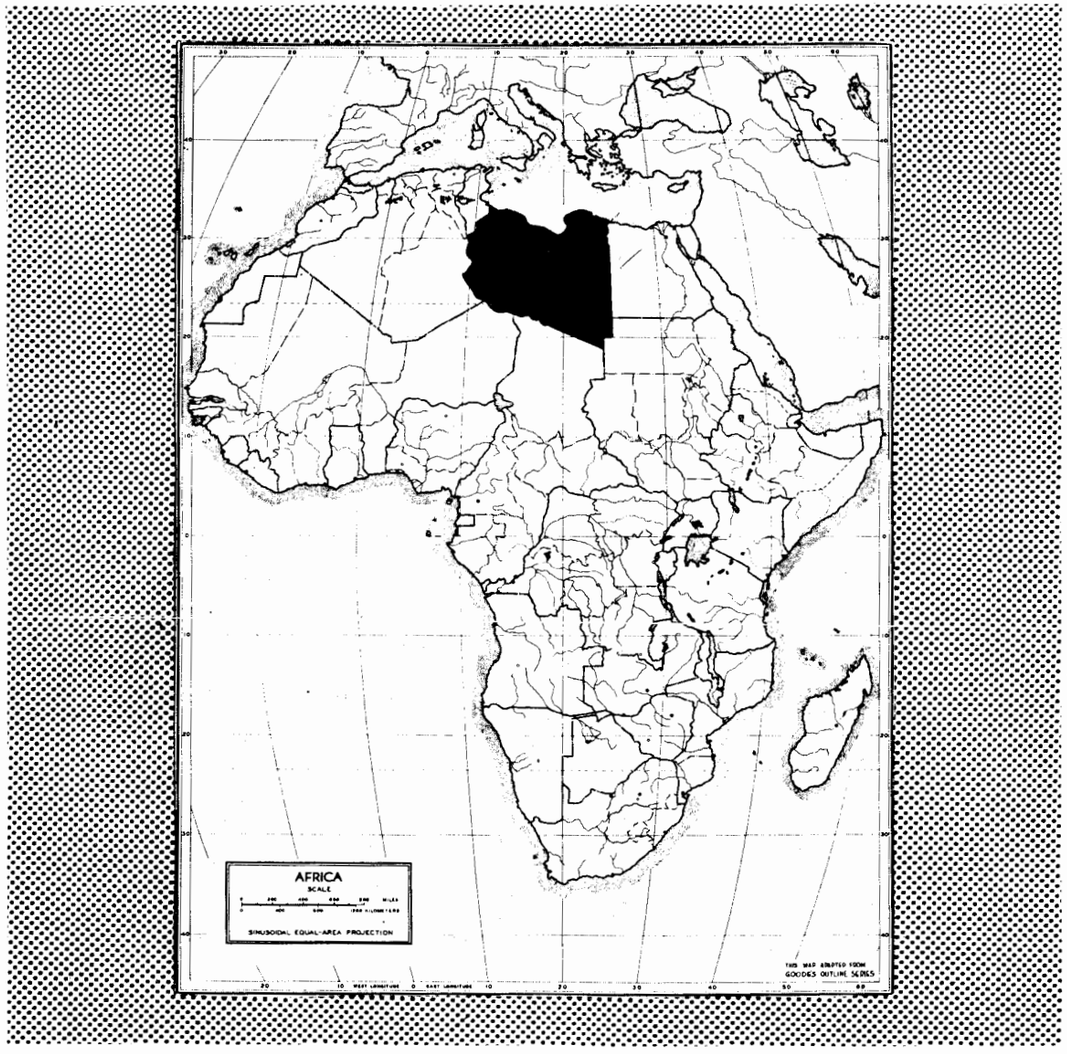
Multilateral Agencies

Three specialized UN agencies, UNESCO, ILO and FAO, are working in Liberia with a total of 19 technicians. ILO is working in the field of Public Adminstration and Labor Legislation. FAO is working on agriculture statistics, fisheries, rice and cocoa. Fundamental education is a combined field for UNESCO, FAO and ILO. TCA has close liaison with these groups, and the operations have been divided between TCA and the specialized agencies to avoid over-lapping of effort and allow each mission to operate in those areas for which it is best equipped.

Private development is in progress with the Liberian Development Company, Firestone Tire and Rubber Company, Letourneau and Republic Steel. These companies have carried out many improvements such as road building, and hospitals which are similar to those of the technical assistance program.

Other concessionaires are expected to start operations in mineral extraction, rice production, cocoa and coffee production.

LIBYA



U.S. Program Cost FY 1954 --- $1,534,000
Estimated Libyan Contribution - $711,000
No. of U.S. Technicians----------51
No. of Training Awards----------26

I. RESOURCES AND NEEDS

Natural:

Libya, with 679,000 square miles, is approximately 2½ times the size of Texas. Here, at the Gulf of Sidra, the Sahara comes down to the Medeterranean, leaving only two small areas, one in the northwest corner and the other in the northeast corner of Libya suitable for settled farming. Together these two areas contain about two million acres of land. About 500,000 acres of this are under irrigation. The balance of the habitable area is suitable only for precarious dry farming or as grazing lands for the flocks of nomadic herdsmen. Esparto grass, used for making fine paper, is one of the principal exports. Grains, dates, and olives are the other important crops. Cattle, sheep and goats are the principal livestock and are virtually the only source of income of the country's nomads. Sponge and tuna fishing yield some income. Known mineral resources are almost nil. Small potash deposits exist. Salt is produced by evaporation of Mediterranean sea water. Recently some interest has been manifested in oil exploration.

Human:

Libya's population is estimated at 1,124,000 largely concentrated along the coast. Almost 800,000 live in the western province of Tripolitania, 300,000 in the eastern province of Cyrenaica, and about 50,000 are grouped in 21 oases in the Fezzan province. Because of the virtual absence of any educational system prior to independence, there are only about 16 college graduates in the country. There are no native Libyan doctors. Trachoma and other eye diseases afflict about 75% of the population.

Capital:

National income is estimated at $75 million (1948/49). There was an unfavorable balance of trade from 1947 to 1950. The trend has been reversed since 1950 as a consequence of American and British military expenditures.

II. GENERAL SITUATION

After thirty years of Italian occupation and nine years of British-French administration, Libya came into existence as an independent state in December 1951. The creation of the state of Libya represented an effort to weld three distinct areas - the Fezzan, Tripolitania, and Cyrenaica - into one country. A considerable portion of the power of government still remains with the provincial administrations.

Despite Libya's political independence her resources are not sufficient at present to support a viable economy. She is also dependent upon other nations for personnel to operate her normal governmental activities. The U.S., France, and Italy are presently contributing financial support. Each of these countries has made contributions to an Economic Development and Stabilization Agency and support has also been given to a lending institution known as The Libyan Finance Corporation. The U.K. has also covered the deficit in the country's Ordinary Budget. In addition to the U.S. technical assistance program, the United Nations operate a large program which began prior to the establishment of the country's independence. Furthermore, the economy is partly dependent on military expenditures, both British and American. The U.S. airbase at Tripoli is one of the largest employers of local labor.

As an agricultural and pastoral country, Libya operates at a low level on marginal resources. Nomadic herdsmen form a large portion of the population. The low productivity of Libyan agriculture - due to primitive methods and lack of water - keeps a large portion of the population at a bare subsistence level.

Health conditions are bad and medical facilities almost completely lacking. Evidence of eye disease and poor nutrition are everywhere. Not only are there no native Libyan physicians, but there are only 14 small hospitals, and no program for training nurses. Despite the fact that the Libyan Consitution makes elementary education compulsory for all children, opportunity for formal education is denied almost all the people in Libya because of the absence of schools. It is estimated that over 90% of the population are illiterate.

Although Libya has known deposits of lignite, unconfirmed reports of sulphur and possiblities of oil and iron ore, no mineral resources are now being developed and basic data on potentials do not exist.

Major oil companies are seeking permission to explore for oil. Prior to World War II Italy started developing certain potash deposits. The main untapped resource, however, and the real potential for the future consists of the latent talents of the Libyan people, who have a high degree of intelligence and adaptability.

The immediate basic need is increased food production, requiring the development of a more adequate and dependable water supply. Better health and sanitation facilities and an education system are also essential to increased productivity. The government of this new state appears sincerely dedicated to improving the living conditions of the common people.

THE PROGRAM

Objectives: To assist Libya in:

1. Creating the administrative machinery necessary to carry out the functions of a new and independent sovereignty.
2. Creating an educational system on the elementary and secondary level where none existed before independence.
3. Expanding Libyan agricultural resources, both by more scientific methods and by conserving and expanding the known water supply.
4. Establishing a school health program, using it as a means of attack on one of the major debilitating diseases in the country - trachoma.
5. Training Libyans in the fields of agriculture, health and education so as to reduce their dependence on outside assistance.

THE PROGRAM (Continued)

Chronology of Agreements

General Agreement signed January 21, 1952 with United Kingdom of Libya creating the Libyan-American Technical Assistance Service (LATAS).
Program agreements signed May 20, 1952 in Agriculture and Forestry, Health and Sanitation, Education, and Natural Resources.

Thirteen project agreements signed between August and November 1952, implementing the above four agreements.

Financing:

For 1953 Libya's contribution is estimated at $624,000; the U.S. contribution for the same year was $1,178,000.

It is estimated that for FY 1954 the Libyan contribution will be $711,000; the U.S. contribution for FY 1954 will be $1,534,000.

The program operates under joint Libyan-American technical control through the Libyan-American Technical Assistance Service (LATAS). Funds transferred to LATAS are deposited in Barclay's Bank, a joint depository. The TCA Country Director serves as Director of LATAS for the administration of all cooperative programs and projects. In spite of its difficult financial situation, the Libyan Government, through its regular departmental budgets, is actively contributing and participating in LATAS-sponsored projects.

PROGRAM COSTS

(Costs in Thousand Dollars)

	FISCAL YEAR 1953 PROGRAM						PROPOSED FISCAL YEAR 1954 PROGRAM					
	U.S. Technicians		Training Awards		Other		U.S. Technicians		Training Awards		Other	
	No.	Cost	No.	Cost	Costs	Total	No.	Cost	No.	Cost	Costs	Total
Agriculture, Forestry & Fisheries	21	210	5	15	155	380	22	225	7	16	299	540
Health and Sanitation*	7	70	10	20	70	160	8	93	10	14	148	255
Education	10	100	15	45	219	364	13	140	7	21	356	517
Natural Resources	4	40	--	--	85	125	7	90	2	6	82	178
Industry and Trade	--	--	--	--	--	--	1	10	--	--	--	10
General Projects	--	--	--	--	129	129	--	--	--	--	--	--
Domestic Program Costs	--	4	--	4	12	20	--	6	--	14	14	34
TOTAL	42	424	30	84	670	1178	51	564	26	71	899	1534

* Includes Housing, Social Welfare & Vital Statistics.

AGRICULTURE, FORESTRY AND FISHERIES

Total U.S. Cost----- $540,000
No. of U.S. Technicians----22
No. of Training Awards-----7

Objectives: The improvement of cultivation and livestock techniques to expand agricultural production, and the increase of arable land by better utilization of ground water and by anchoring of sand dunes.

Major Activities in FY 1954	Progress to Date
Agricultural Extension - $485,000	
The basic project in this field is the establishment of an agricultural extension service supported by agricultural testing centers. This program operates out of community centers in Cyrenaica, Fezzan and Tripolitania. It demonstrates improved agricultural practices, including wool grading, livestock improvement, and improved seeds. Two vocational agricultural-training centers are now operating, and experimental work in two centers ~~are~~ is back-stopping the extension service.	Eleven agricultural extension officers are operating in rural centers. Wool sorting plant set up in Cyrenaica processed 2 million pounds during first season of operations, price received for wool increased 5 cents a pound due chiefly to improved quality. Private capital now interested in building wool washing plant. Vocational Agricultural Training Center near Tripoli opened.
Forestry Nurseries - $55,000	
Two American foresters are advising the provincial governments on improving nursery techniques. Existing nurseries are being expanded and a new one is being added. This is part of a program to stabilize sand dunes and protect existing agricultural areas.	Excellent relations with Forestry Sections of the two provincial Departments of Agriculture have been developed. Work on dune fixation has been successfully begun. New-type mechanical tree planter developed by American technicians.

HEALTH AND SANITATION

Total U.S. Cost - $255,000
No. of U.S. Technicians--8
No. of Training Awards--10

Objectives: To develop and demonstrate effective methods of trachoma control; to develop a school health program to train sanitarians, nurses and health workers.

HEALTH AND SANITATION (Continued)

Major Activities in FY 1954	Progress to Date
Trachoma and School Health -- $228,000	
Operations will be continued, centering in Tripolitania and Cyrenaica. Emphasis will be placed on teacher training in treatment of the disease by demonstration.	Two demonstration areas for trachoma control have been established. Intensive treatment has been given to over 4,000 persons. In these areas intensive treatment is being given in 11 schools with 1430 students of whom 97% have trachoma. Mass treatment is being administered in two demonstration villages.
Fezzan Health Program -- $13,000	
Project designed to cooperate with and assist Libyan Government to plan, develop, and operate trachoma control and school health program for the province of Fezzan. Improve trachoma control and school health in cooperation with medical and public health facilities by providing technical assistance and medical supplies and equipment.	Personnel for this project have been selected and will leave on their assignment as soon as security clearance and orientation training are completed.
Health Training Program -- $14,000	
This project provides ten training awards to carefully chosen Libyans. Most of the training will be given in nearby countries.	One trainee has completed training; one is now in training abroad; eight have been selected but not yet sent abroad.

EDUCATION

Total U.S. Cost - $517,000
No. of U.S. Technicians-13
No. of Training Awards---7

Objectives: To assist the Government in a long-range education program in the fields of teacher training, vocational education, and handicraft education, by training Libyan teachers and craftsmen, and by furnishing essential equipment.

General Education - $462,000	
Establish technical training, vocational and teacher-training schools. Furnish technical advice and assistance to the federal and provincial governments in vocational elementary, and secondary education, as well as in school administration. Provide technical guidance and supervision to a handicraft school.	During FY 1953, established two teachers' colleges (one for women and one for men) at Benghazi, the Vocational School at El Awelia, and the Technical Training Center at Benghazi. Approximately 40 English-speaking Arab teachers are functioning in schools under the supervision of American school directors. Scientific laboratory equipment and libraries have been provided for 19 schools. Four English-Arabic speaking librarians and two library trucks have been furnished.

EDUCATION (Continued)

Education Facilities Development -- $55,000

Help the Libyan Ministry of Education and the provincial ministries in its program of establishing secondary and elementary schools; direct all TCA-assisted educatinal construction projects; and cooperate with the Government in initiating new school construction projects.

Progress to Date

The U.S. Chief Educationist is a member of the coordinating committee of the Libyan Government for education activities and participates, thereby, in advising the Libyan Government on their entire educational program.

NATURAL RESOURCES

Total U.S. Cost - $ 178,000
No. of U.S. Technicians---7
No. of Training Awards----2

Objectives: To determine the availability of additional ground water, to increase output of existing wells, to determine the best areas suitable for new agricultural development, and to train Libyan technicians to work in this field.

Major Activities in FY 1954

Development of Natural Resources - $178,000

Survey ground water in Tripoli and the Fezzan, and follow by drilling test wells; analyze soils and study irrigation methods. Advise Tripolitan Department of Agriculture. Libya's aridity makes it extremely important to develop ground water resources. Expansion of the known water supply will be a major contribution to the country's economic development.

Progress to Date

Surveys and test drilling in process in Tripolitania, and to be initiated in the Fezzan in 1954.

INDUSTRY, TRADE AND LABOR

Total U.S. Cost - $10,000
U.S. Technician---------1

Objectives: To diversify the economic base through small private capital ventures.

Major Activities in FY 1954

Study possibilities for developing small industries and investigate possibilities for tourism.

Progress to Date

This will be a new activity. Olive oil refining, making of small tools, food processing, soap manufacturing, tanning, sponge fishing, canning, and date packaging could be operated in Libya.

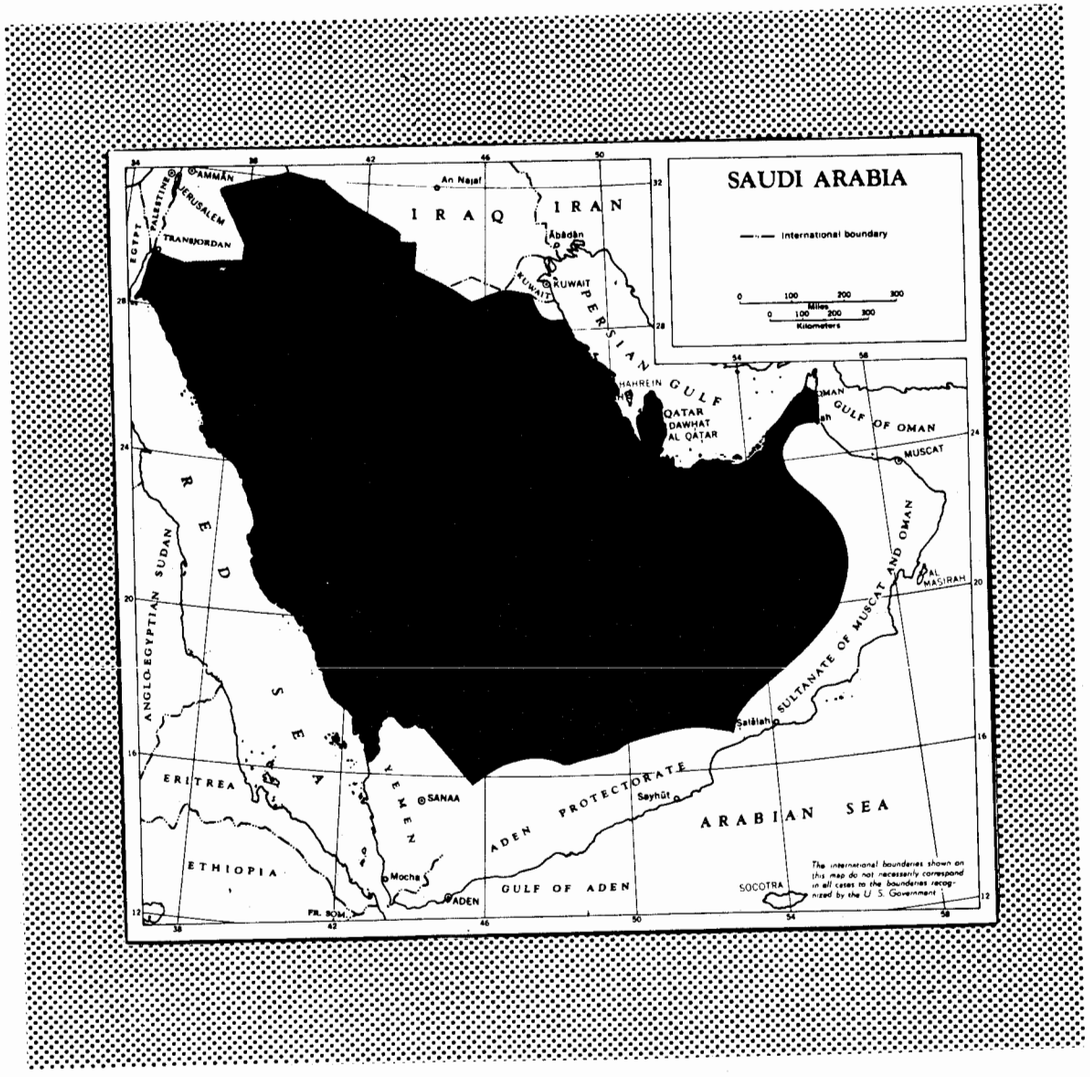
IV. OTHER TECHNICAL ASSISTANCE PROGRAMS

Multilateral Agencies:

International agencies and especially the United Nations have had an interest in Libya since the end of World War II. Consequently the UN and its specialized agencies are actively cooperating in the rehabilitation of the country. The United Nations Technical Assistance Administration is working in the fields of public administration, statistics, and public finance. FAO experts are experimenting with improved practices in irrigation, date palm cultivation, soil conservation and horticulture. UNESCO and ILO teams are helping the government to establish and organize a junior clerical, and technical-training center, while WHO is carrying a program in maternal and child health and public health. A total of 51 technicians and advisers are now in Libya, distributed as follows: UN - 4; ILO - 6; FAO - 14; UNESCO - 23; WHO - 3.

Coordination of program activities is achieved through an Economic Planning Committee created by the Libyan Government and consisting of representatives of the three provincial administrations, the Financial Adviser to the Federal Government, the UN Resident Representative and the U.S. Director for Technical Cooperation. This Committee has responsibility for coordinating programs being conducted by the agencies represented on the Committee.

SAUDI ARABIA



U. S. Program Cost FY 1954: $742,000
Estimated Saudi Arabian Contribution: $2,000,000
No. of U. S. Technicians - 31
No. of Training Awards - 33

I. RESOURCES AND NEEDS

Natural:

Saudi Arabia has an area of over 700,000 square miles, almost equal to the U. S. east of the Mississippi river. The land, however, is almost entirely desert, with less than 5 percent under cultivation or used for permanent dwellings. In 1951, an estimated 161,000 acres were planted in cereals and 10,000 in vegetables. Date palms are of great importance, and there are some 9,000,000 reported.

The all-important resource is oil, of which about 312,000,000 barrels were produced in 1952. There are few minerals, but gold is mined in small quantities.

Human:

In absence of any census, population is estimated at 6,000,000. Over 90 percent is rural, with 25 percent composed of Bedouin who roam the vast desert area following the grass with their flocks.

Disease is widespread, with malaria, trachoma, veneral diseases, tuberculosis, and intestinal diseases endemic. Illiteracy is estimated at 85-95 percent of the population.

Capital:

Estimates of national revenue range from $190,000,000 to $225,000,000, of which over 80 percent is derived from oil. Per-capita annual income is estimated at $40.

Improved roads total 310 miles; railroads, 350 miles. Loans from Export-Import Bank of $25 million are to be expended for raw materials, equipment, and public works. Saudi Arabia has a favorable balance of exports over imports.

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II. GENERAL SITUATION

Saudi Arabia, the land where the Islamic religion originated and from which it expanded, still remains a center of orthodoxy and and conservatism. Its relative isolation enables mores and customs to persist which have disappeared in other Moslem states. Such attitudes are reflected in the educational system, law, position of non-Moslems and many other aspects of the social environment.

The Arabian peninsula is vast plateau, largely desert. There are a large number of oases and wadis, however, where cultivation is possible, and in the moutain terraces agriculture is practiced. The inhospitable nature of the peninsula has fragmented the Arabian people into many tribes. The problems of political and economic unification are tremendous.

The bulk of the population of Saudi Arabia lives in tiny isolated pockets on wadis and oases or as pastoralists following their grazing flocks. They exist on the barest type of subsistence diet and live in poor mud and grass huts or black goats' skin tents. They have few possessions, seldom enough water, no medical care and no education. If a year or two of drought kills the crops or pasture land, they must seek other lands or perish.

The illiteracy rate is estimated at between 85 and 95 percent of the population. Education of girls and women in Saudi Arabia is unknown. Health and sanitation facilities are practically non-existent for most of the people and high percentages suffer from trachoma, veneral diseases, tuberculosis, malaria, along with general malnutrition.

Of recent years there has been a marked pattern toward the growth of cities and the gradual weakening of nomad groups. The cities and communities in the oil region have grown. Nomads and drought-stricken cultivators are attracted to wherever a fair money wage is available. Booming oil towns have attracted thousands of immigrants from outside the Arabian peninsula, since the local labor market has not been able to fill the need for specialized skills. To take poor farmers and nomads and train them to be drivers of heavy equipment, mechanics, etc., is not an easy task. However, the petroleum industry does hold out promise for gainful employment for increasing numbers of Saudi Arabians.

Saudi Arabia is one of the world's leading producers of oil with its estimated reserves among the largest. Natural gas is a potential resource and other minerals such as salt, sulphur, cement rock are believed to exist in marketable quantities. There is virtually no industry in Saudi Arabia save for the companies organized to do contract work for Aramco. There is a small amount of handicraft industry meeting a portion of local needs for basic necessities. Most consumer goods must be imported.

The Government of Saudi Arabia has the opportunity to alleviate in some measure the low living standards of the people through judicious use of its oil royalties. The prime essentials are improved governmental administration, improved agricultural techniques including better utilization of water, increased health and sanitation facilities, vocational training for industry, and improved communication facilities.

Objectives

To assist the Government of Saudi Arabia to:

1. Increase and improve food production in order to provide a balanced economy.
2. Develop an awareness for the need of preventive medicine by providing technical assistance in building, equipping and staffing health centers.
3. Develop a national system of commercial and industrial schools.
4. Develop all available water supplies without depleting the sources.
5. Survey areas where mineral deposits exist, indicating areas worth intensive exploration.
6. Prepare adequate base maps and provide aid in surveying for planning roads, railroads, water development, water pipelines and storage dams.
7. Strengthen all Ministries by providing for better public administration.

Chronology of Agreements

General Agreement signed January 17, 1951.

Exchange of Notes on Program Agreements:

Education signed January 17, 1951.
Agriculture signed November 10, 1952.
Natural Resources signed November 10, 1952.
Transportation signed November 10, 1952.
Health and Sanitation signed December 15, 1952.
Community Development signed December 15, 1952.
Exchange of Notes on Public Administration signed Jan. 17, 1951.

