

# *Point 4*

**WHAT it Is**

**and**

**HOW it Operates**

DEPARTMENT OF STATE  
TECHNICAL COOPERATION ADMINISTRATION  
WASHINGTON

JULY, 1951

"We must embark on a bold new program for making the benefits of our scientific advances and industrial progress available for the improvement and growth of underdeveloped areas... we should make available to peaceloving peoples the benefits of our store of technical knowledge in order to help them realize their aspirations for a better life."

(Fourth point on foreign policy, President's  
Inaugural Address, January 20, 1949)

#### POINT 4 OBJECTIVES

"It is declared to be the policy of the United States to aid the efforts of the peoples of economically underdeveloped areas to develop their resources and improve their working and living conditions by encouraging the exchange of technical knowledge and skills and the flow of investment capital to countries which provide conditions under which such technical assistance and capital can effectively and constructively contribute to raising standards of living, creating new sources of wealth, increasing productivity and expanding purchasing power." - Section 403 (a) Public Law 535, 81st Congress, Title IV, Act for International Development.

The Point 4 program, which is operated under the direction of the Technical Cooperation Administration, is a relatively low-cost, long-term undertaking. It is designed to take American experience and know-how directly to the peoples of underdeveloped countries. We are proceeding at a moderate pace, while we feel our way with care. Techniques must be developed and suitable technicians found for widely different conditions.

Point 4 utilizes the methods of the American county agricultural agent. Field operations consist largely of demonstrations and teaching on the village and farm level, showing the people how to increase their individual output. They learn how to use better the tools they have, to use new tools within their economic reach, to improve conditions of health, to increase output of minerals and industrial goods. Point 4 helps the people of other countries do what they want to do, within the framework of their own conditions and patterns of life.

Although results often show up in a short period of time -- in increased food production, in better sanitation and health conditions, in improved mining practices, and in other ways -- important economic development requires sustained effort over a period of years. The ideas and methods introduced by the American technicians will have a cumulative effect.

Point 4 is in the American tradition; it offers better living conditions, not ideologies. It expands the type of activity engaged in by American missionaries for more than a century. It shows people how to achieve better living conditions by their own efforts. Object lessons in what can be accomplished under a democratic system of free enterprise are taken directly to peoples at the farm or village levels. Dividends on our investment in Point 4 will be high in practical results and in good will. Our assistance to the underdeveloped areas of the world is essential to the attainment of our foreign policy objectives.

#### POINT 4 ADVISORY BOARD

"The President shall create an advisory board ... which shall advise and consult with the President or such other officer as he may designate to administer the program herein authorized, with respect to general or basic policy matters arising in connection with operation of the program." Section 409, Public Law 535.

Pursuant to the above provision of the Act, the President on September 8, 1950 authorized the establishment of an International Development Advisory Board of 13 members. The Board includes representatives of industry, labor, agriculture, education, engineering, and the general public. Members of the Board are:

Nelson A. Rockefeller, Chairman  
Robert P. Daniel, President, Virginia State College  
Harvey S. Firestone, Jr., Firestone Tire and Rubber Company  
James W. Gerard, lawyer, businessman and former Ambassador  
John A. Hannah, President, Michigan State College  
Margaret Hickey, Ladies Home Journal  
Lewis G. Hines, American Federation of Labor  
Bertha Joseph, President, Bertha Joseph, Inc., Washington, D.C.  
Thomas Parran, M.D., Educator, former U.S. Surgeon General  
Clarence Poe, President and Editor, The Progressive Farmer  
Jacob S. Potofsky, President, Amalgamated Clothing Workers (CIO)  
John L. Savage, Consulting Engineer, Denver, Colorado  
Charles L. Wheeler, Pope and Talbot, Inc., San Francisco

The Board has held five two-day meetings. The Technical Co-operation Administrator and members of his staff participated in all of these meetings, keeping the Board informed on progress in program operations and on problems encountered. The Board members, in turn, gave the TCA staff representatives the benefit of their thinking on Point 4.

In addition to the formal meetings, members of the Board, and the Board secretariat, have held frequent meetings with members of the TCA staff to discuss program operations.

The Board was requested by the President on November 24, 1950 to make a study of the Gray Report on United States foreign economic operations, in addition to carrying out the functions prescribed in the Act for International Development. A comprehensive report, "Partners in Progress", was issued on March 7, 1951, giving the conclusions and recommendations arrived at by the Board in carrying out this special assignment from the President.

