

**MUTUAL
SECURITY
PROGRAM**

PD-ACE-043

ESTIMATES - FISCAL YEAR 1959

BEST AVAILABLE

Administrative Expenses, ICA
Section 411 (b)

Revised 4-30-58

MUTUAL SECURITY PROGRAM
INTERNATIONAL COOPERATION ADMINISTRATION
GENERAL ADMINISTRATIVE EXPENSE

TABLE OF CONTENTS

	<u>Page No.</u>
Program and Financing.....	1
Agency Summary of Obligations by Area.....	2
General Narrative Statement.....	3
Comparative Summary of Obligations - Departmental and Overseas.....	5
Comparative Summary of Obligations and Narrative Statement - Departmental.....	7
Comparative Summary of Obligations - Overseas.....	10
Narrative Statement - Overseas Personnel Program.....	12
Comparative Summary of Obligations and Narrative Statement - Europe.....	14
Comparative Summary of Obligations and Narrative Statement - Africa.....	18
Comparative Summary of Obligations and Narrative Statement - Near East and South Asia...	22
Comparative Summary of Obligations and Narrative Statement - Far East.....	25
Comparative Summary of Obligations and Narrative Statement - Latin America.....	28

MUTUAL SECURITY PROGRAM
INTERNATIONAL COOPERATION ADMINISTRATION

GENERAL ADMINISTRATIVE EXPENSES

PROGRAM AND FINANCING

	Actual FY 1957	Estimate FY 1958	Estimate FY 1959
<u>Program by area:</u>			
Departmental	\$13,096,365	\$14,331,500	\$15,350,000
Overseas:			
Europe	1,674,311	1,131,000	1,062,600
Africa	936,059	1,780,000	2,096,000
Near East and South Asia	4,575,771	4,527,000	4,989,400
Far East	5,125,259	5,989,000	6,471,700
Latin America	2,484,646	2,745,000	3,030,300
Subtotal Overseas	14,796,046	16,172,000	17,650,000
Total Obligations	27,892,411	30,503,500	33,000,000
<u>Financing:</u>			
Comparative transfer to:			
"Administrative expenses, State, section 411(c)"	6,402,166	2,088,500	-
"Administrative expenses, Development Loan Fund"	-	118,000	-
"Control Act expenses"	21,000	40,000	-
Unobligated balance no longer available (returned to master account)	429,423	-	-
<u>Total new obligational authority</u>	34,745,000	32,750,000	33,000,000
<u>Total new obligational authority consists of:</u>			
Annual statutory limitation	33,595,000	32,750,000	33,000,000
Transferred from "Development Assistance, Executive"	1,150,000	-	-
<u>Annual statutory limitation (adjusted)</u>	34,745,000	32,750,000	33,000,000

MUTUAL SECURITY PROGRAM
INTERNATIONAL COOPERATION ADMINISTRATION

SUMMARY OF OBLIGATIONS BY AREA

(\$ Thousands)

	Actual FY 1957					Estimate FY 1958					Estimate FY 1959				
	Perm. Pos.		Man-Years		Amount	Perm. Pos.		Man-Years		Amount	Perm. Pos.		Man-Years		Amount
	U.S.	Local	U.S.	Local		U.S.	Local	U.S.	Local		U.S.	Local	U.S.	Local	
Departmental	1,448	-	1,322	-	\$13,096	1,454	-	1,378	-	\$14,332	1,510	-	1,428	-	\$15,350
Overseas:															
Europe	89	111	75	98	1,674	66	88	55	75	1,131	50	84	47	73	1,063
Africa	57	56	36	33	936	102	89	75	61	1,780	112	97	98	89	2,096
Near East & South Asia	249	379	215	329	4,576	263	363	217	326	4,527	282	390	239	344	4,989
Far East	288	593	249	492	5,125	321	661	264	545	5,989	333	667	291	603	6,472
Latin America	121	282	105	249	2,485	142	291	124	258	2,745	160	300	139	277	3,030
Sub-total O/S	804	1,421	680	1,201	14,796	894	1,492	735	1,265	16,172	937	1,538	814	1,386	17,650
Total Direct Obligations	2,252	1,421	2,002	1,201	27,892	2,348	1,492	2,113	1,265	30,504	2,447	1,538	2,242	1,386	33,000

MUTUAL SECURITY PROGRAM

INTERNATIONAL COOPERATION ADMINISTRATION SUMMARY

General Narrative Statement

FY 1959 Administrative Expense Requirement

The proposed fiscal year 1959 appropriation for general administrative expenses requested under this authorization is \$33,000,000. It provides for the administrative expenses of the International Cooperation Administration, and excludes certain costs of the Department of State associated with the Mutual Security Program for which a separate appropriation of \$6,692,000 is requested under the provisions of Section 411(c) of the Mutual Security Act of 1954, as amended. Also excluded from this request are the administrative expense requirements of the Department of Defense, and the costs of administering the Development Loan Fund, for which separate requests have been submitted.

One of the smallest but nevertheless essential parts of the Mutual Security Program authorization request is the provision for the general administrative expenses of the International Cooperation Administration. The funds requested are used to pay and support personnel in Washington and overseas who are responsible for carrying out the ICA - administered elements of the Mutual Security program. These people develop and screen the assistance programs for each country, and assure that the assistance achieves the purposes for which it is intended and that funds are properly managed and controlled.

The work of the International Cooperation Administration in administering the elements of the Non-military assistance program for which it is responsible has increased steadily as the program has shifted to the less developed areas of the world with less experienced governments and business communities and more difficult working conditions. Concurrent with this shift in geographical location has been the shift in program emphasis from non-project to project assistance. Project assistance, involving the furnishing of technicians, providing of training and arranging for service contracts, as well as financing commodities requires considerably more administrative costs per dollar of assistance extended than is required by the non-project commodity import program. Experience has taught us that we get the most from a dollar of assistance only when we give adequate attention to the economic usefulness and technical soundness of proposals before committing funds, and then follow up to assure that they are effectively used. In order effectively and efficiently to administer and carry out the complex activities involved in the Mutual Security

Program, it is essential that adequate funds be provided to cover the costs incident thereto.

The appropriation requested under the authorization of \$33 million represents an increase of \$2.5 million over the amount available for the current year of \$30.5 million. The major portion of the increase of \$2.5 million requested in 1959, or \$2.1 million, is required to continue to maintain and provide minimum improvements in our operational abilities, which for the most part were initiated in fiscal year 1958. The small increase of 37 in the number of permanent positions requested, chargeable to the appropriation (excluding 16 increase in the program for increased training and continuity of personnel) accounts for \$.4 million of the total increase requested. The remaining \$2.1 million is required to fund for a full year the net 96 additional positions estimated to be added during the current fiscal year, 6 of which are in Washington and 90 overseas, and other expenses which serve to maintain rather than add to our administrative staff. A summary of these maintenance increases totaling \$2.1 million is as follows: (1) \$1.1 million for personal services and related costs; (2) \$.3 million for increased training and continuity of personnel; (3) \$.3 million increase in reimbursements to the Department of State and Participating Agencies; (4) \$.3 million increase in rents and utility costs, and; (5) \$.1 million increase in contribution to the Retirement Fund.

A summarization of the increases by geographical areas follows:

1. Washington departmental operations in fiscal year 1959 provides for a total of 1,510 positions including 36 reimbursable positions. This represents a net increase of 24 positions chargeable to the appropriation and 32 reimbursable positions over the number reflected for fiscal year 1958. Of this net increase of 24 positions, 10 positions are for staffing a new electronic accounting machine installation and 10 positions are to provide custodial type services formerly furnished by GSA. This increase of 20 is offset by reductions in reimbursements to the agencies furnishing these services on a contractual basis. The remaining net increase of 4 positions reflects continuing efforts made to accommodate increasing workloads and to absorb additional duties with this minimal increases in staffing levels. The increase of \$1,018,500 provides for

INTERNATIONAL COOPERATION ADMINISTRATION SUMMARY

General Narrative Statement (continued)

Washington (continued)

additional personal services costs of \$458,000, additional rents and utility costs of \$196,000, additional costs to Department of State for administrative support of \$155,000, and all other object costs of \$209,500.

2. Europe costs are expected to decrease by \$68,400, representing a cut-back to minimal staffing in Austria, Germany and Italy, while the total administrative costs for Spain, Yugoslavia and the Area Controller Office, Paris, are expected to remain at approximately the current year level. Total U.S. National positions will decrease from 66 during fiscal year 1958 to 50 positions for fiscal year 1959, with a corresponding decrease in man-years of employment from 54.7 to 47.1 man-years for fiscal year 1959.