Financing

Saudi Arabia is paying a fair share of program costs. Her contributions for FY 1953 were estimated at $1,750,000. as compared with a U.S. contribution of $1,468,000.

In 1954 Saudi Arabia's contribution is estimated as $2,000,000. Including in this sum are cash, and contributions in kind such as personnel, buildings, office space, local travel, communications and equipment of various types. The U.S. contribution for FY 1954 will be $742,000.

PROGRAM COSTS
(Costs in Thousand Dollars)

	FISCAL YEAR 1953 PROGRAM						FISCAL YEAR 1954 PROGRAM					
	U.S. Technicians		Training Awards		Other Costs	Total	U.S. Technicians		Training Awards		Other Costs	Total Total
	No.	Cost	No.	Cost			No.	Cost	No.	Cost		
Agriculture, Forestry & Fisheries	7	63	3	12	38	113	9	173	8	33	-	206
Health & Sanitation	4	33	3	12	25	70	7	146	8	33	-	179
Education	4	32	3	12	23	67	3	60	8	33	-	93
Natural Resources	5	59	3	12	36	107	5	83	3	12	-	95
Industry & Trade	-	-	-	-	-	-	-	-	-	-	-	-
Transportation & Communication	4	42	3	12	370	424	2	39	3	12	-	51
Public Administration	7	77	3	12	14	103	5	89	3	12	-	101
General Projects	-	-	-	-	554	554	-	-	-	-	-	-
Domestic Program	-	6	-	6	18	30	-	3	-	7	7	17
Total	31	312	18	78	1,078	1,468	31	593	33	142	7	742

AGRICULTURE, FORESTRY AND FISHERIES

Total U. S. Cost - $206,000
No. of U.S. Technicians - 9
No. of Training Awards -- 8

Objectives: To increase agricultural production by demonstration of improved farm practices, to decrease losses caused by insects, and to develop new farm lands; to extablish a livestock improvement program through improved breeding and herding practices and range land management and improvement.

Major Activities in FY 1954	Progress To Date
Agricultural Extension - $113,000	
Demonstrate improved farm practices including soil management, better seeds and practical control methods for insects and for crop and livestock diseases. Establish an elementary agricultural vocational school. Demonstrate use of pesticides, including locust control.	TCA advice on an overall program plan for the Ministry of Agriculture has been requested and given. Surveys have been completed in major agricultural areas of the country. Joint plans for the program have now been agreed upon for implementation in FY 1954.
Land Development and Reclamation -- $51,000	
Technical assistance in developement of irrigation for arable lands, a primary objective of the entire program, and demonstration of efficient irrigation practices. Advise on reclamation of land and best utilization of new agricultural lands. Assist in improvement of desert range land management.	This is a new project. It is required to provide additional needed services to Saudi Arabian agricultural development, especially in relation to land reclamation and programs of the Saudi Arabian Government for settlement of the Bedouins.
Livestock Improvement - $42,000	
Assist in establishment of an improved livestock program, including demonstration of improved breeding and management practices; advise on methods of combating animal diseases and pests.	This is a new project and required to provide essential balance to the agricultural program by giving some aid to the Bedouin herdsmen, the poorest people in Saudi Arabia, as well as to farmers.

HEALTH AND SANITATION

Total U. S. Cost - $179,000
No. of U.S. Technicians - 7
No. of Training Awards -- 8

Objectives: To institute demonstration programs in general sanitation; to assist in improving administrative procedures in Ministry of Health and make recommendations for operation of health program in health centers.

Major Activities in FY 1954	Progress To Date
Health Facility Development - $29,000 Assist in improving procedures in the Ministry of Health and direction of the trainee program.	This is a new project. It is needed to provide a joint operation with the Ministry and to give overall direction to the cooperative health.
Health Center - $97,000 Help establish a public health center and vaccine laboratory to provide the essential services for a hospital, health center and clinic. Assist in operation of a public health center and maternal and child health clinic. Train subprofessional health and sanitarians.	This is a new program. Projects have been negotiated for a public health laboratory, vaccine laboratory, public health center and a maternal and child health clinic. Training Saudi Arabians in health and sanitary practices has begun. Upon completion of this training these Saudi Arabians will be assigned to the various health programs.
Endemic Disease Control - $53,000 Training in control of trachoma, malaria and other endemic diseases. Instruction in environmental sanitation, the construction of pit privies for schools, improvement of potable water supply through construction of safe wells.	This is a new project and represents the initiation of disease control activities. This is especially important because large numbers of pilgrims who go to Mecca each year constitute a health hazard resulting from inadequate health and sanitation facilities.

EDUCATION

Total U. S. Cost - $93,000
No. of U.S. Technicians - 3
No. of Training Awards -- 8

Objectives: To assist the Government in establishing a commercial school, and in training teachers to enable them to provide commercial and vocational courses.

Major Activities in FY 1954	Progress to Date
Facility Development - $65,000 Continue to assist in creation of an educational system for country; aid in reorganization of elementary and secondary	School of Commerce established in Jidda with support of local businessmen; enrollment of 135 students. Industrial school assisted

EDUCATION (Continued)

Major Activities in FY 1954	Progress To Date
schools and in establishment of commercial and industrial vocational schools. Advise the Ministry of Education on means of strengthening its administrative structure.	with equipment and advice on teaching methods and curriculum. The Saudi Government expects this institution to set a pattern and further the developement of similiar commercial schools in Saudi Arabia.
Teacher Training - $28,000	
Assist in conducting teacher training and improvement of the courses of study for primary schools.	This is a new project. It is proposed to establish a teacher training institution to improve the national education system at the grass roots. This activity will eventually become the heart of the cooperative education program in Saudi Arabia.

NATURAL RESOURCES

Total U. S. Cost - $95,000
No. of U.S. Technicians - 5
No. of Training Awards -- 3

Objectives: To conduct basic mapping including aerial photography, geological mapping; exploratory well-drilling program; mineral survey.

Major Activities in FY 1954	Progress to Date
Ground Water Development - $64,000	
Plan and develop an exploratory well drilling program to be operated by an American contractor under TCA direction. Collect information on stream flow and silting; advise American contractor engaged on proposed storage dam for supply water to Riyadh.	Aerial photographic survey covering 38,000 square miles will be completed this fiscal year. Additional water supply for Riyadeh found; development begun. Saudi Government has spent over $1 million on well-drilling program; test wells drilled in 10 areas. Stream gauging in Tihama-Asir region completed. Raw materials study in Jidda area completed; will be used for establishment of cement plant in Jidda.
Mineral Development - $31,000	
Continue to assist in exploration and development of metallic and non-mettalic mineral deposits. Mineral survey to be conducted along the proposed railroad route.	Preliminary survey of gold mines completed along projected railroad route in Hejaz.

TRANSPORTATION AND COMMUNICATIONS

Total U. S. Cost - $51,000
No. of U.S. Technicians - 2
No. of Training Awards -- 3

Objectives: To assist Government in planning and developing adequate transportation and communications system. To instruct on repair of roads and equipment.

Major Activities in FY 1954	Progress To Date
Highways and Railroads - $51,000	
Assist in road building and repair -- Jidda to Asir and Tihama-Asir routes; also in the Mecca-Taif-Jidda area and in the Riyadh region. Advise on railroad transportation; consult on railroad construction, Riyadh to Jidda.	TCA has stimulated Saudi Arabian Government in undertaking a long-range highway program with allocation of essential funds. Survey of railroad routes will be completed in 1953. Plan is in sufficient detail to enable the Saudi Arabian Government to request bids for its construction.

PUBLIC ADMINISTRATION

Total U. S. Cost - $101,000
No. of U.S. Technicians - 4
No. of Training Awards -- 3

Objectives: To stabilize the currency, establish a national bank, direct foreign exchange operations, engage in financial and economic research. To improve customs procedure and establish a central customs administration; to introduce a new tariff law. To establish a firm budget, accounting and statistical system.

Major Activities in FY 1954	Progress To Date
Statistical Operations - $19,000	
Assist and advise Government on organization of proposed Foreign Trade Statistical Office; train government personnel in manning positions required for the operations.	This is a new project. It is needed to provide basic material required for effective exchange controls, and for sound financial and budget planning, which is one of the basic needs of Saudi Arabia.
Public Finance - $82,000	
Advise Government on finance; stabilization of currency; establishment of a national bank of issue; supervision of minting and issuance of new currency. Help establish central customs administration; advise on operation of new tariff law with new rates. Advise and assist introduction of budget and accounting system; training of personnel.	Primary objective reached with establishment by Royal Decree of Saudi Monetary Agency in October 1952. Results: establishment of revenues and disbursements and stability of the currency. Partial study of customs administration completed and recommendations made for improvement. Elimination of payment of duty by promissory notes; use of actual exchange rates in valuation of

PUBLIC ADMINISTRATION (Continued)

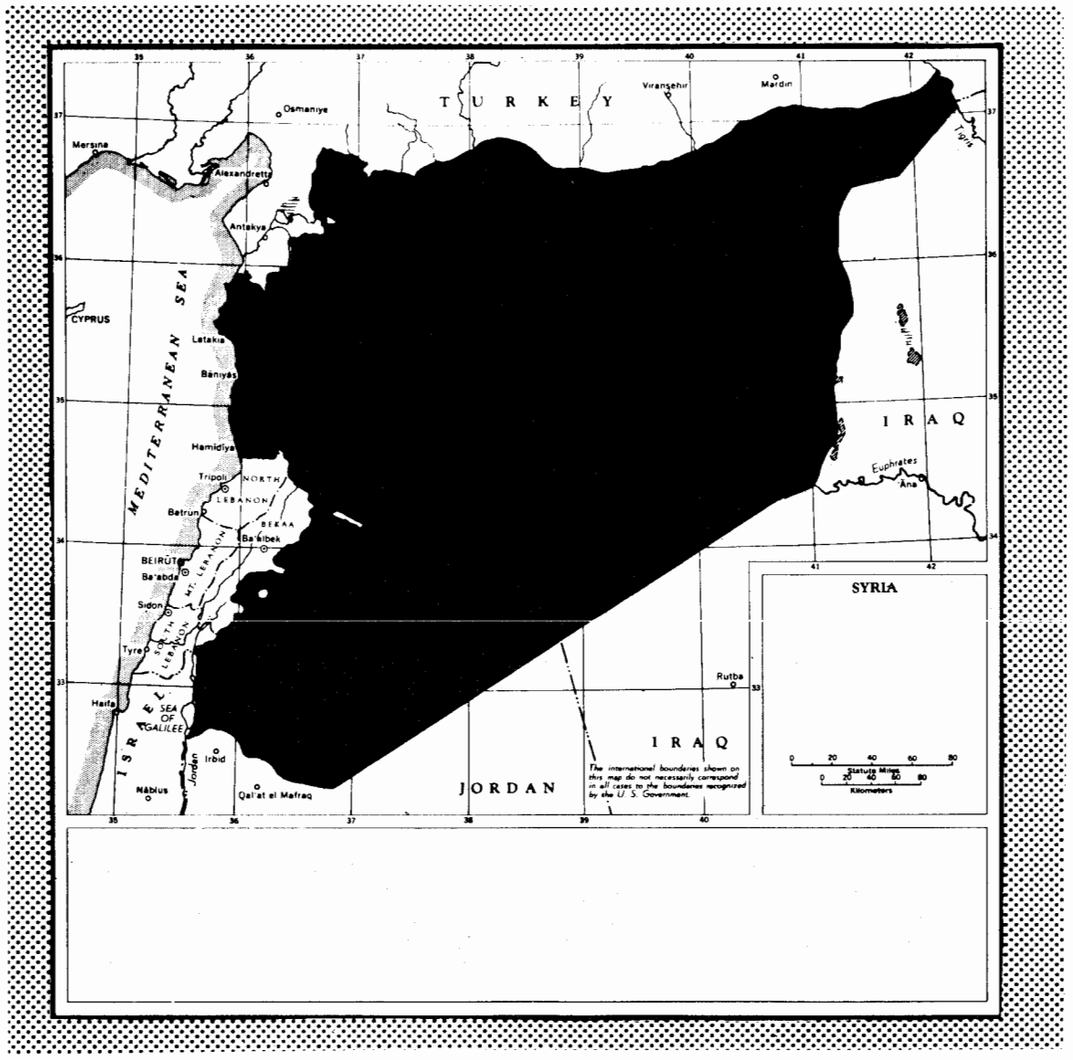
Major Activities in FY 1954	Progress To Date
	imports; recognition of legitimate trade discounts in valuation. Commitment of Government to budget all revenues and available funds; endorsement of "anti-deflationary measures" by high officials.

IV. OTHER TECHNICAL ASSISTANCE PROGRAMS

Multilateral Agencies

Ten FAO technicians are advising the Government in such fields as irrigation, land reclamation, chemical fertilizer production and fisheries. Frequent conferences are held with WHO and FAO to coordinate planning of the work of the respective agencies in these fields.

SYRIA



NOTE: Although Syria has not concluded any technical cooperation agreement with the U.S., conversations directed to that end have been under way, intermittently, for many months. The Syrian Government has given evidence of its desire to cooperate in the program for resettlement of Palestine refugees and of its active interest in achieving economic and social reforms within the country. The Congress is, therefore, being asked to approve the sum of $3 million (including certain domestic "backstopping" costs) as a reserve against the contingency that a Syria/U.S. agreement may be concluded. In the event no such program is agreed upon this sum would be ~~returned into reserve,~~ or reprogrammed for other approved purposes under the Act for International Development.

The following program represents a number of projects for which the Syrians have requested foreign technical assistance, and, as such, can be considered a realistic basis for a joint Syria/U.S. technical cooperation program. While the original requests were made to the United Nations, only in a few fields has has even limited assistance been given. Our work would complement existing programs in these fields and undertake full responsibility in the remaining requests.

U.S. Program Cost FY 1954 Total $2,937,000
No. of U.S. Technicians 42
No. of Training Awards 69

I. RESOURCES AND NEEDS

Natural:

Syria has an area of 72,000 square miles (slightly less than the state of Washington). Agriculture provides the largest part of the national income. The present cultivable area is estimated at 8,500,000 acres of which about 5,700,000 are now under cultivation. Approximately 700,000 acres of this total are under irrigation. Chief crops include cereals, vegetables and fruits; cotton is gaining in importance. Sheep, goats and cattle are the principal livestock. Syria is poor in mineral resources. Industry is handicapped by lack of coal, iron and power resources.

Human:

Syria's population is estimated at 3,291,000 of which 300,000 are nomadic tribesmen and 83,000 Arab refugees from Israel. Approximately three-fourths of the population are dependent upon agriculture. Some 85% of the population is Moslem, the balance being Christian. The number leading a nomadic life is decreasing annually. Modern health facilities are limited, and the people suffer from malaria, trachoma, tuberculosis, and other endemic diseases. The standard of living is relatively low, and a large percentage of the rural population, especially, live at a subsistence level.

Capital:

The national income is estimated at about 1.2 billion Syrian pounds (Ts 2.19 to $1.00) or about $160 per person a year. The total governmental budget in 1950 was LS 158,000,000. Syria has an adverse commodity balance in foreign trade, the balance being made up in part by petroleum operations and by other invisible items. The Government has not utilized foreign loans to any extent.

II. GENERAL SITUATION

Syria is culturally and politically important in the Arab world. Her people are for the most part settled in areas where rainfall or irrigation can support an agricultural economy. The Syrian desert does not support settled life, except along the upper Euphrates and in occasional small oases; it is scantily peopled by nomadic Bedouins, dependent on livestock. The farmers are settled in agricultural villages and towns. Inequality of land ownership and a feudalistic land-tenancy system persist in many areas, with resulting impoverishment of a considerable portion of the population. Properly used, Syria's land is potentially more than ample for its population, despite vast stretches being steppe and desert and the fact that much of the arable land has yet to be brought under cultivation and irrigation. Linked with the problem of land distribution is that of land utilization - inefficient and antiquated agricultural practices result in excessive water waste and inefficient production. A large percentage of cultivable land lies fallow and unproductive each year.

Standards of living in Syria vary widely. Members of the small upper class and the enterprising middle class live rather well. The living standards of the lower class -- 70 to 75 percent of the population -- are extremely low. In normal years Syria is able to provide enough food to meet national requirements, even though most of the tenant farmers and farm laborers operate on a subsistence basis.

Lasting social improvement in Syria can be achieved only after the economic and social reforms now being carried out by the present government's Liberation Reform movement have become fully effective. The most important of these involve land reclamation and irrigation schemes. Some of the new land and water resources developed with UNRWA help will be used for the resettlement of Palestine refugees. In general the technical cooperation program proposed for FY 1954 will be devoted to providing the outside technical assistance which Syria needs to make her own economic development efforts fully effective.

III. THE PROGRAM

Objectives:

To aid Syria in her efforts to:

1. Increase the amount of arable land by drainage and irrigation.
2. Utilize rivers for irrigation purposes and for hydroelectric power.
3. Increase agricultural production through more effective extension and experimentation programs.
4. Improve health, sanitation and education in rural areas.
5. Develop a more effective governmental administration by

Chronology of Agreements

No agreements have yet been negotiated. Preliminary conversations have been held with respect to specific project items.

Finance

Program negotiations are based on the assumption that Syria will contribute a fair share of costs.

Objectives: (Continued)
organizing training programs for civil service personnel and officials.

PROGRAM COSTS (Illustrative)
(Costs in Thousand Dollars)

	PROPOSED FISCAL YEAR 1954 PROGRAM					
	U.S. Technicians		Training Awards		Other	
	No.	Cost	No.	Cost	Costs	Total
Agriculture, Forestry & Fisheries	23	253	39	195	1,270	1,718
Health and Sanitation*	8	88	10	50	335	473
Education	1	11	10	50	56	117
Natural Resources	6	66	2	12	385	463
Industry and Trade	--	--	--	--	---	---
Transportation & Communications	--	--	--	--	---	---
Public Administration**	4	44	8	40	30	114
General Projects	--	--	--	--	---	---
Domestic Program Costs	--	9	--	21	22	52
TOTAL	42	471	69	368	2,098	2,937

* Includes Housing, Social Welfare & Vital Statistics
** Includes Public Finance, Census and Weather

AGRICULTURE, FORESTRY AND FISHERIES

U.S. Contribution $1,718,000
No. of U.S. Technicians---23
No. of Training Awards----39

Objectives: To assist the Syrian Government in the development of agricultural and forestry resources in order to provide a better standard of living for those currently at a bare subsistence, and to provide agricultural services for newly resettled Palestine refugees.

Proposed Activities for FY 1954

Agriculture Extension -- $883,000

Development of an extension program in the nine districts of Syria, bringing improved farming practices to farmers. Establishment of vaccine and serum laboratory to assist in arresting livestock and poultry disease; importation of superior breeding stock; and program of artificial insemination. Training in use and maintenance of farm machinery. Research would be conducted as needed in hoof and mouth disease and demonstrations held, showing improved methods of control and prevention of disease.

Proposed Activities for FY 1954 (Continued)

Agricultural Research -- $250,000

Development of testing laboratories and experimental stations in appropriate areas of Syria. Study of soils, plant diseases, testing seeds. Preparation of vaccines for farm animals. No such institutions of this nature exist.

Agricultural Education -- $220,000

Assistance in improving existing vocational agriculture institutions in both technical and administrative aspects. One first-class agricultural school for training would be created. Practical and theoretical training of students with background of farm experience would be coupled with some teacher training. Courses would provide both classroom and field work.

Forestry -- $365,000

The training of Syrians in better methods of planting, care and cutting of forests and woodlots through demonstrations. Introduction of new species would be undertaken after experimentation. Assistance will be available in advising government forestry officials on conduct of forestry training. Trainees would be instructed in methods and practices.

HEALTH AND SANITATION

U.S. Contribution $473,000
No. of U.S. Technicians- 8
No. of Training Awards -10

Objectives: To assist the Government of Syria in the establishment of public-health clinic, stressing preventive health measures, and in the development of elementary sanitation facilities (including pure drinking water) in selected rural areas.

Proposed Activities for FY 1954

Health Organization -- $20,000

U.S. Public Health administrator to be assigned as an adviser-consultant to work with the Ministry of Health on problems related to the organization and administration of a modern health program.

Potable Water -- $205,000

Demonstration of methods for cleaning wells and constructing drainage systems. Villagers would be trained in methods for locating best sources of potable water. The construction of ancillary water storage and other facilities would demonstrate the application of sanitary principles.

Rural Health Program -- $248,000

Development of a rural health center out of which health teams of technicians and trainees would work in a joint undertaking to develop a program stressing the responsibility of the people themselves for improving health conditions. In addition to the health center activities, audio-visual aids and demonstrations would be used to show the relationships between sanitation and prevention of endemic disease as a health education phase of the program.

EDUCATION

U.S. Contribution $117,000
No. of U.S. Technicians- 1
No. of Training Awards -10

Objectives: To assist the Syrian Government in raising living standards through vocational training in order to create skills for producing basic necessities of life and provide employment for Palestine refugees.

Proposed Activities for FY 1954

Fundamental and Vocational Education -- $117,000

Development of a program of vocational education in conjunction with the Ministry of Education. Courses would include mechanics, home economics, cottage and village industries; practical chemical laboratory work would be provided.

NATURAL RESOURCES

U.S. Contribution $463,000
No. of U.S. Technicians- 6
No. of Training Awards - 2

Objectives: To increase the arable land acreage by reclaiming public lands some of which will be made available for the resettlement of Palestine refugees as well as Syrians now living on marginal lands.

Proposed Activities for FY 1954

Water Spreading -- $378,000

The development of a program of water spreading and preservation in desert areas, demonstrating range terracing and ditching techniques, along with a forage planting program. The use of simple equipment such as camel drawn slip scrapers, now available to nomadic tribes, would be demonstrated. Syrian supervisors would be trained.

Irrigation Surveys -- $85,000

In conjunction with United Nations technicians, surveys would be conducted to determine possibilities for widespread irrigation in the southern and eastern regions of Syria as a prelude to actual construction operations in the future.

PUBLIC ADMINISTRATION

U.S. Contribution - $114,000
No. of U. S. Technicians - 4
No. of Training Awards - 8

Objectives: To assist the Government of Syria in the development of adequate governmental machinery for carrying out integrated economic and social development plans.

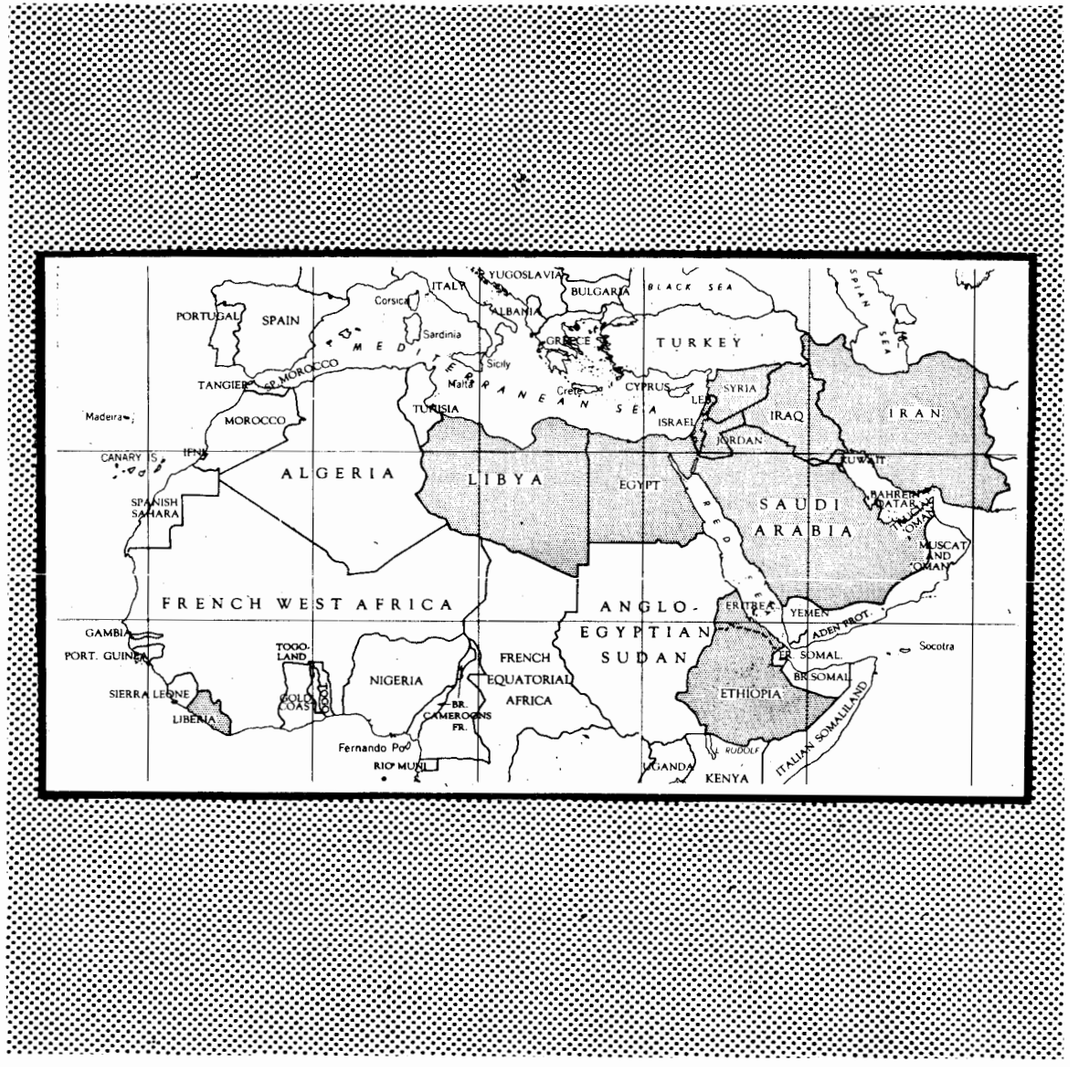
Advisory Services -- $114,000

Technical advising services or surveys to help Syria in the reorganization of various Ministries so as to keep pace with the economic and social development of the country.

