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MUTUAL SECURITY PROGRAM

Volume I

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Estimates

Fiscal Year 1956

BEST AVAILABLE

MUTUAL SECURITY PROGRAM

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AUTHORIZATION
AND
APPROPRIATION REQUEST

MUTUAL SECURITY PROGRAM

ANALYSIS OF 1956 APPROPRIATION REQUEST BY TITLE AND SECTION OF THE MUTUAL SECURITY ACT OF 1955

Title and Section	Executive Branch Authorization Request	Conference Report on S-2090	Executive Branch Appropriation Request	Report by House Appropriations Committee
Title I - Mutual Defense Assistance:				
Chapter 1 - Military Assistance				
Sec. 103(a)(2) - General Authorization	1,278,000,000	1,133,000,000	1,003,000,000	583,000,000
Sec. 104 - Infrastructure	(122,000,000) ^{a/}	(122,000,000) ^{a/}	122,000,000 ^{a/}	122,000,000
Total Chapter 1	1,278,000,000	1,133,000,000	1,125,000,000	705,000,000
Chapter 2 - Southeast Asia and the Western Pacific, and Direct Forces Support				
Sec. 124 - Direct Forces Support	317,200,000 ✓	317,200,000	317,200,000	305,000,000
Chapter 3 - Defense Support				
Sec. 131(c) -				
(1) Europe (excluding Greece and Turkey)	70,000,000	92,000,000	70,000,000	70,000,000
(2) Near East (including Greece and Turkey) and Africa	102,500,000	102,500,000	102,500,000	102,500,000
(3) Asia	827,800,000	827,800,000	827,800,000	775,000,000
Total Chapter 3	1,000,300,000 ✓	1,022,300,000	1,000,300,000	947,500,000
TOTAL TITLE I	2,595,500,000	2,472,500,000	2,442,500,000	1,957,500,000
Title II - Development Assistance:				
Sec. 201 (a) and (c)				
(1) Near East and Africa	73,000,000	73,000,000	73,000,000	73,000,000
(2) Asia	71,000,000	71,000,000	71,000,000	61,000,000
(3) American Republics	21,000,000	38,000,000	38,000,000	38,000,000
TOTAL TITLE II	165,000,000 ✓	182,000,000	182,000,000	172,000,000
Title III - Technical Cooperation:				
Sec. 304(b) - Authorization				
Sec 306 - Multilateral Technical Cooperation -	146,500,000	146,500,000	146,500,000	125,000,000
(a) United Nations Expanded Program of Technical Assistance	24,000,000	24,000,000	24,000,000	24,000,000
(b) Organization of American States	1,500,000	1,500,000	1,500,000	1,500,000
TOTAL TITLE III	172,000,000 ✓	172,000,000	172,000,000	150,500,000

Title and Section	Executive Branch Authorization Request	Conference Report on S-2090	Executive Branch Appropriation Request	Report by House Appropriations Committee
Title IV - Other Programs:				
Sec. 401(b) - Special Presidential Fund	100,000,000	100,000,000	100,000,000	100,000,000
Sec. 403(b) - Special Assistance in Joint Control Areas	21,000,000	21,000,000	21,000,000	21,000,000
Sec. 405 - Migrants, Refugees, and Escapees -				
(a) Intergovernmental Committee for European Migration	12,500,000		12,500,000 ^{c/}	10,000,000
(c) United Nations Refugee Fund	1,400,000	1,400,000	1,400,000	1,000,000
(d) Escapee Program	6,000,000	6,000,000	6,000,000	6,000,000
Sec. 406(b) - Children's Welfare	14,500,000	14,500,000	14,500,000	14,500,000
Sec. 407(b) - Palestine Refugees in the Near East	65,000,000	65,000,000	61,366,750 ^{b/}	56,366,750
Sec. 408 - North Atlantic Treaty Organization	3,700,000		3,700,000 ^{c/}	3,700,000
Sec. 409 - Ocean Freight Charges -				
(c) Voluntary Relief Shipments	2,000,000	2,000,000	2,000,000	1,500,000
(d) Surplus Agricultural Commodities	13,000,000	13,000,000	13,000,000	10,000,000
Sec. 410 - Control Act Expenses	1,175,000	1,175,000	1,175,000	1,175,000
Sec. 411(b) - Administrative and Other Expenses (Other than Title I, Chapter 1, and Sec. 124)	35,225,000	35,225,000	33,500,000	33,500,000
Sec. 418(b) - President's Fund for Asian Economic Development	200,000,000	200,000,000	200,000,000	100,000,000
TOTAL TITLE IV	475,500,000	459,300,000	470,141,750	358,741,750
TOTAL 1956 REQUEST	3,408,000,000	3,285,800,000	3,266,641,750	2,638,741,750

a/ 1956 appropriation estimate against existing unappropriated authorization totaling \$221 million in Sec. 104 of Mutual Security Act of 1954.

b/ Reflects reduction of \$3,633,250 in new appropriation request because of an unobligated balance in a similar amount for which carry-over authority is being requested.

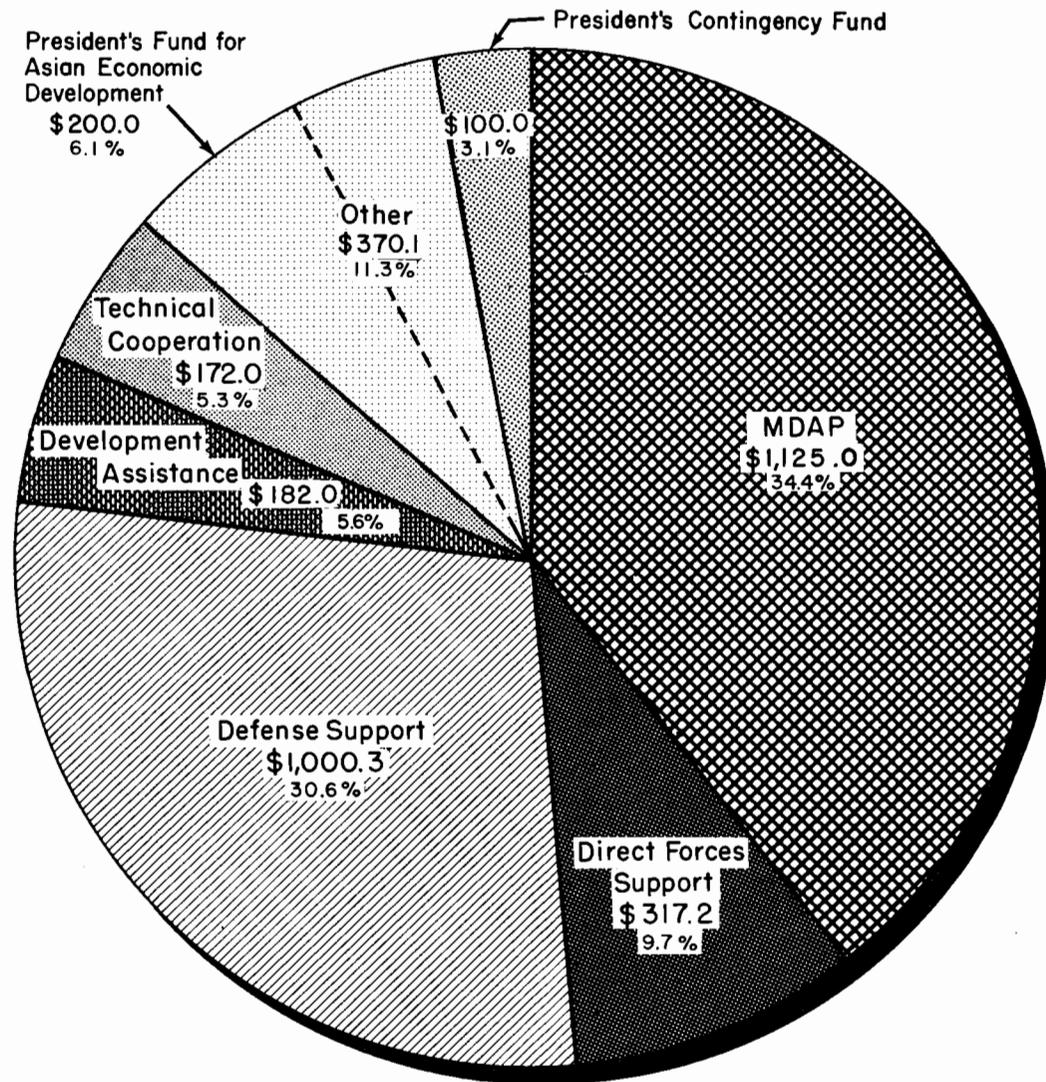
c/ 1956 appropriation estimates against existing authorizations in the Mutual Security Act of 1954.

1956 PROGRAM
BY
AREA AND FUNCTION

THE PROGRAM FOR FY 1956

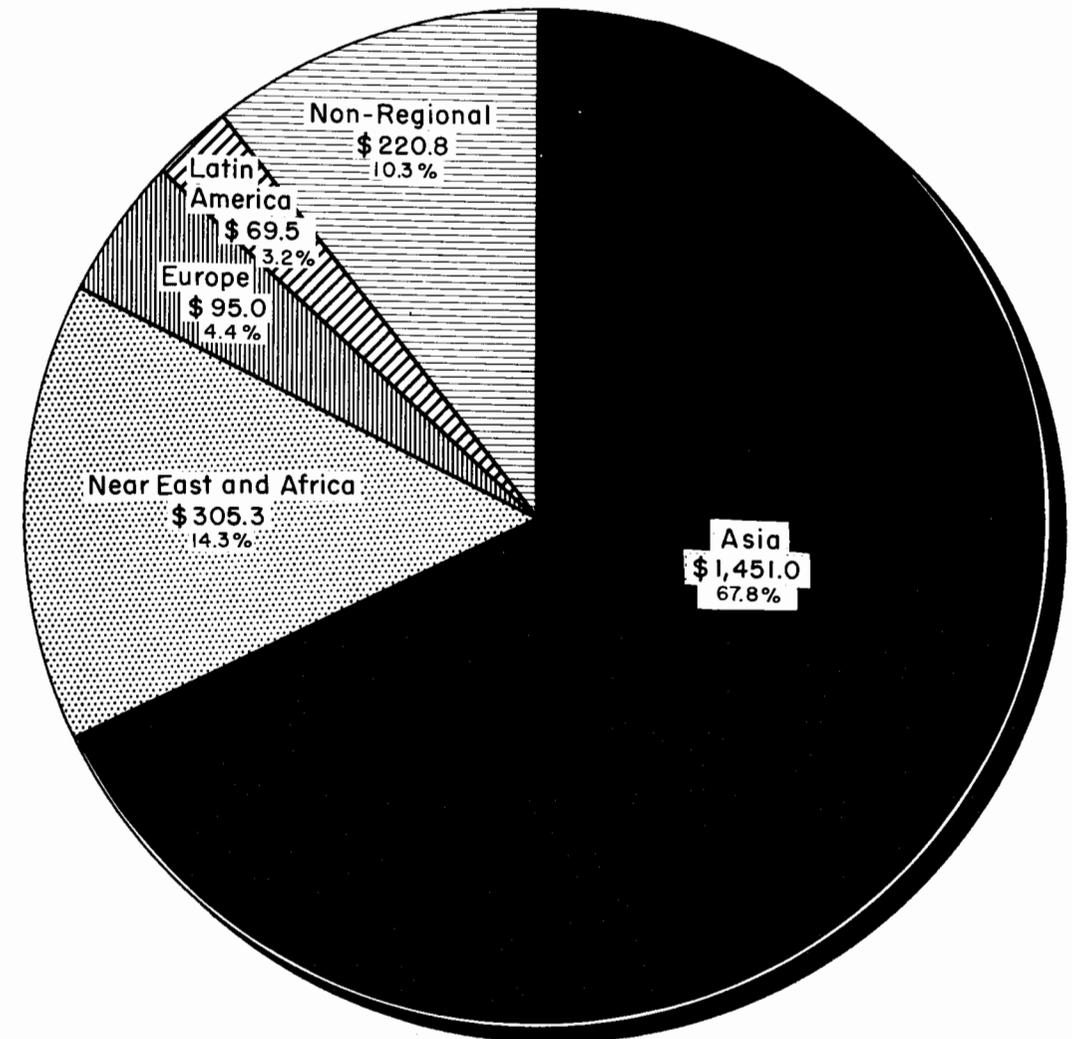
(\$ Millions)

APPROPRIATIONS BY FUNCTION



\$ 3,267 Million

APPROPRIATIONS BY AREA (Excluding MDAP)



\$ 2,142 Million
(Excluding MDAP)

MUTUAL SECURITY PROGRAM

ESTIMATED OBLIGATIONS^{a/} IN FY 1956 AND FY 1956 APPROPRIATION REQUEST

	Military Assistance	Direct Forces Support	Defense Support	Development Assistance	Technical Cooperation	Other Programs	Undistributed ^{b/}	Total
<u>Military Assistance</u>	1,158,900,000							1,158,900,000
<u>Programs Other Than Military Assistance</u>								
Europe		4,000,000	70,000,000			21,000,000		95,000,000
Near East		27,500,000	102,500,000	73,000,000	41,000,000	65,000,000		309,000,000
Asia		285,700,000	852,800,000	71,000,000	66,500,000	100,000,000		1,376,000,000
Latin America				38,000,000	31,500,000			69,500,000
Non-Regional Programs					33,000,000	187,775,000		220,775,000
Undistributed							21,366,750	21,366,750
Total Other Than Military Assistance		317,200,000	1,025,300,000	182,000,000	172,000,000	373,775,000	21,366,750	2,091,641,750
Grand Total Obligations ^{a/} FY 1956	1,158,900,000	317,200,000	1,025,300,000	182,000,000	172,000,000	373,775,000	21,366,750	3,250,541,750
<u>Adjustments</u>								
Unobligated Carryover from 1955	-33,900,000		-25,000,000			-3,633,250 ^{b/}	-21,366,750 ^{b/}	-83,900,000
Carried Forward for Obligation after 6/30/56						100,000,000		100,000,000
Appropriation Request	1,125,000,000	317,200,000	1,000,300,000	182,000,000	172,000,000	470,141,750	-	3,266,641,750

a/ In addition to obligations this estimate provides for administrative reservation of military assistance funds in accordance with Section 110, P.L. 778.

b/ A total of \$25 million of Non-Military Assistance funds is estimated to be unobligated (in addition to the \$25 million reflected under heading "Defense Support") at the close of FY 1955. This estimate is projected as past experience has shown that certain unobligated balances have consistently occurred. Of this \$25 million, \$3.7 will be unobligated in the Palestine Refugee Account; the balances of \$21.3 can not be isolated by individual appropriations and functions and is therefore estimated on a lump sum undistributed basis.