#### POINT 4 ORGANIZATION

"The President is authorized to plan, undertake, administer, and execute bilateral technical cooperation programs carried on by any United States Government agency and, in so doing - (a) to coordinate and direct existing and new technical cooperation programs." Section 405, Public Law 535. "The President may allocate to any United States Government agency any part of any appropriation available for carrying out the purposes of this title." - Section 416(a), Public Law 535.

The President signed an Executive Order on September 3, 1950 delegating to the Secretary of State the responsibility for carrying out the Point 4 programs authorized by the Congress in Public Law 535, the Act for International Development. The Technical Cooperation Administration (TCA) was subsequently established within the Department of State to plan and implement the Point 4 programs. Under the consolidated Point 4 programs, TCA became the planning, policy making, and directing agency for all technical assistance activities in underdeveloped areas.

Existing programs were coordinated under TCA as authorized by the Act. Technical assistance activities in underdeveloped areas had been carried on in the past under two major programs:

- (1) Activities which had been carried on since 1939 under authority of Public Law 355, 76th Congress, an Act to Render Closer the Relations with the other American Republics, and under Public Law 402 80th Congress, the U.S. Information and Educational Exchange Act of 1948 (Smith-Mundt Act).
- (2) Programs operated by the Institute of Inter-American Affairs, many of which have been in successful operation for almost 10 years. The cooperative techniques developed under the Institute have proved useful in program operations in other areas of the world. Programs which have been operated in the past by the Institute have continued to operate as previously. In addition, authorization was given and funds provided by TCA for the initiation of certain new programs under Institute management.

Under Public Laws 355 and 402, technical guidance had been provided by various government agencies and departments. This plan of management has continued under Point 4. By utilizing the technical and administrative services available in other executive agencies, it has been possible to call upon some of the most capable personnel in government service to supervise complex technical projects.

INTERDEPARTMENTAL ADVISORY COUNCIL  
ON TECHNICAL COOPERATION

"For the purpose of promoting the effective implementation of the Act, the heads of all departments and agencies, the participation of which is requested by the Secretary of State are hereby authorized and directed to provide for such participation to the maximum extent consistent with law". Paragraph 2, Executive Order No. 10159. "The Secretary of State shall establish an Interdepartmental Advisory Council on Technical Cooperation, to be composed of the heads of participating departments and agencies or their representatives...". Paragraph 4, Executive Order No. 10159.

Twelve departments and agencies of the Government, many with several participating bureaus, have been brought together in the Interdepartmental Advisory Council on Technical Cooperation. These are:

|                            |                                     |
|----------------------------|-------------------------------------|
| Department of State        | Institute of Inter-American Affairs |
| Department of Agriculture  | Bureau of the Budget                |
| Department of the Interior | Housing and Home Finance Agency     |
| Department of Labor        | Federal Security Agency             |
| Department of the Treasury | Economic Cooperation Administration |
| Department of Commerce     | Library of Congress                 |

Thus the total technical competence and skill of the Government are available to the administration of the technical assistance program. This reservoir of experience contributes importantly to the successful operation of Point 4.

POINT 4 AGREEMENTS

"The President is authorized to ... make and perform contracts or agreements in respect to technical cooperation programs on behalf of the United States Government with ... any foreign government or foreign government agency" - Section 405, Public Law 535.

Public Law 535 provides that technical assistance shall be made available only when the cooperating government meets certain obligations, including the payment of a fair share of the cost of the program and giving full publicity to the program.

To ensure fulfillment of these provisions, general agreements are negotiated with the other governments, outlining the conditions under which assistance is provided. Such agreements have been signed to date with the 32 countries shown below.

|               |          |                        |
|---------------|----------|------------------------|
| Afghanistan   | Eritrea  | Mexico                 |
| Bolivia       | Ethiopia | Nepal                  |
| Brazil        | Haiti    | Nicaragua              |
| Ceylon        | Honduras | Pakistan               |
| Chile         | India    | Panama                 |
| Colombia      | Iraq     | Paraguay               |
| Costa Rica    | Israel   | Peru                   |
| Cuba          | Jordan   | Saudi Arabia           |
| Dom. Republic | Lebanon  | Uruguay                |
| Ecuador       | Liberia  | United Kingdom         |
| Egypt         | Libya    | (Overseas Territories) |

Negotiations for general agreements are still in progress with the remaining countries in which the program operates.