3. Africa costs are expected to increase by \$316,000. Total increases amount to \$450,500 consisting of \$346,800 for personal service costs including the provision for an increase of 22.7 man-years of U.S. Nationals employment (\$188,200), 28 man-years of local employment (\$51,500) and increased costs for hardship post differentials and living and quarters and other allowances (\$107,100). Other increases totaling \$103,700 will provide for travel and transportation costs of new positions and all other related supporting costs plus increases in costs for communications, rents, utilities, Department of State administrative support, supplies and equipment and contribution to the Retirement Fund to maintain for a full year the new positions added during the current fiscal year. These increases are offset by decreases totaling \$134,500 for non-recurring costs. Total U.S. National positions have increased from 57 in fiscal year 1957 to 102 in fiscal year 1958, due to providing fuller staffing for new locations opened in fiscal year 1957 - Ghana, Morocco, Somalia and Tunisia - plus staffing required for locations either opened or planned to be opened in fiscal year 1958 - Central African Federation, Nigeria and Uganda.

4. Near East and South Asia costs are expected to increase by \$462,400. Of this amount \$283,500 is for personal service costs including provision for an increase of 21.2 man-years of U.S. Nationals employment (\$192,100); 18.3 man-years of Foreign Nationals employment (\$26,600) and increased costs for hardship post differentials and living and quarters allowances (\$64,800). Supporting costs are increasing by \$178,900 in order to provide for the new positions estimated for fiscal year 1959 and to maintain and provide for a full year for the increased employment in fiscal year 1958.

5. Far East costs are expected to increase by \$482,700. Of this amount \$298,100 is for personal service costs including provision for an increase of 26.5 man-years of U.S. Nationals employment (\$190,580); 58 man-years of Foreign Nationals employment (\$69,000) and increased costs for hardship post differentials and living and quarters allowances (\$38,520). Supporting costs are increasing by \$184,600 in order to provide for the new positions estimated for fiscal year 1959 and to maintain and provide for a full year for the increased employment in fiscal year 1958.

6. Latin America costs are expected to increase by \$285,300. Of this amount \$201,825 is for personal service costs including provision for an increase of 15.1 man-years of U.S. Nationals employment (\$124,609); 19 man-years of Foreign Nationals employment (\$45,051) and increased costs for hardship post differentials and living and quarters allowances (\$32,165). Supporting costs are increasing by \$83,475 in order to provide for the new positions estimated for fiscal year 1959 and to maintain and provide for a full year for the increased employment in fiscal year 1958.

MUTUAL SECURITY PROGRAM
INTERNATIONAL COOPERATION ADMINISTRATION

COMPARATIVE SUMMARY OF OBLIGATIONS BY OBJECT CLASS

DEPARTMENTAL AND OVERSEAS

Description	Actual 1957		Estimate 1958		Estimate 1959	
	Total		Total		Total	
	Number	Amount	Number	Amount	Number	Amount
Permanent positions - U.S. Nationals	2,252.0	16,508,010	2,348.0	17,777,325	2,447.0	18,407,685
Deduct Reimbursable positions	11.0	80,275	15.0	107,715	61.0	415,880
Permanent positions - Direct	2,241.0	16,427,735	2,333.0	17,669,610	2,386.0	17,991,805
Deduct lapse	278.7	2,115,097	260.3	2,201,319	188.5	1,459,925
Net permanent positions - U.S. Nationals	1,962.3	14,312,638	2,072.7	15,468,291	2,197.5	16,531,880
Permanent positions - Foreign Nationals	1,421.0	2,026,629	1,492.0	2,227,792	1,538.0	2,370,455
Deduct Reimbursable positions	-	-	-	-	28.0	70,100
Permanent positions - Direct	1,421.0	2,026,629	1,492.0	2,227,792	1,510.0	2,300,355
Deduct lapse	220.0	309,086	227.0	313,618	124.1	202,030
Net permanent positions - Foreign Nationals	1,201.0	1,717,543	1,265.0	1,914,174	1,385.9	2,098,325
Average part-time and temporary personnel	14.3	112,876	13.4	75,080	15.2	73,080
Average employment all personnel	3,177.6	16,143,057	3,351.1	17,457,545	3,598.6	18,703,285
Other personal services:						
Regular pay above 52-week base		-		63,660		68,260
Overtime and holiday pay		328,758		218,500		232,600
Living and quarters allowance		872,156		941,585		1,070,490
Additional pay for service abroad		637,531		767,340		869,220
Payments to other agencies for reimbursable details	26.1	328,012	26.5	334,000	29.0	362,200
Total personal services	3,203.7	18,309,514	3,377.6	19,782,630	3,627.6	21,306,055
<u>Direct Obligations</u>						
01 - Personal services		18,309,514		19,782,630		21,306,055
02 - Travel		2,316,103		2,109,700		2,280,550
03 - Transportation of things		966,370		834,100		830,420
04 - Communication services		452,907		429,330		465,900
05 - Rents and utility services		1,357,539		1,774,700		2,037,600
06 - Printing and reproduction		350,633		377,700		396,910
07 - Other contractual services		480,189		667,300		766,955
Services performed by other agencies		2,310,443		2,332,000		2,557,400
08 - Supplies and materials		588,870		567,890		620,000
09 - Equipment		722,785		574,900		645,740
10 - Lands and structures		648		63,000		-
11 - Grants, subsidies and contributions		9,315		-		-
Contribution to the retirement fund		-		959,230		1,056,440
12 - Pensions, annuities and insurance claims		-		-		-
13 - Awards and indemnities		6,586		8,500		8,500
15 - Taxes and assessments		12,789		12,020		12,530
Unvouchered		7,720		10,500		15,000
Total direct obligations		27,892,411		30,503,500		33,000,000

Obligations Payable out of
Reimbursements from Non-Federal Sources

09 - Equipment

89,619

80,000

80,000

Obligations Payable out of
Reimbursements from Other Accounts

Permanent positions - U.S. Nationals
Deduct lapse
Net permanent positions - U.S. Nationals
Permanent positions - Foreign Nationals
Deduct lapse
Net permanent positions - Foreign Nationals
Average employment all personnel
Other personal services:
Regular pay above 52-week base
Overtime and holiday pay
Living and quarters allowance
Additional pay for services abroad
Total personal services obligations

11.0	80,275	15.0	107,715	61.0	415,880
4.2	24,714	4.6	26,590	16.6	107,410
6.8	55,561	10.4	81,125	44.4	308,470
	-		-	28.0	70,100
	-		-	11.2	28,040
	-		-	16.8	42,060
6.8	55,561	10.4	81,125	61.2	350,530
	-		170		1,195
	-		-		750
	8,700		9,105		32,780
	10,000		12,900		25,175
6.8	74,261	10.4	103,300	61.2	410,430

Reimbursable Obligations

01 - Personal services
02 - Travel
03 - Transportation of things
04 - Communication services
05 - Rents and utility services
06 - Printing and reproduction
07 - Other contractual services
Services performed by other agencies
08 - Supplies and materials
09 - Equipment
11 - Grants, subsidies and contributions
Contribution to retirement fund
Total reimbursable obligations from other accounts:
Total obligations

	74,261		103,300		410,430
	19,000		26,000		69,860
	7,791		13,400		38,300
	300		300		9,600
	-		-		19,900
	40,069		40,000		47,000
	134,000		135,000		136,000
	-		-		18,000
	1,500		2,000		6,100
	2,000		3,000		27,300
	-		3,000		17,510
	278,921		336,000		800,000
	28,260,951		30,919,500		33,880,000

MUTUAL SECURITY PROGRAM
INTERNATIONAL COOPERATION ADMINISTRATION

COMPARATIVE SUMMARY OF OBLIGATIONS BY OBJECT CLASS

DEPARTMENTAL

Description	Actual 1957		Estimate 1958		Estimate 1959	
	Total		Total		Total	
	Number	Amount	Number	Amount	Number	Amount
Permanent positions	1,448.0	10,025,410	1,454.0	10,334,460	1,510.0	10,610,830
Deduct Reimbursable positions	3.0	26,970	4.0	35,960	36.0	211,725
Permanent positions - Direct	1,445.0	9,998,440	1,450.0	10,298,500	1,474.0	10,399,105
Deduct lapse	156.0	1,123,458	107.9	907,500	85.0	592,105
Net permanent positions	1,289.0	8,874,982	1,342.1	9,391,000	1,389.0	9,807,000
Average part-time and temporary personnel	13.6	106,981	12.4	73,000	14.2	71,000
Average employment all personnel	1,302.6	8,981,963	1,354.5	9,464,000	1,403.2	9,878,000
Other personal services:						
Regular pay above 52-week base		-		37,000		38,000
Overtime and holiday pay		195,890		135,000		150,000
Living and quarters allowance		40,664		36,000		40,000
Additional pay for service abroad		9,102		7,000		7,000
Payments to other agencies for reimbursable details	19.3	232,946	23.0	278,000	25.0	302,000
Total personal services	1,321.9	9,460,565	1,377.5	9,957,000	1,428.2	10,415,000
<u>Direct Obligations</u>						
01 - Personal services		9,460,565		9,957,000		10,415,000
02 - Travel		610,500		609,000		650,000
03 - Transportation of things		553		2,000		2,000
04 - Communication services		355,683		337,000		353,000
05 - Rents and utilities		667,624		697,000		893,000
06 - Printing and reproduction		331,435		356,000		372,000
07 - Other contractual services		112,726		131,000		165,000
Services performed by other agencies		1,228,734		1,406,000		1,526,000
08 - Supplies and materials		161,817		158,000		169,000
09 - Equipment		149,877		75,000		150,000
11 - Grants, subsidies and contributions						
Contribution to retirement fund		-		581,000		628,000
13 - Awards and indemnities		2,342		5,000		5,000
15 - Taxes and assessments		6,789		7,000		7,000
Unvouchered		7,720		10,500		15,000
Total direct obligations		13,096,365		14,331,500		15,350,000

