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# BACKGROUND FOR MUTUAL SECURITY



**Fiscal Year 1959**

Department of State  
Department of Defense  
International Cooperation Administration

*The*

**MUTUAL  
SECURITY  
PROGRAM**

**FISCAL YEAR 1959**

*The information contained in this booklet was presented to the Congress in February 1958 as a section of a publication entitled—*

**The Mutual Security Program  
Fiscal Year 1959  
A Summary Presentation**

## THE WHITE HOUSE

### *Excerpts from the President's Message to Congress on the Mutual Security Program for the Fiscal Year 1959*

. . . It is my duty to make clear my profound conviction that the vigorous advancement of this Program is our only logical course. An alternative there is—to discontinue or sharply reduce the Program—but the consequences would be:

—a severe dislocation and basic impairment of free world power;

—a certain crumbling, under Sino-Soviet pressures, of our strategic overseas positions and a forcing of these positions progressively back toward our own shores;

—a massive increase in our own defense budget, in amounts far exceeding mutual security appropriations, necessitating substantial increases in taxes;

—a heavy increase in inductions of American youth into our own armed forces; and

—ultimately a beleaguered America, her freedoms limited by mounting defense costs, and almost alone in a world dominated by international communism.

Those who would consider this alternative to support of our mutual security program must measure well these consequences.

. . . In recommending to you the vigorous continuation of our Mutual Security Program, I am conscious of the feeling of some that desirable developments should be accomplished in this country before funds are used for development abroad.

This feeling springs in large part from the kind of misunderstandings typified by the name so often attached to this program: "foreign aid." This name is often used as though the program were some sort of give-away or handout to foreigners, without benefit to ourselves.

. . . The very opposite is true. Our Mutual Security Program is of transcendent importance to the security of the United States.

No one would seriously argue that funds for our own military forces should be denied until desirable civilian projects had been provided for. Yet our expenditures for mutual security are fully as important to our national defense as expenditures for our own forces, and dollar for dollar buy us more in security.

For the safety of our families, the future of our children and our continued existence as a nation, we cannot afford to slacken our support of the Mutual Security Program. The program I have recommended represents the smallest amount we may wisely invest in mutual security during the coming year.

*Excerpts From the President's State of the Union Message to  
Congress, January 9, 1958*

. . . The threat to our safety, and to the hope of a peaceful world, can be simply stated. It is Communist imperialism.

This threat is not something imagined by critics of the Soviets. Soviet spokesmen, from the beginning, have publicly and frequently declared their aim to expand their power, one way or another, throughout the world.

. . . The Soviets are, in short, waging total cold war.

The only answer to a regime that wages total cold war is to wage total peace.

. . . We must continue to strengthen our mutual security efforts.

Most people now realize that our programs of military aid and defense support are an integral part of our own defense effort. If the foundations of the free world structure were progressively allowed to crumble under the pressure of Communist imperialism, the entire house of freedom would be in danger of collapse.

As for the mutual economic assistance program, the benefit to us is threefold. First, the countries receiving this aid become bulwarks against Communist encroachment as their military defenses are strengthened. Nations that are conscious of a steady improvement in their industry, education, health and standard of living are not apt to fall prey to the blandishments of Communist imperialists.

Second, these countries are helped to reach the point where mutually profitable trade can expand between them and us.

Third, the mutual confidence that comes from working together on constructive projects creates an atmosphere in which real understanding and peace can flourish.

. . . One great obstacle to the economic aid program in the past has been, not a rational argument against it on the merits, but a catch-word: "giveaway program."

The real fact is that no investment we make in our own security and peace can pay us greater dividends than necessary amounts of economic aid to friendly nations.

This is no "give-away."

Let's stick to facts!

We cannot afford to have one of our most essential programs shot down with a slogan!

# Background for Mutual Security

## INTRODUCTION

The purpose of the mutual security program is to help develop and strengthen the nations of the free world in a common effort to maintain peace and achieve progress. The mutual security program is a major instrument of United States foreign policy. It reflects the fundamental fact that the security and prosperity of this nation cannot be separated from that of other nations.

The United States Congress recognized this fact when it passed the Economic Cooperation Act of 1948. During the decade since then, we have worked through the normal channels of diplomacy and through international conferences of many kinds to reach solutions of new problems created by our larger responsibility.

We have worked toward economic progress for all friendly nations. We have negotiated a series of treaties of friendship, commerce and navigation. We have made earnest efforts to help create a favorable overseas investment climate by a U.S. program of investment guaranties, by special tax measures with respect to overseas profits, and by seeking out investment opportunities and making this information widely available.

We have tried to encourage trade among the nations of the free world by reducing restrictions, by reciprocal trade legislation, revision of customs procedures, and participation in the General Agreement on Tariffs and Trade (GATT).

We have helped to make needed capital available by contributing to the International Bank for Reconstruction and Development, by increasing the lending authority of the Export-Import Bank, and by establishing the Development Loan Fund.

We have tried to promote friendly understanding and to spread knowledge through exchange of persons programs. We have told the world about the life of our country and our aspirations for ourselves and others in a campaign of truth, including broadcasts behind the Iron Curtain.

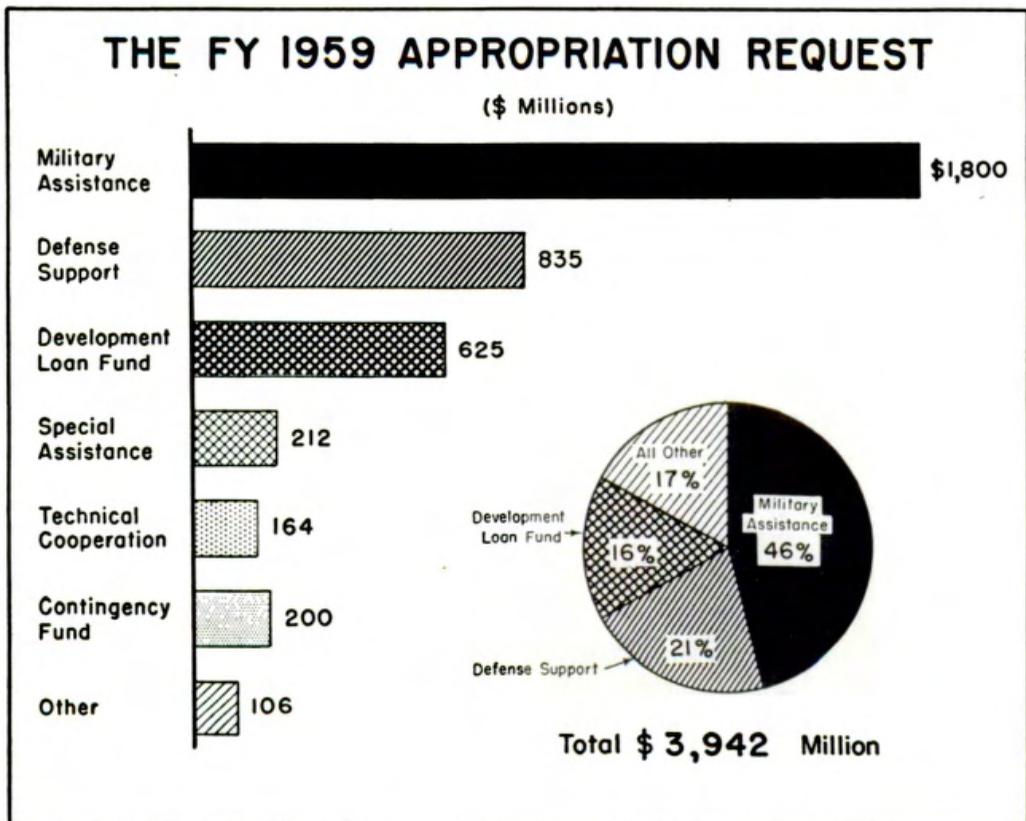
We have attempted with success to mesh the resources of the U.S. and friendly nations—resources of populations, skills, raw

materials, productive capacities and defense capabilities—to produce results far greater than could be obtained by this nation or any other nation trying to protect its interests or promote its welfare in isolation.

The United States took the lead in the formation of the United Nations, the world's biggest step toward mutual security. Active support of the United Nations as an instrument through which we strive to build a workable system of law and order among nations remains the cornerstone of our foreign policy.

The central purpose of some mutual security activities is essentially *protective—preventing* results we know to be harmful. For example, the primary job of our mutual defense programs is to protect the security of the nations concerned—by preventing war if possible, by prosecuting it successfully if necessary.

The central purpose of other mutual security activities is *positive—promoting* activities we believe to be good. For example, programs of economic development and technical cooperation help our free world partners become stronger and better partners, better able to work with us in affairs of mutual concern.



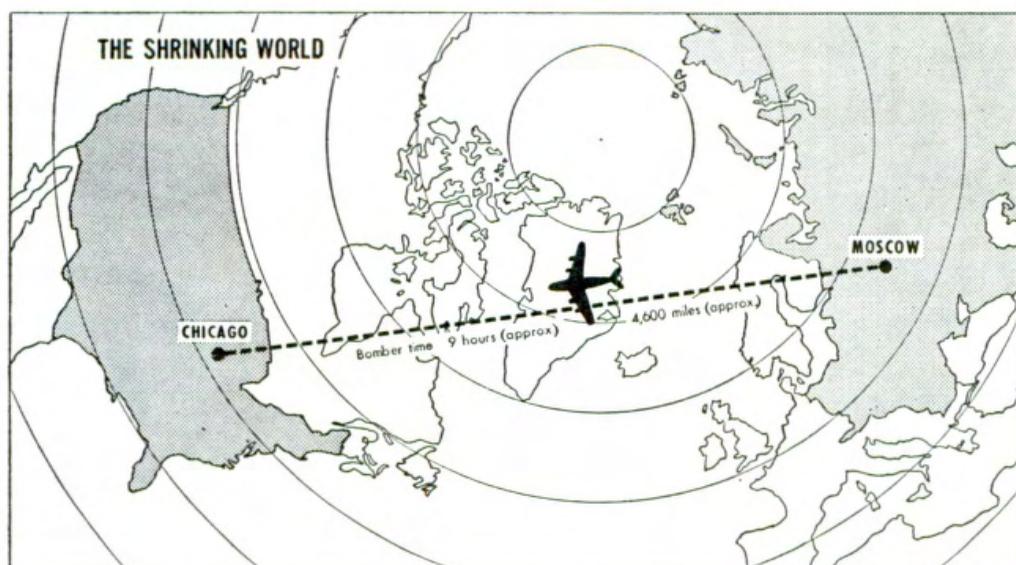
## THE BASIC PROBLEM

### *The Communist Menace*

More than 40 years ago, Lenin said:

“As long as capitalism and socialism exist, we cannot live in peace; in the end, one or the other will triumph—a funeral dirge will be sung over the Soviet Republic or world capitalism.”