DISTRIBUTION OF FY 1956 PROGRAM

By Region, Country, Title and Function

(In millions of dollars)

Region and Country	Title I - Military Assistance			Title I Total	Title II Development Assistance	Title III Technical Cooperation	Title IV Other Programs	Total	
	Chapter I Military Assistance	Chapter 2							Chapter 3 Defense Support
		S.E.Asia, the Western Pacific and Direct Forces Support							
TOTAL, ALL PROGRAMS	1,125.0	317.2	1,000.3	2,442.5	182.0	172.0	473.8	3,270.3	
Military Assistance	1,125.0			1,125.0				1,125.0	
Programs Other Than Military Assistance - Total		317.2	1,000.3	1,317.5	182.0	172.0	473.8	2,145.3	
EUROPE - TOTAL		4.0	70.0	74.0			21.0	95.0	
Spain			28.0	28.0				28.0	
Yugoslavia		4.0	36.5	40.5				40.5	
Joint Control Area							21.0	21.0	
Western Europe Technical Exchange			5.5	5.5				5.5	
NEAR EAST AND AFRICA - TOTAL		27.5	102.5	130.0	73.0	41.0	65.0	309.0	
Egypt						4.0		4.0	
Ethiopia						3.4		3.4	
Greece			15.0	15.0		1.5		16.5	
Iran		7.5	37.5	45.0		10.0		55.0	
Iraq						2.3		2.3	
Israel						2.0		2.0	
Jordan						2.8		2.8	
Lebanon						2.5		2.5	
Liberia						1.8		1.8	
Libya						2.0		2.0	
Turkey		20.0	50.0	70.0		2.5		72.5	
Overseas Territories						4.0		4.0	
Regional						2.2		2.2	
Palestine Refugees in the Near East							65.0	65.0	
Undistributed by Country					73.0			73.0	
ASIA - TOTAL		285.7	827.8	1,113.5	71.0	66.5	200.0	1,451.0	
South Asia Countries - Subtotal		20.0	63.0	83.0	71.0	27.0		181.0	
Afghanistan						2.0		2.0	
India					70.0	15.0		85.0	
Pakistan		20.0	63.0	83.0		9.0		92.0	
Nepal					1.0	1.0		2.0	
Far East Countries - Subtotal		265.7	764.8	1,030.5		39.5		1,070.0	
China (Formosa)		37.0	62.0	99.0		3.0		102.0	
Indonesia						8.0		8.0	
Japan						1.0		1.0	
Korea		180.0	272.0	452.0		8.0		460.0	
Philippines		2.3	19.7	22.0		6.5		28.5	
Thailand		8.2	31.8	40.0		5.5		45.5	
Cambodia, Laos, Vietnam		38.2	379.3	417.5		7.5		425.0	
President's Fund for Asian Economic Development							200.0	200.0	

<u>LATIN AMERICA - TOTAL</u>	38.0	31.5	69.5
Bolivia	16.0	2.5	18.5
Brazil		3.5	3.5
Chile		2.4	2.4
Colombia		1.5	1.5
Costa Rica		1.0	1.0
Cuba		0.6	0.6
Dominican Republic		0.4	0.4
Ecuador		1.6	1.6
El Salvador		1.0	1.0
Guatemala	5.0	1.8	6.8
Haiti		1.5	1.5
Honduras		1.1	1.1
Mexico		1.8	1.8
Nicaragua		0.9	0.9
Panama		1.3	1.3
Paraguay		1.5	1.5
Peru		2.7	2.7
Uruguay		0.4	0.4
Venezuela		0.2	0.2
Overseas Territories		1.1	1.1
Regional	17.0	1.2	18.2
Organization of American States (OAS)		1.5	1.5
<u>NON-REGIONAL PROGRAMS - TOTAL</u>		33.0	187.8
U.N. Expanded Program of Technical Assistance		24.0	24.0
Inter-Regional Expenses		9.0	9.0
Refugees and Migrants:			
Intergovernmental Committee for European Migration			12.5
United Nations Refugee Fund			1.4
Escapee Program			6.0
United Nations Children's Fund			14.5
North Atlantic Treaty Organization (Civilian Headquarters)			3.7
Ocean Freight - Voluntary Relief Shipments			2.0
Ocean Freight - Surplus Agricultural Commodities			13.0
Control Act Expenses			1.2
Administrative Expenses (Other Than Military Assistance)			33.5
Special Presidential Fund			100.0

Revised
July 8, 1955

MUTUAL SECURITY PROGRAM

TOTAL PROGRAMS, EXCLUDING MILITARY ASSISTANCE

Comparative Summary by Function and Major Activity

(In millions of dollars)

Function and Activity	Program		
	FY 1954	FY 1955	Proposed FY 1956
<u>DIRECT FORCES SUPPORT</u>			
Production for Forces Support	234.0	35.0	-
Common-Use Items	360.2	330.8	317.2
Total - Direct Forces Support	594.2	365.8	317.2
<u>DEFENSE SUPPORT</u>			
Country Programs	1,394.4	1,192.0	994.8
U.S. Contributions to UNKRA	23.2	19.0	-
Undistributed by Country	.7	8.5	5.5
Total - Defense Support	1,418.3	1,219.5	1,000.3
<u>DEVELOPMENT ASSISTANCE</u>			
Country Programs	141.0	180.0	182.0
Total - Development Assistance	141.0	180.0	182.0
<u>TECHNICAL COOPERATION</u>			
Bilateral Country Programs	94.0	100.3	134.1
United Nations Technical Assistance Program	8.5	16.4	24.0
Organization of American States	0.7	1.5	1.5
Undistributed by Country	5.6	12.7	12.4
Total - Technical Cooperation	108.8	130.9	172.0

OTHER PROGRAMS

Special Assistance in Joint Control Areas	18.2	24.6	21.0
Coal-Steel Community Loan	100.0	-	-
Palestine Refugees in the Near East	15.0	16.7	65.0
President's Fund for Asian Economic Development	-	-	200.0
Refugees and Migrants			
Intergovernmental Committee for European Migration	7.0	10.5	12.5
United Nations Refugee Fund	-	-	1.4
Escapee Program	7.2	6.2	6.0
United Nations Children's Fund	9.8	12.5	14.5
North Atlantic Treaty Organization (Civilian Headquarters)	1.2	1.2	3.7
Ocean Freight - Voluntary Relief Shipments	2.3	1.5	2.0
Ocean Freight - Surplus Agricultural Commodities	3.5	8.3	13.0
Control Act Expenses	1.0	1.2	1.2
Administrative Expenses (Other than Military Assistance)	33.7	32.6	33.5
Special Presidential Fund	-	-	100.0
Special Programs	47.1	15.4	-
Coal Revolving Fund	-	20.0	-
Total - Other Programs	246.0	150.7	473.8
Total - All Functions and Activities	2,508.3	2,046.9	2,145.3
Less Savings from prior year program for support of forces in Cambodia, Laos, and Vietnam	-	43.2	-
Total Programs Financed from Current Year Funds	2,508.3 ^{a/}	2,003.7 ^{a/}	2,145.3

Method of Financing by Function	Program		
	FY 1954	FY 1955	Proposed FY 1956
<u>Total Loans</u>		194.5 ^{b/}	
Defense Support		90.0	
Development Assistance		104.5	
<u>Summary of Surplus Agricultural Commodities Transactions</u>			
Total Surplus Agricultural Commodity Sales	245.1	380.7	225.0
Total Sales Proceeds Programmed for Other Than Military Assistance	162.2	341.8	225.0
Direct Forces Support	(64.0)	(39.8)	(10.0)
Defense Support	(51.5)	(231.1)	(130.0)
Development Assistance	(20.4)	(47.2)	(65.0)
Technical Cooperation	(2.3)	-	-
Other	(24.0)	(23.7)	(20.0)
Total Sales Proceeds Programmed for Military Assistance	82.9	38.9	-

^{a/} Includes, for comparability purposes, Non-Mutual Security funds (Department of Defense Appropriations) programmed in Korea as follows: in FY 1954 \$65.9 million for Civilian Relief (CRIK) program and \$172.0 million for Direct Forces Support; in FY 1955 \$189.6 million for Direct Forces Support.

^{b/} This total reflects loans negotiated as of April 25, 1955. Other loans under consideration are expected to result in total loans in FY 1955 of not less than \$200.0 million.

MUTUAL SECURITY PROGRAM

TOTAL PROGRAMS, EXCLUDING MILITARY ASSISTANCE

Summary of Programs by Area and Function

(In millions of dollars)

Area and Function	Program		
	FY 1954	FY 1955	Proposed FY 1956
<u>Europe</u>			
Direct Forces Support	234.0	44.3	4.0
Defense Support	221.1	142.8	70.0
Other Programs	133.1	26.1	21.0
Total - Europe	588.2	213.2	95.0
<u>Near East and Africa</u>			
Direct Forces Support	30.6	25.0	27.5
Defense Support	137.6	136.0	102.5
Development Assistance	75.0	94.1	73.0
Technical Cooperation	37.7	33.8	41.0
Other Programs	15.0	16.7	65.0
Total - Near East and Africa	295.9	305.6	309.0
<u>Asia</u>			
Direct Forces Support	329.6	296.5	285.7
Defense Support	1,059.6	940.7	827.8
Development Assistance	61.6	70.9	71.0
Technical Cooperation	35.9	45.5	66.5
Other Programs	-	5.9	200.0
Total - Asia	1,486.7^{a/}	1,359.5^{a/}	1,451.0
<u>Latin America</u>			
Development Assistance	4.4	15.0	38.0
Technical Cooperation	22.7	26.6	31.5
Total - Latin America	27.1	41.6	69.5

Non-Regional Programs

Technical Cooperation

UN Expanded Program of Technical Assistance
Inter-Regional Expenses

8.5	16.4	24.0
4.0	8.6	9.0

Total Technical Assistance

12.5	25.0	33.0
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Other Programs

Refugees and Migrants

Intergovernmental Committee for European Migration

United Nations Refugee Fund

Escapee Program

United Nations Children's Fund

North Atlantic Treaty Organization (Civilian Headquarters)

Ocean Freight - Voluntary Relief Shipments

Ocean Freight - Surplus Agricultural Commodities

Control Act Expenses

Administrative Expenses (Other Than Military Assistance)

Special Presidential Fund

Special Programs

Coal Revolving Fund

7.0	10.5	12.5
-	-	1.4
7.2	6.2	6.0
9.8	12.5	14.5
1.2	1.2	3.7
2.3	1.5	2.0
3.5	8.3	13.0
1.0	1.2	1.2
33.7	32.6	33.5
-	-	100.0
32.2	8.0	-
-	20.0	-

Total - Other Programs

97.9	102.0	187.8
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Total Non-Regional Programs

110.4	127.0	220.8
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Total - All Areas and Functions

2,508.3	2,046.9	2,145.3
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Less Savings from Prior Year Programs for
Support of Forces in Cambodia, Laos, and Vietnam

-	43.2	-
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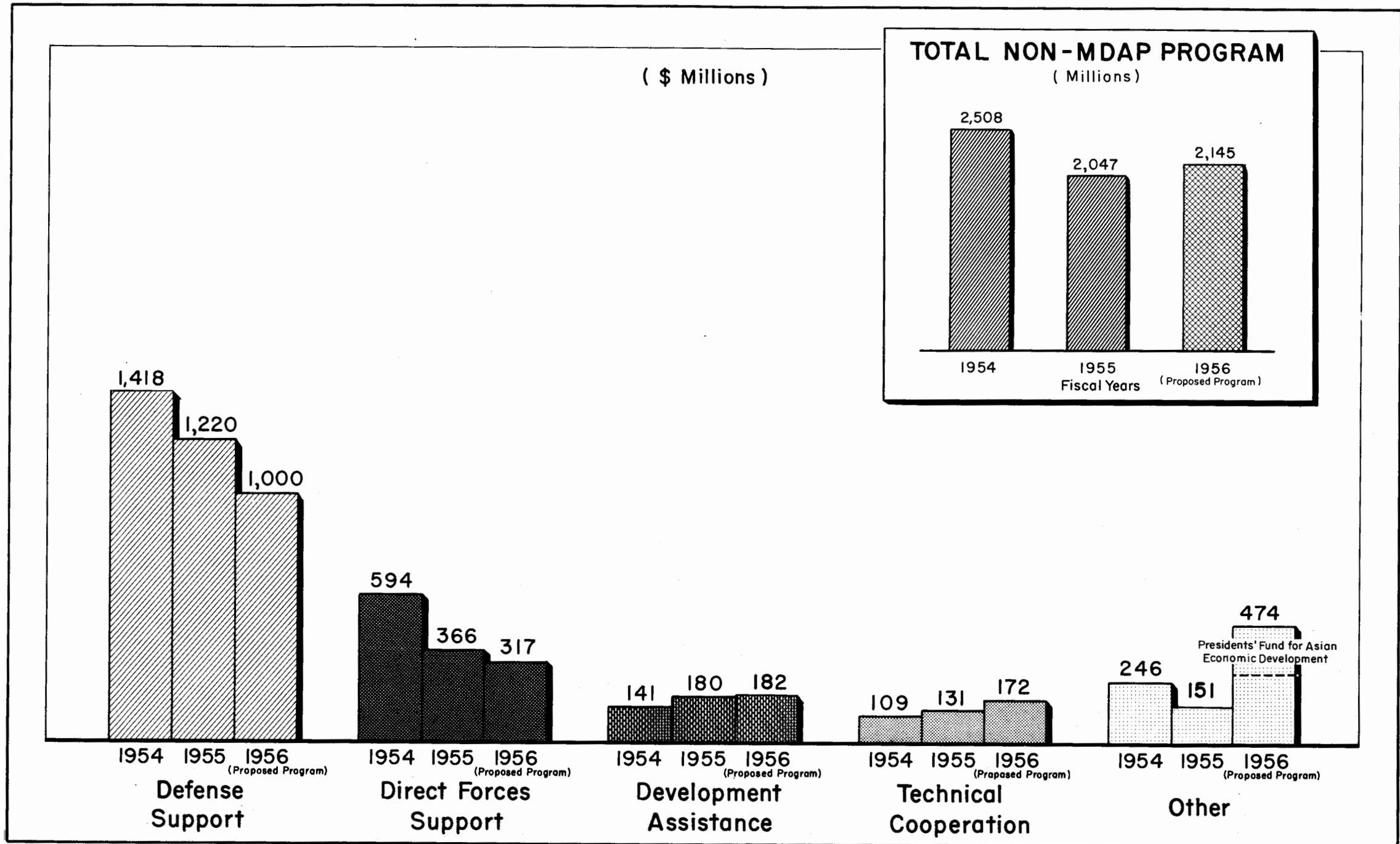
Total Programs Financed from Current Year Funds

2,508.3 ^{a/}	2,003.7 ^{a/}	2,145.3
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^{a/} Includes, for comparability purposes, Non-Mutual Security funds (Department of Defense Appropriations) programmed in Korea as follows: In FY 1954 \$65.9 million for Civilian Relief (CRIK) program and \$172.0 million for Direct Forces Support; in FY 1955 \$189.6 million for Direct Forces Support.

