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UNITED STATES' TECHNICAL, ECONOMIC, AND MILITARY
ASSISTANCE TO LEBANON

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U.S. ASSISTANCE TO LEBANON

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PREFACE

When one first encounters Lebanon, the beauty of the land is paramount. But when walking throughout this beautiful land to see how it is being developed, beauty recedes and the thoughts of the Lebanese people emerge. Development projects afforded by American aid caught my attention early in my residence here. Also, because I was a part of the American Embassy community, I was given the opportunity to speak to those people who are responsible for assuring that United States aid programs are being out.

When discussing development with United States' personnel in Lebanon and the Lebanese people, I began to wonder if this aid is being suitably granted and applied. The answer to this pensive thought is this thesis. For in this work, I have attempted to explain the aid programs and how they have been misused, stressing the political aspect of both the Lebanese and American Governments.

The present crises in Lebanon has prevented me from obtaining information regarding the amount of military equipment now being granted to the Lebanese Government. Some rumors refer to three million dollars worth of equipment; others, more. Then, too, rumors state that the American Government is intending to reimburse Lebanese industrialists who have lost so much because of the crisis. These are rumors and cannot be verified. Therefore, through necessity, I was impelled to end the time element of my work on May 6, 1958, the eve of the outbreak of civil disturbances.

Credit is not mine alone. For without the guidance of Professor Nabih Faris, who helped me subjectively, and Mr. Iliya Harik, who acted as my lips and ears throughout the countryside, this work could not have been undertaken. I acknowledge my gratitude to these two gentlemen.

William Edward Hazen

ABSTRACT

The purpose of this thesis is to present to the reader aid which the United States Government has given to Lebanon, showing how such aid has been delayed, then granted, criticized, misused and politically channeled.

I began with a discussion of what kinds of aid the United States has offered to Lebanon, showing how these kinds of aid were generated from the need to help underdeveloped nations such as Lebanon, in order to stem the tide of international communism. By showing a background picture of the necessity for aid, I attempted to instill in the reader the idea for the necessity of these aid programs.

I then delved into the aid programs that pertained to Lebanon, listing the Point Four services, economic grants, and military equipment prior to the present crisis. Factual in scope, it should afford the reader a concise summarization of what Lebanon has received from the United States Government.

Because United States aid has been criticized by the United States' Congress, the Lebanese Government, the Lebanese people, and United States employees in Lebanon, I have quoted certain of these criticisms and have analyzed the aid programs as to why there are short-comings. To do this, I stressed the political implications of granting aid to underdeveloped countries, using the struggle of the two world blocs as a base.

Using also the premise that something is wrong with the aid programs as they are presented today, I have listed certain recommendations which, if incorporated by both governments, will cause greater harmony between the two states and greater stability to Lebanon.

Because of the present crisis in Lebanon, the Eisenhower Doctrine has become a prominent factor with regards to aid now being sent to Lebanon and also, with regards to the United States' troops now stationed in the country. It was necessary to include the said mentioned doctrine in this thesis. It is a new type of aid grant, perhaps a transitional doctrine leading to more "stringless" aid or to greater emphasis on assuring the stability of an underdeveloped nation. It is also a doctrine which, if interpreted correctly, will afford the small nations a chance of accepting aid from the West without breaking their neutrality between the two blocs. For this doctrine will help defend a nation against internal and external subversion, at the same time, afford the nation to receive aid from other sources, aid so necessary for development.

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CHAPTER I

CONCEPTION OF AID PROGRAMS

Need for Aid Programs

The United States Government received a very shocking blow to its prestige and policy when Czechoslovakia capitulated to communism. World War II had left Europe a nightmare from which the United States wanted to withdraw. The cry for servicemen to return was loud and demanding. Let Europe solve its own difficulties. Behind an ocean barrier, with the supremacy of world trade, a sense of false security was built.

With the fall of Czechoslovakia to communism, and the continuance of Soviet troops in the country, the delusionary peace existing in the eyes of the American government towards the Soviet Union collapsed. The iron curtain had fallen. Previous to this, Great Britain, feeling the severe strain on her economy and military power, had felt it necessary to withdraw her troops from Greece. Turkey, a neutral nation throughout most of the war found herself in the precarious position of having no protective force; only an outmoded army that could be counted upon only for its fanaticism. Soviet forces were stationed on the Turkish border. And in Greece the communist guerilla bands were pushing rapidly towards the capitol, with the weakened Greek army falling before its growing strength. Only immediate action could save these two nations from falling behind the Iron Curtain. The United States acted and sent military aid to these two states, thus

halting the southern European expansion of Russia.¹

What was more horrifying though, was the fact that France and Italy now felt the communist might in their own lands. The communist parties in those two countries had gained rapidly in strength since the ending of the war in 1945. The people, farmers and day laborers especially, looked around them at the hopeless ruin that was their home, the meager subsistence that was their daily bread, and listened with searching ears to the talk of equality, enough bread, and a decent home for themselves and their families. If the communist party was elected to power in the post-war elections, this state of plenty would ripen into a reality.

Stopping the spread of Soviet might and communism became the frenzied policy of the United States. Europe must be saved from certain slavery. George Marshall, then Secretary of State, came up with the answer when he proposed a recovery plan for Europe, granting aid to rebuild the war torn countries that would form the front line bastion against Soviet communist might. The European recovery plan was the outcome of his proposals. Discussing his plan, Secretary Marshall stated: "It is logical that the United States should do whatever it is able to do to assist in the return of normal economic health in the world, without which there can be no political stability and no assured peace. Our policy is directed not against any country or doctrine but against hunger, poverty, desperation, and chaos. Its purpose should be the revival of a working

¹Commager, H.S., Documents of American History, Appleton-Century-Crofts, Inc., N.Y., 1949, Fifth Edition, p. 722.

economy in the world so as to permit the emergence of political and social conditions in which free institutions can exist. Such assistance...must not be on a piecemeal basis as various crises develop."²

His policy, although stating otherwise, was directed to stop Soviet communism from conquering friendly nations, nations with which the United States enjoys most of her trading. Yet, the program was limited to Europe only. The policy makers in Washington D.C. had not seen the danger to the backward nations, the Underdeveloped nations, the colonies and former colonies of those war-weakened European states who desperately need aid to keep from submerging under the communist tide. Great Britain and France were unable to cope with their spheres of interests. Exploitation and market domination had forced these underdeveloped lands to be completely dependant on their rulers or former rulers. The subsistence level of the people was not conducive to an expanding economy. And the dominating powers were being forced to retrench to save themselves.

What was left in these areas were poverty, a fluctuating economy based on European demand (which was very small at this time), and an intensified hatred against imperialism. The inexperienced government systems, a fault of the retreating colonial powers, proved faulty to cope with the demands of the hungry, poor, and dejected subjects. These areas were ripe for propaganda, a propaganda designed to undermine a patriotic feeling for the incumbent governments, a propaganda promising

²U.S. Department of State Bulletin, Vol.16, April-June, 1947, p. 1159.

food and homes and equality, a propaganda denouncing imperialism and those who wielded it. Disguising its own imperialist designs, Soviet communism surged to power on the emotions of nationalism.

The United States found itself beleaguered from all sides for help, help to stop the democratic governments from collapsing under communism. The two great world powers, once allies, now found themselves enemies, facing each other across the war-torn and backward nations -- the one defending democracy; the other spreading communism. The United States was the only nation to succor democracy since the other bastions of the free world were threatened with a limitation to their democracy. A counter-propaganda? No, since more than propaganda was needed to preserve democracy. A plan and a policy were needed immediately - the American counterpart to communist ideology. Military aid to Greece and Turkey and the Marshall Plan, incorporated into The European Recovery Plan, was the immediate salvation for Europe. The winning of elections in France and Italy by progovernmentist factions was due mainly to an intensified United States propaganda and much more: food, machinery, and funds, which poured into the two countries. Unfortunately, areas such as the Middle East were left to fend for themselves. Because of the distance between the Soviet Union and these underdeveloped areas, the danger was not initially prevalent.

Aside from granting funds, how could the United States help to build up stable political systems, expanding economies, and efficient military forces in the underdeveloped areas? In Europe, the technical

know-how was present. In these underdeveloped areas, there was no one, or very few, who were able to guide their country towards development. Then, too, facilities were lacking. To cope with the situation, the United States formulated another program, one based on technical assistance, "The Point Four Program". Before discussing "the Point Four Program" which has been so instrumental in the development of underdeveloped nations, including Lebanon, one must envisage the past policies of the United States with regards to aid programs, in order place Point Four aid, and the programs following the Point Four program in their correct perspectives.

Materialization of Aid Programs

Governmental aid policies and their criticisms. The evolution of the aid programs in United States Governmental Policy is a result of World War I. During the conflict, the United States granted monetary funds to her allies, but in the form of loans. But because of the depression of 1929 and the eruption of a world war in 1939, the remainder of the war loans were cancelled. Only Finland fulfilled her war debt to the United States.

On May 19, 1926, we find the first official United States Government offer of technical assistance to other countries. Military and regional in scope, "The President...is...authorized, upon application from foreign governments concerned to detail officers and enlisted men of the United States Army, Navy and Marine Corps to assist governments of the Republics

of North America, Central America, and South America and the Caribbean Republics in military and naval matters."³ This act was later extended in May 1938 to any American Republic, the Philippine Islands, and Liberia, and was to include scientific, technical and professional aid. The law was amended to provide better administrative procedures and to improve financial arrangements, especially pertaining to financial reimbursement by an advance of funds from the aid receiving country to the United States in order to cover part or all costs of the assistance missions.⁴

At the outbreak of war in Europe, the President, meeting with England's Prime Minister, established a form of aid, entitled "Lend Lease", where the United States would provide equipment into the hands of her allies for the duration of the war. Supplies and materials were also provided. Repayment was not expected. Without this life-line flow to Europe and Asia, England and Russia, undoubtedly, would have been forced to capitulate as France had done. With the entrance of the United States into the war in 1941, the rate of supplies to her allies was increased.

With the conclusion of the war, the United States attempted to settle once more behind her ocean barriers. But the crises in Greece and Turkey forced the United States Government policy makers to realize that the United States was the only nation to maintain the democratic independence of the European states endangered by Soviet and International Communism.

³Mack, Robert T., Jr., Raising the World's Standard of Living, Citadel Press, N.Y., 1953, p. 146.

⁴Ibid., p. 147.

The aid, purely military, was extended March 12, 1947.⁵

Marchall's plan for European recovery, in order to prevent those states not under Soviet domination from falling under Russian might, was incorporated in "The European Recovery Plan" of February, 1948.⁶ This non-military program was the cause for the rapid recovery of Europe from its prostrate position. It prevented the communists from gaining superiority in the elections in France and Italy. It also afforded the United States with the sought after markets, so much a part of American Policy.

Military matters were once more excluded in the act of 1948. "The United States Information and Education Act," emphasizing the role of the United States to the United Nations programs.⁷ Scholarships were now available for foreign students in the United States and for American students to study abroad.

The Economic Cooperation Administration established in 1948, had the overall responsibility of aid granted to all foreign nations. "The European Recovery Plan" was a part of this agency.⁸

Defense and military matters came to the fore again in 1949 with "The Mutual Defense Act." The Mutual Defense Act was the legislation that President Truman asked for authorizing United States military aid to North Atlantic Treaty Organization members as well as for other friendly states

⁵Commager, H.S., Documents of American History, Appleton-Century-Crofts, Inc., N.Y., 1949, Fifth Edition, p. 722.

⁶Keessing's Contemporary Archives, 1946-1948, Vol.6, p. 9251.

⁷Mack, Robert T., Jr., Raising the World's Standard of Living, Citadel Press, N.Y., 1953, p. 152.

⁸Keessing's Contemporary Archives, 1946-1948, Vol.6, p. 9249.

in the Mediterranean and Far East.⁹

The mutual defense pacts began with the Organization of American States, and continued with the North Atlantic Treaty Organization in 1949, South Eastern Asian Treaty Organization in 1954, and partial participation in the Baghdad Pact in 1955.¹⁰

The Mutual Security Agency took over the function of the Economic Cooperation Agency on January 1, 1952. "The European Recovery Plan" had terminated one day before. In this agency, the emphasis was strictly military, rearmament rather than economic recovery. The bill was designed to develop and administer aid programs "to sustain and increase military effort, including production, equipment and material in each country or groups which receive United States military assistance, providing such equipment, materials, commodities, services, financial or other assistance as might be necessary for carrying out mutual defense programs; and providing limited economic assistance to foreign countries for which the United States had responsibility as a result of participation in joint control arrangements."¹¹

Technical Cooperation Assistance and Inter-American Affairs were the only aid programs left separate. All other separate foreign aid programs were terminated after June 30, 1952.

