

PN-ABT-603

PROPOSALS FOR STRENGTHENING  
TECHNICAL RELATIONSHIPS WITH  
NON-A.I.D. DEVELOPING COUNTRIES

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WITH NON-A. I. D. DEVELOPING COUNTRIES

A REPORT TO THE A. I. D. ADMINISTRATOR

"Unprecedented scientific and technological advances as well as explosions in population, communications, and knowledge require new forms of international cooperation."

President Nixon, "United States Foreign Policy for the 1970's",  
Message to the Congress, February 18, 1970

Submitted by: Hyde G. Buller  
Daniel F. Margolies  
Patrick F. Morris  
C. Tyler Wood, Chairman

Agency for International Development  
Washington, D. C.

March 31, 1970

## CONTENTS

	Page
I. INTRODUCTION	2
II. BACKGROUND	2
A. <u>Findings of Interagency Working Group</u>	2
B. <u>Referral of Task to the A. I. D. Administrator</u>	3
C. <u>Consultations with Federal Agencies</u>	4
III. PROPOSALS FOR ACTION	5
A. <u>Interim Action by A. I. D.</u>	5
B. <u>Mechanism for Long-Range Program: Office of Reimbursable Technical Services (ORTS)</u>	6
1. <u>Purposes</u>	6
2. <u>Functions</u>	7
3. <u>Methods of Operation</u>	10
4. <u>Location</u>	11
5. <u>Organization and Staffing</u>	13
6. <u>Funding Requirements</u>	15

### TABS:

- A. Non-A. I. D. Countries
- B. Comments on Meaning of Terms
- C. Letter from Acting Assistant Secretary Irving to Dr. Hannah, A. I. D. Administrator - December 9, 1969
- D. Letter from Secretary Rogers to Dr. Hannah - January 30, 1970
- E. List of Questions Discussed with Federal Agencies
- F. Chart on Comments of Agencies on Questions
- G. Topping-Off
- H. Proposed Table of Organization
- I. ORTS Budget for FY 1971

## I. INTRODUCTION

United States world leadership in science and technology is a prime asset for building relationships of mutual understanding with all other countries and for assisting the developing countries in achieving progress in social and economic development.

This asset is being used effectively in the developing countries assisted by A. I. D. and in the technologically advanced countries (European countries, Canada, Japan and Australia). This is not true, however, in one group of countries - the non-A. I. D. developing countries. This group includes both the "A. I. D. graduates", such as Taiwan, where A. I. D. assistance on concessional terms is deemed to be no longer required, and countries that have never been recipients of U. S. foreign aid, such as a number of countries of the Middle East which have so much oil money that they have not been eligible for aid on concessional terms (TAB A).

All of the non-A. I. D. developing countries need to improve the technical skills of their people and to build better technical and other institutions to develop more fully the potential of their human resources. It is extremely difficult for them, however, to locate the organizations or the individuals in the United States that can provide the technical services desired and to make the arrangements necessary to obtain them. Indeed, it is a problem for them to diagnose their requirements in such a way as to identify the services needed. They can finance the services and the U. S. can provide them, but in practice the flow of such services and personnel to these countries has been very limited.

The United States needs to find a mechanism for developing scientific and technical relationships with these countries. Proposals to establish such a mechanism are outlined in this report. These proposals are designed to relate the requirements of the non-A. I. D. developing countries to the resources available in U. S. government agencies, universities, industrial concerns and other private organizations.

## II. BACKGROUND

### A. Findings of Interagency Working Group

The report\* of an interagency working group, which was set up in the framework of the Council on International Educational and Cultural Affairs to study this question, reached certain conclusions which are summarized below:

1. The interests of the United States can be furthered by providing better access for non-A. I. D. developing countries to U. S. technical resources. The fact that we no longer provide concessional assistance to a less developed country does not cancel our interest in encouraging its development. At stake, besides past U. S. investments in A. I. D. "graduate" countries, are U. S. security interests, political relations, scientific leadership, and commercial interests; fulfillment of our responsibilities under scientific cooperation agreements; and progress in certain fields in the U. S. which can benefit from technical and scientific interchange.
2. American scientists and technologists serving abroad help to promote U. S. interests but an important obstacle to more extensive use of such people is the fact that American salaries are higher than those of the nationals of other countries. To give American technology and manpower a chance to compete overseas, salary "topping" and other supplementary financing are needed in some cases.
3. To create and maintain effective technical ties with non-A. I. D. countries, the United States should initiate a new, positive program of technical cooperation in which private expertise and resources should be encouraged to play a major role and from which a fruitful two-way exchange of experts between institutions in the United States and in the other countries would result.

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\*U. S. Technical Cooperation with Non-A. I. D. Countries - Report of Interagency Working Group on Technical Cooperation, February 1969; and transmittal letter to Assistant Secretary Richardson, Chairman of the Council on International Educational and Cultural Affairs, October 10, 1969.

4. Technical services provided by the U. S. under the new program would, in most cases, be paid for by the requesting country, except where supplementary financing is justified by significant U. S. benefits.
5. A central point should be established in the U. S. Government to provide leadership for, and to help stimulate and coordinate, technical cooperation with non-A. I. D. countries.
6. Within the limits of foreign policy directives, the Federal agencies should eventually be enabled to initiate cooperative activities through direct dealings with counterpart organizations in non-A. I. D. countries. The Federal agencies should be supported in their efforts to obtain authority and money for these purposes as appropriate extensions of their domestic responsibilities.

The working group recommended that:

"The Council on International Educational and Cultural Affairs formally transmit the report . . . to A. I. D. and other interested Federal agencies . . . with the request that A. I. D., in collaboration with other agencies . . . develop a set of concrete proposals . . . In the development of these proposals, particular attention should be given to A. I. D.'s relationship to the new program in view of its structure, mission, and expertise . . ."

B. Referral of Task to A. I. D. Administrator

1. In a letter of December 9, 1969, (TAB C), Acting Assistant Secretary Irving informed Dr. Hannah, the A. I. D. Administrator, of the Council's approval of the working group's recommendation and requested that A. I. D. take the lead in developing the proposals indicated.
2. Secretary Rogers, in a letter to Dr. Hannah on January 30, 1970, (TAB D), stated: "At present there is no adequate institutional mechanism for identifying . . . opportunities and

for facilitating relationships at the technical level among Government agencies, universities, industrial concerns and other private organizations of the U. S. and the post A. I. D. countries. . . I consider the repair of these deficiencies to be a matter of some urgency." The Secretary requested that action proposals be developed as quickly as possible.

C. Consultations with Federal Agencies

Dr. Hannah assigned responsibility for this task to Dr. Stern, Assistant Administrator for Program and Policy Coordination, A. I. D., and asked C. Tyler Wood, one of his Special Assistants, to head a working group to develop the necessary action proposals. He, with the assistance of Hyde Buller of the Technical Assistance Bureau of A. I. D., held a series of meetings with representatives of the principal agencies concerned. A list of the key questions covered in the discussions (TAB E) and a chart summarizing the views of these agencies (TAB F) are attached. The following conclusions emerged from these discussions:

1. All the agencies believe that technical cooperation with non-A. I. D. countries in fields with which they are concerned would be worthwhile and in the national interest.
2. They do not, however, except in special cases, consider such technical cooperation closely enough related to their particular missions to warrant using their regular funds or approaching the Congress for additional funds.
3. Justification for engaging in such activities would have to be based mainly on consideration of U. S. national and international interests, rather than on the domestic responsibilities of the agencies.
4. They would be eager to carry on such activities in order to broaden their own experience and knowledge if some other agency of the Government would present and defend the request for the necessary funds.