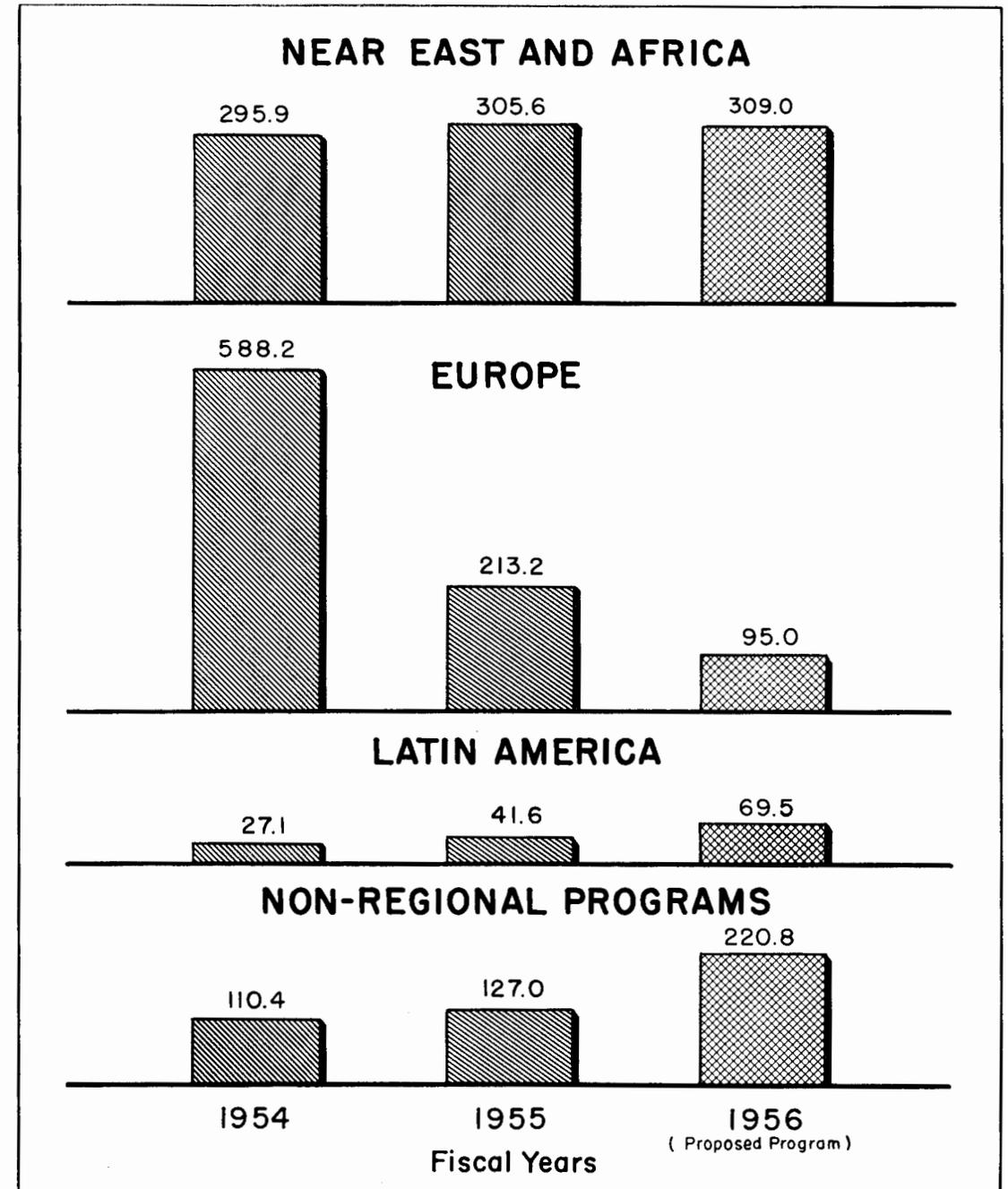
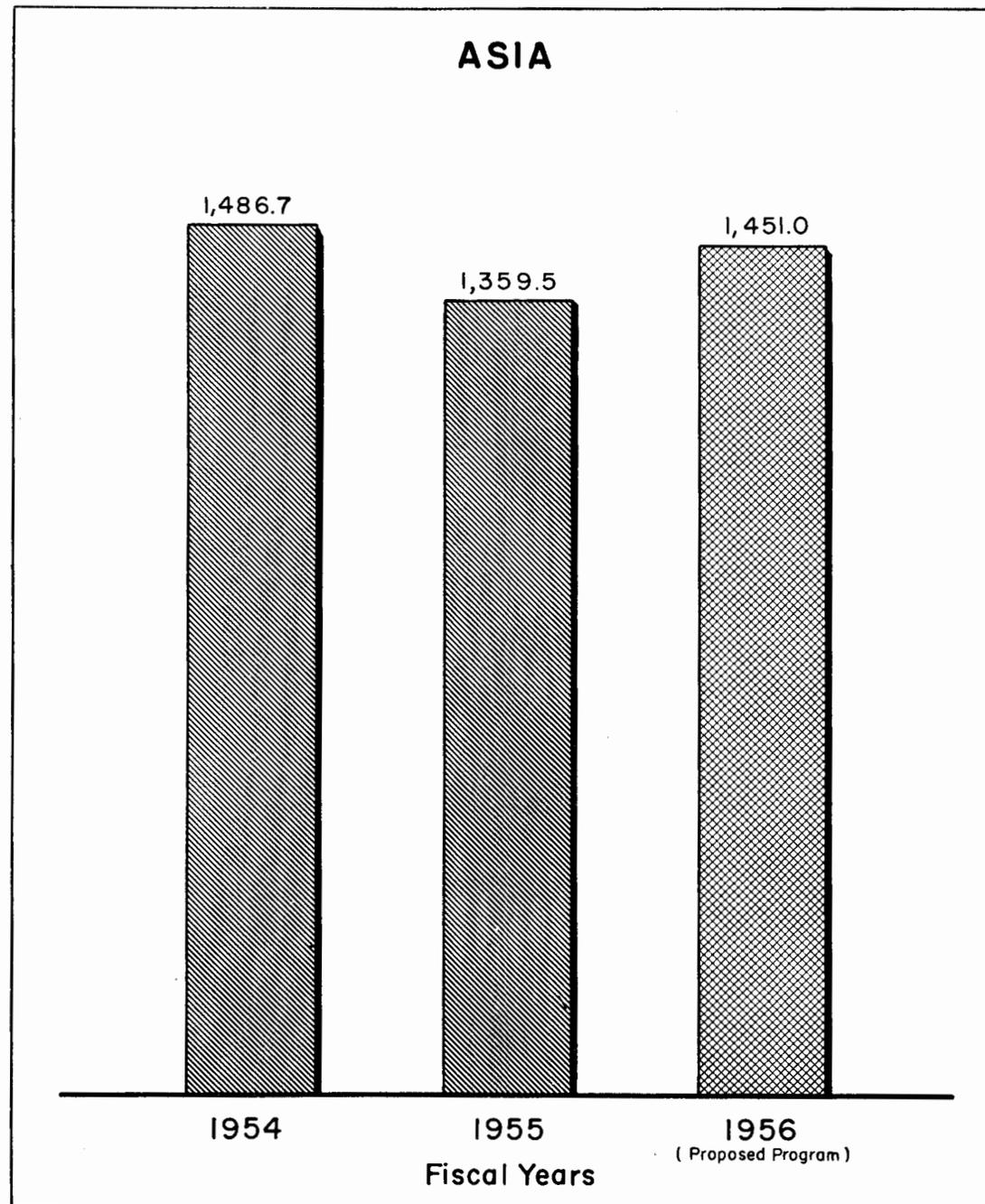
Revised
July 8, 1955

SUMMARY OF NON-MDAP PROGRAMS BY FUNCTION



SUMMARY OF PROGRAM (NON-MDAP) BY REGION

(\$ Millions)



COMPARATIVE SUMMARY OF OBLIGATIONS

BY

TITLES AND SECTIONS

MUTUAL SECURITY PROGRAM

COMPARATIVE SUMMARY OF OBLIGATIONS BY TITLES AND SECTIONS
 REFLECTING COMPARATIVE TRANSFERS BY FY 1956 STRUCTURE, AUTHORIZED TRANSFERS, REIMBURSEMENTS, APPROPRIATIONS AND REAPPROPRIATIONS

	Actual FY 1954 ^a	Estimate FY 1955	Estimate FY 1956
TITLE I - MUTUAL DEFENSE ASSISTANCE			
Chapter 1 - Military Assistance			
Sec. 103 - General Authorization			
Total Obligations and Reservations	1,662,380,871	3,271,386,116	1,036,900,000
Comparative Transfers to Adjust to FY 1956 Structure	722,791,334	113,650,000	
Obligations Incurred and Reservations Recorded	2,385,172,205	3,385,036,116	1,036,900,000
Authorized Transfers	37,500,000	58,076,613	
Unobligated Balance Carried Forward	2,422,512,729	33,900,000	
Unobligated Balance Returned to Treasury	317,538,480		
Unobligated Balance Transferred	-25,000,000		
Reimbursements	-1,872,865	-800,000	
Unobligated Balance Brought Forward	-1,905,850,549	-2,383,512,729	-33,900,000
Appropriations, FY 1954 and FY 1955	3,230,000,000	1,092,700,000	
			<u>1,003,000,000</u>
Sec. 104 - Infrastructure			
Total Obligations	101,558,792	139,000,000	122,000,000
Comparative Transfers to Adjust to FY 1956 Structure	-101,558,792		
Obligations Incurred		139,000,000	122,000,000
Unobligated Balance Brought Forward		-39,000,000	
Appropriations, FY 1954 and FY 1955		100,000,000	
Appropriation Request, FY 1956			<u>122,000,000</u>
Recapitulation Chapter 1 - Military Assistance			
Total Obligations and Reservations	1,763,939,663	3,410,386,116	1,158,900,000
Comparative Transfers to Adjust to FY 1956 Structure	621,232,542	113,650,000	
Obligations Incurred and Reservations Recorded	2,385,172,205	3,524,036,116	1,158,900,000
Authorized Transfers	37,500,000	58,076,613	
Unobligated Balance Carried Forward	2,422,512,729	33,900,000	
Unobligated Balance Returned to Treasury	317,538,480		
Unobligated Balance Transferred	-25,000,000		
Reimbursements	-1,872,865	-800,000	
Unobligated Balance Brought Forward	-1,905,850,549	-2,422,512,729	-33,900,000
Appropriations, FY 1954 and FY 1955	3,230,000,000	1,192,700,000	
Appropriation Request, FY 1956			<u>1,125,000,000</u>

Chapter 2 - Southeast Asia, and the Western Pacific, and Direct Forces Support

Sec. 121 - Southeast Asia and the Western Pacific

Total Obligations	400,000,000	589,541,613	
Comparative Transfers to Adjust to FY 1956 Structure	400,000,000	589,541,613	
Obligations Incurred		85,458,387	
Authorized Transfers		25,000,000	
Unobligated Balance Carried Forward	400,000,000	700,000,000	
Appropriations, FY 1954 and FY 1955			
Appropriation Request, FY 1956			

Sec. 122 - Production for Forces Support

Total Obligations	234,000,000	35,000,000	
Comparative Transfers to Adjust to FY 1956 Structure	-64,000,000		
Obligations Incurred and Appropriations, FY 1954 and FY 1955	170,000,000	35,000,000	
Appropriation Request, FY 1956			

Sec. 123 - Common-Use Items

Total Obligations	360,214,592 ^{b/}	330,760,000 ^{b/}	
Comparative Transfers to Adjust to FY 1956 Structure	-360,214,592 ^{b/}	-260,760,000 ^{b/}	
Obligations Incurred		70,000,000	
Authorized Transfers		-10,000,000	
Appropriations, FY 1954 and FY 1955		60,000,000	
Appropriation Request, FY 1956			

Sec. 124 - Direct Forces Support

Appropriations, FY 1954 and FY 1955			
Obligations Incurred and Appropriation Request, FY 1956			317,200,000

Recapitulation Chapter 2 - Southeast Asia and the Western Pacific, and Direct Forces Support

Total Obligations	594,214,592 ^{b/}	365,760,000 ^{b/}	317,200,000
Comparative Transfers to Adjust to FY 1956 Structure	-24,214,592 ^{b/}	328,781,613 ^{b/}	
Obligations Incurred	570,000,000	694,541,613	317,200,000
Authorized Transfers		75,458,387	
Unobligated Balance Carried Forward		25,000,000	
Appropriations, FY 1954 and FY 1955	570,000,000	795,000,000	
Appropriation Request, FY 1956			317,200,000

NOTE: All footnotes will be found on Page 28, Section I.

