ADVISORY COMMITTEE ON TECHNICAL ASSISTANCE
(Interdepartmental)

Point Four Program in Relation to
Postwar Areas

This document has been revised in accordance with discussion
in AGDA (see M-22). It will not be placed on future AGDA agenda
unless members so request.

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Point Four Progress in Relation to Dependent Areas

Reference: ACTA D-2/2a "Geographic Scope". Conclusion to Problem V which states: "Dependent areas are eligible for technical cooperation under the Point IV Program and should be subject to the same criteria as other areas. In implementing the Program, maximum possible use should be made of ECA, also using UN agencies and other intergovernmental agencies as appropriate."

This paper sets forth the policy of the Point IV Program in relation to dependent areas.

Introduction:

The dependent areas of the world consist of the ten trust territories and more than sixty other non-self-governing territories, which are inhabited by over 200 million people. Dependent areas are, in most instances, the most underdeveloped parts of the world. Taking these territories as a whole their outstanding characteristic is that their economies are subsistence economies based on primitive agricultural methods. In addition, they are generally characterized by inadequate communications and public utilities, a general absence of skilled labor, low national income, widespread illiteracy, high death and disease rates, and inadequate social services. These territories have been, on the whole, too poor to finance extensive development and welfare programs from their own revenues, and, until recent times, it has not been the practice of metropolitan powers to place at their disposal special grants for these purposes. Adequate surveys of their resources have not, in many instances, been carried out.

Despite their limited economic development to date, some dependent areas have administrations which are exceptionally able and which are qualified to profit from and implement the advice of technical experts.

The following five policy conclusions should govern the planning of technical cooperation programs for dependent areas:

Conclusions:
Conclusions:

1. The fullest practicable use should be made of the United Nations and its specialized agencies and of the Caribbean and South Pacific Commissions.

2. Technical cooperation programs for dependent areas, whether multilateral or bilateral, must be consistent with the broad objectives of Point IV, which are the same for dependent areas and independent states; namely, cooperative development to raise the standards of living of the people. Technical cooperation programs in dependent areas must, necessarily, however, be carried out in cooperation with the metropolitan powers. Where colonial powers have formulated, and are carrying out, development plans for their territories which are consistent with Point IV objectives, technical cooperation programs, whether bilateral or multilateral, should include assistance to those powers to expand or accelerate such existing programs.

3. In formulating Point IV programs and plans for their execution, the importance of the cooperation of colonial peoples should be recognized and all possible means of obtaining such cooperation should be explored. Attention should be given to the possibility of associating representatives of colonial peoples as rapidly as possible in the formulation and execution of plans; to the potential special usefulness in some areas of the experience of qualified persons from American cultural or minority groups or from American dependent areas; and to the importance of publicity emphasizing the program as one designed primarily to benefit the people of underdeveloped areas, including dependent territories.

4. In those dependent areas where ECA has scheduled technical assistance programs, Point IV technical assistance should also be provided where practicable, since the Point IV program is a longer-term program with broader objectives in relation to dependent areas. The two programs should, of course, be coordinated so that they complement and mutually support one another.

5. Technical
5. Technical assistance to dependent areas is a field in which considerable use should be made of private organisations, since a number of these organisations have had a long and valuable experience in this field.

Discussion:

AS TO CONCLUSION 1

The maximum practicable use of the United Nations and its specialised agencies is important for the following reasons: (1) the United Nations, and particularly its specialised agencies, have already built up staffs and have projected programs, in fields where dependent areas have particular needs—health, agriculture, labor problems, and education. The ILO, in particular, has had a long experience in dealing with problems of dependent areas; (2) the use of the United Nations and its specialized agencies to the maximum possible extent would be in line with United States policy of strengthening the United Nations; (3) the use, by the United States, of the United Nations would emphasize to colonial peoples the disinterested character of the program initiated by the United States; and by demonstrating in practical terms the interest of the United States and other metropolitan powers in using the United Nations to promote development and progress in dependent areas, would assist in nullifying Soviet charges that metropolitan powers "are doing nothing" to assist dependent areas and that the United States has imperialistic designs on these areas.