5. Practically all the agencies are engaged in providing some technical services to non-A. I. D. developing countries but when they do, only a small portion is financed with their own money, and the main sources of funding are the countries themselves, international organizations, foundations, and excess foreign currencies. In the last case, the currencies are used chiefly to support research and are usually charged against the agencies' dollar budgets.
6. The impediment most often cited by the agencies, in cases where funds are available from other sources, is the personnel ceiling imposed by the Executive Office.
7. Most of the agencies make some use of private organizations in their overseas activities but recognize that more effective use of these assets could be made.
8. All the agencies favor the establishment of a focal point for U. S. technical cooperation with non-A. I. D. developing countries.

### III. PROPOSALS FOR ACTION

#### A. Interim Action by A. I. D.

This consultation with the agencies indicated the desirability of immediate action:

1. To meet more adequately current requests for technical services on a cost-reimbursement basis.
2. To begin an active role in stimulating such requests.
3. To plan for the organization eventually needed to carry on a long-range program.

Pending development of appropriate legislative proposals and action on them, A. I. D. will undertake to carry on its present activities in this field. If funds and staff resources can be made available to A. I. D., it would be advisable to expand in the interim period from the present one-man operation to four, plus two secretaries. The

additional staff will be needed to deal with present inquiries, to start building up the various services outlined in their plan and to make preparations for the long-range operation.

B. Mechanism for Long-Range Program: Office of Reimbursable Technical Services (ORTS).

It is proposed that an Office of Reimbursable Technical Services (ORTS) be established to repair the deficiencies noted by Secretary Rogers in his memorandum.

1. Purposes

The main purposes of ORTS would be:

- a. To facilitate access by non-A. I. D. developing countries, on a reimbursable basis, to U. S. technical services, public and private.
- b. To help bring about, through such activities, additions to the U. S. knowledge base, and to strengthen the worldwide network of arrangements for sharing and developing knowledge;
- c. To promote American exports by providing technical services which would result in increasing demand for American technology, hardware and know-how in the non-A. I. D. countries, because of the presence of American technicians, and because of the training in the United States provided to nationals of those countries.
- d. To serve the U. S. national interest in promoting the political, economic and social development of the non-A. I. D. developing countries.
- e. To encourage and assist the governmental and private agencies in the development of their own resources for international technical cooperation.

## 2. Functions

To accomplish these purposes ORTS would:

- a. Identify opportunities for U.S. scientific and technical cooperation with non-A.I.D. developing countries and encourage American individuals and organizations to provide technical services relevant to the countries' development and of a quality in keeping with U.S. leadership in these fields;
- b. Maintain a clearing-house for exchanging information and experience on opportunities for technical cooperation with non-A.I.D. developing countries, including the routing of requests for reimbursable technical services from such countries to appropriate agencies for action;
- c. Maintain, in cooperation with other agencies, a network of locator services to help find sources of technical services in the U.S. ORTS would not maintain a central data bank, but would draw upon existing locator services available among the relevant public and private agencies for information on U.S. expertise in various fields; (To the extent that existing locator services are inadequate, ORTS would work with the agencies concerned to strengthen them.)
- d. Provide facilitating services to help U.S. governmental and private agencies with arrangements to supply technical services requested by non-A.I.D. developing countries;
- e. Provide facilitating services to help non-A.I.D. and other developing countries place technicians both in functional positions with appropriate U.S. agencies for on-the-job training and in other training programs.

f. Work with other agencies to reduce difficulties which now limit the agencies' capabilities to meet these requests, such as:

- (1) Personnel ceilings now imposed on the departments and other federal agencies by the Executive Office.

These make no allowance for the fact that, in the case of reimbursable technical services, the non-A.I.D. developing country has specifically requested the services and the U.S. Governmental personnel and is defraying all costs.

- (2) Higher salaries in U.S. than elsewhere:

In order to make U.S. technical services competitive, it would be necessary in some cases for the compensation of the American technicians to be "topped off", i.e., supplemented by payment of the difference between the going rate in the U.S. and that in the host country for foreign exports (TAB G).

g. Cooperate with the relevant offices in the State Department and the other Federal agencies to bring about a greater use, by the multilateral agencies, of U.S. private and public technical services in the non-A.I.D. developing countries.

- (1) By helping Federal agencies meet the statutory requirements for providing technical services to multilateral agencies on a reimbursable basis; and
- (2) By informing qualified American experts and organizations of opportunities for assignments and technical service contracts with the multilateral agencies in the non-A.I.D. developing countries, and helping to make the availability of these experts and organizations known to the multilateral agencies

and to countries seeking such services. In the case of experts from the private sector it may be desirable to finance topping off their salaries. (Recent legislation deals with this problem so far as federal employees are concerned (TAB G).

- h. Join with other A.I.D. offices in pre-phaseout planning, to determine the institutional and other arrangements that should be made to assure effective continuing technical cooperation with the U.S. after phase-out.

(The cooperative relationships developed between American universities and foreign institutions with A.I.D. financing are examples of the kinds of activities that should be reviewed to identify possibilities for maintaining continuity in desirable cases.)

- i. Provide funds, when necessary, for
  - (1) Field visits by individual experts or teams to review a country's requirements when that country has indicated its interest in reimbursable technical services from the U.S.;
  - (2) Participation by Federal agency and other experts in international scientific and technical conferences and symposia which are significant to the purposes of ORTS and for which the necessary financing is not available from other sources, such as NSF;
  - (3) International travel by such experts to make preliminary arrangements for implementing bilateral scientific cooperation agreements with developing countries; and

- (4) Supplementary financing to stimulate participation of private organizations and individual technicians in technical cooperation with non-A.I.D. developing countries. In some cases a small sum may facilitate the substantial involvement of U.S. private organizations or may make the difference between key foreign participants training in the U.S. or in other countries. An incentive grant to a private non-profit organization, for example, might constitute the seed money which would attract substantial continuing support from industry, foundations and other private sources.

### 3. Methods of Operation

- a. ORTS would perform these functions in collaboration with the Federal agencies, which would be relied upon to take the leadership and to provide the expertise in their technical fields. The technical service requested by a non-A.I.D. country, for example, may be available only from the agency responsible for Federal activities in the particular field. If so, and cost reimbursement or other mutually satisfactory arrangements can be made with the non-A.I.D. country, that Federal agency would provide the requested service. In other cases, the Federal agency may advise ORTS that the service is available in the private sector. The non-A.I.D. country would then be furnished with the information necessary to make arrangements directly with an appropriate private US. organization.
- b. ORTS would work with the Commerce Department and other Federal agencies to take advantage of opportunities, in connection with trade fairs and similar activities abroad, to make the availability of U.S. technical services better known to the non-A.I.D. developing countries.

- c. ORTS would serve as the mechanism for making allocations, from its resources to the Federal agencies when other sources of funding are not available. As more experience is gained by the agencies in providing reimbursable technical services to the non-A. I. D. developing countries, it is hoped that they would cover an increasing proportion of the supplementary financing needed within their own annual budget requests, justified as a necessary foreign dimension of their domestic functions.
- d. The effectiveness of collaboration between ORTS and the Federal agencies will depend in great part on the organizational arrangements that the agencies are able to make to assure prompt attention, at appropriate levels for decision, to request from non-A. I. D. developing countries for technical services in particular fields.
- e. ORTS would not interfere with effective working relations built up by U. S. public and private organizations with their counterparts in non-A. I. D. developing countries.