MUTUAL SECURITY PROGRAM

COMPARATIVE SUMMARY OF OBLIGATIONS BY TITLES AND SECTIONS
 REFLECTING COMPARATIVE TRANSFERS BY FY 1956 STRUCTURE, AUTHORIZED TRANSFERS, REIMBURSEMENTS, APPROPRIATIONS AND REAPPROPRIATIONS

	Actual FY 1954	Estimate FY 1955	Estimate FY 1956
TITLE I - MUTUAL DEFENSE ASSISTANCE (Continued)			
Chapter 3 - Defense Support			
Sec. 131(b) and (c), (1): <u>Europe</u>			
Total Obligations	221,153,247	142,784,273	70,000,000
Comparative Transfers to Adjust to FY 1956 Structure	129,993,278	-60,760,000	
Obligations Incurred	351,146,525	82,024,273	70,000,000
Authorized Transfers	-29,300,337	-37,000,000	
Unobligated Balance Carried Forward	24,273		
Unobligated Balance Returned to Treasury	13,838,969		
Reimbursements	-2,524		
Unobligated Balance Brought Forward	-115,706,906	-24,273	
Appropriations, FY 1954 and FY 1955	220,000,000	45,000,000	
Appropriation Request, FY 1956			70,000,000
Sec. 131(b)(2): <u>Near East, Africa and South Asia</u>			
Total Obligations	152,092,254	202,903,000	
Deduct Obligations Incurred Against Prior Year Funds Released by Deobligation		-10,000,000	
Comparative Transfers to Adjust to FY 1956 Structure	-152,092,254	-84,303,000	
Obligations Incurred		108,600,000	
Authorized Transfers		-35,600,000	
Appropriations, FY 1954 and FY 1955		73,000,000	
Appropriation Request, FY 1956			
Sec. 131(c)(2): <u>Near East and Africa</u>			
Appropriations, FY 1954 and FY 1955			
Obligations Incurred and Appropriation Request, FY 1956			102,500,000
Sec. 131(b)(3): <u>Far East and the Pacific</u>			
Total Obligations	747,730,362	568,838,195	
Deduct Obligations Incurred Against Prior Year Funds Released by Deobligation		-14,723,387	
Comparative Transfers to Adjust to FY 1956 Structure	-649,414,579	-474,016,613	
Obligations Incurred	98,315,783	80,098,195	
Unobligated Balance Carried Forward			
Unobligated Balance Returned to Treasury	3,505,813		
Unobligated Balance Brought Forward	-29,821,596		
Appropriations, FY 1954 and FY 1955	72,000,000	80,098,195	
Appropriation Request, FY 1956			

TITLE I - MUTUAL DEFENSE ASSISTANCE (Continued)

Sec. 131(c)(3): Asia

Total Obligations - Obligations Incurred			852,800,000
Unobligated Balance Brought Forward			-25,000,000
Appropriations, FY 1954 and FY 1955			
Appropriation Request, FY 1956			<u>827,800,000</u>

Sec. 132(a): Korean Program

Total Obligations	274,113,628 ^{c/}	261,000,000	
Comparative Transfers to Adjust to FY 1956 Structure	-74,551,802	-39,800,000	
Obligations Incurred	199,561,826	221,200,000	
Authorized Transfers	-200,000,000		
Unobligated Balance Returned to Treasury	438,174		
Unobligated Balance Transferred		-16,200,000	
Appropriations, FY 1954 and FY 1955		205,000,000	
Appropriation Request, FY 1956			

Sec. 132(b): United Nations Korean Reconstruction Agency (UNKRA)

Total Obligations	23,152,615	19,000,000	
Comparative Transfers to Adjust to FY 1956 Structure	9,000,000		
Obligations Incurred	32,152,615	19,000,000	
Unobligated Balance Carried Forward	16,000,000		
Unobligated Balance Returned to Treasury	2,647,385		
Unobligated Balance Brought Forward	-100,000	-16,000,000	
Appropriations, FY 1954, and FY 1955	50,700,000	3,000,000	
Appropriation Request, FY 1956			

Recapitulation Chapter 3 - Defense Support

Total Obligations	1,418,242,106 ^{c/}	1,194,525,468	1,025,300,000
Deduct Obligations Incurred Against Prior Year Funds Released by Deobligation		-24,723,387	
Comparative Transfers to Adjust to FY 1956 Structure	-737,065,357	-658,879,613	
Obligations Incurred	681,176,749	510,922,468	1,025,300,000
Authorized Transfers	-229,300,337	-72,600,000	
Unobligated Balance Carried Forward	16,024,273		
Unobligated Balance Returned to Treasury	20,430,341		
Unobligated Balance Transferred		-16,200,000	
Reimbursements	-2,524		
Unobligated Balance Brought Forward	-145,628,502	-16,024,273	-25,000,000
Appropriations, FY 1954 and FY 1955	342,700,000	406,098,195	
Appropriation Request, FY 1956			<u>1,000,300,000</u>

MUTUAL SECURITY PROGRAM

COMPARATIVE SUMMARY OF OBLIGATIONS BY TITLES AND SECTIONS
 REFLECTING COMPARATIVE TRANSFERS BY FY 1956 STRUCTURE, AUTHORIZED TRANSFERS, REIMBURSEMENTS, APPROPRIATIONS AND REAPPROPRIATIONS

	Actual FY 1954	Estimate FY 1955	Estimate FY 1956
TITLE I - MUTUAL DEFENSE ASSISTANCE (Continued)			
<u>Recapitulation Title I - Mutual Defense Assistance</u>			
Total Obligations and Reservations	3,776,396,361	4,970,671,584	2,501,400,000
Deduct Obligations Incurred Against Prior Year Funds Released by Deobligation		-24,723,387	
Comparative Transfers to Adjust to FY 1956 Structure	-140,047,407	-216,448,000	
Obligations Incurred and Reservations Recorded	3,636,348,954	4,729,500,197	2,501,400,000
Authorized Transfers	-191,800,337	60,935,000	
Unobligated Balance Carried Forward	2,438,537,002	58,900,000	
Unobligated Balance Returned to Treasury	337,968,821		
Unobligated Balance Transferred	-25,000,000	-16,200,000	
Reimbursements	-1,875,389	-800,000	
Unobligated Balance Brought Forward	-2,051,479,051	-2,438,537,002	-58,900,000
Appropriations, FY 1954 and FY 1955	4,142,700,000	2,393,798,195	
Appropriation Request, FY 1956			2,442,500,000
TITLE II - DEVELOPMENT ASSISTANCE			
<u>Sec. 201(a) and (c), (1): Near East and Africa</u>			
Total Obligations	74,959,735	94,130,000	73,000,000
Comparative Transfers to Adjust to FY 1956 Structure	71,862,398	60,870,000	
Obligations Incurred	146,822,133	155,000,000	73,000,000
Authorized Transfers		-40,000,000	
Unobligated Balance Returned to Treasury	177,867		
Appropriations, FY 1954 and FY 1955	147,000,000	115,000,000	
Appropriation Request, FY 1956			73,000,000
<u>Sec. 201(a) and (c), (2): South Asia (for 1954 and 1955); Asia (for 1956)</u>			
Total Obligations	61,648,745	70,935,000	71,000,000
Deduct Obligations Incurred Against Prior Year Funds Released by Deobligation		-10,435,000	
Comparative Transfers to Adjust to FY 1956 Structure	13,351,255	10,435,000	
Obligations Incurred	75,000,000	70,935,000	71,000,000
Authorized Transfers		-10,435,000	
Appropriations, FY 1954 and FY 1955	75,000,000	60,500,000	
Appropriation Request, FY 1956			71,000,000

TITLE II - DEVELOPMENT ASSISTANCE (Continued)

Sec. 201(a) and (c), (3): American Republics and Non-Self-Governing Territories in the Western Hemisphere

Total Obligations	4,419,855	14,982,000	38,000,000
Deduct Obligations Incurred Against Prior Year Funds Released by Deobligation		-2,282,000	
Comparative Transfers to Adjust to FY 1956 Structure	-4,419,855	-1,700,000	
Obligations Incurred		11,000,000	38,000,000
Authorized Transfers		-2,000,000	
Appropriations, FY 1954 and FY 1955		9,000,000	
Appropriation Request, FY 1956			38,000,000

Recapitulation Title II - Development Assistance

Total Obligations	141,028,335	180,047,000	182,000,000
Deduct Obligations Incurred Against Prior Year Funds Released by Deobligation		-12,717,000	
Comparative Transfers to Adjust to FY 1956 Structure	80,793,798	69,605,000	
Obligations Incurred	221,822,133	236,935,000	182,000,000
Authorized Transfers		-52,435,000	
Unobligated Balance Returned to Treasury	177,867		
Appropriations, FY 1954 and FY 1955	222,000,000	184,500,000	
Appropriation Request, FY 1956			182,000,000

TITLE III - TECHNICAL COOPERATION

Sec. 304 - Authorization

Total Obligations	99,592,290	113,010,922	146,500,000
Deduct Obligations Incurred Against Prior Year Funds Released by Deobligation		-3,200,000	
Comparative Transfers to Adjust to FY 1956 Structure	-40,134,353	-1,487,422	
Obligations Incurred	59,457,937	108,323,500	146,500,000
Authorized Transfers	-1,899,490	-2,000,000	
Unobligated Balance Carried Forward	1,413,592		
Unobligated Balance Returned to Treasury	1,682,971	90,422	
Reimbursements		-330	
Unobligated Balance Brought Forward	-4,520,510	-1,413,592	
Appropriations, FY 1954 and FY 1955	56,134,500	105,000,000	
Appropriation Request, FY 1956			146,500,000

Sec. 306(a) - United Nations Expanded Program of Technical Assistance

Total Obligations	8,500,000	16,457,621	24,000,000
Comparative Transfers to Adjust to FY 1956 Structure	693,298		
Obligations Incurred	9,193,298	16,457,621	24,000,000
Authorized Transfers		-6,500,000	
Unobligated Balance Returned to Treasury	306,702		
Appropriations, FY 1954 and FY 1955	9,500,000	9,957,621	
Appropriation Request, FY 1956			24,000,000

MUTUAL SECURITY PROGRAM

COMPARATIVE SUMMARY OF OBLIGATIONS BY TITLES AND SECTIONS
 REFLECTING COMPARATIVE TRANSFERS BY FY 1956 STRUCTURE, AUTHORIZED TRANSFERS, REIMBURSEMENTS, APPROPRIATIONS AND REAPPROPRIATIONS

	Actual FY 1954	Estimate FY 1955	Estimate FY 1956
<u>TITLE III - TECHNICAL COOPERATION (Continued)</u>			
Sec. 306(b) - <u>Organization of American States</u>			
Total Obligations	693,298	1,409,578	1,500,000
Comparative Transfers to Adjust to FY 1956 Structure	-693,298	90,422	
Obligations Incurred and Appropriations, FY 1954 and FY 1955		1,500,000	
Obligations Incurred and Appropriation Request, FY 1956			<u>1,500,000</u>
<u>Recapitulation Title III - Technical Cooperation</u>			
Total Obligations	108,785,588	130,878,121	172,000,000
Deduct Obligations Incurred Against Prior Year Funds Released by Deobligation		-3,200,000	
Comparative Transfers to Adjust to FY 1956 Structure	-40,134,353	-1,397,000	
Obligations Incurred	68,651,235	126,281,121	172,000,000
Authorized Transfers	-1,899,490	-8,500,000	
Unobligated Balance Carried Forward	1,413,592		
Unobligated Balance Returned to Treasury	1,989,673	90,422	
Reimbursements		-330	
Unobligated Balance Brought Forward	-4,520,510	-1,413,592	
Appropriations, FY 1954 and FY 1955	65,634,500	116,457,621	
Appropriation Request, FY 1956			<u>172,000,000</u>
<u>TITLE IV - OTHER PROGRAMS</u>			
Sec. 401 - <u>Special Presidential Fund</u>			
Appropriations, FY 1954 and FY 1955			
Obligations Incurred and Appropriation Request, FY 1956			<u>100,000,000</u>
Sec. 403 - <u>Special Assistance in Joint Control Areas</u>			
Total Obligations	15,158,527	24,594,500	21,000,000
Comparative Transfers to Adjust to FY 1956 Structure	-15,158,527	405,500	
Obligations Incurred and Appropriations, FY 1954 and FY 1955		25,000,000	
Obligations Incurred and Appropriation Request, FY 1956			<u>21,000,000</u>

TITLE IV - OTHER PROGRAMS (Continued)

Sec. 405(a) - <u>Intergovernmental Committee for European Migration</u>			
Total Obligations and Obligations Incurred	6,989,190	10,500,000	12,500,000
Unobligated Balance Carried Forward	500,000		
Unobligated Balance Returned to Treasury	10,810		
Unobligated Balance Brought Forward		-500,000	
Appropriations, FY 1954 and FY 1955	<u>7,500,000</u>	<u>10,000,000</u>	
Appropriation Request, FY 1956			<u>12,500,000</u>
Sec. 405(c) - <u>United Nations Refugee Fund</u>			
Appropriations, FY 1954 and FY 1955			
Obligations Incurred and Appropriation Request, FY 1956			<u>1,400,000</u>
Sec. 405(d) - <u>Escapee Program</u>			
Total Obligations	7,154,321	6,250,000	6,000,000
Comparative Transfers to Adjust to FY 1956 Structure	-7,154,321	-6,250,000	
Obligations Incurred and Appropriations, FY 1954 and FY 1955			
Obligations Incurred and Appropriation Request, FY 1956			<u>6,000,000</u>
Sec. 406 - <u>Children's Welfare</u>			
Obligations Incurred and Appropriations, FY 1954 and FY 1955	<u>9,814,333</u>	<u>12,500,000</u>	
Obligations Incurred and Appropriation Request, FY 1956			<u>14,500,000</u>
Sec. 407 - <u>Palestine Refugees in the Near East</u>			
Total Obligations	15,000,000	16,700,000	65,000,000
Comparative Transfers to Adjust to FY 1956 Structure	6,000,000	2,730,000	
Obligations Incurred	<u>21,000,000</u>	<u>19,430,000</u>	<u>65,000,000</u>
Unobligated Balance Carried Forward	23,063,250	3,633,250	
Unobligated Balance Brought Forward	-44,063,250	-23,063,250	-3,633,250
Appropriations, FY 1954 and FY 1955			
Appropriation Request, FY 1956			<u>61,366,750</u>
Sec. 408 - <u>North Atlantic Treaty Organization</u>			
Total Obligations	1,156,700	1,169,000	3,700,000
Comparative Transfers to Adjust to FY 1956 Structure	-1,156,700		
Obligations Incurred and Appropriations, FY 1954 and FY 1955		<u>1,169,000</u>	
Obligations Incurred and Appropriation Request, FY 1956			<u>3,700,000</u>