This creates the problem. This is Communist doctrine, unchanged by the succession of masters in the Kremlin. Soviet conduct since World War II offers convincing proof that world domination is the key to every move made by the Russian rulers.



Communist tactics in the post-war period have been characterized by aggression, subversion, intimidation, treachery and broken promises.

With these weapons, Russia has made satellites of the once-proudly independent European states of Poland, Czechoslovakia, Rumania, Bulgaria, Hungary and Albania. German unity is prevented by Soviet intransigence.

In Asia, the U.S.S.R. aided the Chinese Communists in acquiring control of China and turning it into a Communist state. Intent on further expansion, a Soviet inspired invasion of south Korea forced the United States with other U.N. nations to halt Sino-Soviet aggression.

The Sino-Soviet bloc gained control of Tibet in 1951 and north Viet-Nam in 1954.

Between 1945 and 1954, more than 700 million people were thrown into the bottomless pit of communism. This is the background against which the free world must judge Russia.

The Kremlin has at its disposal strong and dangerous military forces. Ground forces available to the Sino-Soviet bloc total approximately 400 line divisions. Aircraft in operational units amount to about 25,000. Naval vessels in active service total around 3,000. Included in the naval force available to world communism are 500 submarines, the largest submarine fleet in the history of the world. The Soviet Union now has the atom bomb, the hydrogen bomb and short and long range missiles.

### ***The Problem of the Less Developed Nations***

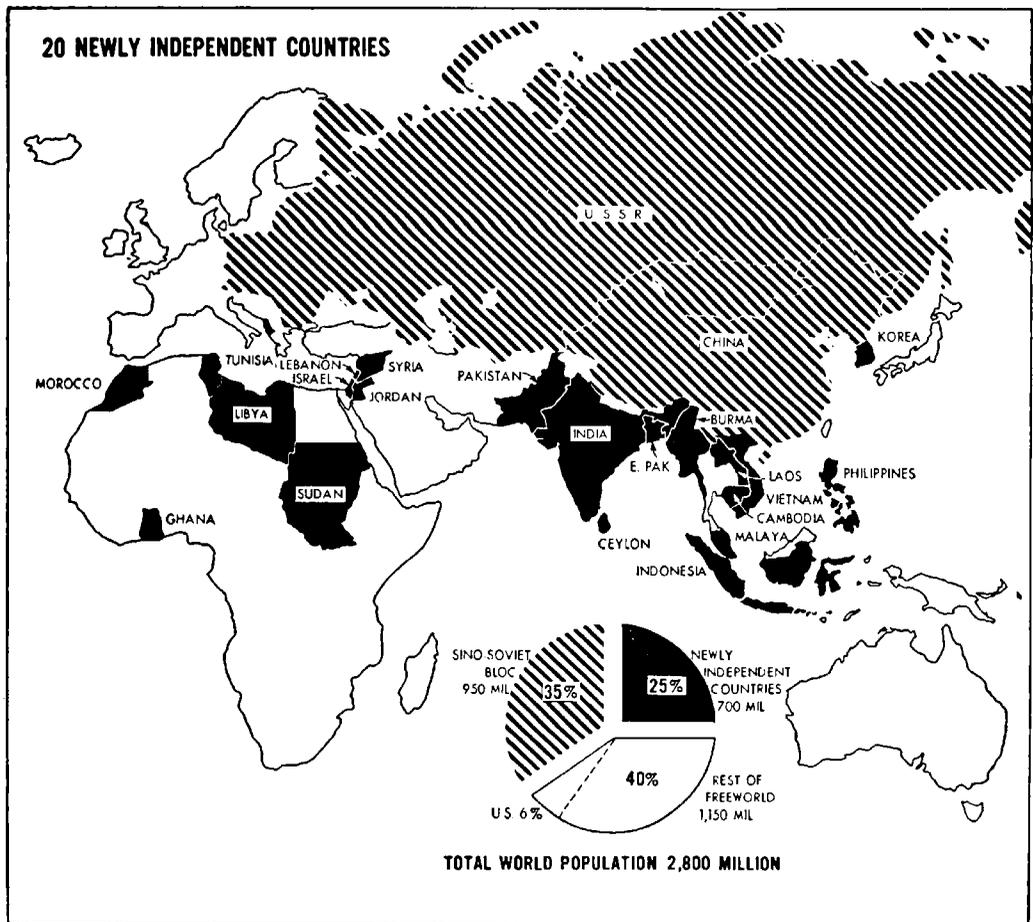
Since World War II, 20 new, independent nations have come into being. These new countries represent more than 700 million people and their lands embrace nearly 5,000,000 square miles.

#### **Independent Nations in Africa and Asia Created Since World War II**

<i>Country</i>	<i>Area Sq. Miles</i>	<i>Population</i>	<i>People per Square Mile</i>	<i>Per Capita Income</i>
Burma .....	262,000	19,500,000	74	\$ 44
Cambodia .....	67,500	4,358,000	65	50
Ceylon .....	25,332	8,600,000	340	126
Ghana .....	91,843	4,691,000	51	140
India .....	1,175,000	400,000,000	318	57
Indonesia .....	580,000	82,000,000	141	125
Israel .....	8,000	1,872,000	234	510
Jordan .....	37,300	1,470,000	39	50
Korea (South) .....	36,000	21,500,000	597	70
Laos .....	91,500	1,425,000	16	50
Lebanon .....	4,000	1,420,000	356	258
Libya .....	680,000	1,105,000	2	91
Malaya .....	50,690	6,058,000	310	310
Morocco .....	170,000	10,000,000	59	175
Pakistan .....	365,000	84,000,000	233	70
Philippines .....	115,000	22,650,000	196	172
Sudan .....	967,600	8,960,000	9	153
Syria .....	71,227	3,906,000	55	50
Tunisia .....	48,332	3,800,000	178	125
Viet-Nam (South) .....	65,726	11,500,000	175	50

These countries, together with the less developed nations of Asia, Africa and Latin America, represent the balance of power in today's cold war.

Each of these nations desperately seeks the economic independence which will complement and support its new political independence. Each has recently emerged from colonial status



and, in the process of attaining freedom, each developed strong nationalist sentiment.

These people earnestly desire, and even more earnestly need, technical skills and development capital. They are accustomed to poverty and disease but they are determined to rise above these conditions. They are seeking their place in the sun. To maintain their confidence in their leaders and their free institutions, they need a rate of progress which will sustain the promises of their leaders.

These new nations are important to America's security and continued industrial development. The United States has 6 percent of the world's population, yet produces 40 percent of the world's goods. But in spite of our nation's immense economic resources, we are not an "island unto ourself" nor is any other nation. We import, for instance, 100 percent of our natural rubber, 100 percent of our tin, 99 percent of our chromite, 95 percent of our manganese, 72 percent of our tungsten, 70 percent of our bauxite.

Today's airplanes would not fly, automobiles would not run and TV sets would not work without imports from other nations

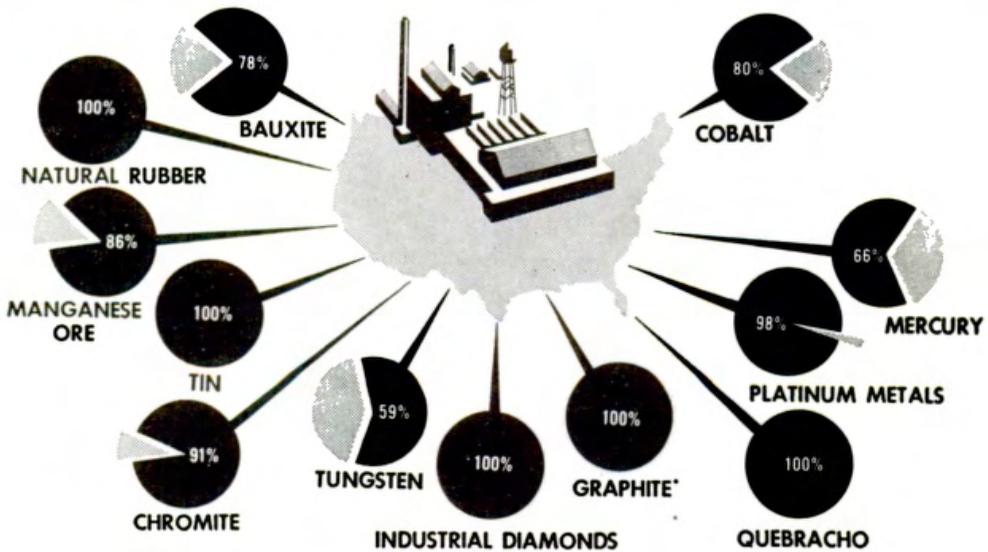
<b>Materials Needed for One Jet Plane</b>		
<i>Material</i>	<i>Pounds</i>	<i>Percent imported</i>
Chromium .....	3,659 .....	92
Nickel .....	2,117 .....	97
Aluminum (Bauxite) .....	46,831 .....	76
Copper .....	2,309 .....	35
Cobalt .....	436 .....	88

of the free world. The industrial machine of the United States, the most powerful nation on earth, would be subjected to heavy strain if the steady flow of strategic raw materials from the free nations of Africa, Asia and Latin America was cut off or seriously reduced. Ten percent of all the raw materials used by U.S. industry come from other free nations—a crucial 10 percent.