IV. OTHER TECHNICAL ASSISTANCE PROGRAMS

The United Nations Technical Assistance Administration, FAO, UNESCO and WHO are giving a limited amount of technical aid to the Government of Syria in their respective fields. FAO experts are working in the fields of agriculture and forestry. UNESCO is carrying on programs in vocational education, rural education and teacher training. WHO is undertaking an intensive malaria-control program and is also working in the field of maternal and child health and public health nursing.

NEAR EAST AND AFRICA REGIONAL PROJECTS



U.S. Program Cost FY 1954 - $1,014,000
No. of U. S. Technicians ---------- 26

I. THE NEED

Certain activities of TCA seem best carried out on a regional basis to achieve maximum efficiency and benefits. Such activities cope with problems that are not confined to a single country, but which extend through the region as a whole and can only be solved by integrated and cooperating inter-country programs. Such programs include certain water-development schemes, the control of plagues which are transmitted regionally without respect to borders (such as epidemic diseases or insects), advanced specialized technical training centers, and the provision of specialized technical services on a short-term basis. Operation or evaluation of these activities on a regional basis reinforces the values to be obtained from individual country programs. The nature of TCA regional activities for the Near East and Africa proposed for FY 1954 is indicated by the following summary statement of purposes:

1. To provide on a regional basis the administrative direction and servicing facilities for insect or disease controls, such as the regional locust or rinderpest programs.

The basis for a regional locust-control operation is the fact that proper measures need to be taken internationally, as well as nationally, to permit effective control of locusts swarming across national boundaries. This is one of the basic agricultural problems in all of the region, extending from the Sahara to Pakistan.

2. To expand the facilities and raise the standard of technical training available to local program personnel within the region, by providing assistance to selected institutions of higher learning in the area.

Adequate professional training for public services has been available to students of the area only in a few universities, particularly in Beirut and Cairo. The facilities for this type of training need to be improved and expanded so that more students can receive better training in these fields. Such training in most instances has a great advantage in that it can be applied to technical problems in the same natural and social environment, in

THE NEED (continued)

which the trainees will work in the future. It follows that U.S. training would be provided only for the most advanced.

3. To provide more practical and more efficient orientation for newly assigned U.S. technicians to the region, and to offer "refresher" or advanced training to older hands.

The principal orientation of new U.S. personnel assigned to the Near East or independent Africa will be undertaken in that region, to provide practical and realistic training in the working and living conditions of the area.

4. To provide special advisory services to the countries of the area when the service required can best be provided by highly specialized U.S. technicians on the basis of short term temporary assignments.

TCA country program staffs need highly specialized technical assistance in developing certain types of resources, such as tourist trade, which can be supplied on a regional basis without the need of providing such technicians to every country. This approach would also cover such fields as vital statistics; and public health operations now under way in several countries would benefit by advice from highly skilled specialists on the regional staff.

5. To evaluate comparatively the country programs on a regional basis.

6. To provide special group training facilities for technicians, in the U.S.

The regional activities proposed are a logical approach to TCA operations in the Near East, from the viewpoint of services and saving of TCA funds.

PROGRAM COSTS
(Costs in Thousand Dollars)

	FISCAL YEAR 1953 PROGRAM						PROPOSED FISCAL YEAR 1954 PROGRAM					
	U.S. Technicians		Training Awards		Other		U.S. Technicians		Training Awards		Other	
	No.	Cost	No.	Cost	Costs	Total	No.	Cost	No.	Cost	Costs	Total
Agriculture, Forestry & Fisheries	5	58	4	15	388	461	9	90	-	-	293	383
Health and Sanitation	2	20	6	30	551	601	2	24	-	-	1	25
Education	-	-	-	-	60	60	-	-	-	-	300	300
Natural Resources	-	-	-	-	161	161	-	-	-	-	-	-
Industry, Trade, and Labor	1	13	-	-	-	13	5	49	-	-	15	64
Transportation and Communications	-	-	-	-	-	-	-	-	-	-	-	-
Public Administration	-	-	-	-	60	60	-	-	-	-	-	-
General Projects	13	68	-	-	81	149	10	145	-	-	63	208
Domestic Program Costs	-	6	-	6	18	30	-	6	-	14	14	34
TOTAL	21	165	10	51	1319	1535	26	314	-	14	686	1014

AGRICULTURE, FORESTRY AND FISHERIES

TOTAL U.S. Cost----------$383,000
No. of U.S. Technicians --------- 9

Objectives: To supplement national and international agencies in their efforst to control locusts by providing aerial reconnaissance and spraying; to contribute to eradication of rinderpest in Egypt and Ethiopia; to expand training in agricultural extension.

Major Activities in FY 1954	Progress to Date
Locust Control - $303,000	
Continue to provide aerial reconnaissance and spraying for the international locust control program in the Near East, Africa and Asia, in cooperation with certain national and international agencies.	The locust control program on a regional basis is now operating in five countries of the Near East and in two countries of South Asia. The program headquarters has been established in Beirut. Nine Piper Cub airplanes are in operation. The program has contributed greatly to the effective mobilization of the countries of the region for a concerted fight against this major plague. It has had a direct and powerful impact upon the rural people throughout the region.
Rinderpest Control - $30,000	
Render assistance to rinderpest operations in Ethiopia and Egypt by allocating funds for laboratory work in Cairo and Addis Ababa.	New project, needed because of the serious economic effects of this animal disease in several countries of the region.
New Mexico Technical Cooperation Institute - $50,000	
Provide training in agriculture extension for trainees from Near East and African countries. The training includes class work, field work and preparation of programs for work in home countries.	This is a new project required to provide a group-training facility in the U.S. to provide the most effective type of U.S. technical training for trainees from countries with similar geography and problems

HEALTH AND SANITATION

Total U.S. Cost---------$25,000
No. of U.S. Technicians-------2

Objectives: To promote the development of public health nurse training in the countries of the Near East and Africa countries and to train qualified nurses to take national leadership. To assist in establishing or improving standards in the field of vital and health statistics.

HEALTH AND SANITATION (continued)

Major Activities in FY 1954	Progress to date
Health and Vital Statistics - $14,000	
Assist the governments of the area in cooperative projects to standardize methods of collection and comparison for regional health control purposes of vital and health statistics.	A biostatistician is being assigned to advise on techniques of gathering health and vital statistics in several countries.
Professional Nurses Training - $11,000	
Assist the organization of a regional public health nurses course in Beirut, Lebanon, for instruction of professional nurses by a trained public health nurse. Local health authorities will be assisted in organizing public health work.	A special course in public health nursing has been instituted at the American University in Beirut under TCA sponsorship.

EDUCATION

Total U.S. Cost-----$300,000
No. of U.S. Technicians----*

Objectives: To stimulate training at a professional level in fields of agriculture, education, engineering and public administration and at a preprofessional level in public health. To provide for such training at American University and at other higher educational institutions in Beirut, Lebanon.

Major Activities in FY 1954	Progress to Date
Regional Training Facilities - $300,000	
To provide training facilities for nationals of countries of the Near East and Africa at a subprofessional level at universities of the region. The training will emphasize agriculture, education, engineering and public administration. In addition, to provide for the expansion of the training facilities for nationals of those countries at a professional level. This activity will be carried out on a contract basis by the universities of the region, parallel to the contractual relationship already established with American University at Beirut, Lebanon. Preprofessional training facilities in public health also will be expanded to widen the ranks of this type of public service. Training courses for an additional 180 students in the above fields will be provided. The training of an additional 50 elementary teachers is planned and of an additional 10-20 career employees of Near Eastern and African governments in public administration.	American University at Beirut, on a contract basis, has conducted a regional training program for approximately 400 men and women from the Near East and Africa during the past two years. Students have specialized in the fields of economics, education, engineering, public administration and public health. These students are now returning to work for their national governments and as technicians in the Point 4 country programs. This additional project is required to balance the training programs being conducted at AUB by providing for such specialized training in other institutions within the region. It integrated the use of such other institutions, in addition to AUB, and they brings a closer participation of such local cultural centers in the overall common effort at development.

* Employees contracted by the institutions of the region selected to provide the training

INDUSTRY, TRADE AND LABOR

Total U.S. Cost----------$64,000
No. of U.S. Technicians----------5

Objectives: To survey methods, means and economic feasibility of developing industries; to conduct surveys of raw materials, particularly for producing commercial fertilizers; to conduct marketing surveys covering products which can be manufactured in the region; to create a climate for encouraging both local and American investment and business.

Major Activities in FY 1954	Progress to Date
Industrial Development Survey - $45,000	
Assist in surveying the raw materials, water, labor, and transportation problems and potentials of the region as a unit, in relation to certain type of industrial development projects. The appraisal of key mineral resources, some of them of strategic value, will be a part of this survey. Industrial development on regional basis will be encouraged, where feasible. Country program ~~cooperation~~ staff will be utilized in the regional survey.	This is a new project, required to balance the industrial potential analysis now under way in each country. It will analyze the problem of the industrial use of resources now being wasted, such as the natural gas of Saudi Arabia, Iraq and Iran. It will provide a basis for estimation of market potentials for industrial products.
Tourist Trade Development - $19,000	
Assist in the development of tourist trade in the region as a whole by giving training in tourist public relations, in the organization of travel bureaus, and in analysing the problems of making these countries attractive to tourists - improved hotel services, access roads, sanitary food handling, and specialized training of local travel personnel. In some of these countries, tourism can become a major source of foreign-exchange earnings.	A TCA regional technician has been advising and consulting on tourist handling and attraction problems with tourism encouragement agencies of Lebanon, Israel and Jordan to facilitate and enlarge the flow of tourist trade.

GENERAL PROGRAMS

Total U.S. Cost-----$208,000
No. of U.S. Technicians---10

Objectives: To establish a field orientation course for training new TCA technicians and their families on the spot; to make available audio-visual supplies and equipment and the services of a shipping expeditor; and to provide scientific evaluation of the programs on a regional basis.

Major Activities in FY 1954	Progress to Date
Near East Training School - $70,000 Complete the establishment and provide for the operation of an orientation center for "on the spot" indoctrination and training of new TCA employees and their families related to Point 4 programs and local cultures.	Establishment of this school is being currently worked on by a TCA specialist.
~~Major Activities in FY 1954~~	~~Progress to Date~~
Social Evaluation Survey - $75,000 Conduct an evaluation survey to determine the manner and extent of changes and achievements in ideas, practices, welfare and social relationship patterns of Near Eastern and African peoples as a result of the impact of TCA programs.	This is a new project,planned to be initiated in FY 1954 in order to provide adequate impartial evaluation of the technical cooperation programs on a continuing basis. In FY 1954 it is anticipated that this activity will seek to establish "bench marks" against which future effects of the program can be measured.
Audio-Visual Aid - $50,000 Continue to provide centralized production and servicing facilities on audio-visual aids such as photographic film strips, photographs, motion pictures, posters and exhibits for purposes of assisting technicians in dissemination of technical training, and in training American and local technicians in development and utilization of audio-visual materials. This project is not to produce visual material for publicity uses but for productivity, health, education, agriculture and similar improvement projects.	Funds allocated in late FY 1953 for initiating this project, to be continued in FY 1954. It is needed to produce this type of teaching material for use in the various countries on a more economical basis than if produced by each country separately.
Regional Shipping Expeditor - $13,000 Continue a project involving analysis of procurement needs, planning for the requisition of equipment, recommendations as to transport channels, and provision of a contact for country programs requiring storage facilities in the region.	This project is already under way. A U.S. technician is headquartered in Beirut and is providing shipping advice to individual country missions.

Regional Table III

ECONOMIC ASSISTANCE AND TECHNICAL COOPERATION
Near East and Africa
(In Thousand Dollars)

Comparative Summary of Obligations by Major Project Category

Major Project Category	Actual 1952		Estimate 1953		Proposed 1954	
	Act for International Development	Special Aid	Act for International Development	Special Aid	Act for International Development	Special Aid
1. Agriculture, Forestry and Fisheries	9,416	8,010	8,238	7,208	12,356	
2. Health and Sanitation (including Housing, Social Welfare and Vital Statistics)	10,390	2,400	9,142	6,750	7,238	
3. Education	4,506	-	4,802	-	5,268	
4. Natural Resources	4,344	2,078	3,799	5,700	5,624	
5. Industry, Trade and Labor	4,410	15,900	4,200	23,755	2,629	
6. Transportation and Communications	2,071	-	2,241	3,915	1,396	
7. Public Administration (including Public Finance, Census and Weather)	397	-	1,936	-	1,230	
8. General Projects	1,325	35,112	16,042	22,900	7,191	
9. Domestic Program Costs	915	-	991	-	860	
Undistributed by Field of Activity		51,264	-	60,063	-	170,000
Total Obligations	37,774	114,764	51,391	130,291	43,792	170,000

Regional Table IV

ECONOMIC ASSISTANCE AND TECHNICAL COOPERATION
Near East and Africa

Summary by Country and Major Project Category
(In Thousand Dollars)

Country	Total U.S. Cost	Agriculture Forestry Fisheries	Health Sanitation	Education	Natural Resources	Industry Trade Labor	Transportation Communication	Public Administration	General Projects a/	Domestic Program Costs
Egypt										
1952	326	149	--	40	22	--	26	79	--	10
1953	12,972	915	503	175	416	250	124	116	10,235	238
1954	11,876	2,181	1,383	607	1,354	518	271	50	5,299	213
Ethiopia										
1952	1,072	860	3	100	82	--	--	--	--	27
1953	1,394	578	116	125	125	122	23	54	221	30
1954	1,631	806	141	188	125	82	--	35	220	34
Iran										
1952	23,761	6,048	8,643	1,886	457	3,964	1,565	114	525	559
1953	23,324	4,046	6,243	2,745	861	3,091	995	1,034	3,861	448
1954 b/	13,907	4,436	3,341	2,135	1,547	1,154	472	476	70	276
Iraq										
1952	359	110	63	45	94	8	2	28	--	9
1953	1,884	437	199	284	174	109	202	46	393	40
1954	2,237	387	373	359	205	49	186	84	551	43

Regional Table IV

Country	Total U.S. Cost	Agriculture Forestry Fisheries	Health Sanitation	Education	Natural Resources	Industry Trade Labor	Transportation Communication	Public Administration	General Projects a/	Domestic Program Costs
Isreal										
1952 AID c/	835	33	18	540	54	124	37	--	2	27
Special Aid	63,500 d/	8,010	2,400	--	2,078	15,900	--	--	35,112	--
Total	64,335	8,043	2,418	540	2,132	16,024	37	--	35,114	27
1953 AID	2,550	419	317	341	220	346	124	274	459	50
Special Aid	70,228 e/	7,208	6,750	--	5,700	23,755	3,915	--	22,900	--
Total	72,778	7,627	7,067	341	5,920	24,101	4,039	274	23,359	50
1954	1521	356	151	306	117	225	137	142	53	34
Jordan										
1952 AID	3,437	388	392	441	1,449	210	320	55	100	82
Special Aid	1,264	--	--	--	--	--	--	--	1,264	--
Total	4,701	388	392	441	1,449	210	320	55	1,364	82
1953	2,821	428	377	465	916	254	119	207	--	55
1954	2,258	375	246	299	890	327	40	36	--	45
Lebanon										
1952	3,397	731	339	224	1,765	104	36	109	7	82
1953	701	176	120	56	273	15	--	--	41	20
1954	2,852	650	360	236	514	200	--	50	790	52
Liberia										
1952	773	215	217	94	126	--	85	7	2	27
1953	1,564	285	436	120	421	--	230	42	--	30
1954	1,283	318	311	111	111	--	239	142	--	26
Libya										
1952	1,473	477	118	692	148	--	--	--	1	37
1953	1,178	380	160	364	125	--	--	--	129	20
1954	1,534	540	255	517	178	10	--	--	--	34

Country	Total U.S. Cost	Agri Forestry Fisheries	Health Sanitation	Education	Natural Resources	Ind. Trade Labor	Transp. Comm.	Public Admin.	General Projects a/	Dom Prog. Costs	Undistri. by Field of Activity
Saudi Arabia											
1952	171	-	8	2	147	-	-	5	-	9	
1953	1,468	113	70	67	107	-	424	103	554	30	
1954	742	206	179	93	95	-	51	101	-	17	
Syria											
1954	2,937	1,718	473	117	463	-	-	114	-	52	
Regional											
1952	2,170	405	589	442	-	-	-	-	688	46	
1953	1,535	461	601	60	161	13	-	60	149	30	
1954	1,014	383	25	300	-	64	-	-	208	34	
Undistributed by Countries											
1952 Special Aid f/	50,000	-	-	-	-	-	-	-	-	-	50,000
1953 Special Aid f/	60,063	-	-	-	-	-	-	-	-	-	60,063
1954 Special Aid	170,000 b/	-	-	-	-	-	-	-	-	-	170,000 b/
Total Obligations											
1952 AID	37,774	9,416	10,390	4,506	4,344	4,410	2,071	397	1,325	915	
Special Aid	114,764	8,010	2,400	-	2,078	15,900	-	-	35,112	-	51,264
Total	152,538	7,426	12,790	4,506	6,422	20,310	2,071	397	36,437	915	51,264
1953 AID	51,391	8,238	9,142	4,802	3,799	4,200	2,241	1,936	16,042	991	
Special Aid	130,291	7,208	6,750	-	5,700	23,755	3,915	-	22,900	-	60,063
Total	181,682	15,446	15,892	4,802	9,499	27,955	6,156	1,936	38,942	991	60,063
1954 AID	43,792	12,356	7,238	5,268	5,624	2,629	1,396	1,230	7,191	860	
Special Aid	170,000 b/	-	-	-	-	-	-	-	-	-	170,000 b/
Total	213,792 b/	12,356	7,238	5,268	5,624	2,629	1,396	1,230	7,191	860	170,000 b/

a/ For FY 1952 and FY 1953 includes general program services not distributed by field of activity.

b/ Special Aid item includes minimum aid required to maintain operations in Iran at approximately $25 million level. New appropriations are not at present requested for $30 million of total (for relief and resettlement of Palestine Refugees.)

c/ Act for International Development.

d/ Includes $13,500,000 for Economic Assistance under Section 203 of P.L. 165 and $50,000,000 appropriated under Section 205 of P.L. 165 for Relief and Resettlement of Refugees entering Israel.

e/ Appropriated under P.L. 547 for Relief and Resettlement of Refugees entering Israel.

f/ Aid for the Relief and Resettlement of Palestine Refugees.

ECONOMIC ASSISTANCE AND TECHNICAL COOPERATION
Near East and Africa
Summary by Country and Major Cost Components
(In Thousand Dollars)

Country	Total U.S. Cost	Supplies and Equipment	Local Costs	Total Service Cost	Services: U.S. Technicians No.	Services: U.S. Technicians Cost	Services: Trainees No.	Services: Trainees Cost	Undistributed by Cost Component
Egypt									
1952	326	100	3	223	23	114	46	109	--
1953	12,972	6,116	5,397	1,459	66	991	105	468	--
1954	11,876	4,883	4,622	2,371	153	1,790	192	581	--
Ethiopia									
1952	1,072	331	437	304	2	290	-	14	--
1953	1,394	175	394	825	65	806	13	19	--
1954	1,631	456	154	1,021	76	962	21	59	--
Iran									
1952	23,761	13,098	9,543	1,120	70	593	57	527	--
1953	23,324	10,602	10,371	2,351	141	1,659	180	692	--
1954***	13,907	3,079	7,251	3,577	255	3,064	96	513	--
Iraq									
1952	359	16	3	340	22	187	41	153	--
1953	1,884	442	158	1,284	104	1,124	38	160	--
1954	2,237	361	126	1,750	104	1,528	51	222	--
Israel									
1952 AID*	835	621	147	67	5	39	3	28	--
Special Aid	63.500	63,500	--	--	--	--	--	--	--
Total	64,335	64,121	147	67	5	39	3	28	--
1953 AID*	2,550	1,199	759	592	49	382	59	210	--
Special Aid	70,228	70,228	--	--	--	--	--	--	--
Total	72,778	71,427	759	592	49	382	59	210	--
1954	1,521	446	14	1,061	72	845	60	216	--
Jordan									
1952 AID*	3,437	1,231	1,970	236	11	94	--	142	--
Special Aid	1,264	1,264	--	--	--	--	--	--	--
Total	4,701	2,495	1,970	236	11	94	--	142	--
1953	2,821	942	972	907	68	814	26	93	--
1954	2,258	625	636	997	69	822	41	175	--

ECONOMIC ASSISTANCE AND TECHNICAL COOPERATION
Near East and Africa
Summary by Country and Major Cost Components
(In Thousand Dollars)

Country	Total U.S. Cost	Supplies and Equipment	Local Costs	Total Service Cost	Services: U.S. Technicians No.	Services: U.S. Technicians Cost	Services: Trainees No.	Services: Trainees Cost	Undistributed by Cost Component
Lebanon									
1952	3,397	1,200	1,783	223	51	357	12	57	--
1953	701	--	47	654	60	650	--	4	--
1954	2,852	813	915	1,124	70	843	52	281	--
Liberia									
1952	773	285	8	480	62	465	--	15	--
1953	1,564	321	321	922	75	906	5	16	--
1954	1,283	99	265	919	81	895	6	24	--
Libya									
1952	1,473	1,012	334	127	16	108	--	19	--
1953	1,178	234	436	508	42	424	30	84	--
1954	1,534	421	478	635	51	564	26	71	--
Saudi Arabia									
1952	171	94	2	75	15	62	--	13	--
1953	1,468	342	736	390	31	312	18	78	--
1954	742	--	7	735	31	593	33	142	--
Syria									
1954	2,937	850	1,248	839	42	471	69	368	--
Regional									
1952	2,170	1,702	282	--	5	162	--	24	--
1953	1,535	598	721	216	21	165	10	51	--
1954	1,014	250	436	328	26	314	--	14	--
Undistributed by Countries									
1952 Special Aid**	50,000	--	--	--	--	--	--	--	50,000
1953 Special Aid**	60,063	--	--	--	--	--	--	--	60,063
1954 Special Aid***	170,000	--	--	--	--	--	--	--	170,000

ECONOMIC ASSISTANCE AND TECHNICAL COOPERATION
Near East and Africa
Summary by Country and Major Cost Components
(In Thousand Dollars)

Country		Total U.S. Cost	Supplies and Equipment	Local Costs	Total Service Cost	Services: U.S. Technicians No.	Services: U.S. Technicians Cost	Services: Trainees No.	Services: Trainees Cost	Undistributed by Cost Component
Total Obligations										
1952	AID	37,774	19,690	14,512	3,572	282	2,471	159	1,101	--
	Special Aid	114,764	64,764	--	--	--	--	--	--	50,000
	Total	152,538	84,454	14,512	3,572	282	2,471	159	1,101	50,000
1953	AID	51,391	20,971	20,312	10,108	722	8,233	484	1,875	--
	Special Aid	130,291	70,228	--	--	--	--	--	--	60,063
	Total	181,682	91,217	20,312	10,108	722	8,233	484	1,875	60,063
1954	AID	43,792	12,283	16,152	15,357	1,030	12,691	646	2,666	--
	Special Aid	170,000***	--	--	--	--	--	--	--	170,000***
	Total	213,792***	12,283	16,152	15,357	1,030	12,691	646	2,666	170,000***

* Act for International Development.
** For the Relief and Resettlement of Palestine Refugees.
*** Special Economic Aid item includes minimum aid required to maintain operations in Iran at approximately $25 million level. New appropriations are not at present requested for $30 million of total (for Relief and Resettlement of Palestine Refugees).

ECONOMIC ASSISTANCE AND TECHNICAL COOPERATION

South and Southeast Asia

Comparative Summary of Obligations by Activities
(In Thousand Dollars)

Activity	Actual 1952	Estimate 1953	Proposed 1954
1. Bilateral Technical Cooperation	85,668.1	68,382.5	49,100.0
2. Special Aid	-	(16,500.0 a/)	94,400.0
Total Obligations	85,668.1	68,382.5	143,500.0
Net Comparative Adjustment between Appropriations	2,368.2	1,195.3	-
Total Available	88,036.3	69,577.8	143,500.0

a/ Long term loans made to Pakistan and Afghanistan under authority of the Mutual Security Act as amended for the purchase of wheat.