Revised
4/30/58

Obligations Payable Out of Reimbursements
from Other Accounts

Permanent positions	3.0	26,970	4.0	35,960	36.0	211,725
Deduct lapse	0.2	1,409	0.1	960	7.1	34,225
Net permanent positions	<u>2.8</u>	<u>25,561</u>	<u>3.9</u>	<u>35,000</u>	<u>28.9</u>	<u>177,500</u>
Other personal services:						
Regular pay above 52-week base		-		-		500
Overtime and holiday pay		-		-		700
Total personal services	<u>2.8</u>	<u>25,561</u>	<u>3.9</u>	<u>35,000</u>	<u>28.9</u>	<u>178,700</u>
<u>Reimbursable Obligations</u>						
01 - Personal services		25,561		35,000		178,700
02 - Travel		-		-		1,300
04 - Communication services		-		-		9,000
05 - Rents and utilities		-		-		18,000
06 - Printing and reproduction		40,069		40,000		47,000
07 - Other contractual services		-		-		2,000
Services performed by other agencies		-		-		18,000
08 - Supplies and materials		-		-		2,000
09 - Equipment		-		-		15,000
11 - Grants, subsidies and contributions		-		-		9,000
Contribution to retirement fund		-		-		9,000
Total reimbursable obligations		<u>65,630</u>		<u>75,000</u>		<u>300,000</u>
Total Obligations		<u>13,161,995</u>		<u>14,406,500</u>		<u>15,650,000</u>

MUTUAL SECURITY PROGRAM
INTERNATIONAL COOPERATION ADMINISTRATION

NARRATIVE JUSTIFICATION STATEMENT

DEPARTMENTAL

Washington departmental operations in fiscal year 1959 provides for a total of 1,510 positions including 36 reimbursable positions. This represents a net increase of 24 positions chargeable to the appropriation and 32 reimbursable positions over the number reflected for fiscal year 1958. Of this net increase of 24 positions, 10 positions are for staffing a new electronic accounting machine installation and 10 positions are to provide custodial type services formerly furnished by GSA. This increase of 20 is offset by reductions in reimbursements to the agencies furnishing these services on a contractual basis. The remaining net increase of 4 positions reflects continuing efforts made to accommodate increasing workloads and to absorb additional duties with minimal increases in staffing levels. The increase of \$1,018,500 provides for additional personal services costs of \$458,000, additional rents and utility costs of \$196,000, additional costs to Department of State for administrative support of \$155,000, and all other object costs of \$209,500.

In developing these estimates, a detailed survey was made of ICA's Washington staffing levels. This survey revealed certain staffing deficiencies which have been provided for by compensating decreases in other areas to the greatest possible extent, or by requiring absorption of additional workload without increase of staff. In this manner the total request for additional positions has been held to the minimum, while at the same time staff strength has been bolstered in the geographic programming areas where program and project review on the country level is performed, and in the fiscal and administrative service operations where workloads have increased disproportionately to staffing levels.

MUTUAL SECURITY PROGRAM
INTERNATIONAL COOPERATION ADMINISTRATION

COMPARATIVE SUMMARY OF OBLIGATIONS BY OBJECT CLASS

OVERSEAS

Description	Actual 1957		Estimate 1958		Estimate 1959	
	Total		Total		Total	
	Number	Amount	Number	Amount	Number	Amount
Permanent positions - U.S. Nationals	804.0	6,482,600	894.0	7,442,865	937.0	7,796,855
Deduct reimbursable positions	8.0	53,305	11.0	71,755	25.0	204,155
Permanent positions - Direct	796.0	6,429,295	883.0	7,371,110	912.0	7,592,700
Deduct lapse	122.7	991,639	152.4	1,293,819	103.5	867,820
Net permanent positions - U.S. Nationals	673.3	5,437,656	730.6	6,077,291	808.5	6,724,880
Permanent positions - Foreign Nationals	1,421.0	2,026,629	1,492.0	2,227,792	1,538.0	2,370,455
Deduct reimbursable positions	-	-	-	-	28.0	70,100
Permanent positions - Direct	1,421.0	2,026,629	1,492.0	2,227,792	1,510.0	2,300,355
Deduct lapse	220.0	309,086	227.0	313,618	124.1	202,030
Net permanent positions - Foreign Nationals	1,201.0	1,717,543	1,265.0	1,914,174	1,385.9	2,098,325
Average part-time and temporary personnel	0.7	5,895	1.0	2,080	1.0	2,080
Average employment all personnel	1,875.0	7,161,094	1,996.6	7,993,545	2,195.4	8,825,285
Other personal services:						
Regular pay above 52-week base		-		26,660		30,260
Overtime and holiday pay		132,868		33,500		82,600
Living and quarters allowance		831,492		905,585		1,030,490
Additional pay for service abroad		628,429		760,340		862,220
Payments to other agencies for reimbursable details	6.8	95,066	3.5	56,000	4.0	60,200
Total personal services	1,881.8	8,848,949	2,000.1	9,825,630	2,199.4	10,891,055
<u>Direct Obligations</u>						
01 - Personal services		8,848,949		9,825,630		10,891,055
02 - Travel		1,705,603		1,500,700		1,630,550
03 - Transportation of things		965,817		832,100		828,420
04 - Communication services		97,224		92,330		112,900
05 - Rents and utility services		689,915		1,077,700		1,144,600
06 - Printing and reproduction		19,198		21,700		24,910
07 - Other contractual services		367,463		536,300		601,955
Services performed by other agencies		1,081,709		926,000		1,031,400
08 - Supplies and materials		427,053		409,890		451,000
09 - Equipment		572,908		499,900		495,740
10 - Lands and structures		648		63,000		-
11 - Grants, subsidies and contributions		9,315		-		-
Contribution to the retirement fund		-		378,230		428,440
13 - Awards and indemnities		4,244		3,500		3,500
15 - Taxes and assessments		6,000		5,020		5,530
Total direct obligations		14,796,046		16,172,000		17,650,000

Revised
4/30/58

Obligations Payable Out of
Reimbursements from Non-Federal Sources

09 - Equipment

89,619

80,000

80,000

Obligations Payable Out of
Reimbursements from Other Accounts

Permanent positions - U.S. Nationals

8.0 53,305

11.0 71,755

25.0 204,155

Deduct lapse

4.0 23,305

4.5 25,630

9.5 73,185

Net permanent positions - U.S. Nationals

4.0 30,000

6.5 46,125

15.5 130,970

Permanent positions - Foreign Nationals

- -

- -

28.0 70,100

Deduct lapse

- -

- -

11.2 28,040

Net permanent positions - Foreign Nationals

- -

- -

16.8 42,060

Average employment all personnel

4.0 30,000

6.5 46,125

32.3 173,030

Other personal services:

Regular pay above 52-week base

-

170

695

Overtime and holiday pay

-

-

50

Living and quarters allowance

8,700

9,105

32,780

Additional pay for services abroad

10,000

12,900

25,175

Total personal services

4.0 48,700

6.5 68,300

32.3 231,730

01 - Personal services

48,700

68,300

231,730

02 - Travel

19,000

26,000

68,560

03 - Transportation of things

7,791

13,400

38,300

04 - Communication services

300

300

600

05 - Rents and utility services

-

-

1,900

07 - Other contractual services

134,000

145,000

134,000

08 - Supplies and materials

1,500

2,000

4,100

09 - Equipment

2,000

3,000

12,300

11 - Grants, subsidies and contributions

-

-

-

Contributions to retirement fund

-

3,000

8,510

Total reimbursable obligations from other accounts

213,291

261,000

500,000

Total obligations

15,098,956

16,513,000

18,230,000

MUTUAL SECURITY PROGRAM
INTERNATIONAL COOPERATION ADMINISTRATION

NARRATIVE JUSTIFICATION STATEMENT

OVERSEAS PERSONNEL PROGRAM

The FY 1958 justification described in considerable detail the "new" overseas personnel system which included full complement staffing and junior and intermediate in-service training programs. Implementation of these programs is well under way and with the experience of operations during the first half of FY 1958 together with firmer staffing patterns and more smoothly operating placement machinery ICA has reduced its FY 1959 estimates considerably under those proposed for FY 1958. The FY 1959 estimate of positions and proposed changes are summarized as follows:

