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**MUTUAL  
SECURITY  
PROGRAM**

PD-ACE-054

**ESTIMATES** - FISCAL YEAR 1960

BEST AVAILABLE

**Administrative Expenses, ICA**  
Section 411 (b)

MUTUAL SECURITY PROGRAM  
INTERNATIONAL COOPERATION ADMINISTRATION  
GENERAL ADMINISTRATIVE EXPENSES

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MUTUAL SECURITY PROGRAM  
INTERNATIONAL COOPERATION ADMINISTRATION

GENERAL ADMINISTRATIVE EXPENSES  
PROGRAM AND FINANCING

	1958 Actual	1959 Estimate	1960 Estimate
<b>Program by area:</b>			
Departmental	\$14,829,792	\$17,155,000	\$18,230,000
Overseas:			
Europe	1,103,115	1,089,100	1,061,500
Africa	1,782,973	2,119,100	2,948,300
Near East and South Asia	4,618,645	5,477,000	5,996,000
Far East	5,839,217	6,440,100	6,773,700
Latin America	2,811,909	3,092,700	3,460,500
Overseas Personnel Program	270,545	1,422,000	1,030,000
Subtotal Overseas	<u>16,426,404</u>	<u>19,640,000</u>	<u>21,270,000</u>
Total obligations	31,256,196	36,795,000	39,500,000
<b>Financing:</b>			
Comparative transfers to:			
"Administrative expenses, State, Section 411(c)"	2,139,792	45,000	-
"Development Loan Fund"	142,644	-	-
"Control Act expenses"	23,320	-	-
Unobligated balance no longer available	<u>138,048</u>	-	-
New obligational authority	33,700,000	36,840,000	39,500,000
<b>New obligational authority:</b>			
Appropriation	32,750,000	33,000,000	39,500,000
Transferred from:			
"Defense Support, Asia, Executive"	950,000	-	-
"President's Fund for Asian Economic Development, Executive"	-	2,140,000	-
"Technical Cooperation, General, Executive"	-	1,700,000	-
Appropriation (adjusted)	<u>33,700,000</u>	<u>36,840,000</u>	<u>39,500,000</u>

MUTUAL SECURITY PROGRAM  
INTERNATIONAL COOPERATION ADMINISTRATION

SUMMARY OF OBLIGATIONS BY AREA

(\$ Thousands)

	1958 Actual					1959 Estimate					1960 Estimate				
	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	1,437	-	1,389	-	\$14,830	1,556	-	1,450	-	\$17,155	1,556	-	1,545	-	\$18,230
Overseas:															
Europe	57	87	51	76	1,103	44	82	44	76	1,089	44	81	40	70	1,061
Africa	91	81	71	49	1,783	105	95	98	86	2,119	134	170	118	133	2,948
Near East and South Asia	246	366	211	331	4,619	254	378	225	353	5,477	254	470	234	435	5,996
Far East	294	661	259	533	5,839	299	659	275	594	6,440	299	674	278	629	6,774
Latin America	134	287	115	248	2,812	146	294	130	272	3,093	155	305	147	291	3,461
Overseas Personnel Program	48	-	19	-	270	100	-	65	-	1,422	100	-	70	-	1,030
Subtotal Overseas	870	1,482	726	1,237	16,426	948	1,508	837	1,381	19,640	986	1,700	887	1,558	21,270
Grand Total	2,307	1,482	2,115	1,237	31,256	2,504	1,508	2,287	1,381	36,795	2,542	1,700	2,432	1,558	39,500

MUTUAL SECURITY PROGRAM

INTERNATIONAL COOPERATION ADMINISTRATION SUMMARY

General Narrative Statement

FY 1960 Administrative Expense Requirement

The proposed fiscal year 1960 appropriation for the general administrative expenses of the Mutual Security Program requested under Section 411(b) of the Mutual Security Act of 1954, as amended is \$39,500,000. This amount provides for the administrative expenses of the International Cooperation Administration. It excludes the administrative expenses of the Department of Defense, for which funds are being requested under Section 103(b), and the "Administrative Expenses, State," for which funds are being requested under Section 411(c) of the Mutual Security Act of 1954, as amended. Also excluded are costs of administering the Development Loan Fund for which funds are being requested under Section 204(b) of the Mutual Security Act of 1954, as amended.

The importance of the provision for general administrative expenses is apparent as the funds requested are used in Washington and in over sixty overseas locations in administering economic assistance programs for which the International Cooperation Administration is responsible under the Mutual Security Program. The personnel involved develop and screen the assistance program 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. In order effectively and efficiently to administer and carry out the complex activities involved in the Mutual Security Program, it is essential that adequate personnel, both in quality and quantity, and supporting resources be provided to accomplish these purposes.

The appropriation requested under the authorization of \$39,500,000 represents an increase of \$2,705,000 over the amount available for the current fiscal year of \$36,795,000. The major portion of the increase of \$2.7 million requested in fiscal year 1960, or \$1.7 million, is required to continue to maintain and provide for administrative positions (Americans and Foreign Nationals) authorized in fiscal year 1959. Approximately \$1.1 million of this \$1.7 million increase is needed to provide for 2,361.7 man-years of employment in fiscal year 1960 as compared

to 2,255.5 man-years of employment during the current fiscal year against a total of 2,504 authorized permanent American positions in Washington and overseas, and to provide for 1,425.4 man-years of employment in fiscal year 1960 as compared to 1,380.9 man-years of employment during the current fiscal year against a total of 1,508 authorized permanent Foreign National positions. The remaining portion of the \$1.7 million increase, or \$.6 million, is required to cover the cost of periodic pay increases for American positions, anticipated wage scale increases for Foreign Nationals, and the extra compensable day during fiscal year 1960. In addition to the \$1.7 million increase required to continue to maintain and provide for currently authorized positions an amount of \$.4 million is needed to finance new positions and related costs in five newly opened locations in the African and in the Near East and South Asia areas. It is proposed to increase the staffs in these locations by adding 18 permanent American positions and 34 permanent Foreign National positions. The remainder of the total increase of \$2.7 million, or \$.6 million, will be used to provide an additional 20 permanent American positions and 158 permanent Foreign National positions at selected overseas locations where staff strength is considered to be below the level necessary to adequately maintain, manage and control the ICA administered programs, and a modest increase in Washington for the increased use of consultants.

A summarization of the increases by geographical areas follows:

1. Washington costs are expected to increase by \$1,075,000, from \$17,155,000 in fiscal year 1959 to \$18,230,000 in fiscal year 1960. Though the number of authorized permanent positions (excluding reimbursable positions) will remain at 1,556, the same number as for the current fiscal year, the man-years of employment are expected to rise to 1,501 as compared to 1,418 in fiscal year 1959, an increase of 83 man-years. In addition, part-time and temporary employment is expected to increase from 31 man-years during the current fiscal year to 44 man-years in fiscal year 1960.

2. Europe costs are expected to be slightly less in fiscal year 1960 than for fiscal year 1959, decreasing from \$1,089,100 in fiscal year 1959 to \$1,061,500 for fiscal year 1960. Total permanent American positions will remain at 44 for fiscal year 1960, the same number as for the current fiscal year, which is considered to be minimal staffing essential to carry out

INTERNATIONAL COOPERATION ADMINISTRATION SUMMARY

General Narrative Statement (Continued)

our responsibilities in this area. Man-years of American employment, however, is expected to decrease from 44.2 man-years in fiscal year 1959 to 40.3 man-years in fiscal year 1960, due to an anticipated decrease during fiscal year 1960 in the number of American positions required in Austria, Germany and Italy.

3. Africa costs are expected to increase by \$829,200, from \$2,119,100 in fiscal year 1959 to \$2,948,300 for fiscal year 1960. This increase will provide for 29 additional permanent American positions and 75 additional permanent Foreign National positions. Seventeen of the additional 29 American positions and 24 of the additional Foreign National positions are required to build up the staffs in the newly opened locations of East Africa, Federation of Rhodesia and Nyasaland, Ghana, and Nigeria. The remaining 12 additional American positions and the 51 additional Foreign National positions will provide expanded support at selected African locations where staff strength is below the level considered necessary to satisfactorily maintain, manage and control ICA administered programs.

4. Near East and South Asia costs are expected to increase by \$519,000, from \$5,477,000 in fiscal year 1959 to \$5,996,000 for fiscal year 1960. Though it is not proposed to increase the authorized number of permanent American positions in FY 1960 above the 254 authorized for the current fiscal year it is anticipated that man-years of American employment will increase from 225.2 man-years in fiscal year 1959 to 234.4 man-years in fiscal year 1960. The estimate also contemplates an increase of 92 Foreign National positions in fiscal year 1960, from 378 during the current fiscal year to 470 in fiscal year 1960. However, 61 of these additional Foreign National positions are currently employed in Pakistan, charged to program funds. As a result of a re-evaluation of Foreign National employment in Pakistan it has been determined that these 61 positions should be funded from administrative expenses in fiscal year 1960.