#### 4. Location

- a. Among the possible locations considered for ORTS were the Commerce Department, the National Science Foundation and the National Academy of Sciences. Each of these commended itself on the basis of some important aspects of the task to be performed. But none of them covers a broad enough portion of the spectrum of pertinent responsibilities, capabilities and interests.
- b. The State Department and A. I. D. were also considered. Each has its advantages and its disadvantages. State has the important advantage of being best qualified to recognize and take into account the international

relations aspects of the wide range of interests, both public and private, involved in technical cooperation with other countries. Furthermore, since justification for carrying on the activities involved would have to be based chiefly on considerations of our broad national and international interests, State is the logical department to present and defend the case for authorization and appropriation of the necessary funds. But there is one serious disadvantage in locating ORTS in the State Department: it is not organized or staffed to carry on operational functions of the kind required.

- c. A.I.D. has the great advantage of possessing the necessary staff and the experience of carrying on technical cooperation programs with other countries and would be qualified to manage the operations of ORTS. However, its mission is to deal with developing countries which require assistance on concessional terms. A.I.D. could not, therefore, properly ask in its appropriations for funds to carry on programs in countries which are deemed no longer to require such assistance.
- d. The main advantages of each of these possible locations could be obtained if the State Department were to assume the task of presenting and justifying the request for authority and funds and then were to transfer to A.I.D. the funds and delegate to it the responsibility for implementing the program. This course would also avoid the major disadvantage of each. In addition, the assumption of leadership by the State Department would clearly distinguish the program as one of continuing, long-term importance to the foreign relations of the United States. At the same time, the program, if operating responsibility for it were placed in A.I.D., would have the benefit of A.I.D. staff competence, experience, interest in the subject, and motivation.

- e. It is therefore proposed that the State Department's FY 1971 legislative proposals request the necessary authority and funds for the Office of Reimbursable Technical Services, and that it be located in A.I.D.
- f. It is noted that the Task Force on International Development, chaired by Mr. Rudolph Peterson, in its report of March 4, 1970, recommended that a new U. S. International Development Institute be established for research and technical cooperation. If legislation providing for this institute should be recommended to the Congress, which in any event is not expected before the FY 1972 budget presentation, the possibility of having the institute assume responsibility for the functions of ORTS could be considered at that time.

In discussing the institute, the Task Force's report stated:

"The Task Force believes that the United States should change the current practice of terminating technical assistance programs whenever concessional development loans end. Terminating both programs at the same time fails to take account of a possible continuing need for professional collaboration and training and of the mutual benefits of continuing such cooperation. Financing arrangements for technical assistance programs can always be adjusted to a nation's ability to pay."

##### 5. Organization and Staffing

- a. ORTS would supersede AID's interim unit for technical cooperation with non-A.I.D. developing countries, which it would absorb as the nucleus for the operation of the long-range program. The ORTS staff will specialize in identifying opportunities in the non-A.I.D. developing countries, and in relating these through the Federal agencies to U.S. technical resources. ORTS would be guided by a high-level interagency advisory panel, appointed by the Secretary of State. In order to strengthen its liaison with other Government agencies, ORTS might

have on its staff from time to time qualified representatives from the State Department and other key agencies.

b. A proposed table of organization is attached (TAB H). ORTS would be headed by a Director and Deputy Director and consist of three basic divisions.

(1) The Operations Division would be responsible for the administration of the clearing house and locator and other facilitating services.

(2) The Liaison Division would be responsible for helping to overcome difficulties which now limit the capabilities of the Federal agencies to provide technical services to the non-A.I.D. developing countries. It would also have the promotional functions of making the availability of U.S. technical services better known to these countries and to the multilateral agencies; of identifying opportunities for U.S. public and private agencies to provide these services; and of encouraging increased participation by universities, business organizations, voluntary agencies, foundations and professional and scientific organizations in technical cooperation with these countries.

It would be important to have on the staff people who are able to discover worthwhile opportunities for using U.S. technical services abroad and to stimulate action to deal with these opportunities. Incoming requests and informational exchanges with Federal agencies and other organizations would be useful for this purpose.

(3) The Planning and Program Division would be responsible for the functions of: planning, programming and evaluation, analyzing requirements for "topping-off"

and other supplementary financing, managing fund allocations, pre-phaseout planning for A.I.D. recipient countries and providing the Advisory panel with supporting services.

- c. It may eventually be found desirable for ORTS to have a small Washington-based group whose members could visit the field as required or to station representatives in those countries where interest in obtaining U.S. technical services is sufficient to warrant it. A decision on this point should await further experience.

## 6. Funding Requirements

- a. To do the job outlined, it is estimated that ORTS would need a budget of \$1.2 million for FY 1971, as shown in TAB I.
- b. Some of the expenditure for international travel and use of consultants are expected to be heavier in the first year of ORTS operations than in subsequent years because of the special need to make the establishment of ORTS and its functions known to our overseas Missions and to the non-A.I.D. developing countries, as well as to survey the technical service requirements of those countries.

Non-A. I. D. Countries

Listed below are 47 countries where U.S. bilateral development assistance programs have been phased-out or phased-down, together with countries where we have never had such bilateral programs but which have shown interest in obtaining technical services. The list excludes countries where our bilateral programs have been withdrawn, voluntarily or involuntarily, for political reasons.

I. <u>Graduate and Phased-Down Countries (19)</u>	II. <u>Other Phased-Down Countries - Regional and Self-help Project Support Countries (24)</u>	III. <u>Non-Recipient LDCs (4)</u>
Argentina	Botswana	Abu Dhabi
British Honduras	Burundi	Dubai
Burma	Cameroon	Kuwait
Ceylon	Central Af. Rep.	Singapore
Cyprus	Chad	
Greece	Dahomey	
Haiti	Gabon	
Iran	Gambia	
Israel	Guinea	
Lebanon	Ivory Coast	
Libya	Lesotho	
Malaysia	Malagasy Rep.	
Mexico	Malawi	
Saudi Arabia	Mali	
Spain	Mauritius	
Surinam	Niger	
Taiwan	Rwanda	
Trinidad-Tobago	Senegal	
Venezuela	Sierra Leone	
	Somali	
	Swaziland	
	Togo	
	Upper Volta	
	Zambia	

What the listed countries have in common is that they are developing countries and interested in obtaining technical services from the United States but do not have access, except possibly in very limited ways, to U.S. concessional assistance. Among these countries are the potential clients of the Office of Reimbursable Technical Services.

The list may change from time to time because of graduations among present aid-recipient countries and for other reasons. Moreover, even countries with on-going A.I.D. programs may become clients of ORTS to the extent that they desire technical services from the U.S. which cannot be accommodated in their on-going programs but which they are willing to fund themselves. As the authority and funds recommended for ORTS are obtained and the services available through it become known, it is expected that clients in all these categories will increase substantially.

COMMENTS ON MEANING IN THIS REPORT OF THE FOLLOWING TERMS

Technical Cooperation  
 Technical Assistance

Technical Services  
 Technical Exchange

Phase-out

Technical Cooperation is used in a broad sense to cover technical assistance, technical services and technical exchange.