MUTUAL SECURITY PROGRAM

COMPARATIVE SUMMARY OF OBLIGATIONS BY TITLES AND SECTIONS
 REFLECTING COMPARATIVE TRANSFERS BY FY 1956 STRUCTURE, AUTHORIZED TRANSFERS, REIMBURSEMENTS, APPROPRIATIONS AND REAPPROPRIATIONS

		Actual FY 1954	Estimate FY 1955	Estimate FY 1956
TITLE IV - OTHER PROGRAMS (Continued)				
Sec. 409(c)	- <u>Ocean Freight, Voluntary Relief Shipments</u>			
	Total Obligations	2,306,085	1,500,000	2,000,000
	Comparative Transfers to Adjust to FY 1956 Structure	-481,085		
	Obligations Incurred	1,825,000	1,500,000	2,000,000
	Unobligated Balance Brought Forward	-244,834		
	Appropriations, FY 1954 and FY 1955	1,580,166	1,500,000	
	Appropriation Request, FY 1956			<u>2,000,000</u>
Sec. 409(d)	- <u>Ocean Freight, Surplus Agricultural Commodities</u>			
	Total Obligations	3,510,400	8,300,000	13,000,000
	Deduct Obligations Incurred Against Prior Year Funds Released by Deobligation		-1,000,000	
	Comparative Transfers to Adjust to FY 1956 Structure	-3,510,400	-4,400,000	
	Obligations Incurred and Appropriations, FY 1954 and FY 1955		<u>2,900,000</u>	
	Obligations Incurred and Appropriation Request, FY 1956			<u>13,000,000</u>
Sec. 410	- <u>Control Act Expenses</u>			
	Total Obligations	997,617	1,175,000	1,175,000
	Comparative Transfers to Adjust to FY 1956 Structure	-997,617		
	Obligations Incurred and Appropriations, FY 1954 and FY 1955		<u>1,175,000</u>	
	Obligations Incurred and Appropriation Request, FY 1956			<u>1,175,000</u>
Sec. 411	- <u>Administrative and Other Expenses (Other Than Title I, Chapter 1)</u>			
	Total Obligations	33,821,312	32,600,000	33,500,000
	Comparative Transfers to Adjust to FY 1956 Structure	-33,821,312		
	Obligations Incurred		32,600,000	33,500,000
	Reimbursements		-100,000	
	Appropriations, FY 1954 and FY 1955		<u>32,500,000</u>	
	Appropriation Request, FY 1956			<u>33,500,000</u>

Sec. 418

- President's Fund for Asian Economic Development

Total Obligations and Obligations Incurred			100,000,000
Funds Continued Available			100,000,000
Appropriations, FY 1954 and FY 1955			
Appropriation Request, FY 1956			<u>200,000,000</u>

- Special Programs - Not Distributed by Sections

Total Obligations	150,111,725	35,445,500	
Deduct Obligations Incurred Against Prior Year Funds Released by Deobligation		-1,600,000	
Comparative Transfers to Adjust to FY 1956 Structure	-82,017,588	-33,845,500	
Obligations Incurred	<u>68,094,137</u>		
Unobligated Balance Returned to Treasury	3,412,465		
Unobligated Balance Transferred	26,771,750		
Reimbursements	-18,257		
Unobligated Balance Brought Forward	-15,982,094		
Appropriations, FY 1954 and FY 1955	<u>82,278,001</u>		
Appropriation Request, FY 1956			

Recapitulation Title IV - Other Programs

Total Obligations	246,020,210	150,734,000	373,775,000
Deduct Obligations Incurred Against Prior Year Funds Released by Deobligation		-2,600,000	
Comparative Transfers to Adjust to FY 1956 Structure	-138,297,550	-41,360,000	
Obligations Incurred	<u>107,722,660</u>	<u>106,774,000</u>	<u>373,775,000</u>
Unobligated Balance Carried Forward	23,563,250	3,633,250	
Unobligated Balance Returned to Treasury	3,423,275		
Unobligated Balance Transferred	26,771,750		
Reimbursements	-18,257	-100,000	
Funds Continued Available			100,000,000
Unobligated Balance Brought Forward	-60,290,178	-23,563,250	-3,633,250
Appropriations, FY 1954 and FY 1955	<u>101,172,500</u>	<u>86,744,000</u>	
Appropriation Request, FY 1956			<u>470,141,750</u>

Adjustments:

Estimated Undistributed Unobligated Balance 6/30/55 Other Agencies:

Total Obligations and Obligations Incurred		-21,366,750 ^{d/}	21,366,750 ^{d/}
Unobligated Balance Carried and Brought Forward		21,366,750 ^{d/}	-21,366,750 ^{d/}

MUTUAL SECURITY PROGRAM

COMPARATIVE SUMMARY OF OBLIGATIONS BY TITLES AND SECTIONS
 REFLECTING COMPARATIVE TRANSFERS BY FY 1956 STRUCTURE, AUTHORIZED TRANSFERS, REIMBURSEMENTS, APPROPRIATIONS AND REAPPROPRIATIONS

	Actual FY 1954 ^{a/}	Estimate FY 1955	Estimate FY 1956
RECAPITULATION - ALL TITLES			
Total Obligations and Reservations	4,272,230,494	5,410,963,955	3,250,541,750
Deduct Obligations Incurred Against Prior Year Funds Released by Deobligation		-43,240,387	
Comparative Transfers to Adjust to FY 1956 Structure	-237,685,512	-189,600,000	
Obligations Incurred and Reservations Recorded	4,034,544,982	5,178,123,568	3,250,541,750
Authorized Transfers	-193,699,827		
Unobligated Balance Carried Forward	2,463,513,844	83,900,000	
Unobligated Balance Returned to Treasury	343,559,636	90,422	
Unobligated Balance Transferred	1,771,750	-16,200,000	
Reimbursements	-1,893,646	-900,330	
Funds Continued Available			100,000,000
Unobligated Balance Brought Forward	-2,116,289,739	-2,463,513,844	-83,900,000
Appropriations, FY 1954 and FY 1955	4,531,507,000	2,781,499,816	
Appropriation Request, FY 1956			<u>3,266,641,750</u>

- a/ Obligation figures reported are those certified under Section 1311, P.L. 663.
- b/ Includes in FY 1954 \$172,033,000, FY 1955 \$189,600,000 non-Mutual Security funds (Department of Defense appropriations) programmed in Korea for Direct Forces Support.
- c/ Includes \$65,926,459 non-Mutual Security funds (Department of Defense appropriations) for the Civilian Relief in Korea (CRIK) program.
- d/ An estimated \$25 million (in addition to the amount estimated for Southeast Asia and Western Pacific) will remain unobligated at the close of fiscal year 1955. This estimate is projected as past experience has shown that certain unobligated balances have consistently occurred. The appropriations and functions under which these projected balances will appear cannot be predicted with any accuracy at this time except for \$3.7 million under "Contributions to the United Nations Relief and Works Agency" and the estimate has therefore been made on a lump sum basis. (\$25. - \$3.7 = \$21.3 million)

Revised
 July 8, 1955

OBLIGATIONS AND EXPENDITURES

BY

APPROPRIATION

MUTUAL SECURITY PROGRAM

STATUS OF OBLIGATIONS - SUMMARY BY FY 1955 APPROPRIATION STRUCTURE

(In millions of dollars)

	New Appropriation FY 1955	Reappropriated and Transferred from FY 1954 Accounts	Transfers and Reimbursements FY 1955	Available for Obligation FY 1955	Actual and Estimated Obligations			Reservations - Per Sec. 110 of P. L. 778 ^{a/} Actual FY 1955	Estimated Unobligated & Unreserved Balance 6/30/55
					Actual 7/1/54-4/30/55	Estimated 5/1/55-6/30/55	Total Estimate		
					Military Assistance	1,192.7	2,422.5		
Defense				3,405.4 ^{b/}	427.5	239.7	667.2	2,704.3	33.9
Other Agencies				152.5	137.9	14.6	152.5		
Southeast Asia and the Western Pacific	700.0		-85.4	614.6	490.6	99.0	589.6	25.0	
Defense				28.9	7.1	21.8	28.9		
Other Agencies				585.7	483.5	77.2	560.7	25.0	
Production for Forces Support	35.0			35.0	34.3	.7	35.0		
Common-Use Items	60.0		10.0	70.0	63.3	6.7	70.0		
Defense Support, Europe	45.0		37.0	82.0	68.2	13.8	82.0		
Special Assistance in Joint Control Areas in Europe	25.0			25.0	24.6	.4	25.0		
Defense Support, Near East, Africa and South Asia	73.0		35.6	108.6	97.6	11.0	108.6		
Defense Support, Far East and the Pacific	80.1			80.1	77.9	2.2	80.1		
Peace Program	205.0	16.2 ^{c/}		221.2	207.5	13.7	221.2		
Contributions to United Nations Korean Reconstruction Agency	3.0	16.0		19.0	19.0		19.0		
Development Assistance, Near East and Africa	115.0		40.0	155.0	142.4	12.6	155.0		
Development Assistance, South Asia	60.5		10.4	70.9	66.3	4.6	70.9		
Development Assistance, American Republics and Non-Self-Governing Territories of the Western Hemisphere	9.0		2.0	11.0	10.9	.1	11.0		
Technical Cooperation, General	105.0	1.4 ^{d/}	2.0	108.4	91.3	17.1	108.4		
Contributions to United Nations Expanded Programs of Technical Assistance	9.9		6.5	16.4	16.4		16.4		
Contributions for Programs of the Organization of American States	1.5			1.5	1.5		1.5		
Contributions to the Intergovernmental Committee for European Migration	10.0	.5		10.5	10.5		10.5		
Contributions to the United Nations Children's Fund	12.5			12.5	12.5		12.5		
Contributions to the United Nations Relief and Works Agency		23.1		23.1	16.7	2.7	19.4	3.7	
Contributions to the North Atlantic Treaty Organization	1.2			1.2	1.1	.1	1.2		
Ocean Freight Charges	4.4			4.4	4.4		4.4		
Control Act Expenses	1.2			1.2	.9	.3	1.2		
Administrative Expenses, Section 411, Mutual Security Act	32.5		.1	32.6	26.4	6.2	32.6		
Defense				3,434.3	434.6	261.5	696.1	2,704.3	33.9
Other Agencies				1,827.8	1,615.1	184.0	1,799.1		28.7
Undistributed-Unobligated 6/30/55 - Other Agencies						-21.3 ^{e/}	-21.3 ^{e/}		21.3 ^{e/}
GRAND TOTAL	2,781.5	2,479.7	.9	5,262.1	2,049.7	424.2	2,473.9	2,704.3	83.9

a/ These reservations are to provide for reimbursement through June 30, 1957, to Service appropriations upon delivery of items in accordance with Section 110, P.L. 778. In addition fund reservations totaling an estimated \$2,605.8 million of funds to be deobligated under the provisions of Section 1311, P.L. 663, are anticipated to be made to cover ultimate reimbursement to the Service appropriations.

b/ Includes \$5.1 million allocated to the Department of State to cover costs of administrative support furnished to Department of Defense operations.

c/ Unobligated balance reappropriated and transferred from "Civilian Relief in Korea, Army."

d/ Unobligated balance (after Section 1311 certification) of no-year funds, Institute of Inter-American Affairs.

e/ An estimated \$25 million (in addition to the amount estimated for Southeast Asia and Western Pacific) will remain unobligated at the close of fiscal year 1955. This estimate is projected as past experience has shown that certain unobligated balances have consistently occurred. The appropriations and functions under which these projected balances will appear cannot be predicted with any accuracy at this time except for \$3.7 million under "Contributions to the United Nations Relief and Works Agency" and the estimate has therefore been made on a lump sum basis (\$25 million - \$3.7 million = \$21.3 million).