OVERSEAS PERSONNEL SYSTEM

ADMINISTRATIVE EXPENSES

	<u>FY 1958</u>	<u>FY 1959</u>	<u>Change</u>
Full Complement Reserve	19	23	+ 4
Junior Overseas Interns	11	15	+ 4
In-Service Training Complement	18	26	+ 8
Total Positions	<u>48</u>	<u>64</u>	<u>+16</u>
Total Cost	<u>\$270,000</u>	<u>\$534,000</u>	<u>264,000</u>

FULL COMPLEMENT RESERVE

The Full Complement Reserve is proving itself to be an invaluable tool in the operation of an overseas personnel system geared to the specific purpose of providing qualified staff required to meet diverse program needs in a timely manner. It consists of two component parts, each of which contributes to this basic objective in a somewhat different way.

A. Recruitment Complement

One of the principal deterrents to recruitment for overseas assignments with this Agency stems directly from the program itself being a cooperative one with other sovereign countries. Since

host country concurrence in a candidate nominated for a particular position is an integral part of this cooperative arrangement--"country clearance" it is frequently a fairly long drawn-out process. This is inevitable, given the primitive nature of administrative systems in most of the newly-developing countries in which the ICA program operates. Nonetheless, the very process of their having participated in the selection of the individual contributes to developing administrative competence among host country nationals. Furthermore, this participation serves to create a climate of receptivity essential to the ICA employee's effectiveness.

The recruitment complement provides a means of "saving" many qualified candidates who might be lost due to unavoidable delays in the "country clearance" process and thereby greatly reduces the amount of staff time formerly lost in the recruitment, selection and processing of candidates who never entered on duty.

B. Field Unassigned Complement

This facility was established, and has been used during its first year of operation, as a means of retaining in the service the more difficult-to-find types of employees needed but for whom a specific assignment is not immediately available. In addition to enabling the Agency to retain the expertise and overseas work experience of the individual concerned, the availability of this means for holding a well-qualified employee temporarily, in duty status in ICA/W, contributes significantly to the employment security of all members of the overseas staff. Over a period of time this should help reduce the turnover rate with obvious advantages to the Agency.

TRAINING COMPLEMENT

Stated in broad categories the training needs of the Agency fall in two principal types:

Narrative Justification Statement (continued)

TRAINING COMPLEMENT (continued)

1. In-Service-Training Complement

A. Refresher training

Training of this type is provided when there is a clear indication of need to update or/and broaden a given Mission employee's knowledge of particular techniques or work methods prior to his next overseas assignment.

B. Developmental training

This type of training is aimed specifically toward developing a particular kind or level of competence for which this Agency has a special need. At present, needs in this area are visualized as falling into three categories:

Program Officer function

The programming of technical and economic assistance to underdeveloped countries requires a unique kind of competence which neither regular academic courses nor work experience in the United States adequately provides. This Agency literally has no practicable alternative to "building its own" program officers.

As a first step toward redressing the lack of such training in earlier years of the program and otherwise enhancing the performance of the essential programming function, a special training program is being developed geared specifically to meeting the unique needs of ICA. The first course will be started late in FY 58 and will run for about five months. Assuming it proves as useful for its purpose as expected, this program will be repeated twice each year, with about 20 participants at a time.

Mission Executive Officers

Mission Executive Officers necessarily are drawn largely from one or the other of the specialized fields of management. Usually it is his demonstrated expertise in his speciality field, plus a broader "management sense" which opens the way for a man's moving into an Executive Officer position. By the same token, however, this same specialization is a handicap in meeting the total management responsibilities with which an Executive Officer must cope.

In selected instances, present ICA staff being assigned as Mission Executive Officers will be given 3 - 4 months practical work/training experience in ICA/W in those aspects of an Executive Officer's functions in which they are not already well grounded prior to taking up their overseas assignment. Present Mission Executive Officers or Assistant Executive Officers will be given a similar "rounding out" experience in conjunction with Home Leave in those cases where special needs warrant.

2. Junior Overseas Interns

This type of training is aimed primarily toward providing to a relatively small number of especially promising younger staff members a broad-based work/training experience early in their career which will hasten significantly the realization of their high potential. Candidates are given approximately two months orientation/training in ICA/W followed by ten months in a Mission prior to appointment to a regular tour of duty.

MUTUAL SECURITY PROGRAM
INTERNATIONAL COOPERATION ADMINISTRATION

COMPARATIVE SUMMARY OF OBLIGATIONS BY OBJECT CLASS

EUROPE

Description	Actual 1957		Estimate 1958		Estimate 1959	
	Total		Total		Total	
	Number	Amount	Number	Amount	Number	Amount
Permanent positions - U. S. Nationals	89.0	746,535	66.0	554,045	50.0	427,705
Deduct lapse	14.2	108,881	11.3	104,045	2.9	25,605
Net permanent positions - U. S. Nationals	74.8	637,654	54.7	450,000	47.1	402,100
Permanent positions - Foreign Nationals	111.0	257,409	88.0	203,100	84.0	193,200
Deduct lapse	13.0	30,128	12.6	22,600	11.0	20,700
Net permanent positions - Foreign Nationals	98.0	227,281	75.4	180,500	73.0	172,500
Average part-time and temporary personnel	-	-	-	-	-	-
Average employment all civilian personnel	172.8	864,935	130.1	630,500	120.1	574,600
Regular pay in excess of 52-week base		-		1,800		1,500
Payment above basic rates civilian personnel:						
Living and quarters allowance		135,099		89,500		80,100
Overtime and holiday pay		3,988		3,100		1,200
Additional pay for services abroad		15,761		15,100		17,800
Payment to other agencies for reimbursable details		-		-		-
Total personal services obligations	172.8	1,019,783	130.1	740,000	120.1	675,200
<u>Direct Obligations</u>						
01 - Personal services		1,019,783		740,000		675,200
02 - Travel		139,052		82,000		121,600
03 - Transportation of things		61,211		39,000		45,700
04 - Communication services		17,304		4,600		4,400
05 - Rents and utility services		3,802		4,200		4,500
06 - Printing and reproduction		2,422		2,000		1,600
07 - Other contractual services		35,610		26,400		27,000
Services performed by other agencies		380,387		189,500		146,000
08 - Supplies and materials		12,971		6,200		6,000
09 - Equipment		816		7,600		4,200
10 - Lands and structures		-		-		-
11 - Grants, subsidies and contributions		-		-		-
Contribution to retirement fund		-		29,200		26,100
12 - Pensions, annuities and insurance claims		-		-		-
13 - Refunds, awards and indemnities		175		-		-
15 - Taxes and assessments		778		300		300
Total direct obligations		1,674,311		1,131,000		1,062,600

Obligations Payable out of
Reimbursements from Non-Federal Sources

09 - Equipment	4,000	4,000	4,000
Total obligations payable out of reimbursements from non-Federal sources	4,000	4,000	4,000
<u>Obligations Payable out of</u> <u>Reimbursements from Other Accounts</u>			
07 - Other contractual services	-	11,000	-
Total obligations payable out of reimbursements from other accounts	-	11,000	-
Total obligations	1,678,311	1,146,000	1,066,600

MUTUAL SECURITY PROGRAM
INTERNATIONAL COOPERATION ADMINISTRATION

NARRATIVE JUSTIFICATION STATEMENT

EUROPE

A total of \$1,062,600 has been budgeted for the administrative staff costs of discharging ICA responsibilities in Europe in FY 1959. This is a reduction of \$68,400 from estimated FY 1958 costs. By June 30, 1958, ICA staffs will be reduced to 50 U.S. administrative employees which we are requesting for FY 1959. The bulk of this American administrative staff in FY 1959 will be maintained in those countries where there are active Mutual Security programs (Spain and Yugoslavia).

A new \$5 million loan has been made to Iceland and a small technical assistance program is underway and these will require a small ICA resident staff in Iceland of two persons.

The following major responsibilities must be assumed by ICA during FY 1959. The data on fiscal year obligations (programs) relate to workload in that year in this fashion: Implementation responsibilities derive from prior year programs, and also from the FY 1959 program, whereas program development and negotiation responsibilities are primarily related to the FY 1959 and anticipated subsequent year programs.