The less developed nations represent a tremendous potential market for American goods. We are the world's largest trading nation. Many of these free-world countries depend on the United States for their imports. The Philippines, for instance, do more than 50 percent of their trading with the U.S.

In order to sustain and improve levels of trade so important to our own economic strength, it is essential that these countries be helped in their efforts to improve their purchasing power. It is in our interest as a nation to help these free nations help themselves.

**STRATEGIC MATERIALS FROM OTHER FREE NATIONS ARE ESSENTIAL TO U.S. INDUSTRY**



\*Natural graphite, strategic grade

DOMESTIC PRODUCTION ■ IMPORTS ■

## THE SITUATION TODAY

As the leader and economically much the strongest member of the free world, the United States today is faced with the chief responsibility for checking further Communist expansion by aggression, infiltration, or subversion.

As an instrument of national policy, the major purpose of our mutual security program (MSP) is to keep the peace:

- by deterring general or local war.
- by strengthening the political and economic fabric of the free world.

### *Military*

To deter general or local war, the United States has at this time military alliances with some 42 nations of the world—bilateral treaties with Korea, free China, Japan and the Philippines, and multilateral agreements through NATO, SEATO, the Rio Treaty and ANZUS (see map, page 10).

In addition, the United States is a member of both the economic and military committees of the Baghdad Pact, which includes Iran and Iraq, two nations not members of the other alliances.

The North Atlantic Treaty Organization (NATO) joins the collective strength of the United States, Canada, and 13 nations of Europe: Belgium, Denmark, France, Germany, Greece, Iceland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Turkey, and the United Kingdom. ●

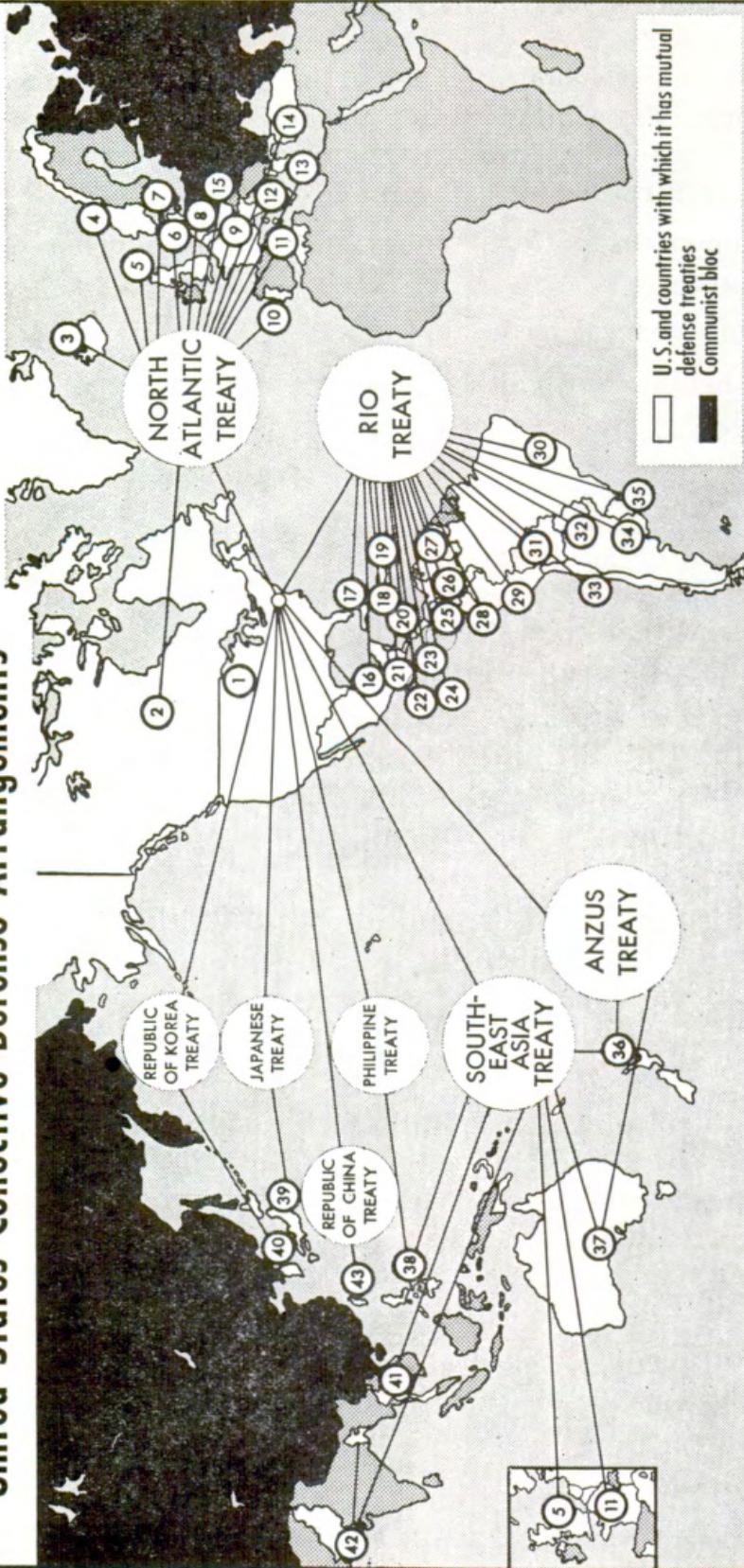
Today, this system of defensive alliances, coupled with U.S. military assistance, has built up a total strength in which our own forces represent only about one-sixth of the ground-force strength, one-half of the combat planes available, and one-third of the naval craft in readiness.

If the United States had to supply an equivalent amount of manpower and armament, the drain on our resources both in money and men would be enormously increased.

### *Comparative Costs*

U.S. military assistance of almost \$20 billion over the period 1950-1957 has been matched by allied expenditures of about \$122 billion, creating and maintaining allied strength totaling

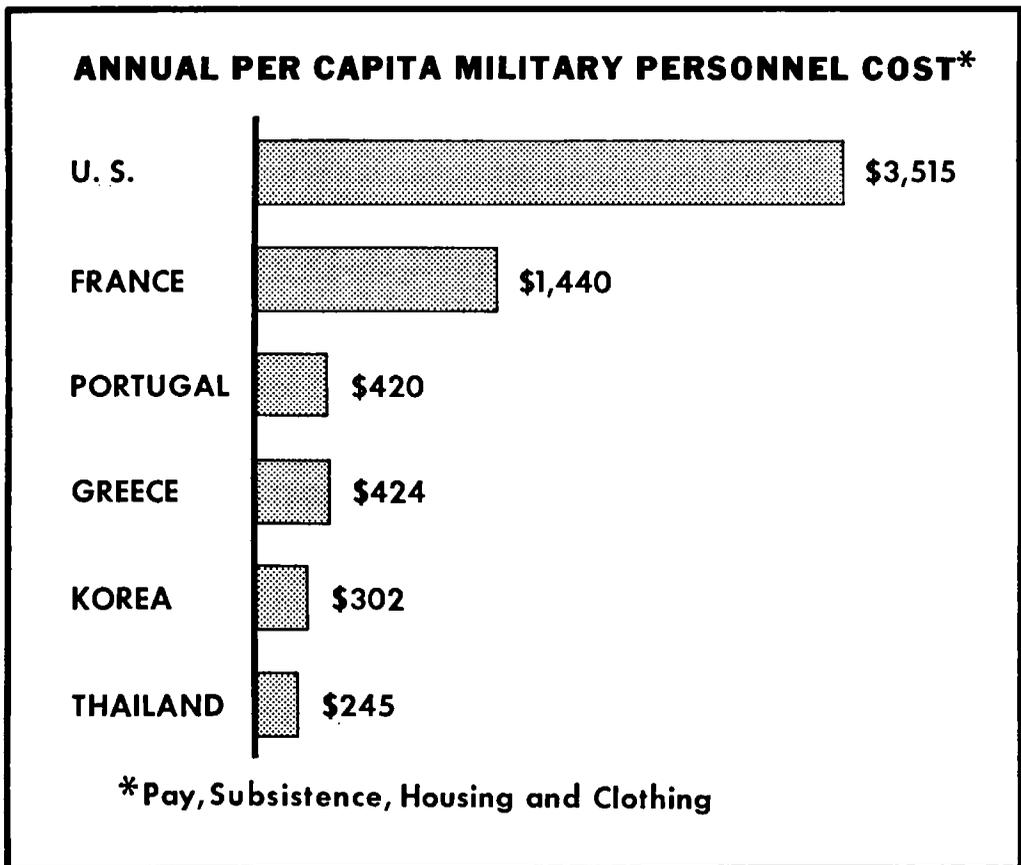
# United States Collective Defense Arrangements