The use, by the Soviet Union and its satellites, of all organs of the United Nations, but particularly the Trusteeship Council and the Special Committee and Committee A of the General Assembly, as a forum for attacks on "colonialism" and "imperialism", has become a major problem of United States foreign policy. Because these charges sometimes contain enough truth to be plausible, particularly to prejudiced listeners, they influence not only the colonial peoples but the voting of certain non-administering Members of the United Nations outside the Soviet orbit.

Caribbean and South Pacific Commissions:

When technical cooperation programs are carried out in the Caribbean and South Pacific regions, the Caribbean and South Pacific Commissions should be called upon to assist...
assist to the greatest extent possible and bilateral and UN programs should be coordinated with the present programs of these two Commissions.

The Caribbean and South Pacific Commissions are regional commissions, which make recommendations to the Member Governments on economic and social problems of regional significance affecting the dependent areas of the members in the two regions. They are not organs of the United Nations; liaison has, however, been established between the United Nations and the two Commissions. These Commissions are established organizations, with their headquarters in the areas which they serve and secretariats drawn in part from the areas. Within the limits of their small budgets they have already embarked upon modest programs in the fields of industrial development, public health and quarantine, transportation and communications, research, and exchange of technological and scientific personnel.

Although the two Commissions are primarily advisory bodies, the Caribbean Commission, when it was an Anglo-American body only, actually administered a scholastic and a general disease program; the Agreement Establishing the South Pacific Commission provides that the Commission may perform other than advisory functions by agreement of the participating governments.

Certain difficulties with respect to the use of the United Nations and the specialized agencies in this field should be anticipated by this Government. On the one hand, there is some evidence that the colonial powers themselves would prefer to deal directly with the United States through bilateral programs; and although the United Kingdom has used UN technical assistance in East and West Africa, some metropolitan powers may urge red tape and dangers of penetration of iron curtain elements as reasons for avoiding the use of the United Nations. On the other hand, some non-colonial powers within the United Nations may take the view that technical assistance provided through United Nations channels should be given directly to dependent territories and not through the metropolitan governments. As indicated in Conclusion 2 below, no assistance program
program would be effective unless the full cooperation of the metropolitan countries were assured. The United States should make every effort to avoid a situation in which controversy as to how assistance is to be extended should develop and cause delay in undertaking programs, and should emphasize to the metropolitan powers the positive advantages of use of the United Nations. These problems will not arise to the same degree with respect to the use of the Caribbean and South Pacific Commissions because of the membership of these two Commissions.

In general, the broad criteria set forth in ACTA D-15b for determining whether programs should be carried out on a multilateral or bilateral basis are applicable in the case of dependent areas.

AS TO CONCLUSION 2

Since the objectives of the Point IV program are the same for dependent areas and independent states these objectives should be kept in mind in scheduling programs for dependent areas. There can, however, be no technical cooperation programs, either bilateral or multilateral, for dependent areas under Point IV unless the metropolitan powers concerned are in sympathy with these objectives, desire such programs, request assistance, and cooperate in the formulation and execution of plans. Both the British and French governments have officially welcomed the initiative of the United States in proposing the Point IV Program; yet, in working out programs account will still need to be taken of the sensitivities and susceptibilities of the most cooperative metropolitan powers. The British have already sought technical assistance for their dependent areas both from FAO and UNESCO and from UN. All the principal metropolitan powers have formulated development and welfare plans of varying magnitude for their colonial territories. In the case of some powers such programs appear to be still in the planning stage. The British, who began a development and welfare program as early as 1940 and have gone furthest of all the colonial powers in implementing programs, have been and still are hampered, not only by the inadequacy of capital and materials but also by the lack of a sufficient number of technicians. Some of the other western European countries are probably even shorter of such personnel. Since from past experience it would appear unlikely that
that capital in large amounts will be attracted to dependent areas under Point IV, it would appear that the main contribution which can be made under the program will be in the technical cooperation field. Where colonial powers have formulated and are carrying out programs which are consistent with the broad objectives of the Point IV, technical cooperation programs, bilateral and multilateral, should include assistance to these powers in accelerating and expanding existing programs. Appendix I contains a more detailed statement of the development plans of the principal metropolitan powers.