1. Administration of Programs under the Defense Support and Other Appropriations.

As in prior years the administrative workload resulting from project type programs continue to absorb the greater part of the personnel resources.

The following summary indicates the number of technicians and foreign participants:

	<u>Actual</u> <u>FY 1957</u>	<u>Estimate</u> <u>FY 1958</u>	<u>Estimate</u> <u>FY 1959</u>
Technicians	89	130	117
Participants	1,351	1,221	1,144

Continuation of Defense Support in Spain and Special Assistance in Yugoslavia is contemplated for FY 1959. The Special Assistance Program also includes a continuation of the

European Technical Exchange programs at about the same level as FY 1958, plus a new regional program to improve the supply and utilization of scientific and engineering manpower, for which \$1.0 million is being requested in FY 1959. Field support for the latter two elements will be supplied primarily by USRO, working closely with the Organization for European Economic Cooperation. The level of assistance for Berlin is reduced below the 1958 level owing to improved economic conditions. Remaining staffs in Italy, Austria, Berlin and Paris would service their countries' participation in technical exchange and other productivity activities.

The Technical Cooperation Program involves continuation of prior year technical activities in Spain and Yugoslavia at roughly the same level as in FY 1958.

2. Public Law 480

(a) Major continuing responsibilities for PL 480 programs are anticipated. ICA plays an important role, together with Agriculture, State, and other interested agencies, in developing, reviewing and negotiating sales agreements under Title I. These will amount to about \$142 million in FY 1958 for Spain, Yugoslavia and Iceland above. In FY 1959, they are estimated at \$160 million for the same group of aid countries.

(b) ICA will also have to administer some \$390 million of the unexpended local currencies generated by PL 480 sales agreements through FY 1958, plus large additional amounts generated in FY 1959.

(c) ICA has administered Title II programs of \$41 million of commodities in FY 1956 and the same amount in FY 1957. Further activities of this sort are expected in FY 1958 and FY 1959.

(d) Coordinating and general supervisory responsibilities for Title III programs are being continued in FY 1958 at an estimated level of \$160 million and at about the same level in FY 1959, as compared with about \$100 million in FY 1957.

Narrative Justification Statement (continued)

Europe (continued)

3. Local Currency Programs

(a) Supervision of programming and expenditure of estimated \$171 million MSP U.S.-owned foreign currency remaining on June 30, 1958 plus estimated \$28 million accruing in FY 1959.

(b) Similar duties for approximately \$2 million coal fund foreign currency remaining on June 30, 1958.

(c) Completion of local currency leg of estimated \$42.5 million triangular Section 402, Surplus Agricultural sales to Europe in FY 1958 which requires prompt shipment of satisfactory aid goods to third countries.

(d) Disposition of unexpended counterpart balances, supervision of U.S. interests in special revolving funds established by prior year counterpart releases, and maintenance of proper financial controls and investigation of counterpart uses as provided in the Mutual Security Act.

(e) As mentioned above, programming and implementation of programs for the \$390 million PL 480 local currency unexpended by the end of FY 1958, plus additional sums generated in FY 1959.

4. Summary of Other ICA Functions in Europe

ICA will also be concerned with the following functions insofar as staff resources will permit:

(a) U.S. representation through USRO in activities of the OEEC, including new initiatives in fields of peaceful uses of atomic energy, efforts to reduce and eliminate the

shortage of scientific and engineering manpower, and assistance to less developed areas, and other ad hoc regional representation assignments in the economic field.

(b) Continued systematic appraisal of country economic capabilities in relation to their defense programs.

(c) Continued encouragement and support for country actions to strengthen participation in regional economic organizations, and backstopping USRO in this sphere.

(d) Encouragement of country efforts to help raise the economic level of less developed areas.

(e) Execution of ICA responsibilities in connection with promotion of improved climate for private U.S. investment.

(f) General economic support of U.S. country mission activities to complement contribution of political, military and other specialized elements.

MUTUAL SECURITY PROGRAM
INTERNATIONAL COOPERATION ADMINISTRATION

COMPARATIVE SUMMARY OF OBLIGATIONS BY OBJECT CLASS

AFRICA

Description	Actual 1957		Estimate 1958		Estimate 1959	
	Total		Total		Total	
	Number	Amount	Number	Amount	Number	Amount
Permanent positions - U.S. Nationals	57.0	456,465	102.0	852,920	112.0	936,850
Deduct reimbursable positions	-	-	-	-	2.0	19,600
Permanent positions - Direct	57.0	456,465	102.0	852,920	110.0	917,250
Deduct lapse	21.0	143,507	26.7	205,520	12.0	81,650
Net permanent positions - U.S. Nationals	36.0	312,958	75.3	647,400	98.0	835,600
Permanent positions - Foreign Nationals	56.0	58,240	89.0	119,300	97.0	152,000
Deduct reimbursable positions	-	-	-	-	4.0	12,600
Permanent positions - Direct	56.0	58,240	89.0	119,300	93.0	139,400
Deduct lapse	23.0	23,931	28.0	39,900	4.0	8,500
Net permanent positions - Foreign Nationals	33.0	34,309	61.0	79,400	89.0	130,900
Average employment all civilian personnel	69.0	347,267	136.3	726,800	187.0	966,500
Other personal services:						
Regular pay above 52-week base		-		2,500		3,400
Overtime and holiday pay		4,346		4,200		3,500
Living and quarters allowance		34,895		82,300		148,000
Additional pay for service abroad		40,324		84,100		125,300
Payments to other agencies for reimbursable details		-		-		-
Total personal services	69.0	426,832	136.3	899,900	187.0	1,246,700
<u>Direct Obligations</u>						
01 - Personal services		426,832		899,900		1,246,700
02 - Travel		121,493		182,700		182,700
03 - Transportation of things		93,825		122,800		90,000
04 - Communication services		4,845		6,300		17,300
05 - Rents and utility services		66,718		138,000		159,500
06 - Printing and reproduction		401		1,300		2,700
070- Other contractual services		25,005		68,800		74,300
Services performed by other agencies		61,800		102,400		135,000
08 - Supplies and materials		27,884		33,000		52,400
09 - Equipment		106,419		119,000		80,300
10 - Lands and structures		-		63,000		-
11 - Grants, subsidies and contributions		80		-		-
Contribution to retirement fund		-		42,100		54,300
15 - Taxes and assessments		757		700		800
Total direct obligations		936,059		1,780,000		2,096,000

Revised
4/30/58

Obligations Payable out of
Reimbursements from Non-Federal Sources

09 - Equipment	19,576	30,000	30,000
----------------	--------	--------	--------

Obligations Payable Out of
Reimbursements from Other Accounts

Permanent positions - U.S. Nationals	-	-	2.0	19,600
Deduct lapse	-	-	0.8	5,800
Net permanent positions - U.S. Nationals	-	-	1.2	13,800
Permanent positions - Foreign Nationals	-	-	4.0	12,600
Deduct lapse	-	-	1.6	5,000
Net permanent positions - Foreign Nationals	-	-	2.4	7,600
Average employment all personnel	-	-	3.6	21,400
Other personal services:				
Regular pay above 52-week base	-	-		50
Overtime and holiday pay	-	-		50
Living and quarters allowance	-	-		2,850
Additional pay for services abroad	-	-		2,350
Total personal services	-	-	3.6	26,700

Reimbursable Obligations

01 - Personal services	-	--		26,700
02 - Travel	-	-		8,500
03 - Transportation of things	-	-		3,700
05 - Rents and utility services	-	-		1,500
08 - Supplies and materials	-	-		300
09 - Equipment	-	-		2,400
11 - Grants, subsidies and contributions				
Contribution to retirement fund	-	-		900
Total reimbursable obligations from other accounts	-	-		44,000
Total obligations	955,635	1,810,000		2,170,000

MUTUAL SECURITY PROGRAM
INTERNATIONAL COOPERATION ADMINISTRATION

NARRATIVE JUSTIFICATION STATEMENT

AFRICA

The rapid increase in the importance of Africa to the United States in recent years has been partially reflected in the parallel increase in our African programs. Vice President Nixon's report on his African trip and Ambassador Richards' visit to Ethiopia, Libya, Tunisia and Morocco have further emphasized the importance of these newly sovereign countries to the U.S.

In FY 1956, our African programs were restricted to three countries - Libya, Liberia and Ethiopia and certain Overseas Territories - and, except for Libya, were entirely Technical Cooperation programs. Now we have programs in six African countries - Libya, Ethiopia, Ghana, Liberia, Tunisia and Morocco. The Overseas Territories program has also expanded to a point where professional administrative personnel are required on the spot. This is the case in the Federation of Rhodesia and Nyasaland, Nigeria, Kenya, Uganda and Somalia.