⁹Keesing's Contemporary Archives, 1948-1950, Vol.7, p. 10446.

¹⁰Keesing's Contemporary Archives, 1955-1956, Vol.10, p. 14565.

¹¹Keesing's Contemporary Archives, 1950-1952, Vol.8, p. 11835.

June 1953 saw the combining of all foreign aid programs under one heading, the Foreign Operations Administration.¹² The technical cooperation administration was abolished. This combining of the aid programs proved to be ineffective. In 1955, the Foreign Operations Administration was abolished, and the Point Four Missions were organized again under a separate agency, the International Cooperation Agency. Defense matters were authorized through the Defense Department by the Mutual Security Act.

The latest type of official aid program was put forward in the "Eisenhower Doctrine", although the funds under which the Doctrine would be applied, came from the Mutual Security Program and had already been allocated under the heading of "Special Assistance, Particular Needs and Emergencies."¹³

Although there are at present four different types of aid programs, all are listed under the Mutual Security Program: defense assistance, economic development assistance, technical assistance, and special assistance. The different programs are under the responsibility of corresponding departments in the United States Government or a combination of Departments. Defense pertains to the Department of Defense, Technical assistance, although regulated through the Department of State, uses the cooperation of other Departments. The same applies to the economic development assistance. The President is authorized to dispense with emergency funds, such as by

¹²Keesing's Contemporary Archives, 1952-1954, Vol.9, p. 13115.

¹³Keesing's Contemporary Archives, 1957-1958, Vol.11, p. 15417.

"The Eisenhower Doctrine," administration is by the Executive and all the Departments.

Reviewing these policies, we find that they are not constant but dictated according to world situations. Emphasis has changed many times, whether through war, peace, or world tension. Immediately following World War II, there was a false peace, a lull from world tension, shattered by the Czechoslovakian coup and the Greek and Turkish crises. The policy of the United States was one based on monetary panic. There was no formulated policy to cover these problems.

The policy of "Containment of Russia" meant a build-up in Western Europe of military forces. The Korean War caused the mobilization of United States armed forces. This peak of military defense supremacy gradually diminished, so that by 1955, The Department of State Bulletin, August 15th, had printed an article entitled "Major Shifts in Program Emphasis", whereby the author states that authors of the mutual security program "recognition that while military strength has been and remains essential for free world security, economic growth and social progress of the peoples and nations are the fundamental positive requirements for preservation of individual and national liberties and for strengthening of the community of interest in a free world."¹⁴

The major shifts are:

1. From the building of military defense to aiming at the creation of an economic base capable of both supporting necessary defense efforts

¹⁴Department of State Bulletin, July-September, 1955, Vol.33, p. 265

and also of yielding a growing measure of economic progress and advance in human dignity and well-being;

2. From Europe to less developed areas of the world. (Statistics show that in the last years aid to Europe has dropped from 68% to 5%).¹⁵

3. A reassessment of a military program with a view to accelerating actual operations and adjusting its scope and emphasis to priorities resulting from urgencies in external threats and the economic capacity of the country concerned.

4. A suspension of all economic aid to Western European "Marshall Plan" countries;

5. A change in the technical program from a program concerned mainly with the elementary problems of health, education and agriculture to a strong instrument for meeting a wide range of problems involved in achieving economic progress by democratic means;

6. A recognition of increased capital investments since technical assistance alone cannot assure a fast enough rate of progress which the world's urgencies demand;

7. The use of funds derived from the sale of United States surplus agricultural commodities, in order to meet capital deficiencies;

8. The emphasis on economic assistance on a repayment basis;

9. The outdated trade policies and the administration of such;

10. A new attention to the need for basic economic, social and

¹⁵Department of State Bulletin, July-September, 1955, Vol.33, p. 266.

equitable showing of benefits of economic progress and to a fuller realization of the rights of the individual;

11. The Mutual Security Program can be a vehicle for developing closer personal ties between the United States and other countries; and

12. The long-term nature of the program.¹⁶

With the present crisis in the Middle East, the emphasis is once more on mobilization and defense. The sixty plus percent of the budget which is being spent for defense measures is showing the tax payer that technical services to obtain a lasting peace are much less expensive and more concrete than the building of weapons to achieve the same goal.

The subject of foreign aid has become one of the primary battle cries in recent years. Every year, the program has been increasing in size of funds. And every year, the hue and cry goes forth among the politicians, some sponsoring, some against foreign aid. Newspapers and writers elaborate on this controversial subject. Yet the majority of the public, which must pay for the appropriations has resigned itself to the fact that foreign aid is here to stay. In a poll taken in 1957 for an article to be published in The Foreign Policy Bulletin, April 15, 1957, the writer, Neal Standford, found that 64% of all persons whom he interviewed think that foreign aid helps the United States and should be continued.¹⁷

Howard Fowler, writing in The New York Times, April 3, 1956, stated

¹⁶Ibid., p. 268.

¹⁷Foreign Policy Bulletin, April 15, 1957, Vol.36, p. 115.

that the American public is more sympathetic to foreign aid and at a higher rate than Congress deems so.¹⁸

The government politicians, though, disagree violently on the subject. There are the extremes, such as Harold Stassen, who said that technical assistance should be permanent,¹⁹ to Senator Ellender, who said that the government should discontinue all foreign aid. "The United States budget won't stand the strain".²⁰ Senator George Malone stated: "I call foreign aid 'Operation R'athole',"²¹ and said that the United States should abolish the whole Foreign Aid Program and invest the money in construction of military aircraft in the United States. Continuing on this same line, his opinion was that without foreign aid, the government deficit would not exist and there would be a \$ 20 deduction of taxes for every American taxpayer. Aid has built up industries in foreign countries with low wage scales to compete against local markets. "Foreign aid is a one-way street, all out-go."²²

Charles Malik, on the other hand, has been reported as saying, "...concerning the whole underdeveloped world, nothing short of a gigantic 'Marshall Plan' is adequate."²³ He goes on to say that underdeveloped

¹⁸New York Times Magazine, April 3, 1956.

¹⁹New York Times, (microfilm edition), September 26, 1954.

²⁰London Times, (microfilm), August 27, 1953.

²¹Foreign Policy Bulletin, Vol.34, No.45, April 15, 1955, p. 3.

²²Ibid.

²³Bulletin of Atomic Scientists, Vol.10, March, 1954, p. 93.

people require the hand of fellowship for three reasons: 1. "Man by his nature cannot be happy without participating in some universal fellowship. 2. These people have one hand of fellowship constantly extended to them, the hand of communism. 3. It can be shown that there will always be people who are relatively less developed."²⁴

The majority of the pros and cons of foreign aid do not argue over whether there should be permanent foreign aid or there should be no foreign aid. Disagreement rises over how much and what type of program. Vice President Nixon, Paul Hoffman (Marshall Plan Administrator), Harold Stassen, (Former Foreign Operations Administration head), and Nelson Rockefeller, (one of President Eisenhower's advisors), are for an increased aid program; whereas Herbert Hoover, Jr., (Under-Secretary of State), Rowland Hughes (Director of the Budget Bureau), and George Humphrey (Secretary of the Treasury) are against a large economic assistance program.²⁵ Incidentally, President Eisenhower favors a long-term aid program.²⁶

Mr. William Stringer, Chief of the Washington News Bureau of the Christian Science Monitor, summed up in an article for the Foreign Policy Bulletin, December 15, 1955, in which he listed the pros and cons of increased foreign aid. Under the "pro" column, he avowed that:

1. "Soviet projects already visible represent merely the start

²⁴Ibid.

²⁵U.S. News & World Report, Vol.39, December 30, 1955, p. 73.

²⁶New Republic, Vol.134, No.22, May 28, 1956, p. 5.

of a long-term Moscow scheme to outbid the United States for the title of economic benefactor;

2. "The United States should welcome Soviet economic competition - we can show our superior machines and know-all;

3. "An increased aid program is necessary to safeguard the West's most important military and economic bastions (including oil and bases in the Middle East).

4. "Without economic assistance, hunger and poverty will increase, and the communists are waiting to exploit the situation;

5. "There is the need to play-up the program as it did "The Marshall Aid" - not play it down and pray for its early demise;

6. "As native living standards improve, so do prospects for selling American goods abroad."²⁷

Arguments which he chose as representative of the "con" faction are as follows:

1. The political tussle - Congressmen could lose votes if they favor increased aid when their opponents cry for a tax cut;

2. The advocates of a balanced budget oppose any rise in taxes;

3. The largesses bestowed by the United States is merely building up a host of ingrates, (for example, India).

4. Some foreigners regard Uncle Sam as "Uncle Sugar";

²⁷Foreign Policy Bulletin, Vol.35, No.7, December 15, 1955, p. 53.

²⁸Ibid.

5. Supporting allies with colonial problems is a very bad risk;

6. Foreign investment can take the place of foreign aid;

7. Foreign bases and allies will become obsolete by long-range bombers and atomic warfare.²⁸ Furthermore, critics claim that loans should be fostered instead of outright grants and that tariff and trade policies should be the bases for foreign programs.²⁹ A favorable tariff climate on the part of both countries will increase trade and bring to both countries an increase in wealth. (They overlook the fact that to trade, a nation must initially have a plentiful product or sufficient funds in order to purchase products from abroad).

Other writers against increased foreign aid programs state that the Government has failed to present a clear picture of the program to the public and that the approach of the program is negative.³⁰ One of the greatest deterrants to an increased and positive foreign aid program is the restriction placed on a country accepting such aid. Restrictions have in the past prohibited aid to any country not observing American trade restriction against Russia and Red China.³¹ Also, aid was prohibited to any country that did not adequately support United Nations' action in Korea.³² These and other such restrictions by Congress has led to an

²⁹Foreign Policy Bulletin, Vol.36, No.19, June 15, 1957, p. 147.
Harpers, Vol.214, February, 1957, p. 72.

³⁰New Republic, Vol.134, No.12, March 19, 1956, p. 3.

³¹Yale Review, Vol.44, December, 1954, No.2, p. 202.

³²Ibid.

unpalatable aid program or one which is resented. The negative approach is entirely wrong. Vice President Nixon has stated that with strings, the Foreign Aid Program will drive nations from us.³³ This is exactly opposite to what is desired by our Government.

Controversy continues over the Foreign Aid Program. In fact it seems eternal. Party politics have been at the root of much of the dissension. Only through complete bipartisanism will this "pot-shotting" be abated. In times of war, a congressional and governmental united front appears. Unfortunately for the aid program, war is not perennial.

The Point Four Program. "In the coming years our program for peace and freedom will emphasize four major courses of action:

"We will continue to give unfaltering support to the United Nations.

"We will continue our program for world economic recovery.

"We will strengthen freedom-loving nations against the dangers of aggression.

"We must embark on a bold new program for making the benefits of our scientific advances and industrial progress available for the improvement and growth of under developed areas. More than half, the people of the world are living in conditions approaching misery.... For the first time in history, humanity possesses the knowledge and skill to relieve the suffering of these people. The United States of America is pre-eminent among the nations in the development of industrial and scientific

³³Current History, Vol.31, p.214, October, 1956.

techniques.... The material resources...are limited. But our imponderable resources in technical knowledge are constantly growing and are inexhaustible. I believe we should make available to peace loving peoples the benefits of our knowledge in order to help them realize their aspirations for a better life. And in cooperation with other nations we should foster capital investments in areas needing development. Our aim should be to help the free people of the world, through their own efforts, to produce more food, more clothing, more materials for housing, more mechanical power to lighten their burdens. We invite other countries to pool their technological resources in this undertaking. This should be a cooperative enterprise. With the cooperation of business, private capital, agriculture, and labor in this country (the United States), this program can greatly increase industrial activity in other nations and raise...their standards of living.... We envisage a program of development based on concepts of democratic fair dealing.... Experience shows that our commerce with other countries expands as they progress industrially and economically."³⁴

The words above, spoken on January 20, 1949, paved the way for a "bold new program", one which was to cover every corner of the globe. Late that same month, the President pressed into service the Interdepartmental Commission on Science and Cultural Cooperation, a commission established as far back as 1938.³⁵ At the assistant Secretarial level, there

³⁴Keessing's Contemporary Archives, President Truman's Inaugural Address, Vol.7, 1948-1950, p. 9761.