In addition to the basic general agreements, a specific agreement is negotiated covering each individual project, stating the terms under which that project shall be operated.

HOW POINT 4 PROJECTS ORIGINATE

"Due regard shall be given, in reviewing requests for assistance, to the possibilities of achieving satisfactory results from such assistance ..." - Section 407, Public Law 535.

A request for technical assistance originates in the government of another country. The request is cleared through the government's Foreign Office, which transmits it to the United States diplomatic mission. After the mission staff reviews the request, it is transmitted to the Department of State with the mission's evaluation.

A detailed analysis is then made by the Technical Cooperation Administration in cooperation with interested government agencies and offices. Consideration is given to the need for the assistance requested, local resources, practicability of the project, availability of personnel, and related matters. To avoid duplication of effort in technical assistance activities, a study is made of the actual and proposed multilateral programs in the country of the United Nations and the Organization of American States, and also of related United States programs. On completion of the analysis the request is granted, rejected, or held for future consideration.

Following authorization, necessary funds are transferred by TCA to the agency which will operate the project. Subject to continuing review by TCA, the cooperating agency recruits and assigns the necessary technicians and supervises the technical aspects of the project.

#### POINT 4 EMPLOYMENT

"No citizen or resident of the United States, whether or not now in the employ of the Government, may be employed or assigned to duties by the Government under this Act until such individual has been investigated by the Federal Bureau of Investigation and a report thereon has been made to the Secretary of State." - Section 414, Public Law 535.

As of June 30, 1951:

451 American technicians were at work in foreign countries on Point 4 field projects. This does not include technicians working under contracts with private firms and universities.

209 technicians in United States Government agencies were providing technical support for the field staffs.

235 employees (including clerical and stenographic), were engaged on program administration in United States Government agencies (excluding the Department of State).

96 employees were in the Technical Cooperation Administration, engaged on planning, policy, executive, fiscal, and reporting matters.

79 employees were working in other divisions of the Department of State in connection with the program.

990 persons selected for work in all phases of the program were in process of investigation by the FBI. Most of these are technicians who will work on field projects.

Recruiting qualified technical personnel, and getting them on the job, is a slow process. The investigation and clearance procedure is time consuming; it requires time for the employee to sever his previous connection and to prepare for a foreign assignment; a three-week orientation course is given to technicians before their departure. As much as 5 or 6 months may elapse between the day an employee is recruited and the day he reports to work in another country.

OPERATIONS CARRIED ON  
UNDER CONTRACT

"In carrying out the (technical assistance) programs...(a) The participation of private agencies and persons shall be sought to the greatest extent practicable." - Section 407, Public Law 535.

More than 18% of the funds authorized for bilateral project activities during fiscal year 1951 were authorized under contracts with individuals, business concerns, and public and private organizations.

Fifty-six individual contracts were signed, aggregating \$3,740,000.

Under these contracts, 233 American technicians are at work, most of whom have already reached their stations abroad; the rest are engaged in preparatory work in this country but will shortly be at work in the field. Ultimately, more than 500 technicians will be working abroad under these contracts.

Most of these contract technicians will be employed in the Eastern Hemisphere, 43% in the Near East and Africa, and 37% in South Asia. The remaining 20% are in the American Republics.

In addition to personal services, many of these contracts provide for the use of facilities and technical equipment provided by the contractor.

## TRAINING PROGRAMS

"The term 'technical cooperation programs' means programs for the international interchange of technical knowledge and skills... Such activities may include...training...projects that serve the purpose of promoting the development of economic resources and productive capacities of underdeveloped areas." Section 418 (a) Public Law 535.

Prior to the establishment of the Technical Cooperation Administration, programs to bring foreign nationals to this country for technical training were carried on by the Department of State under Public Law 402, 80th Congress, and by the Institute of Inter-American Affairs under Public Law 363, 80th Congress. These programs have been continued by the Technical Cooperation Administration.

During fiscal year 1951, 862 training grants were authorized for trainees from 43 countries at a cost of \$2,425,000. More than one-half of these trainees will receive their training in agriculture, health, and education. Other major fields of training include government administration, industry, labor, transportation, communications, and natural resources.