In addition to a Technical Cooperation program in these countries (including Somalia and certain Overseas Territories), special assistance is planned for Ethiopia, Libya, Morocco, Tunisia and Somalia.

Project type programs, especially Technical Cooperation projects have the greatest effect on administrative workloads in relation to the funds applied to this purpose. The following summary indicates the trend in the number of technicians and foreign participants planned for this area:

	<u>Actual</u> <u>FY 1957</u>	<u>Estimate</u> <u>FY 1958</u>	<u>Estimate</u> <u>FY 1959</u>
U.S. Technicians	335	571	691
Foreign Participants	164	187	425

As we move into substantial development activities in the African countries, the normal burden of operating responsibilities will be augmented by the dearth of readily available basic information on economic and other relevant characteristics of the areas we are concerned with, and the consequent need to develop new sources of information and techniques of analysis to permit effective programming. Competent professional staff, knowledgeable in these and

related problems in administrative programs designed to support most effectively the economic development of African countries, is a high priority requirement.

Need for Technicians and Technical Training

The African program statement indicates the U.S. interests requiring our constructive association with African efforts to develop their economics at a pace and in a manner sufficient to permit political stability and the growth of democratic institutions. Two major bottlenecks to African economic growth are shortages of capital and of trained manpower, both for private and government activities. The manpower problem is particularly acute in much of Africa, so that trained U.S. personnel are badly needed in the field, not only to help train Africans but also to assure effective use of any capital resources supplied through U.S. programs. It is no exaggeration to say that the success of U.S. programs in Africa will depend, to a major extent, on the amount of effective personal advice that can be provided in the field. Thus, by their very nature, African programs will require a relatively high ratio of personnel to total programs costs.

Use of PL 480

Possibilities for sales of U.S. surplus agricultural commodities under Title I of PL 480 will continue to be investigated. Possibilities for direct sales in most African countries appear to be limited, primarily because of the lack of purchasing power within the countries to finance additional imports, even when payment is made in local currency. Morocco has requested a PL 480 sales program in FY 58 and discussions are under way in Rabat and Washington. Otherwise, current work on Title I programs is largely confined to analysis and discussion of program possibilities, and the possible operational workload in FY 1959 is difficult to predict. However, ICA is administering sizeable Title II programs in Tunisia, Morocco and Libya. Similar and increased Title II activity is likely in FY 1959, with prospects for more emphasis on work relief activities. In all three North Africa countries, ICA responsibilities for review of private agency programs under Title III of PL 480 involved increasing work for USOM staff.

Narrative Justification Statement (continued)

Africa (continued)

Private Investment

The ultimate potential for private investment in many African countries is great, particularly in areas where strategic resources await development. Economic and technical assistance will assist in the realization of that potential by helping in some cases to finance resource surveys, but more importantly by assisting countries to recognize the importance of private investment and in providing those basic services which such investment requires. ICA intends accelerating more direct efforts to increase private foreign and domestic investment in Africa. The extent of this activity depends in large part on the available staff resources.

The request for 112 American positions, including 2 reimbursable positions, next fiscal year to support these program activities compares with an estimated personnel strength of eighty-three as of June 30, 1958, and forty-eight as of June 30, 1957. This increase is a direct indication of the growth of ICA programs in Africa and is largely attributable to the anticipated growth of newly established USOMs in Tunisia, Morocco, and proposed ICA staff in Ghana and Nigeria. Functionally, the increases are largely in the program planning and economic analysis field, fiscal control and administrative support to program activities and the necessary executive direction of the ICA staffs.

In numerical terms, total personal services obligation in FY 1957 were \$426,832. The estimate for FY 1958 is \$899,900 and \$1,246,700 for FY 1959.

MUTUAL SECURITY PROGRAM
INTERNATIONAL COOPERATION ADMINISTRATION

COMPARATIVE SUMMARY OF OBLIGATIONS BY OBJECT CLASS

NEAR EAST AND SOUTH ASIA

Description	Actual 1957		Estimate 1958		Estimate 1959	
	Total		Total		Total	
	Number	Amount	Number	Amount	Number	Amount
Permanent positions - U.S. Nationals	249.0	1,974,970	263.0	2,202,105	282.0	2,353,205
Deduct reimbursable positions	-	-	3.0	18,450	9.0	74,050
Permanent positions - Direct	249.0	1,974,970	260.0	2,183,655	273.0	2,279,155
Deduct lapse	37.3	254,388	44.7	406,455	36.5	309,855
Net permanent positions - U. S. Nationals	211.7	1,720,582	215.3	1,777,200	236.5	1,969,300
Permanent positions - Foreign Nationals	379.0	480,600	363.0	515,460	390.0	562,800
Deduct reimbursable positions	-	-	-	-	12.0	28,400
Permanent positions - Direct	379.0	480,600	363.0	515,460	378.0	534,400
Deduct lapse	50.0	63,628	37.4	53,660	34.1	46,000
Net permanent positions - Foreign Nationals	329.0	416,972	325.6	461,800	343.9	488,400
Average employment all civilian personnel	540.7	2,137,554	540.9	2,239,000	580.4	2,457,700
Other personal services:						
Regular pay above 52-week base		-		7,500		8,800
Overtime and holiday pay		31,700		26,700		27,500
Living and quarters allowance		225,202		236,300		270,100
Additional pay for service abroad		196,509		219,300		244,000
Payment to other agencies for reimbursable details	2.8	49,006	1.5	25,000	2.0	29,200
Total personal services	543.5	2,639,971	542.4	2,753,800	582.4	3,037,300

Direct Obligations

01 - Personal services	2,639,971	2,753,800	3,037,300
02 - Travel	676,006	471,700	518,700
03 - Transportation of things	350,395	245,200	252,900
04 - Communication services	21,893	24,000	25,800
05 - Rents and utility services	151,463	258,100	273,600
06 - Printing and reproduction	1,873	1,800	2,300
07 - Other contractual services	124,011	129,800	151,700
Services performed by other agencies	383,900	349,400	405,100
08 - Supplies and materials	79,159	80,900	87,600
09 - Equipment	144,796	107,600	112,500
11 - Grants, subsidies and contributions	14	-	-
Contribution to retirement fund	-	102,900	120,100
13 - Awards and indemnities	522	500	500
15 - Taxes and assessments	1,768	1,300	1,300

Revised 4/30/58
Total direct obligations

4,575,771

4,527,000

4,989,400

Obligations Payable Out of
Reimbursements from Non-Federal Sources

09 - Equipment

33,509

20,000

20,000

Obligations Payable Out of
Reimbursements from Other Accounts

Permanent positions - U.S. Nationals

-

3.0

18,450

9.0

74,050

Deduct lapse

-

0.5

2,325

2.3

21,200

Net permanent positions - U.S. Nationals

-

2.5

16,125

6.7

52,850

Permanent positions - Foreign Nationals

-

-

12.0

28,400

Deduct lapse

-

-

4.8

11,400

Net permanent positions - Foreign Nationals

-

-

7.2

17,000

Average employment all personnel

-

2.5

16,125

13.9

69,850

Other personal services:

Regular pay above 52-week base

-

70

370

Living and quarters allowance

-

505

11,665

Additional pay for service abroad

-

2,900

8,215

Total personal services

-

2.5

19,600

13.9

90,100

Reimbursable Obligations

01 - Personal services

-

19,600

90,100

02 - Travel

-

3,000

14,500

03 - Transportation of things

-

1,400

11,100

08 - Supplies and materials

-

-

900

09 - Equipment

-

-

3,000

11 - Grants, subsidies and contributions

-

-

-

Contribution to retirement fund

-

1,000

3,400

Total reimbursable obligations from other accounts

-

25,000

123,000

Total obligations

4,609,280

4,572,000

5,132,400

MUTUAL SECURITY PROGRAM
INTERNATIONAL COOPERATION ADMINISTRATION

NARRATIVE JUSTIFICATION STATEMENT

NEAR EAST AND SOUTH ASIA

The estimates for FY 1959 provide for 282 American positions, including 9 reimbursable positions, and 390 local positions, including 12 reimbursable positions at a cost of \$4,989,400. This includes 19 American positions chargeable to the appropriation at a cost of \$161,000 to provide for full staffing of key positions as well as junior and intermediate training programs which were authorized during FY 1958.

These estimates reflect an increase of 13 American positions and 15 local positions chargeable to the appropriation, resulting from the following: (1) subject to the successful conclusion of current negotiations, the opening of a new mission in Yemen; (2) strengthening the minimum administrative staff of the new mission to Sudan being opened this fiscal year, and (3) strengthening the staffs of other selected missions in the area which are presently considered to be understaffed.