³⁵Mack, Robert T., Jr., Raising the World's Standard of Living, Citadel Press, N.Y., 1953, p. 164.

was formed an Advisory Council on Technical Assistance, with the prescribed task of gathering necessary information. At the Secretarial level was formed the Projects Sections of the Office of Technical Cooperation and Development in the State Department, whose specific task was to plan and stage advisable projects. The Project Section became the Technical Cooperation Administration, established by Congress in 1950.

For over one year, Congress and the nation debated the proposed program. The supporters of President Truman managed to find a sufficient number of votes to pass the bill, and on July 5, 1950, the President signed Public Law 535, whereby the President is overall responsible to provide general coordination of all activities of a socio-economic development aid program, including non-Government and non-United States activities as well as those of the many interested organs of the United States and countries requesting and receiving socio-economic development aid under the provision of this law.³⁶

In order to be inaugurated, twenty-one bilateral agreements embodying the general commitments required had to be legislated. As of June 1, 1951, twenty-six countries and two United Nations Trusteeship Territories had signed bilateral agreements under Public Law 535.

The President in order "to carry out program of technical cooperation designed to enable the people of requesting countries to make better use of their own resources by their own efforts,"³⁷ set up the

³⁶ Mack, Robert, T., Jr., Raising the World's Standard of Living, Citadel Press, N.Y., 1953, p. 165.

³⁷ Point Four in Lebanon, Catholic Press, Beirut, Lebanon, p. 7.

Technical Cooperation Administration in September, 1950, with the Secretary of State responsible for the overall coordination of all "Point Four" activities. This office was to function by three agreements:³⁸

1. A general agreement embodying the principles of cooperation and responsibility of each requesting government.
2. A program agreement specifying each government's contribution; and
3. A project agreement describing projects to be undertaken in detail.

An administrator was appointed to head the Technical Cooperation Administration, responsible directly to the Secretary of State. In turn, the office was divided into two offices, the Programming and Projects Branch and the Policy and Economic Analysis Branch. The missions sent abroad were attached to the Embassies or Legations in the various requesting countries.

The greatest difficulty this office had to overcome was that of sufficient coordination among all the various groups concerned and with the foreign governments and missions sent abroad, in all, seven areas of coordination:³⁹

1. Division of the spheres of operation between the Economic Cooperation Administration and the Technical Cooperation Administration;

³⁸Ibid.

³⁹Mack, Robert T., Jr., Raising the World's Standard of Living, Citadel Press, N.Y., 1953, p. 167.

2. A general policy coordination body, the Interdepartmental Advisory Council on Technical Cooperation, where all interested government agencies are represented.⁴⁰

3. A financial power of coordination by the control of basic fund allocations in the hands of the Department of State;

⁴⁰Department of Agriculture on agriculture extension and demonstration, farm tools and machinery, plant industry, animal husbandry, insect and plant disease control, forestry, marketing, cooperatives and soil conservation;

Department of Interior on geological surveying, mining, metallurgy, multiple purpose water development, fish development and public-land management;

Department of Commerce on census and statistical procedures, statistical research, information on foreign economic development, opportunities for American business, foreign investment research, coast and geodetic surveying, weather standardization of laboratory testing, tidal and magnetic observation, civil aviation and airport administration, and highways;

Department of the Treasury on taxation, fiscal policy and customs administration;

Department of Labor on industrial training, apprenticeship and employment service, industrial safety and health, employment standards, labor legislation, labor inspection, employment of women and children, employment in agriculture, productivity and labor statistics, and labor, business, and government inter-relations;

Department of Health, Education and Welfare on the exchange of students and teachers, fundamental and vocational rehabilitation, public health, and education (Fulbright Act);

Housing and Home Finance Agency on housing, building materials, urban development, and property management;

Interstate Commerce Commission on railroads.

Federal Communications Commission on telecommunications; and

The Bureau of the Budget on public administration.

Point Four in Lebanon, U.S. Technical Cooperation Service, Catholic Press, Beirut, Lebanon, 1953, p. 51.

4. The planning stage involves Embassies and mission chiefs in the field as well as in Washington D.C.;

5. Private agencies in the United States were coordinated through an Advisory Committee on Voluntary Foreign Aid and the American Council of Voluntary Agencies for Foreign Service;

6. The coordination of private enterprise has two way channels of government regulations and controls; and

7. The actual work in the field by continuous contact among the pertinent missions.

Because of the inability of the agency to coordinate efficiently and because of the competition and repetition among the aid agencies, the Technical Cooperation Administration was abolished as of June 1, 1953. A new organization, the Foreign Operations Administration, was set up to take over military and economic aid functions hitherto exercised by the Mutual Security Agency, the Technical Coordination Administration, and the Institute for Inter-American Affairs.⁴¹ The Point Four Missions abroad were given the title of United States Overseas Missions. Policy formulation would lie with the Secretaries of State, Defense, and Treasury, concerning matters involving their departments. Since the Technical Cooperation Administration was merely a coordinator in a decentralized system, and ineffective at that, the Foreign Overseas Administration proved to be more centralized, with all aid programs under one director.

⁴¹Keesing's Contemporary Archives, 1952-1954, Vol.9, p. 13115.

Unfortunately, the Foreign Overseas Administration proved a failure, too. The combining of both technical and military assistance programs was the cause of its downfall. Military assistance took a preponderance of the funds and tainted the technical assistance programs with its power implications.

Then, too, the organization had too many fiscal programs to undertake. Somewhere, errors were bound to occur. The miscalculations and mishandling of the allotted funds proved to be above average, though. In July, 1954, the House Appropriations Committee accused the Foreign Overseas Administration of "fiscal irresponsibility" by deliberately speeding up expenditures at the end of the 1954 Fiscal Year in an effort to tie up or dispose of available funds before the deadline.⁴² The same committee also accused the agency of "questionable practices" in listing previously appropriated funds as having been obligated for expenditure, declaring that four sets of figures were submitted for the same report. Then, too, clerical errors amounted to \$ 47,800,000.⁴³ The organization was doomed.

On December 11, 1954, the authority of the agency was curtailed by the setting up of a Council of Foreign Economic Policy, aiming at coordinating United States economic foreign aid programs and at developing the Government's other foreign economic policies.

⁴²Keesing's Contemporary Archives, Vol.9, 1952-1954, p. 13745.

⁴³Keesing's Contemporary Archives, Ibid.

On May 9, 1955, President Eisenhower abolished the Foreign Overseas Administration, transferring its affairs to the Department of State and Department of Defense. Aid was once separated again, with technical aid being relegated to the former. The new agency to handle technical aid was called the International Cooperation Administration and began functioning as a semi-autonomous organization within the Department of State on June 30.⁴⁴

The principles of Point Four have continued unchanged from its conception through the various agencies which controlled the 1949 policy. It has progressed in its scope, the allocated funds increasing yearly.⁴⁵

Technical advice is demanded over the entire globe by those Governments desiring help. With the help of the International Development Board, technical assistance is being implemented more rapidly, with the United States now supplying technical know-how, materials and loan funds for development purposes.

But there remains the great responsibility of selecting what programs are worthy of undertaking. Edwin Bock, in his book, Fifty Years of Technical Assistance, has listed twelve rules for the selection and formulation of projects:⁴⁶

1. The felt needs of the people;

⁴⁴Department of State Bulletin, Vol.32, 1955, p. 889.

⁴⁵From 45,000,000 at its creation to 125,000,000 for the Fiscal Year, 1957-1958.

⁴⁶Bock, Edwin A., Fifty Years of Technical Assistance, Public Administration Clearing House, Chicago, 1954, p. 5.

2. The availability of suitable personnel;
3. The sufficient time for success;
4. The prospect of cooperation and success;
5. The benefits for the people;
6. The conservation of the limited resources of the country;
7. The coordination with other programs;
8. Orderly progress;
9. Simple equipment and modest budgets;
10. The optimum size of the projects;
11. The reproduction and self-multiplication; and
12. The possibility of withdrawal and integration.

Following the above rules, the projects selected should have the maximum chance for success. But Mr. Bock goes on to list seven obstacles which will hamper the results of a perfect selection. These seven obstacles are:⁴⁷

1. Lack of information;
2. Specialization;
3. Fortuitous conditions;
4. The training of semi-skilled workers;
5. Relocating families;
6. Farm credit and landlords; and
7. Elite projects.

⁴⁷Ibid., p. 12.

Anyone of the above deterrants will cause failure to a project. And unfortunately, these seven obstacles have existed everywhere in the underdeveloped areas.

As a result of the many successes of Point Four, and the frequent failures, the debate for and against the program has never ceased, throughout the eight years of its operation. Henry Hazlitt, writing in his book, Illusions of Point Four, accused the President of using a communist idea.⁴⁸ Mr. Hazlitt stated that the idea for the program came from Earl Browder's book, Teheran: Our Path in War and Peace, when Mr. Browder was head of the Communist Party in the United States. Quoting from Browder's book: "America can underwrite a gigantic program of the industrialization of Africa...it must initiate a general and steady rise in the standards of life of the African peoples...".⁴⁹ Aside from stating that it resembles the proposals of a communist leader, Mr. Hazlitt lists seven other objections to Point Four. These are:

1. Point Four will not add to the total invested capital of the world as suggested by President Truman, but will merely divert it;
2. Point four will divert capital from the development of private enterprise to the development of statist, militarist, or socialist enterprises;
3. By giving away exports, the United States cannot expect to

⁴⁸Hazlitt, Henry, Illusions of Point Four, Foundation for Economic Education, Irvington-on-Hudson, N.Y., 1950, p. 4.

⁴⁹Ibid., p. 4.

give its cake away and eat it, too.

4. The International Bank and the Export-Import Bank already exist to undertake what Point Four proposes to do;

5. The guarantees of private capital invested abroad means that private investors will be allowed to retain the profits of their investments while the American tax payer must assume the losses;

6. Point Four would not reduce the risks of foreign investments but transfer them to the American tax payer; and

7. Once the American people accept the principle that they owe the rest of the world a living, the responsibilities would become endless and bottomless. The tendency would be to weaken America, draining resources and capital so necessary for internal development.⁵⁰

Richard Wohl, writing in The Bulletin of the Atomic Scientists, declares that there is much waste in the Point Four Program.⁵¹ Expert advice is being treated frivolously or carelessly by recipient governments due to difficulties experienced in accomplishing set tasks. Extravagant industrial schemes and reports filed and forgotten, do not add to the wholesomeness of the program. He concludes by averring that the American people were disillusioned by the program since they thought it to be only temporary in scope, rather than a continuous process.

Jonathan Bingham, discussing partisan politics of Point Four,

⁵⁰Hazlitt, Henry, Illusions of Point Four, Foundation for Economic Education, Irvington-on-Hudson, N.Y., 1950, p. 44.

⁵¹Bulletin of the Atomic Scientist, Vol.10, March, 1954, p. 75.

stressed the point that every time Point Four is used for short range political purposes, it loses some of its sheen, and begins to look imperialistic. There was a change from inexpensive "plugging" jobs to spectacular expensive ones. His major criticism was the weakness of the responsible persons in Point Four.⁵² Mr. Stassen, when director of Point Four, appeared apologetic and defensive of Point Four, and was mainly preoccupied with saving money. The program funds amounted to only 2% of the total annual United States overseas aid.⁵³

Robert T. Mack, Jr., author of Raising the World's Standard of Living, expressed the fear that the Point Four Programs will be related too closely with United States politico-strategic interests, appearing as colonialism in some new form.⁵⁴ Also, other areas of concern by the aid-receiving countries entails that assurance must be given that the assistance offered will not be a separate situation but will be coordinated into an overall long term program and that the program conceived will be for the general betterment of the conditions of life of all peoples on the affected areas rather than in isolated cases where aid would be stopped when completed.⁵⁵ Without these assurances, the projects will never begin.