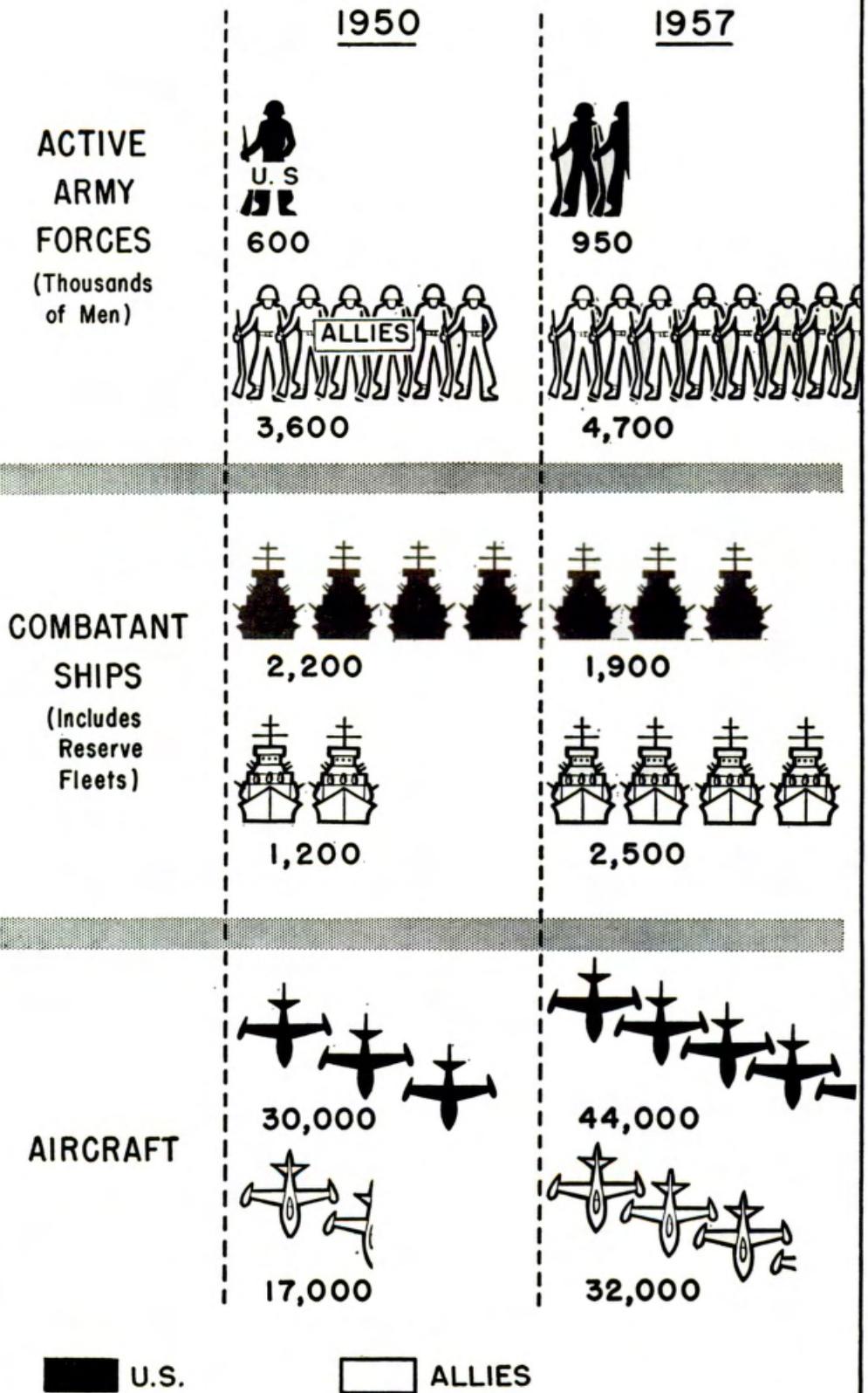
Treaty Name	Number of Nations	Member Countries
<b>NORTH ATLANTIC TREATY</b>	15 NATIONS	1 UNITED STATES 2 CANADA 3 ICELAND 4 NORWAY 5 UNITED KINGDOM 6 NETHERLANDS 7 DENMARK 8 BELGIUM 9 LUXEMBOURG 10 PORTUGAL 11 FRANCE 12 ITALY 13 GREECE 14 TURKEY 15 FEDERAL REPUBLIC OF GERMANY
<b>REPUBLIC OF KOREA TREATY</b>	1	1 UNITED STATES
<b>JAPANESE TREATY</b>	39	1 UNITED STATES 39 JAPAN
<b>PHILIPPINE TREATY</b>	39	1 UNITED STATES 38 PHILIPPINES
<b>ANZUS TREATY</b>	3 NATIONS	1 UNITED STATES 36 AUSTRALIA 37 NEW ZEALAND
<b>SOUTH-EAST ASIA TREATY</b>	21 NATIONS	1 UNITED STATES 16 MEXICO 17 CUBA 18 HAITI 19 DOMINICAN REPUBLIC 20 HONDURAS 21 GUATEMALA 22 EL SALVADOR 23 NICARAGUA 24 COSTA RICA 25 PANAMA 26 COLOMBIA 27 VENEZUELA 28 ECUADOR 29 PERU 30 BRAZIL 31 BOLIVIA 32 PARAGUAY 33 CHILE 34 ARGENTINA 35 URUGUAY
<b>REPUBLIC OF CHINA TREATY</b>	43	1 UNITED STATES 43 REPUBLIC OF CHINA (FORMOSA)
<b>PHILIPPINE TREATY</b>	39	1 UNITED STATES 38 PHILIPPINES
<b>JAPANESE TREATY</b>	39	1 UNITED STATES 39 JAPAN
<b>REPUBLIC OF KOREA TREATY</b>	40	1 UNITED STATES 40 REPUBLIC OF KOREA
<b>SOUTHEAST ASIA TREATY</b>	8 NATIONS	1 UNITED STATES 5 UNITED KINGDOM 11 FRANCE 38 NEW ZEALAND 37 AUSTRALIA 38 PHILIPPINES 41 THAILAND 42 SINGAPORE 43 MALAYSIA
<b>ANZUS TREATY</b>	3 NATIONS	1 UNITED STATES 36 AUSTRALIA 37 NEW ZEALAND
<b>REPUBLIC OF CHINA TREATY</b>	43	1 UNITED STATES 43 REPUBLIC OF CHINA (FORMOSA)
<b>PHILIPPINE TREATY</b>	39	1 UNITED STATES 38 PHILIPPINES
<b>JAPANESE TREATY</b>	39	1 UNITED STATES 39 JAPAN
<b>REPUBLIC OF KOREA TREATY</b>	40	1 UNITED STATES 40 REPUBLIC OF KOREA
<b>SOUTHEAST ASIA TREATY</b>	8 NATIONS	1 UNITED STATES 5 UNITED KINGDOM 11 FRANCE 38 NEW ZEALAND 37 AUSTRALIA 38 PHILIPPINES 41 THAILAND 42 SINGAPORE 43 MALAYSIA
<b>ANZUS TREATY</b>	3 NATIONS	1 UNITED STATES 36 AUSTRALIA 37 NEW ZEALAND
<b>REPUBLIC OF CHINA TREATY</b>	43	1 UNITED STATES 43 REPUBLIC OF CHINA (FORMOSA)

almost 5,000,000 ground troops, 2,500 combat vessels and 32,000 planes. It is impossible to estimate the billions it would have cost the U.S. acting alone to have created—or to create—comparable forces, if it were possible at all. A rough index is suggested, however, by a comparison of what it costs per year to pay, house, feed and clothe the average military man of our allies defending his homeland: France, \$1,440; Greece, \$424; Korea, \$302; Thailand, \$245; Turkey, \$240; with the cost of replacing him with an American serviceman, \$3,515 for the same expenses, plus over \$3,000 for transporting and maintaining him overseas.

This military strength overseas could never have been sustained had not the United States contributed both supporting weapons and economic support.



# BUILD-UP OF U.S. AND ALLIED STRENGTH

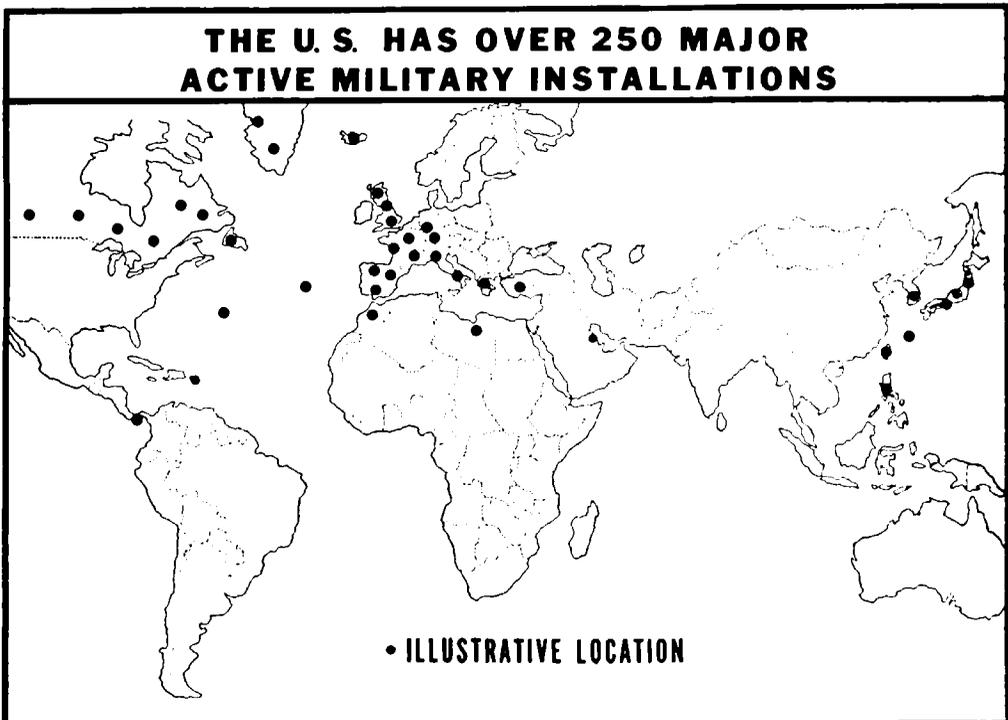


### ***Strategic Air Command and Overseas Bases***

The MSP contributes to deterring a general war by providing an important part of the capability for destroying the enemy in the event of total war. The overseas bases needed to maintain an effective nuclear deterrent have come into being largely as a result of this program.

Until missiles replace other delivery systems, the Strategic Air Command remains the nation's main deterrent. An effective SAC means not only sufficient aircraft, crews and bases in the U.S. but also bases abroad from which our aircraft can be staged and refueled.