AS TO CONCLUSION

Colonial peoples have a long heritage of suspicion of their respective metropolitan powers. Projects which owe their initiative to the United States will, to a degree, run up against the same psychological program because the highly-respected political record of the United States in the Philippines has been, to some extent, cancelled out by increasing knowledge of the American color bar, by what appear to be genuine fears of American "big business," and by the suspicion, not confined to communist circles, that colonial territories are being increasingly viewed by the United States as sources of materials, bases, and manpower for a future war with Russia. Anti-American views are held and publicized in varying degrees by a colonial intelligentsia and press, which, although small in number and circulation, has considerable influence. If the Point IV Program is to serve the long-term foreign policy interests of the United States, it is important that this Government do what it can to meet and overcome these suspicions.

The importance in this connection of the maximum possible use of the United Nations and its specialized agencies has already been stressed. It is suggested, further, that this Government give serious consideration, in cooperation with the metropolitan powers, and as appropriate with the UN and the specialized agencies, to:

1. Ways and means of associating colonial peoples in the formulation and execution of plans;

2. The use of qualified persons from American cultural or minority groups or from American dependent territories; and

3. Careful
3. Careful publicity about the program.

Colonial Peoples in the Formulation and Execution of Plans

British experience points to the conclusion that this is perhaps the most effective of all means for winning the confidence of colonials, and British experience might be used by the United States in discussions of the program with such other colonial powers as have not moved so far in this direction. The British now appear to recognize that it was a mistake to have embarked on the groundwork scheme without submitting it to the Tanganyika Legislative Council, which has four nominated African members. In October 1948 the Legislative Council of the Federation of Malaya passed a resolution to the effect that no economic project which might affect Malaya could be entered into by the British Colonial Development Corporation or the Overseas Food Corporation without the prior consent and approval of the Council. The British apparently do plan to submit the ten-year development plans being formulated under the Colonial Development and Welfare Act of 1945 to the Legislative Councils of the colonies concerned before they are finalized.

While the problem of providing for colonial participation is admittedly a difficult one, it is suggested that two possibilities be explored:

1. Emphasizing to the metropolitan governments the interest of the United States in knowing that projects to be undertaken have the approval of the people of the colonies. Where legislative bodies exist in the territories plans might be submitted by the metropolitan governments to these bodies. Of the 11 territories in Africa which are under the British Colonial Office, 6 (Nigeria, the Gold Coast, Sierra Leone, and the Gambia) either have or are about to obtain unofficial African majorities in their legislative councils. Even in territories where legislative councils are less representative, it would seem important, both to the United States
and to the Metropolitan Powers, that the latter should use what means exist for 
allaying native peoples to consider technical projects affecting 
them. The possibility of local committees
on
which colonials could be represented, to advise on

certain types of local problems arising during the

implementation of specific projects might also be

explored.

The problem of obtaining colonial participation
in the formulation of plans does not exist to the
same extent with respect to programs carried out
under the auspices of the Caribbean and South

Pacific Commissions, since each Commission has a
periodic conference attended by delegates from every
territory. The recommendations of the West Indian
Conference have played a major part in determining
the work program of the Caribbean Commission.

(2) Exploring with metropolitan governments the extent
to which, with respect to plans in specific colonies,
colonials may be used above the local level in the
execution of plans. While this can only be done
within extremely narrow limits at present in most
territories, it should be borne in mind that colonial
territories vary significantly in the number of
trained people available. The West Indian and West
African colonies have a relatively large number of
skilled persons, particularly in the health and

education fields. At present over 1700 Africans
(1272 from British West Africa) are studying in
the United Kingdom and over 500 (principally from
West Africa) in the United States. Whereas in the
past the legal profession attracted the largest num-
ber of students, the trend today is more toward the
fields of medicine, engineering, and agriculture. It
is highly important that colonials be given unam-
biguous evidence that there exists a positive desire
to use them to the limits of their capacity and to
train them to take over increasingly responsible posts.