Technical Assistance is the conventional A.I.D. program for providing technical services to a developing country on concessional terms.

Technical Services is technical assistance on a reimbursable basis.

Technical Exchange is the exchange between countries, on a basis of mutual benefit, of professional personnel and information.

Technical Assistance programs are terminated from time to time in individual countries because there are no longer grounds for our providing development assistance on concessional terms. This does not mean that the countries involved no longer need technical services from the United States. They may be financially able to pay for the services but do not do so in many cases because they cannot determine the specific services needed or locate suitable sources for them or because they cannot justify the higher costs for U.S. services as compared with those from other countries. It is important for U.S. commercial, scientific and political interests that we overcome these obstacles to the use of American expertise overseas.

The proposed Office of Reimbursable Technical Services is designed to remove these obstacles by facilitating the sale of technical services to interested countries from the United States, i. e. by making it easy for those countries to buy technical assistance from us. This will involve encouraging more effective use of commercial and other non-governmental channels for the export of technical services from the U.S. and for their import by developing countries. Development of new channels may also be required. Some countries may only need leads as to non-governmental sources they could contact while others may need help in making arrangements when governmental sources are the only ones available. The services of ORTS should be available to all friendly developing countries, including A.I.D. countries, A.I.D. "graduates", and countries where we have never had an aid program.

Technical Exchange is a more mature, continuing relationship which characterizes the arrangements between the United States and the developed countries. The developing countries may be expected to approach such a relationship with the United States as they progress in their development. Developing countries may be ready to convert to this relationship in some fields while still needing technical assistance or technical services in others. This overlapping should be welcomed as healthy growth towards our ultimate development program objective when the developing country's dependency relationship to the U.S. is superseded by one of common contributions to projects of mutual interest.

In this advanced relationship, the links which our universities and other institutions have created with foreign institutions in the course of our aid programs are of prime importance. They add to the U.S. knowledge base in science and technology. They increase understanding of the development process and the relationship of science and technology to this process. They also strengthen the world network for sharing and developing knowledge. This network extends beyond these fields and development objectives, however, and is concerned broadly with improving international cooperation in all fields and with creating a favorable environment for U.S. security and economic and social development. These broader concerns should appropriately be the responsibility of some inter-agency mechanism other than the proposed Office of Reimbursable Technical Services.

Phase-out is the term which has been applied to the process of terminating A.I.D. programs in countries when they cease to be eligible for concessional aid. This name has negative connotations. Sometimes it is interpreted as withdrawal, not merely of U.S. concessional assistance to a country, but as loss of interest in the country's development. This is unwarranted. The U.S. retains its interest in helping the country to obtain needed services - the difference is that the recipient has progressed to the point where it can pay for these services.



SUBJ: EDU

 DEPARTMENT OF STATE  
 WASHINGTON

December 9, 1969

Dr. Joan A. Hannah  
 Administrator  
 Agency for International Development

Dear Dr. Hannah:

On November 21, 1969 the interagency Council on International Educational and Cultural Affairs acted affirmatively on the principal recommendation of the report of its Working Group on Technical Cooperation that:

"The Council on International Educational and Cultural Affairs formally transmit the report of the Working Group to AID and other interested federal agencies which have formed part of the working group with the request that AID, in collaboration with other agencies, chair an informal group composed of those agencies to develop a set of concrete proposals, including alternative organizational arrangements, for decision in the FY 1971 budget process and perhaps for consideration of the President's Task Force on Foreign Assistance. In the development of these proposals, particular attention should be given to AID's relationship to the new program in view of its structure, mission, and expertise..."

The Council also endorsed the other provisions of the Working Group's report, with the modifications set forth in the enclosed statement, and deactivated the Group with sincere appreciation for a job well done.

As Acting Chairman of the Council in Assistant Secretary John Richardson's absence, I am enclosing a copy of the report with the request that AID take the lead in carrying out the principal recommendation as stated.

Mr. Curtis Farrar, AID's representative on the Council until recently, informed us on July 22, 1969 that you have an active interest in solutions to this problem of maintaining U.S. technical momentum in former AID and in non-AID countries. The problem is of major concern to member agencies of the Council as well as to over a dozen other agencies which participated in the development of the report of the Working Group. I am therefore hopeful that you will authorize AID to assume the recommended role of leadership in the development of

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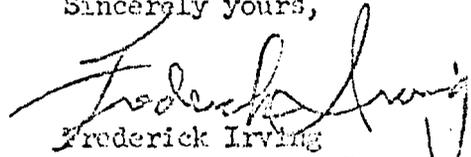
her proposals as the Council has requested.

If you do so, the Council will appreciate a report from AID when it considers the undertaking completed and within the next three months if possible. We would be especially interested in an identification of any of the recommendations in the report on which no proposals could be developed. The Council is aware that there may be several recommendations in this category, particularly those relating to technical cooperation with countries which have never been involved with AID, and the members are prepared to reinstate them as problems for their consideration as soon as AID completes its task.

Under Secretary U. Alexis Johnson has expressed an interest in the technical cooperation problem, and I am sending him a copy of the report and this letter.

A representative of the Bureau of the Budget suggested at the Council meeting that a copy of the report also be sent to Mr. Rudolph A. Peterson, Chairman of the President's Task Force on International Development. In the event that you agree with this suggestion, I would appreciate your sending the enclosed copy on to him, together with the covering letter which I have signed.

Sincerely yours,



Frederick Irving  
Acting Assistant Secretary for  
Educational and Cultural Affairs

Enclosures:

1. "Modifications made on November 21, 1969 by the Council on International Educational and Cultural Affairs in the Report of the Working Group on Technical Cooperation"
2. Copy of memorandum to Under Secretary Johnson from Mr. Irving
3. Copy of letter to Mr. Rudolph Peterson from Mr. Irving
4. Report of the Council's Working Group on Technical Cooperation with Non-AID Countries

cc: Under Secretary U. Alexis Johnson  
Assistant Secretary John Richardson, Jr.  
Mr. Rudolph A. Peterson, Chairman,  
President's Task Force on International Development  
Members of the Council's Working Group on  
Technical Cooperation  
Members and Observers of the Council on International Educational and Cultural Affairs

THE SECRETARY OF STATE  
WASHINGTON

January 30, 1970

MEMORANDUM FOR: The Honorable  
John A. Hannah  
Administrator, AID

SUBJECT: Post-AID Relationships

Our December 11 discussions with Lee DuBridge clearly illustrated that the United States is not now taking advantage of the increasing opportunities for useful technical cooperation especially with former AID and non-AID developing countries. Such association could serve to promote U.S. commercial interests as well as our interests in improved international relations and understanding while also being of value to a wide variety of U.S. Government Agencies and private organizations.

At present there is no adequate institutional mechanism for identifying such opportunities and for facilitating relationships at the technical level among Government Agencies, universities, industrial concerns and other private organizations of the U.S. and the post-AID countries. Furthermore, there is apparently a need for statutory authority and a funding source for such relationships. I consider the repair of these deficiencies to be a matter of some urgency. I understand that this problem is encompassed in an assignment levied upon AID last December by the Interagency Council on Education and Cultural Affairs, and that AID is currently chairing an interagency working group.

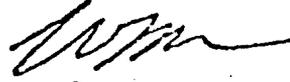
I am, therefore, taking this opportunity to confirm the task assigned to AID by the Interagency Council on this matter; and, I am requesting that action proposals be developed as quickly as possible for the conduct and financing of technical ties, especially with post-AID countries.