Training is given in agricultural, technical or professional schools, in private industry, or in specialized fields in government agencies. Training is provided in some cases in Puerto Rico for nationals from Latin America. The trainees, after learning American organization, methods and skills, return to their countries for practical application of their training.

Local training programs are carried on by American technicians in some countries, particularly the American Republics, for technical workers. In addition to expanding the supply of trained people, who are badly needed in most countries, these programs also provide qualified technicians to take over the Point 4 projects after the American specialists leave.

CONTRIBUTIONS TO PROGRAM COSTS  
BY COOPERATING GOVERNMENTS

"Assistance shall be made available only where the President determines that the country being assisted... pays a fair share of the cost of the programs." - Section 407 (c), Public Law 535.

Point 4 general agreements which are negotiated with countries in which programs are operated contain the statement: "The Government of \_\_\_\_\_ agrees to bear a fair share of the cost of technical cooperation programs and projects."

The Point 4 project agreements which are negotiated with cooperating governments, covering the conditions under which specific programs or projects will be operated, contain a provision concerning the contribution to be made by the host government. This generally provides that local personnel, translation services, office space, equipment, and supplies, local transportation, and other services will be made available to the American technicians without cost to the United States.

Experience with projects which have been in operation over a period of years shows a complete willingness on the part of the cooperating governments to pay a fair share of program costs. In many of the American Republics, where technical assistance projects have been in operation for as long as ten years, the ratio of local contributions to United States contributions has shown a steady and substantial increase.

Host government contributions to projects which have been in operation for an extended period amount to the equivalent of approximately \$3 for each \$1 of cost to the United States.

## MULTILATERAL TECHNICAL COOPERATION PROGRAMS

"In order to accomplish the purposes of this title, the United States is authorized to participate in multilateral technical cooperation programs carried on by the United Nations, the Organization of American States, and their related organizations, and by other international organizations, wherever practicable. Within the limits of appropriations made available to carry out the purposes of this title, the President is authorized to make contributions to the United Nations...the Organization of American States, its related organizations, and other international organizations." - Section 404, Public Law 535.

More than a billion people, or nearly half the world's population, live in underdeveloped areas not under communist domination. The need of these peoples for technical assistance is so tremendous that it can only be met by using the resources and technicians of all the developed countries. This can be accomplished through the multilateral programs of the United Nations, its specialized agencies, and the Organization of American States.

Under the provision of Public Law 535, a contribution of \$12 million was authorized for new technical cooperation programs to be operated by the United Nations and its specialized agencies. This was equivalent to 60% of the funds pledged by all countries. The total funds are distributed by agency as follows: Food and Agriculture Organization, 29%; United Nations, 23%; World Health Organization, 22%; UNESCO, 14%; International Labor Office, 11%; and International Civil Aviation Organization, 1%. Programs are currently in operation in 56 countries, utilizing approximately 1,100 experts and providing 1,000 training fellowships.

A contribution of \$1 million was authorized as the United States contribution to the program of technical cooperation of the Organization of American States. Funds made available by all countries for the 1951 program were allocated by field of activity as follows: agriculture, 26%; public health, 25%; economic development, 23%; social problems, 11%; education, 10% and housing and planning, 5%. The OAS programs will be carried out largely through regional institutes, workshops, and training centers.

POINT 4 OPERATING STATISTICS

As of June 30, 1951

General agreements signed with 32 countries.

Projects in operation in 36 countries (including countries with which general agreements are in process of negotiation).

690 requests for technical cooperation projects received from 43 countries.

178 projects authorized. Of these, 78 are projects in the fields of agriculture and natural resources; 34 are in industry and in government services; 63 are in health, education, and manpower; and 3 provide for joint commissions concerned with technical aid in various fields.

737 American technicians authorized under approved projects; 451 of these in the field.

Of the 737 technicians, 37% to be engaged on agricultural projects, reflecting the importance attached to increased food production in underdeveloped areas; 80% of all technicians to be in agriculture, education, and health and sanitation.

862 training grants authorized, for training nationals of other countries in the United States. Of these, 56% were for nationals of American Republics, 20% for the Near East and Africa, and 24% for South and Southeast Asia.