The area of the Near East and South Asia continues to be one of the key areas of the world in the struggle against Communism. This has resulted in accelerated programs in Afghanistan, Iran, Iraq, Israel, Pakistan and Turkey, as well as a new program in Sudan and the probability of a new program in Yemen.

As has been the case in past years, the administrative workload resulting from project type programs continues to create the greatest demand for personnel resources. The trend with respect to numbers of technicians and participants is as follows:

	<u>Actual</u> <u>FY 1957</u>	<u>Estimate</u> <u>FY 1958</u>	<u>Estimate</u> <u>FY 1959</u>
Technicians	1,485	1,950	2,028
Participants	1,937	2,123	2,104

Throughout most of the area of the Near East and South Asia, the program continues to be desired by the governments and peoples in the area as is evidenced by the fact that requests for technical assistance and training are in excess of the funds made available by the United States for these programs. These desires in many cases exceed the economic capabilities of the countries to provide the required facilities and resources. Therefore, mission program staffs are constantly

confronted with the necessity of analyzing not only the local requirements for economic assistance, but the ability of the local economy to support such programs if actually undertaken. The many problems throughout the area coupled with the desires and needs of the peoples of the area emphasize the need for the thorough review and analysis of programs and projects in order to insure that ICA sponsors only those projects which will have the most significant effect.

Project review therefore has become one of the most important and increasingly complex tasks facing the mission administrative staffs.

In addition, the administrative staffs will have responsibility for the direction and implementation of proposed Defense Support Programs of \$195 million, proposed Special Assistance programs of \$48 million and proposed Technical Assistance programs of almost \$42 million in addition to programs to be financed from prior and current year appropriations. Further, a new program is being initiated in Sudan during the current year, which will require minimal increases in FY 1959 and there is also the probability of inaugurating a new program in Yemen in FY 1959 which will require a minimum basic administrative staff.

It is believed that the administrative staffs requested in these estimates are the very minimum necessary to effectively manage ICA operations in this highly critical area of the world. In this politically important and underdeveloped area, it is highly important to maintain a thorough and continuing review of the effectiveness of country and regional programs and projects and to apply adequate financial and operational controls. The increased requirement for coordination and review of regional projects in relation to those individual countries will demand greater emphasis.

As in the past, a major portion of the time and efforts of the ICA Mission Director and his administrative staff will be spent in expanding local participation in the current joint efforts and encouraging the development of local skills within the countries to enable them eventually to carry out their own programs.

Revised
4/30/58

MUTUAL SECURITY PROGRAM
INTERNATIONAL COOPERATION ADMINISTRATION

COMPARATIVE SUMMARY OF OBLIGATIONS BY OBJECT CLASS

FAR EAST

Description	Actual 1957		Estimate 1958		Estimate 1959	
	Total		Total		Total	
	Number	Amount	Number	Amount	Number	Amount
Permanent positions - U.S. Nationals	288.0	2,240,915	321.0	2,523,480	333.0	2,617,605
Deduct reimbursable positions	8.0	53,305	8.0	53,305	11.0	81,905
Permanent positions - Direct	280.0	2,187,610	313.0	2,470,175	322.0	2,535,700
Deduct lapse	33.4	328,991	51.6	414,555	34.1	289,500
Net permanent positions - U. S. Nationals	246.6	1,858,619	261.4	2,055,620	287.9	2,246,200
Permanent positions - Foreign Nationals	593.0	711,600	661.0	776,400	667.0	820,200
Deduct reimbursable positions	-	-	-	-	6.0	10,100
Permanent positions - direct	593.0	711,600	661.0	776,400	661.0	810,100
Deduct lapse	101.0	130,679	116.0	122,800	58.0	87,500
Net permanent positions - Foreign Nationals	492.0	580,921	545.0	653,600	603.0	722,600
Average part-time and temporary personnel	9.7	5,895	1.0	2,080	1.0	2,080
Average employment all civilian personnel	739.3	2,445,435	807.4	2,711,300	891.9	2,970,880
Other personal services:						
Regular pay above 52-week base		-		8,300		9,320
Overtime and holiday pay		79,529		44,300		44,900
Living and quarters allowance		218,921		208,000		218,000
Additional pay for service abroad		325,421		366,300		393,200
Payment to other agencies for reimbursable details	3.0	37,607	2.0	31,000	2.0	31,000
Total personal services	742.3	3,106,913	809.4	3,369,200	893.9	3,667,300
01 - Personal services		3,106,913		3,369,200		3,667,300
02 - Travel		587,066		621,300		652,000
03 - Transportation of things		303,238		326,300		344,000
04 - Communication services		14,803		24,500		30,000
05 - Rents and utility services		369,671		563,400		590,000
06 - Printing and reproduction		7,664		9,200		9,600
07 - Other contractual services		74,216		218,500		239,800
Services performed by other agencies		216,500		250,200		301,200
08 - Supplies and materials		238,660		244,800		248,700
09 - Equipment		194,365		227,500		239,000
10 - Lands and structures		648		-		-
11 - Grants, subsidies and contributions		7,052		-		-
Contribution to retirement fund		-		129,500		145,400
13 - Refunds, awards and indemnities		2,943		3,000		3,000
15 - Taxes and assessments		1,520		1,600		1,700
Total Direct Obligations		5,125,259		5,989,000		6,471,700

Obligations Payable out of
Reimbursements from Non-Federal Sources

09 - Equipment	19,070	10,000	10,000
<u>Obligations Payable Out of Reimbursements from Other Accounts</u>			
Permanent positions - U.S. Nationals	8.0 53,305	8.0 53,305	11.0 81,905
Deduct lapse	4.0 23,305	4.0 23,305	5.2 34,745
Net permanent positions - U.S. Nationals	4.0 30,000	4.0 30,000	5.8 47,160
Permanent positions - Foreign Nationals	- -	- -	6.0 10,100
Deduct lapse	- -	- -	2.4 4,040
Net permanent positions - Foreign Nationals	- -	- -	3.6 6,060
Average employment all personnel	4.0 30,000	4.0 30,000	9.4 53,220
Other personal services:			
Regular pay above 52-week base	-	100	160
Living and quarters allowance	8,700	8,600	12,010
Additional pay for service abroad	10,000	10,000	14,610
Total personal services obligations	48,700	48,700	80,000
<u>Reimbursable Obligations</u>			
01 - Personal services	48,700	48,700	80,000
02 - Travel	19,000	23,000	30,600
03 - Transportation of things	7,791	12,000	18,000
04 - Communication services	300	300	300
07 - Other contractual services	134,000	134,000	134,000
08 - Supplies and materials	1,500	2,000	2,600
09 - Equipment	2,000	3,000	5,400
11 - Grants, subsidies and contributions	-	-	-
Contribution to retirement fund	-	2,000	3,100
Total reimbursable obligations from other accounts	213,291	225,000	274,000
Total Obligations	5,357,620	6,224,000	6,755,700

MUTUAL SECURITY PROGRAM
INTERNATIONAL COOPERATION ADMINISTRATION

NARRATIVE JUSTIFICATION STATEMENT

FAR EAST MISSIONS

The estimates provide for 333 American positions, including 11 reimbursable positions, and 667 local positions, including 6 reimbursable positions for a total cost of \$6,471,700. This represents an increase of 9 American positions chargeable to the appropriation and no increase in locals chargeable to the appropriation. Included in the estimated American staffing are 23 positions at a cost of \$187,000 to provide for full staffing of key positions as well as junior and intermediate training programs which were authorized during FY 1958. Operational administrative costs in the Far East are continually increasing particularly in the categories of rents, utilities, contractual services and maintenance. Every effort is made to minimize these costs and to discharge the functions of ICA in the most efficient and economical manner compatible with the responsibilities imposed by the Mutual Security legislation.

Although the amount of Defense Support and Special Assistance funds requested for the Far East region in FY 1959 will be increased slightly in comparison with FY 1958, the number of technicians, both direct hire and contract, engaged in program activities at the end of the year will be less. The number of participants who are proposed for training in the United States and third countries under the FY 1959 program will be increased slightly.

The following summary indicates the trend of participants and technical personnel:

	<u>Actual</u> <u>FY 1957</u>	<u>Estimate</u> <u>FY 1958</u>	<u>Estimate</u> <u>FY 1959</u>
Technicians	1,799	2,439	2,011
Participants	3,292	2,972	3,081

This trend is regarded as indicative of a move in the right direction: the number of Americans abroad is to be reduced and the training of personnel of host countries is to be increased. Furthermore, the International Cooperation Administration proposes to place increased emphasis on the use of third country nationals in lieu of American technicians whenever practicable.