MUTUAL SECURITY PROGRAM
 ANALYSIS OF EXPENDITURES
 AS OF APRIL 30, 1955 WITH FORECASTS THROUGH JUNE 30, 1955 AND JUNE 30, 1956

(In millions of dollars)

	Actual Expenditures FY 1954	Unexpended Balance 6/30/54	Less: Funds Not Continued Available	Amounts Transferred from Old Accts. (-) to New Accts. (+)	New Appropriations FY 1955	Transfers and Reimbursements FY 1955	Available for Expenditure FY 1955	Actual Expenditures 7/1/54-4/30/55	Estimated Expenditures 5/1/55-6/30/55	Total Estimated Expenditures FY 1955	Estimated Unexpended Balance 6/30/55	Proposed New Obligational Authority FY 1956	Available for Expenditure FY 1956	Estimated Expenditures FY 1956	Estimated Unexpended Balance 6/30/56
Appropriations Available in FY 1954 and Prior Years	4,872.3	9,914.8	343.5	-7,948.6			1,622.7	880.0	174.6	1,054.6	568.2		568.2	407.5	160.7
Defense	3,310.8	7,554.1	295.4	-7,258.7											
Other Agencies	1,561.5	2,360.7	48.1	-689.9			1,622.7	880.0	174.6	1,054.6	568.2		568.2	407.5	160.7
Appropriations in "Mutual Security Appropriation Act, 1955"															
Military Assistance, General				+7,119.2	1,092.7	-57.3	8,154.6	1,357.2	338.6	1,695.8	6,458.8		6,458.8	2,718.9	3,739.9
Defense						-209.8	8,002.1	1,317.2	327.3	1,644.5	6,357.6		6,357.6	2,640.0	3,717.6
Other Agencies						+152.5	152.5	40.0	11.3	51.3	101.2		101.2	78.9	22.3
Military Assistance, Infrastructure (Defense)				+139.5	100.0		239.5	46.1	34.4	80.5	159.0		159.0	140.0	19.0
Southeast Asia and the Western Pacific				+648.9	700.0	-85.4	1,263.5	507.7	123.9	631.7	631.8		631.8	501.1	130.7
Defense						+28.9	28.9	4.3	.7	5.0	23.9		23.9	20.0	3.9
Other Agencies				+648.9	700.0	-114.3	1,234.5	503.4	123.2	626.6	607.9		607.9	481.1	126.8
Production for Forces Support					35.0		35.0				35.0		35.0	30.0	5.0
Common-Use Items					60.0	+10.0	70.0	11.9	6.1	18.0	52.0		52.0	36.5	15.5
Defense Support, Europe					45.0	+37.0	82.0	26.3	12.9	39.2	42.9		42.9	30.0	12.9
Special Assistance in Joint Control Areas in Europe					25.0		25.0	6.6	9.2	15.8	9.2		9.2	9.0	0.2
Defense Support, Near East, Africa and South Asia					73.0	+35.6	108.6	15.5	9.7	25.2	83.4		83.4	52.1	31.3
Defense Support, Far East and the Pacific					80.1		80.1	19.3	6.7	26.0	54.1		54.1	36.5	17.6
Korean Program				+16.2	205.0		221.2	46.5	13.5	60.0	161.2		161.2	120.0	41.2
Contributions to United Nations Korean Reconstruction Agency				+16.0	3.0		19.0	10.4	8.6	19.0					
Development Assistance, Near East and Africa					115.0	+40.0	155.0	39.7	31.6	71.3	83.7		83.7	48.9	34.8
Development Assistance, South Asia					60.5	+10.4	70.9	10.8	9.7	20.5	50.4		50.4	41.0	9.4
Development Assistance, American Republics and Non-Self-Governing Territories of the Western Hemisphere					9.0	+2.0	11.0	2.9	1.1	4.0	7.0		7.0	4.0	3.0
Technical Cooperation, General				+1.4	105.0	+2.0	108.4	29.4	11.3	40.7	67.7		67.7	39.0	28.7
Contributions to United Nations Expanded Program of Technical Assistance					9.9	+6.5	16.5	10.0	6.5	16.5					
Contributions for Programs of the Organization of American States					1.5		1.5	0.6	0.2	0.8	0.8		0.8	0.8	
Contributions to the Intergovernmental Committee for European Migration				+0.5	10.0		10.5	2.8	0.2	3.0	7.5		7.5	6.0	1.5
Contributions to the United Nations Children's Fund					12.5		12.5	8.3	4.2	12.5					
Contributions to the United Nations Relief and Works Agency				+23.1			23.1	8.0	8.7	16.7	6.4		6.4	1.0	5.4
Contributions to the North Atlantic Treaty Organization					1.2		1.2	0.6	0.5	1.1	0.1		0.1	0.1	
Ocean Freight Charges					4.4		4.4	2.9	1.2	4.1	0.3		0.3	0.3	
Control Act Expenses					1.2		1.2	0.7	0.2	0.9	0.3		0.3	0.3	
Administrative Expenses, Section 411, Mutual Security Act					32.5	+0.1	32.6	20.6	1.4	22.0	10.6		10.6	9.0	1.6
Proposed New Obligational Authority for FY 1956												3,266.6	3,266.6	817.2	2,449.4
Defense (MDAP)												1,125.0	1,125.0	200.0	925.0
Other Agencies (includes Direct Forces Support)												2,141.6	2,141.6	617.2	1,524.4
GRAND TOTAL	4,872.3	9,914.8	343.5	+16.2	2,781.5	0.9	12,369.8	3,064.8	814.9	3,879.7	8,490.4	3,266.6	11,757.0	5,049.2	6,707.8
Defense	3,310.8	7,554.1	295.4		1,192.7	-180.9	8,270.5	1,367.6	362.4	1,730.0	6,540.5	1,125.0	7,665.5	3,000.0	4,665.5
Other Agencies	1,561.5	2,360.7	48.1	+16.2	1,588.8	+181.8	4,099.3	1,697.2	452.5	2,149.7	1,949.9	2,141.6	4,091.5	2,049.2	2,042.3

NOTE: Columns and cross calculations may not add exactly as totals are sums of unrounded amounts.

MUTUAL SECURITY

ACTUAL AND ESTIMATED EXPENDITURES BY AREA

Agencies Other than Department of Defense

(In millions of dollars)

<u>Area</u>	<u>Actual 1954</u>	<u>Estimate 1955</u>	<u>Estimate 1956</u>
Europe	845.7	611.3	356.7
Near East and Africa	237.3	308.1	259.3
Asia	373.0	1,086.9	1,263.1
Latin America	19.1	27.0	42.1
Non-Regional	86.4	116.4	128.0
Total	<u>1,561.5</u>	<u>2,149.7</u>	<u>2,049.2</u>

FY 1954 SURPLUS AGRICULTURAL COMMODITY PROGRAM
UNDER
SECTION 550 OF THE MUTUAL SECURITY ACT OF 1951, AS AMENDED

The Foreign Operations Administration authorized over \$245 million through June 30, 1954 to purchase surplus agricultural commodities in this country and sell them abroad to friendly countries who pay in their own currencies. These authorizations were made in accordance with Section 550 of the Mutual Security Act of 1951, as amended, which provided for the purchase of not more than \$250 million worth of surplus agricultural commodities to be sold in this manner. Congress did not appropriate additional money to cover the purchase of such surplus commodities, but provided that funds appropriated for the mutual security program should be used to carry out Section 550 provisions. The foreign currencies received from the sale of farm surpluses are used for military production programs, for payment for military materiel procured abroad, and for other purposes in accordance with agreements reached with each government.

Section 550 provided safeguards against the substitution or displacement of the usual marketings of the United States and other friendly countries and assured that the prices obtained were consistent with world market levels. Shipments

of the surplus items were subject to the usual FOA requirements that 50 percent be shipped in American vessels. It was also provided that the commodities could not be trans-shipped or used for other than domestic consumption without the prior approval of the United States.

Commodities were considered eligible for sale under the program in accordance with the recommendations of the Secretary of Agriculture. The largest sales of our farm surpluses were made for grain and cotton. Tobacco, fats, and oils, meat, fruit and butter comprised the balance of the commodities sold.

In addition to the \$245 million of purchases under Section 550 other surplus commodities were authorized for financing from Mutual Security funds. FOA and its predecessor agencies have traditionally authorized procurement in the United States of wheat, cotton and other surplus commodities to assist countries participating in the mutual security program.

DOLLAR UTILIZATION FOR SURPLUS AGRICULTURAL COMMODITIES
UNDER
SECTION 550 OF THE MUTUAL SECURITY ACT OF 1951, AS AMENDED

(In millions of dollars)

Country	Sales by Country - 1954 Total	Surplus Commodities							
		Bread Grains	Tobacco	Cotton	Fats and Oils a/	Meat	Coarse Grains	Fruit	Ocean Freight
Europe									
Finland	5.0		3.0	2.0					
France	15.85		3.85	12.0					
Germany	15.0		10.0	4.1	0.9				
Italy	18.5		1.5	15.0	2.0				
Netherlands	4.0				4.0				
Norway	2.3	0.6			1.1		0.6		
Spain	14.8			14.8					
United Kingdom	72.25		20.0		25.0	17.25		10.0	
Yugoslavia	35.0	22.8		4.8	4.0				3.4
Total - Europe	182.7	23.4	38.35	52.7	37.0	17.25	0.6	10.0	3.4
Near East and Africa									
Israel	1.2				1.2				
Asia									
Afghanistan	1.2	0.8							0.4
Formosa	10.0	7.0	0.1				1.8		1.1
Japan	50.0	43.0					7.0		
Total - Asia	61.2	50.8	0.1				8.8		1.5
TOTAL - ALL COUNTRIES	245.1	74.2	38.45	52.7	38.2	17.25	9.4	10.0	4.9

NOTE: This schedule is intended only as an information exhibit. The dollars programmed are accounted for under the respective functional accounts reflected in other exhibits in this presentation document.

a/ Including butter.

LOCAL CURRENCY PROGRAM
UNDER
SECTION 550 OF THE MUTUAL SECURITY ACT OF 1951, AS AMENDED

(In millions of dollars equivalent)

Country	Total Local Currency to be Deposited (in \$ equivalent)	Type of Currency	Planned Use of Local Currency by Country and Function						Total	
			Country or Area of Use	Military Assistance	Direct Forces Support	Defense Support	Development Assistance	Technical Cooperation		Other Programs
Europe										
Finland	5.0	Finn Marks	(Greece			1.0			1.0	
			(Germany					1.8	1.8	
			(Europe	2.0		0.2			2.2	
France	15.85	Francs	(Europe	10.85					10.85	
			(OTs				4.5	0.5	5.00	
Germany	15.0	Deutsche Marks	(Germany					15.0	15.0	
Italy	18.5	Lire	(Europe	18.2					18.2	
			(OTs				0.3		0.3	
Netherlands	4.0	Guilders	(Netherlands			4.0			4.0	
Norway	2.3	Kroner	(Europe	1.8			0.5		2.3	
Spain	14.8	Pesetas	(Spain				14.8		14.8	
United Kingdom	65.0 ^{a/}	Pounds	(U.K.			60.0			60.0	
			(OTs					3.2	5.0	
Yugoslavia	35.0	Dinars	(Yugoslavia	5.0			30.0		35.0	
Total - Europe	175.45^{a/}			37.85	64.0	46.5	8.0	2.3	16.8	175.45
Near East and Africa										
Israel	1.2	Pounds	(Israel				1.2		1.2	
Asia										
Afghanistan	1.2	Afghanis	(Afghanistan				1.2		1.2	
Formosa	10.0	N.T. Dollars	(Formosa			5.0			5.0	
			(Far East	5.0					5.0	
Japan	50.0	Yen	(Japan			10.0			10.0	
			(Far East	40.0					40.0	
Total - Asia	61.2			45.0		15.0	1.2		61.2	
TOTAL - ALL COUNTRIES	237.85^{a/}			82.85	64.0	61.5	10.4	2.3	16.8	237.85

^{a/} Difference of \$7.25 million between dollar cost of commodities and local currency to be made available is the differential between world price and the U.S. price of beef furnished the United Kingdom.

SURPLUS AGRICULTURAL COMMODITIES PROGRAM
UNDER
SECTION 402 OF THE MUTUAL SECURITY ACT OF 1954

Section 402 of the Mutual Security Act of 1954 earmarked \$350 million of funds to finance the export and sale of surplus agricultural commodities for foreign currencies. These sales are to be in addition to those authorized by the Agricultural Trade and Development Act of 1954 but need not necessarily be in addition to usual marketings of the U.S. The surplus commodities are generally sold at prevailing U.S. export prices, and private trade channels are being used to the maximum extent practicable.

Illustrative of the types of commodities that may be included in the sales program are cotton, corn, wheat, dairy products, fruits, and fats, oils, and oilseeds. The list of eligible commodities is subject to change upon recommendation of the Secretary of Agriculture.

Congress did not appropriate additional funds to carry out the provisions of this Section, but provided that a portion of the funds appropriated pursuant to the Mutual Security Act should be used to finance these commodities. The foreign currencies received from the sale of surplus agricultural commodities will be used for the purposes of the Mutual Security Act. The statute also provides that particular emphasis should be placed on use of local currency proceeds for purposes prescribed by the Agricultural Trade Development and Assistance Act which are in harmony with the objectives of the Mutual Security legislation.

To aid in the orderly development of the general U.S. agricultural surplus disposal program, FOA's activities under this Section have been integrated insofar as possible with plans for sales of surplus commodities authorized by the Agricultural Trade Development and Assistance Act.

Up to April 15, 1955, sales of \$258 million worth of surplus commodities were authorized to 17 countries, including, aside from transportation costs, about \$102 million grain, \$121 million cotton, \$15 million fruit, \$7 million fats and oils, \$3 million dairy products and \$1 million worth of frozen beef. Plans are being completed for

additional commodity programs and FOA hopes to reach a total of \$380 million before the end of the fiscal year.

Shipments of all purchases are subject to the usual requirement that 50 percent be sent in American ships. Authorizations are issued on the basis of requests submitted by the foreign government and provide the terms and conditions of the transaction. The commodity may not be re-exported without prior agreement of the United States Government, and the foreign currency is deposited in a special account and is used for the purposes of the Mutual Security Act.

In the Fiscal Year 1956, MSP funds will be used to finance the export and sale of surplus agricultural commodities to the maximum extent compatible with the purposes of the Act. It is anticipated that such uses may amount to \$225 million during next year, a reduction of \$155 million from this year's goal of about \$380 million. A decline in Section 402 programs in Europe of about \$196 million is substantially accounted for by the omission of programs for the U.K. and France in FY 1956 similar to those carried out in FY 1955 and by a material reduction in the program for Spain. Since, with the exception of Spain, Yugoslavia and Berlin, there will be no economic aid program in Europe in FY 1956, it must be assumed that the surplus agricultural programs will be substantially lower than in FY 1955.

The reduced program for Europe is partially offset by an anticipated increase in Section 402 programs outside of Europe in the amount of over \$40 million, which is nearly 29 percent over FY 1955

The Mutual Security Program is now directed more heavily toward the underdeveloped areas of the world where consumption is low, agriculture although at a low level, is on a relatively self sufficient basis and imports of food and fibers are either very low or non-existent. Although the potential demand for food and fiber in these areas is very great their economic systems are not yet sufficiently developed to provide a market for greatly increased consumption.

SURPLUS AGRICULTURAL COMMODITIES PROGRAM
UNDER
SECTION 402 OF THE MUTUAL SECURITY ACT OF 1954

In the past it has been possible to use some of the funds appropriated for Military Assistance programs (MDAP) in the form of surplus agricultural commodities using the local currency proceeds for offshore procurement of military end-items. However, it is not known whether offshore procurement next year will be of a type or size or in countries which would make it possible to employ such funds through Section 402. In view of the many uncertainties in this program it would be extremely hazardous in proposing a minimum under Section 402 to include an estimate for MDAP funds. In fiscal year 1954 \$82.9 million of MDAP funds was used in this way and

an estimated \$38.9 million will be used in FY 1955, and although they will be used in this form to the maximum practicable extent in FY 1956, opportunity for such use may well continue to decline. If the estimate of \$225 million from non-MDAP funds has erred on the optimistic side, it may be that MDAP uses will develop which will offset such error.