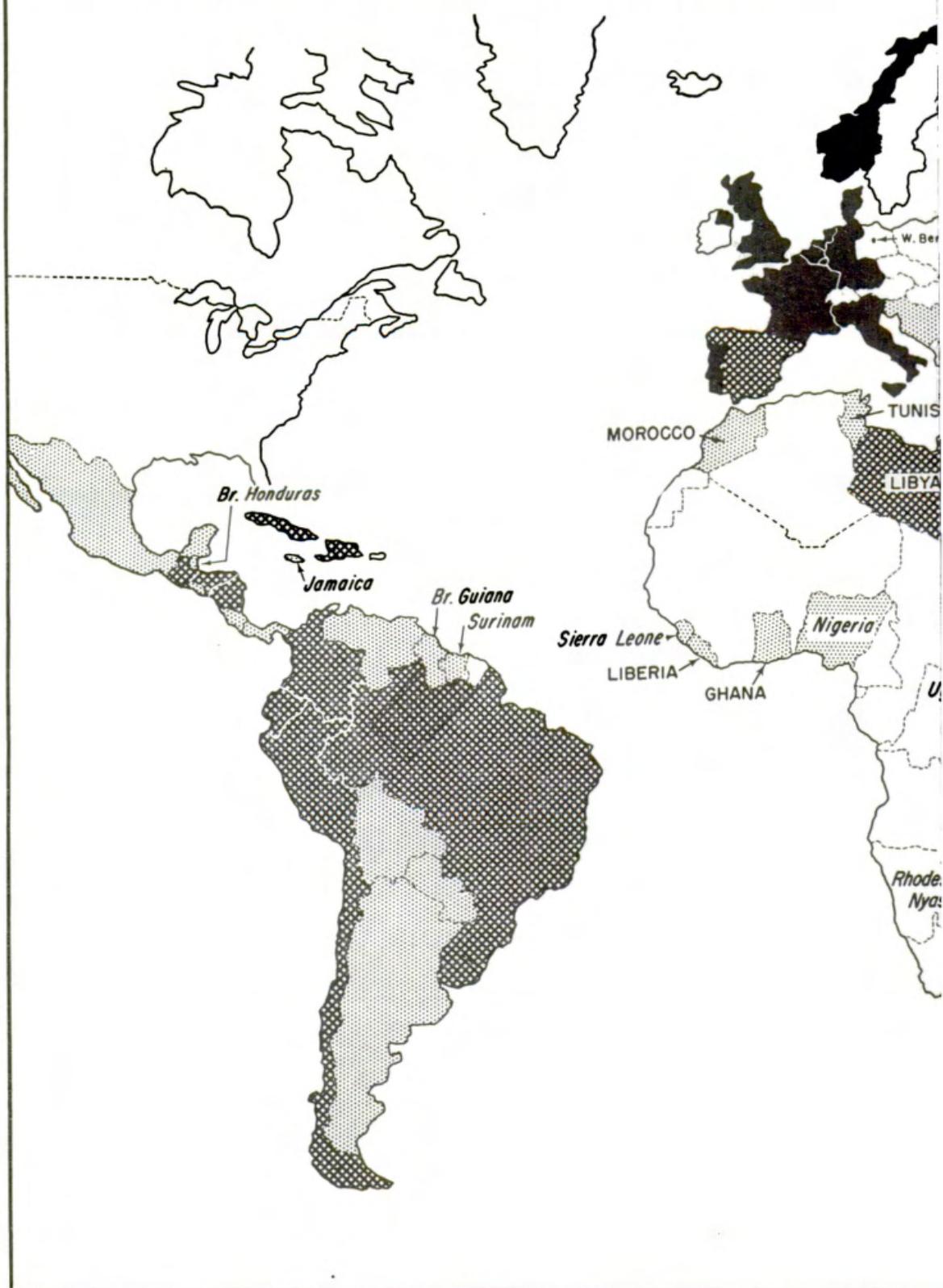
The Western European NATO countries, together with Spain and Morocco, provide such bases as their contribution to the common defense. We contribute to this common defense by providing weapons for certain of these countries' armed forces and, in the case of less developed countries, by providing economic assistance to help meet some of these forces' internal costs.



The contribution of our NATO partners and our own contributions are interrelated in two major ways:

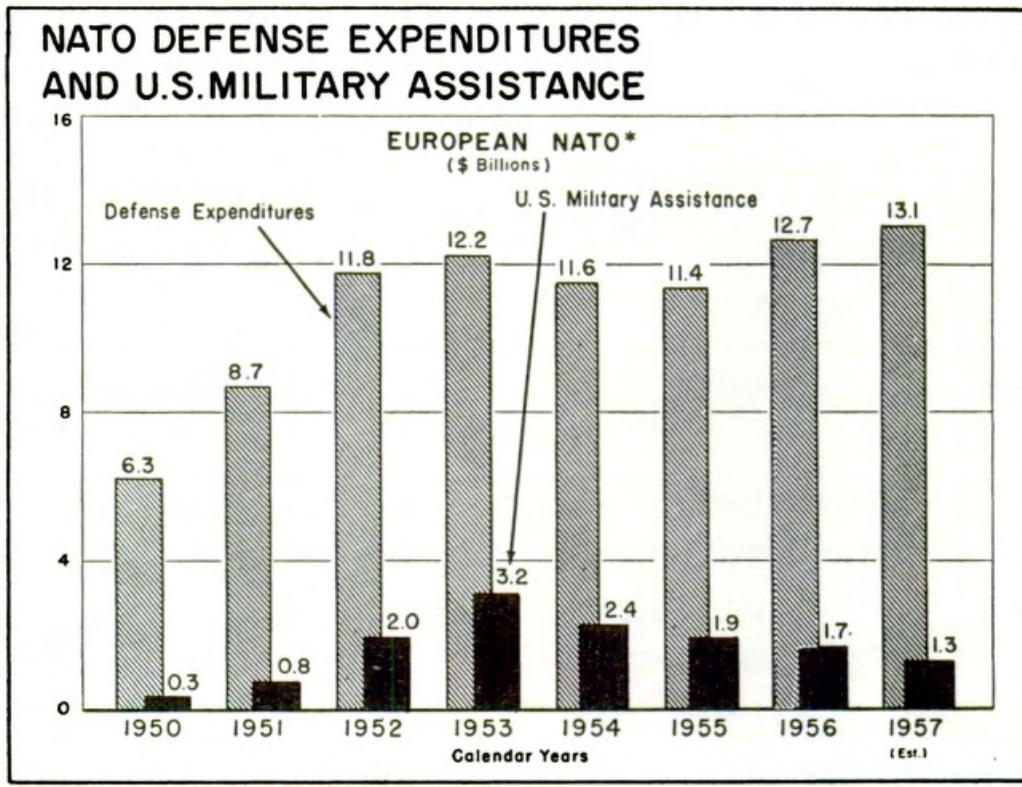
(1) If our aid did not give our NATO partners confidence in the common defense, they might be less willing to share in the risk of making bases available to the Strategic Air Command and for Intermediate Range Ballistic Missiles (IRBM's), when available.

# THE MUTUAL SECURITY PROGRAM PROPOSED PROGRAMS, FY 1959





(2) If our aid did not sustain these countries' own military effort, they would be less able to provide the logistic, warning and defense facilities essential to the effective use of these bases.

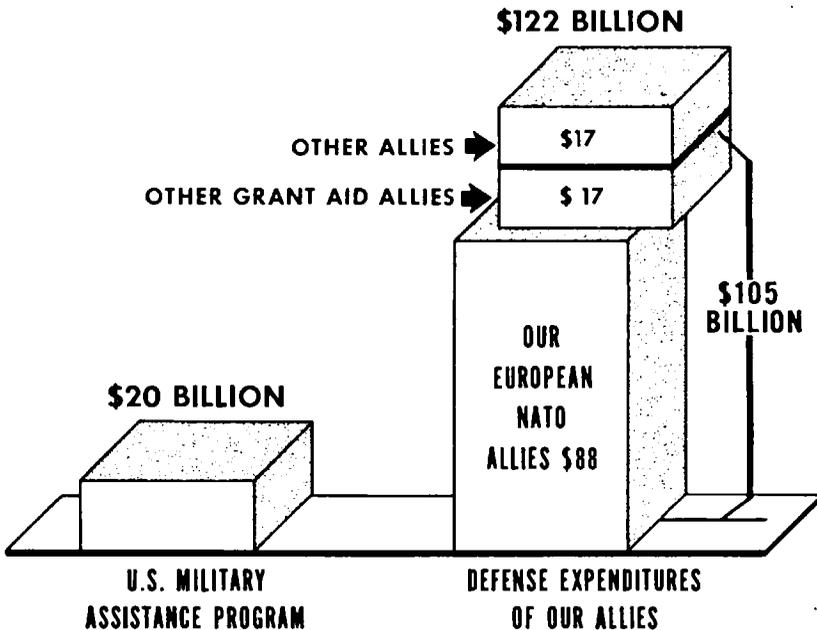


The Asian countries against whom local aggression is most likely to occur are equally in need of military aid. They also require defense support to help them meet the budgetary costs of their forces. Neither Korea nor Taiwan, for instance, has the economic capacity to maintain the forces necessary to guard these links in our Pacific perimeter chain of defenses. Defense support is granted to both to enable them to keep their economies sound while guarding their strategic homelands. They also require defense support to help make possible their agreed part in the collective military effort.

The military expenditures to provide this tremendous deterrent force overseas are not financed from the regular Defense Department budget but from appropriations made available under the MSP.

Approximately three-fourths of the money made available to the MSP is used for military assistance and defense support. This is not "foreign aid" but an essential, integral part of our national defense program.

**MUTUAL CONTRIBUTIONS TO FREE WORLD DEFENSE  
CALENDAR YEARS 1950 - 1957**



***Economic***

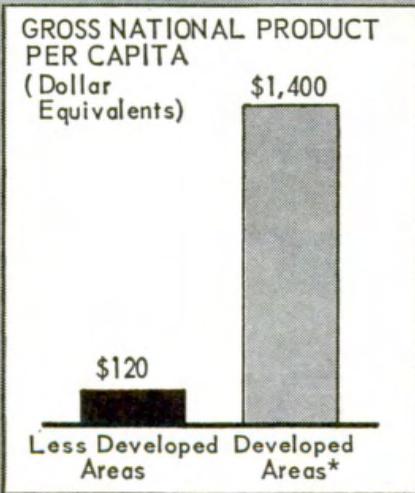
Deterred by the strength of the free world from further outright aggression, the Communists have now stepped up their economic offensive. Beginning in about 1955, the Sino-Soviet bloc began the intensive use of economic aid programs to gain greater influence in the less developed countries, particularly in the vast areas of Asia and Africa.

Through these offers of aid, the bloc is seeking to promote its political objectives, to reduce the influence of the United States and its allies, to disrupt free world defensive alliances and to increase its own prestige and power.