The use
The use of Qualified Persons from American Cultural or Minority Groups or from American Dependent Territories

Qualified persons from American cultural or minority groups or from American dependent territories might serve with special usefulness in the fields of their competence in dependent areas (as well as in independent countries), since, in addition to technical qualifications equal to those of other candidates, they have special experience of the problems of similar economies, knowledge of the language, or of the psychology or cultural patterns of the peoples to be assisted. It should be noted, for example, that American Negroes have been used effectively in United States technical assistance programs overseas, and that other Caribbean territories, as well as some Latin American countries, have demonstrated considerable interest in Puerto Rican development programs. Moreover, officials of the Puerto Rican Government have stressed Puerto Rican interest in being on the "giving" end of the technical assistance program. It is conceivable that Puerto Rican experience in industrialisation, power development, education, technical training, land utilization, etc. might be of particular relevance to the development of other dependent territories because it demonstrates what can be achieved in such territories on a relatively small scale and with relatively limited resources when a spirit of "self-help" is present. The use of qualified Puerto Ricans in the program thus might have an excellent psychological effect on other dependent peoples, as well as on the Puerto Ricans themselves, and, by emphasizing the high level of Puerto Rican advancement and the readiness of the United States to use its own dependent peoples in positions of responsibility, would have considerable public relations value for the United States.

Careful Publicity with Respect to the Program

The importance of careful publicity and public relations with respect to the program can hardly be over-estimated, and utterances of spokesmen of the United States, as the initiator of Point IV will be read with particular care. Among the points to be emphasized would appear to be the following: the central emphasis of the Point IV Program is the progress and development of underdeveloped areas, including colonial areas.
colonial areas (Care should, however, be taken not to accentuate false hopes by magnifying unduly the scope or immediate effects of Point IV); that projects will not be imposed from the outside but will, as far as possible, be formulated and executed in cooperation with the colonial peoples themselves; that colonial staff will be used as far as possible; that a principal objective of the program is to train colonial people to take over and continue projects begun under the program; that it is expected that the United Nations and its specialized agencies will be an important vehicle in administering programs under Point IV. Maximum publicity should be given to specific steps taken to associate colonial people in the program and to appointments of colonials to posts of some significance and responsibility. The extent to which the Point IV Program is related to political and strategic objectives of the United States should be played down, as well as the extent to which the program may further indirectly the economic recovery of Western Europe.

AS TO CONCLUSION 4

This conclusion is reached in view of the differences between the HCA and Point IV technical assistance programs as set forth in paragraphs 1 and 2 of A/C.33/9, reading as follows:

1. For the most part rehabilitation and recovery programs are aimed at assisting a country to restore or attain a viable economy by means of a temporary financing of imports, the creation of conditions of financial stability, the better use of existing resources, and the development of new sources of wealth. The Point Four program is not so much aimed at helping a country again to achieve a viable economy as at a basic improvement in economic well-being through an expansion of capital and the improvement in the use of technical knowledge.

2. The programs contemplated by HCA are primarily designed to assist in the attainment of European recovery within the relatively near future, whether this means improving the production and marketing of goods in a more
highly developed area, or (as in the case of dependent areas) economic development to bring into the recovery picture increased resources. Thus, for example, long range programs related solely to social welfare or the internal development of dependent areas will generally not be undertaken by ECA.