5. Far East costs are expected to increase by \$333,600, from \$6,440,100 in fiscal year 1959 to \$6,773,700 for fiscal year 1960. Though it is not proposed to increase the authorized number of permanent American positions in fiscal year 1960 above the 299 authorized for the current fiscal year, it is anticipated that man-years of American employment will increase from 274.8 man-years in fiscal year 1959 to 277.6 man-years in fiscal year 1960. The estimate anticipates a net increase of 15 Foreign National positions in fiscal year 1960, from 659 during the current fiscal year to 674 in fiscal year 1960. The net increase of 15 additional Foreign National positions actually contemplates the transfer from program funds to administrative funds in fiscal year 1960 of 17 Foreign Nationals in Thailand, offset by a decrease of 2 in Japan.

6. Latin America costs are expected to increase by \$367,800, from \$3,092,700 in fiscal year 1959 to \$3,460,500 for fiscal year 1960. Permanent American positions are expected to increase from 146 in fiscal year 1959 to 155 in fiscal year 1960 and the man-years of employment is expected to increase from 130.1 man-years in fiscal year 1959 to 146.5 man-years in fiscal year 1960. Permanent Foreign National positions are expected to increase from 294 in fiscal year 1959 to 305 in fiscal year 1960 and the man-years of employment is expected to increase from 272.1 man-years in fiscal year 1959 to 291 man-years in fiscal year 1960. Increases in American and Foreign National positions will be used to provide additional support in selected overseas locations in Latin America where staff strength is considered to be below the level necessary to adequately maintain, manage and control ICA administered programs.

7. Overseas Personnel Program costs are expected to decrease by \$392,000, from \$1,422,000 in fiscal year 1959 to \$1,030,000 in fiscal year 1960. Though the number of personnel authorized under this program for fiscal year 1960 will be the same as for fiscal year 1959 certain non-recurring contractual costs involved in the several training programs carried on under this heading for which obligations have been incurred in fiscal year 1959 will not recur in fiscal year 1960.

MUTUAL SECURITY PROGRAM  
INTERNATIONAL COOPERATION ADMINISTRATION  
SUMMARY OF OBLIGATIONS BY OBJECT CLASS

DEPARTMENTAL AND OVERSEAS

Description	1958 Actual		1959 Estimate		1960 Estimate	
	Number	Amount	Number	Amount	Number	Amount
Permanent positions - U.S. Nationals	2,325	\$17,609,750	2,542	\$21,114,338	2,595	\$21,836,516
Deduct reimbursable positions	18	147,475	38	281,345	53	381,391
Permanent positions - Direct	2,307	17,462,275	2,504	20,832,993	2,542	21,455,125
Deduct lapses	236.4	2,009,422	274.4	2,385,418	179.8	1,632,857
Add net increase due to change in pay scale		750,236		-		-
Net permanent positions - U.S. Nationals	2,070.6	16,203,089	2,229.6	18,447,575	2,362.2	19,822,268
Permanent positions - Foreign Nationals	1,482	2,292,952	1,512	2,450,405	1,710	2,838,827
Deduct reimbursable positions		-	4	13,440	10	33,600
Permanent positions - Direct	1,482	2,292,952	1,508	2,436,965	1,700	2,805,227
Deduct lapses	245.5	315,790	127.1	228,040	142.1	222,465
Net permanent positions - Foreign Nationals	1,236.5	1,977,162	1,380.9	2,208,925	1,557.9	2,582,762
Part-time and temporary employment	16.3	115,909	31.5	256,800	44.6	355,100
Average employment all personnel	3,323.4	18,296,160	3,642.0	20,913,300	3,964.7	22,760,130
Other personal services:						
Regular pay above 52-week base		72,227		80,487		172,559
Overtime and holiday pay		243,635		264,116		270,625
Living allowance		181,823		182,290		207,610
Quarters allowance		577,938		678,662		742,385
Education allowance		110,672		162,070		217,840
Transfer allowance		19,788		25,125		21,150
Additional pay for service abroad		733,505		941,992		996,689
Payments to other agencies for reimbursable details	28.1	374,124	25.9	381,900	25.0	363,810
Total personal services	3,351.5	20,609,872	3,667.9	23,629,942	3,989.7	25,752,798
<u>Direct Obligations</u>						
01 Personal services		20,609,872		23,629,942		25,752,798
02 Travel		2,202,228		2,576,293		2,869,480
03 Transportation of things		1,009,024		885,300		898,500
04 Communication services		455,155		540,470		586,650
05 Rents and utility services		1,682,907		2,182,634		2,466,705
06 Printing and reproduction		360,024		402,770		414,169
07 Other contractual services		590,186		1,360,706		822,180
Services performed by other agencies		2,197,880		2,837,300		3,111,000
08 Supplies and materials		542,972		531,337		569,625
09 Equipment		529,337		609,660		670,300
10 Lands and structures		69,262		-		-
11 Grants, subsidies, and contributions		13,392		11,100		11,800
Contribution to retirement fund		963,537		1,196,933		1,289,978
13 Refunds, awards, and indemnities		10,245		10,300		10,000
15 Taxes and assessments		11,357		11,255		11,815
Unvouchered		8,818		9,000		15,000
Total direct obligations		31,256,196		36,795,000		39,500,000

Reimbursable Obligations - Non-Federal Sources

02 Travel	50	-	-
09 Equipment	131,841	136,600	114,700
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Total obligations from non-Federal sources	131,891	136,600	114,700

Reimbursable Obligations - Other Accounts

Permanent positions - U.S. Nationals	18.0	147,475	38.0	281,345	53.0	381,391
Deduct lapses	3.1	30,510	8.9	68,845	9.4	100,547
Add increase due to changes in pay scales for part of the year		3,900		-		-
Net permanent positions - U.S. Nationals	14.9	120,865	29.1	212,500	43.6	280,844
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Permanent positions - Foreign Nationals	-	-	4.0	13,440	10.0	33,600
Deduct lapses	-	-	3.7	11,864	3.7	12,174
Net permanent positions - Foreign Nationals	-	-	.3	1,576	6.3	21,426
Average employment all personnel	14.9	120,865	29.4	214,076	49.9	302,270
Other personal services:						
Regular pay above 52-week base		310		1,024		2,630
Overtime and holiday pay		-		1,200		3,000
Living and quarters allowance		27,794		-		-
Additional pay for service abroad		19,511		-		-
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Total personal services	14.9	168,480	29.4	216,300	49.9	307,900
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01 Personal services		168,480		216,300		307,900
02 Travel		26,750		32,000		39,000
03 Transportation of things		10,310		-		-
04 Communication services		-		13,600		32,400
05 Rents and utility services		-		14,000		32,000
06 Printing and reproduction		21,577		26,200		34,100
07 Other contractual services		229,477		271,200		189,100
08 Supplies and materials		-		6,200		13,500
11 Grants, subsidies, and contributions		-		-		-
Contribution to retirement fund		6,924		13,900		18,300
13 Refunds, awards, and indemnities		10		-		-
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Total reimbursable obligations from other accounts		463,528		593,400		666,300
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Total reimbursable obligations		595,419		730,000		781,000
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Total obligations		31,851,615		37,525,000		40,281,000

MUTUAL SECURITY PROGRAM  
INTERNATIONAL COOPERATION ADMINISTRATION

SUMMARY OF OBLIGATIONS BY OBJECT CLASS

DEPARTMENTAL

Description	1958 Actual		1959 Estimate		1960 Estimate	
	Number	Amount	Number	Amount	Number	Amount
Permanent positions - U.S. Nationals	1,442	\$10,238,625	1,594	\$12,402,893	1,609	\$12,666,428
Deduct reimbursable positions	5	40,750	38	281,345	53	381,391
Permanent positions - Direct	1,437	10,197,875	1,556	12,121,548	1,556	12,285,037
Deduct lapses	85.2	652,526	158.1	1,318,548	74.0	662,037
Add net increase due to change in pay scale	-	466,321	-	-	-	-
Net permanent positions	1,351.8	10,011,670	1,397.9	10,803,000	1,482.0	11,623,000
Part-time and temporary employment	15.3	109,793	31.1	250,000	44.4	353,000
Average employment all personnel	1,367.1	10,121,463	1,429.0	11,053,000	1,526.4	11,976,000
Other personal services:						
Regular pay above 52-week base		39,309		42,000		89,000
Overtime and holiday pay		130,246		162,000		162,000
Living allowance		1,875		2,000		2,000
Quarters allowance		29,783		35,000		35,000
Education allowance		2,046		2,000		2,000
Transfer allowance		4,360		4,000		4,000
Additional pay for service abroad		7,656		11,000		11,000
Payments to other agencies for reimbursable details	22.1	266,093	20.5	271,000	19.0	244,000
<b>Total personal services</b>	<b>1,389.2</b>	<b>10,602,831</b>	<b>1,449.5</b>	<b>11,582,000</b>	<b>1,545.4</b>	<b>12,525,000</b>
<u>Direct Obligations</u>						
01 Personal services		10,602,831		11,582,000		12,525,000
02 Travel		556,602		800,000		800,000
03 Transportation of things		1,348		2,000		2,000
04 Communication services		364,693		449,000		478,000
05 Rents and utility services		688,139		976,000		1,049,000
06 Printing and reproduction		345,393		381,000		390,000
07 Other contractual services		105,409		202,000		167,000
Services performed by other agencies		1,350,640		1,648,000		1,718,000
08 Supplies and materials		150,488		171,000		180,000
09 Equipment		50,411		225,000		140,000
11 Grants, subsidies and contributions						
Contribution to retirement fund		597,765		699,000		755,000
13 Refunds, awards, and indemnities		2,440		5,000		5,000
15 Taxes and assessments		4,815		6,000		6,000
Unvouchered		8,818		9,000		15,000
<b>Total direct obligations</b>		<b>14,829,792</b>		<b>17,155,000</b>		<b>18,230,000</b>