DISTRIBUTION TO AGENCIES

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I have asked John Richardson and Herman Pollack to work closely with you and to call upon any other offices of the Department that can assist in this effort.



William P. Rogers

111

Questions to be Addressed by Federal Agencies  
in Providing Information on Their Technical Co-  
operation Activities with Non-A. I. D. Countries.

1. What technical cooperation activities is your agency carrying on in non-A. I. D. countries\* with its own funds or with financing from those countries or other sources? This could be answered by up-dating the pages on your agency in the Appendix to the report of the Interagency Working Group on U. S. Technical Cooperation with Non-A. I. D. Countries, revised February 1969.
2. Are there any technical cooperation activities which your agency would consider so closely related to its Mission and of such priority as to justify its approaching Congress for authority or funds now lacking to carry them on? If so, please specify.
3. Are there any technical cooperation activities which your agency would not consider as justifying its seeking additional authority or funds but which it would be prepared to carry on if these resources were provided from some other source?
4. What other impediments, besides lack of authority and funds, does your agency see to carrying on effective programs of technical cooperation with non-A. I. D. countries? Have you any suggestions as to how to remove them? What use do you now make of private organizations or individuals in technical cooperation activities in non-A. I. D. countries? What additional possibilities do you see for such use and what would be needed to realize these possibilities?

not including Western Europe, Japan, South Africa and the Soviet Bloc.

6. The report of the Interagency Working Group recommended that a central focal point be set up for technical cooperation with such countries, essentially as a servicing point. There seemed to be substantial agreement in the group that such a focal point should not be concerned with control or management of operations, but that such functions should, to the maximum possible extent, be the responsibility of the relevant Federal agency. Do you think such a focal point should be set up and, if it were, which of the following or other specific functions should it have?
- a. Providing a clearing-house for exchange of information and experience among Government agencies and other U.S. organizations engaged in technical cooperation with non-A. I. D. countries.
  - b. Maintaining a locator or finder service for U.S. expertise, both governmental and private in various fields.
  - c. Receiving and routing requests for technical cooperation to appropriate agencies for action.
  - d. Facilitating the relevant activities of Federal, other government and private agencies by taking the lead in working on common procedural, policy and legal problems which interfere with effective technical exchange between the U.S. and non-AID countries. Among such problems are lack of legal authority for engaging in technical exchange with other countries and inability to obtain funds for "topping off" salaries of U.S. experts.

- e. Attempting to fill gaps left when there seems to be no organization, governmental or private, equipped to deal with a particular type of technical exchange activity believed to be worth undertaking.

NOTE: The question of where the central focal point should be located, if it is set up, can be most usefully discussed after there is a clearer indication of what functions the focal point should perform.

VIEWS OF AGENCIES ON THEIR TECHNICAL COOPERATION WITH NON-A.I.D. COUNTRIES (TC/NAC)

Tab F

(EXPLANATORY NOTES ON ENTRIES IN EACH COLUMN APPENDED)

AGENCY	CURRENT TC/NAC FUNDS WITH OWN FUNDS (1a)	FINANCED BY HOST COUNTRY (1b)	FINANCED BY OTHER SOURCES (1c)	WILLING ASK CONGRESS FOR TC/NAC FUNDS AND AUTHORITY (2)	WILLING UNDER-TAKE IF FUNDS OTHERWISE PROVIDED (3)	IMPEDIMENTS (besides lack of authority or funds) (4)	USE OF PRIVATE ORGANIZATIONS IN TC/NAC (5)	FAVORS FOCAL POINT (6)
Agriculture	Yes	Yes	Yes	No	Yes	Personnel ceilings & employ't conds.	Yes	Yes
AEC	Yes	Yes	Yes	No	Yes	None	Yes	Yes
Commerce								
Census Bur.	Yes	Yes	Yes	No	Yes	Lack of field rep.	Yes	Yes
ESSA	Yes	Yes	Yes	No	Yes	None	Yes	Yes
NBS	No	Yes	Yes	No	Yes	None	Yes	Yes
Patent Off.	Yes	Yes	Yes	No	Yes	None	Yes	Yes
HEW	Yes	Yes	Yes	(HEW is not prepared to supply information on these items before review of its international programs and activities)				
HUD	Yes	Yes	Yes	No (Changed from "yes" 4/23/70)	Yes	Personnel ceilings	Yes	Yes
Interior	Yes	Yes	Yes	No	Yes	Personnel ceilings	Yes	Yes
Labor	Yes	Yes	Yes	Yes	Yes	None	Yes	Yes
NAS	Yes	Yes	Yes	Not applicable	Yes	*	Yes	Yes
NSF	Yes	Yes	No	Yes	Yes	Personnel ceilings	Yes	Yes
Smithsonian	Yes	Yes	Yes	Yes	Yes	None	Yes	No
Transportation								
BPR	No	Yes	Yes	No	Yes	Personnel ceilings	Yes	Yes
FAA	Yes	Yes	Yes	Yes	Yes	"	Yes	Yes
Treasury	Yes	Yes	Yes	No	Yes	Personnel ceilings	Yes	Yes

\*Questions re foreign government paying travel and per diem of Federal employees.

4/24/70

27

EXPLANATORY NOTES ON CHART SUMMARIZINGVIEWS OF AGENCIES ON THEIR TECHNICAL COOPERATION WITH NON-A.I.D. COUNTRIESCOLUMN 1aAgriculture, Department of

For ARS services and research when directly related to U.S. agriculture, e.g. assisting in control of hoof and mouth disease in Mexico, and for provision of technical publications by National Agricultural Library. Also absorbs costs of informal consultation and observation tours of USDA facilities by technicians from non-A.I.D. countries.

Atomic Energy Commission

For information exchange programs with nuclear energy organizations in Argentina, Israel, Mexico, Spain and other countries; for replies to individual requests for information on U.S. atomic energy program; and for loans of food irradiation, other equipment or special materials to other countries which provide U.S. with resulting research data.

Commerce, Department of

Census Bureau - for some of the costs of exchanging publications and information on methods with statistical institutions throughout the world.

ESSA - for providing expendable and maintenance services for seismograph stations in cooperative programs to furnish data ESSA needs to fulfill its mission.

Patent Office - for patent document exchange. Also authorized to waive fees for training in Patent Office Academy for employees of foreign governments.

Health Education & Welfare, Department of

For distribution of technical information materials, grants and fellowships to visiting scientists, cooperative research, and recruitment for UN agencies.

Housing & Urban Development, Department of

For support staff to program training of participants; for consultation, limited attendance at conferences, and advisory services to multilateral organizations; for documentation and other information services; and for recruitment of professionals from private sector for UN urban development programs. Provides similar information, advisory and recruitment services for U.S. private organizations.

Interior, Department of

Costs sometimes absorbed by Department bureaus for (a) information exchange; (b) short-term assignments to international organizations; (c) programming training for UN fellows; and (d) salary and per diem of OSW personnel assigned abroad under that organization's special authority.

Labor, Department of

For technical research and consultation abroad to enrich U.S. manpower programs with foreign experience; for technical information services in labor field for developing countries; for programming requested by American labor organizations for training of foreign participants; and for research on foreign labor conditions.