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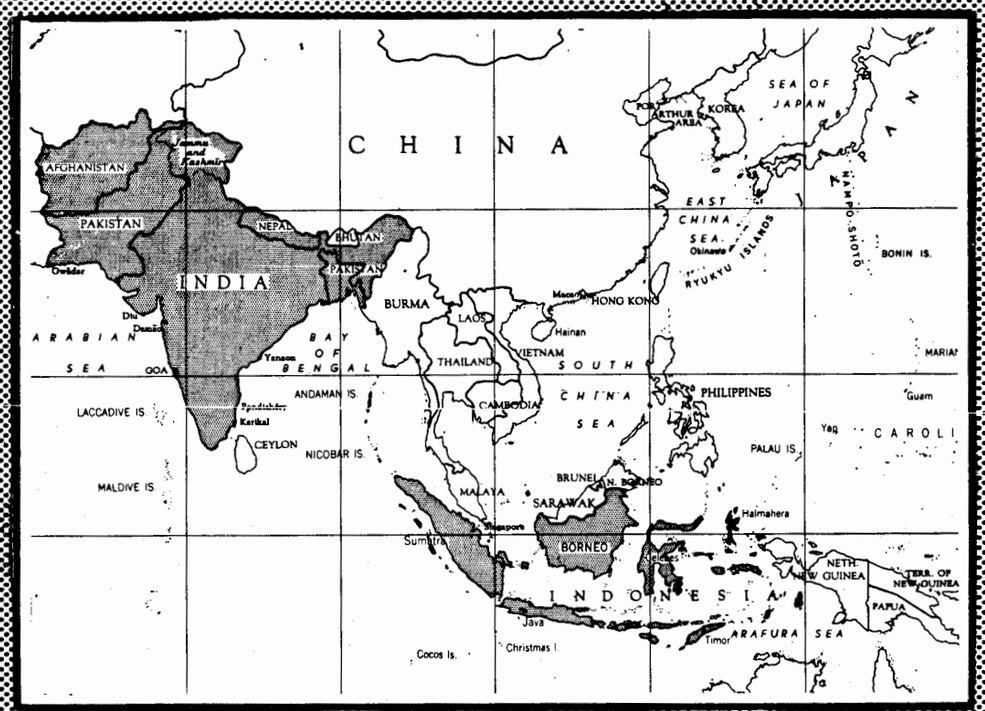
THE TCA PROGRAM IN SOUTH AND SOUTHEAST ASIA - FY 1954



I. The Region

The countries of South and Southeast Asia in which the Technical Cooperation Administration program is proposed for the fiscal year 1954 consist of India, Indonesia, Pakistan, Afghanistan, and Nepal. These countries alone contain one-fourth of the world's population and over one-third of the population of the Free World. Covering 2,500,000 square miles, their area extends from the turbulent mid-east along the southern frontier of Soviet Russia and Communist China to war-torn Indo-China, stretching altogether for a distance nearly twice the length of the United States. The region is strategically situated astride the Pacific and India Ocean lines of communication between the Near and Far East. It is within the range of Soviet power ambition and subject to Communist China expansion threats. The region provides a dominant share of the Free World's supply of such vital raw materials as manganese, rubber, tin, mica, copra, fibers and rice. In addition, the region is an important importer of United States and European cotton, grains and machinery.

The countries for which Technical Cooperation Programs are proposed have the following population and area:

	Population	Square Miles
Afghanistan	12,000,000	250,000
Pakistan	76,000,000	365,000
India	360,000,000	1,221,000
Nepal	7,000,000	54,000
Indonesia	78,000,000	735,000
TOTAL.....	533,000,000	2,450,000

India, Pakistan and Indonesia have only recently emerged from colonial status and become independent nations. Their international relations are, therefore, complicated by a vigorous and sensitive nationalism determined to remove all vestiges of their former colonial status. All of the countries of this region have important economic, cultural and spiritual ties with the Free World and their governments are staunchly opposing Communism within their borders.

Despite the region's basic wealth in raw materials and human resources, its outstanding characteristic is the dismal poverty of the vast majority of its people. The almost incredibly

low level of living in the area is characterized by an average annual income which ranges between $35-60 per capita in the area. What this bare statistic means for the region is malnutrition, disease, recurring famine, low productivity and resentment.

With the attainment of independence the people of South and Southeast Asia expected that their material well-being would be directly improved. Instead, their already low level of living has gone down further in the years since independence. They now demand that their governments should take whatever steps may be necessary to ensure a reversal of this trend and a relatively rapid upturn in their material well-being. The governments and most of the people are determined that the sacrifices necessary for economic development shall be made, within a democratic framework and by democratic means. If, however, their aspirations are frustrated within this framework, they will be increasingly receptive to Communist or other extremist propaganda, which day-in and day-out proclaims to them that economic development and democracy are incompatible and that only the drastic means of a totalitarian approach can adequately increase the daily ration in their rice bowl.

II. Major Economic Development Problems

The development efforts of the region are concentrated on the major problems which it faces -- food shortage, poor health, poor transportation and communication facilities, under-employment, and a lack of capital and of trained personnel.

The per-capita food supply in the area has substantially decreased since pre-war times. In certain areas this is due to localized civil war and banditry. In other countries such as India and Indonesia increases in food production have been far below the increases in population which have taken place. In recent years, drought conditions in some of the countries have further aggravated the food situation. The decline in food consumption has not only resulted in an undernourished population, less able to make the effort required for vigorous economic development, but also has required large scale food imports, which drain the countries' scarce foreign exchange resources. In most of the countries in the area, therefore, food production has first priority.

Diseases which every year affect millions of people have a direct effect on agricultural and industrial production. They sap the strength of the cultivator and worker and leave them little physical or mental energy beyond that required to keep alive. In addition, such endemic diseases as malaria prevent the cultivation of whole areas. The control and, if possible, the eradication of such diseases have, therefore, been given high priority in program planning.

Transportation and communication networks are completely inadequate for the existing economies and are, therefore, a serious limiting factor to economic expansion. Inadequate transportation makes it difficult to cope with local and restricted shortages, prevents the development of specialized industries, and adds to the cost of all goods.

Unemployment in such countries as India is quite large, but is still a very inadequate indication of the actual unemployed human resources that are available. Millions of additional workers, especially farm laborers, though ostensibly employed, work but a few hours a day, a few days a week and a few months out of the year. Their productivity is extremely low, yet no alternative employment is open to them. A massive development of industrial employment opportunities, be they in the form of factories, small workshops or handicrafts, is therefore essential if this human resource is to be used and if, at the same time, vulnerability to political exploitation is to be avoided.

At all levels of the economy, and especially in government, these countries lack technicians and trained administrators. Economic development requires not only the training and the development of practical experience in the high levels of administrative and technical competence, but also the development of vast numbers of professional, sub-professional and semi-skilled administrators, technicians and workers. Even more basic is the development of a sufficient level of literacy to make further training possible.

The amount of capital which these countries can command at the present time is completely inadequate to sustain even a minimum rate of economic development. The low level of living results in an extremely low rate of savings which, in a country such as India, is estimated at about 7 per cent of the gross national product, compared to a rate of private savings of about 17 per cent of gross national product in the United States. Without a considerable increase in the present level of national income in the area, no important increase in the percentage of the national income saved can be expected.

III. The Area's Difficulty in Solving These Problems Without External Assistance

This critical region finds it difficult to make sufficient progress toward solving these problems without outside assistance. It would be many years before a sufficient number of local technicians and administrators could be trained to undertake a large-scale economic development program that does not rely, to a small but critical extent on some foreign technicians. Since such a training

program would have to begin by training the trainers, the actual dissemination of information to farmers and other workers would be considerably delayed.

It is equally difficult for these countries to provide the financial resources required for necessary development. India, for instance, has officially estimated that it could meet $2.65 billion dollars of its economic development plan from taxation and borrowing but an additional $1.7 billion of outside capital is needed to carry out programs which are regarded as minimal in terms of her needs and the insistent demands of her people for economic betterment. Pakistan's immediate economic position is relatively very much worse, having seriously deteriorated in the last year. Her foreign exchange reserves have declined by 60% in one year and a serious food shortage has forced her to obtain a wheat loan from the U.S. of $15 million dollars in FY 1953 and to request much larger assistance from the U.S. in FY 1954.

Considerable assistance has already been given by such international lending institutions as the Export-Import Bank and the International Bank for Reconstruction and Development, which have altogether authorized a total of $231 million for all countries in the area. Further loans from these sources will undoubtedly be made in the future, but this assistance is limited by the ability of the countries themselves to repay these loans and by the type of project for which banking institutions are willing to advance funds.

Considerable assistance has also been made available to South and Southeast Asia through the mechanism of the Colombo Plan. A total of $79.2 million has been pledged by Canada, Australia, New Zealand and Great Britain with an additional $111 million made available in releases of sterling balances held by India and Pakistan. The continuation of such aid can confidently be expected.

The programs of United States assistance recommended below for each country were prepared on the basis of 5 factors:

1. The urgency of development in the country.
2. The potential for development.
3. The degree of preparedness for accelerating development.
4. The prospects for financing from sources other than United States grants.
5. Limitations in our own resources.

V. The Proposed Program for FY 1954

The proposed United States aid program for 1954 has four components, which are distinguished for presentation purposes. In execution they are intended to be implemented as comprehensive integrated programs.

(a) Technical Assistance - Projects under the Technical Cooperation Program will be those with a heavy emphasis on personal services, that is, the furnishing of United States technicians and the provision of training facilities in the United States and other countries. Nearly all of these projects will require some supplies and equipment in direct support of the technicians engaged in the cooperative program. Emphasis in these projects, however, is on the provision of technical services and of training, not of equipment. Many of the projects will be long-run and relatively low-cost, with heavy emphasis on demonstration, "show-how" and on the dissemination of information. The proposed cost of the Technical Assistance program for fiscal year 1954 in all five countries in which a TCA program is planned for South and Southeast Asia totals $49.1 million.

(b) "Special Economic Aid" - Some countries, namely, India and Pakistan, require a more rapid rate of economic growth than Technical Cooperation alone, such as described in (a) above, could assure. The opportunities for significant development are great in South Asia, and, if exploited, they will promote the economic and political stability of the whole sub-continent and strengthen economic relations among many countries of the free world. Pakistan is a leader among nations in the Moslem world, while the moral influence of India extends far beyond its own borders. These nations face a staggering task but they have the will and the potential to succeed if we can give them timely aid.

For India and Pakistan the need for "special economic aid" is basically to fill the gap between total financial requirements for meeting stipulated politically necessary developmental goals and actual financing otherwise available for fiscal year 1954. In indicating the breakdown of this special aid among specific projects and in determining what projects are primarily "technical cooperation" and what are "special economic aid" the character and overall magnitude of the separate activities must be the guiding consideration. For example, projects providing for large scale construction or the purchase of heavy equipment, such as the fertilizer plants in India and Pakistan, are clearly of a size and character which it would be inappropriate to undertake in FY 1954 under provisions of the Act for International Development. New special authority is therefore requested. For other projects, however, such as those in the fields of irrigation and drainage, technical assistance will be provided through

demonstration and training, technical surveys, and a certain amount of related supplies and equipment. But to increase the effect of these activities "special economic assistance" permits covering a larger area, reaching many more people, and completing the projects more quickly. This involves expanding the total contribution of supplies and equipment beyond the magnitude envisaged by the Congress in establishing the Act for International Development.

Where both technical cooperation and "special economic aid" are combined in a particular activity the exact dividing line between the two is necessarily somewhat arbitrary. But the necessity for making this distinction does place in sharper focus: (a) the limited provision of supplies and equipment appropriate for normal technical cooperation projects as contrasted with considerably larger quantities which may be required to accelerate the economic development of a particular country; and (b) the distinction between merely demonstrating to another country how it can better organize and carry through activities and actually helping to implement development plans by large-scale assistance.

Notwithstanding the distinction that has been made between technical assistance and special economic aid in the foregoing discussion, in operation special economic aid will be integrally meshed with the technical cooperation program. Special Economic aid simply makes possible acceleration of a total development effort by the addition of larger components of supplies and equipment. This special economic aid component should enable the country receiving such aid not only to become familiar with new productive techniques, but to execute and implement them as well. By accelerating the rate of economic development, special economic aid should enable these countries to invest an increasing proportion of national income in further development and to make them a much more attractive area for private investment, both domestic and foreign. It, therefore, helps to initiate a self-generating process of economic development which by an initial injection of capital for several years, will enable the country to then continue its development program without further grant aid. For fiscal year 1954 a total of $94.4 million is presently estimated to be required for the special economic aid component of United States assistance in this region.

(c) Basic Materials Development - If the region more fully develops its raw material resources, it can make a greater contribution to the economic needs of its neighbors and to Europe and the United States. Equally important, these raw materials also provide both funds and a raw material base for the region's own further economic self-development. Most of the development of basic raw materials can and should be financed by private investment. The process can be greatly speeded up, however, by a small amount of assistance in such areas as developmental and exploratory surveys, the expansion of transportation and communication facilities required by large expansion of basic materials exports, and the exploitation of proven resources. Some initial assistance may also be required before private investment can be fully effective in the further development of particular raw material deposits.

For FY 1954 a number of basic materials development projects are contemplated for TCA countries -- particularly for India to assist in the export of her coal, iron ore and manganese deposits. Proposals for continued authorization of this fund are presented elsewhere in the Mutual Security Program submission.

(d) Promotion of Private Investment - The fourth important area of the cooperative effort by the United States and the countries in the region is the encouragement of private foreign investment. A substantial expansion of such investment is essential for the economic development of the area. The development of secondary and tertiary industries must come simultaneously with improvements in agricultural techniques. The proper climate must be a precursor to both domestic and foreign investment. A vast amount of effort has yet to be expended before investors will be persuaded that the basic climate for investment exists.

Directly, the Technical Cooperation Administration will help implement the investment guarantee program as an integral part of its activities in the Asian areas; it will seek to make available to indigenous Asian enterprise such technological services and information dealing with processes, licensing, industry specification, etc., as may be needed by new or expanding Asian industry; it will call investment opportunities to the attention of private individuals and business firms, and it will seek to encourage the flow of domestic capital into indigenous enterprise, whether alone, or in conjunction with foreign capital.

In fiscal year 1954 food production will continue to be stressed in all countries in the area and an integrated attack on the problems of the farmer at the local level will be expanded. To an increasing extent, the rural community development approach will be used. This provides for an integrated program coordinated by a single agency, concentrating on particular areas, and attempting to increase food production by attacking the problems of ignorance, poor tools, worn-out soils, lack of water, poor health conditions and illiteracy.

Special emphasis in the fiscal year 1954 will be placed on projects of regional significance. For example, the location of fertilizer plants should take into account overall regional needs -- not merely those of any particular country.

ECONOMIC ASSISTANCE AND TECHNICAL COOPERATION

South and Southeast Asia

Comparative Summary of Obligations by Country

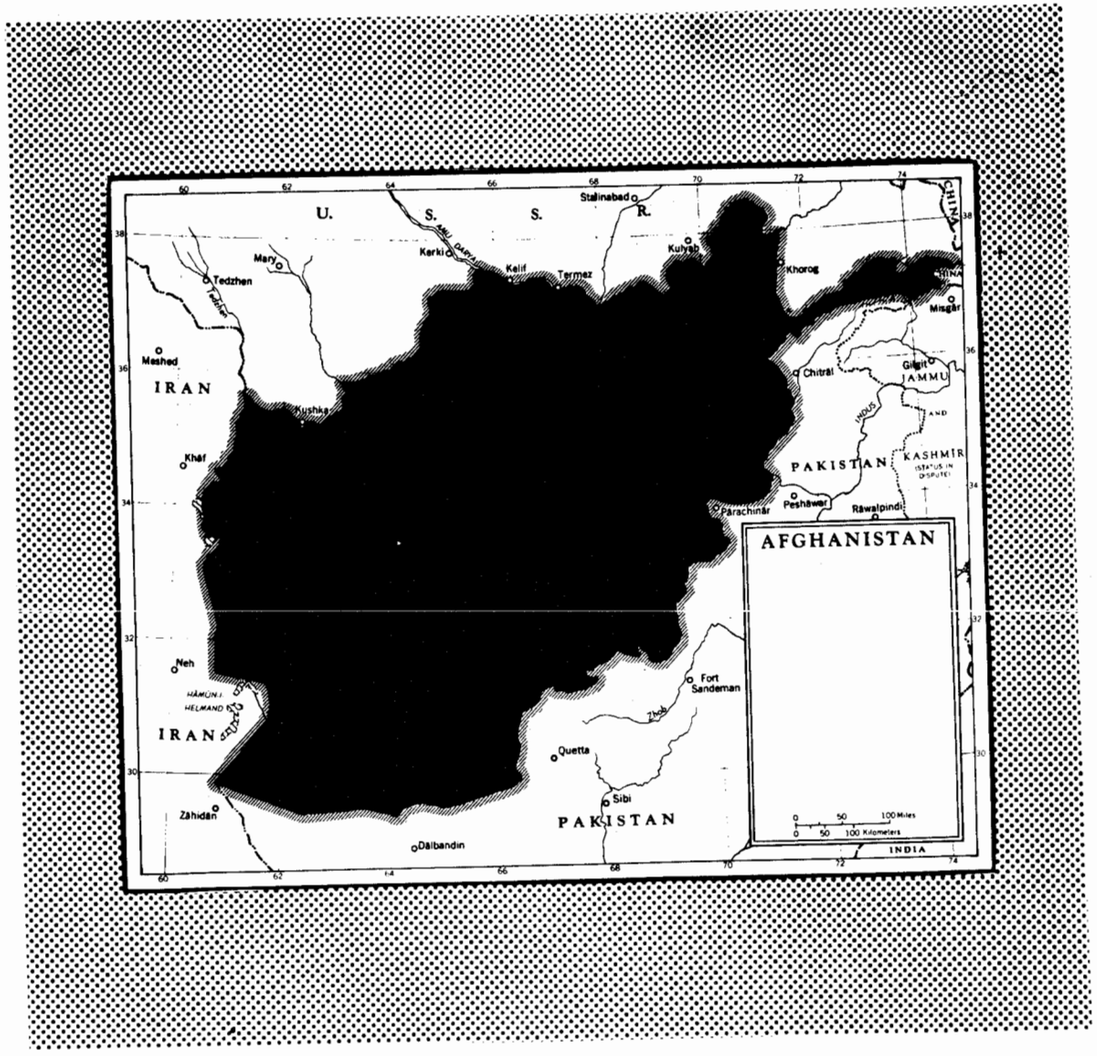
(In Thousand Dollars)

Country	Actual 1952		Estimate 1953		Proposed 1954	
	Act for International Development	Special Aid	Act for International Development	Special Aid	Act for International Development	Special Aid
Afghanistan	253.7	-	663.3	1,500.0 a/	1,400.0	-
Burma	13,674.3 b/	-	6,935.6	-	-	-
Ceylon	10.9	-	-	-	-	-
India	52,707.7	-	44,886.5	-	30,100.0	79,900.0
Indonesia	8,063.7 b/	-	3,428.6	-	4,000.0	-
Nepal	201.5	-	428.4	-	600.0	-
Pakistan	10,600.7	-	11,872.8	15,000.0 a/	13,000.0	14,500.0
Regional	155.6	-	167.3	-	-	-
Total Obligations	85,668.1	-	68,382.5	16,500.0	49,100.0	94,400.0

a/ Long-term loans made to these countries under authority of the Mutual Security Act as amended for the purchase of wheat

b/ Unliquidated obligations transferred from MSA as of June 30, 1952, when program was transferred to TCA for operation under the Act for International Development.

AFGHANISTAN



U. S. Program Cost FY 1954 - $1,400,000
Estimated Afghan Contribution 5,000,000
No. of U.S. Technicians------ 51
No. of Training Awards------- 55

I. RESOURCES AND NEEDS

Natural:

Afghanistan's economy is predominantly agricultural and pastoral, wheat being the principal crop for home consumption and karakul (black lamb) skins the chief product for export. Very little mining development has occurred. Failure to exploit even such mineral deposits as are available has resulted in an almost complete lack of indigenous fuel; nor has the hydro-electric potential, which could provide the power base for rudimentary industry, been developed. Much of Afghanistan's arable land is barely adequate to support its cultivators as a result of disuse and deterioration of the ancient irrigation systems. The country itself is broken into fragments by the mountains of the Hindu Kush. This range, which divides the northern half, bordering the Soviet Union, from the southern half seriously aggravates the problem of establishing adequate communications and transportation.

Human:

Ninety per cent of Afghanistan's 12 million people till the soil or raise stock. One-fourth of Afghanistan's population is nomadic, and most of these escape the rigorous winters by migrating southward to warmer areas, including Pakistan. If political stability is to be assured, the Government of Afghanistan must make provision for permanently settling the almost 3 million nomads who make these annual migrations.

Capital:

Afghanistan's foreign exchange earnings are tied directly to its earnings from karakul exports. In this field, which itself is heavily affected by changes in style, Afghanistan competes directly with the Soviet Union and has steadily been losing ground. Governmental revenues derive principally from import and export duties, and fluctuate with changes in the karakul market. Since Afghanistan's import needs for minimum amounts of cotton piece goods, sugar, tea, and petroleum products are relatively infexible, the resources available for economic development fluctuate even more erratically from year to year.

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II. GENERAL SITUATION

In order to build a stable economy Afghanistan must:

a. Expand its irrigated acreage sufficiently to offset the effects of recurrent droughts, such as the one which led this year to a request for a $1,500,000 wheat loan from the United States.

b. Settle its nomadic peoples.

c. Develop processing industries for its agricultural products.

d. Establish adequate communications and transportation facilities linking the outlying provinces with the capital city.

e. Develop its mineral resources, and

f. Diversify its export trade.

Development in the north of Afghanistan has been carried on almost entirely by private enterprise. But when the Government, following a UN technical-assistance survey of mineral deposits in the North, negotiated with western firms for test drilling of oil, Soviet Russia protested vigorously and applied strong pressure to prevent such firms from operating in that area.

The major development effort of the government itself has been the Helmand Valley project in the southwest. Using $17 million of its own resources and a loan of $21 million from the U.S. Export-Import Bank, it has launched a large-scale project to develop irrigation and power in the Helmand Valley and to make available large tracts of new lands for the settlement of nomadic tribes. A U. S. firm, Morrison-Knudsen, was employed to carry out this project. Progress on construction is ahead of schedule and irrigation water is now becoming available. The Afghan Government is now faced with the difficult problems of land settlement and land use; of demonstration and extension to show newly settled nomads the use of effective irrigation agriculture techniques; and of establishing health, education, processing, marketing, and other facilities in the newly settled areas. Yet the Afghan Government has only a handful of trained personnel to cope with these problems. U.S. technical assistance is essential for backing up their efforts. Inevitably, since financing and construction of the Helmand Valley project come principally from U.S. sources, the United States will be identified by the Afghans with its failure or success. Success of the Helmand Valley project will not only affect Afghanistan but will demonstrate both to it and its neighbors the fruits of our partnership which is based on mutual confidence. On the other hand, failure to solve the problems associated with this development could result in political chaos and loss of the bulk of the resources invested in the project.

III. THE PROGRAM

Objectives:

1. Provide technical assistance needed to help solve the problems of land settlement and agriculture of the Helmand Valley project.

2. Build a core of trained Afghan technical and administrative personnel.

Chronology of Agreements:

A basic technical cooperation agreement was signed on February 7, 1951, and amended in January 1952, as required under the Mutual Security Act. Since April 1951, exchanges of notes at the diplomatic level have formalized the various projects under the technical assistance program.

Financing:

The U.S. contribution to the joint program was $253,700 in FY 52 and $641,000 in FY 53. The Afghanistan Government has undertaken to meet local currency costs of U.S. technicians working on the cooperative program. It has also invested large quantities of its own resources in the mining, education and Helmand Valley projects in which the U.S. is cooperating. Its total contribution for all of these purposes in the FY 53 and FY 54 program is estimated at the equivalent of $5 million each year.

PROGRAM COSTS

(Costs in Thousand Dollars)

	FISCAL YEAR 1953 PROGRAM						PROPOSED FISCAL YEAR 1954 PROGRAM					
	U.S. Technicians		Training Awards		Other		U.S. Technicians		Training Awards		Other	
	No.	Cost	No.	Cost	Costs	Total	No.	Cost	No.	Cost	Costs	Total
Agriculture, Forestry & Fisheries	23	238.0	11	63.0	177.0	478.0	31	400.6	36	180.0	289.6	870.2
Health and Sanitation	2	30.0	3	7.5	15.0	52.5	6	75.0	5	25.0	80.0	180.0
Education	--	--	3	15.0	--	15.0	11	119.0	6	30.0	16.0	165.0
Natural Resources	3	32.0	3	17.5	40.0	89.5	3	40.8	3	15.0	45.0	100.8
Transportation & Communications	--	--	--	--	--	--	--	--	5	25.0	--	25.0
Domestic Program Expenses	--	21.0	--	7.0	--	28.0	--	28.0	--	31.0	--	59.0
Total	28**	321.0	20	110.0	232.0	663.0	51*	663.4	55	306.0	430.6	1400.0

* Includes technicians under contract.
** In addition, there are five contract employees in the field who come under FY 1952 funds.

AGRICULTURE, FORESTRY AND FISHERIES

Total U.S. Cost--------$870,200
No. of U.S. Technicians------31
No. of Training Awards-------36

Objectives: To provide trained agricultural extension workers, especially in the Helmand Valley, and to assist the Afghan Helmand Valley Authority in planning and carrying out a land development and land settlement program in newly irrigated areas.

Major Activities in FY 1954

Agricultural Education -- $290,000

Continue support of vocational training in agriculture and assist in expanding present training facilities. Under a contract with the University of Wyoming, instituted in FY 53, the U.S. will continue to provide instructors, teaching and laboratory materials for a vocational agriculture school in Kabul and will establish subsidiary agricultural training centers in the Helmand and other areas. Training of Afghans at the University of Wyoming will be continued.

Progress to Date

In FY 1953 the University of Wyoming sent a Director of Vocational Agriculture and three instructors in that field to the existing agriculture school in Kabul. Together with Afghan officials a joint program for expanding and strengthening this school was developed. 13 Afghans were brought to the United States for training at the University of Wyoming, ten in the field of agriculture, three in engineering.