AS TO CONCLUSION 5

Private United States agencies, particularly non-profit agencies such as the various foreign mission organizations, the Phelps-Stokes Fund, the Rockefeller Foundation, and the Carnegie Corporation, have made significant contributions over a long period of years in the fields of education, health, and agriculture in dependent areas (ACTA D-25/2). There are a number of ways in which such private groups could participate in and help the Point IV programs: by furnishing advisory services; by participating in or lending personnel for specific projects. In some cases direct or indirect assistance might be given to them to expand their own programs, although the willingness of some private groups to accept United States Government assistance might prove to be a limiting factor.
APPENDIX I

Colonial Welfare and Development Plans of the Major Colonial Powers

British Plans—Current programs of the British in the colonial development and welfare field are carried out (a) under the Colonial Development and Welfare Act of 1943, which superseded the earlier act of 1940 and which provides financial assistance to the British Colonies from the United Kingdom Exchequer of £120,000,000 for the ten-year period ending in 1956, including £10,000,000 in free grants for research; (b) under the Colonial Development Corporation, which may borrow up to £110,000,000 from the Colonial Secretary for the purpose of carrying out colonial development projects; and (c) under the Overseas Food Corporation, which has borrowing powers of £55,000,000 and may initiate projects both in colonial territories and elsewhere in the Commonwealth.

With the passage of the 1945 Colonial Development and Welfare Act, all the individual colonies and, in some cases, groups of colonies were given estimates of the amount they could expect to receive from United Kingdom funds under the Act and were asked to formulate ten-year development plans, drawing on these expected grants, loans raised by the colonial governments themselves, and their own revenue. By May 1949, the ten-year plans of 21 colonial governments had been approved; these involved a total expenditure of £199,000,000, of which about £64,000,000 would be contributed from the Central 1945 Fund, £64,000,000 from colonial loans, and £71,000,000 from colonial revenues and resources. An analysis of the plans approved by June 1948 reveals that 21% of the total is earmarked for economic development, 17% for basic services such as communications and 46% for social services.

The fact that the largest proportion of the Colonial Development and Welfare funds has been earmarked for, or spent on, social services (education, health, etc.) rather than on development projects, coupled with the obvious fact that the British need to expand production of materials which will save or earn dollars, has given rise to the establishment of the two development corporations mentioned above. It is the second of these—the Overseas Food Corporation—which is managing the East African groundnut project.

French Plans—Much less information is available on French plans and the extent to which they have been implemented. It is known that an office of Scientific Colonial Research was established in the France Overseas Ministry in 1942 and that its 1949 budget is 25 million francs, part of which comes from the budget of the France Overseas Ministry and part
part from the budget of the overseas territories. This agency has
the function of coordinating scientific research in fields of par-
ticular interest to overseas territories and of training scientific
research workers for aid in their territories. In addition, the
Fonds d'investissement pour le développement économique et social des
territoires d'outre-mer (FIDES) was set up in 1946 to provide funds
for colonial economic and social development. These funds come
from both the metropolitan Governments and the colonial territories, the
contribution from each being fixed annually. A Central Finance
Office of France Overseas—an autonomous public organisation under
the Ministry of France Overseas—has, since February 1946, provided
credits for the colonies. Finally, a Modernisation and Equipment
Plan for the French Overseas Territories has been formulated.
French estimates for the year 1948-49 call for the expenditure of
77 billion francs including 12 billion francs private investment.

Belgian Plans—In 1947, the Belgian Minister of Colonies
initiated studies to serve as the basis for a ten-year plan of
development for the Belgian Congo and Ruanda-Urundi and established
a Secretariat of the Ten-Year Plan in Brussels and a study group in
Leopoldville, Belgian Congo, composed of officials and presided over
by the Governor-General, to prepare such studies. These studies,
which cover such diverse fields as manpower, agriculture, the native
economy, private industry, forestry, mining, and power are reportedly
focused on two principal objectives: the achievement by private
industry of a better balanced and more diversified industrial develop-
ment of the Congo, and thus a larger degree of self-sufficiency;
through the improvement of scientific and communication facilities
available to industry; the development of a more prosperous and
efficient native population, particularly through the improvement of
agricultural methods and facilities for marketing native produce.

Details of plans formulated on the basis of these studies are
not yet available but a preliminary and informal estimate places the
possible costs of the most immediately desirable projects at 40 billion
Belgian Congo francs or approximately $2.7 million dollars.

Dutch Plans—The Dutch have formulated plans for the rehabilitation
of Indonesia, but their implementation has been delayed by the political
upheavals there.