Reimbursable Obligations - Non-Federal Sources

02 Travel		50			
09 Equipment		52,171		36,600	14,700
Total reimbursable obligations from Non-Federal sources		52,221		36,600	14,700

Reimbursable Obligations - Other Accounts

Permanent positions - U.S. Nationals	5.0	40,750	38.0	281,345	53.0	381,391
Deduct lapses	1.3	10,148	8.9	68,845	9.4	100,547
Net permanent positions	3.7	30,602	29.1	212,500	43.6	280,844
Permanent positions - Foreign Nationals			4.0	13,440	10.0	33,600
Deduct lapses			3.7	11,864	3.7	12,174
Net permanent positions - Foreign Nationals			0.3	1,576	6.3	21,426
Average employment all personnel	3.7	30,602	29.4	214,076	49.9	302,270
Other personal services:						
Regular pay above 52-week base		-		1,024		2,630
Overtime and holiday pay		-		1,200		3,000
Total personal services	3.7	30,602	29.4	216,300	49.9	307,900
01 Personal services		30,602		216,300		307,900
02 Travel				32,000		39,000
04 Communication services				13,600		32,400
05 Rents and utility services				14,000		32,000
06 Printing and reproduction		21,577		26,200		34,100
07 Other contractual services		18,079		51,200		108,100
08 Supplies and materials				6,200		13,500
11 Grants, subsidies and contributions						
Contribution to retirement fund		1,849		13,900		18,300
13 Refunds, awards, and indemnities		10				
Total reimbursable obligations from other accounts		72,117		373,400		585,300
Total reimbursable obligations		124,338		410,000		600,000
Total obligations		14,954,130		17,565,000		18,830,000

MUTUAL SECURITY PROGRAM  
INTERNATIONAL COOPERATION ADMINISTRATION

NARRATIVE JUSTIFICATION STATEMENT

DEPARTMENTAL

For FY 1960, no increase in permanent positions is being requested for ICA/W departmental operations, although the preceding tables show an increase of \$943,000 in personal services and a corresponding increase of \$132,000 in support costs for all other objects of expenditure to continue the agency's headquarters operations at the FY 1959 level.

As in past years, a detailed survey was made of ICA's Washington staffing levels in developing these estimates. This survey revealed certain staffing deficiencies which have been provided for by compensating decreases in other areas to the greatest possible extent, and by requiring absorption of additional workload without requesting increase of staff for FY 1960. Staff strength has been bolstered in FY 1959 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. By means of continuing review and analysis of ICA/W operations, detailed control of position requirements, establishment of more effective internal procedures and better manpower utilization, and by reorganization of certain offices to meet demands of changing program emphasis, we are able to avoid requesting any net position increases in FY 1960 over the total of 1,556 permanent positions being funded during FY 1959.

In FY 1959, in the appropriation for Technical Cooperation, the Congress approved an additional \$8 million over the amount requested by the President to strengthen ICA's personnel and participant training programs, particularly through recruitment procedures and by increased emphasis on language training. To accomplish these purposes, the agency has added in FY 1959 some 85 positions in ICA/W, principally in its Office

of Personnel where the major emphasis on these operations is focused, with a few supporting positions in the other regional, technical, and management offices. Response to the Congressional direction to place additional emphasis on recruiting for the Technical Cooperation program -- which utilizes the great majority of ICA's overseas personnel -- necessitated a waiver from the general Executive Branch objective of a 2% reduction in personnel. The benefits of this personnel improvement program are already becoming evident in recruitment, selection, and orientation for overseas service, in upgrading of language proficiencies of present overseas personnel, and in a decrease of turn-over rates. These results are more fully developed below in our statement on "Overseas Personnel Program."

The major change in organization in ICA/W reflected in these estimates is the creation of the Office of Private Enterprise which has been established in an effort to obtain greater participation of private investment capital -- indigenous and foreign -- in promoting economic development in less-developed countries receiving assistance under the Mutual Security Program. Through this office ICA plans to initiate an affirmative, coordinated action program in several related areas: Development Banks, Industrial Development Centers, Industrial Districts, Legal and Institutional Climate, Investment Guaranties (with emphasis upon enlarging the number of countries covered and expanding the present program) and assisting in the development and exploitation of individual investment opportunities. These estimates include two additional positions to augment this new office which has been set up in FY 1959 by utilizing positions (and some personnel) from the former Office of the Assistant to the Director for Finance and by withdrawing other necessary positions from technical offices which had functions relating to this field of activity.

MUTUAL SECURITY PROGRAM  
INTERNATIONAL COOPERATION ADMINISTRATION  
SUMMARY OF OBLIGATIONS BY OBJECT CLASS

OVERSEAS

Description	1958 Actual		1959 Estimate		1960 Estimate	
	Number	Amount	Number	Amount	Number	Amount
Permanent positions - U.S. Nationals	883.0	\$ 7,371,125	948.0	\$ 8,711,445	986.0	\$ 9,170,088
Deduct reimbursable positions	13.0	106,725	-	-	-	-
Permanent positions - Direct	870.0	7,264,400	948.0	8,711,445	986.0	9,170,088
Deduct lapses	151.2	1,356,896	116.3	1,066,870	105.8	970,820
Add net increase due to change in pay scale	-	283,915	-	-	-	-
Net permanent positions - U.S. Nationals	718.8	6,191,419	831.7	7,644,575	880.2	8,199,268
Permanent positions - Foreign Nationals	1,482.0	2,292,952	1,508.0	2,436,965	1,700.0	2,805,227
Deduct lapses	245.5	315,790	127.1	228,040	142.1	222,465
Net permanent positions - Foreign Nationals	1,236.5	1,977,162	1,380.9	2,208,925	1,557.9	2,582,762
Part-time and temporary employment	1.0	6,116	.4	6,800	.2	2,100
Average employment all personnel	1,956.3	8,174,697	2,213.0	9,860,300	2,438.3	10,784,130
Other personal services:						
Regular pay above 52-week base		32,918		38,487		83,559
Overtime and holiday pay		113,389		102,116		108,625
Living allowance		179,948		180,290		205,610
Quarters allowance		548,155		643,662		707,385
Education allowance		108,626		160,070		215,840
Transfer allowance		15,428		21,125		17,150
Additional pay for service abroad		725,849		930,992		985,699
Payments to other agencies for reimbursable details	6.0	108,031	5.4	110,900	6.0	119,800
<b>Total personal services</b>	<b>1,962.3</b>	<b>10,007,041</b>	<b>2,218.4</b>	<b>12,047,942</b>	<b>2,444.3</b>	<b>13,227,798</b>
<u>Direct Obligations</u>						
01 Personal services		10,007,041		12,047,942		13,227,798
02 Travel		1,645,626		1,776,293		2,069,480
03 Transportation of things		1,007,676		883,300		896,500
04 Communication services		90,462		91,470		108,650
05 Rents and utility services		994,768		1,206,634		1,417,705
06 Printing and reproduction		14,631		21,770		24,169
07 Other contractual services		484,777		1,158,706		655,180
Services performed by other agencies		847,240		1,189,300		1,393,000
08 Supplies and materials		392,484		360,337		389,625
09 Equipment		478,926		384,660		530,300
10 Lands and structures		69,262		-		-
11 Grants, subsidies and contributions		13,392		11,100		11,800
Contribution to retirement fund		365,772		497,933		534,978
13 Refunds, awards, and indemnities		7,805		5,300		5,000
15 Taxes and assessments		6,542		5,255		5,815
<b>Total direct obligations</b>		<b>16,426,404</b>		<b>19,640,000</b>		<b>21,270,000</b>

Reimbursable Obligations - Non-Federal Sources

09 Equipment		79,670	100,000	100,000
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Reimbursable Obligations - Other Accounts

Permanent positions - U.S. Nationals	13.0	106,725		
Deduct lapses	1.8	20,362		
Add net increase due to change in pay scale		3,900		
Net permanent positions - U.S. Nationals	11.2	90,263		
Other personal services:				
Regular pay above 52-week base		310		
Overtime and holiday pay		-		
Living and quarters allowance		27,794		
Additional pay for service abroad		19,511		
Total personal services	11.2	137,878		
01 Personal services		137,878	-	-
02 Travel		26,750	-	-
03 Transportation of things		10,310	-	-
07 Other contractual services		211,398	220,000	81,000
11 Grants, subsidies and contributions				
Contribution to retirement fund		5,075	-	-
Total reimbursable obligations from other accounts		391,411	220,000	81,000
Total reimbursable obligations		471,081	320,000	181,000
Total obligations		16,897,485	19,960,000	21,451,000