⁵²Bulletin of the Atomic Scientists, Vol.10, March, 1954, p. 84.

⁵³Ibid., p. 86.

⁵⁴Mack, Robert T., Jr., Raising the World's Standard of Living, Citadel Press, N.Y., 1953, p. 170.

⁵⁵Ibid.

Arguments for Point Four and refutations of criticisms such as those stated above generally came from the Executive Branch in the Government. Mr. Dean Acheson, then Secretary of State, spoke on February 1950, denying that the United States intends to use Point Four to build "large mills, mines, and factories".⁵⁶ Instead Point Four would be used to satisfy the growing desire of the recipient countries to learn to do things for themselves in order to lighten their burden of poverty. Point Four is a security measure and "an essential arm to our foreign policy".⁵⁷ If a cut were to occur in the appropriations for Point Four the peoples of the free countries of Asia, the Middle East, and other underdeveloped areas would interpret it as a lack of interest in a policy in which they had been placing great hopes. These people were not concerned with abstract ideas of Democracy or Communism but were interested in "practical solution" to their problems in terms of food, shelter, and a decent livelihood.

According to Eric Johnston, President Eisenhower's personal advisor in the Middle East in 1953, " 'Point Four' is an idea as big and as broad as American life itself. It is the idea that the people of the United States, through their own democratic institutions, private as well as public, can help the less advanced nations of the free world to develop their human and material resources as we have developed ours."⁵⁸

⁵⁶Keesing's Contemporary Archives, 1948-1950, Vol.7, p. 10747.

⁵⁷Keesing's Contemporary Archives, Ibid.

⁵⁸Department of State Bulletin, Vol.27, Oct.-Dec., 1952, p. 538.

Mr. Acheson again spoke out for Point Four when he declared at a meeting of "Americans for Democratic Action" in January, 1952, that the Point Four Program was carried on not because of philanthropic motives, not principally to beat down soviet menage, and not primarily used to develop our overseas markets and sources of raw materials. Instead, it is a fundamental political and philosophical idea.⁵⁹

He does claim though that "Point Four" had three limitations. These are suspicion, absorptive capacity, and an undecided program on the part of the requesting governments.⁶⁰

Perhaps the best defender of Point Four was the late Mr. Bennett, former Director of Point Four, who died while performing his duties. His simple and direct description of what Point Four is should dispel the fears of many anti-Point Four critics and also of foreign governments. In his words, "The Point Four Program" is "a simple, down-to-earth, self-help program designed primarily to assist other peoples in increasing their food production, bettering their health conditions, and improving their educational systems."⁶¹ If the program of today was to carry out the initial undertaking, outlined by Mr. Bennett, controversy would not be so abundant. The program would not be included in the terminology used for all foreign aid as "Operation Rathole". Instead, a greater respect

⁵⁹Department of State Bulletin, Vol.26, January-March, 1952, p. 156.

⁶⁰Department of State Bulletin, Vol.26, April-June, 1952, p. 611.

⁶¹Department of State Bulletin, Vol.26, January-March, 1952, p. 158.

would be enjoyed. The success of Point Four is questionable, because of the many diverging policy schemes, the changing administrations, and the change in the scope of the program. Yet, much good has been accomplished as we shall see in the next chapter under the discussion of Point Four Aid to Lebanon.

Defense commitments. Military assistance was the first type of governmental aid to be given to any foreign government. Regional in its limitations, the offer of technical assistance to other Republics of North America, Central and South America, and the Caribbean Republics was promulgated on May 19, 1926.⁶² It was primarily for regional security. The bill provided for the detailing of officers and enlisted men of our armed forces to assist in military and naval matters. This same policy was to carry through for regional security until the prelude to World War II aroused the fear in the American people that the hemisphere is unguarded. Under the Pan American Union and the Organization of American States, a stronger security of mutual defense was established for the hemisphere. American military commissions were sent to the various countries to ensure that the military strength of the hemisphere was as impregnable as possible.

Prior to the United States' entry into the European conflict of 1939, the American Government arranged with Great Britain to supply that country and Russia with arms and military equipment. The British Government

⁶²Mack, Robert T., Jr., Raising the World's Standard of Living, Citadel Press, N.Y., 1953, p. 146.

in a package deal, received fifty destroyers from our naval fleet in exchange for bases in the Caribbean and Bermuda.⁶³

During the war, with the United States declaring war on the axis powers, our factories were turning out weapons, armaments and military equipment for ourselves and our allies. There was no thought of ever being repaid for what was given. The war must be won.

The war having ended in 1945, the United States beat a hasty retreat in every region of the world, back to the Western Hemisphere. Military aid to other countries was not to lie dormant for long. In 1947, President Truman hurriedly sent arms to both Greece and Turkey, to stave off internal communist guerillas on the one hand and to strengthen a military border on the other.

It was not until 1949, though, that military assistance became dominant in the foreign aid programs. With the United States joining the North Atlantic Treaty Organization, thereby agreeing to supply arms to her allies participating in the organization, the shipments of military aid abroad increased rapidly.⁶⁴ The Mutual Defense Program of 1949 gave the legislation for supplying United States military aid to North Atlantic Treaty Organization members as well as for other friendly states throughout the earth.⁶⁵

⁶³Commager, H.S., Documents of American History, Appleton-Century-Crofts, Inc., N.Y., 1949, Fifth Edition, p. 624.

⁶⁴The Daily Star, "U.S. Military Aid Shipments During Last 6 Months of 1957, May 25, 1958." From 1950 to December 1957, seventeen billion dollars worth of military aid had been given to friendly countries.

⁶⁵Keessing's Contemporary Archives, Vol.7, 1948-1950, p. 10446.

The defense pacts, North Atlantic Treaty Organization, South Eastern Asian Treaty Organization, Organization of American States, and recently the Military Committee of the Baghdad Pact, have caused the greatest expenditure for military assistance. There was also an attempt in November, 1951, to establish a Middle East Command for Defense with Great Britain, France, United States and Turkey.⁶⁶ This defense pact was first recognized in the Tri-Partite Agreement of 1950 between Great Britain, France, and the United States, in which they guaranteed the present frontiers and armistice lines between Israel and her Arab neighbors. The Middle East Command was to be a center of cooperative efforts for defense of the area. It would not interfere in the disputes of the area, but would plan and provide the Middle Eastern countries on their requests for arms and equipment and with assistance in the form of advice and training. Lebanon was to be a part of this centralized command, but refused.

There have also been many bilateral agreements whereby arms are granted to insure the independence of the country. Lebanon and Jordan have been two examples of this type of military assistance.

The Mutual Defense Security act of 1950 urged by President Truman was changed in 1951 under the Mutual Security Act.⁶⁷ By this law, the President could sell arms under appropriate safeguards to countries whose increased ability to defend themselves against aggression is important to

⁶⁶Keesing's Contemporary Archives, Vol.8, 1950-1952, p. 11832.

⁶⁷Keesing's Contemporary Archives, Vol.8, 1950-1952, p. 11834.

the security of the United States, charging a less-than-cost price for obsolete equipment and on an installment basis. Although not a complete grant, the arms being sold were of such a price as to be labeled a "give-away."

Criticism of military assistance in the Foreign Aid Programs has been of one vein--there is an over-emphasis on military pacts with the results that our military might is losing us friends.⁶⁸ It is true that the policies of President Truman and Eisenhower have been the containment of Soviet Russia with a show of force. Korea showed them that the United States must always be ready with a strong military force. Propaganda in this vein has played upon the fears of the American public to acquiesce to the demands of the central government. Military might alone, though, cannot build up a world safe from the encroachments of International Communism. Military assistance can only play a momentary role, in case of war or internal revolution, in the defense of a nation's independence. More permanent institutions must be built rather than a purely militaristic scheme.

Economic commitment. President Truman, on July 11, 1949, delivered a speech on the Foreign Economic Policy of the United States.⁶⁹ In this speech, he outlined the need for a change in the United States policies for

⁶⁸The Daily Star, "Foreign Policy Debate", April 20, 1958, p. 4.

⁶⁹Keesing's Contemporary Archives, Vol.7, 1948-1950, p. 10133.

fear that severe repercussions might be entailed if new measures were not fulfilled. "The decline in our business activity is reducing our imports, which is an important factor affecting the ability of foreign countries to earn dollars they require to restore their economic health. The decline in imports...could have serious effects. If a severe shrinkage in flow of dollars abroad occurred, it would not only reduce our exports now but would also force other countries to try to save dollars by making discriminating trading arrangements that would adversely affect the long-run future of our foreign trade. For these reasons, it is especially important...to continue the efforts we are making to help rebuild a strong and advancing world economy, based upon an effective network of world trade and the growing productive strength of free nations."⁷⁰

He then goes on to state what measures must be undertaken by Congress to continue the rebuilding of a strong and advancing world economy. "In addition to maintaining our foreign assistance programs, and restoring a full-scale reciprocal trade agreements act, I urge Congress to enact legislation to expand both technical and capital assistance for economic growth of underdeveloped areas. The expansion of foreign investments, by making more dollars available directly to underdeveloped countries...will improve the rest of the world's ability to buy from us. The expansion of technical assistance will stimulate foreign investments by assisting countries that want capital for development to translate

⁷⁰Ibid.

their aspirations into concrete projects, by creating new productive investment opportunities, and by increasing the private investor's knowledge of those that already exist..."⁷¹

Nine years later, on June 6, 1958, Secretary of State Dulles outlined the United States Policy, a part of which dealt with the economic aspect.

"We see that the world of today requires better economic health that was tolerable in past times.

"International trade is more than ever important. Our own foreign trade is now approximately thirty-two billion, four hundred million dollars a year and provides employment to four and one half million of our farmers and workers. International trade is even more vital to the economic life of many other free world economies...

"We do much to solve the economic problems of this changing world. I have referred to the promotion of international trade, the Export-Import Bank, the Development Loan Fund, economic aspects of Mutual Security, Public Law 480, etc. But economic problems still confront us...

"Over a range of economic relations among the countries of the free world we shall need to seek out new initiatives to bring greater economic strength and unity. We shall be looking for the means to create a larger flow of private capital to the less developed countries, to make development assistance more effective, to bring about increased financial stability and to cope with the serious problems which sometimes arise in

⁷¹Ibid.

commodity trade."⁷²

Ten years has ensued between the two policies. Yet, we find that the major needs remain fixed: more private investments abroad, greater development programs for greater effectiveness, and create economic stability. Does this mean that the foreign economic policies of the United States have remained stagnate, without change? On the contrary, governmental undertakings of economic issues have tended to be monumental in scope. The development programs have been both world-wide and fantastic. The Reciprocal Trade Agreements have been continually renewed and expanded since their conception in 1934. Only lately, though, has the United States Government attempted to assist American business abroad. Mr. Ben Thibodeaux, Director of the Office of International Trade and Resources, has compiled a list to aid the amateur in understanding the benefits afforded by the United States Government abroad:⁷³

1. Financial and technical assistance given to lift up the foreign markets of countries;

2. Sale of surplus agricultural products, Public Law 480, affording the countries to purchase American crops in local currency which in turn is loaned to the local government by the United States Government to help develop its economy to meet its own requirements, to pay for United States Government expenses in other countries, to promote common defense,

⁷²Memo from U.S. Embassy, Beirut, Lebanon, on Dulles' speech before Senate Foreign Relations Committee, June 6, 1958.

⁷³U.S. Department of State Bulletin, Vol.34, Jan.-Mar., 1956, p. 22.

to provide for international education exchange, to acquire strategic materials for American stockpiles, and to develop new market opportunities for American products.

3. Participation in the World Bank and the International Monetary Fund;

4. Investment guarantee on convertability and expropriation;

5. Reduction by 14 percentage points of Federal tax on earnings of corporate overseas investments;

6. Treaties of Friendship, Commerce, and Navigation, codes of fair treatment for American citizens who wish to trade, invest, or run business enterprises abroad; ensuring the freedom to establish a business enterprise and to control and manage it, the freedom in the employment of essential personnel, the equality of competitive opportunity with local business, and the security for private property; and

7. Protection of patent and trade marks.

Two other major governmental contributions to American business abroad are the elimination of double taxation of American foreign investments and the Export-Import Bank.