National Science Foundation

For exchange of scientists between U.S. and Eastern European and other countries; for grants to U.S. institutions for research and educational activities abroad; and for cooperative programs with Japan and Italy, involving research, exchanges of scientists and scientific meetings. NSF used to lack authority to engage in technical service activities overseas unless purpose was to strengthen science in the U.S. P.L. 90-407 now enables NSF to engage in such activities even when this purpose is not directly served, if necessary funds are available.

Smithsonian Institution

For implementation of Iran-US Scientific Cooperation agreement and exchange of publications between U.S. and foreign institutions. Also absorbs costs of making its exhibit labs available for training museum specialists from developing countries.

Transportation, Department of

For research to identify low cost technology in all modes of transportation. FAA - for loan of equipment.

Treasury, Department of (IRS)

Cost of Foreign Tax Assistance Staff (FTAS) was originally line item in IRS budget but is now lumped with other items. This covers overall administration and backstopping of technical cooperation, including programming of training and orientation for foreign visitors and provision of technical information. In cases of FTAS participation in international seminars, costs are shared with other countries or organizations.

COLUMN 1bAgriculture, Department of

For travel, per diem and other direct costs for trainees.

Atomic Energy Commission

For sister laboratory programs with university in Taiwan and for expenses of long-term assignments and short visits by foreign nationals to AEC facilities.

Commerce, Department of

Census Bureau - for international statistical training programs.

ESSA - for training students in meteorology and related fields on-the-job, in ESSA courses, or at universities.

NBS - for costs of foreign guest workers for extended periods. These are fully competent scientists who are collaborating on a research project or learning new techniques.

Patent Office - for travel and subsistence of participants in patent and trademark training courses.

Health Education & Welfare, Department of

Travel, per diem, and other direct training costs for participants.

Housing & Urban Development, Department of

For travel, per diem and other direct costs for trainees; and for reimbursable details of HUD technicians.

Interior, Department of

For travel and subsistence costs of trainees, and advisory services.

Labor, Department of

For advisory services and travel and subsistence costs of trainees.

National Science Foundation

For travel, per diem and other direct costs of trainees.

Smithsonian Institution

For travel and per diem costs for trainees.

Transportation, Department of

For advisory, procurement, and training services.

Treasury, Department of (IRS)

For advisory services and travel and subsistence of trainees.

COLUMN 1cAgriculture, Department of

International organizations, foundations and excess foreign currencies.

Atomic Energy Commission

For technical programs funded by the International Atomic Energy Agency and the Inter-American Nuclear Energy Commission.

Commerce, Department of

Census Bureau - international organizations and foundations.

ESSA - international organizations and foundations and excess foreign currencies.

NBS - international organizations and foundations and excess foreign currencies.

Health Education & Welfare, Department of

Self-financed trainees, international agencies, foundations and other private organizations, and excess foreign currencies.

Housing & Urban Development, Department of

Self-funded trainees and UN and other organizations.

Interior, Department of

International organizations and foundations.

Labor, Department of

International organizations, DOD, USIA, foundations, and excess foreign currencies.

National Academy of Sciences

Government agencies (through contracts for advisory services), foundations,

and Academy's endowment. All these sources (besides the host country) are used to finance workshops and related programs to enable American scientists and engineers to consult with their counterparts in developing countries in formulation of national science policy, development of institutions for science, transfer of technology, improvement of science education, and development of programs and assignment of priorities for research related to national needs.

National Science Foundation

No current cases but can accept financing from international organizations and foundations.

Smithsonian Institution

International organizations, foundations, and excess foreign currencies (for cooperative research projects).

Transportation, Department of

Multilateral organizations.

Treasury, Department of

Multilateral organizations and foundations.

COLUMN 2

Commerce, Department of

NBS - would like to increase activities with national standards laboratories of major advanced countries for purposes of its own mission.

Housing & Urban Development, Department of

(Note shown here in 3/31/70 edition was changed on 4/23/70 to apply to column 3 only.)

Interior, Department of

Negative because non-A.I.D. developing countries involved, cooperation with which would have to be justified on foreign policy grounds. Answer would be "yes" if benefits to be derived from cooperation with other countries were sufficient in relation to Interior's domestic program. This would be likely only in the case of non-A.I.D. developed countries, e.g. Japan. On other hand, Interior also needs to be able to cooperate with

A.I.D. countries on projects that cannot be accommodated in the on-going A.I.D. program but which the host country is willing to finance itself and which would also be beneficial to the U.S.

Labor, Department of

Provided that the foreign affairs agencies (State, A.I.D. etc.) assign a high priority to these activities and actively support its budget requests, the Labor Department is eager to seek its own funds and authority.

National Science Foundation

Already has authority but lacks funds for more than limited pilot program.

Smithsonian Institution

2,3&5 - In case of Iran-US Scientific Cooperation Agreement, Smithsonian has proposed special appropriation but BOB has advised against approach to Congress. Smithsonian still believes this approach preferable because it is already relying on private sources as much as it should and that Federal Government, having generated Iran-US agreement, has prime responsibility for financing it.

Transportation, Department of

For maintaining FAA's Regional Aviation Assistance Group (RAAG), which A.I.D. will no longer fund, to provide a readily available pool of technicians from which A.I.D. and the developing countries can quickly recruit for urgent projects on a world-wide basis. Also for establishing a pool of transportation economists for use by A.I.D., international lending institutions, and developing countries for feasibility studies and planning overall transportation programs for a country or region.

Treasury, Department (IRS)

Because of risk of reducing funds for domestic responsibilities. But IRS recognizes value of exposing its personnel to unique tax administration problems in other countries.

COLUMN 3

Agriculture, Department of

Suggests central funding to cover increased obligations of Federal agencies as result of recent amendments to Federal Employees International Organization Services Act.

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Atomic Energy Commission

Additional funds, if available, would be used for: training of foreign scientists in U.S. through scientist-in-residence grants; assistance in raw materials exploration and processing; assignment of scientists to AEC national laboratories engaged in development of nuclear power and desalting; initiation of a regional training course in nuclear instrument maintenance; use of radiation for preservation of food products; promotion of use of radioisotopes in industry; provision of U.S. reactor experts; and reactivation of sister laboratory program with such countries as Korea and Philippines.

Commerce, Department of

Dr. Tribus, Assistant Secretary for Science and Technology, strongly favors program for TC/NAC but feels that (a) State, rather than individual Federal agencies, should seek necessary appropriations; (b) Federal agencies need to prepare themselves for large demand for U.S. technical services on reimbursable basis that could result from aggressive programs; and (c) U.S. should take a cost-sharing approach and bear a larger proportion of the costs of these services than through merely "topping-off."

Census Bureau - would use additional funds for follow-up services to former trainees by furnishing them with up-dated statistical materials; for expanded training opportunities by financing scholarships for participants and university faculty members from non-A.I.D. developing countries; and for intermittent short-term and longer-term advisory services to these countries on particular statistical problems. Believes there is extensive potential demand for such statistical and data-processing services in non-A.I.D. countries if available on concessional terms, i.e. topping-off. Similar problem exists with respect to assignments with international organizations.

ESSA - if funds were available, would take advantage of mutually beneficial opportunities which are continually arising for furnishing other countries with equipment or training in oceanography and many other fields.

NBS - would expand specialized training program and cover logistics costs and costs of intellectual diversion from "mission" projects that may be involved. Also for sending teams of experts on short follow-up visits to phased-out countries to maintain continuing relations. This would contribute significantly to encouraging two-way flow of personnel, providing calibration of physical standards, etc.