MUTUAL SECURITY PROGRAM  
INTERNATIONAL COOPERATION ADMINISTRATION

SUMMARY OF OBLIGATIONS BY OBJECT CLASS

EUROPE

Description	1958 Actual		1959 Estimate		1960 Estimate	
	Number	Amount	Number	Amount	Number	Amount
Permanent positions - U. S. Nationals	59	\$ 503,545	44	\$ 423,380	44	428,042
Deduct reimbursable positions	2	19,635	-	-	-	-
Permanent positions - Direct	57	483,910	44	423,380	44	428,042
Deduct lapses	6.0	47,768	(0.2)	(1,320)	3.7	36,042
Add net increase due to change in pay scale		18,588				
Net permanent positions - U. S. Nationals	51.0	454,730	44.2	424,700	40.3	392,000
Permanent positions - Foreign Nationals	87	193,100	82	192,285	81	196,139
Deduct lapses	11.6	17,953	6.0	13,685	10.5	25,439
Net permanent positions - Foreign Nationals	75.4	175,147	76.0	178,600	70.5	170,700
Average employment all personnel	126.4	629,877	120.2	603,300	110.8	562,700
Other personal services:						
Regular pay above 52-week base		2,433		2,400		4,300
Overtime and holiday pay		2,241		2,100		4,000
Living Allowance		10,430		6,700		7,200
Quarters allowance		64,619		63,700		64,400
Education allowance		5,885		6,500		7,200
Transfer allowance		550		600		500
Additional pay for service abroad		13,841		17,600		17,900
Total personal services		729,876		702,900		668,200
<u>Direct Obligations</u>						
01 Personal services		729,876		702,900		668,200
02 Travel		79,633		86,300		80,500
03 Transportation of things		38,397		28,200		28,600
04 Communication services		4,177		3,700		3,400
05 Rents and utility services		6,731		12,000		16,100
06 Printing and reproduction		2,091		2,200		2,500
07 Other contractual services		22,676		25,300		26,200
Services performed by other agencies		171,890		185,200		194,500
08 Supplies and materials		5,604		6,100		5,900
09 Equipment		7,905		6,000		7,400
11 Grants, subsidies and contributions						
Contribution to retirement fund		30,429		30,900		27,900
13 Refunds, awards and indemnities		3,458		-		-
15 Taxes and assessments		248		300		300
Total direct obligations		1,103,115		1,089,100		1,061,500

Reimbursable Obligations - Non-Federal Sources

09 Equipment

4,823

-

-

Reimbursable Obligations - Other Accounts

Permanent positions

2

19,635

-

-

Deduct lapses

0.9

8,621

-

-

Net permanent positions

1.1

11,014

-

-

Other personal services (Quarters allowance)

186

Total personal services (total reimbursable obligations from other accounts)

1.1

11,200

-

-

Total reimbursable obligations

16,023

-

-

Total Obligations

1,119,138

1,089,100

1,061,500

MUTUAL SECURITY PROGRAM  
INTERNATIONAL COOPERATION ADMINISTRATION

NARRATIVE JUSTIFICATION STATEMENT

EUROPE

An economic assistance program of \$64.6 million for the European Region is projected for FY 1960. ICA responsibilities in Europe in FY 1960 include continuing assistance programs in Spain, Yugoslavia, and Berlin; multilateral programs in support of the European Productivity Agency, Atlantic Community and NATO Science activities and OEC scientific and technical personnel projects; and PL-480 sales proceeds programs in Spain, Yugoslavia, Iceland and Finland.

The composition of the economic assistance program and related administrative requirements is as follows:

<u>Amount</u>	<u>PROGRAM</u>		
	<u>Actual</u> FY 1958	<u>Estimated</u> FY 1959	<u>Proposed</u> FY 1960
	(Thousands of Dollars)		
Defense Support	\$53,461	\$50,000	\$40,000
Technical Cooperation	2,858	2,900	3,000
Special Assistance	51,349	23,728	21,600
<b>Total Program</b>	<b>\$107,668</b>	<b>\$76,628</b>	<b>\$64,600</b>
	<u>Employment</u>		
<u>Personnel</u>	<u>Actual</u> 6/30/58	<u>Estimated</u> 6/30/59	<u>Proposed</u> 6/30/60
	(Financed from Appropriated Funds)		
U.S. Program Technicians	66	59	59
U.S. Contract Hire	17	40	43
Local Program Employees	56	56	56

<u>Amount</u>	<u>ADMINISTRATIVE</u>		
	<u>Actual</u> FY 1958	<u>Estimated</u> FY 1959	<u>Proposed</u> FY 1960
	(Thousands of Dollars)		
Administrative Expenses	\$1,103	\$1,089	\$1,062

ADMINISTRATIVE - Continued

<u>Personnel</u>	<u>Employment</u>		
	<u>Actual</u> 6/30/58	<u>Estimated</u> 6/30/59	<u>Proposed</u> 6/30/60
U.S. Administrative Employees	46	44	40
Local Administrative Employees	73	79	70

The number of non-contract programmed participants for FY 1958, FY 1959 and FY 1960 are as follows:

FY 1958	1,412
FY 1959	1,058
FY 1960	774

During FY 1960 the following program responsibilities in Europe will be carried out:

1. Defense Support, Special Assistance and Technical Cooperation Programs.

Continuation of the defense support program in Spain and special assistance activities in Yugoslavia is projected for FY 1960. Technical cooperation programs of approximately the same magnitude are planned for both countries. Special assistance funds are required to permit continued support of multilateral programs enumerated above. Special assistance funds and local currency proceeds will be used for economic assistance activities in Berlin. In addition, there are multi-year projects, such as hydroelectric plant construction, whose entire dollar costs was financed by loans funded from prior years appropriations, that will require continued ICA supervision and control over dollar disbursements.

2. Programs Under PL-480

Major continuing responsibilities for PL-480 programs are anticipated:

(a) ICA plays an important role, together with Agriculture, State, and other interested agencies, in developing,

NARRATIVE - Europe (Continued)

reviewing and negotiating sales agreement under Title I. These will amount to about \$210.2 million in FY 1959 for Spain, Yugoslavia, Iceland and Finland. In FY 1960 they are estimated at \$188.5 million for the same group of countries.

(b) ICA will also administer some \$226.9 million of the unexpended local currencies generated by PL-480 sales agreement through FY 1959 plus large additional amounts deposited in FY 1960.

(c) Where such local currencies have been loaned for project purposes, (Sog hydroelectric project in Iceland, Perttikoski hydroelectric project and fluting board mill project in Finland, etc.), ICA/W has supervisory responsibility over the proper use of the funds in the execution of the project by the borrowing Government or its agent.

(d) ICA has administered Title II programs of \$35 million in FY 1957, \$32.3 million in FY 1958. Further activities of this type are expected in FY 1959 and FY 1960.

(e) Coordinating and general supervisory responsibilities for Title III programs are being continued in FY 1959 at an estimated level of \$127 million and at a high level in FY 1960.

3. Local Currency Programs.

ICA functions include the following:

(a) Supervision of programming an expenditure of estimated \$127 million MSP US-owned foreign currency which will be unexpended on June 30, 1959 plus \$25 million deposited in FY 1960.

(b) Similar duties for approximately \$1.5 million coal fund foreign currency which will remain on June 30, 1959.

(c) Completion of local currency leg of estimated \$40 million triangular Section 402, surplus agricultural sales to Europe in FY 1959.

(d) Active counterpart programs will be carried on in Spain, Yugoslavia, Berlin and Iceland requiring U.S. approval for disposition of unexpended counterpart balances, supervision of U.S. interests in special revolving funds, maintenance of proper financial controls, and investigation of counterpart uses as provided by the Mutual Security Act.

Staffing adjustments within the total 44 U.S. administrative positions will be made to add one position to the administrative staff in Spain, offset by a reduction of one in the administrative staffing in Austria. By means of continued review and analysis of marginal operations and the strengthening of managerial control, it is believed possible to meet all planned needs in Europe as well as any unforeseen requirements which may arise in FY 1960.

Two additional local administrative positions are reflected in FY 1960 in Spain. This increase however is more than offset by a decrease of one local employee in Austria and two in Germany.