AGRICULTURE, FORESTRY AND FISHERIES (Continued)

Helmand Valley Team -- $565,200

The U.S. team of experts in the Helmand Valley will assist in: soil analyses and surveys; the development of an experiment station; research on size of farm units, credit facilities and marketing institutions; providing information to new settlers on irrigation techniques and agricultural practices (through Afghan extension workers); and planning the location of irrigation canals and settlement areas.

In FY 1953 U.S. technicians on the Helmand Valley team helped the Afghan Government to draw up a plan for the establishment of an Afghan Helmand Valley Authority to direct the development of Helmand Valley lands. The team also provided advice to the new authority in solving major land-use problems. This advice was eagerly sought and a strong cooperative relationship with Afghan authorities was established.

Locust Control -- $15,000

Participation in international cooperative action to deal with these insect pests, which range from the Sahara to the Indus plains.

Locust swarms did not settle in Afghanistan in the past year. The regional control program, however, indirectly benefitted the country by eliminating swarms at earlier stages.

HEALTH AND SANITATION

Total U.S. Contribution FY 54 - $180,000
No. of U.S. Technicians----------6
No. of Training Awards----------5

Objectives: To provide adequate training in elementary sanitation and disease control to the many settlers in the Helmand Valley as an integral part of the land settlement and development program in that area.

Major Activities in FY 1954.	Progress to Date
Health Teams - $155,000. Two public health teams, each composed of a doctor, nurse and sanitarian to train a corps of Afghan sub-professional and village sanitation health workers.	In FY 1953 a doctor and a sanitary engineer initiated a survey of the health needs in the Helmand Valley and developed plans for training a corps of subprofessional health workers.
Medical Training - $25,000 Five Afghan students to receive professional medical training at the American University in Beirut.	In FY 1953, 3 grants were awarded Afghans for study in medicine at the University of Beirut. The three Afghans have done well and proved the feasibility of sending other Afghans to this school.

EDUCATION

Total U.S. Contribution - $165,000
No. of U.S. Technicians---------11
No. of Training Awards----------6

Major Activities in FY 1954	Progress to Date
Afghan Institute of Technology and Habibia College - $60,000	
Five instructors for the Afghan Institute of Technology, the best and most modern Afghan school devoted to the training of young men in technical and mechanical skills. Grants will also be made to supplement salaries of American teachers at Habibia College and cover travel expenses of their dependents to Afghanistan. These teachers are hired by the Afghan Government which cannot afford to pay adequate salaries and is therefore finding it increasingly difficult to recruit the desired caliber of teachers.	In FY 1953 five instructors were made available to the Afghan Institute of Technology. By the end of calendar year 1953 the school will have graduated its first three-year class, a significant achievement in this field in Afghanistan. Much progress has also been made in training Afghan teachers to replace the American teachers. In 1953 grants were given to Habibia College, the oldest and best secondary school in the capital of Kabul, to supplement the salaries of the American teachers. This developed a much needed incentive to the teachers already on the rolls as well as to those considering taking teaching jobs at the school.
Teacher Training - $65,000	
In FY 1953 it is proposed to provide six trainer-instructors for Afghanistan's Teachers' College - which shows great promise in meeting Afghanistan's needs for skilled teachers.	None -- new project.

NATURAL RESOURCES

Total U. S. Contribution - $100,800
No. of U.S. Technicians----------3
No. of Training Awards----------3

Objectives: To assist Afghanistan in exploiting its fuel and other mineral resources.

Major Activities in FY 1954	Progress to Date
Coal Mining and Minerals - $100,800	
Two engineers will continue work begun in FY 52 and FY 53 as advisers to the Ministry of Mines on the exploitation and use of coal reserves. A metals engineer will continue the work, begun late in FY 53, of exploring Afghan resources of beryllium, copper and sulphur. He will also assist the Ministry of Mines in determining the best possible methods of exploiting the deposits discovered. The field equipment needed by these engineers will be provided.	Both Karkar and Isphushta coal mines have yielded higher coal output. Fire hazard has been greatly reduced. Ministry of Mines has been influenced to provide better living conditions for Afghan miners.

TRANSPORTATION, COMMUNICATIONS AND PUBLIC WORKS

Total U.S. Contribution - $25,000
No. of U.S. Technicians---------0
No. of Training Awards----------5

Objectives: To implement programs on road development which the Afghan Government is undertaking by providing training in road building to qualified Afghans in the United States.

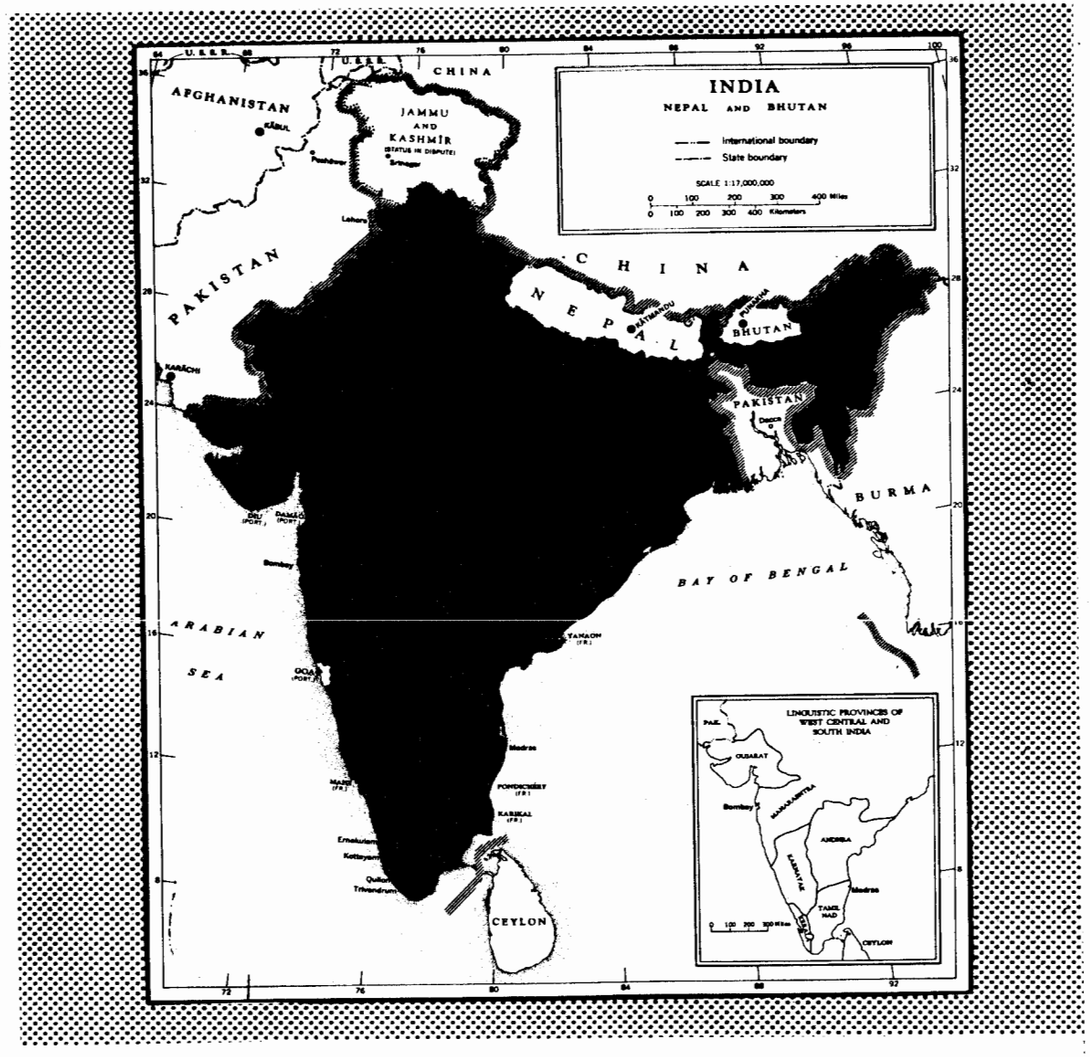
Major Activities in FY 54	Progress to Date
Bring 5 Afghan trainees to the U.S. - $25,000	This is a new training program.

IV. OTHER TECHNICAL ASSISTANCE PROGRAMS

The first United States economic assistance rendered Afgnanistan was an Export-Import Bank loan in 1950 for $21,000,000, granted to supplement funds allocated by the Afghanistan Government for the Helmand Valley project.

Assistance by the United Nations and its specialized agencies was initiated in 1950. FAO has assisted with cotton production and the karakul sheep herds and advice on agricultural development and veterinary sciences. UN-TAA is advising on general economic development and on the development of ground water resources, UNESCO is working in the fields of technical education and primary teacher training. WHO is working with the Government in the fields of malaria and venereal disease control as well as advising on maternal and child health care. Supplies and equipment for this last project are being furnished by UNICEF.

INDIA



U.S. Program Cost FY 1954	$110,000,000
of which under Act for International Development:	$ 30,000,000
and under Special Economic Aid:	$ 79,900,000
Estimated Indian Contribution:	$149,000,000 in rupees
No. of U. S. Technicians	245
No. of Training Awards	123

I. RESOURCES AND NEEDS

Natural:

India is slightly less than half the size of the U.S., embracing an area of 1.2 million sq. miles. Of this, nearly 60% (340 million acres) is under cultivation, over 10% (67 million acres) is wasteland. Although there are many great rivers in India, less than 15% (47 million acres) of its total cultivated area, is irrigated. Its major crops, besides food grains, are sugar, cotton, jute, tea and tobacco. Its mineral resources are extensive. It has the largest and richest deposits of iron ore and coal in free Asia and the only substantial combination of coal and iron deposits in all the entire undeveloped regions. India produces 70 - 80% of the free world's supply of mica for the electrical industry and 25 per cent of its manganese; and it has large deposits of limestone and copper.

Human:

With a population of 360,000,000, India is the most populous country in the free world. Its population increases at a rate of 1.4% or by 5,000,000 people per year. Over 80% of the population is illiterate. 70% of the working population is engaged in agriculture, while less than 2.5% are employed in industry.

Capital:

India's national income is currently estimated at about $19 billion, or $53 per capita. Agricultural production contributes 50% of the national income, industry 25% and the remainder is derived from services. Of India's total national income, 95% is required for consumption purposes, leaving only about 5% for public and private investment. (In the U.S., more than twice this percentage of national income is devoted to investment purposes.)

RESOURCES AND NEEDS (continued)

The value of India's total merchandise trade in 1952 was $3 billion. Major exports are jute manufactures, textiles, tea, hides and skins. Major imports are foodstuffs, machinery and raw cotton. At the beginning of 1953, India's gold and foreign-exchange reserves, mostly sterling, amounted to the equivalent of $1.7 billion, about half of which are required as backing for the currency. The country's interest-bearing external public debt is about $300 million (exclusive of purchases from the International Monetary Fund, equivalent to $100 million).

II. GENERAL SITUATION

Strategically located on the southern border of Red China and the Soviet Union, between the Arabian Sea and Indian Ocean, India is potentially the most powerful bastion of free Asia.

Now in its sixth year as an independent, democratic nation, India completed successfully in 1952 the largest free national elections in the world's history. A larger fraction of the eligible Indion electorate voted than normally votes in a U.S. national election. The democratic Congress Party secured control of the Central Government by a wide margin, although the Communist Party emerged as the second largest single party in Parliament.

With firm electoral support behind it, the Indian Government embarked on a bold program to attack the major economic ills facing the country and began the process of economic development. Clear evidence of appreciable progress toward the eradication of these ills is necessary to justify the present democratic form of government. These ills are many and serious:

(a) Inadequate Food Production-
Frequently experiencing serious local and national famines, India now imports between three and five million tons of grains annually at a cost of nearly $500 million representing about 25% of its total export earnings. Net self-sufficiency in food would be an important foundation for economic growth in India.

To raise its low agricultural productivity, India needs improved methods of cultivation, more tools and fertilizers, irrigation and flood control. In the U.S., less than 10 million farmers on 360 million acres apply 20 million tons of fertilizer per year. In India, 100 million farmers on 340 million acres apply only 400 thousand tons of fertilizer per year. Unequal and erratic fluctuations of rainfall in India lead to a recurrent cycle of floods and droughts. In India today two-thirds of the area subject to wide variations of rainfall is unirrigated.

India's low agricultural productivity is reflected in the fact that its production of rice averages 1,143 pounds per acre compared with 3,300 pounds per acre in Japan; and its production of wheat averages 600 pounds per acre compared with 1,600 pounds in Japan. This low output has resulted in a decline of food consumption within India in recent years. Twenty years ago India consumed about 370 pounds of food grains per capita per year. By 1950-51 this had declined to 315 pounds. Today average per-capita caloric intake in India is reported as only 1750 calories.

(b) Land Tenure -
The problem of land reform is one of the most critical facing the Indian economy. It is estimated that out of a total of about 100 million farmers, only about 27 million own their land, about 42 million are tenants, and about 34 million are landless laborers. The large number dependent upon the land and the practice of dividing land among all heirs have resulted in excessive fragmentation and uneconomic holdings.

(c) Disease and Mortality -
Public health conditions in India are deplorable and the country's death rate is among the world's highest. Malaria and tuberculosis take a major toll both in reducing labor productivity and in increasing mortality. The average life span in India is only twenty-seven years, 25% of the people die during the first year of life, 45% before the age of ten and 60% before the age of 30. Even in the most favored urban areas the ratio of physicians to population is 1 to 5,000 and in the more remote rural areas of India, the ratio is 1 to 50,000.

II. GENERAL SITUATION - Cont'd.

(d) Unemployment -

Although agriculture and food constitute the highest priority problems facing the Indian economy, the greatest waste in the Indian economy is its unutilized manpower. To create jobs, to support agricultural growth, and to develop its mineral and fuel resources requires a great expansion in Indian industry. India's national planning calls for maximum reliance on private investment in meeting this challenge.

India's national effort to meet these problems is embodied in its Five Year Plan. This Plan, formulated through extensive consultation with and participation by local, state, and private groups, concentrates on the objective of raising food production and achieving food self-sufficiency by 1956. It calls for a total five year outlay of $4.3 billion, of which $1.3 billion was successfully undertaken in the first two years of the Plan. Of the total, India will be able to finance about $3.6 billion by domestic taxation and borrowing, drawing down its foreign-exchange reserves, and foreign aid already received from the U.S., the International Bank and the Colombio Plan countries. A gap of over $700 million remains as a prospective deficit in financing the Indian Plan.

III. THE PROGRAM

Objectives:

The Indo-American Technical Cooperation Program aims at assisting the Government of India to reach the key development goals of the five Year Plan, namely:

(a) To approach self-sufficiency in food production by raising the annual output of food grains by 7.6 million tons over 1951 levels;

(b) To raise the total national real output and income by 11 per cent (in the aggregate);

(c) To eradicate malaria;

(d) To lay the foundation for self-sustaining economic development and for further industrialization.

The joint program aims at achieving these objectives by methods which will have a maximum effect at the village level, evoking a sense of participation in and support for India's developmental effort among large masses of the Indian rural population.

Special Economic Aid is proposed to accelerate and increase the coverage of the program so as to approach these objectives as rapidly as possible within a politically-determined time limit. It provides for additional agricultural tools, irrigation, fertilizer and disease-control measures to enable farmers in community development and other areas of India to implement the improved techniques demonstrated through the Community Development Program.

Chronology of Agreements:

On December 28, 1950, the United States and India signed the Point 4 General Agreement for technical cooperation. A program of greatly expanded technical cooperation with India began on January 5, 1952, with the signing of the Indo-American Technical Cooperation Agreement, which set forth the terms and conditions under which an enlarged program would be carried out in India. Under this agreement, together with the supplementary program agreement signed on November 3, 1952, $88 million of U. S. funds and $186 million of Indian Government funds in rupees are being obligated by joint operational agreements negotiated between the two governments, and an additional $9,850,000 has been provided by the U. S. for the salaries of U.S. technicians, the training of Indian nationals outside of India and smaller technical assistance projects. The titles, amount of funds obligated, and dates of signature of these agreements are as follows:

THE PROGRAM - Continued

Operational Agreements Signed under Indo-American Technical Cooperation Program
(In thousands of dollars)

Operational Agreements Number	FY 1952 Date	FY 1952 Amount	FY 1953 Date	FY 1953 Amount
1. Fertilizer Distribution	5/1/52	9,050	11/5/52	6,000
2. Steel for Farm Implements	5/29/52	8,385	11/26/52	8,500
3. Locust Control	5/29/52	230	3/27/53	221
4. Soil Fertility and Fertilizer Use	5/31/52	200	----	---
5. Fisheries	5/31/52	2,462	----	---
6. Ground Water Irrigation	5/31/52	15,300	4/20/53	6,191
7. Village Workers Training Program	5/31/52	166	2/9/53	133.2
8. Community Development	5/31/52	8,671	12/6/52	1,925
9. Malaria Control	6/12/52	648	12/13/52	5,200
10. Forestry Research	6/12/52	104		
11. River Valley Development	6/14/52	4,784	2/9/53	5.000 1/
12. Ground Water Exploration			3/27/53	4,500
13. Building Materials Research			4/20/53	262 2/
14. Low Cost Housing Development			4/20/53	75
Audio-Visual Aid				580 3/
Central Labor Institute				50 3/
Heavy Equipment Training Centers				367 3/
Agricultural Equipment Training Centers				678 3/
Soil Research				50
Lignite Experimentation				200
Total		50,000		36,580.2

Total Obligated by Projects Agreements - $86,580.2

1/ Of which agreement for $3,735 only signed as of April 21, 1953.
2/ Of which agreement for $100,000 only signed as of April 21, 1953
3/ Pending signatures of April 21, 1953.

Financing

The total Indian contribution to the proposed FY 1954 programs at the level presently contemplated is estimated at $149 million in rupees. These funds will be provided by the central and state governments, as is presently the case under the FY 52 and FY 53 Indo-American programs. Under these programs the Indian Government has already obligated approximately $133 million in rupees. It is estimated that additional obligations equivalent to $53 million will be undertaken by the Indian Government before the end of this fiscal year. Their total monetary contribution will, therefore, be nearly twice that of the U.S. In addition, local communities are making voluntary contributions of labor, local materials, and funds.

INDIA

PROGRAM COSTS
(Costs in Thousand Dollars)

	FISCAL YEAR 1953 PROGRAM						PROPOSED FISCAL YEAR 1954 PROGRAM							
	U.S.Technicians		Training Awards		Other		U.S.Technicians		Training Awards		Other	Total Tec.	Special	Total
	No.	Cost	No.	Cost	Costs	Total	No.	Cost	No.	Cost	Costs	Assistance	EconAid	U.S.Cost
Agriculture, Forestry & Fisheries	41	907	50	250	18,310	19,467	61	793	42	210	6,072	7,075	18,500	25,575
Health & Sanitation*	10	120	23	115	5,365	5,600	27	351	18	90	1 366	1,807	6,700	8,507
Education	14	668	20	100	662	1,430	33	929	15	75	4,030	5,034	--	5,034
Natural Resources	29	648	14	70	5,262	5,980	37	831	12	60	2,425	3,316	25,000	28,316
Industry, Trade & Labor	9	218	5	25	9,452	9,695	29	877	24	120	2,135	3,132	29,700	32,832
Transportation & Communications	1	12	5	25	49	86	5	65	9	45	529	639	--	639
Public Administration	--	--	13	65	--	65	2	26	3	15	40	81	--	81
Community Development	20	240	--	--	2,153	2,393	51	663	--	--	8,100	8,763	--	8,763
Domestic Program Expenses	--	102	--	68	--	170	--	184	--	69	--	253	--	253
TOTAL	124**	2,915	130	718	41,253	44,886	245	4,719	123	684**	24,697	30,100	79,900	110,000

* Includes Housing, Community Services & Vital Statistics
** Includes technicians under contract.

COMMUNITY DEVELOPMENT

Total U.S. Cost: (Under the Act for International Development)---------- $8,763,000
No. of U.S. Technicians----------51
No. of Trainees: (All training is "on-the-job" in connection with special Indian "training centers.")

Objectives: To bring to large numbers of the Indian rural population a grass-roots extension program in the fields of agriculture, health, education and small industry. The community-development program is the institutional core of the Indo-American Technical Co-operation Program, not because of the amount of dollar and rupee funds which are involved, but rather because community development provides a channel through which many other major activities in the overall program are implemented at the village level. For example, activities in the fields of fertilizer import and distribution, manufacture and distribution of improved agricultural implements, and the drilling of irrigation wells, are put into effect at the village level through the medium of the community development program.

Major Activities in FY 1954

Community Development (General Projects) - $8,763,000

Indian village level workers, trained under a joint GOI-US-Ford Foundation training program, teach, train, and demonstrate to the Indian villages ways and means of increasing agricultural productivity, improving health and sanitation, increasing basic and vocational education, and developing village industry. Under the guidance and with the assistance of these trained workers--each responsible for four or five villages with total populations of four or five thousand--farm to market roads will be built, compost pits dug, schools and health dispensaries constructed, wells dug and repaired, and watering troughs installed.

The work is generally organized by "project centers"--each including three "blocks" of 100 villages; and the regular services to individual villages are supplemented and reinforced by more specialized experts assigned to "blocks" or to the "center" as a whole.

In FY 1954 it is proposed to carry forward the work initiated under the FY 52 and FY 53 programs by launching 220 community development blocks embracing 22,000 villages with a population of 21 million covering a cultivated area of 11 million acres.

For this purpose a U.S. contribution of $8.7 million in technical assistance funds will be needed, with an estimated additional contribution by the Indian Government of $56 million in rupees. 51 U.S. technicians will be provided under this program for FY 1954.

Progress to Date

Under the FY 52 and FY 53 programs, a total of $11 million in U.S. funds and approximately $80 million in Indian rupees have been obligated for community-development work. On October 2, 1952, 55 community project centers were opened with at least one center in each Indian state and at least one project block embracing about 100 Indian villages in each community center. On April 1, 1953, the second and third community blocks in each of these 55 community project centers were opened. The total area covered by these first projects encompasses over 16,000 Indian villages with a population of more than 16 million. By October 1953 an additional 55 community project centers will be opened with at least one development block in each center. Together the FY 52 and FY 53 programs will, therefore, service the needs of about 22,000 Indian villages and of about 21 million people with a cultivated area of 11 million cultivated acres. In addition to 33 American technicians, over a thousand Indian technicians are already working in the new community-development centers for these projects. Enthusiasm on the part of Indian villages for the program has been widely demonstrated throughout India. Press reports of village cleanup campaigns, wells drilled and repaired, compost pits dug, and construction of farm-to-market roads, schools and dispensaries have been received from all over India, and show emphatically how material accomplishments can come through democratic processes without recourse to authoritarian methods.

AGRICULTURE, FORESTRY AND FISHERIES

Total U.S. Cost----------$25,575,000
Under Act for International Development-------$7,075,000
Under Special Economic Aid----------$18,500,000
No. of U.S. Technicians----------61
No. of Training Awards----------42

Objectives: Like the bulk of the joint Indo-American program, activities in the field of agriculture, forestry and fisheries are directed toward the key objectives of raising Indian food production, particularly food grains, and approaching self-sufficiency by the end of 1956. The program concentrates on the 5 major needs of Indian Agriculture--better techniques, more water, better tools, increased soil fertility and more land under cultivation.

Major Activities in FY 1954

Agricultural Extension - $1,414,000

Experts to advise the agriculture departments of the state governments on methods for improving cultivation techniques and raising agricultural productivity. 24 U.S. extension advisers with supporting equipment are included in the proposed FY 1954 program. All under the Act for International Development.

Irrigation Wells and Ground Water Survey - $12,933,000

Irrigation wells averaging about 250 feet in depth will be drilled under the FY 54 program to irrigate a land area of 640,000 acres with an estimated increase in food-grain output of 480,000 tons to be concentrated in the region of the Ganges Plain. In addition, exploratory wells will be drilled in other areas of India to locate additional areas with adequate underground water, to provide sites for future drilling of irrigation wells. Exploratory wells to be financed under The Act for International Development ($933,000).

Production wells, for larger-scale irrigation, under Special Economic Aid ($12,000,000).

Progress to Date

At present 33 U.S. extension specialists, including those cooperating on Community Development projects, are in India participating in the agricultural extension program. As an example of the scope of their work, these technicians conducted in one month 1,077 method demonstrations and 3,650 result demonstrations, reaching 28,000 persons in 877 villages. As a result of seed and fertilizer demonstrations, rice production in one community development area is already 2½ times last year's level. In addition, 12 agricultural engineers, fisheries experts, agricultural information special specialist, vocational agricultural teachers and others are providing advice and assistance at the Central Government, Provincial and local levels.

Contracts have been signed for 2,000 of the total 2,650 tubewells to be drilled, and drilling of these wells has been started. It is estimated that the 2,650 wells will increase foodgrain production by 80,000 tons annually.

AGRICULTURE, FORESTRY AND FISHERIES - Continued

Research and Distribution of Fertilizer - $6,674,000

75,000 tons of ammonium sulphate will be distributed to farmers under the FY 1954 program to raise output by an estimated 150,000 tons of food grains and to acquaint additional cultivators with the techniques and benefits of fertilizer use. Demonstration and research activities to be financed under Act for International Development ($1,674,000).

Cost of fertilizer imports for general distribution under Special Economic Aid ($5,000,000).

Procurement has been initiated for 183,000 tons of fertilizer, of which 108,000 long tons had been delivered by March 1, 1953. Much of this fertilizer is being distributed through the community-development program to benefit the Indian farmer. As a result foodgrain production will be increased by about 300,000 tons.