For the above reasons, the amount of surplus agricultural commodities proposed is believed to be the maximum which can be anticipated under Section 402 in FY 1956.

DOLLAR UTILIZATION FOR SURPLUS AGRICULTURAL COMMODITIES

UNDER

SECTION 402 OF THE MUTUAL SECURITY ACT OF 1954

(In millions of dollars)

Country	Programmed Sales by Country FY-1955 Total	Surplus Commodities							
		Bread Grains	Cotton	Fats and Oils	Meat	Coarse Grains	Fruit	Other	Ocean Freight
<u>Europe</u>									
Denmark	3.4	1.8				1.2			0.4
France	50.0		50.0						
Germany	23.7	21.2							2.5
Italy	15.5		15.5						
Spain	55.0		49.0	6.0					
United Kingdom	73.9		25.0	11.0		20.0	14.9		3.0
Yugoslavia	19.5	9.0	6.2					3.0	1.3
Total - Europe	241.0	32.0	145.7	17.0		21.2	14.9	3.0	7.2
<u>Near East and Africa</u>									
Egypt	1.0	0.8							0.2
Greece	16.9	15.0			1.4			0.3	0.2
Iran	3.0	2.2							0.8
Israel	18.0	13.2	2.0			2.8			
Turkey	7.7	6.3							1.4
Total - Near East and Africa	46.6	37.5	2.0		1.4	2.8		0.3	2.6
<u>Asia</u>									
Formosa	30.6	10.4	15.1	3.1				2.0	
India	26.0	14.0	12.0						
Korea	28.8	3.8	24.0	1.0					
Pakistan	0.9			0.9					
Viet Nam	4.6	2.3						2.3	
Total - Asia	90.9	30.5	51.1	5.0				4.3	
<u>Latin America</u>									
Bolivia	2.2	0.9		1.3					
TOTAL - ALL COUNTRIES	380.7	100.9	198.8	23.3	1.4	24.0	14.9	7.6	9.8

NOTE: This schedule is intended only as an information exhibit. The dollars programmed are accounted for under the respective functional accounts reflected in other exhibits in this presentation document.

LOCAL CURRENCY PROGRAM

UNDER

SECTION 402 OF THE MUTUAL SECURITY ACT OF 1954

(In millions of dollars equivalent)

Country	Local Currency to be Deposited (in \$ equivalent)	Currency	Country or Area of Use	Planned Use of Local Currency by Country and Function					Total
				Military Assistance	Direct Forces Support	Defense Support	Development Assistance	Other Programs	
<u>Europe</u>									
Denmark	3.4	Kroner	Europe (undistributed)			3.4			3.4
France	50.0	Francs	Vietnam			50.0			50.0
Germany	23.7	Deutch Marks	Germany					23.7	23.7
Italy	15.5	Lire	Italy			15.5			15.5
Spain	55.0	Pesetas	Spain			55.0			55.0
United Kingdom	73.9	Pounds	(Europe (undistributed) (United Kingdom)	38.9					38.9
Yugoslavia	19.5	Dinars	Yugoslavia		35.0	19.5			19.5
Total - Europe	241.0			38.9	35.0	143.4		23.7	241.0
<u>Near East and Africa</u>									
Egypt	1.0	Pounds	Egypt				1.0		1.0
Greece	16.9	Drachmas	Greece			16.9			16.9
Iran	3.0	Rials	Iran			3.0			3.0
Israel	18.0	Pounds	Israel				18.0		18.0
Turkey	7.7	Liras	Turkey			7.7			7.7
Total - Near East and Africa	46.6					27.6		19.0	46.6
<u>Asia</u>									
Formosa	30.6	N.T. Dollars	Formosa		4.8	25.8			30.6
India	26.0	Rupees	India				26.0		26.0
Korea	28.8	Hwan	Korea			28.8			28.8
Pakistan	0.9	Rupees	Pakistan			0.9			0.9
Vietnam	4.6	Piasters	Vietnam			4.6			4.6
Total - Asia	90.9				4.8	60.1		26.0	90.9
<u>Latin America</u>									
Bolivia	2.2	Bolivianos	Bolivia					2.2	2.2
TOTAL - ALL COUNTRIES	380.7			38.9	39.8	231.1		47.2	380.7

ESTIMATED DOLLAR UTILIZATION FOR SURPLUS AGRICULTURAL COMMODITIES, FY 1956

(In millions of dollars)

Country	Programmed Sales by Country and Functional Source of Funds 1956					Surplus Commodities						
	Military Assistance	Direct Forces Support	Defense Support	Development Assistance	Other Programs	Total	Bread Grains	Cotton	Fats and Oils	Meat	Coarse Grains	Dairy Products
<u>Europe</u>												
Germany					20.0	20.0	20.0					
Spain			5.0			5.0		5.0				
Yugoslavia			20.0			20.0	9.0	9.0	2.0			
Total - Europe			25.0		20.0	45.0	29.0	14.0	2.0			
<u>Near East and Africa</u>												
Egypt				8.0		8.0	7.0					1.0
Greece			15.0			15.0	13.5			1.5		
Israel				15.0		15.0	8.0	3.0	3.0		1.0	
Jordan				1.0		1.0	1.0					
Lebanon				1.0		1.0	1.0					
Total Near East and Africa			15.0	25.0		40.0	30.5	3.0	3.0	1.5	1.0	1.0
<u>Asia</u>												
Formosa		10.0	30.0			40.0	10.0	15.0	14.0			1.0
Cambodia			2.0			2.0						2.0
Viet Nam			8.0			8.0	3.0					5.0
India				30.0		30.0	15.0	15.0				
Korea			45.0			45.0	3.0	40.0	2.0			
Philippines			5.0			5.0	3.0					2.0
Total - Asia		10.0	90.0	30.0		130.0	34.0	70.0	16.0			10.0
<u>Latin America</u>												
Bolivia				10.0		10.0	7.0	1.0	2.0			
TOTAL - ALL COUNTRIES		10.0	130.0	65.0	20.0	225.0	100.5	88.0	23.0	1.5	1.0	11.0

NOTE: This schedule is intended only as an information exhibit. The dollars programmed are accounted for under the respective functional accounts reflected in other exhibits in this presentation document.

ADMINISTRATION OF LOAN PROVISIONS

(Sections 505 and 201(a) of Mutual Security Act of 1954)

Loans Negotiated as of June 10, 1955

(In thousands of dollars)

<u>Country</u>	<u>Defense Support</u>	<u>Development Assistance</u>	<u>Totals</u>
<u>Europe</u>			
Spain	20,000		20,000
<u>Near East and Africa</u>			
Egypt		7,500	7,500
Greece	10,000		10,000
Iran	32,000		32,000
Israel		20,000	20,000
Turkey	20,000		20,000
<u>Asia</u>			
Formosa	20,000		20,000
India		45,000	45,000
Pakistan	20,000		20,000
Total	122,000	72,500	194,500 ^{a/}

^{a/} Other loans under consideration, including a possible development assistance loan to Lebanon and certain military assistance loans, are expected to result in total loans in FY 1955 of not less than \$200 million.

MILITARY ASSISTANCE

Definition

Programs within this classification are designed to provide the military equipment and training required by certain friendly countries in order to develop or maintain specific military, para-military or police units at a given level of effectiveness. The policy reason for undertaking any such program derives in each instance from the existence of two facts: (1) the importance of the units involved to the defense of the United States or to the defense, or to the protection against internal subversion of an area which is important to the security interests of the United States and, (2) the inability of the recipient country to create or to support such units adequately without the equipment and training provided. Mutual Defense Assistance Programs almost invariably have an exclusively military or directly related security purpose, even though it is lack of economic strength and technical ability on

the part of the recipient country which makes the extension of such assistance necessary.

This classification also includes the following programs which, although not falling strictly within the definition above, are closely akin to, and have customarily been treated in conjunction with, military materiel and training programs; the provision of machine tools and other production equipment abroad (facilities assistance); contributions to certain international military organizations (SHAPE and the Standing Group of NATO) for their operating and administrative expenses and for the construction or equipping of military facilities (infrastructure); assistance in the development by friendly countries of non-nuclear weapons of advanced design (mutual weapons development).

MUTUAL SECURITY PROGRAM

MILITARY ASSISTANCE

Analysis of Funds Available, FY 1950 Through FY 1955

(millions of dollars)

Appropriations FY 1950/54		Net Availability FY 1950/54	
Fiscal Year	Amount		
1950	814.0	Appropriations	19,730.3
1951	1,678.0	Add Reimbursements	1.9
1951 Supplemental	4,000.0	Add Transfers In	63.8
1952	5,788.5	Less Transfers Out	939.5 ^{a/}
1953	4,219.8	Less Returns to Treasury	-116.2
1954	3,230.0		
Total	19,730.3	Net Availability	18,740.3

	Net Availability Through FY 1954	Less Unobligated Balances 6/30/54	Cumulative Obligations 6/30/54	Available for Obligations, FY 1955			Total Availability Through FY 1955	Surplus Agricultural Commodity Local Currency Available for Military Assistance Programs	Total Available for Programs FY 1950/55	
				Re-appropriated Unobligated Balances	New Appropriations	Net Transfers				
Total	18,740.3 ^{b/}	2,513.4	16,226.9 ^{b/}	2,422.5	1,192.7	-58.1	3,557.1	19,784.0	-	19,784.0
Department of Defense	17,897.5	2,491.4	15,406.1 ^{c/}				3,404.6	18,810.7	121.8 ^{d/}	18,932.5 ^{e/}
Other Agencies	842.8	22.0	820.8				152.5	973.3	-121.8 ^{d/}	851.5

- a/ Includes unliquidated obligations totaling \$261.3 million for support of forces in Cambodia, Laos and Vietnam transferred to the appropriation for Southeast Asia and Western Pacific.
- b/ Excludes reimbursements and obligations for Athens Commissary operation which amounts are not reflected in military assistance programs.
- c/ Department of Defense obligations represent amounts reported as of June 30, 1954 and do not reflect possible reductions resulting from certification required by Section 1311 of the Supplemental Appropriation Act, 1955.
- d/ Represents \$82.9 million of local currency generated in FY 1954 Section 550 programs and \$38.9 million generated in Section 402 FY 1955 programs.
- e/ Does not reflect possible reductions in availability resulting from possible additional unobligated balances as of June 30, 1954 in excess of reappropriations following certification of June 30, 1954 obligations under Section 1311 of the Supplemental Appropriation Act, 1955.

NOTE: ALL DETAILS OF THE MILITARY ASSISTANCE PROGRAM ARE INCLUDED IN A SEPARATE BUDGET DOCUMENT PRESENTED BY THE DEPARTMENT OF DEFENSE.

DIRECT FORCES SUPPORT

Definition

Programs within this classification are designed to give the military, para-military, security or police forces of certain countries direct support which is additional to the regular military assistance (MDAP) which those forces are also receiving. As in the case of regular military assistance, these programs ordinarily consist of equipment, materials and services which are delivered or rendered directly to friendly forces for their exclusive use or control and without entering into, or being processed in, the local economy of the recipient country prior to such delivery.

The dividing line between those goods and services which are to be classified as "military assistance" and those which should be grouped as "direct forces support" has never been a sharp and precise line in the past, and there has, in fact, been a marked lack of consistency in such classification both from year to year and as among different countries. It is for this reason, as well as for reasons of administrative and operating convenience, that consideration is now being given to the possibility of merging these two categories of aid into one. For most purposes the following broad distinction between the two categories will probably be adequate; it is applicable in most instances in the past and it was uniformly employed in developing the proposed FY 1956 program: "Military assistance" is generally limited to weapons and other items of equipment whose uses are primarily, exclusively or uniquely military in character. It embraces the kind of things that are commonly called "military hardware" -- planes, tanks, guns, trucks, ammunition, radar, etc. "Direct forces support" is complementary thereto in that it covers those

items which do not fall within the foregoing description of military assistance but which are nonetheless equally essential to the maintenance of a military force. It thus consists primarily of things that are frequently described as "soft goods", such as food, uniforms, other clothing, petroleum products, rubber tires, lumber, canvas, rope and cement. To a large extent, although not exclusively, the equipment and materials that comprise "direct forces support" are of a "consumable" rather than "durable" character, and they are also often of a kind, and sometimes of a type, which are used in the civilian economy as well as by a military establishment.

Direct Forces Support items are ordinarily procured outside of the recipient country, but their provision locally through offshore procurement methods is not excluded.

The reason behind any direct forces support program is the fact that the recipient country, even with the military hardware and military training which it is receiving as military assistance, is unable, without still further external help in the form of other goods and services directly for its military establishment, to develop and maintain the size and kind of forces which are important from the standpoint of U.S. security.

The purpose of this program is a military purpose -- the support of military forces -- and any economic benefits which may accrue to the recipient country as a result of the program are, however extensive or useful they may be, incidental to, rather than a primary reason for, the program.

DIRECT FORCES SUPPORT

Summary of Program by Area

(In millions of dollars)

Area and Activity	Program		
	FY 1954	FY 1955	Proposed FY 1956
<u>Europe</u>			
1. Production for Forces Support	234.0	35.0	
2. Common Use Program		9.3	4.0
Total - Europe	234.0	44.3	4.0
<u>Near East and Africa</u>			
1. Common Use Program	30.6	25.0	27.5
<u>Asia</u>			
1. Common Use Program	329.6 ^{a/}	296.5 ^{a/}	285.7
Total Direct Forces Support	594.2 ^{a/}	365.8 ^{a/}	317.2

^{a/} Includes, for comparability purposes, Non-Mutual Security funds (Department of Defense Appropriations) programmed in Korea for Direct Forces Support as follows: FY 1954 - \$172.0 million, FY 1955 - \$189.6 million.

DEFENSE SUPPORT

Definition

Programs within this classification are designed to support the military efforts of certain countries which are receiving military assistance. Such support involves the provision of general supplemental resources which a recipient country requires if its economy is to support a defense program of the size which United States policy regards as necessary and if, at the same time, it is to maintain or attain that minimum level of economic strength or growth which is consistent with the U.S. national interest.