MUTUAL SECURITY PROGRAM  
INTERNATIONAL COOPERATION ADMINISTRATION

SUMMARY OF OBLIGATIONS BY OBJECT CLASS

AFRICA

Description	1958 Actual		1959 Estimate		1960 Estimate	
	Number	Amount	Number	Amount	Number	Amount
Permanent positions - U.S. Nationals	91.0	\$ 759,050	105	\$ 960,026	134	\$1,202,438
Deduct lapses	21.3	143,666	7.4	55,726	16.6	136,638
Add net increase due to change in pay scale		34,603				
Net permanent positions - U.S. Nationals	69.7	649,987	97.6	904,300	117.4	1,065,800
Permanent positions - Foreign Nationals	81	111,500	95	137,125	170	255,650
Deduct lapses	31.7	47,028	9.3	18,025	37.0	53,250
Net permanent positions - Foreign Nationals	49.3	64,472	85.7	119,100	133.0	202,400
Average Employment all personnel	119.0	714,459	183.3	1,023,400	250.4	1,268,200
Other personal services:						
Regular pay above 52-week base		2,759		4,000		9,200
Overtime and holiday pay		6,595		8,400		12,300
Living allowance		25,894		36,200		50,000
Quarters allowance		37,155		42,200		63,200
Education allowance		10,701		20,100		41,500
Transfer allowance		2,464		1,800		3,400
Additional pay for service abroad		73,422		106,100		123,400
Payments to other agencies for reimbursable details	0.5	3,167				
Total personal services	119.5	876,616	183.3	1,242,200	250.4	1,571,200
<u>Direct Obligations</u>						
01 Personal services		876,616		1,242,200		1,571,200
02 Travel		198,043		188,700		331,600
03 Transportation of things		150,943		91,300		173,500
04 Communication services		15,344		16,500		25,300
05 Rents and utility services		156,763		209,500		278,400
06 Printing and reproduction		328		2,300		3,800
07 Other contractual services		47,895		56,100		80,100
Services performed by other agencies		117,410		146,800		173,300
08 Supplies and materials		28,113		36,900		47,700
09 Equipment		87,899		70,200		194,000
10 Lands and structures		66,225				
11 Grants, subsidies and contributions		-				
Contribution to retirement fund		36,964		58,200		68,700
13 Refunds awards and indemnities		55				
15 Taxes and assessments		375		400		700
Total direct obligations		1,782,973		2,119,100		2,948,300
<u>Reimbursable Obligations - Non-Federal Sources</u>						
09 Equipment		20,147		28,400		28,400
Total obligations		1,803,120		2,147,500		2,976,700

MUTUAL SECURITY PROGRAM  
INTERNATIONAL COOPERATION ADMINISTRATION  
NARRATIVE JUSTIFICATION STATEMENT

AFRICA

An economic assistance program of \$109 million for Africa is projected for FY 1960. The Mutual Security Program, as a vital arm of U.S. foreign policy in Africa, is becoming an increasingly important factor in achieving both short and long term objectives in that continent by assisting the people of Africa in tackling their pressing internal problems and making meaningful progress by non-totalitarian methods. While such economic development is primarily a task for the Africans themselves, the Mutual Security Program helps to remove such bottlenecks as lack of capital and technical and administrative know-how.

Assistance is now being provided to six independent countries and five dependent territories of which two are scheduled to become independent next year. The interest of the United State in the progress of these areas has led to the marked increase of economic and technical assistance from \$72.9 million in FY 1958 to \$97.9 million in FY 1959. It is proposed to increase further to \$109 million in FY 1960.

The composition of the economic assistance program and related administrative requirements is as follows:

<u>Amount</u>	<u>PROGRAM</u>		
	<u>Actual</u> FY 1958	<u>Estimated</u> FY 1959	<u>Proposed</u> FY 1960
	(Thousands of Dollars)		
Technical Cooperation	\$11,089	\$14,431	\$20,700
Special Assistance	61,835	83,440	88,300
<b>Total Program</b>	<b>\$72,924</b>	<b>\$97,871</b>	<b>\$109,000</b>
	<u>Employment</u>		
<u>Personnel</u>	<u>Actual</u> 6/30/58	<u>Estimated</u> 6/30/59	<u>Proposed</u> 6/30/60
	(Financed from Appropriated Funds)		
U.S. Program Technicians	335	425	509
U.S. Contract Hire	115	240	368
Local Program Employees	232	252	302

ADMINISTRATIVE

<u>Amount</u>	<u>Actual</u> FY 1958	<u>Estimated</u> FY 1959	<u>Proposed</u> FY 1960
		(Thousands of Dollars)	
Administrative Expenses	\$1,783	\$2,119	\$2,948
	<u>Employment</u>		
<u>Personnel</u>	<u>Actual</u> 6/30/58	<u>Estimated</u> 6/30/59	<u>Proposed</u> 6/30/60
U.S. Administrative Employees	87	103	130
Local Administrative Employees	53	87	159

The number of non-contract programmed participants for FY 1958, FY 1959 and FY 1960 are as follows:

FY 1958	316
FY 1959	463
FY 1960	820

The technical cooperation component alone, which in addition to other training activities, finances approximately 95% of ICA's African personnel who require administrative-funded support, is increasing by 87% from \$11 million in FY 1958 to \$20.7 million in FY 1960. The number of direct-hire American technicians under this program has more than doubled in the past four years and is slated to reach approximately 500 in FY 1960. In comparison with the over 300 Africans who received training under the FY 1958 program in the United States and Western Europe, there are over 800 scheduled for FY 1960.

Project-type assistance, which customarily requires the bulk of logistic support has expanded 43% since FY 1958 to the FY 1959 total of \$34.3 million, and is expected to increase over 114% to \$51.5 million in FY 1960. These developments, which will require more administrative support, are illustrated by the expansion of mutual security program projects in Somalia, in the fields of agriculture, transportation and health; the proposed enlargement of agricultural activities in Tunisia, Ghana, British East Africa and the Federation of Rhodesia and Nyasaland; and similar expansion in the education programs in Nigeria.

NARRATIVE - Africa (Continued)

One of the major reasons for projected increases is to provide basic administrative complements in the newer, expanding programs, in Ghana, Nigeria, Somalia, the British East African territories, and the Federation of Rhodesia and Nyasaland. United States program activities and experience in these African areas are relatively recent and limited. As a result, U.S. Nationals and their families are faced with novel problems of housing, health, and schooling, often under unusually trying conditions of a tropical African climate. The current local disturbances accompanying the rapid political changes in these areas also places extra demands on administrative staffs.

In most of the African countries the disorganized economies, differences in private business practices, and the low level of skills in public administration pose special problems which result in a need for larger administrative staffs.

The collection and development of local economic and other data which, in more advanced economies is systematically available from the host countries own operations must, in most cases, be developed and analyzed by the ICA staff. Larger administrative staffs are also needed to conduct end-use checks on the expanded aid programs and to insure proper utilization of local currencies which are approved from prior year programs.

Notwithstanding the increase in the size of the assistance program and in the number of program technicians as shown in the table above, essential support needs will be held to the minimum. It is proposed to increase the U.S. Nationals staff from 105 in FY 1959 to 134 in FY 1960. Local administrative positions are proposed to increase from 95 in FY 1959 to 170 in FY 1960.

MUTUAL SECURITY PROGRAM  
INTERNATIONAL COOPERATION ADMINISTRATION

SUMMARY OF OBLIGATIONS BY OBJECT CLASS

NEAR EAST AND SOUTH ASIA

Description	1958 Actual		1959 Estimate		1960 Estimate	
	Number	Amount	Number	Amount	Number	Amount
Permanent positions - U.S. Nationals	249	\$2,096,610	254	\$2,408,229	254	\$2,472,668
Deduct reimbursable positions	3	28,500	-	-	-	-
Permanent positions - Direct	246	2,068,110	254	2,408,229	254	2,472,668
Deduct lapses	37.9	353,632	32.2	322,029	23.6	249,568
Add net increase due to change in pay scale		82,870		-		-
Net permanent positions - U.S. Nationals	208.1	1,797,348	221.8	2,086,200	230.4	2,223,100
Permanent positions - Foreign Nationals	366	522,025	378	584,501	470	698,559
Deduct lapses	35.0	40,965	24.9	40,201	35.3	48,959
Net permanent positions - Foreign Nationals	331.0	481,060	353.1	544,300	434.7	649,600
Part-time and temporary employment				1,000		
Average employment all personnel	539.1	2,278,408	574.9	2,631,500	665.1	2,872,700
Other personal services:						
Regular pay above 52-week base		8,721		10,400		23,000
Overtime and holiday pay		29,789		28,700		30,200
Living allowance		42,704		49,900		53,600
Quarters allowance		144,126		175,900		184,400
Education allowance		36,217		52,400		64,700
Transfer allowance		3,125		3,800		3,400
Additional pay for service abroad		217,946		284,200		293,900
Payments to other agencies for reimbursable details	3.3	55,983	3.4	67,400	4.0	75,800
Total personal services	542.4	2,817,019	578.3	3,304,200	669.1	3,601,700
<u>Direct Obligations</u>						
01 Personal services		2,817,019		3,304,200		3,601,700
02 Travel		533,084		578,000		650,700
03 Transportation of things		289,729		337,100		313,600
04 Communication services		23,831		23,000		29,100
05 Rents and utility services		239,177		289,100		368,400
06 Printing and reproduction		1,589		3,100		4,100
07 Other contractual services		105,681		135,900		151,800
Services performed by other agencies		317,050		454,300		494,000
08 Supplies and materials		84,767		86,300		101,400
09 Equipment		98,428		130,300		133,400
11 Grants, subsidies and contributions		98		-		-
Contribution to retirement fund		105,850		133,700		144,600
13 Refunds, awards and indemnities		720		600		1,400
15 Taxes and assessments		1,622		1,400		1,800
Total direct obligations		4,618,645		5,477,000		5,996,000

Reimbursable Obligations - Non-Federal Sources

09 Equipment

26,232

29,600

29,600

Reimbursable Obligations - Other Accounts

Permanent positions - U.S. Nationals

3

28,500

-

-

Deduct lapses

0.2

1,967

-

-

Add net increase due to change in pay scale

1,400

-

-

Net permanent positions - U.S. Nationals

2.8

27,933

-

-

Other personal services:

Regular pay above 52-week base

110

-

-

Living and quarters allowance

12,550

-

-

Additional pay for service abroad

6,997

-

-

Total personal services

2.8

47,590

-

-

01 Personal services

47,590

-

-

02 Travel

9,125

-

-

03 Transportation of things

4,200

-

-

07 Other contractual services

21,846

-

-

11 Grants, subsidies and contributions

Contribution to retirement fund

1,820

-

-

Total reimbursable obligations from other accounts

84,581

-

-

Total reimbursable obligations

110,813

29,600

29,600

Total obligations

4,729,458

5,506,600

6,025,600

MUTUAL SECURITY PROGRAM  
INTERNATIONAL COOPERATION ADMINISTRATION

NARRATIVE JUSTIFICATION STATEMENT

NEAR EAST AND SOUTH ASIA

An economic assistance program of \$397.2 million for the Near East and South Asia Region is projected for FY 1960. The fifteen countries of the Near East and South Asia Region for which Defense Support, Technical Cooperation, and Special Assistance are proposed for FY 1960 form a geographical "region" of importance to the United States in terms of strategic location, material resources, people, and influence. This is one of the major arenas in the economic battle with the Sino-Soviet bloc. Recent events in Iraq, Lebanon, United Arab Republic, and Iran, together with the "open competition" in Afghanistan give graphic evidence of Communist action in this strategic area.