Patent Office - with additional resources, Patent Office would (a) establish branch of Patent Office Academy geared to training needs of developing countries; and (b) increase support of international organizations like BIRPI and UNIDO in their efforts to develop stronger industrial property systems.

Housing & Urban Development, Department of

Domestic and A.I.D.-funded program needs must take priority over technical cooperation with non-A.I.D. developing countries at this time. But HUD would consider when its available personnel exceed these demands and permit expansion of international cooperative activities.

Interior, Department of

Additional funds would be used as follows:

Bonneville Power Administration - To provide technical expertise for development of large hydro-electric power systems and high-voltage transmission, particularly in thermal power generation, and including environmental concerns; and to provide opportunities for foreign technical staff to train with BPA staff.

Bureau of Mines - To provide technical services to LDC's in establishing priorities in mineral research and development and organizing local agencies for purpose; and in minerals utilization, pre-reduction of iron-ores, ground support and rock mechanics, pollution and solid waste disposal, improvement of statistical services, and related training.

Bureau of Reclamation - To intensify kinds of overseas programs it is now carrying on; for training programs and studies to develop local institutional base for community water supply and sewerage installations; for solution of agricultural water problems; for large-scale demonstration and training projects for coordinated development of water and land resources; for regional centers, teams and short-term institutes for vocational training and for training technicians in water resources field; for teams of U.S. experts to engage in joint research with other countries on regional and international problems of water conservation and management; for helping LDC's, with new techniques, to work toward common goal of compatible surveys of their water and land resources; and for developing related basic-data networks.

Job Corps Civilian Conservation Center Program - To enable visits by foreign leaders in this field to Job Corps Centers and visits by Job Corps Center personnel to developing countries to train people to initiate similar programs in those countries.

Bureau of Commercial Fisheries - To assist in developing: fish protein concentrate systems in additional countries; fish processing and inspection technology; related training programs, including exchange of scientists, and institutes on fishery management and other disciplines needed in development of fisheries industries. There is also need to develop capability to make quick surveys of fishery resources.

National Park Service - To implement law on cooperating with other countries to preserve fish and wildlife species threatened with extinction.\* To involve U.S. expertise in development of regional tourism programs; and to exchange and disseminate U.S. and other country experience in park management.

OSW - To provide appropriate technical assistance to countries interested in developing desalting projects,

\* responsibility of Bureau of Sport Fisheries and Wildlife

USGS - To provide data on foreign mineral resources necessary to satisfy U.S. requirements; to extend domestic earth-sciences research into geologic environments not found in the U.S.; and to make U.S. scientific and technical resources available to other countries on a collaborative, rather than grant or loan basis.

Labor, Department of

For expanded use of excess foreign currencies for overseas conferences, internships with foreign labor organizations, research and translations in labor field; for increased assistance to U.S. private firms with respect to their industrial relations abroad; and for increased efforts to provide larger American presence in technical cooperation activities of ILO and other international organizations by more involvement of Labor Department expertise in design and execution of relevant multilateral projects, in monitoring and reporting on such projects, and in U.S. approval of budgets for such projects. A small fraction of the U.S. contribution to UNDP might be withheld to finance these activities. Labor believes its technical assistance corps (DOLITAC) is a unique and effective instrument and would be willing to advise other agencies that would be interested in developing similar institutions.

Transportation, Department of

If adequate financing available from another source, DOT prepared to use it instead of asking for new legislation.

Treasury, Department of (TRS)

Subject only to limitations of available manpower needed for domestic operations and U.S. policy on assisting non-A.I.D. countries.

COLUMN 4

Agriculture, Department of

Improvement of conditions of employment, including health and medical benefits, to make them comparable to those of State/A.I.D./USDA personnel, might encourage needed technicians to take overseas assignments.

Atomic Energy Commission

AEC has authority to assist in TC/NAC but lacks funds for purpose when there is no AEC program justification.

Commerce, Department of

Census Bureau - Lack of local subject-matter specialists to identify needed technical services for host country officials and to advise on how to obtain these services. Lack could be met by sending advisors on periodic (possibly annual) visits to counterpart organizations and by having experienced officer on Embassy staff in non-A.I.D. developing countries to deal with requests for technical services.

Patent Office - Lack of training programs which are (a) specifically directed to improvement of foreign patent systems under which U.S. companies must operate, e.g. present regulations restrict participation to employees of foreign governments and (b) tailored to special needs of LDC's in field of patent and trademark systems for protection of industrial property rights. Another impediment - appearance of selfish motives on part of U.S. in direct assistance programs - could be avoided by working through international organizations like BIRPI and UNIDO.

Housing & Urban Development, Department of

Personnel ceilings are even more severe restriction for HUD on TC/NAC than budgetary limitations.

Interior, Department of

Need permanent ceilings. Suggests allocation by BOB of a working "pool" of 200 ceilings that could be dedicated exclusively to this work.

National Academy of Science

Appropriate procedure should be determined for foreign government's financing travel and per diem of Federal employees in view of prohibition against their accepting funds directly.

Transportation, Department of

Besides exemptions from personnel ceilings, of reimbursable details to other countries, DOT would like authority to "top-off" salaries of U.S. technicians going to non-A.I.D. countries.

Treasury, Department of (IRS)

Competent personnel in some tax fields available, when needed, from state and municipal taxing authorities. Retired tax officials at all levels also provide source for personnel.

COLUMN 5Agriculture, Department of

USDA works closely with agri-business community to develop training programs for participants from non-A.I.D. countries and to expand these activities.

Atomic Energy Commission

Much of AEC assistance abroad is done by AEC private contractors.

Commerce, Department of

Limited uses at present but policy favors.

Census Bureau - if funds were available for TC/NAC, Bureau would recruit, as necessary or desirable, from private firms or institutions, specialists in statistics and data processing for specific overseas advisory assignments.

Patent Office - believes excess foreign currencies could enable greater use of private organizations.

Housing & Urban Development, Department of

To degree possible, HUD provides information and advisory services for private industry and non-profit organizations, and recruits from private sector for programs in both A.I.D. and non-A.I.D. developing countries. If resources become available, these services could be expanded to promote urban-oriented U.S. business abroad.

Interior, Department of

NPS and other bureaus are now making limited use of private organizations or individuals in technical cooperation with non-A.I.D. countries. They have in mind possibilities for increasing use. NPS exploring use of foundations to finance such cooperation.

Labor, Department of

Continuing long tradition of direct participation by trade union organizations in wide variety of international activities. Also expects to work more with American overseas employers and to involve various relevant professional organizations more actively.

National Academy of Sciences

NAS can play more significant role by undertaking projects on which it can be most effective because of its non-governmental character, operating either with governmental or private funds. NAS does not pay fees to member scientists drawn from universities, private firms and other organizations for particular advisory assignments; only their per diem and travel costs are covered.

National Science Foundation

Employs, as necessary, universities and other private organizations and individual consultants for research and educational projects.

Transportation, Department of

DOT provides clearinghouse service to put competent U.S. firms and individuals in contact with developing countries and development organizations needing such expertise.

Treasury, Department of (IRS)

Cooperates with private organizations. Has located retired IRS officers for employment by IESC and Ford Foundation and assisted developing country in arranging for tax study by private consultants under direct contract. Also developing regional associations of tax officials and private experts as vehicles for exchange of experience in tax administration. IESC approach has limited application because it usually provides personnel for only six months or less.