Fisheries, Harbors and Marketing Facilities - $2,759,000

A project begun in FY 1952 to increase fish catch and improve the storage and distribution of this key source of protein in the Indian diet, this program of modernizing and mechanizing fishing equipment, improving fish harbors and inland fisheries, and providing for storage and refrigeration will be extended under the FY 1954 program. Experimental, surveying and technical work to be financed under the Act for International Development ($1,259,000).

Mechanization under Special Economic Aid ($1,500,000).

A world-wide survey was carried out jointly by U.S. and Indian specialists to determine the methods and equipment best suited for Indian conditions, the adaptations required and the proper specifications. Based on their findings, purchase authorizations have been issued for $1.5 million in experimental vessels, refrigeration equipment to reduce spoilage, motors to increase the area of operation and reduce spoilage on the return trip and other equipment.

Additional Projects - $1,795,000

Agricultural information and advisory services, locust and other crop-pest control, soil conservation and reclamation, agricultural-equipment training centers and forest-products development. All under Act for International Development.

Assistance has been furnished Provincial and Central Governments and to the Community Projects Administration on methods for publicizing improved agricultural techniques; large locust spraying c campaigns have been carried out; advice has been furnished on soil conservation.

NATURAL RESOURCES

Total U.S. Cost----------$28,316,000
Under Act for International Development - $3,316,000
Under Special Economic Aid ----------$25,000,000
No. of U.S. Technicians----------37
No. of Training Awards----------12

Objectives: To support the food production goals of the joint program by providing irrigation water and power for tubewells and controlling crop damaging floods.

Major Activities in FY 1954	Progress To Date
River Valley Development Projects - $26,735,000	
Most of these projects involve the construction of (a) dams and canals for large scale irrigation, (b) storage dams and reservoirs for flood control, and (c) hydro-electric power installations. U.S. assistance to river-valley development concentrates on the flood-control and irrigation aspects of such multi-purpose projects. It is expected that the U.S. Contribution under the FY 1954 program to river-valley development will assist the following central and state-government projects: Hirakud, Chambal, Mahi, Ghataprabha, Koyna, and Bhawani. When completed, these projects together will provide storage facilities for an estimated 15 million acre feet of water and irrigate 3.72 tons of foodgrains and generating 373 thousand kilowatts of power. Engineering, design, technical advisory and survey aspects under Act for International Development ($1,735,000). Construction equipment and supplies under Special Economic Aid ($25,000,000).	Under the FY 1952 and 1953 programs, $9 million were obligated for projects in the field of natural resources, concentrated largely in river-valley development. Six U.S. engineers are assisting the Indian Ministry of Irrigation and Power in dam design and construction. The services of a private engineering firm were secured to aid in the design of dams in the Damodar Valley Project. This firm is also inaugurating an on-the-job training program on dam planning and construction for Indian engineers. Procurement for over $4 million worth of heavy construction equipment is underway. Some of the equipment is already operating. The projects which the United States is already aiding will bring 3.7 million acres of land under irrigation and provide power capacity of 325,000 kw by 1956. Sixteen technicians are at present in India working on natural resources and industrial projects.
Other projects - $1,581,000	
Surveying and mapping of mineral resources, stream gauging, and training in the use and maintenance of heavy equipment. Under the Act for International Development.	Valuable assistance has been given by U.S. technicians to the Indian Geological Survey, in exploring, surveying and mapping mineral resources, especially lignite and manganese. A U.S. technician has provided advice in the development of the large Arcot lignite field. Excavation has begun. Aid in equipment maintenance has been an important incidental aspect of the work of many U.S. technicians on River Valley and other projects.

INDUSTRY, TRADE AND LABOR

Total U.S. Cost----------$32,832,000
Under Act for International Development - $ 3,132,000
Under Speical Economic Aid----------$29,700,000
No. of U.S. Technicians----------29
No. of Training Awards----------24

Objectives: To help provide the improved tools and fertilizer needed to meet food production objectives; to provide some assistance in increasing the effectiveness of Indian industry; to help in small measure to meet India's unemployment problem.

Major Activities in FY 1954	Progress to Date
Iron and Steel for Agricultural Implements and Irrigation - $18,213,000.	
Steel and iron imports under the FY 1954 program in the amount of 124 thousand tons will provide material for the manufacture in India of steel-tipped plows, spike-toothed harrows, hoes, steel cart wheel rims and other farm tools, as well as for irrigation sluice gates and other manufactures needed in the development program. Tools will be distributed primarily through the community development program. Technicians under AID ($13,000). Iron and steel under Special Economic Aid ($18,200,000).	Under the FY 52 and FY 53 programs $17.0 million have been obligated for projects in this field. Twenty-three thousand tons of steel have been shipped to India and are presently being used to manufacture farm implements. Thirty-three thousand additional tons of steel are in the process of delivery.
Import of Copper - $4,013,000	
6.5 thousand tons of copper will be imported for local fabrication of electric transmission lines to provide power for tubewell operations under Special Economic Aid. Technician under AID ($13,000) Copper under Special Economic Aid ($4,000,000)	New Project.
Fertilizer Production - $7,956,000	
Technical services and equipment will be provided to increase the capacity of the Sindri Fertilizer Plant by 120 thousand tons of ammonium sulphate and other nitrogenous fertilizers per annum. Design and management contract under the Act for International Development ($956,000). Equipment furnished under Special Economic Aid ($7,000,000).	A team of Indian and American experts studied fertilizer production at the Sindri plant in India and visited the U.S., Japan and European countries in order to determine the type of equipment and processes to be used in expanding production at Sindri.
Other Projects - ~~$3,559,000~~ $2,650,000	
Assistance to village and cottage industries, artisan training, provision of consultants to industry, sulphuric acid production, and assistance to building materials research and labor problems. Under Act for International Development ~~($2,050,000)~~. ($2,150,000) Import of sulphur under Special Economic Aid (500,000).	Under contract with a private research organization, technical experts are advising small industries on improved production methods. U.S. technicians have provided advice and demonstration to the Foundry Industry, and for manufacture of building materials.

HEALTH AND SANITATION

Total U.S. Cost---------- $8,507,000
Under Act for International Development - $1,807,000
Under Special Economic Aid---------- $6,700,000
No. of U.S. Technicians----------20
No. of Training Awards----------11

Objectives: The near-elimination of malaria by 1956 to provide relief for the roughly 100 million annual cases presently afflicted in India.

Major Activities in FY 1954

Malaria Control - $5,562,000

Carrying on the work begun in this field in the FY 1952 and FY 1953 programs, the U.S. contribution in FY 1954 will accelerate the import of DDT, sprayers and automotive equipment and will provide technical services to supplement the present excellent Indian staffs in carrying out the malaria control program. Technicians and their immediate equipment, and training, under AID (162,000).

DDT, spraying equipment and other supplies under Special Economic Aid ($5,400,000).

Other Projects - $2,945,000

The U.S. will also contribute to projects in rural health, medical training, industrial hygiene, housing development, community services and vital statistics. Under Act for International Development ($1,645,000).

Medical supplies and other equipment for the rural health project under Special Economic Aid ($1,300,000).

Progress To Date

Under the FY 1952 and FY 1953 programs $6 million were obligated for projects in this field. By the end of February, 1953, 1,000 long tons of DDT, 4,000,000 resochin tablets, and a number of sprayers and vehicles had been delivered to India to assist the Government in its national malaria eradication program. By the end of April 1953, an additional 3,000 long tons of DDT will have been delivered. Five U.S. technicians are in India working on various health projects.

EDUCATION	Total U.S. Cost $5,034,000)	Under Act
PUBLIC ADMINISTRATION	Total U.S. Cost 81,000)	For
TRANSPORTATION, COMMUNICATIONS	Total U.S. Cost 639,000)	International Development
	No. of U.S. Technicians--------40	
	No. of Training Awards---------27	

Objectives: To increase the level of literacy, especially in country development areas; strengthen facilities for technical and primary-secondary education, assist with transportation and public administration problems.

Major Activities in FY 1954

Primary and Secondary Education - $1,069,000

Establishment of teacher-training schools and vocational-education facilities, participation in a demonstration program in one state.

College and University Development - $2,285,000

Establishment of an exchange relationship between U.S. and Indian technical schools through contract with U.S. institutions - to provide instructors, books and laboratory equipment.

Rural Radio & Audio-Visual Development - $1,410,000

Strengthening of present facilities to reach mostly-illiterate villagers for literacy training and for dissemination of information in agriculture and health, especially in community-development areas.

Literacy Training - $275,000

Training materials and technicians to increase scope of literacy program.

Road Research, Advise on Transportation, Communication and Power Problems - $639,000

Specialists in Government Administration - $81,000

All of the above activities to be financed under the Act for International Development.

Progress to Date

U.S. assistance has been given to a literacy-training program developed during 1952-1953 by World Literacy, Inc. under contract with TCA. An adviser has assisted the Ministry of Education in the improvement of basic education. In the field of secondary education Point Four has provided the services of a leading American educator to serve on the Secondary Education Commission. The reports of this commission will be used by the Government of India as a basis for future development of secondary education.

In response to India's need for the development of technical education facilities, the United States is providing engineering professors and department heads to Indian technical institutions. Institutional exchange arrangements between U. S. and Indian schools have been established to strengthen curricula and to provide training facilities in the U.S. for qualified Indian students. Under the training program, grants have already been provided for 138 Indian nationals for study in the U. S., and 100 more grants are to be made by June 1953.

Under the audio-visual program, approximately 12 films on health, education, agriculture, and other topics have been prepared for use by U.S. and Indian technicians, and in the Community Development Projects; two primers for use in the literacy program, numerous pamphlets, charts, posters and other graphic materials have been prepared. A program to train Indians in the preparation of materials is being drawn up.

IV. OTHER TECHNICAL AND FINANCIAL PROGRAMS

United Nations:

For the United Nations and its specialized agencies, as well as for the U. S., India is a country of paramount importance in technical cooperation programs. FAO is providing assistance to the Indian Government in such fields as village agricultural-implement production, dairy farming, animal husbandry, agricultural statistics, forestry, deep-sea fishing, and veterinary science. In the field of health, WHO is assisting the Indian Government in the control of malaria, tuberculosis, and venereal diseases. WHO is also providing experts to teach in a number of Indian medical colleges. UNTAA is assisting in shipyard expansion and in fertilizer production. UNESCO has focused its efforts in India on scientific technology as a basis for the growing industry of India and is giving technical assistance to the Indian Institute of Technology. ILO is working in the fields of industrial hygiene and safety, vocational training, and industrial relations. ICAO has experts working on aeronautical inspection and communications, and training.

Colombo Plan:

In addition to about $100 million of sterling balances released yearly by Great Britain, which India is using to finance a part of the cost of the Five Year Plan, the Commonwealth countries pledged approximately $86 million under the Colombo Plan to India's development during the last Indian fiscal year, ending in March, 1953. Of this, $15 million was pledged in the form of a grant from Canada, an estimated $10 million as a grant from Australia, and $800,000 from New Zealand. Colombo-Plan assistance is being used for food imports and to provide equipment for development projects in such fields as irrigation and power, transportation and medical-facilities development.

Norweigian Government:

In 1952 the Norweigian Parliament appropriated the equivalent of $1.5 million for foreign aid. The entire amount will be spent in India on fisheries and related community development. The Norweigian Government is now appealing to the Norweigian population to match the Government appropriation with private donations which may double the project.

Private Organizations:

Private U. S. and foreign agencies are carrying out related programs in education, health, public administration and other fields. The Ford Foundation, for instance, with a program totaling $4 1/2 million is working jointly with TCA on a number of projects. Ford Foundation activities in India are particularly noteworthy in village worker training--its major project so far--in pilot community projects, in a program of social education, in a project to strengthen Indian agricultural colleges and in a project to evaluate the whole community development program. The Rockefeller Foundation thus far has concentrated on public-health work, and it plans to expand its activities this year. Partially financed by TCA, the American Friends Service Committee has two training projects underway--an extensive community project in the Barpali section of Orissa, and an associated sub-project in the Rasulia district of Madhya Pradesh. Many other U.S. and foreign private agencies have projects in India.

International Bank:

Thus far, the International Bank for Reconstruction and Development has extended five loans to India totaling $109.8 million for development purposes. The amounts, dates of authorization and purposes of these loans are as follows:

$34 million.	August 18, 1949. For railway rehabilitation. Reduced to $32.8 million on May 16, 1950 at request of borrower.
$10 million.	September 29, 1949. For importation of agricultural machinery. Reduced to $7.5 million on July 27, 1951 at request of borrower.
$18.5 million.	April 18, 1950. For power development (Bokaro-Konar).
$31.5 million.	December 19, 1952. To increase blast furnace and finished steel capacity.
$19.5 million.	January 23, 1953. For power development (Damodar Valley).

India has already laid plans to request additional loans up to the estimated limit of its capacity to service and repay dollar debts.

INDONESIA

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U.S. Program Cost FY 1954----------$4,000,000
Estimated Indonesian Contribution - $8,460,000
No. of U.S. Technicians----------137
No. of Training Awards----------191

I. RESOURCES AND NEEDS

Natural:

Indonesia is made up of about 3000 islands, with a total land area exceeding 550,000 square miles (twice the size of Texas) stretching 3,000 miles along the equator. Three-fourths of the national income comes from agriculture. About 70 percent of the value of exports is made up of agricultural products from **Indonesia's** volcanic-enriched soil. In 1952, 6.1 million tons of rice were produced (but an additional 750,000 had to be imported). In 1951, 804,000 tons of rubber were produced, most of which was exported; corn, cassava, and sweet potatoes are other major crops. Indonesia's oil resources are considered the most important in the Far East, ranking high in world production. A fifth of the world's tin comes from Indonesia. Bauxite and lignite are important.

Human:

Indonesia's population is estimated at 78 million, **two-thirds** of which is concentrated in Java and Madura. Three-fourths of the population are engaged in agriculture. In addition to the new national language, Bahasa Indonesia, over 200 dialects are spoken; 85% of the people are illiterate. English is the second official language. Hindu, Moslem, and western cultures have left their imprint on Indonesia. Life expectancy is estimated at only 32 years. Surveys indicate a birth rate of 28 and a death rate of 20 per 1000, so that the population continues to expand rapidly. Malarial incidence is estimated at 30%, with mortality ranging from 20 per 1000 in Java, to 40 per 1000 in the endemic areas.

Capital:

Indonesia's gross national product in 1951 was estimated at $3.1 billion, with an income of approximately $40 per capita. In 1952 budgeted expenditures ($1.2 billion) exceeded revenues ($823 million) by about $380 million. At the end of 1952, Indonesia's national debt was 10,167 million rupiahs ($892 million). In 1952 there was a serious deterioration in Indonesia's balance of payments, because of lower prices for rubber and copra; and, as a result, Indonesia's foreign exchange and gold holdings declined from $450 million early in February 1952 to $287 million as of March 1953.

II. GENERAL SITUATION

Indonesia was born in a revolutionary struggle for freedom which followed hardships and destruction suffered in World War II. The nation continues to face enormous problems in establishing law and order throughout its vast territories, and in initiating constructive programs to improve economic conditions.

Indonesia's most urgent economic problem is inadequate food production. Even with increased imports, food avilability per capita is considerably lower than pre-war. The increasing rice deficit is one of the greatest threats to Indonesian economic and political stability. Daily per capital food consumption is estimated at only 2,125 calories. Diets are generally deficient, especially in minerals, fats, and essential vitamins. The island of Java is beset by serious over-population.

Under-employment is another serious problem facing the new nation; at the same time, lack of trained technicians, administrators, professional personnel, and skilled workers is a major problem. This situation is further aggravated by the lack of indigenous capital -- traditionally business and commerce have been handled by the Dutch and Chinese.

Although the Indonesian Government has not formally adopted a comprehensive plan for economic development, several guides have formed the basis for most agricultural and industrial projects undertaken. A government plan in agriculture would make Indonesia self-sufficient in food production and consumer necessities and raise standards of living by expanding and intensifying cultivation of all arable lands, by increasing yields, by establishing Farming Training and Information centers, and by transmigration of 20 million persons from Java to Sumatra, Kalimentan (formerly Borneo) and Sulawesi (formerly Celebes). The industrial development plan envisions both short and long term assistance to small and large industry. In addition to the economic plans, the Ministry of Education is moving ahead with its 10-year compulsory Education Plan and the Ministry of of Information has its 5-year Mass Education Plan.

The Indonesian Government has recently organized a Central Planning Bureau, and the first UN experts for the Bureau have arrived in Djakarta. It is anticipated that this body will prepare an integrated overall plan of development for Indonesia.

III. THE PROGRAM

Objectives:

Assist Indonesia in meeting three of its most critical economic problems: shortage of foodstuffs, low industrial productivity, and lack of trained Indonesian technicians and professionals.

These objectives will be met specifically by assisting in:

Improving technical competence of agricultural workers, primarily through extension methods;

Training technicians in the crafts and in industry, as well as rehabilitating and extending small-scale production units;

Improving and developing educational methods which can reach the masses of the people, and improving indigenous schools and training facilities.

Chronology of Agreements

The original ECA agreement with Indonesia was signed in October 1950.

Under this agreement a special technical and economic mission was established and roughly $8 million economic and technical aid was extended annually for FY 1951 and FY 1952. Certain assurances were required from recipients of U.S. military and economic aid. On January 5, 1952 the Indonesian Government gave such assurances which led to a wide-spread suspicion that Indonesia's policy of independence in foreign relations might thereby have been infringed and this contributed to the fall of the Cabinet on February 23, 1952. Nevertheless, the Indonesian Government continued to honor its January 5th agreement and the program has proceeded, under TCA administrative responsibility after June 1952.

The Indonesian Government took the initiative in negotiating a new agreement, signed January 12, 1953, which provides for the continuation, on a grant basis, of only economic aid.

III. THE PROGRAM - Continued

Financing:

Under ECA and MSA programs, local currency costs were financed directly from the budgets of the individual ministries carrying out projects. In addition, the ministries concerned also deposited into a special rupiah counterpart account the commensurate value of U.S. commodity assistance. Under the TCA program in Indonesia, it is intended that releases from the counterpart account, to be supplemented by new Indonesian government deposits, will help finance the internal costs of the jointly planned projects. The FY 54 program will involve local costs estimated at $8.4 million. The exact amount of such local cost will only be determined after consultation with the Indonesian Government.

PROGRAM COSTS
(Costs in Thousand Dollars)

	PLANNED FISCAL YEAR 1953 PROGRAM						PROPOSED FISCAL YEAR 1954 PROGRAM					
	U.S. Technicians		Training Awards		Other		U.S. Technicians		Training Awards		Other	
	No.	Cost	No.	Cost	Costs	Total	No.	Cost	No.	Cost	Costs	Total
Agriculture, Forestry & Fisheries	52	340	96	480	290	1,110	54	374	82	410	536	1,320
Health and Sanitation	5	33	17	85	287	405	16	209	20	100	350	659
Education	9	56	25	125	250	431	16	204	24	120	202	526
Industry, Trade and Labor	13	152	53	266	230	648	12	78	57	285	205	576
Public Administration	--	--	--	--	--	--	1	13	8	40	15	60
General Projects	38	700	--	--	--	700	38	700	--	--	--	700
Domestic Program Costs	--	54	--	81	--	135	--	52	--	107	--	159
TOTAL	117	1335	191	1037	1057	3429	137	1630	191	1062	1308	4000

* Includes technicians under contract.

AGRICULTURE, FORESTRY AND FISHERIES

U.S. Cost----------$1,320,000
No. of U.S. Technicians----------54
No. of Training Awards----------82

Objectives: Major effort will be directed toward helping Indonesia become self-sufficient in its basic foods, particularly rice. The Indonesian Government has adopted a plan to attain this goal within five years.

Major Activities in FY 1954

Land Development and Conservation - $494,000

U.S. engineers will continue to give operational assistance to land-development-machinery pools, and technical advice and

Progress to Date

A sum of $6 million has been obligated for agriculture, forestry and fisheries activities in the years 1951 and 1952. In 1953 $1.1

AGRICULTURE, FORESTRY AND FISHERIES - Continued

agricagricultural engineering instruction to assist in opening new lands for settlement. Limited supplies and equipment directly needed by these technicians are included.

Extension and Research - ~~$300,000~~ $320,000

In an attempt to bridge the gap between the research station and the farmer, experts will help the Indonesians build up their very short supply of support personnel, to backstop extension workers as well as assist in developing new educational materials and methods suitable to the area.

Rice and Corn Breeding - $145,000

Corn production experts will continue work with their Indonesian counterparts in developing strains suitable to the area.

Fisheries - $200,000

In fisheries MSA and TCA have in the past provided assistance principally in the form of boats and engines. As a second step, assistance will now emphasize instruction in fishing methods, development and use of gear and storage, as well as transporting and marketing methods.

Other Activities - $161,000

Assistance will be provided in animal husbandry, servicing of rural credit cooperatives, and in improving the processing of small-holder rubber production.

million was allocated for these activities.

An irrigation program has supplied supplemental irrigation and doubled yields on some 7,500 acres. 10,000 tons of fertilizer have been distributed.

375,000 hoes, 25,000 machetes, 20,000 axes, and other agricultural implements have been distributed in the provinces to help replace wartime destruction and deterioration.

New and more productive corn strains have been developed. A large rice production program in Borneo will rehabilitate about 370,650 acres of old rice fields and gradually bring about the reclamation of immense marshy areas.

Eighty motorized fishing boats and 340 engines for locally-built boats have been provided on an experimental basis and have increased yields of some fishermen ten times. Estimates indicate that sea fisheries production in 1952 increased 15,000 tons over 1951 , thus helping to alleviate the protein shortage in the Indonesian diet.

Two cooperative leaders recently returned from training in the United States have established 1) a cooperative insurance society which had 3,000 policies in effect within six months of its formation; 2) a cooperative federation magazine with a paid circulation of 5,000. They have reported on their trip to 10,000 people at 100 village meetings out of which 36 cooperatives with over 2,000 members were organized as of October 1952.

HEALTH AND SANITATION

U.S. Cost----------$659,000
No. of U.S. Technicians---------16
No. of Training Awards----------20

Objective: This program will concentrate on the same areas where agricultural and industrial activity are going on in order to demonstrate the connection between good health and improved productivity and to open up new areas for rice production. Medical education and equipment will be provided to combat Indonesia's serious health problems, which are sapping the strength of workers and retarding economic development.

HEALTH AND SANITATION - Continued

Major Activities in FY 1954

Malaria Control - $335,000

Demonstrate the importance and methods of mosquito control through development and distribution of audio-visual materials and the training and use of village level workers. TCA's principal expenditure in the field of malaria control in Indonesia in FY 54 will continue to be for DDT and sprayers, in order to open up more areas for rice production.

Medical Training and Education - $251,000

Since 1951 funds have been provided to send Indonesian doctors, nurses, and public health and medical technicians to foreign countries for advanced training. This will continue in FY 1954 as will the program to assist the Ministry of Health train nurse teachers. Midwives, nurses aides, and rural clinic attendants will be trained. Provision is made for continuation of the contract to supply 10 professors to strengthen the Medical School of the University of Indonesia.

Village Sanitation - $73,000

The drive to instruct villagers in methods of rural sanitation will be speeded up; experts will advise on village sanitation methods and systems for small towns and disseminate information on simple sanitation practices and equipment.

Progress to Date

The FY 1951-52 programs saw obligations of $3.9 million for this program. The Fy 1953 program amounts to $405,000, the bulk of which is for malaria control. Through these programs medical supplies and equipment have been provided to medical teaching centers, maternity centers, hospitals and clinics. Professors are being supplied to the University of Indonesia medical school. 16 of Indonesia's 50 nurses have graduated from the first nurse-teacher school in Indonesia. 2 million people have been protected from malaria by a DDT spraying program. In one small area, 2,000 acres in northwest Java previously abandoned because of malarial conditions have been reopened.

EDUCATION

U.S. Cost----------$526,000
No. of U.S. Technicians--------16
No. of Training Awards---------24

Objective: In order to assist Indonesia in overcoming its lack of trained manpower, the program seeks to provide the numbers of trained professional, technical and administrative personnel so vital to significant progress.

Major Activities in FY 1954

Technical and Vocational Training - $176,000

The FY 1954 program will continue to provide assistance in the field of secondary training in vocational subjects. The program

Progress to Date

Slightly more than $2 million has been obligated for education and training under the combined 1951-52 program. In 1953, $431,000

EDUCATION - Continued

INDONESIA

will be linked to the industrial and labor productivity programs, in providing the source of skilled workers and managers so necessary in Indonesia.

Other Activities - $350,000

Continued support to the English Language Institute which trains teachers of English and to audio-visual training.

has been allocated for education with the greatest share going to technical education. To date over 300 persons have completed courses in English, the officially recognized secondary language of the islands; vocation teacher-training centers are being established to meet the need for skilled and semi-skilled industrial workers. 150 trainees have been sent to the United States on study tours in various fields.

INDUSTRY, TRADE AND LABOR

U.S. Cost----------$576,000
No. of U.S. Technicians---------12
No. of Training Awards----------57

Objective: The program objective is to assist Indonesia to raise its industrial productivity, and diversify its economy. To help Indonesia gain industrial strength, the program assists in the rehabilitation and extension of small-scale industry. Training in labor-management relations, governmental labor services, and trade-union education is designed to encourage the healthy growth of the relatively new trade-union movement.

Major Activities in FY 1954

Small Industry Program - $316,000

Providing assistance to village production centers and the Industrial Research and Training Institutes. Technical guidance will be provided to small indigenous enterprise in order to expedite the modernization and development of Indonesian industry.