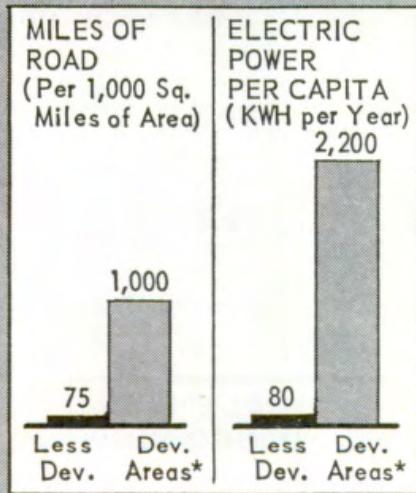
Throughout 1957, Russia pressed its economic offensive by the expansion of its economic assistance measures and intensive efforts to stimulate even further the rising level of trade. By December 1957 Sino-Soviet agreements to provide economic assistance to the less developed countries totaled about \$1.5 bil-

## BASIC PROBLEMS OF LESS DEVELOPED AREAS

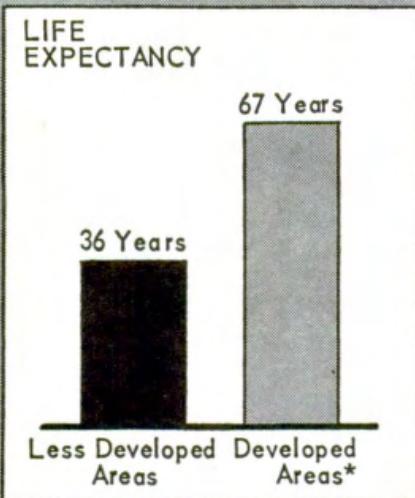
### LOW GROSS NATIONAL PRODUCT



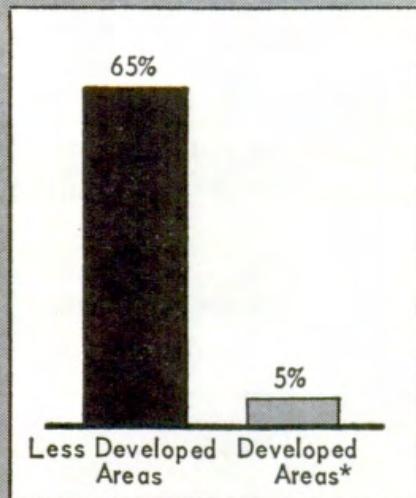
### LACK OF BASIC FACILITIES



### SHORT LIFE SPANS



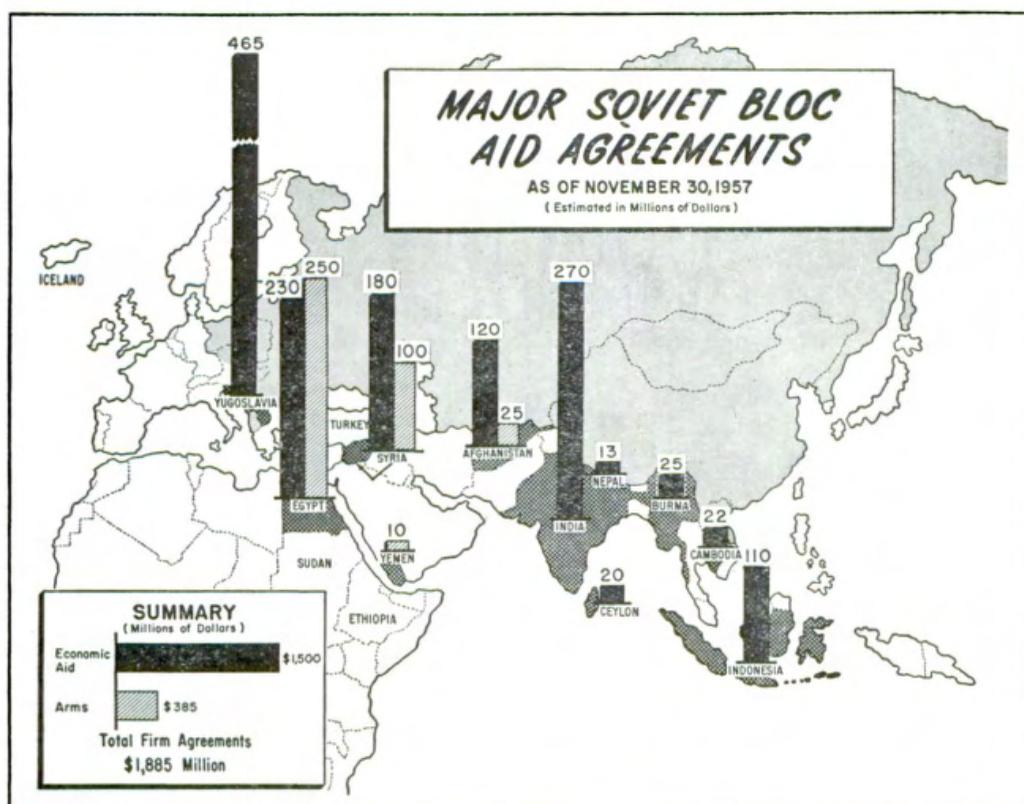
### WIDESPREAD ILLITERACY



\* U. S. and Western Europe.

lion. The bloc now has economic commitments in Egypt of \$230 million and in Syria of \$180 million, plus large military commitments in both countries.

In negotiating agreements, the bloc gives little evidence of requiring economic justification for the projects involved. They look upon aid as an investment to secure changes in the Soviet interest, hoping to influence recipient countries to adopt or maintain policies consistent with Soviet objectives rather than to promote real economic development.

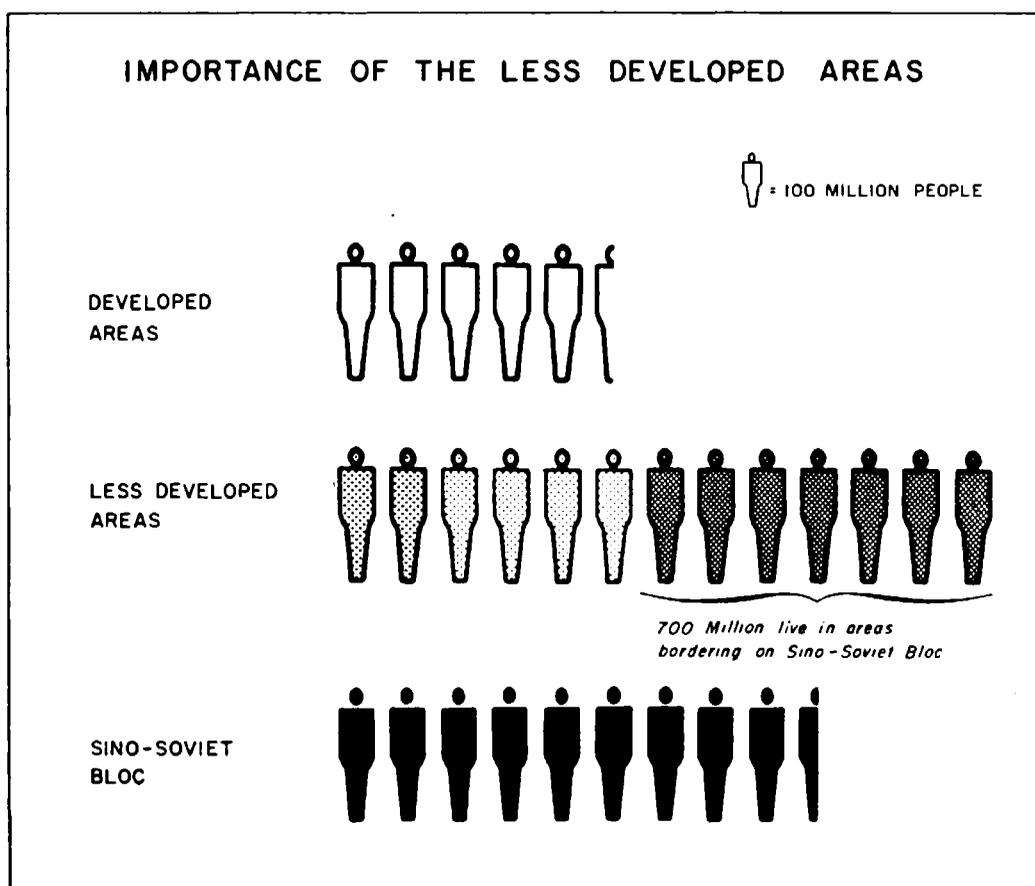


Although Russia has shifted the emphasis on the weapons it is using in the cold war against the free world, it is clear that there has been no change in the Soviet policy of national opposition to the United States nor in its aim of world domination. Last November, Khrushchev stated:

“We declare war upon you in the peaceful field of trade. We declare a war we will win over the United States. The threat to the United States is not an ICBM but in the field of peaceful production. We are relentless in this and we will prove the superiority of our system.”

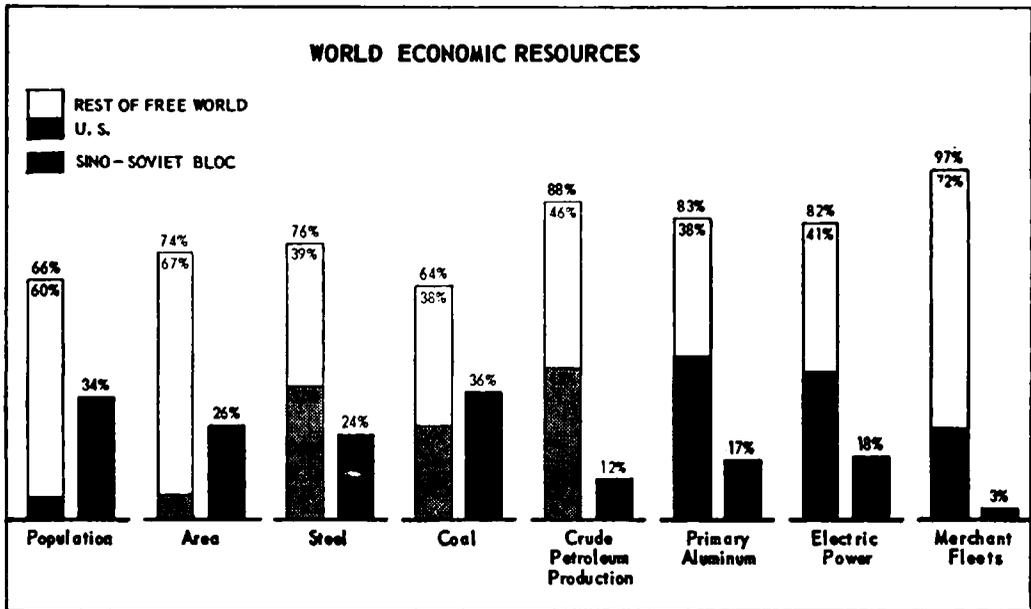
Five years ago the American people might have laughed this off as an idle boast but today it represents a further threat to our security.