The composition of the economic assistance program and related administrative requirements is as follows:

<u>Amount</u>	<u>PROGRAM</u>		
	<u>Actual FY 1958</u>	<u>Estimated FY 1959</u>	<u>Proposed FY 1960</u>
	(Thousands of Dollars)		
Defense Support	\$141,600	\$203,000	\$242,000
Technical Cooperation	37,817	41,878	50,600
Special Assistance	58,075	101,580	79,600
Other Programs	<u>46,372<sup>a/</sup></u>	<u>23,000<sup>b/</sup></u>	<u>25,000<sup>b/</sup></u>
Total Program	<u>\$283,864</u>	<u>\$369,458</u>	<u>\$397,200</u>

a/ Includes \$21,372,000 for Palestine Refugees and \$25,000,000 reappropriated prior year Development Assistance for Saudi Arabia.

b/ Palestine Refugees.

PROGRAM - Continued  
(Financed from Appropriated Funds)

<u>Personnel</u>	<u>Employment</u>		
	<u>Actual 6/30/58</u>	<u>Estimated 6/30/59</u>	<u>Proposed 6/30/60</u>
U.S. Program Technicians	865	982	1,175
U.S. Contract Hire	726	802	788
Local Program Employees	988	1,001	1,041

ADMINISTRATIVE

<u>Amount</u>	<u>Actual FY 1958</u>	<u>Estimated FY 1959</u>	<u>Proposed FY 1960</u>
		(Thousands of Dollars)	

Administrative Expenses	\$4,619	\$5,477	\$5,996
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<u>Personnel</u>	<u>Employment</u>		
	<u>Actual 6/30/58</u>	<u>Estimated 6/30/59</u>	<u>Proposed 6/30/60</u>
U.S. Administrative Employees	230	245	248
Local Administrative Employees	332	360	450

NARRATIVE - Near East and South Asia (Continued)

The number of non-contract programmed participants for FY 1958, FY 1959 and FY 1960 are as follows:

FY 1958	1,323
FY 1959	1,729
FY 1960	1,869

Project-type assistance, which has consistently accounted for most of the administrative workload, particularly in lesser developed areas, is expected to increase by \$11 million, from \$65.2 million in fiscal year 1959 to \$76.2 million in fiscal year 1960. The major increase in Technical Cooperation funds (which is all project-type assistance) are proposed for Sudan, Pakistan, India and Afghanistan.

Staffing adjustments within the total 254 U.S. administrative positions will be made to strengthen administrative functions including program review and fiscal control in Nepal, Sudan and United Arab Republic - Egypt. By means of continued review and analysis of marginal operations and strengthened managerial control, it is believed possible to meet these needs without any increase in U.S. administrative positions in FY 1960.

Ninety-two additional local administrative positions are reflected in FY 1960. This includes 61 local employees in Pakistan currently charged to program funds. The increase of 31 positions is required to provide adequate administrative support to programs in Sudan, Nepal, Afghanistan, Jordan, and United Arab Republic - Egypt.

MUTUAL SECURITY PROGRAM  
INTERNATIONAL COOPERATION ADMINISTRATION

SUMMARY OF OBLIGATIONS BY OBJECT CLASS

FAR EAST

Description	1958 Actual		1959 Estimate		1960 Estimate	
	Number	Amount	Number	Amount	Number	Amount
Permanent positions - U. S. Nationals	302	\$2,368,695	299	\$2,627,227	299	\$2,672,241
Deduct reimbursable positions	8	58,590	-	-	-	-
Permanent positions - Direct	294	2,310,105	299	2,627,227	299	2,672,241
Deduct lapses	37.6	348,178	26.2	257,027	23.4	236,491
Add net increase due to change in pay scale		91,092	-	-	-	-
Net permanent positions - U. S. Nationals	256.4	2,053,019	272.8	2,370,200	275.6	2,435,750
Permanent positions - Foreign Nationals	661	898,641	659	923,087	674	1,003,007
Deduct lapses	127.7	129,866	65.0	108,687	45.3	64,257
Net permanent positions - Foreign Nationals	533.3	768,775	594.0	814,400	628.7	938,750
Part-time and temporary employment	0.7	2,080	.4	5,800	.2	2,100
Average employment all personnel	790.4	2,823,874	867.2	3,190,400	904.5	3,376,600
Other personal services:						
Regular pay above 52-week base		11,851		12,400		26,400
Overtime and holiday pay		64,047		54,500		53,100
Living allowance		80,006		66,900		68,700
Quarters allowance		85,069		79,200		77,700
Education allowance		27,228		50,200		56,600
Transfer allowance		6,199		14,200		8,500
Additional pay for service abroad		349,797		437,300		453,500
Payments to other agencies for reimbursable details	2.2	48,881	2.0	43,500	2.0	44,000
Total personal services	792.6	3,496,952	869.2	3,948,600	906.5	4,165,100
<u>Direct Obligations</u>						
01 Personal services		3,496,952		3,948,600		4,165,100
02 Travel		597,852		610,400		666,100
03 Transportation of things		342,245		292,400		283,100
04 Communication services		22,628		22,900		25,300
05 Rents and utility services		488,853		570,500		591,400
06 Printing and reproduction		4,649		5,800		6,300
07 Other contractual services		119,854		232,800		247,300
Services performed by other agencies		205,376		271,900		267,700
08 Supplies and materials		216,852		184,200		193,200
09 Equipment		204,547		128,800		152,800
10 Lands and structures		3,037		-		-
11 Grants, subsidies and contributions		13,294		11,100		11,800
Contribution to retirement fund		118,519		154,100		158,200
13 Refunds, awards and indemnities		2,149		4,700		3,600
15 Taxes and assessments		2,410		1,900		1,800
Total direct obligations		5,839,217		6,440,100		6,773,700

Reimbursable Obligations - Non-Federal Sources

09 Equipment		20,757	33,400	33,400
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Reimbursable Obligations - Other Accounts

Permanent positions - U. S. Nationals	8	58,590	-	-
Deduct lapses	0.7	9,774	-	-
Add net increase due to change in pay scale		2,500		
Net permanent positions - U. S. Nationals	7.3	51,316	-	-

Other personal services:

Regular pay above 52-week base		200	-	-
Living and quarters allowance		15,058	-	-
Additional pay for service abroad		12,514	-	-
Total personal services	7.3	79,088	-	-

01 Personal services		79,088	-	-
02 Travel		17,625	-	-
03 Transportation of things		6,110	-	-
07 Other contractual services		189,552	220,000	81,000
11 Grants, subsidies and contributions			-	-
Contribution to retirement fund		3,255	-	-
Total reimbursable obligations from other accounts		295,630	220,000	81,000
Total reimbursable obligations		316,387	253,400	114,400
Total obligations		6,155,604	6,693,500	6,888,100

MUTUAL SECURITY PROGRAM  
INTERNATIONAL COOPERATION ADMINISTRATION

NARRATIVE JUSTIFICATION STATEMENT

Far East

An economic assistance program of \$593 million for the Far East Region is projected for FY 1960. The needs of the Far East countries for which Defense Support, Technical Cooperation and Special Assistance are proposed for FY 1960 vary as between the types of assistance required, but generally these countries have been characterized by: (1) inadequacy of economic resources to support essential security forces; (2) a lack of technically skilled man-power and entrepreneurial talent; (3) a need to increase productivity through management training and adoption of modern agricultural and industrial production techniques; (4) a need to strengthen government services through in-service and other training in improved procedures and techniques; (5) inability to satisfy the basic needs of the growing populations, largely rural, for agricultural, educational, and public health services; (6) lack of an institutional framework within which economic development can take place; (7) a need for better transportation and communication facilities.

Through skillful use of several types of assistance available, substantial progress has been made in the Far East Countries. There has been a steady increase in agricultural production, resulting from better farming techniques taught by U.S. technicians and assistance in the construction of irrigation dams and canals. There has been an expansion of educational facilities, including laboratories, libraries and vocational shops. Better public health practices and institutions have been introduced. Training of public servants is being carried on vigorously. Major road and water transportation arteries have been rehabilitated or newly constructed. Some industrial capacity has been restored or installed and increasingly large numbers of technical and executive personnel are being trained for private business under industrial development and industrial productivity programs.