Probably the most advanced program of its kind in all of South and Southeast Asia, the Indonesian Government's small industries program has the following major components:

Seven research and training institutes in such fields as ceramics, tanning, wood working, and furniture-making which develop standardized products and designs for small industrial fabrication and train village artisans to work with the new techniques and designs.

Twenty-one small industrial "centrals" which function as central purchasing, processing, credit and marketing co-operatives to service the needs of village industry in Java in the same fields covered by the research and training institutes.

Loans to small Indonesian entrepreneurs to finance the import of mechanized equipment to raise industrial productivity.

Progress to Date

Under the FY 51 and FY 52 programs, $1,230 thousands in U.S. [redacted] equipment and technical services were provided to assist in the formulation and implementation of this program. In the ceramics "Central" in Plered, $50 thousand of American equipment for processing and refining clay and glaze are presently in operation turning out an estimated ten tons of such clay and glaze daily for use in the ceramics industry. With the improved methods and products designed by the Ceramics Research and Training Institute, labor productivity in the ceramics shops has risen substantially and wages in the Indonesian-run shops in the town rose by 50 per cent in the period from December 1952 to March 1953. As a result of this pilot project, the Indonesian ceramics industry is now able to deliver to Djakarta improved china-ware and other articles of pottery at a price [redacted] 40 per cent below that of the competing imported product.

INDUSTRY, TRADE AND LABOR - Continued

Labor Training - $260,000

A substantial number of grants will be made in the field of labor productivity, housing, engineering, statistics, and economics. Training will be provided in the development of workers' cooperatives and labor law administration. The training institutes for trade union technicians and leaders established by the Ministry of Labor's extension service will be supported with technical assistance. Assistance in development of low-cost workers' housing will be given.

Officials of the Ministry of Labor and leading trade unionists totaling 35 studied the complete range of labor relations in the U.S. in comparison with programs in other countries. The program has been recognized as among the more successful training programs.

PUBLIC ADMINISTRATION

U.S. Cost----------$60,000
No. of U.S. Technicians-------1
No. of Training Awards--------8

Objective: This program is designed to assist Indonesia in developing its civil service. The current lack of a sufficient number of trained civil servants is one of the greatest difficulties faced by Indonesia.

Special Training - $60,000

In service training will be made available to key Government officials.

Beginning in 1952 three training awards have been provided for public service.

GENERAL ENGINEERING SERVICES

U.S. Cost----------$700,000
No. of U.S. Technicians----------38
No. of Training Awards---------- -

Objective: To assist in meeting Indonesia's industrial needs, the program provides general engineering advisory services.

Major Activities in FY 1954

General Engineering - $700,000

A sum of $700,000 is being allocated in FY 1954 for the services of 31 **highly skilled** American **engineers** plus 7 support personnel to provide top-level advice on industrial and public works projects in the Asahan River Valley and South Kalimantan.

Progress to Date

Obligations for this program totaled $1,070,000 in FY 1951-52. The 1953 program earmarks $700,000 for continuation of the same services.

Surveys and recommendations have been made on railways, harbors, mining, communications, and industry. Directly attributable to this work has been a recommendation which resulted in cutting ships' turnaround time in Djkarta's harbor by one-half; another **has sharply** reduced the time for airplane engine repair.

IV. OTHER TECHNICAL ASSISTANCE PROGRAMS

United Nations and Other Inter-government Programs

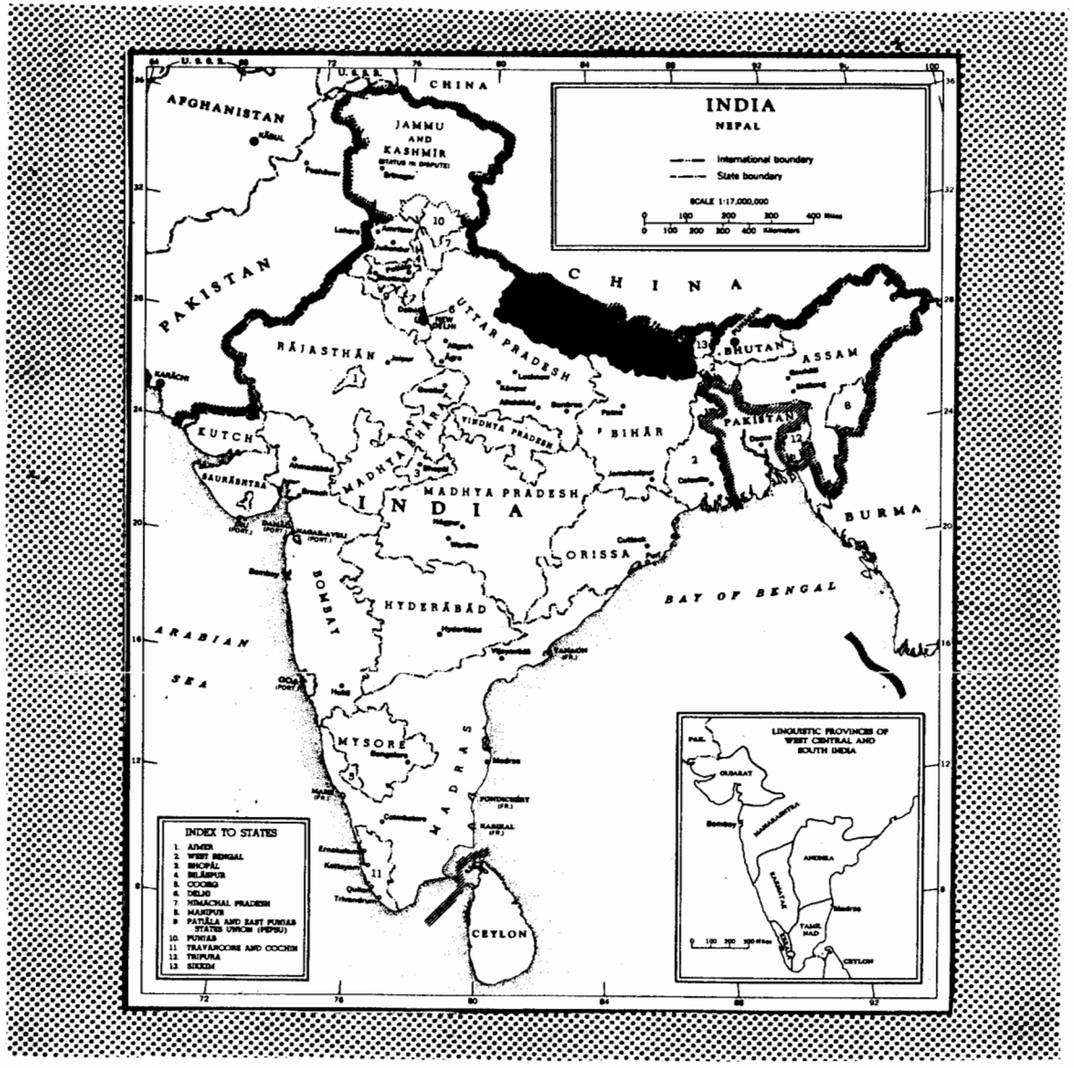
Considerable progress is being made in Indonesia, with WHO assistance, in controlling malaria and yaws as well as tuberculosis. Maternal and child care centers are also being established under the combined sponsorship of WHO and UNICEF. The UN-TAA is active in the field of small industries in close collaboration with TCA. A fundamental education demonstration and training program is being undertaken by UNESCO in collaboration with FAO and ILO. FAO is also operating in the fields of dietetics and food technology. ICAO is sponsoring a large program of technical assistance in the field of civil aviation. The Indonesian Government has also indicated its interest in becoming a participant in the Colombo Plan.

The Export-Import Bank has given approval for Indonesian projects amounting to $69 million, of a $100 million line of credit granted in February 1950.

Voluntary Agencies

The Ford Foundation is providing an English teacher in each of eleven provinces; it is also providing a two-man team to survey the needs for vocational training with a view to granting assistance in this field. A Resident Representative will be stationed in Indonesia to discuss other projects.

The Unitarian Service Committee, in conjunction with WHO, has sent 14 medical scientists to Indonesia for two months exchange of medical information.



NEPAL

U.S. Program Cost FY 1954---------$600,000
Estimated Nepalese Contribution - $500,000
No. of U.S. Technicians---------- 9
No. of Training Awards----------40

I. RESOURCES AND NEEDS

Natural:

Nepal's economy depends entirely on its agriculture. Its food-grain production is concentrated in the valleys of the Himalayas and in the narrow belt of malaria-infested lowlands bordering on India. No other natural resources have yet been established in sufficient quantity to provide a diversified base for the economy.

Human:

Nepal's 7 million inhabitants have only recently emerged from a feudal society and are almost completely isolated from the modern world.

Capital:

Modern industry is non-existent in Nepal and the few small shops produce almost exclusively simple consumer goods for domestic consumption. Transportation and communication are primitive. The capital city and the valleys and lowlands of Nepal are connected only by foot trails. No official budget has existed in the past, and it is only recently that some measure of control over government income and expenditures has been attempted. No effective control is exercised over foreign trade.

II. GENERAL SITUATION

Nepal's position in control of the Himalayan passes between Communist China and India has given that country an importance in the Indian Subcontinent out of all proportion to its size. This importance is recognized by the Indian Government and expressed in its support for Nepal's development effort. Until 1950 the country's government rested in the hands of hereditary prime ministers. The new government is committed to democratic methods, but is hampered in its struggle for stability by (a) the practical absence of trained or experienced administrators and technicians, (b) the lack of a strong base of popular support, (c) inadequate communications which make sporadic local uprisings difficult to suppress and infiltration from China impossible to control, and (d) an exceptionally low standard of living, combined with a lack of the resources for improving it. The government is anxious to develop the country, but has neither a specific plan of its own nor the necessary financial resources to attain this goal.

THE PROGRAM

Objectives:

1. Help expand the food-production base of the country,
2. Help begin a program to eliminate malaria,
3. Assist in training the leadership necessary for an effective and stable society.

Chronology of Agreements:

The general agreement for technical cooperation between the U.S. and Nepal was signed on January 23, 1951, and amended by an exchange of notes in January of 1952 as required under the Mutual Security Act. Subsequent notes have been exchanged to establish particular aspects of the program.

Financing:

Despite the absence of an effective budget and assured revenue the Nepalese Government has undertaken to cover the rupee costs of the joint program. These estimated costs are equivalent to $500,000 in FY 1954.

PROGRAM COSTS
(Costs in Thousand Dollars)

	FISCAL YEAR 1953 PROGRAM						PROPOSED FISCAL YEAR 1954 PROGRAM					
	U.S. Technicians		Training Awards		Other		U.S. Technicians		Training Awards		Other	
	No.	Cost	No.	Cost	Costs	Total	No.	Cost	No.	Cost	Costs	Total
Agriculture, Forestry and Fisheries	7	85.0	6	30.0	~~92.4~~ 209.4	324.4	22	119.4	14	30.0	276.4	425.8
Health and Sanitation	1	16.0	1	5.0	36.0	57.0	2	30.8	11	20.0	34.0	84.8
Natural Resources	1	17.0	-	--	16.0	33.0	1	15.4	8	16.0	1.0	32.4
Public Adminstration	-	-	-	--	—	—	-	--	7	19.0	--	19.0
Domestic Program Expenses	-	9.0	-	5.0	--	14.0	-	16.0	-	22.0	--	38.0
TOTAL	9	127.0	7	40.0	~~144.4~~ 261.4	428.4	25*	181.6	40	107.0	311.4	600.0

* Includes technicians under contract.

AGRICULTURE, FORESTRY AND FISHERIES

Total U.S. Cost ---- $425,800
No. of U.S. Technicians----22
No. of Training Awards-----14

Objectives: The development of subprofessional village-level workers who can bring improved techniques to the farmers and assist them in making best use of the irrigation water and improved tools that are made available to them; the supplying of some rudimentary but improved agricultural equipment; and the expansion of the irrigated acreage.

Major Activities in FY 1954

Village Development Program - $92,000

The program launched in FY 1952 will be continued and expanded as additional village level workers are trained.

Demonstration Work - $20,000

Small amounts of tools, fertilizer, seed and fungicide will be imported to support the village-development program.

Tubewell Drilling - $303,000

These projects will mark the beginning of a modern irrigation program in Nepal and will provide the experience, training and demonstration on which an expanded program will be based. Specifically assistance will be furnished in drilling tubewells to irrigate 8,000 acres and increase foodgrain production by an estimated 1,600 tons annually, for carrying out two small irrigation projects, and for irrigation pumping units.

Other Activities - $10,000

Equipment for agricultural research, and a survey of the agricultural potential of one valley will be provided.

Progress to Date

The concept of an agricultural extension service or of the general development of Nepal's villages had been unknown in that country until recently. U.S. extension workers were instrumental in opening the first training school in Nepal for village level workers on July 27, 1952. The first class of 41 trainees graduated in December and began extensive work in villages in the Valley of Katmandu. Successive classes of 50 trainees will be graduated every 6 months and the school has more applicants for training than it can accommodate.

HEALTH AND SANITATION

Total U.S. Cost - $84.800
No. of U.S. Technicians-2
No. of Training Awards-11

Objectives: To reduce incidence of malaria in order to open new land for cultivation, and to assist in raising health standards as an integral part of the village-development program.

Major Activities in FY 1954	Progress to Date
Insect-born Disease Control - $84,800	
Malaria control and village-sanitation work will be expanded in the village-development areas and in the lowlands to permit cultivation of new areas and an intensification of agricultural production in presently-cultivated areas.	A public health physician, working in cooperation with a UN team, has begun a malaria control program in FY 1953 and has provided training and technical advice to agricultural extension students as to methods for carrying out a village-sanitation program.

OTHER PROGRAMS

Total U. S. Cost - $51,400
No. of U.S. Technicians--1
No. of Training Awards--15

Major Activities in FY 1954	Progress to Date
Natural Resources - $32,400	
The minerals investigation program will be continued in FY 1954. Attention will be given to exploration and development of minerals which are in areas near proposed development of transportation.	Since FY 1952 a minerals specialist has acted as technical adviser to the Nepalese Government in evaluating small lead, zinc, cobalt, gold and copper ore deposits, and salt and limestone occurrences; and in developing methods for mining these deposits.
Public Administration - $19,000	
In FY 1954 seven Nepalese will receive training in the field of public administration.	This will be the first group of Nepalese trainees in public administration.

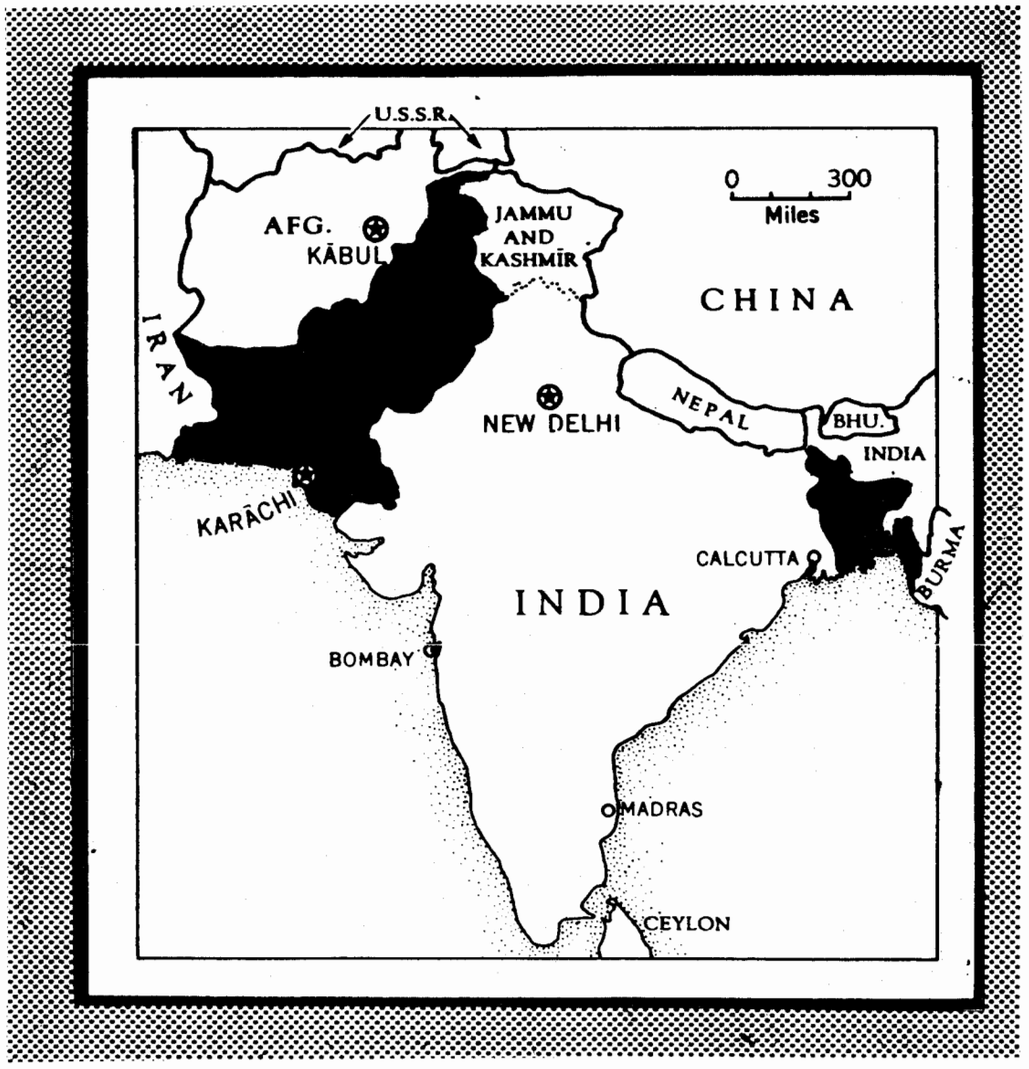
IV. OTHER TECHNICAL ASSISTANCE PROGRAMS

There is an FAO technician assigned to Nepal to give technical assistance in irrigation and dairy farming.

The Indian Government has cooperated with the Nepalese on such projects as the building of an all weather motorable road from the Indian Border to the Capital city, and the improvement of airfields Other projects are under discussion.

One Swiss geologist employed by the Nepal Government has been engaged in a geological survey of Nepal.

PAKISTAN



U. S. Program Cost FY 1954 ----------	$27,500,000
Under Act for International Development	$13,000,000
Under Special Economic Aid----------	$14,500,000
Estimated Pakistan Contribution ---------	$37,264,000
Number of U. S. Technicians ----------	163
Number of Training Awards ----------	100

I. RESOURCES AND NEEDS

Natural:

Pakistan is composed of two separate parts, divided from each other by 1,000 miles of Indian territory. The larger Western part is dry with low rainfall, while the Eastern part is mostly a tropical monsoon alluvial plain, annually flooded by the Brahmaputra and Ganges rivers. East Pakistan has about 15% of the total area (365,000 square miles) but about 55% of the population, resulting in extreme population pressure on the land. The greatest developed natural resource is 52 million acres of cultivated land of which 20 million are irrigated. Large areas of semi-desert in West Pakistan can be cultivated by expanding irrigation. Dry-season irrigation in East Pakistan could increase acreage available for multiple cropping. The principal agricultural products are foodgrains, jute and cotton. Potential fishery resources are not fully developed. Coal and fuel resources are extremely scarce, but potential hydroelectric power resources are considerable. Timber is scarce, and is largely limited to one section of East Pakistan.

Human:

Pakistan has a population of about 76,000,000 of which approximately 85% are Muslims. Over 90% live in rural areas and at least 85% are dependent on agriculture. Health conditions are extremely poor, e.g., infant mortality is 125 per 1,000 live births. Diseases such as malaria, tuberculosis and cholera, give rise to short life expectancy (approximately 27 years), reduced physical energy and low productivity. Literacy rates are low -- less than 15%. The serious shortage of technically skilled persons in government, industry and agriculture is particularly crippling. Production techniques (especially in agriculture) are primitive, unproductive and wasteful of human resources.

Capital:

Industrially Pakistan is one of the most underdeveloped countries of the world. Virtually no steel is produced in the country; steel consumption is about 3 pounds per capita (U.S. consumption is about 800 pounds). Textile consumption is about 10 yards per capita (U. S. consumption is 145 yards). Electric power generation, though increasing rapidly, is still extremely low. Industrial processing of domestic raw materials is poorly developed and uses out-of-date methods. Mobilization of capital through taxation is severely limited by low income levels. Small savings schemes have not been successful for the same reason. Two agricultural commodities, cotton and jute, provide 80 percent of Pakistan's foreign exchange earnings and over half of government revenues through export duties. This extreme dependence on fluctuating world markets results in rapid oscillations between prosperity and depression over which Pakistan has little effective control.

II. GENERAL SITUATION

Pakistan must solve two basic problems to lay the groundwork for effective economic development. First, the inadequate level of agricultural production must be raised rapidly and substantially. Second, the present imbalance of the economy must be corrected.

Pakistan's development plans -- the 6-Year Plan and the 2-Year Priority Program--recognize both of these two urgent needs. They call for a 20% increase in food production by 1957 to increase consumption levels, maintain emergency grain reserves and provide export surpluses. In these programs, introduction of new cultivating methods, extension of irrigated areas and increased application of fertilizers are stressed. The second basic need will be met by developing power sources in critical areas, widening the scope of and modernizing processing industries and improving existing transportation facilities.

Certain political problems have also contributed to a slower pace of economic development. Relations with India have been strained ever since partition in 1947. The chief areas of dispute currently center on Kashmir and sharing of canal waters for irrigation in West Pakistan. Low domestic private investment has reflected in part uncertainty concerning the stability of the government and the outcome of Pakistan-India controversies. Recent political developments (including the composition of the new government) show promise of better relations with India and the West, and of more aggressive government action in economic development.

The immediate economic situation is critical. Soft world markets in cotton and jute in 1952 have resulted in drastic reductions in foreign exchange earnings and consequently in Pakistan's ability to import urgently-required capital and consumption goods. Furthermore, government revenues have fallen and the government is facing an almost insuperable task in trying to finance its internal development costs. Cotton and jute prices fell by 55% and 75% between March 1951 and December 1952. Pakistan's balance of payments changed from a 1951 surplus of $156 million to a deficit in 1952 of $261 million. Foreign exchange reserves fell 60% in that period to a level of $182,000,000, which is just sufficient for currency reserves.

Severe droughts in 1951 and 1952 planting seasons resulted in serious food shortages. In 1952 the United States granted an emergency wheat loan of $15 million to help meet the 1951 deficit. Pakistan has stated that it must import 1.5 million tons in 1953 to avert famine and restore completely exhausted stocks. She is buying what she can but must look to the United States or the Soviet Union for a major portion of this deficit. Pakistan has formally requested U. S. aid for purchase of one million tons of wheat to meet this serious situation. Any U.S. assistance granted must be over and above the present proposals for economic aid, if the U.S. is to contribute to a permanent solution of Pakistan's food problem and avoid future crisis requests for aid.

III. THE PROGRAM

Objectives:

The principal objectives of the Technical Cooperation Program are to:

1. Help increase food production as rapidly as possible to prevent recurring economic and political crises.

2. Assist in improving productivity, income and welfare of the rural population through the village agricultural and industrial development program.

3. Assist in laying a modest basis for future industrial development to decrease the instability of the economy.

Special Economic Aid is proposed to:

Increase food production more quickly (reducing the chance of recurrence of critical food shortages) and encourage and assist Pakistan to achieve the minimum goals of its development plan.

Specifically, provide the extra fertilizer, irrigation water and cleared land to expand the demonstration aspects of the Village Development Program into large-scale applications in practice.

Financing:

The cooperative technical assistance program in Pakistan is financed jointly by the two governments. The Pakistan government has undertaken to meet all local costs of the joint program and in any case to contribute an amount equivalent to U.S. dollar contributions. Both the U.S. dollar contributions and Pakistan's rupee contributions are jointly administered. In FY 1952 Pakistan's contribution was $10,650,000 and is estimated at $15,120,000 in the FY 1953 program. In FY 1954 it is estimated that the Pakistan contribution will be about $37,264,000 as compared to the proposed U.S. costs of $27,500,000.

Chronology of Agreements:

On February 9, 1951 the General Agreement for Technical Cooperation between the United States and Pakistan was signed. A supplement to this agreement entitled the Joint Fund Agreement was signed one year later on February 2, 1952, and provided for the establishment of a Joint Fund. The Joint Fund Agreement was amended on March 27, 1953 to cover activities in FY 1953. Under these agreements, joint operational agreements delimit the nature of major projects. In addition the U.S. provides the salaries of U.S. technicians, the training of Pakistan nationals outside of Pakistan and smaller technical assistance projects.

