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MSPSG-ICA

"On-the-Spot" Survey #3

February 13, 1957

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MEMORANDUM FOR MEMBERS OF THE WORKING GROUP ON SPECIAL SENATE
STUDIES OF THE FOREIGN AID PROGRAM

FROM: Office of the Assistant to the Director for
Congressional Presentation

RE : An On-the-Spot Survey in Lebanon, Jordan and
Iraq - by Hamilton Fish Armstrong, Editor of
Foreign Affairs

Attached are a copy of a covering letter to the Special Senate Committee and a summary of suggestions by Mr. Armstrong. This report has been cleared by the Department of State and sent ICA (by State) for a more careful analysis.

The report is being sent to the appropriate ICA Regional office for necessary comment and preparation of a position paper where necessary.

Attachments

FWA:d

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BY Cowell, SEP/mo/tem
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Regulations

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COPY

January 14, 1957

To the Chairman and Members of the Special
Committee To Study the Foreign Aid Program:

In accordance with your invitation as chairman of the executive committee of the Special Committee To Study the Foreign Aid Program, I spent the 3 weeks from November 23 through December 14, 1956, in an on-the-spot survey in Lebanon, Jordan, and Iraq. I had the advantage of being accompanied by Mr. Charles G. Weaver, staff assistant assigned to me by the special committee. He was of great help throughout the trip and also in the preparation of my report.

In all three countries we were received cordially by the heads of the International Cooperation Administration organizations and given every facility to see their work and to understand it to the extent possible in such a brief time. In each country we inspected the principal projects undertaken with American economic and technical help, such as experimental farms, nurses' training schools, highway constructions, dams for flood control, village water-supply systems, irrigation and land settlement undertakings, etc. We also profited from conferences with Embassy staffs, including generous allotments of time with Ambassador Gallman in Baghdad and Ambassador Heath in Beirut.

Besides consulting American personnel, we had talks with high officials of local governments to the extent practicable, with former officials, especially those who might be critical of the program either in concept or application, with American businessmen (this in Beirut only) and to some extent with private citizens.

Although we bore in mind the committee's detailed survey guide, we also heeded the committee's injunction not to rely on what it called canned materials covering points mentioned in the outline. Thus we tried to elicit information and views that might be useful to the committee by pursuing independent methods of inquiry. We are not presenting the committee with statistical material available in International Cooperation Administration reports on file in Washington except incidentally or by way of comparison and reference.

It was not practicable in the time available, of course, to make an appraisal of the work of the International Cooperation Administration from a technical point of view. Much of the report which I have the honor to present herewith will therefore be found to deal with the general political and psychological aspects of our foreign aid program. If you feel that I should try to supplement it in any manner please command me.

Yours sincerely,

Hamilton Fish Armstrong.

SUMMARY OF SUGGESTIONS

As the preceding pages will have indicated, there is no single magic formula to produce in reply to the question: How can the International Cooperation Administration's guiding concepts and operations be improved in order to make it more effective in fostering the social progress, stability, and independence of underdeveloped countries--for the mutual benefit of those who receive and of ourselves who give? A number of suggestions have been put forward, however, some general, some specific. These I now venture to summarize:

1. Establish more clearly in our own minds the motives of our aid program to underdeveloped countries.

2. Pursue a program for the Middle East simultaneously along both economic and political lines.

3. Integrate economic and technical assistance to the Middle East on a regional basis. A regional plan should aid consciously to repair political and economic rifts in the region and promote intra-regional cooperation, by bringing as many countries of the region as possible into joint planning and by including projects of value to the region as a whole in addition to projects mainly useful to individual countries. Among the regional projects for consideration:

- (a) Jordan waters development scheme.
- (b) Mediterranean-Persian Gulf truck highway.
- (c) Oil pipeline, Mosul to Turkish port.
- (d) Nile waters development scheme.
- (e) Grain storage warehouses.
- (f) Credit mechanism for small-business men and farmers.
- (g) Various projects within a single country but beneficial to region as a whole.

4. International Cooperation Administration operations in the field might be improved by:

- (a) More careful preparation of local programs and more continuity in operations, to be obtained by improved assurance of continuing appropriations.
- (b) Less diversity in country projects, more emphasis on reaching grassroots.
- (c) Emphasis in selecting personnel on adaptability to service in backward lands.
- (d) Less accounting redtape, less narrowly drawn specifications as to function, in order to release experts from paperwork and enable them to get on with the job.

- (e) Better recruitment methods and more speedy processing of personnel in Washington.

5. International Cooperation Administration procedures in Washington might be related more closely to the essential motivation of the foreign-aid program by:

- (a) Giving the receiving countries a fuller sense of participation and responsibility.
- (b) Emphasizing attempts to promote regional prosperity and intraregional cooperation.

6. Separate appropriations for military hardware from those for defense support, development assistance, and technical cooperation assistance.

7. Urge receiving governments to establish centralized agencies to correlate assistance and development activities.

8. Authorize appointment of local advisory committees to the International Cooperation Administration missions.

9. Assist the American University of Beirut in performing its educational service to the Middle East as a whole.

10. Establish a foreign education aid fund.

11. Review the relationship of the International Cooperation Administration and the United Nations technical-assistance program.

12. Emphasize continuing name for our foreign-aid program in order to build up reputation and momentum.

13. Expand the United States Information Service cooperation with the International Cooperation Administration.

14. Take note of the equality emphasized by Arabs between American aid to Israel and the Arab States.

15. Increase the exchange of students, teachers, etc., of the area.

16. Lebanon:

- (a) Continue program of technical assistance.
- (b) Consider adding slum clearance and housing project in Beirut, Tripoli and Sidon to development assistance program.
- (c) Consider helping Lebanese Government set up credit institution for small borrowers, urban and rural.

17. Jordan:

- (a) Continue technical assistance and development assistance to help Jordan maintain independence, especially to avoid forcible partitionment involving risk of general war.

- (b) Consider two development assistance projects in industrial field: 1, plant to extract potash from Dead Sea; 2, oil refinery.

18. Iraq:

- (a) Continue technical assistance program through American experts directed and financed through the International Cooperation Administration.
- (b) Raise the International Cooperation Administration mission to full strength.

In general, I believe that increased economic aid, even if properly integrated on a regional basis, will not be enough by itself to stabilize the social order in the Middle East in the foreseeable future. Economic aid can be fully effective only if it is one part of a larger program, political as well as economic, that aims both to resolve and to construct-- to resolve the existing acute causes of insecurity and strife in the region and to begin constructing the bases of security and cooperation. This dual program can proceed only within a framework of security against external aggression. But if we aim to do no more at present than return the Middle East to the condition in which it was against outside aggression, meanwhile slowly raising economic standards, we shall have failed to take up the challenge of an historic moment. Time will not wait for the success of a policy which politically is essentially static and economically is slow.