In the absence of skilled host country personnel, however, it will be necessary to send American technicians abroad in order to carry out the Mutual Security program on an efficient basis. The American technicians hired directly by the International Cooperation Administration will be engaged in necessary program planning, evaluation and control, in essential financial control and audit, and in necessary administrative back-stop and support activities. At the same time, these technicians will be conducting effective training programs through the practical solution of problems undertaken jointly with their counterparts in the host country government.

American contract personnel abroad under the aid program will be engaged in various projects bringing American technology and management concepts to bear on the development of these undertakings. These personnel also will be engaged in training host country technicians in their specialized fields of activity.

MUTUAL SECURITY PROGRAM
INTERNATIONAL COOPERATION ADMINISTRATION

COMPARATIVE SUMMARY OF OBLIGATIONS BY OBJECT CLASS

LATIN AMERICA

Description	Actual 1957		Estimate 1958		Estimate 1959	
	Total		Total		Total	
	Number	Amount	Number	Amount	Number	Amount
Permanent positions - U.S. Nationals	121.0	1,063,715	142.0	1,310,315	160.0	1,461,490
Deduct reimbursable positions	-	-	-	-	3.0	28,600
Permanent positions - Direct	121.0	1,063,715	142.0	1,310,315	157.0	1,432,890
Deduct lapse	16.8	155,872	18.1	163,244	18.0	161,210
Net permanent positions - U.S. Nationals	104.2	907,843	123.9	1,147,071	139.0	1,271,680
Permanent positions - Foreign Nationals	282.0	518,780	291.0	613,532	300.0	642,255
Deduct reimbursable positions	-	-	-	-	6.0	19,000
Permanent positions - Direct	282.0	518,780	291.0	613,532	294.0	623,255
Deduct lapse	33.0	60,720	33.0	74,658	17.0	39,330
Net permanent positions - Foreign Nationals	249.0	458,060	258.0	538,874	277.0	583,925
Average employment all civilian personnel	353.2	1,365,903	381.9	1,685,945	416.0	1,855,605
Other personal services:						
Regular pay above 52-week base		-		6,560		7,240
Overtime and holiday pay		13,305		5,200		5,500
Living and quarters allowance		217,375		289,485		314,290
Additional pay for service abroad		50,414		75,540		81,920
Payment to other agencies for reimbursable details	1.0	8,453	-	-	-	-
Total personal services	354.2	1,655,450	381.9	2,062,730	416.0	2,264,555

Direct Obligations

01 - Personal services		1,655,450		2,062,730		2,264,555
02 - Travel		181,986		143,000		155,550
03 - Transportation of things		157,148		98,800		95,820
04 - Communication services		38,379		32,930		35,400
05 - Rents and utility services		98,261		114,000		117,000
06 - Printing and reproduction		6,838		7,400		8,710
07 - Other contractual services		108,621		92,800		109,155
Services performed by other agencies		39,122		34,500		44,100
08 - Supplies and materials		68,379		44,990		56,300
09 - Equipment		126,512		38,200		59,740
11 - Grants, subsidies and contributions		2,169		-		-
Contribution to retirement fund		-		74,530		82,540
12 - Pensions, annuities and insurance claims		-		-		-
13 - Refunds, awards and indemnities		604		-		-
15 - Taxes and assessments		1,177		1,120		1,430
Total direct obligations		2,484,646		2,745,000		3,030,300

Obligations Payable Out of Reimbursements
from Non-Federal Sources

09 - Equipment

13,464

16,000

16,000

Obligations Payable Out of
Reimbursements from Other Accounts

Permanent positions - U.S. Nationals

-

-

-

3.0

28,600

Deduct lapse

-

-

1.2

11,440

Net permanent positions - U.S. Nationals

-

-

1.8

17,160

Permanent positions - Foreign Nationals

-

-

6.0

19,000

Deduct lapse

-

-

2.4

7,600

Net permanent positions - Foreign Nationals

-

-

3.6

11,400

Average employment all personnel

-

-

5.4

28,560

Other personal services:

Regular pay above 52-week base

-

-

115

Living and quarters allowance

-

-

6,255

Total personal services

-

-

5.4

34,930

Reimbursable Obligations

01 - Personal services

-

-

34,930

02 - Travel

-

-

14,960

03 - Transportation of things

-

-

5,500

04 - Communication services

-

-

300

05 - Rents and utility services

-

-

400

08 - Supplies and materials

-

-

300

09 - Equipment

-

-

1,500

11 - Grants, subsidies and contributions

-

-

-

Contribution to retirement fund

-

-

1,110

Total reimbursable obligations from other accounts

-

-

59,000

Total obligations

2,498,110

2,761,000

3,105,300

Revised
4/30/58

MUTUAL SECURITY PROGRAM
INTERNATIONAL COOPERATION ADMINISTRATION

NARRATIVE JUSTIFICATION STATEMENT

LATIN AMERICA

The United States Government during fiscal year 1958 made available about \$96.2 million to joint technical cooperation, economic development and mutual defense programs with Latin American republics. In addition the Public Law 480 program, whereby agricultural commodities are sold and the local currency proceeds are loaned to the purchasing countries, provided additional resources for development. Sales agreements under P.L.480 begun in fiscal year 1955, totaled \$307.4 million at the end of fiscal year 1957.

Following are various forms of U.S. assistance to Latin American countries under the Mutual Security Program:

Technical Cooperation - Dating back to 1942, this is the oldest form of activity. The U.S. contribution for fiscal year 1958 is estimated at \$30.8 million compared with the proposed FY 1959 program at \$35 million. Contributions of the host governments are estimated at the equivalent of \$47.3 million in fiscal year 1958 and are expected to increase in fiscal year 1959. Technical Cooperation projects are undertaken in such fields as agriculture, health, education, industry, labor, transportation, communications and public administration. It is estimated that 1,025 U.S. technical experts will be on board as of June 30, 1958 in Latin America and 2,052 Latin-American technical specialists will be programmed for training in the United States, the Commonwealth of Puerto Rico or both during FY 1958. In addition, it is also estimated that the U.S. will contribute \$1.5 million to the general technical cooperation program of the organization of American States in both fiscal year 1958 and fiscal year 1959.

Special Assistance - This category of aid provides economic assistance where necessary to achieve economic or political stability. In fiscal year 1958 such support will amount to \$30 million as compared with \$23 million estimated for FY 1959.

Through FY 1957 PL 480 agricultural commodities totaling \$307.4 million have been sold to Latin American countries. Sales included \$29.3 million to Argentina, \$179.9 million to Brazil, \$39.6 million to Chile, \$30 million to Colombia, \$8.1 million to Ecuador, \$3 million to Paraguay and \$17.4 million to Peru. A substantial portion of the local

currencies generated by such sales may be used for development loans to the purchasing countries. At the end of Fiscal Year 1957 planned uses of potential generation of local currencies for trade and economic development totaled \$242.4 million.

The United States has joint technical programs with all 20 Latin American countries, an agreement with Argentina signed last June 3 completed the list. In recent years, contributions of the host countries have exceeded those of the United States. Projects undertaken are designed to help the Latin American nations help themselves - to increase the number of trained people, to organize health and education systems, conduct research, develop agriculture, make use of natural resources and so on.

The number of program technicians and foreign participants is another indicator of administrative workload:

Comparative Summary of Program Technicians and Participants

	<u>Actual</u> <u>FY 1957</u>	<u>Estimate</u> <u>FY 1958</u>	<u>Estimate</u> <u>FY 1959</u>
U.S. Technicians	894	1,025	1,015
Foreign Participants	2,208	2,052	2,325

The FY 1959 estimates provide for 160 American positions, including 3 reimbursable positions, and 300 local positions, including 6 reimbursable positions at a total cost of \$3,030,300 to administer ICA programs in Latin America and three dependent overseas territories. This represents an increase of 15 man-years of American employment and 19 man-years of local employment chargeable to the appropriation in those countries where the increased P.L. 480 sales and special regional fund under the Smathers Amendment monies have made it necessary to provide greater attention to the planning and auditing functions and responsibilities of ICA.

The administrative operations in Latin America are characterized by evidences of the exercise of stronger management, planning and fiscal control and increased responsibility as follows:

(1) Increasing contributions by the Latin American Governments.

Narrative Justification Statement (continued)

Latin America (continued)

(2) Basic planning required in connection with economic development loans in Latin America.

(3) Full implementation of the Special Assistance programs.

(4) Need to evaluate and meet emergency situations developing in certain Latin American countries affecting political and economic stability.

(5) The need for increased attention to the analysis of basic economic problems within each country.

(6) The delegation of responsibility for the control, including end-use check and audit, of Title I, P.L. 480 funds which are administered by ICA.

(7) The immediate need to provide guidance for and evaluate uses of U.S. funds and local currencies (including P.L. 480) in the interest of ICA and U.S. policy objectives.

Proposed staff increases are required to strengthen the functions of program planning and economic analysis and administrative and financial management and control.