COLUMN 6Agriculture, Department of

Central focal point should not serve as locator service since non-A.I.D. countries can contact relevant agencies directly for required expertise.

Atomic Energy Commission

Sees no need for new focal point in its own field, but recognizes that other agencies may have such need.

Commerce, Department of

Census Bureau - But should not duplicate locator service available through Federal agency in particular field. Functions should also include help in negotiating technical service agreements with non-A.I.D. developing countries because they involve questions of common interest to Federal agencies involved, e.g. privileges and immunities of U.S. employees overseas.

ESSA - if focal point established, would prefer to use it on voluntary basis. Sees little advantage for it from focal point because of excellent relations it already has in many countries.

Patent Office - proposes international center for both proprietary and non-proprietary technology to maintain documents relevant to developing countries, together with advisory services on implementation.

Housing & Urban Development, Department of

Feels focal point should be State responsibility, delegated to A.I.D., and include mechanism for systematic cooperation with private sector as well as Government agencies.

Interior, Department of

Focal point should perform staff functions, including providing basic information on needed training programs to be organized and administered by responsible agencies in technical fields; working with such agencies in conceiving and developing cooperative projects; applying systems analysis and other modern techniques to development problems; assigning priorities to them; and obtaining high level guidance for technical cooperation programs.

Smithsonian Institution

So far as needs of other agencies are concerned, but focal point would have limited usefulness to Smithsonian because of its own emphasis on science rather than technology.

Transportation, Department of

Focal point should not control or manage operations.

Topping-Off

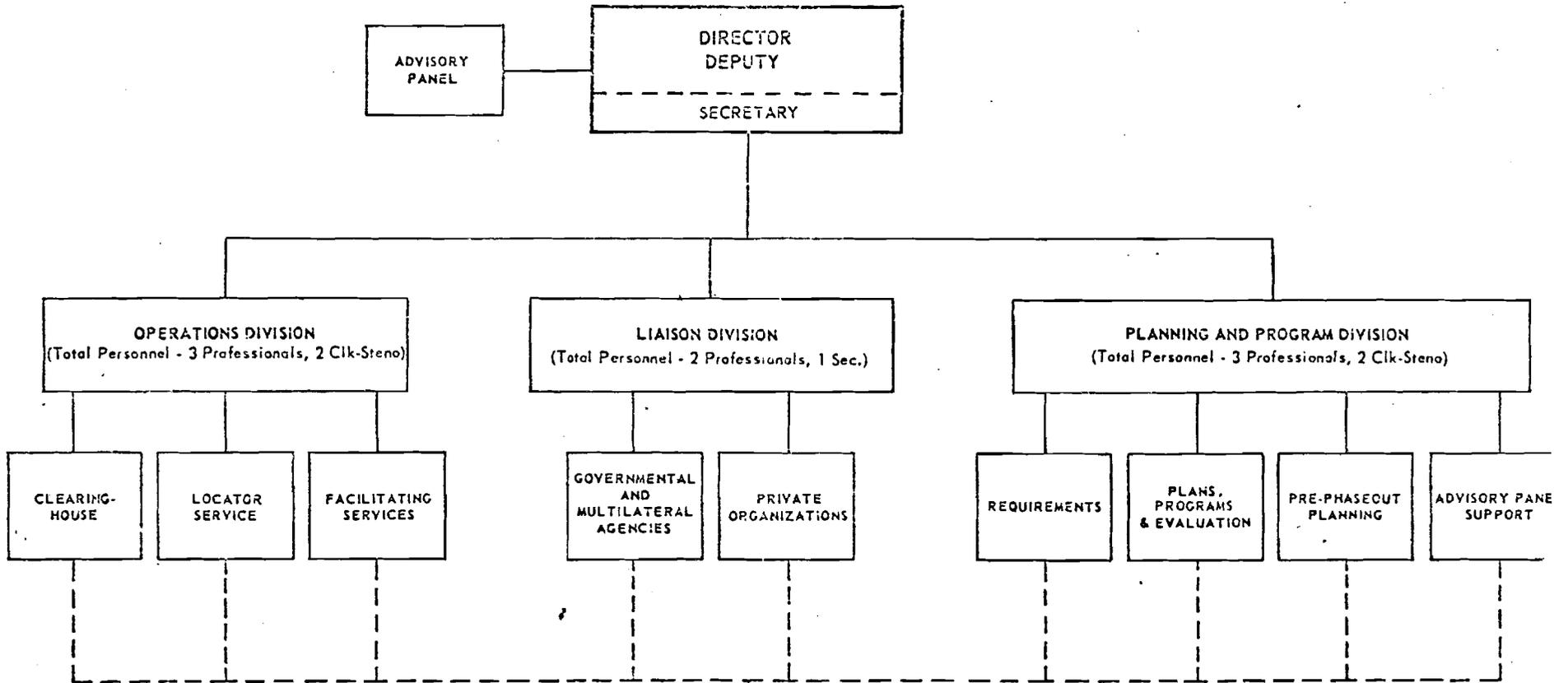
'The use of U. S. technical services by non-A. L. D. developing countries is limited by the lower costs at which these countries can obtain the services elsewhere. These countries often would prefer to hire American experts but may not do so because of the cost differential. Even when they can afford the higher U. S. level, they are frequently deterred by the possibility that the differential would make for invidious comparisons with the lower rates paid to their own officers and to advisers from other countries and thus would impair morale or prove politically embarrassing. In order to make U. S. technical services competitive in such cases, it would be necessary for the compensation of the U. S. experts to be topped off, i. e. supplemented by payment of the difference between the rate which the host country is prepared to pay and the rate which the U. S. experts would require if they are to accept the assignments. Topping-off would be used highly selectively in cases where significant U. S. commercial, political or professional benefits are expected to result. ORTS, in collaboration with the Federal agencies concerned, would establish criteria for topping-off and would take measures to insure consistency in their application.

The employment of U. S. Government personnel by international organizations has been facilitated by the recent amendment to the law relating to the rights of personnel who transfer to international organizations. This amendment now authorizes the payment:

"on reemployment\*\* and from appropriations or funds of the agency from which transferred, (of) an amount equal to the difference between the pay, allowances, post differential, and other monetary benefits paid by the international organization and the pay, allowances, post differential, and other monetary benefits paid by the agency had he been detailed to the international organization under Section 3343 of this title." (5 United States Code)

Similar authority should be provided for the transfers of employees of Federal Agencies to organizations in other friendly governments. This would greatly simplify the problem of topping-off the salaries of U. S. Government personnel when necessary.

PROPOSED TABLE OF ORGANIZATION OF OFFICE OF REIMBURSABLE TECHNICAL SERVICES (ORTS)



ORTS would perform its functions in collaboration with the Federal Agencies, which would be relied upon to take the leadership and to provide the expertise in their technical fields.

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ORTS Budget for FY - 1971

## Salaries

Director and Deputy	\$ 60,000
8 Officers	200,000
7 Secretaries steno-clerks	70,000
Staff consultation in field	50,000
Topping-off funds	350,000
Field visits by experts to review requirements	50,000
Participation - international technical conferences	50,000
Overseas consultation to arrange scientific cooperation	100,000
Supplementary financing including incentive grants -	150,000
Consultants	100,000
Total	<hr/>
	\$1,180,000