The Export-Import Bank, originally incorporated in 1934 for the purpose of assisting in the financing of American trade with Russia, has as its major purpose: to assist private American businesses in the conduct of foreign operations through the granting of more liberal credits than could be obtained through ordinary channels; to grant loans to foreign governments for purchases in the United States; to grant loans

to foreign-owned corporations; and to grant loans to foreign governments for the stabilization of their exchange rates.⁷⁴

Later amendments included the lending to overseas buyers (government) for surplus American commodities, and the financing of projects not appropriate for private financing, such as improved transportation, power, irrigation, and drainage, those projects which contribute only indirectly to increased productivity.⁷⁵ The International Bank has also agreed to this last point.

Number three of Mr. Thibodeaux's list of governmental economic aid abroad mentioned the United States' participation in the International Bank and the International Monetary Fund. Set up under the Bretton Woods Conferences during World War II, these two organizations were established to include the participation of all countries of the world. The International Bank for Reconstruction and Finance has as its purpose: the granting of reconstruction loans to war torn states; the granting of development loans; and the granting of loans to develop productive resources of the member states, thereby assisting them in the raising of productivity and living standards, and in the improvements of labor conditions. Why the International Bank be included in this chapter is that the United States contributes approximately thirty-five percent of the Bank's total fund. The United States dollar is the monetary unit used, and the director

⁷⁴Metzger, Laure, American Loans in the Post War Period, Foundation for Foreign Affairs, Washington D.C., 1948, p. 6.

⁷⁵U.S. Department of State Bulletin, Vol.25, July 16, 1951, p. 89.

has usually been an American. It became known as an American Bank for International Operations.⁷⁶

The International Monetary Fund, whose organization is similar to the International Bank, deals only with international exchange and monetary problems that arise among nations. It can not be considered as a contributing factor of United States Aid.

Even with the Government's participation in these organizations and granting of aids to underdeveloped states, the President and his officers and Congress always stress that American private investments should flow to underdeveloped countries.

It is only natural that the governing men, elected by a public who has been raised upon the principle of "free enterprise," should attempt to lessen the burden of the American taxpayer by cutting down on grants, and loans, loans which many times are never repaid. Incentives to encourage idle capital abroad has greatly appealed to the United States business man. Previous to this decade, foreign investments were risky. But with new legislation, such as investment guarantee insurance and fair treatment treaties, the private businessman is given better treatment by the foreign government concerned, considering, of course, that the government concerned has signed these agreements.⁷⁷ In the case of Lebanon, it has not.

⁷⁶Metzger, Laure, American Loans in the Post War Period, Foundation for Foreign Affairs, Washington D.C., 1948, p. 6.

⁷⁷See Appendix A.

The government officials see of course that aid grants cannot last forever. A steady development must continue to those requiring outside help for internal development. Private capital can be the only lasting and certain investment capital possible. Yet of all American private capital leaving the country, approximately nine-hundred million dollars annually, only forty percent goes to underdeveloped areas.⁷⁸

The critics of the economic policy of the United States are numerous. Not only do some originate from the public, but many come from commissions appointed by the United States Government, in an attempt to alter an inadequate program. The Gray Commission and the Randall Commission are two such examples. In the Gray Report of 1950 a policy change was cited as being imperative. "In contrast to industrial countries, most of the underdeveloped areas have shown relatively slow progress...chronic poverty, primitive production methods, ineffective use of resources, and an increasing population pressure endanger internal stability."⁷⁹

This report stressed the need for new investments, modern techniques, and technical guidance in agriculture, health, development of resources, public service, and industry.

The obstacles of financing in underdeveloped areas were cited as a lack of administration machinery and technical skills and that an inertia of customs and tradition frequently resulted in a lack of enterprise.

⁷⁸ Department of State Bulletin, Jan.-March, 1955, p. 20.
Keesing's Contemporary Archives, Vol.10, 1955-1956, p. 14445.

⁷⁹ Keesing's Contemporary Archives, Vol.8, 1950-1952, p. 11113.

Mr. Snyder, Secretary of the Treasury in 1949, cited that the chief obstacle to United States' private investments in underdeveloped areas were: anti-foreign sentiment, growth of ideologies favoring state ownership, state control of industries, political instability of extremist nationalism, and currency controls arising from economic difficulties, proposals entirely different from the report of the same time.⁸⁰

The recommendations of the Gray Report were many. The first point made was that private investments must be considered as the most desirable means of providing the necessary capital. A study into the promotion of private capital with tax incentives should be made.

The report went on to comment that there should take place negotiations of investment treaties to encourage private investments, a bill to authorize government guarantee of private investments against risks of non-convertability and expropriation. A heavy reliance on public lending must be recognized as essential for an aggressive development program.

Further more, the Export-Import Bank should be increased from three billion, five-hundred million to five billion in capital assets; a policy enacted to permit united states loans to be spent outside the United States, to enable foreign countries to buy at the cheapest price; loans should be permitted to finance some local costs of development projects even though costs do not involve imports; grants should be used for development and technical assistance where development programs urgently

⁸⁰ Keesing's Archives, Vol.7, 1948-1950, p. 10499.

needed could not be soundly financed by loans and where grants would be a spur to economic development; and finally, the Technical Assistance Programs should be expanded to \$ 500,000,000 a year.⁸¹

If one should reread the report by the Director of the Office of International Trade and Resources, one will find that most of these recommendations have been carried out.⁸²

By 1954, though, the validity of the economic policy of the United States was under question again. The Randall Commission asked for a shift in policy, where economic aid on a grant basis be ended as soon as possible. Also, technical cooperation should be pressed forward vigorously but that it should neither become a "big money" program nor involve capital investments.⁸³ These two recommendations called for complete reversal of policy. The "steadfast" recommendation of encouraging private investments abroad, was included. To stimulate private capital abroad: the United States Company Tax should be reduced by 14% points on income from overseas investments; and guarantees should be given to new investments abroad against risks of war, revolution and/or insurrection.

All these recommendations were included in the President's speech on January 10, 1955, directing on his own that United States' diplomatic representatives abroad would encourage a climate favorable to private

⁸¹Keesing's Contemporary Archives, Vol.8, 1950-1952, p. 11113.

⁸²Department of State Bulletin, Vol.34, Jan.-March, 1956, p. 22.

⁸³Keesing's Contemporary Archives, Vol.9, 1952-1954, p. 13401.

enterprise and recommending that United States citizens should be encouraged to travel abroad.⁸⁴

The Randall Commission's recommendations, with an endorsement by the President, were soon enacted into law. Of great importance was the establishment of the Development Loan Fund, based on the international bank, with cooperation from private investors, and an Office for Foreign Investments, as a clearing house of information on investment opportunities overseas.⁸⁵

A good criticism with recommendations for a period more recent than the Randall Commission is to be found in a report by Don Lacy, writing in *Harpers*, February, 1957. In discussing the economic aid programs of the Government, he states, "The trouble is that our aid has too often been nothing but a by-product of other activities. We have been willing to fight starvation and communism, or arm our allies or get rid of farm surpluses...but not to meet the realistic needs of economic backward nations."⁸⁶

He urges that new measures should be undertaken immediately to meet these realistic needs by ensuing a flow of capital.

Although Mr. Lacy does not propose measures to be undertaken, he lists six comments by which these new measures must be governed:⁸⁷

⁸⁴Keesing's Contemporary Archives, Vol.10, 1955-1956, p. 14126.

⁸⁵Department of State Bulletin, Vol.32, April-June, 1955, p. 848.

⁸⁶Harper's, Vol.214, February, 1957, p. 72.

⁸⁷Ibid.

"1. The need for capital cannot be met by savings and investments inside the underdeveloped countries. A portion must come from abroad, mostly from the United States;

"2. Private investments will meet only a part of the need for foreign capital. Most of it will have to come from Government sources.

"3. Once an underdeveloped country is investing as much as it can, we should provide additional capital as rapidly as possible as the country can absorb without waste...;

"4. We can materially reduce the amount to be provided by the United States if we can enlarge and stabilize the dollar income earned by the underdeveloped areas. The principle source of dollars are the earnings from the exports of underdeveloped areas...;

"5. Hard loans should be used whenever transactions call for them, but most aid will have to take the form of grants, which will be cheaper in the long run.

"6. Grants and loans for economic development should be made through international channels if effective ones can be devised. It allows aid to be divorced from shifting requirements of political policy and permits it to be administered in a disinterested atmosphere of objective economic and technological considerations." This last point is in reference to the Aswan Dam proposals and failure.

In June, 1958, Mr. Dulles had included some of these suggestions with his, in his policy statement - economic stability of a foreign government, stimulation of private investments, and a trend towards loans,

not grants. The economic policy is never stagnate. And the stress is always on the inclusion of American private capital to aid in the development of an underdeveloped country.⁸⁸

In Lebanon, the climate for investment is good, although there has been no Fair Treatment Agreement signed between the two Governments. According to Mr. Chutter, former Financial Advisor at the United States Embassy in Lebanon, some investments offer much to an investor:⁸⁹

1. Lebanon is friendly to the West.
2. Lebanon's location is the crossroads between East and West.
3. Lebanon has a free money market. This means that payment for goods is in the investor's own currency.
4. Beirut is an excellent harbor, providing excellent shipping opportunities.
5. The Lebanese are natural traders.
6. Lebanon has a free zone, omitting the import-export taxes.
7. The Lebanese are clever people.
8. Illiteracy is the lowest in any country in the underdeveloped world.
9. A new firm starting is exempt from taxes for six years.

The only major drawback to investors in the Lebanon is the volatile political situation, not only in Lebanon, but in the Middle East.

⁸⁸ Memo from U.S. Embassy, Beirut, Lebanon, on Dulles' speech before Senate Foreign Relations Committee, June 6, 1958.

⁸⁹ Personal interview by writer with Mr. Chutter, September 13, 1957. See also Appensix B.

If there were signed a fair treatment agreement, more investors would certainly flock to aid in the development of the country. With the Guarantee Insurance Policy of the United States Government, insurance which can last for twenty years, American business men should have no fear of losing their capital.⁹⁰

The Eisenhower Doctrine. On January 5, 1957, the following message was published throughout the world. President Eisenhower had issued a message, unique in itself, to aid the Middle East and at the same time to continue the policy of containment of Communism, not Soviet Communism this time, but International Communism.

"... It is well to remind ourselves that our basic national objective in international affairs remains peace...

"Out of such understanding must...grow confidence and trust...

"Persistent cross-currents of distrust and fear...have brought about a high degree of instability in much of the Middle East.

"Russia's rulers have long sought to dominate the Middle East.

"... No one plans to use the Middle East as a base for aggression against Russia.

"Neither does Russia's desire to dominate the Middle East spring from its own economic interests in the area..."

"The Middle East provides the gateway between Eurasia and Africa.

"It would be intolerable if the Holy Places of the Middle East

⁹⁰ See Appendix A.

should be subjected to a rule that glorifies atheistic materialism."⁹¹

The President goes on to state that three facts dominate the Middle East scene. These are:

1. "The Middle East...would today be prized more than every by International Communism."

2. "The Soviet rulers continue to show that they do not scruple to use any means to gain their ends."

3. "The free nations of the Middle East need, and for the most part want added strength to assure their continued independence."⁹²

The moral aims of the United States are then expounded upon:

"We have shown...our dedication to the principle that force shall not be used internationally for any aggressive purpose and that the integrity and independence of the nations of the Middle East should be inviolate...Many, if not all, of the nations of the Middle East are aware of the danger that stems from International Communism and welcome closer cooperation with the United States to realize for themselves the United Nations' goals of independence, economic well-being, and spiritual growth."⁹³

The heart of this declaration is found in his proposals:

"It (Congress) would authorize the United States to cooperate with and assist any nation or group in the general area of the Middle East in the development of economic strengths dedicated to the maintenance of

⁹¹Keesing's Contemporary Archives, Vol.11, 1957-1958, p. 15305.

⁹²Ibid.

⁹³Ibid.

national independence.

"It would...authorize the Executive to undertake in the same region programs of military assistance and cooperation with any nation or groups of nations which desire such aid.

"It would...authorize such assistance and cooperation to include employment of United States Armed Forces to secure and protect the territorial integrity and political independence of such nations requesting such aid, against overt armed aggression from any nation controlled by International Communism."⁹⁴ (Such authority would not be exercised except at the desire of the nation attacked).