The composition of the economic assistance program and related administrative requirements is as follows:

<u>Amount</u>	<u>PROGRAM</u>		
	<u>Actual FY 1958</u>	<u>Estimated FY 1959</u>	<u>Proposed FY 1960</u>
	(Thousands of Dollars)		
Defense Support	\$534,376 <sup>a</sup>	\$534,300	\$553,000
Development Assistance	26,993 <sup>b</sup>	-	-
Technical Cooperation	33,539	32,450	36,700
Special Assistance	12,455	6,000	3,700
<b>Total Program</b>	<b>\$607,363</b>	<b>\$572,750</b>	<b>\$593,400</b>
Title I, PL-480	-	\$466,854	\$375,789

a/ Excludes \$3,690,000 of prior year Indo-China recoveries applied to FY 1958 program, Laos.

b/ Reappropriated FY 1957 Development Assistance Funds.

<u>Personnel</u>	<u>Employment</u>		
	<u>Actual 6/30/58</u>	<u>Estimated 6/30/59</u>	<u>Proposed 6/30/60</u>
	(Financed from Appropriated Funds)		
U.S. Program Technicians	865	965	1,051
U.S. Contract Hire	1,287	1,277	1,125
Local Program Employees	1,888	1,901	1,941

<u>Amount</u>	<u>ADMINISTRATIVE</u>		
	<u>Actual FY 1958</u>	<u>Estimated FY 1959</u>	<u>Proposed FY 1960</u>
	(Thousands of Dollars)		
Administrative Expenses	\$5,839	\$6,440	\$6,774

<u>Personnel</u>	<u>Employment</u>		
	<u>Actual 6/30/58</u>	<u>Estimated 6/30/59</u>	<u>Proposed 6/30/60</u>
U.S. Admin. Employees	279	290	290
Local Admin. Employees	561	636	654

NARRATIVE - Far East (Continued)

The number of non-contract programmed participants for FY 1958, FY 1959 and FY 1960 are as follows:

FY 1958	3,148
FY 1959	3,141
FY 1960	3,083

In most of the Far Eastern countries the newly developing economies, differences in government and private business practices, and inexperience in the art and technique of government pose special problems in the administration and implementation of economic assistance programs which result in a need for large administrative staffs. The collection and development of local economic and other data which, in more advanced economies is systematically available from host country sources must, in most cases, be developed and analyzed by the ICA staff. Repairs and maintenance services of all kinds, available "around the corner" in even the smallest U.S. communities, are usually lacking and must be supplied by the Missions' own staff. A lack of dependable electrical current often means a proportionally larger use of manual, rather than machine, methods, adding to the supervisory workload.

Notwithstanding the proposed increase in the size of the assistance programs and in the estimated number of program technicians as shown in the table above, essential support needs will be met without increasing the U.S. Nationals position ceiling in FY 1960 over that for FY 1959. By means of continued review and analysis of marginal operations and strengthened managerial control, it is believed possible to meet staffing adjustments which may be required between countries in the Far East Region without any increase in U.S. administrative positions in FY 1960.

A net increase of fifteen additional local administrative positions is reflected in FY 1960. This includes seventeen local employees in Thailand currently charged to program funds offset by a decrease of two in the requirements of Japan.

MUTUAL SECURITY PROGRAM  
INTERNATIONAL COOPERATION ADMINISTRATION  
SUMMARY OF OBLIGATIONS BY OBJECT CLASS

LATIN AMERICA

Description	1958 Actual		1959 Estimate		1960 Estimate	
	Number	Amount	Number	Amount	Number	Amount
Permanent positions - U.S. Nationals	134	\$1,260,345	146	\$1,519,620	155	\$1,621,736
Deduct lapses	18.6	186,517	15.9	170,445	8.5	87,118
Add net increase due to change in pay scale	-	50,480	-	-	-	-
Net permanent positions - U.S. Nationals	115.4	1,124,308	130.1	1,349,175	146.5	1,534,618
Permanent positions - Foreign Nationals	287	567,686	294	599,967	305	651,872
Deduct lapses	39.5	79,978	21.9	47,442	14.0	30,560
Net permanent positions - Foreign Nationals	247.5	487,708	272.1	552,525	291.0	621,312
Part-time and temporary employment	-	726	-	-	-	-
Average employment all personnel	362.9	1,612,742	402.2	1,901,700	437.5	2,155,930
Other personal services:						
Regular pay above 52-week base		6,723		7,287		16,659
Overtime and holiday pay		10,326		8,416		9,025
Living allowance		20,857		20,590		26,110
Quarters allowance		205,034		257,662		292,685
Education allowance		28,652		30,870		45,840
Transfer allowance		3,090		725		1,350
Additional pay for service abroad		68,286		85,792		96,999
Total personal services	362.9	1,955,710	402.2	2,313,042	437.5	2,644,598
<u>Direct Obligations</u>						
01 Personal services		1,955,710		2,313,042		2,644,598
02 Travel		198,865		159,893		185,580
03 Transportation of things		180,062		120,300		83,700
04 Communication services		24,482		25,370		25,550
05 Rents and utility services		102,719		125,534		163,405
06 Printing and reproduction		5,974		8,370		7,469
07 Other contractual services		100,879		108,606		111,780
Services performed by other agencies		35,514		46,100		52,500
08 Supplies and materials		57,148		46,837		41,425
09 Equipment		80,147		49,360		42,700
11 Grants, subsidies and contributions						
Contribution to retirement fund		67,248		88,033		100,578
13 Refunds, awards and indemnities		1,423		-		-
15 Taxes and assessments		1,738		1,255		1,215
Total direct obligations		2,811,909		3,092,700		3,460,500
<u>Reimbursable Obligations - Non-Federal Sources</u>						
09 Equipment		7,711		8,600		8,600
Total obligations		2,819,620		3,101,300		3,469,100

MUTUAL SECURITY PROGRAM  
INTERNATIONAL COOPERATION ADMINISTRATION

NARRATIVE JUSTIFICATION STATEMENT

LATIN AMERICA

An economic assistance program of \$72.8 million for the Latin American Region is projected for FY 1960. In addition, local currency proceeds from sale of agricultural commodities are expected to make available an additional \$17.4 million during FY 1960. The amount of \$72.8 million projected for the economic assistance program for FY 1960 is exclusive of host country contributions, which, in FY 1959 totaled \$60,640,000 in cash and kind, and which is expected to exceed this figure in FY 1960.

The heart of the United States economic effort in Latin America is the technical cooperation program, which has established itself as an excellent vehicle for the communication of ideas and techniques, through demonstration and training, appropriate to the free world way of life. Under this program the United States, jointly with the host country, finances projects designed to help these countries to help themselves. To stimulate agricultural production and reduce dependence on foodstuff and agricultural raw materials imported from abroad, ICA programs have encouraged balanced growth in agriculture while increasing the quality and quantity of agricultural output, have encouraged the construction and maintenance of new roads in order to open new areas to exploitation and have helped facilities necessary for processing indigenous crops by demonstrating better techniques and by creating institutions to carry on this type of work. To raise the literacy rate and help develop a substantial body of elementary and vocational school graduates, ICA programs have developed teacher

training programs, rural education programs, work-shops for up-grading teaching skills and sent many participants to the United States and other Latin American countries for observation in modern educational methods. To reduce the toll of human life because of inadequate health and sanitation practices, ICA Missions have trained local physicians, nurses and technicians and assisted in anti-malarial and anti-tuberculosis campaigns. Local technicians have been shown how to investigate and develop mineral resources. Federal, state and local government agencies have been helped to improve their organizations and administrative process and techniques. Self-help housing programs have been developed as a partial solution to critical housing shortages. Industrialization programs have been furthered by the furnishing of technical advice on production methods and equipment. In FY 1960, the U.S. contribution to this program is estimated at about \$45.2 million as compared with \$36,150,000 in FY 1959. As in recent years, the contributions of the host countries to this program will substantially exceed the United States contribution.

It was not until 1953 that the need was demonstrated for Special Assistance in addition to assistance wherein the cooperating Latin American host governments had been putting in their share (in many cases exceeding the United States share) of expenses. Special assistance aid provides economic assistance where necessary to achieve economic or political stability. In Latin America such assistance has been provided primarily to meet temporary emergency conditions.

NARRATIVE - Latin American (Continued)

The composition of the economic assistance program and related administrative requirements is as follows:

<u>Amount</u>	<u>PROGRAM</u>		
	Actual FY 1958 (Thousands of Dollars)	Estimated FY 1959	Proposed FY 1960
Technical Cooperation	\$31,306	\$36,150	\$45,200
Special Assistance	44,710	26,000	27,600
<b>Total Program</b>	<b>\$76,016</b>	<b>\$62,150</b>	<b>\$72,800</b>
Title 1, PL-480	\$261,530 <sup>1/</sup>	\$13,600	\$17,400
Technical Cooperation (host country contributions - cash and kind)	\$52,833	\$60,640	2/

1/ This is a cumulative figure for FY 1955 through FY 1958.

2/ Though no amount is shown under FY 1960 the host country contributions, in cash and in kind, is expected to exceed the amount of \$60,640,000 estimated for FY 1959.