Operational Agreements Signed Under U.S. - Pakistan Technical Cooperation Program (In thousands of Dollars)

Operational Agreements Number	FY 1952 Date	FY 1952 Amount	FY 1953 Date	FY 1953 Amount
Health and Sanitation	5/17/52	500	4/7/53	287.5
Training	5/17/52	700	--	---
Road Development	5/17/52	1,100	--	---
Fertilizer Factory	5/17/52	4,000	4/1/53	3,000
Village Agriculture and Industrial Development	6/30/52	2,300	4/1/53	437.5
Fertilizer Distribution	6/30/52	900	4/1/53	3,830
Forest Research Laboratory	6/30/52	200	--	---
Timber Extraction Project	6/30/52	300	--	---
Fisheries	---	--	4/1/53	750
Soil Mechanics and Hydraulics	---	--	4/1/53	100
Inter-College Exchange	---	--	4/15/53	300
Tuberculosis Hospital	---	--	4/15/53	150
Locust Control	---	--	4/15/53	40
Bolan Irrigation Dam	---	--	4/15/53	450
Makhi Dhand Reclamation	---	--	*	500
Tubewell Drilling (Punjab)	---	--	*	500
Ground Water Survey	---	--	*	180
Pontoon Pumping Irrigation	---	--	*	357
TOTALS		10,000		10,882

*Pending Signature 4/21/53

PROGRAM COSTS
(Costs in thousands of dollars)

	FISCAL YEAR 1953 PROGRAM						PROPOSED FISCAL YEAR 1954 PROGRAM							
							Technical Assistance Component							
	U.S. Technicians		Training Awards		Other		U.S. Technicians		Training Awards		Other	Total	Special	U. S.
	No.	Cost	No.	Cost	Costs	Total	No.	Cost	No.	Cost	Costs	Tech. Ass't.	Economic Aid	Total
Agriculture, Forestry & Fisheries	18	209	5	25	6,810	7,044	41	533	24	120	2,587	3,240	9,800	13,040
Health & Sanitation	3	300	2	10	185	495	8	105	2	10	---	115	1,460	1,575
Education	2	75	--	--	235	310	45	1,755	34	170	600	2,525	---	2,525
Natural Resources	2	24	--	--	100	124	15	715	12	60	450	1,225	---	1,225
Industry, Trade & Labor	4	48	--	--	3,000	3,048	8	549	2	10	---	559	2,490	3,049
Transportation and Communications	1	12	1	5	---	17	6	210	6	30	100	340	750	1,090
Public Administration*	1	12	--	--	---	12	--	---	--	--	---	---	---	---
General Projects (Village Agri. Industrial Development)	18	212	3	15	520	747	40	520	20	100	4,200	4,820	---	4,820
Domestic Program Expenses	--	51	--	25	---	76	--	120	--	56	---	176	---	176
TOTAL	49**	943	11	80	10,850	11,873	163**	4,507	100	556	7,937	13,000	14,500	27,500

* Includes Public Finance.
**Includes Technicians under contract.

VILLAGE AGRICULTURAL AND INDUSTRIAL DEVELOPMENT (GENERAL PROJECTS)

Total U.S. Cost: Under Act for International Development $4,820,000
No. of U.S. Technicians - 40
No. of Training Awards - 20

Objectives: This program is designed to combat the related problems of low agricultural productivity, poor health conditions and uneconomic village industry. It provides the means for wide participation by farmers and village artisans in the full development of their country. It is also the channel through which other projects in the joint program are implemented at the village level. Thus it ensures the effective use of much of the fertilizer and water made available by such projects.

Major Activities in FY 1954

Village Agricultural-Industrial Development - $4,820,000

12 new centers to be set up to train village-level workers in vocational agriculture, environmental sanitation, agricultural extension, etc. These village-level workers then operate in surrounding areas carrying new methods and techniques to the largest possible number of people in a short time. They will be able to service about 10% of all Pakistan's villages after a year's operation of the extended program.

Progress to Date

Nine technicians are in the field at present and recruitment of others is underway. Centers are being constructed in both East and West Pakistan. Village leaders have already begun their training in Northwest Frontier Province. Requisitions for $1,045,000 have been issued for purchase of required supplies and equipment. The six agricultural extension technicians assigned to provincial centers have established the basis for further expansion of the village

VILLAGE AGRICULTURAL INDUSTRIAL DEVELOPMENT (continued)

Progress to Date (continued)

Agricultural-Industrial Development Program. In East Bengal the extension advisor has been able to bring several village groups together in cooperative efforts to improve food marketing methods. They have already constructed several farm-to-market roads and have improved community water supplies.

AGRICULTURE, FORESTRY AND FISHERIES

Total U. S. Cost	$13,040,000
Under Act for International Development	$3,240,000
Under Special Economic Aid	9,800,000
No. of U. S. Technicians	41
No. of Training Awards	24

Objectives: Assist Pakistan in its campaign to expand food production rapidly in order to avoid future food-deficit crises and reduce the drain on foreign exchange.

Major Activities in FY 1954	Progress to Date
Increase Fertilizer Use - $6,513,000	
Demonstrate new techniques and import fertilizers to increase crop yields rapidly and acquaint cultivators with fertilizer uses and benefits. Experimental and demonstration work is carried out under the Act for International Development ($513,000) Cost of fertilizer imports for general distribution is financed under Special Economic Aid ($6,000,000).	13,000 tons of artificial fertilizers were shipped to Pakistan under the FY 1952 program and shipments under the FY 1953 program total about 75,000 tons. This fertilizer is distributed to farmers in a program for demonstrating the benefits of its use. At an average rate of two tons of foodgrains per ton of fertilizer applied, these add about 180,000 tons to the harvest of summer foodgrain crops.
Increase Irrigated Area - $3,489,000	
Develop groundwater and surface irrigation resources to extend cultivation to new areas, to put under double-cropping areas already under cultivation, and generally make more efficient use of water resources. Exploratory tube-well drilling and technical advice on construction of a small irrigation dam under Act for International Development ($489,000). Expanded well-drilling, and earth-moving equipment under Special Economic Aid ($3,000,000).	In FY 1953 a project agreement to assist in constructing an earth and rock irrigation dam and survey upstream sites for further dams was signed. The first dam -- to be completed in the next year - will make irrigation of about 35,000 acres of previously uncultivated land possible.
Land Clearance and Reclamation - $1,598,000	
Increase cultivated areas through land clearing and reclamation projects. Technicians, surveying, training, design, equipment	A project for clearing about 100,000 acres to make possible colonization of 5,000 refugee families and increase total production by

AGRICULTURE, FORESTRY AND FISHERIES Land Clearance and Reclamation (continued)

Major Activities in FY 1954	Progress to Date
maintenance, pilot projects under Act for International Development ($798,000).	about 50,000 tons (food-grain equivalent) was begun in FY 1953. This project will continue through FY 1954 with technical advice and assistance from TCA specialists and contract employees.
Equipment for land clearance and drainage projects provided as Special Economic Aid ($800,000).	
Erosion Control - $712,000	
Halt soil erosion by strengthening range management, reforestation and grassland improvement. All under AID.	New Project. Over-grazing and intensive cultivation in the catchment basins of West Pakistan rivers has resulted in serious erosion. Large areas of rangeland have been ruined and much farmland has been rendered useless. This destructive process can be brought under control by methods practiced in the U.S. today.
Fisheries Development - $200,000	
Increase fish production by exploration of offshore fishing banks, by harbor improvement and by experimental mechanization of fishing vessels. All under AID.	In FY 1953 a program to increase deep-sea fisheries catch and improve fish-handling and marketing facilities was initiated. At present off-shore fisheries resources are not adequately exploited and the losses due to improper handling result in spoilage amounting to 40% and more.
Other Activities - $528,000	
Other activities include locust control, farm management training, a canal sedimentation survey and forest products research. All under AID.	Locust control work under the FY 1952 and FY 1953 programs has been of great benefit in saving crops from these damaging insects. In addition to spraying from small planes, U.S. technicians have assisted in ground operations of hundreds of Pakistani volunteers. This project has been enthusiastically received by the Pakistan farmers.
	Six American extension specialists advise the Provincial Governments on the improvement and strengthening of their extension services. Other technicians advise the Pakistan Government on land and forest reclamation, water development, timber extraction and forestry research.

HEALTH AND SANITATION

Total U. S. Costs ----------$1,575,000
Under Act for International Development- 115,000
Under Special Economic Aid---------- 1,460,000
No. of U.S. Technicians - 8
No. of Training Awards - 2

Objectives: Reduce the incidence of malaria, tuberculosis, cholera and other killing and crippling diseases which impede seriously a satisfactory rate of economic development.

Major Activities in FY 1954	Progress to Date
Urban Sanitation - $1,575,000	
Plan and assist in implementing a program of sanitary improvements in urban areas overcrowded by refugees. U.S. technicians will aid Pakistani public-health authorities in organizing the program. Spraying units, improved garbage-disposal equipment and water-purifying equipment will be provided to carry out the program. Personnel costs and training awards under Act for International Development ($115,000). DDT supplies and spraying and other equipment under Special Economic Aid. ($1,460,000).	In FY 1952 a cooperative project to supply medical institutions in Pakistan with laboratory equipment, technical literature and other equipment was begun and this project was carried through 1953. The FY 1953 program saw the beginning of a project in which the Commonwealth of Massachusetts Public Health Service contracted with TCA to send a number of technicians to study the public-health needs of Pakistan. It is their recommendations which will be followed in the FY 1954 urban-sanitation project. Also in FY 1953 a project was signed to provide some equipment for a hospital dealing mainly with tuberculosis out-patients and serving as a tuberculosis research center.

EDUCATION

Total U.S. Cost: Act for International Development - $2,525,000
No. of U.S. Technicians - 45
No. of Training Awards - 34

Objectives: Strengthen the professional and vocational colleges in the fields of teacher training and applied sciences to provide for the training of administrators, technicians, and skilled workers needed for government, industry, professional services and leadership in Pakistan.

Major Activities in FY 1954	Progress to Date
Inter-College Exchange - $1,985,000	
Arrange a system of institutional exchange contracts between American and Pakistani technical colleges. Under these contracts, American educators will teach in Pakistani agricultural, medical and engineering colleges, and in turn Pakistani teachers will come to American colleges. The contracts will cover a period of three years. Laboratory supplies and additions to technical libraries in Pakistan will be provided. Under AID.	An inter-college exchange project was begun in FY 1953 calling for the exchange of teachers, administrators, students and information between suitable American and Pakistan institutions.

EDUCATION (continued)

Major Activities in FY 1954	Progress to Date
Demonstration School - $540,000	
Establish a model demonstration school to serve as a teacher training unit. The Government of Pakistan will provide the site and building, and the U.S. will provide some teachers and some supplies and equipment. Under AID.	New Project. Pakistan plans to expand its primary and secondary school systems very considerably. Existing facilities for training teachers are completely inadequate to meet the staffing needs of an expanded system.
Training.	
In FY 1954 training grants are included under the separate activities.	In FY 1952 a project agreement to finance about 140 training awards was signed. Fifty-seven trainees, mainly in agriculture, health and education, have arrived in the U.S. to study under this agreement. Altogether nearly 200 trainees from Pakistan have spent from three months to a year in the United States since 1951.

NATURAL RESOURCES

Total U.S. Cost: Under Act for International Development $1,225,000
No. of U.S. Technicians - 15
No. of Training Awards - 12

Objectives: Lay the foundations for a rational development of water resources, especially for irrigation and hydro-electric power. Pakistan's agriculture is limited by water scarcity as well as by scarcity of land.

Major Activities in FY 1954	Progress to Date
Water Development Engineering - $1,039,000	
Prepare complete engineering plans required for future construction of a comprehensive water project for the Ganges and Brahmaputra Rivers in East Pakistan. An engineering firm under contract will make detailed surveys and prepare maps, working drawings and cost estimates for the future program. Eventually the water control scheme will allow the irrigation and multiple-cropping of some 2.2 million acres of land, adding about one million tons to annual grain production. Under AID.	New Project. East Pakistan, in the heart of the monsoon region, has a six to eight month dry season during which farming is impossible. If irrigation water can be made available during this period, very large areas could be double-cropped. The engineering problems are exceedingly complex, largely because of low gradients. A soundly engineered program, however, would result in greatly increased food and fiber production.
Soil Hydraulics and Mechanics Laboratory -$186,000	
Equip two established laboratories doing basic research in needs and potentialities for tubewell drilling, surface irrigation, soil conservation, drinking water supplies and hydro-electric power. Under AID.	In FY 1953 a project agreement was signed to strengthen the research programs and supply equipment to a soil hydraulics and mechanics laboratory in West Punjab. U.S. obligations under the Joint Fund agreement are $100,000.

INDUSTRY, TRADE AND LABOR

Total U.S. Costs:	$3,049,000
Under Act for International Development	559,000
Special Economic Aid	2,490,000
No. of U.S. Technicians - 8	
No. of Training Awards - 2	

Objectives: Develop industries which can process the products of Pakistan's agriculture, provide such production requisites as fertilizers and provide employment.

Major Activities in FY 1954	Progress to Date
Fertilizer Plant - $3,023,000	
Continue assistance to complete the construction of a fertilizer factory which will turn out 50,000 tons of ammonium sulphate annually and can therefore help raise Pakistan foodgrain production by some 100,000 tons per year. This plan will use local fuel and raw material supplies and will save up to $3,500,000 annually in Pakistan's foreign exchange. Personnel costs and the fee for a construction management contract are paid under the Act for International Development ($533,000). Machinery and construction equipment are provided under Special Economic Aid. ($2,490,000).	In FY 1952 a project agreement was signed to help finance the construction of a fertilizer plant. A contract to build the plant was signed in December 1952 after full designs and specifications had been drawn. Purchase requests for $2,810,000 in equipment have been received and bids have been invited. To date the U.S. has contributed $7 million and the Pakistan Government has contributed $5.1 million in rupees toward the construction of this factory.
Industrial Productivity - $26,000	
Survey the particular needs and potentialities of processing industries. The industries selected for initial study are tanning, cement manufacture, cottonseed processing and cotton ginning.	New Project.

TRANSPORTATION AND COMMUNICATIONS

Total U.S. Costs:	$1,090,000
Under Act for International Development	340,000
Under Special Economic Aid	750,000
No. of U.S. Technicians - 6	
No. of Training Awards - 6	

Objectives: Development of an adequate highway system to facilitate transportation of agricultural products and to lower shipping costs.

Major Activities in FY 1954

Highway Improvement - $1,090,000

Provide services required in planning and directing construction of selected trunk lines to the important agricultural and industrial production centers in West Pakistan. These will be coordinated with small feeder roads which will be constructed in the Village Agricultural Industrial Development Program. Surveying highway-planning and demonstration costs under Act for International Development ($340,000).

Construction and equipment costs under Special Economic Aid. ($750,000).

Progress to Date

In FY 1952 a project agreement for construction of highways in East Pakistan was signed. The technicians of the U.S. Bureau of Roads have made preliminary surveys to determine the availability of suitable fill and the types of machinery which could be be utilized in the area. Further technical surveys will be required before actual road building can commence.

During the past two years 9 American technicians have advised the Pakistan Government on problems relating to rehabilitation of railroads, railroad maintenance shops and signalling patterns.

At present Pakistan receives technical assistance from the U.N. and its specialized agencies and from the Colombo Plan Technical Cooperation Scheme. The work of these agencies and that of TCA are carefully meshed to avoid overlapping, and the Pakistan Government maintains a central office which coordinates all requests and offers of technical assistance.

As of January 1, 1953, the United Nations and the Specialized Agencies had 65 experts and technicians working in Pakistan and were supporting 46 special training grants. Future programs, approved but not yet begun, call for additional technical experts and about 50 additional fellowships. The UN Technical Assistance Administration assists the Pakistan Government in the fields of inland water transport and statistics.

IV. OTHER TECHNICAL AND FINANCIAL ASSISTANCE

FAO offers assistance in land use, irrigation, veterinary programs, fisheries and agricultural statistics. ILO has a number of experts working on a comprehensive labor survey. WHO and UNICEF operate maternal care and child health centers throughout Pakistan. WHO and UNICEF are also carrying on an intensive tuberculosis and veneral disease campaign.

The Ford Foundation plans to make available $1.6 million for the establishment of a polytechic institute, two trade schools and a domestic science college for women and $1.25 million to cover some internal costs of the village aid program.

OTHER TECHNICAL AND FINANCIAL ASSISTANCE - (continued)

Pakistan has received economic assistance through loans from the World Bank totaling $30.45 million dollars. These loans are being used to rehabilitate railroads and carry out a land reclamation project in Punjab Province. Future loans by the Bank are under consideration.

Under the Colombo Plan, approximately $33.7 million have been pledged. These funds are used for such projects as construction of a cement plant, procurement of railway ties, a comprehensive survey of Pakistan's mineral and other resources. Contributors in this plan are Canada, Australia, New Zealand, and the United Kingdom.

Regional Table III

ECONOMIC ASSISTANCE AND TECHNICAL COOPERATION

South and Southeast Asia

Comparative Summary of Obligations by Major Project Category
(In Thousand Dollars)

Major Project Category	Actual 1952		Estimate 1953		Proposed 1954	
	Act for International Development	Special Aid	Act for International Development	Special Aid	Act for International Development	Special Aid
1. Agriculture, Forestry and Fisheries	35,723.7	-	30,642.4	-	12,931.0	28,300.0
2. Health and Sanitation (including Housing, Social Welfare, and Vital Statistics)	4,772.8	-	9,331.5	-	2,845.8	8,160.0
3. Education	3,754.6	-	3,511.3	-	8,250.0	-
4. Natural Resources	6,757.7	-	6,399.5	-	4,674.2	25,000.0
5. Industry, Trade and Labor	15,176.9	-	13,603.0	-	4,267.0	32,190.0
6. Transportation and Communications	5,132.5	-	428.0	-	1,004.0	750.0
7. Public Administration (including Public Finance, Census, and Weather)	1,389.0	-	77.0	-	160.0	-
8. General Projects	12,724.0	-	3,840.4	-	14,283.0	-
9. Domestic Program Cost	236.9	-	549.4	-	685.0	-
10. Emergency Wheat Loans	-	-	-	(16,500.0)[a]	-	-
Total Obligations	85,668.1		68,382.5	(16,500.0)[a]	49,100.0	94,400.0

[a] Long term loans made to Pakistan and Afghanistan under authority of the Mutual Security Act as amended for the purchase of wheat.

ECONOMIC ASSISTANCE AND TECHNICAL COOPERATION

South and Southeast Asia

Summary by Country and Major Project Category
(In Thousand Dollars)

Country	Total U.S. Cost	Agriculture Forestry Fisheries	Health Sanitation	Education	Natural Resources	Industry Trade Labor	Transportation Communication	Public Admin.	General Projects	Domestic Program Costs
Afghanistan										
1952	253.7	35.6	81.1	69.1	54.4	-	7.5	-	-	6.0
1953	663.3 a/	478.0	52.5	15.0	89.5	-	-	-	-	28.3
1954	1,400.0	870.2	180.0	165.0	100.8	-	25.0	-	-	59.0
Burma										
1952	13,674.3	2,356.0	2,100.0	479.0	1,400.0	1,400.0	3,402.0	1,118.0	1,245.0	48.3
1953	6,935.6	2,100.0	2,722.0	1,282.0	173.0	212.0	325.0	-	-	121.6
1954	-	-	-	-	-	-	-	-	-	-
Ceylon										
1952	10.9	10.9	-	-	-	-	-	-	-	-
India										
1952	52,707.7	28,619.7	770.0	455.0	5,272.0	8,582.4	62.0	3.0	8,859.0	84.6
1953 b/	44,886.5	19,467.0	5,600.0	1,430.0	5,980.0	9,695.0	86.0	65.0	2,393.1	170.4
1954 AID	30,100.0	7,075.0	1,807.0	5,034.0	3,316.0	3.132.0	639.0	81.0	8,763.0	253.0
1954 Special Aid	79,900.0	18,500.0	6,700.0	-	25,000.0	29,700.0	-	-	-	-
1954 Total	110,000.0	25,575.0	8,507.0	5,034.0	28,316.0	32.832.0	639.0	81.0	8,763.0	253.0
Indonesia										
1952	8,063.7	2,854.0	1,223.0	1,998.0	-	889.0	561.0	225.0	250.0	63.7
1953	3,428.6	1,110.0	405.0	431.0	-	648.0	-	-	700.0	134.6
1954	4,000.0	1,320.0	659.0	526.0	-	576.0	-	60.0	700.0	159.0
Nepal										
1952	201.5	50.4	123.7	-	25.3	-	-	-	-	2.1
1953	428.4	324.4	57.0	-	33.0	-	-	-	-	14.0
1954	600.0	425.8	84.8	-	32.4	-	-	19.0	-	38.0

ECONOMIC ASSISTANCE AND TECHNICAL COOPERATION

South and Southeast Asia

Summary by Country and Major Project Category
(In Thousand Dollars)

Country	Total U.S. Cost	Agriculture Forestry Fisheries	Health Sanitation	Education	Natural Resources	Industry Trade Labor	Transportation Communication	Public Admin.	General Projects	Domestic Program Costs
Pakistan										
1952	10,600.7	1,655.0	475.0	745.0	6.0	4,174.5	1,100.0	43.0	2,370.0	32.2
1953	11,872.8 a/	7,044.0	495.0	310.0	124.0	3,048.0	17.0	12.0	747.3	75.5
1954 AID b/	13,000.0	3,240.0	115.0	2,525.0	1,225.0	559.0	340.0	-	4,820.0	176.0
1954 Special Aid	14,500.0	9,800.0	1,460.0	-	-	2,490.0	750.0	-	-	-
1954 Total	27,500.0	13,040.0	1,575.0	2,525.0	1,225.0	3,049.0	1,090.0	-	4,820.0	176.0
Regional Projects										
1952	155.6	142.1	-	8.5	-	5.0	-	-	-	-
1953	167.3	119.0	-	43.3	-	-	-	-	-	5.0
1954	-	-	-	-	-	-	-	-	-	-
Title III										
1952	85,668.1	35,723.7	4,772.8	3,754.6	6,757.7	15,176.9	5,132.5	1,389.0	12,724.0	236.9
1953	68,382.5 a/	30,642.4	9,331.5	3,511.3	6,399.5	13,603.0	428.0	77.0	3,840.4	549.4
1954 AID b/	49,100.0	12,931.0	2,845.8	8,250.0	4,674.2	4,267.0	1,004.0	160.0	14,283.0	685.0
1954 Special Aid	94,400.0	28,300.0	8,160.0	-	25,000.0	32.190.0	750.0	-	-	-
1954 Total	143,500.0	41.231.0	11.005.8	8,250.0	29,674.2	36.457.0	1,754.0	160.0	14,283.0	685.0

a/ FY 1953 totals do not include emergency wheat loans of $1,500,000 to Afghanistan and $15,000,000 to Pakistan.

b/ Act for International Development

ECONOMIC ASSISTANCE AND TECHNICAL COOPERATION

South and Southeast Asia

Summary by Country and Major Cost Components
(In Thousand Dollars)

Country	Total U.S. Cost	Supplies and Equipment	Local Costs	Total Service Cost	Services U.S. Technicians No.	Services U.S. Technicians Cost	Trainees No.	Trainees Cost
Afghanistan								
1952	253.7	103.4		150.3	3	104.0	14	46.3
1953	663.3 a/	232.0		431.3	28	321.0	20	110.3
1954	1,400.0	430.6		969.4	51	663.4	55	306.0
Burma								
1952	13,674.3	10,660.0		3,014.3	69	2,792.0	67	222.3
1953	6,935.6	5,211.0		1,724.6	82	1,093.1	141	631.5
Ceylon								
1952	10.9	-		10.9	1	10.9	-	-
India								
1952	52,707.7	50,987.4		1,720.3	114	1,419.7	121	300.6
1953	44,886.5	41,253.1		3,633.4	124	2,915.0	130	718.4
1954 AID	30,100.0	24,697.0		5,403.0	245	4,719.0	123	684.0
Special Aid	79,900.0	79,900.0		-	-	-	-	-
Total	110,000.0	104,597.0		5,403.0	245	4,719.0	123	684.0
Indonesia								
1952	8,063.7	6,862.0		1,201.7	444	981.3	151	220.4
1953	3,428.6	1,057.0		2,372.0	117	1,335.0	191	1,037.0
1954	4,000.0	1,308.0		2,692.0	137	1,630.0	191	1,062.0
Nepal								
1952	201.5	136.0		65.5	4	60.7	2	4.8
1953	428.4	144.4		167.0	9	127.0	7	40.0
1954	600.0	311.4		288.6	25	181.6	40	107.0
Pakistan								
1952	10,600.7	9,622.3		978.4	18	142.7	80	835.7
1953	11,872.8 a/	10,850.3		1,022.5	49	943.0	11	79.5
1954 AID	13,000.0	7,937.0		5,063.0	163	4,507.0	100	556.0
Special Aid	14,500.0	14,500.0		-	-	-	-	-
Total	27,500.0	22,437.0		5,063.0	163	4,507.0	100	556.0

ECONOMIC ASSISTANCE AND TECHNICAL COOPERATION

South and Southeast Asia

Summary by Country and Major Cost Components
(In Thousand Dollars)

Country	Total U.S. Cost	Supplies and Equipment	Local Costs	Services: Total Service Cost	Services: U.S. Technicians No.	Services: U.S. Technicians Cost	Services: Trainees No.	Services: Trainees Cost
Regional								
1952	155.6	72.3		83.3	1	83.3	-	-
1953	167.3	~~69.0~~ 77.0		~~94.3~~ 90.3	5	~~86.8~~ 82.8	2	7.5
Total Obligations								
1952	85,668.1	78,443.4		7,224.7	253	5,594.6	435	1,630.1
1953	68,382.5 a/	~~58,816.8~~ 58,941.4		~~9,445.1~~ 9441.1	414	~~6,820.9~~ 6816.9	502	2,624.2
1954 AID	49,100.0	34,684.0		14,416.0	621	11,701.0	509	2,715.0
Special Aid	94,400.0	94,400.0		-	-	-	-	-
Total	143,500.0	129,084.0		14,416.0	621	11,701.0	509	2,715.0

a/ FY 1953 totals do not include emergency wheat loans of $1,500,000 to Afghanistan and $15,000,000 to Pakistan.