The primary policy reason for defense support programs is the attainment of military objectives rather than the extension of any economic benefits which may also accrue to the recipient nation. However, where a defense support program is required in a country for this policy reason, other non-military assistance which is essential from the standpoint of U.S. national interest may also be grouped under the heading of "defense support". This latter practice follows the previously expressed Congressional preference for classifying all assistance for a country which is receiving military aid (except military aid, direct forces support and technical cooperation) as "defense support". This practice avoids an

unrealistic fragmentation into several unnatural compartments of a total integrated assistance program which is not logically divisible.

The difference between "defense support" and "direct forces support" can be broadly described as follows: Both forms of assistance are designed to make possible the creation or maintenance of a certain level of military forces. "Direct forces support" helps to do so by supplying -- normally by import -- goods and services that are directly delivered or rendered to, and which physically reach or benefit, the military forces involved. "Defense support", on the other hand, contributes to this objective more indirectly through providing to a country's general economy (rather than directly to its military establishment) resources which either (a) enable the recipient country to maintain a level of defense expenditures or undertake defense activities that would otherwise not be possible or (b) increase the recipient's capacity to do so in the future. The one form of assistance generally consists of articles (or services) which can be traced in a physical sense from a point of import into the country directly to a soldier who actually uses it or is served by it; the other form has its specific military impact as a country's economy is rendered capable of sustaining the desired enlargement of its defense burden.

DEFENSE SUPPORT

Summary of Programs by Area

(In millions of dollars)

<u>Area and Country</u>	<u>FY 1954</u>	<u>Program FY 1955</u>	<u>Proposed FY 1956</u>
<u>Europe</u>			
1. Country Program	220.4	134.3	64.5
2. Undistributed by Country	.7	8.5	5.5
Total - Europe	<u>221.1</u>	<u>142.8</u>	<u>70.0</u>
<u>Near East and Africa</u>			
1. Country Program	<u>137.6</u>	136.0	102.5
<u>Asia</u>			
1. Country Program	1,036.4 ^{a/}	921.7	827.8
2. U. S. Contribution to UNKRA	23.2	19.0	
Total - Asia	<u>1,059.6 ^{a/}</u>	<u>940.7</u>	<u>827.8</u>
Total Defense Support	<u>1,418.3 ^{a/}</u>	<u>1,219.5</u>	<u>1,000.3</u>

^{a/} Includes, for comparability purposes, Non-Mutual Security funds (Department of Defense) \$65.9 million used for the Civilian Relief in Korea (CRIK) program in FY 1954.

DEVELOPMENT ASSISTANCE

Definition

This term describes assistance given primarily to promote economic development or otherwise to create or maintain economic or political stability. In most nations for which it is proposed, development assistance will supplement programs of technical cooperation by providing supplies, commodities or funds. Usually this type of assistance is required to make possible, or to accelerate, projects or activities which basic United States interest requires to be undertaken and which, in the absence of such additional assistance, would not be undertaken, or, if undertaken, would not be carried out at the rate required by United States foreign policy. Mutual Security Program funds in FY 1956 for development assistance will be used to help accelerate present rates of economic growth in the underdeveloped countries where United States national security requirements for such growth cannot be met by local and foreign private capital or from financing from the IBRD, Export-Import Bank or similar sources.

Development assistance differs from defense support in that the former is immediately directed toward goals which are not primarily military in character, whereas the latter has as its first aim, and controlling justification, the attainment of military objectives. Consistent with previously expressed Congressional preference, development assistance is limited to countries which do not receive military assistance. In countries receiving military assistance, all non-military aid (except direct forces support and technical cooperation) is classified as "defense support".

DEVELOPMENT ASSISTANCE

Summary of Program by Area

(In millions of dollars)

<u>Area and Activity</u>	<u>Program</u>		<u>Proposed FY 1956</u>
	<u>FY 1954</u>	<u>FY 1955</u>	
<u>Near East and Africa</u>			
1. Country Programs	75.0	94.1	73.0
<u>Asia</u>			
1. Country Programs	61.6	70.9	71.0
<u>Latin America</u>			
1. Country Programs	4.4	15.0	38.0
Total Development Assistance	<u>141.0</u>	<u>180.0</u>	<u>182.0</u>

DEVELOPMENT ASSISTANCE

Summary by Major Activity Field

(In thousands of dollars)

<u>Programs by Fiscal Year</u>	<u>Total U. S. Cost</u>	<u>Agriculture and Natural Resources</u>	<u>Industry and Mining</u>	<u>Transportation</u>	<u>Labor</u>	<u>Health and Sanitation</u>	<u>Educa- tion</u>	<u>Public Adminis- tration</u>	<u>Community Development, Social Welfare and Housing</u>	<u>Import of Saleable Commodities</u>	<u>Other Costs</u>
<u>Fiscal Year 1954</u>	<u>141,029</u>	<u>30,313</u>	<u>33,436</u>	<u>23,877</u>		<u>2,525</u>	<u>2,900</u>			<u>47,461</u>	<u>517</u>
Near East and Africa	74,960	19,614	1,300	3,755		2,510	2,900			44,364	517
Asia	61,649	9,649	32,000	20,000							
Latin America	4,420	1,050	136	122		15				3,097	
<u>Fiscal Year 1955</u>	<u>180,047</u>	<u>15,739</u>	<u>19,167</u>	<u>58,602</u>		<u>14,212</u>	<u>330</u>		<u>200</u>	<u>68,660</u>	<u>3,137</u>
Near East and Africa	94,130	10,620	3,064	35,878		8,708	330		200	34,900	430
Asia	70,935		15,800	18,500		4,700				30,000	1,935
Latin America	14,982	5,119	303	4,224		804				3,760	772
<u>Fiscal Year 1956</u>	<u>182,000</u>	<u>23,300</u>	<u>27,510</u>	<u>26,900</u>		<u>5,300</u>	<u>450</u>			<u>81,295</u>	<u>245</u>
Near East and Africa	73,000	12,500	7,000	15,010		500	450			37,295	245
Asia	71,000	6,300	20,200	6,500		4,000				34,000	
Latin America	21,000	4,500	310	5,390		800				10,000	
Undistributed	17,000										

DEVELOPMENT ASSISTANCE

Summary by Major Cost Components

(In thousands of dollars)

Programs by Fiscal Year	Total U. S. Cost	Supplies, Equipment & Grants to Servicios	U. S. Government Technicians		Contract Services		Participants		Other Costs
			No. Employed June 30	Cost	No. Employed June 30	Cost	No. of Persons	Cost	
<u>Fiscal Year 1954</u>	141,029	136,023			45	1,630			3,376
Near East and Africa	74,960	69,954			45	1,630			3,376
Asia	61,649	61,649							
Latin America	4,420	4,420							
<u>Fiscal Year 1955</u>	180,047	179,107	6	20	43	895			25
Near East and Africa	94,130	93,310			40	820			
Asia	70,935	70,915	6	20					
Latin America	14,982	14,882			3	75			25
<u>Fiscal Year 1956</u>	182,000	164,555	10	175	6	200	14	70	
Near East and Africa	73,000	72,555	10	175	6	200	14	70	
Asia	71,000	71,000							
Latin America	21,000	21,000							
Undistributed	17,000								

TECHNICAL COOPERATION

Definition

Technical cooperation programs may be defined as programs for the sharing of our knowledge, experience, techniques and skills with the peoples of the less developed areas of the world for the purpose of helping them to further their economic development and increase their standard of living. These programs emphasize, and consist largely of, advice, teaching, training and the exchange of information, and they do not include the provision of supplies and equipment beyond that which is required for effective teaching and demonstration purposes. Moreover, except for these last mentioned purposes, they do not supply the capital which may often, if not always, be indispensable to the conversion of the knowledge, skills, techniques and experience which are thus provided into economic wealth, improved standards of living and other tangible benefits among the peoples of the recipient countries.

TECHNICAL COOPERATION

Summary of Program by Area

(In millions of dollars)

Area and Activity	Program		
	FY 1954	FY 1955	Proposed FY 1956
<u>Near East and Africa</u>			
1. Country Programs	37.4	32.1	38.8
2. Undistributed by Country	.3	1.7	2.2
Total - Near East and Africa	37.7	33.8	41.0
<u>Asia</u>			
1. Country Programs	35.7	44.2	66.5
2. Undistributed by Country	.2	1.3	
Total - Asia	35.9	45.5	66.5
<u>Latin America</u>			
1. Country Programs	20.9	24.0	28.8
2. Organization of American States	.7	1.5	1.5
3. Undistributed by Country	1.1	1.1	1.2
Total - Latin America	22.7	26.6	31.5
<u>Non-Regional Programs</u>			
1. United Nations Expanded Technical Assistance Program (UNTA)	8.5	16.4	24.0
2. Inter-Regional Expenses	4.0	8.6	9.0
Total Non-Regional Programs	12.5	25.0	33.0
Total Technical Cooperation	108.8	130.9	172.0

TECHNICAL COOPERATION

Summary by Major Activity Field

(In thousands of dollars)

Programs by Fiscal Year	Total U. S. Cost	Agriculture and Natural Resources	Industry and Mining	Transportation	Labor	Health and Sanitation	Educa- tion	Public Adminis- tration	Community Development, Social Welfare and Housing	General and Misc.	All Other
<u>Fiscal Year 1954</u>	<u>108,785</u>	<u>40,298</u>	<u>10,026</u>	<u>4,370</u>	<u>799</u>	<u>17,421</u>	<u>14,955</u>	<u>3,844</u>	<u>7,883</u>	<u>-9,637</u>	<u>18,826</u>
Near East and Africa	37,752	14,562	3,035	1,503	224	4,881	7,933	1,540	1,209		2,865
Asia	35,856	15,641	5,880	2,329	47	7,824	4,568	1,296	6,206	-9,637	1,702
Latin America	22,722	10,095	1,111	538	528	4,716	2,454	1,008	468		1,804
Non-Regional	12,455										12,455
<u>Fiscal Year 1955</u>	<u>130,969</u>	<u>34,081</u>	<u>9,089</u>	<u>5,358</u>	<u>2,501</u>	<u>16,926</u>	<u>17,856</u>	<u>6,422</u>	<u>4,387</u>	<u>1,140</u>	<u>33,209</u>
Near East and Africa	33,826	9,932	2,657	2,737	546	3,639	7,238	1,552	2,244		3,281
Asia	45,516	14,885	4,379	1,577	1,315	8,081	6,824	3,178	1,565	1,140	2,572
Latin America	26,569	9,264	2,053	1,044	640	5,206	3,794	1,692	578		2,298
Non-Regional	25,058										25,058
<u>Fiscal Year 1956</u>	<u>172,000</u>	<u>40,089</u>	<u>15,070</u>	<u>6,122</u>	<u>3,270</u>	<u>20,141</u>	<u>24,733</u>	<u>12,248</u>	<u>8,775</u>	<u>2,080</u>	<u>39,472</u>
Near East and Africa	41,000	10,706	3,726	3,089	850	5,211	7,866	2,640	3,857		3,055
Asia	66,500	18,672	8,904	1,540	1,410	9,196	12,670	7,695	3,973	2,080	360
Latin America	31,500	10,711	2,440	1,493	1,010	5,734	4,197	1,913	945		3,057
Non-Regional	33,000										33,000

TECHNICAL COOPERATION

Summary by Major Cost Components

(In thousands of dollars)

Programs by Fiscal Year	Total	Supplies and Equipment	U. S. Government Technicians		Contract Services		Participants		Other Costs
			No. of Persons	Cost	No. of Persons	Cost	No. of Persons	Cost	
<u>Fiscal Year 1954</u>	<u>108,785</u>	<u>36,256</u>	<u>1,567</u>	<u>19,488</u>	<u>560</u>	<u>23,689</u>	<u>2,298</u>	<u>7,899</u>	<u>21,453</u>
Near East and Africa	37,752	11,310	749	8,969	307	9,536	764	2,605	5,332
Asia	35,856	17,106	295	4,432	219	10,005	701	2,731	1,582
Latin America	22,722	7,840	523	6,087	34	4,148	833	2,563	2,084
Non-Regional	12,455								12,455
<u>Fiscal Year 1955</u>	<u>130,969</u>	<u>28,888</u>	<u>2,042</u>	<u>29,128</u>	<u>992</u>	<u>24,307</u>	<u>3,535</u>	<u>13,025</u>	<u>35,621</u>
Near East and Africa	33,826	5,256	835	12,343	446	8,926	866	3,042	4,259
Asia	45,516	16,978	572	7,648	432	12,781	1,411	6,026	2,083
Latin America	26,569	6,654	635	9,137	114	2,600	1,258	3,957	4,221
Non-Regional	25,058								25,058
<u>Fiscal Year 1956</u>	<u>172,000</u>	<u>40,993</u>	<u>2,592</u>	<u>38,970</u>	<u>1,350</u>	<u>31,307</u>	<u>4,606</u>	<u>17,473</u>	<u>43,257</u>
Near East and Africa	41,000	7,291	851	14,099	566	10,957	1,078	3,733	4,920
Asia	66,500	26,408	848	13,292	599	17,122	2,050	8,899	779
Latin America	31,500	7,294	793	11,579	185	3,228	1,478	4,841	4,558
Non-Regional	33,000								33,000

OTHER PROGRAMS

Summary of Other Programs

(In millions of dollars)

Activity	Program		
	FY 1954	FY 1955	Proposed FY 1956
Special Assistance in Joint Control Areas	18.2	24.6	21.0
Coal-Steel Community Loan	100.0		
Palestine Refugees in the Near East	15.0	16.7	65.0
President's Fund for Asian Economic Development			200.0
Refugees and Migrants			
Intergovernmental Committee for European Migration	7.0	10.5	12.5
United Nations Refugee Fund			1.4
Escapee Program	7.2	6.2	6.0
United Nations Children's Fund	9.8	12.5	14.5
North Atlantic Treaty Organization (Civilian Headquarters)	1.2	1.2	3.7
Ocean Freight Charges - Voluntary Relief Shipments	2.3	1.5	2.0
Ocean Freight Charges - Surplus Agricultural Commodities	3.5	8.3	13.0
Control Act Expenses	1.0	1.2	1.2
Administrative Expenses (Other than Military Assistance)	33.7	32.6	33.5
Special Presidential Fund			100.0
Special Programs	47.1	15.4	
Coal Revolving Fund		20.0	
Total Other Programs	246.0	150.7	473.8