POINT 4 FUNDS: SOURCE AND UTILIZATION

Fiscal Year 1951

|   |                  |                       |
|---|------------------|-----------------------|
| SOURCE OF FUNDS:  |                  |                       |
| Direct appropriation for "International Development"  |                  | \$26,900,000          |
| Transferred from "International Information and Education, Dept. of State, 1951"                              |                  | <u>2,537,000</u>      |
|   |                  | 29,437,000            |
| Institute of Inter-American Affairs:  |                  |                       |
| Carryover from prior fiscal year  | \$1,369,309      |                       |
| Direct appropriation  | <u>5,000,000</u> | <u>6,369,309</u>      |
| Total funds available   |                  | <u>\$35,806,309</u>   |
| EXPENDITURES AUTHORIZED:  |                  |                       |
| Multilateral programs:  |                  |                       |
| United Nations  | \$12,007,500     |                       |
| Organization of American States   | <u>1,000,000</u> | \$13,007,500          |
| Bilateral programs:   |                  |                       |
| Inter-American Area   | 11,256,480       |                       |
| Near East, South Asia, and Africa   | 5,636,125        |                       |
| Far East  | 217,939          |                       |
| Unallocated geographically:   |                  |                       |
| Technical staff support for field projects and training programs  | 1,115,449        |                       |
| Equipment not yet allocated to projects   | 1,000,000        |                       |
| Other   | <u>1,394,875</u> | 20,620,868            |
| Executive direction and administration (includes \$340,000 for personnel recruiting, clearance, and training) |                  | <u>2,177,941</u>      |
| Total Expenditures  |                  | <u>\$35,806,309 *</u> |

\* Includes estimated carryover of \$2,150,000 by the IIAA, including \$1,000,000 of corporate funds and \$1,150,000 allocated from "International Development."

## SOME EXAMPLES OF POINT 4 AT WORK

INDIA - An American agricultural specialist has demonstrated, in field experiments, that improved varieties of seed, crop rotation with legumes, and use of manure and fertilizer can increase the wheat yield 100%. A new variety of potatoes increased the yield from 119 to 245 bushels per acre.

PERU - American specialists, working in cooperation with local officials, have brought improved health and sanitation methods to the people through the operation of 6 hospitals, 4 health centers, 4 dispensaries, 7 medical posts, 18 sanitary posts, and 2 dispensary launches in the jungle.

BRAZIL - A revision in lead refining methods by a U. S. Bureau of Mines metallurgist resulted in reduction in the time of elimination of antimony in the final phase from 8-10 days to 5 hours, making the operation a profitable one for the first time, and assuring a new metallurgical industry a firm foothold in the national economy.

PANAMA - Through leadership of a Point 4 technician, Panama has become self-sufficient in rice production.

CUBA - An agricultural mission, working since 1943, has developed kenaf as a substitute for jute. This will reduce fiber imports necessary for bagging sugar.

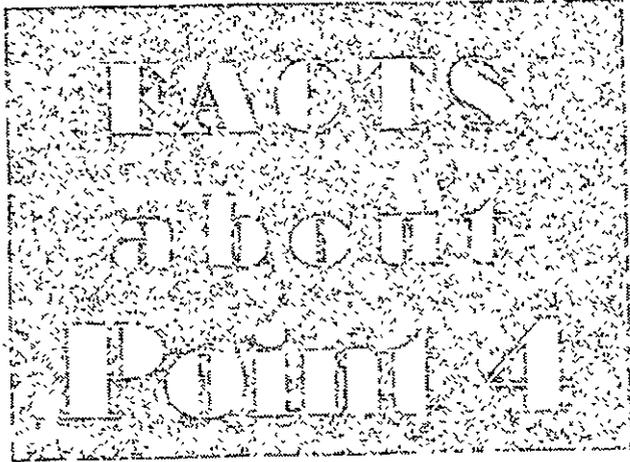
LIBERIA - American specialists, with the help of Liberian aides, have introduced improved varieties of vegetables, use of fertilizer, and new methods of cultivation. Production of rice, Liberia's staple crop, has increased so that danger of annual famine has been eliminated.

BRAZIL - In a cooperative health program in the town of Colatina, the death rate from typhoid was reduced from 42.3 per 100,000 in 1945 to 3.2 in 1949.

ECUADOR - American educators, working with local education officials, have demonstrated the effectiveness of story books, blackboards and practical examples instead of learning by rote; of improved and lighted classrooms instead of windowless and inadequate ones; of vocational training instead of just the three R's.

HAITI - Rubber trees, in place of the customary shade trees, were introduced as shade for coffee, thus helping the rubber production program in Latin America.