The uniqueness of this declaration lies in just one sentence:

"The present proposal would...authorize the President to employ for economic and defensive military purposes, sums available under the mutual Security Act of 1954, as amended, without regard to existing limitations."⁹⁵ "Stringless aid" was indeed a reality. The stigma of declaring for or against Communism and Russia was removed. The President could dole sums as he saw fit, to meet emergency situations, situations which would have been irremediable if delayed by the haranguing of Congress over money matters. The sum asked by the President was two hundred million dollars, to be available during each of the fiscal years 1958 and 1959.

⁹⁴Keessing's Contemporary Archives, Vol.11, 1957-1958, 15306.

⁹⁵Ibid.

The President closed by stating that he would send a special mission (Mr. Richards) to the Middle East to explain the cooperation the United States is prepared to give.

This declaration was issued at a time when the Middle East was in complete chaos. The Suez War had ended recently. British Troops had just been evacuated. Anger against the West was rising. The United States had gained some prestige by openly castigating the British-French-Israeli entente. But in Syria, Communist sympathizers or out-right Communists had gained control of the Government. Egypt was bitterly against the West, with the Suez Canal blocked, United Nations' troops on her territory, her city of Port Said smoldering. The West had to make an immediate recovery or else the entire area would fall into the hands of the Communists, and the United States was the only nation in position to make such overtures.

The declaration was received with mixed feelings in the Middle East...Syria attacked it. Egypt asked for a clarification. Iraq agreed in principle if the aid offered was unconditional. Lebanon welcomed it warmly.⁹⁶

In the United States, Dulles found himself explaining the policy to Congress. "The purpose of the resolution is not war. It is peace. The purpose...is to stop World War III before it starts."⁹⁷ And again

⁹⁶Keesing's Contemporary Archives, Vol.11, 1957-1958, p. 15306.

⁹⁷Keesing's Contemporary Archives, Vol.11, 1957-1958, p. 15417.

on January 12, "The Middle East would be lost to Communism without prompt United States economic aid as well as military backing."⁹⁸

The Democrats in Congress attacked the resolution, giving as reasons the deterioration of the grand alliance and too much reliance on the United Nations. Former head of the Democratic party and ex-President Harry Truman, described the Doctrine as "Too little and too late."⁹⁹ He accused the administration of "hiding behind the skirts of the United Nations" and argued that the "responsibility of having some policy that should be filled is in the State Department and not in the Middle East."

Almost two months to the day after President Eisenhower issued his proclamation, Congress voted that certain measures should be undertaken in the Middle East:¹⁰⁰

"Whereas a primary purpose of the United States in its relations with all other nations is to develop and sustain a just and enduring peace for all, in accordance with the United Nations' Charter, and

"Whereas the peace of the world and the security of the United States are endangered as long as International Communism and the nations it controls seek by threat of military action, use of economic pressure, internal subversion or other means to attempt to bring under their domination peoples now free and independent, and

⁹⁸Ibid.

⁹⁹Keesing's Contemporary Archives, Vol.11, 1957-1958, p. 15420.

¹⁰⁰Keesing's Contemporary Archives, Vol.11, 1957-1958, p. 15418.

"Whereas such danger now exists in the general area of the Middle East.

"Therefore be it resolved by the Senate and House of Representatives of the United States of America:

"That the President be, and hereby is, authorized to cooperate with and assist any nation or group of nations in the general area of the Middle East in the development of economic strength dedicated to the maintenance of national independence;

"The President is authorized to undertake in the general area of the Middle East, military assistance programs with any nation or groups of nations of that area deserving such assistance.

"Furthermore, the United States of America regards as vital to the national interest and world peace the preservation of the independence and integrity of the nations of the Middle East. To this end, if the President determines the necessity thereof, the United States is prepared to use armed forces to assist any nation or groups of nations requesting assistance against armed aggression from any country controlled by International Communism; provided, that such employment shall be consonant with the treaty obligations of the United States and with the United Nations' Charter...

"The President is authorized, when he determines that such use is important to the security of the United States, to use for the purposes of this resolution, a sum not exceeding \$ 200,000,000. From any appropriations now available for carrying out the provisions of the Mutual Security Act of 1954, as amended..."

With the President's signature on the Bill on March 9, 1958, the "Eisenhower Doctrine" became a working reality. Special Ambassador Richards left for the Middle East on March 12, with the announcement that he would hold discussions with Governments who wish them and that "We (United States) will not try to force our views upon them."¹⁰¹

The Lebanese Government subsequently held talks with Mr. Richards and subsequently accepted the Doctrine.¹⁰² The acceptance was to bring a turning point in Lebanese politics and was one of the reasons for the current Lebanese uprisings. In fact, military aid was landed under the Eisenhower Doctrine to aid the Government in suppressing the rebels.

As an outcome of this revolution taking place in Lebanon, President Eisenhower has formulated a new interpretation to his doctrine. On May 28 of this year, he said that "He believes he has the authority to take certain actions to defend Middle East countries against aggression from non-Communist as well as Communist sources,"¹⁰³ differing from an earlier interpretation which said that "The main purpose of the resolution was to help Middle East countries requesting such aid to preserve their independence," an interpretation which included only Communist aggression.¹⁰⁴

¹⁰¹Keesing's Contemporary Archives, Vol.11, 1957-1958, p. 15419.

¹⁰²London Times (microfilm), March 16, 1957.

¹⁰³Daily Star, "Eisenhower; My Doctrine Applies", May 29, 1958.

¹⁰⁴Ibid.

Mr. Richards, though, had no inkling as to the future, for on his return he said: "There is no doubt at all in my mind that, as a result of this Doctrine, the Middle East has a new spirit of confidence that it will be able to prevent the Reds from making any more real trouble."¹⁰⁵ How little did he know at that time.

¹⁰⁵U.S. News, Vol.42, May 24, 1957, p. 33.

CHAPTER II

UNITED STATES ASSISTANCE AS APPLIED TO LEBANON

Mr. Stephen Dorsey, Director of Point Four in Lebanon at the present time, has said the first Point Four official to enter Lebanon was an Eli Smith, an early missionary in 1834, who brought the first English printing press into Lebanon.¹

Governmental aid, though, did not enter the picture until after the Second World War when some surplus military equipment was credited to Syria and Lebanon for the amount of \$ 2,500,000.² The year 1951, though, proved to be a turning point in the development of Lebanon. In that year, under the auspices of the United States Government, Point Four Aid was offered to Lebanon and an agreement was duly signed on May 29, 1951.³

Point Four Aid

Point Four, though, had already become familiar to Lebanese governmental officials, for there was, under a project agreement signed in February, 1951, a survey taking place for water power and irrigation development of the Litani River Valley.⁴

¹Department of State Bulletin, Vol.30, April-June, 1954, p. 550.

²Ibid.

³Point Four in Lebanon, U.S. Technical Cooperation Service, Catholic Press, Beirut, Lebanon, 1953, p. 53.

⁴Ibid.

The General Agreement between the Lebanese and United States Governments, signed in May 1951, paved the way for a broad program of economic development in Lebanon.⁵ "The Government of the United States of America and the Government of Lebanon undertake to cooperate with each other in the interchange of technical knowledge and skill and in related technical activities designed to contribute to the balanced and integrated development of the economic resources and productive capacities of Lebanon."⁶ The objectives, then, of the program in Lebanon were to be five fold. The first pertained to the improved economic development of the country; the second, increased productive capacity; the third, raising the living standard of the people; the fourth, developing, encouraging, and stimulating private, foreign and local, investments; and the fifth, the removal of conditions causing discontent and acceptance of the doctrines of anti-democratic forms of government.⁷

In this general agreement, too, the United States Government agreed to furnish the services of paid technical experts, to provide for training of Lebanese, and to supply equipment and materials necessary to make effective the experts' work. In turn, Lebanon was to provide facilities necessary to implement the projects, to pay the costs of land, buildings and labor necessary to make effective the experts' work, to pay

⁵ See Appendix C.

⁶ Point Four in Lebanon, U.S. Technical Cooperation Service, Catholic Press, Beirut, Lebanon, 1953, p. 52.

⁷ Ibid., p. 14.

certain expenses of the experts while in Lebanon, to provide a staff for the experts, and to pay certain agreed upon expenses of the trainees. In this way, Point Four in Lebanon was to live up to its symbol of mutual cooperation--clapsed hands.

The General Agreement was ratified by the Government of Lebanon, December 13, 1951.⁸ With the ratification, the Prime Minister of Lebanon sent a note on January 5, 1952, to the United States requesting a program of water resource development, natural resources development, public works, industry, agriculture, social affairs, education and public health under the terms of the General Agreement signed the previous May.

As a result of the note, the Governments of Lebanon and the United States signed on the 26th of June, 1952, a Program Agreement, including the above listed development subjects suggested in the note.⁹ The projects were to include the development of:¹⁰

1. Water and power resources;
2. A better balance in the nation's economy by increasing agriculture products and by improving harvesting and marketing of the fish potential;
3. A stronger preventive program against disease;
4. Facilities for training teachers and for strengthening the

⁸ Point Four in Lebanon, U.S. Technical Cooperation Service, Catholic Press, Beirut, Lebanon, 1953, p. 53.

⁹ See Appendix C.

¹⁰ Point Four in Lebanon, U.S. Technical Cooperation Service, Catholic Press, Beirut, Lebanon, 1953, p. 14.

educational supervisory structure;

5. Improved techniques in local industries, new sources of raw materials, and plans to encourage the growth of industry through improved credit facilities;

6. The tourist trade;

7. Feasible large scale housing development plans; and

8. Demonstrated, integrated, rural development projects to revitalize the village community as the foundation for economic development.

In this "Technical Cooperation Program Agreement", the projects requested were assigned a sum of money, the total sum contributed by the United States to be \$ 3,100,000. The program headings are broken down as follows:¹¹

Natural Resources, Water and Rural Improvement....	\$ 1,500,000
Agriculture and Forestry.....	\$ 640,000
Public Health.....	\$ 300,000
Education.....	\$ 200,000
Industry and Tourism.....	\$ 100,000
Social Affairs.....	\$ 100,000
Communications.....	\$ 25,000
Training in All Fields.....	\$ 235,000

These sums listed are not all inclusive. The United States was to contribute every year to subsequent individual project agreements deemed as

¹¹Point Four in Lebanon, U.S. Technical Cooperation Service, Catholic Press, Beirut, Lebanon, 1953, p. 54.

desirable by Point Four officials in Lebanon and the Lebanese Government.

In fulfilling its terms of the General Agreement, the Lebanese Government in turn was to furnish a sum of L.L. 1,181,000 to carry out the cooperative program. The breakdown of the fields of activity are as follows:¹²

Natural Resources, Water and Rural Improvement....	LL 200,000
Agriculture and Forestry.....	LL 183,000
Public Health.....	LL 329,000
Education.....	LL 373,000
Industry and Tourism.....	LL 66,000
Social Affairs.....	LL 30,000

No work was accomplished during the first year of the programs' operation since negotiations and the establishment of the Point Four offices in Lebanon monopolized the available time. Then, too, there was the distraction of irresponsible talk of a large scale grant-aid program, the opposition of certain self-interest groups, and a troubled regional political situation. The allocated funds for the next fiscal year for Lebanon showed dramatically the inactivity of the program, \$ 916,000.¹³ The funds of the initial agreement were carried over to be used on the agreed projects.

¹²Point Four in Lebanon, U.S. Technical Cooperation Service, Catholic Press, Beirut, Lebanon, 1953, p. 54.

¹³Farley, Hugh, U.S. Technical and Economic Assistance to Lebanon, Cenacle Libanais, Beyrouth, Liban.

The writer must note here that figures of the allotted funds to Lebanon vary from one printed survey to the next. The differing sum, though, for the entire granted aid is less than \$ 30,000, a sum although large in certain respects, appears small in comparison with the entire sum.