But even without the world-wide Communist threat, it would be in the interests of the United States to provide economic assistance to the more than 700 million peoples of the new, less developed nations.



These countries are rich in the raw materials that are essential to our industrial machine. They are unbelievably poor in material goods with an average per capita income of less than \$100 a year. They represent a tremendous potential market for the goods of America, the world's largest trading nation.

MSP is working to help these peoples help themselves. They need higher levels of health, education and sanitation. Today, man's life span in many countries is 70 years. In the less developed countries it is half of that.



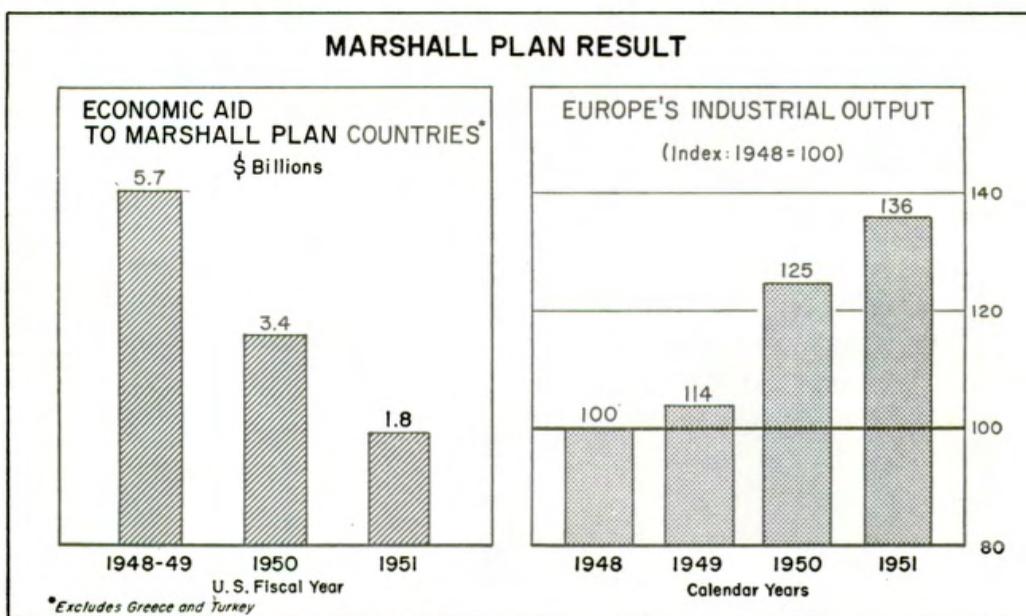
The economic assistance part of MSP is not trying to “prime the pump” of the less developed nations. It is helping them to get the basic industry—the pump itself—for *them* to prime. It is in the interests of the United States to get these 700 million peoples into the world’s market place where they can buy the products of American industry and agriculture.

There are equally strong moral and humanitarian reasons for giving a helping hand to these people who have lived with poverty, disease and illiteracy for centuries. This effort to build a brotherhood of free nations reflects the greatness of the American heritage.

## MUTUAL SECURITY PROGRAMS AND RESULTS

As MSP has evolved from the end of World War II through 1957, it has changed its principal concern from recovery to strengthening the free world. The central theme from the Marshall plan to today has been the development of an international partnership—a bond of free nations. In each instance the U.S. entered freely into the partnership because we believed that it was in our interest to do so.

Our participation in the Marshall plan was based on a frank recognition that failure of Europe to make economic recovery would jeopardize the security and prosperity of the United States. Our participation in still other programs was based upon the belief that by taking part in such programs we could help build the kind of world that we would like to live in. This is particularly true of programs for technical cooperation and economic development.



It is sometimes easy to forget what the mutual security program has accomplished thus far. Here is a partial list:

1. Relief and rehabilitation programs, partly through the U.N. but also through programs carried on by the U.S., saved whole countries from disease and disaster, starvation, economic chaos and political collapse—and the probable take-over by enemies of freedom.

2. The economic recovery program in Europe was a solid success. It took less time, it cost less money and got more results

than its most ardent supporters had thought possible. Originally expected to take at least four years and involve a U.S. contribution of at least \$17 billion, the Marshall plan, and the recovery phase of U.S. economic assistance to Europe, came to an end in three and a half years and at a cost of less than \$13 billion.

3. Communist aggression has been halted and the outward thrust of international communism through use and threats of use of armed force has been successfully stopped.

4. Insurrections inspired, supported and directed by Communist agents have been brought under control.

5. Economic progress continues in most countries, including those U.S. defense partners which have undertaken heavy defense burdens which make necessary the diversion of substantial economic resources into nonproductive defense expenditures.

6. Free world sources of supply and markets are still available to the U.S.

7. Most newly developing nations are creating political, social and economic institutions which are compatible with those of free and democratic societies such as our own.

8. The total balance of resources and power—land, people, industry, materials, strategic location, and armed strength—is still on the side of the free world.

9. The U.S. and its free world partners are still free and able to work at problems of defense and development in an atmosphere of hope and confidence instead of fear.

10. World War III has been avoided.

The total effect of these programs has been literally to preserve the independence of whole nations. Greece, Turkey, Iran, Korea, the Republic of China and Viet-Nam have acknowledged the material assistance given to enable them to maintain their independence. Laos, Pakistan, Cambodia and India have also been helped through periods of severe stress and strain.

In evaluating these enormous and worthwhile results in relation to the cost, it should not be forgotten that almost 13 years of working successfully for peace, prosperity and progress through "foreign aid" has cost the U.S. one half of the cost of one year of World War II. The total cost of the postwar programs of aid and mutual security amounts to \$60 billion. Of this, less than \$40 billion has been spent under the MSP. The cost to the U.S. of one year of World War II—the year ending June 30, 1946—was more than \$80 billion.

# SOVIET BLOC CAPABILITY

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## MISSILES



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## AIR POWER



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## ARMY SOLDIERS

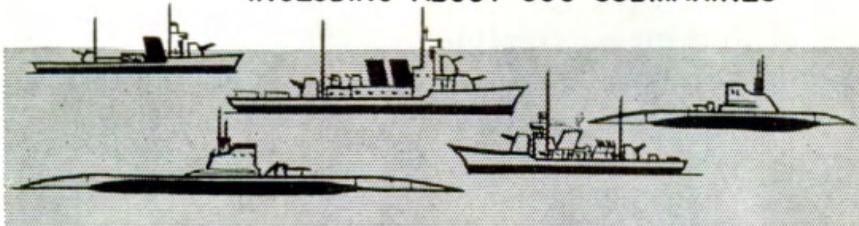
- 400 LINE DIVISIONS
- MORE THAN 6½ MILLION ARMY SOLDIERS



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## NAVAL STRENGTH

— SOME 3,000 COMBATANT VESSELS  
INCLUDING ABOUT 500 SUBMARINES



Note: Includes Red China

## THE CONTINUING NEED FOR THE MSP

### *Defense*

Mutual defense assistance—military assistance and defense support—continues to be needed to protect the security of the United States and its free world partners.

- Because the security of the United States and many other nations continues to be threatened by the existence of large military forces at the command of the Sino-Soviet bloc which has proved willing to use force if the risk—to themselves—is not too great.
- Because the U.N. does not have a defense force sufficient to preserve peace.
- Because the burden of countering the military threat of the Sino-Soviet bloc is most effectively carried by international partnership rather than by any single nation attempting the job alone.

The free nations of the world are achieving security for themselves through collective defense arrangements to provide enough defense strength to counter successfully the Soviet-bloc military forces—by deterring their use, if possible; or by preventing effective employment of such forces during active hostilities, if necessary.

In any partnership—particularly in defense partnerships—it is better that the individual partners be strong. Some of our defense partners are not as strong as they would like to be, and we would like them to be. Others would be almost hopelessly weak—from a defense standpoint—if no outside help were available. Some of our partners do not make or cannot afford to buy the weapons and material needed for mutual defense. Others are able to provide or obtain some weapons but not enough to equip the needed forces with the quantity and quality of weapons required for effective defense against a proven menace.

Therefore, until the armed forces at the control of international communism no longer represent a threat to the U.S. it will be necessary to maintain strong defense alliances and for the stronger members of the alliance to assist other partners as required. From the United States two kinds of mutual defense assistance will be needed.

- Military assistance—principally weapons and training for their military forces.

- Defense support assistance—economic aid to some of our military partners whose economies, in the absence of outside help, would be unable to provide the defense forces or other military contribution needed.

The cold facts of the matter are that the security of the United States depends upon our collective security system, which, in turn, depends upon our military assistance program.

There may be some alternative to collective security and military assistance. Maybe those who make the broad charge that all money spent in this area goes down the rat hole—know what that alternative is—but so far no responsible military man has been able to think of it!

We simply don't have the manpower, the materiel or the money to take on the entire defense of the free world ourselves and the defense of the free world is a *condition precedent* to our own defense. If a substantial part of the free world falls or slips behind the Iron Curtain, our chances of being able to defend ourselves dim in proportion.

**General Nathan F. Twining,  
Chairman of the Joint Chiefs of Staff**

### ***Economic***

Economically, Western Europe has risen from economic prostration to levels of productivity above anything known previously. The value of foreign trade of free-world countries has almost doubled during the past decade.