IRAN - Responding to an emergency request, Point 4 technicians and planes were rushed to Iran to spray large areas of agricultural land to stop a locust invasion. The plague was brought under control. This program was operated under contract with an American airline, which has subsequently trained Iranian pilots in aerial spraying.



TECHNICAL COOPERATION ADMINISTRATION

March 1952

#### ***What Is Point 4?***

Point Four is the program of sharing U. S. technical skills, knowledge, and investment capital with the peoples of underdeveloped areas. This program was first proposed by President Truman in his inaugural address on January 20, 1949, as the fourth point in a statement of our foreign policy. The Act for International Development, passed on June 5, 1950, gave the proposal legislative sanction. Point Four work is now being carried on by the Technical Cooperation Administration (TCA) in the Department of State.

#### ***Where Does the Program Operate?***

The Point Four Program is under way in the independent countries of northern Africa, in the Near East, and in South Asia as far east as Burma; also in Latin America, under the Institute of Inter-American Affairs, which is the operating arm of TCA in Latin America. As of January 1952, there were 642 American technicians working on 216 projects in 33 countries.

#### **What Does It Cost?**

The cost of Point Four operations for 1951 was about \$35,000,000. In 1952 Congress made available slightly over \$200,000,000 for an expanded program. Of this fund, \$12,000,000 was set aside in 1952 as the United States contribution to the expanded technical assistance program of the United Nations and \$1,000,000 for similar work of the Organization of American States.

Point Four is not a "give-away" program. It is a simple "grass roots" way to help people help themselves. The main cost is for the salaries and expenses of technicians, supplies and equipment, and program funds to make the technical improvements effective.

#### **Do Other Countries Contribute to Point 4?**

Yes, Point Four is a cooperative program. During 1951 the governments cooperating with the United States on Point Four projects contributed the equivalent of 3 dollars for every American Point Four dollar.

#### **How Do Point 4 Programs Get Started?**

Every program grows out of requests from a foreign government. Point Four goes only where it is wanted. Each project is worked out cooperatively through an agreement between TCA and the country making the request, in terms of personnel, equipment, funds, and other contributions.

#### **What Are the Fields of Point 4 Cooperation?**

Food, health, and education are the primary needs of the people of the underdeveloped areas. These are the keys to better productivity and prog-

ress. Therefore, Point Four is concentrating first on helping people to grow more food, to stamp out disease, and to set up schools and train teachers. Point Four is working also in other fields that contribute to economic and social progress; for example, water and mineral development, transportation, housing, public administration, and industry.

#### ***What Is the Method of Point 4 Cooperation?***

American technicians go out to work with the technicians and people of other countries. They go out as "grass roots" ambassadors to share and adapt their skills to the needs of the people with whom they work. They use the methods of teaching and demonstration. Usually they learn as much as they teach, for skills cannot be given away.

#### ***Does the Point 4 Method Work?***

The Point Four method has already helped people raise their incomes and living standards. For example, in Liberia—which has been a pilot country—farm families in one area have raised their incomes from \$5 a year to \$25 and in another area, from \$50 a year to \$300. In India the yield of potatoes in one area has been increased from 119 bushels per acre to 235, and wheat, from 13 bushels to 26. Paraguay is still another example. In 1942, when pre-Point Four work began, farmers were using wooden plows; in 1948 the Government of Paraguay ordered \$2,500,000 worth of modern equipment from the International Harvester Company.

#### ***Will Point 4 Benefit American Business?***

It should do so, in the long run, by helping to create a climate in which trade and commerce can develop. With more than a billion people living in the underdeveloped regions of the world, many

new opportunities for trade and investment will open up as the program develops. Each of these people now buys about 70 cents worth of U. S. exports annually, compared with an average of \$5.80 for the highly developed areas.

***Is Point 4 an Answer to Communism?***

Point Four is an answer to communism because it offers people a chance to improve their lot without sacrificing their freedom. As Secretary Acheson said, we should be carrying these programs forward even if there were no Soviet threat. The peoples of the underdeveloped areas know that life can be better. They have a window on the twentieth century; we can help them find a door so that they can become strong, self-reliant partners in the free community of nations.

**DEPARTMENT OF STATE**

Publication 4546

Economic Cooperation Series 32

Released April 1952

Printed for the Technical Cooperation Administration,  
Department of State, by the Division of Publications,  
Office of Public Affairs