<u>Personnel</u> (Financed from Appropriated Funds)	<u>Employment</u>		
	Actual 6/30/58	Estimated 6/30/59	Proposed 6/30/60
U.S. Program Technicians	788	871	986
U.S. Contract Hire	105	193	220
Local Program Employees	705	715	735

<u>Amount</u>	<u>ADMINISTRATIVE</u>		
	Actual FY 1958 (Thousands of Dollars)	Estimated FY 1959	Proposed FY 1960
Administrative Expenses	\$2,812	\$3,093	\$3,461

ADMINISTRATIVE (Continued)

<u>Personnel</u>	<u>Employment</u>		
	Actual 6/30/58	Estimated 6/30/59	Proposed 6/30/60
U.S. Administrative Employees	123	141	145
Local Administrative Employees	241	283	297

The number of non-contract programmed participants for FY 1958, FY 1959 and FY 1960 are as follows:

FY 1958	1,955
FY 1959	1,922
FY 1960	2,469

Experience both in Latin America and elsewhere have shown that United States funds are most effectively expended when each proposed project or program is subjected to an intensive scrutiny to determine its economic usefulness to host country and its administrative feasibility prior to the commitment of United States funds. The wider variety of projects, and the more diversified types of assistance now being made available to the Latin American countries make this analytical review even more important. The desirability of meeting this need by assigning additional program and economic analysts to the task has been noted in reports covering ICA's Latin America operation by both General Accounting Office and ICA management teams.

The rise in the level of aid, and the need for more detailed audits in connection with Title I, PL-480 program requires the establishment of additional positions necessary in order to assure funds are being spent as planned.

It is proposed to increase the number of U.S. national positions in Latin America from 146 in FY 1959 to 155 in FY 1960 an increase of 9. Seven of the nine new U.S. national positions requested are for program and economic analysts while two are for the establishment of additional controller positions. By means of continued review and analysis of marginal operations and strengthened managerial control it is believed possible to strengthen the program and economic analysis functions and enduse audits to a satisfactory level with the addition of these 9 U.S. national positions. This estimate also provides for the increasing the local administrative positions in Latin America from 294 in FY 1959 to 305 in FY 1960.

MUTUAL SECURITY PROGRAM  
INTERNATIONAL COOPERATION ADMINISTRATION

SUMMARY OF OBLIGATIONS BY OBJECT CLASS

OVERSEAS PERSONNEL PROGRAM

Description	1958 Actual		1959 Estimate		1960 Estimate	
	Number	Amount	Number	Amount	Number	Amount
Recruitment Complement	14	\$ 95,855	22	\$163,496	22	\$163,496
Reassignment Complement	5	40,225	12	109,534	12	109,534
Training Complement	29	246,800	66	499,933	66	499,933
<b>Total</b>	<b>48</b>	<b>382,880</b>	<b>100</b>	<b>772,963</b>	<b>100</b>	<b>772,963</b>
Permanent positions	48	382,880	100	772,963	100	772,963
Deduct lapses	29.8	277,135	34.8	262,963	30.0	224,963
Add net increase due to change in pay scale		6,282				
Net permanent positions	18.2	112,027	65.2	510,000	70.0	548,000
Part-time and temporary employment	.3	3,310				
Average employment all personnel	18.5	115,337	65.2	510,000	70.0	548,000
Other personal services:						
Regular pay above 52-week base		431		2,000		4,000
Overtime and holiday pay		391		-		-
Quarters allowance		12,152		25,000		25,000
Additional pay for service abroad		2,557		-		-
<b>Total personal services</b>	<b>18.5</b>	<b>130,868</b>	<b>65.2</b>	<b>537,000</b>	<b>70.0</b>	<b>577,000</b>
01 Personal services		130,868		537,000		577,000
02 Travel		38,149		153,000		155,000
03 Transportation of things		6,300		14,000		14,000
05 Rents and utility services		525		-		-
07 Other contractual services		87,792		600,000		38,000
Services performed by other agencies		-		85,000		211,000
09 Equipment		-		-		-
11 Grants, subsidies and contributions		-		-		-
Contributions to retirement fund		6,762		33,000		35,000
15 Taxes and assessments		149		-		-
<b>Total direct obligations</b>		<b>270,545</b>		<b>1,422,000</b>		<b>1,030,000</b>

MUTUAL SECURITY PROGRAM  
INTERNATIONAL COOPERATION ADMINISTRATION

NARRATIVE JUSTIFICATION STATEMENT

OVERSEAS PERSONNEL PROGRAM

As a result of Congressional provision for additional funds in the Technical Cooperation appropriation for FY 1959, ICA's improved overseas personnel system has been greatly accelerated. The limited program initiated in FY 1958 has made significant progress in all personnel activities, including training, orientation, employment and assignment.

Funding for the Overseas Personnel Program is divided between Administrative Expenses and Inter-Regional Program funds, principally upon the basis of proportion of the types of personnel - administrative or technical - involved in or benefiting from the several complements, training programs, etc., embraced in the total system. The following table provides a summary comparison of activities achieved and contemplated under the portion of the Overseas Personnel Program charged to Administrative Expense funds:

	<u>Actual FY 1958</u>	<u>Programmed FY 1959</u>	<u>Estimated FY 1960</u>
Total Cost	<u>\$270,545</u>	<u>\$1,422,000</u>	<u>\$1,030,000</u>
Total Positions	<u>48</u>	<u>100</u>	<u>100</u>
Recruitment Complement	14	22	22
Reassignment Complement	5	12	12
Training Complements	<u>29</u>	<u>66</u>	<u>66</u>
Language	-	<u>15</u>	<u>15</u>
In-Service	18	20	20
Interns	11	31	31
Total Man-Years Utilized	18.5	65.2	70

It will be noted that the cost of the administrative funded portion of this program is estimated to be \$392,000 less in FY 1960 than is currently programmed for FY 1959. This reduction is primarily attributable to certain non-recurring contractual costs involved in

the several training programs. Initial costs of planning these programs and procuring facilities and materials for them in FY 1959 and prior years will cover several years of service and productivity. Replacement of expendable materials and maintenance of data and materials will require some new support cost expenditures, but at a reduced rate for these programs.

Accordingly, these lowered anticipated costs for FY 1960 will not slow down the tempo of the activities essential to a sound personnel management program. It is expected, for example, that all phases of the training program, including language training, will be increased as the employment of personnel reaches the stage where a larger proportion of the essential positions are filled and as employees complete regular tours of duty, thereby becoming available for mid-career training.

The techniques and operating mechanisms utilized in conducting a well-balanced overseas personnel program are briefly described below.

Full Staffing Complements

Implementation of ICA overseas projects has been delayed by the late arrival of technical specialists. Many factors contribute to this delay, - ranging from the difficulties of locating competent personnel within the U.S. economy who are willing to accept overseas employment, through the necessary clearances and processing for prolonged service in foreign environments, and including the frequently long-drawn out process of obtaining "host government" concurrence for the individual.

The Recruitment Complement accelerates filling new positions in many of the more generalized occupational fields. At a relatively low cost in terms of man-years utilized, qualified and approved candidates are actually employed and provided essential orientation to their new careers while negotiations for final

MUTUAL SECURITY PROGRAM  
INTERNATIONAL COOPERATION ADMINISTRATION

NARRATIVE JUSTIFICATION STATEMENT

OVERSEAS PERSONNEL PROGRAM

placement in a specific overseas post are completed. This new, and now expanded, authority is particularly significant in reducing losses of qualified candidates-in-process to competing employment opportunities. The quality which ICA seeks in its new employees does not permit a long lapse of time between the offer and the commitment.

The Reassignment Complement has continued in ICA's overseas service numerous experienced and highly-specialized employees for whom a specific new assignment was not available immediately upon completion of a tour of duty. Previously, the uncertainty of continued employment and the threatened loss of income even for a short period caused these trained employees to seek positions elsewhere. Under the new program these individuals are held on temporary duty status in Washington, contributing their overseas knowledge and understanding to various central office units and processes, until a new and appropriate overseas vacancy materializes.

Training Complement

The impetus furnished by the Congress through increased appropriations for FY 1959 has resulted in rapidly expanded programs of training in foreign languages, and in vitally needed mid-career refresher training for present employees who have demonstrated potential for higher responsibility. In addition, improvements

have been made possible in orienting new employees to the complexities of performing in foreign environments, and in programs designed to meet long-range needs of the Agency through the recruitment and intensive training of highly-qualified younger personnel as interns.

The expanded training programs has been supplemented by established private and governmental institutions. Much of the usual high costs of initial planning and equipping has already been absorbed by the institutions' regular activities. The rapidity with which particular training programs could be initiated was also enhanced, since in most cases, only slight adaptation was required to adjust current courses to ICA's particular needs, thus saving much time otherwise required for planning teaching materials and accumulating the logistical requirements.

Administrative Expense Funds devoted to these training programs are concentrated on employees whose services are directed to ICA's administrative support activities: - program planning, review and evaluation; fiscal operations and control; and executive management and administrative functions. The improvement achieved in these fields as a result of the specialized training provided will result in manifold return of the initial investment through greater efficiency and economy in the planning and administration of the more costly substantive program activities.