The less developed areas of the world, however, are still facing serious difficulties in spite of substantial and encouraging progress. Fortunately for the United States and the free world, most of the nations in these less developed areas are trying to make economic and social progress through institutions and in ways that we believe to be good for them and for us. It is in our interest to see these efforts succeed.

These people need technical skills and capital. They need additional help to learn modern methods of agriculture and how to obtain water for their lands; they need help in developing their educational institutions. They need the facilities to permit economic growth—better harbors, roads and railroads. They need electric power facilities, hospitals and health services, trained research and extension workers, adequate com-

munications systems and, indeed, all the basic knowledge and abilities necessary to the efficient functioning and growth of economic enterprise and needed government services.

The MSP cannot alone provide economic security to the less developed nations of the world. Its aim is to help the peoples of these countries to lift themselves up by their own bootstraps.

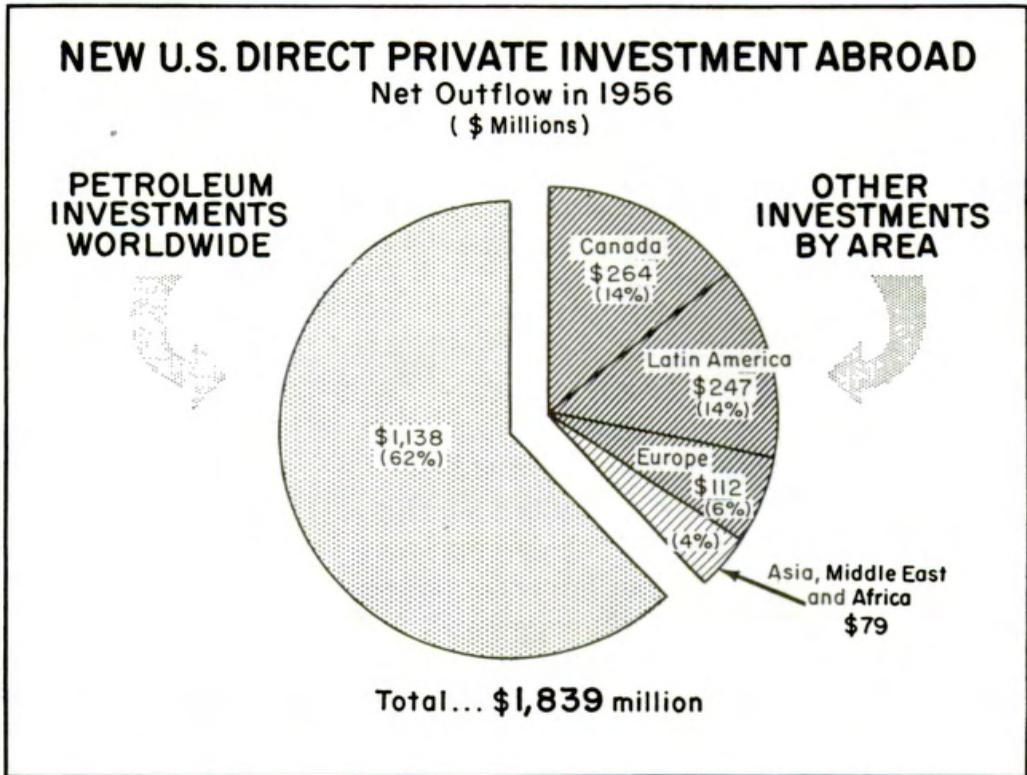
One of the principal objectives of the MSP is to help create conditions in these countries which will attract private investors. Private investment has an important role to play in the free world and in our country's total foreign policy. However, in the newly independent nations, particularly those which are under the threatening shadow of the Soviet bloc or which, in their newness, have not yet found stability, private investment cannot be sufficient for years to come. In recent years the rate of all private capital invested in the less developed areas of Asia, the Middle East and Africa has averaged only \$119 million per year. This is obviously only a small fraction of the needs of these nations for outside capital. Yet we cannot expect private investors to risk their capital in the needed amounts until basic economic resources of roads, harbors, power, irrigation and telecommunications are provided and until a reasonable degree of political stability is assured.

It already provides for important guaranties helpful to investors, and the recently created Development Loan Fund is intended to help private enterprise initiate projects in the less developed countries.

If the U.S. does not continue to help the less developed peoples of the world, it is certain that the enemies of freedom will be considerably aided in their efforts to lead them into the Communist camp, with promises of economic miracles and short cuts to progress.

To prevent this and to help the less developed nations of the world achieve economic growth, within the framework of their democratic institutions, MSP attacks the economic problem on two principal fronts:

(1) *Technical Cooperation.* Under MSP, the U.S. transfers knowledge and skills and demonstration equipment to the less developed nations in the fields of education, health, sanitation, engineering, transportation, communications, agriculture, industry and administration.



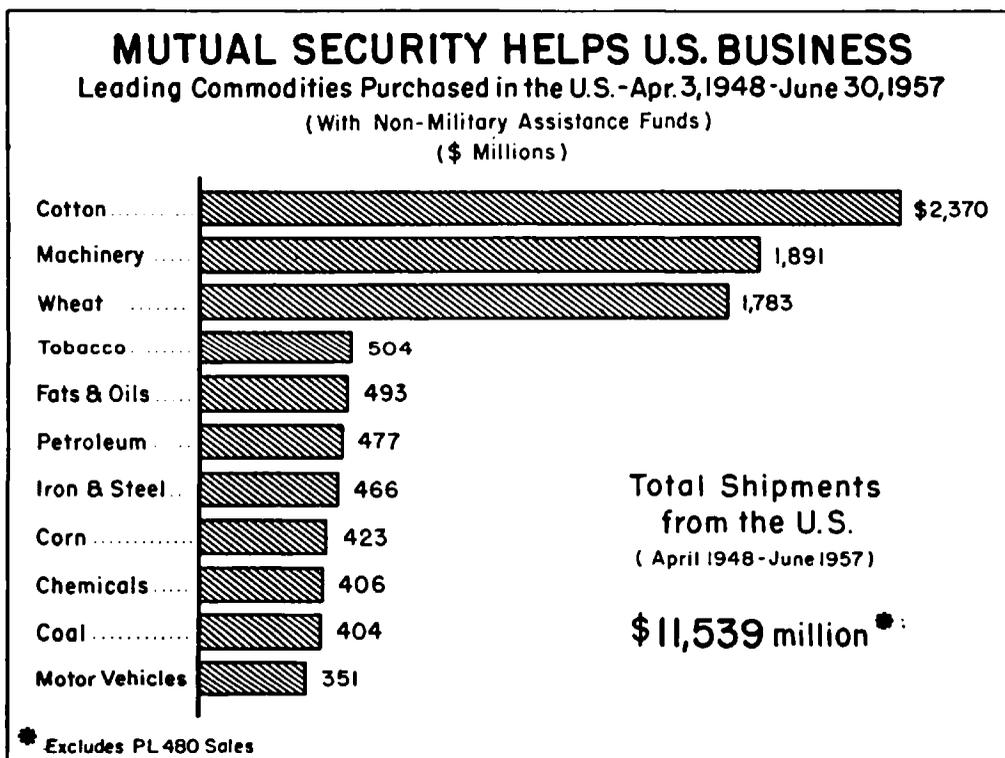
(2) *Development Loan Fund.* As an additional source of financing for economic development in the free world, MSP finances loans for sound projects in the less developed nations. These loans are made at a lower rate of interest and with less restrictions than existing financial institutions; but in every case there is an obligation to repay.

Special assistance is provided to certain countries which do not support substantial forces under military assistance agreements with us and where the need is not connected with our defense policy nor is solely developmental in nature, and for programs like malaria eradication. The Contingency Fund is provided to meet unforeseeable situations and "act of God" emergencies—floods, hurricanes, drought.

Certain other programs, such as refugee relief, support for the U.N. Children's Fund, and the Atoms-for-Peace program are also financed under the MSP. These programs produce immense benefits for their low cost.

## THE PROPOSED MUTUAL SECURITY PROGRAM FOR FISCAL YEAR 1959

- The proposed mutual security program for fiscal 1959 represents approximately 5 percent of the national budget. This is an investment in national security.
- The total amount is less than one percent of the gross national product of the United States. This is not a strain on the industrial well-being of this nation.
- Nearly 80 cents of every dollar of mutual security funds will be spent in the United States. This is a powerful stimulus to the nation's economy.
- The mutual security program through its purchases in the U.S. is estimated to provide 600,000 jobs in factories and on farms.
- The mutual security program has since 1948 distributed about \$7 billion in agricultural products to friendly nations overseas.
- The proposed mutual security program will cost each American the equivalent of an air mail stamp a day. This is a small tithe to provide security for the United States and the free world and to help the less developed nations achieve a decent standard of living.



# MUTUAL SECURITY IS A VITAL INSTRUMENT OF AMERICAN FOREIGN POLICY



## STRENGTHENS U.S. DEFENSE EFFORT

U.S. MILITARY BASES ABROAD—  
NATO AREA  
SPAIN, MOROCCO, LIBYA, KOREA

## STRENGTHENS AMERICAN ALLIANCES

NORTH ATLANTIC TREATY (NATO)  
SOUTHEAST ASIA TREATY (SEATO)  
RIO TREATY  
TREATIES WITH KOREA, REP. OF CHINA, PHILIPPINES, JAPAN

## ASSISTS ECONOMIC DEVELOPMENT

HELPS NEWLY INDEPENDENT AND LESS DEVELOPED NATIONS  
EXTENDS TECHNICAL "KNOW-HOW"  
LAYS GROUNDWORK FOR MORE PRIVATE INVESTMENT

## STIMULATES U.S. AND WORLD TRADE

SUPPORTS U.S. INDUSTRIAL AND FARM EXPORTS  
DEVELOPS MUTUAL TRADE  
PROVIDES ACCESS TO STRATEGIC MATERIALS

## SUPPORTS THE UN

TECHNICAL ASSISTANCE (UNTA)  
CHILDREN'S FUND (UNICEF)  
REFUGEES  
MALARIA ERADICATION