Under Technical Assistance auspices, the funds granted to Lebanon during the years 1952 to 1958 appears as follows:¹⁴

1952.....	\$ 3,507,000
1953.....	916,000
1954.....	2,844,000
1955.....	2,128,000
1956.....	2,320,000
1957.....	2,343,000
1958.....	1,833,000
	Total.....
	\$15,891,000

These funds have remained comparatively small because of the backlog of funds which have had to have been carried over from year to year. The Lebanese Government was unable to use completely the funds allocated. Yet we find some comparative statistics given in a recent publication made available to the Lebanese press on April 12, 1958. In this publication is stated that the United States in the past six years has contributed funds which, in its total, "Is about seven times the value of the total Lebanese apple crop of 1957, seven times the value of the total Lebanese

¹⁴Extract made available to Lebanese Press April 12, 1958 on U.S. Aid to Lebanon, American Embassy, Beirut, Lebanon.

wheat crop of 1957, nearly five times the value of citrus fruit production, ten times the value of tobacco production, and twelve times the value of banana production in 1957."¹⁵

In public works, the United States has given \$ 10,000,000 worth of pipes, wire, poles, generators, and asphalt; \$ 940,500 has been spent on farm machinery and other agricultural supplies; \$ 176,300 were used to construct the central public health laboratory; approximately \$ 53,000 has been spent for health workers, training and equipment for the Beirut Social Health Center.¹⁶

These figures are only some examples of the sums spent for different projects. It is best, though, to list and describe the different projects which have been undertaken by the two governments under the auspices of Point Four Missions.

In Lebanon, the Point Four Mission numbered ten branch offices, each office undertaking a particular field of operation. These offices include housing, labor, education, training, audio-visual, public health, agriculture, public works and transportation, industry and tourism. Under each branch, numerous projects have been accomplished or are still in the process of completion or are constant. A breakdown of each branch office will give a better picture of the extent of Point Four work in Lebanon.

¹⁵Extract made available to Lebanese Press April 12, 1958 on U.S. Aid to Lebanon, American Embassy, Beirut, Lebanon.

¹⁶Ibid.

Housing. The first activity was in Beirut where a survey was made in the slum area, with its purpose to determine family composition, rental ability, living habits, and slum clearance. work was suspended, though, due to the inability of the Lebanese Ministry of Social Affairs to pay its personnel for the survey.¹⁷ Operation was continued in March, 1957, when a national survey of the housing needs and potential was begun, having as its aims: to demonstrate how substandard urban housing for low income workers can be improved and to conduct studies of housing throughout the country as the basis for the formulation of a country wide program for better housing. A team of Greek architectural consultants were hired for one year. They will submit plans for the construction of one thousand to one thousand five hundred low cost homes for urban and suburban use.¹⁸

Labor. The initial success of two labor union health centers, one in Beirut, the other in Tripoli, has been excellent.¹⁹ At the Beirut center, over two thousand five hundred union workers are benefitting from their membership, a membership which includes their families totalling over fifteen thousand. In Tripoli membership figures range close to one thousand with family members tallying over five thousand three hundred. At these health centers, the union subscribers pay a nominal fee of 125

¹⁷Point Four in Lebanon, U.S. Technical Cooperation Service, Catholic Press, Beirut, Lebanon, 1953, p. 41.

¹⁸Lebanon, 1957, USOM, American Embassy, Beirut, Lebanon, p. 77.

¹⁹Ibid., p. 78.

piasters in which they receive medical attention for themselves and their families. Medicines and X-Rays are at cost, making it possible for labourers to afford such attention. In Beirut, the health center per month processes approximately three hundred laboratory specimens, provides for approximately one thousand five hundred medical services, with its dentists seeing six-hundred patients. In Tripoli the figures are approximately one-third those accrued in Beirut.

Aside from the health centers, the labor branch office is now working in the field of worker education. During 1957, two experimental classes for members of the mechanics union employed as automobile mechanics were started.²⁰

Labor consultants are also available to help plan the establishment of labor unions, basing the unions on American standards.²¹

Education. When first signed, the Educational Program was to be concerned with the development of conditions leading to a universal, compulsory and free primary education system, rural - urban home economics, school health, adult education, vocational training and educational statistics and research.²² The emphasis on this program is not to train students but teachers so that they, when trained, can teach the methods and subjects they learned to their students. Teacher education was set

²⁰ Lebanon, 1957, USOM, American Embassy, Beirut, Lebanon, p. 78.

²¹ Ibid.

²² Point Four in Lebanon, U.S. Technical Cooperation Service, Catholic Press, Beirut, Lebanon, 1953, p. 35.

up in two phases. The first phase concerned the establishment of the Urban Teachers College and attached elementary school.²³ This college, located in Beirut at the site of the old airport, can accommodate four hundred fifty students per year, graduating between seventy-five to ninety teachers yearly. Courses taught include teacher education, elementary education, methods of teaching, homemaking education, arts and crafts, audio-visual education, health and physical education, and curriculum development. The teaching program is outlined by a joint committee consisting of both Lebanese and Point Four educationists. The attached elementary school, when completed, will be used as an experimental teaching school, where the training teachers are able to practise what they have learned.

The Point Four has contributed twenty-five percent of the construction costs, approximately L.L. 4,500,000, as well as the major portion of the equipment.²⁴

The second phase of teacher training was the establishment of the Rural Teachers College.²⁵ This college, although planned, has yet to be started. When completed, the college will provide teachers who are

²³ Lebanon, USOM, 1955, American Embassy, Beirut, Lebanon, p. 52.

²⁴ Lebanon, 1957, USOM, American Embassy, Beirut, Lebanon, p. 70. (Equipment includes audio-visual equipment, chairs, desks, and tables for students, laboratory equipment and materials for physics, chemistry and biology, health and physical education equipment and supplies, homemaking, practical arts, and handicraft equipment and supplies, and books, pamphlets, and equipment for libraries).

²⁵ Lebanon, USOM, 1955, American Embassy, Beirut, Lebanon, p. 52.

familiar with rural problems and who have special preparation in home-making, health, agriculture and industrial arts.

In addition to the colleges, Point Four, in conjunction with the Ministry of Education has, since 1953, conducted weekend and summer conferences for teachers, to improve teaching practices in rural schools, especially the problem of school health.²⁶ This instruction has included not only lectures and discussion groups, but also field trips, films, and practical activities.

Summer sessions, held at Broumana High School, last for six weeks. During the summer of 1957, seventy teachers attended the classes, the emphasis being on English and teaching methods.²⁷

There is a tremendous need in Lebanon for improved methods in handicraft and in teaching new mechanical subjects. Many methods used in carpentry, weaving, and other industries have become out dated. Modern methods would tend to facilitate home industries, making it possible for more and better products to be produced. The vocational school, Arts et Metiers, has come under the attention of a seven man team of Point Four specialists. Since their arrival, the school has instituted classes in modern teaching methods, commercial art, auto mechanics, radio electronics, electricity, wood working, printing, foundry and television.²⁸

²⁶ Lebanon, USOM, 1955, American Embassy, Beirut, Lebanon, p. 52.

²⁷ Lebanon, 1957, USOM, American Embassy, Beirut, Lebanon, p. 70.

²⁸ Lebanon, USOM, 1955, American Embassy, Beirut, Lebanon, p. 58.

The necessary equipment needed to supplement the instruction has also been provided by Point Four facilities to the amount of \$ 150,000, equipment including printing, radio electronics, mechanics, and commercial art machinery and supplies.

What will enhance the vocational school even more than the class reorganization and instruction by Point Four officials is the sending to the United States a number of personnel, instructors, supervisors, and directors, for specialized training in administrative practices and shop specialities. Many of the instructors now teaching at the Arts et Metiers have received their training in the States under Point Four auspices and more are now in the process of training there.

Not all instructors, though, received their training in the United States. Dr. Hauer, head of the Point Four vocational specialist team, gave summer sessions in 1955 to thirty teachers in such subjects as auto mechanics, electricity, drawing, and design, with all enrolled in the class on methods of teaching.²⁹

The Arts et Metiers school is limited to the education of boys and young men. Women and girls, though, have not been neglected. Home economics has been sponsored by Point Four in the Beirut College for Women, where courses are held both during the scholastic year and summer sessions.³⁰ These courses covered subjects such as clothing, foods, crafts, child development, family relations, home management, and health. At the

²⁹Lebanon, USOM, 1955, American Embassy, Beirut, Lebanon, p. 58.

³⁰Ibid., p. 56.

college, too, have been held home economics conferences, an annual event, where schools throughout Lebanon participate in discussions pertaining to home economics.

A program of rehabilitation involving eight organizations was undertaken by Point Four technicians in conjunction with the Lebanese Ministry of Social Affairs.³¹ The organizations included the Young Lebanese Artisans School, the Young Women's Christian Association, the Young Women's Muslim Association, Amelite Society, Druze Orphanage, St. Antoine Orphanage in Tripoli, and Muslim orphanages in Beirut and Tripoli. Sewing courses, ceramics, weaving, child care, and cooking are some of the major subjects taught. In addition, operating equipment, such as stoves, refrigerators, child care, and serving materials, costing close to \$ 140,000, has been supplied by Point Four. Laboratories pertaining to these courses have been given to the Y.W.C.A., Amelite Girls School, and the Young Lebanese Artisans School.

Elementary, secondary and high school education has not been overshadowed by teacher and vocational training. As early as 1952, an experimental elementary school was established at Bouchriyya outside Beirut.³² This school was designed to accommodate four hundred children from American, international and Lebanese communities. Tuition free, this pilot school proved to be a "first" in the Middle East. It has as

³¹ Lebanon, USOM, 1955, American Embassy, Beirut, Lebanon, p. 58.

³² Point Four in Lebanon, U.S. Technical Cooperation Service, Catholic Press, Beirut, Lebanon, 1953, p. 36.

its achievements the notation of being the first school to accommodate both English speaking and Arab-speaking children under equal privileges, the first elementary school where art, music and physical education are being used as a cultural medium to the two groups, the first elementary school where the health of the student is carefully evaluated during physical examinations, immunizations, and clinic service.

The staff was formed of six Point Four teachers and ten Lebanese. Equipment valued at \$ 50,000 has been given to the school by Point Four Agreement.

Elsewhere throughout Lebanon, Point Four education specialists have been called upon for consultation in establishing courses, or in giving advice to existing educational institutions. In the Jebrayl School of Dr. Alter, Point Four consultants advised on hand weaving procedures.³³

In the government schools, a report by Point Four technicians recommended the establishment of industrial arts instruction whereby courses in sculpture, painting, shoemaking, ceramics, art metal and jewelry, hand weaving, and leather crafts would be offered.³⁴

Other schools asking for technical advice have been the National School at Shoueifat, Kerr Refugee Center at Marjeyoun, and Presbyterian Mission Schools in Sidon (on secondary education methods) and Tripoli.³⁵

³³Personal Interview with Dr. Alter at Jebrayl, June 26, 1957.

³⁴Lebanon, USOM, 1955, American Embassy, Beirut, Lebanon, p. 55.

³⁵Ibid., p. 58.

Education in the English language has also been a stressing point in the Point Four educational program. In twenty-eight centers throughout Lebanon, three thousand eight students were enrolled for English instruction.³⁶ This program has been in existence since 1953 when eight English language training centers were opened. Fifteen qualified teachers and the necessary institutional supplies were supplied by Point Four. The program was initially set up to provide English training free of charge, to only teachers and government officials. But the program has been expanded to include other interested persons.

Health education has also been one of the keystones in the education program. As early as 1950, the United States Government, through its Point Four offices, made a contract with the American University of Beirut to train students from the Middle East in sanitation, laboratory technicians, public health nursing, public health education, public health statistics, sanitary engineering, public health administration for physicians, hospital administration. The School of Public Health at the University was established and since its inauguration, seven classes have been graduated. Although open to all students of the Middle East, those Lebanese trained as nurses have been playing an active part in the programs of Lebanese health. Then, too, in June of 1957, the Makassed General Hospital graduated the first class of trained nurses who finished their three year course in modern nursing practices.³⁷

³⁶Lebanon, 1957, USOM, American Embassy, Beirut, Lebanon, p. 70.

³⁷Lebanon, 1955, USOM, American Embassy, Beirut, Lebanon, p. 72.

There was also a two months workshop in health education to provide training for sixty elementary school teachers in the principles of health education.³⁸ These teachers in turn were to inaugurate programs in their schools, aided in their program establishment by roving Point Four technicians and a public health nurse who circulated among the schools in assisting the establishment of the programs and in providing the supplementary materials needed.

In the field of higher education, the American University of Beirut has played the greatest role with regards to Point Four aid, although receiving no funds itself in the way of scholastic contributions. The reason for this is because of its regional role as one of the best of all educational institutions in the Middle East. Since its entrance into the Point Four Program on April 26, 1951,³⁹ Point Four scholarships have been sought after throughout the Middle Eastern countries to attend the University. Its reputation is widely acclaimed. Yet, because of its location, in Lebanon, the Lebanese student has benefitted the most by Point Four aid to this institution.

With funds from the Ford Foundation (\$ 500,000) and the Point Four (\$ 116,000) a school of Agriculture was established at the American University of Beirut in October of 1952.⁴⁰ The course offered is a four-

³⁸Technical Assistance Activities in the Near East, UNTA Board Liaison Office for the Near East, January, 1953, p. 65.

³⁹Department of State Bulletin, Vol.24, May 21, 1951, p. 825.

⁴⁰Technical Assistance Activities in the Near East, UNTA Board Liaison Office for the Near East, January, 1953, p. 82.

year curriculum in basic agriculture sciences, designed to introduce to the student methods of scientific farming. There is also a two-year non-degree course offered for research and experimentation. The American University Farm in the Bekaa Valley is used in experimentation. At the Farm one finds growing experimental vegetable and grain crops and also chickens and live stock.

Aside from agriculture, scholarships are granted to attend the University in the fields of public health, public administration, engineering, finance, economics and education. These scholarships are composed of one-half Point Four funds and one-half sponsoring government funds. The number of scholarships offered for the 1958-1959 school year is between four hundred to five hundred.⁴¹ And it is certain that the Lebanese will receive a major proportion of these grants. Since the Point Four Program came into existence six hundred and sixty five Lebanese students have received financial assistance to attend the American University of Beirut.⁴²

The Mutual Security Agency of which Point Four is an integrated part, in June, 1957, has allocated approximately \$ 5,000,000 to be used for regional training and maintenance purposes of the American University of Beirut, Lebanon, being included as part of the region.⁴³

⁴¹Personal Interview with Mr. Chutter, Former Finance Officer, American Embassy, Beirut, Lebanon, September 13, 1957.

⁴²Extract made available to Lebanese Press, April 12, 1958, on U.S. Aid to Lebanon, American Embassy, Beirut, Lebanon.

⁴³Ibid.

Not all Lebanese students receiving Point Four aid have attended American University of Beirut. Two hundred and eleven students were sent to the United States for specialized training while thirty others attended specialized training in other countries.⁴⁴ Most of these students are being trained in specialized vocational studies, to take their place, upon their return, in vocational schools.

These projects I have listed have been of a separate, piece-meal nature. What the Government of Lebanon needed was an overall education program, establishing a universal compulsory and free primary education system in Lebanon. Before being able to initiate such a program, statistics were needed on the present status of the Lebanese education system. To obtain the necessary information, there was signed a project agreement for Educational Statistics and Research.⁴⁵ These statistics were to show data concerning teachers, students, schools and costs. The Ministry of Education has set up a special Department of Statistics to cope with this project. Point Four provided technicians in education statistics and the necessary machinery and equipment to carry out the project. A filing system would be used. And in addition, nine Lebanese technicians were trained in the collection of facts.

With this data, the Lebanese Government can go ahead with an overall education program. Using the projects of Point Four as its bases or guides, a suitable system can be worked out, one embodying the high

⁴⁴ Extract made available to Lebanese Press, April 12, 1958, on U.S. Aid to Lebanon, American Embassy, Beirut, Lebanon

⁴⁵ Point Four in Lebanon, U.S. Technical Cooperation Service, Catholic Press, Beirut, Lebanon, 1953, p. 36.

principles which the Point Four technicians have endeavored to demonstrate.⁴⁶

Training. Under Point Four Project Agreements in Lebanon, a training program is provided in each case. The provision stipulates that "Each Point Four technician will train at least one counterpart on the host government staff in the techniques of his field of activity."⁴⁷ Also, the Lebanese Government personnel with exceptional talent in the technical fields will be recommended for further training in area schools or in the United States.

Training, then, under Point Four, is of a dual nature.⁴⁸ The first stage is "on-the-job" training where trainees are employed and assigned by their own governments, to work with Point Four technicians. The second stage pertains to advanced training where promising Lebanese technicians receive their training either abroad or in an institute of higher learning in Lebanon, in all cases American University of Beirut.

Trainees can consist of labor officials who toured the United States to observe labor union activities there. Or they can be Lebanese

⁴⁶ Monetary statistics for the Education Program: \$ 216,960 has been spent on adult education; \$ 140,000 worth of equipment and supplies have been granted to schools and orphanages; \$ 990,000 Point Four funds allocated for training, plus the \$ 5,000,000 from the Mutual Security Agency for regional training at the American University of Beirut.

Extract made available to Lebanese Press, April 12, 1958, on U.S. Aid to Lebanon, American Embassy, Beirut, Lebanon.

⁴⁷ Point Four in Lebanon, U.S. Technical Cooperation Service, Catholic Press, Beirut, Lebanon, 1953, p. 50.

⁴⁸ Ibid.

national gendarmerie who spent six months in the States for police work specialties. Trainees in agriculture sent to the United States have received special individual training in farm machinery, apple packing and marketing, artificial breeding, and agriculture extension training. Then, too, not all leave Lebanon for training. We find veterinarians taking a five weeks course at American University of Beirut. Lebanese midwives received special training in a course in sanitation and hygiene at the American University School of Public Health. At this same Public Health School, Beirut ambulance corpsmen and drivers learned first aid and accident care techniques.

Most training undertaken in Lebanon can be counted as "on-the-job" training because of the limited scope of the training given. Those attending yearly sessions at the American University under Point Four auspices, though, are considered as advanced trainees.

Those trainees receiving their studies in the States must return to Lebanon to apply their increased skills and knowledge in the development programs of the country.⁴⁹ Upon these specialized trainees will be based the programs of the future, when Lebanon no longer will receive grant aid from abroad, when she must rely on her own resources to advance her own development.

Audio-Visual. The section of the Point Four Mission in Lebanon which receives the least attention is, in its own way, the most important part of

⁴⁹ Point Four in Lebanon, U.S. Technical Cooperation Service, Catholic Press, Beirut, Lebanon, 1953, p. 50.

the Point Four Mission in Lebanon. For, without this branch, Point Four work in Lebanon will go unheralded. In this section are produced the booklets, pamphlets, posters, graphic charts, photographs, slides, filmstrips, training films, motion pictures, models, exhibits, field trips, and actual demonstrations so necessary in explaining to the Lebanese people what Point Four is, what it accomplishes, and how new methods are performed and applied. It is said that a movie can teach ten times as much as a lecture on the same subject, especially with rural peasantry. To see is to believe is another adage which has been found to hold true in Lebanon. And all honors must go to the audio-visual section.

Audio-visual techniques in Lebanon have as their purpose: to assist Point Four technicians and their Lebanese counterparts in reaching the people in spite of the handicaps of illiteracy, language differences, cultural barriers, and in sufficient transportation and communication facilities.⁵⁰ In the field of agriculture, there have been published such articles as a poster on "Poultry Improvement Through Cross Breeding", a graphic booklet on "Newcastle Disease", and a graphic booklet on "Mastitis". In the field of health, there is a poster on fly control, a graphic booklet entitled "Fly Control", a nurse recruitment booklet, and a graphic booklet on rat control. In education, there are six school health graphic publications, on food and nutrition, eyes and ears, care of teeth, model school, disease, and a teachers health guide.

⁵⁰Lebanon, 1957, USOM, American Embassy, Beirut, Lebanon, p. 92.

The list could go on, containing publications printed for each field of work. To the intelligensia, though, the most useful publications have been the annual booklets summarizing the work of Point Four in Lebanon. These helpful booklets tell the story as to the project development of Point Four in coordination with the Lebanese Government in concise, cryptic language, complete with photos showing the Point Four Mission in operation.

This branch is not only limited to publishing material. It has assisted and encouraged private schools to use audio-visual facilities.⁵¹

Then, too, trainees have been sent to the United States for audio-visual training. Upon their return, they will be able to aid in the branch which sponsored them.⁵²

Because demonstration in the field is one of the most important integral part of Point Four operations, the audio-visual section is constantly called upon to assist in field work. Movies, slides, and training films are always in great demand. Therefore, the producers and operators of such films and slides are constantly on the go. The credit may go to other sections of the Point Four Mission, but the feeling of a job well done will certainly go to those men of propaganda, those who put across the Point Four technicians' ideas to the public.

⁵¹Lebanon, 1955, USOM, American Embassy, Beirut, Lebanon, p. 97.

⁵²Ibid.

Public Health. The Point Four Health Program has the objective in Lebanon of "providing technical assistance and aid in improving general health and sanitation conditions".⁵³ The emphasis in the overall Health Program is on the "preventive" rather than the "curative".⁵⁴ This is why sanitation, disease control and hygiene are given the greatest effort. To put across these preventive factors, demonstrations are being conducted in both rural and urban areas and are being utilized for field training for students.

The public health staff of Point Four and the Lebanese Ministry of Public Health has five distinct basic fields in which they operate: sanitation, public health laboratory, nursing, clinic, and statistics and registration.⁵⁵ In the subdivision of sanitation, a rural school was renovated at Sa'ad-Neil, to serve as a pilot demonstration for acceptable physical and sanitary standards. At this school, a well was dug and toilet facilities were installed, facilities taken for granted by American school children, yet all important to the Lebanese school children. Toilet facilities were also installed in other schools such as Magdouchi, Loubieh, and the private school at Taalabaya.

Flies, the carriers of numerous diseases, have been given great attention by the public health staff. In forty villages, twelve thousand

⁵³Point Four in Lebanon, U.S. Technical Cooperation Service, Catholic Press, Beirut, Lebanon, 1953, p. 31.

⁵⁴Ibid.

⁵⁵Lebanon, 1955, USOM, American Embassy, Beirut, Lebanon.

six hundred and twenty nine housing units were sprayed with D.D.T. to control this pest.⁵⁶ And in conjunction with this spraying, the villages were instructed in the removal of breeding sources. These villages in the Kasmieh region were also instructed in the installations of privy pits, where previously no toilet facilities existed.

In Magdouchi, Point Four technicians went farther in their fly control. They helped to inaugurate a refuse disposal program and the construction of a slaughter house.⁵⁷

Improper sanitation around village wells involves, in many cases, disease for the entire village. This was the case in 'Ainata where typhoid was reported. The Point Four technicians drove immediately to the village and found that the village wells were contaminated.⁵⁸

In the urban areas, sanitation progress has included sewage, garbage, and refuse disposal schemes. Designs for a modern sewage treatment plant at Bhandoun have been completed by Point Four technicians. Approximately \$ 55,000 have been spent for designing sewer installations in Tripoli and Jbeil.⁵⁹

⁵⁶Lebanon, 1955, USOM, American Embassy, Beirut, Lebanon, p. 69.

⁵⁷Ibid., p. 70.

⁵⁸Point Four in Lebanon, U.S. Technical Cooperation Service, Catholic Press, Beirut, Lebanon, 1953, p. 34.

⁵⁹Extract made available to Lebanese Press, April 12, 1958, on U.S. Aid to Lebanon, American Embassy, Beirut, Lebanon.

At the American University of Beirut School of Public Health, the sanitary engineering course is administered cooperatively by the Ministry and Point Four.⁶⁰ The graduates from this sanitation course are immediately employed in governmental agencies, showing how great the need is for sanitation.

In Beirut, perhaps the most important scheme developed in the field of sanitation by Point Four technicians is nothing more than a piece of paper. But on this paper is written a code of sanitation, covering restaurants and food handlers.⁶¹ If properly used, much disease and food poisoning could be eliminated.

The Central Public Health Laboratory in Beirut was recently completed.⁶² In this building are analyzed samples sent to the technicians there from doctors desiring such complete analyses. There, too, are tested water and milk supplies to ensure the public against contamination. The organizational structure of the laboratory will show exactly what the laboratory will furnish to prevent sickness and unnecessary deaths in Lebanon: microbiology, general chemistry, pathology, anti-rabies, central blood bank, and epidemiological research.

This laboratory is not only a joint Lebanese-Point Four undertaking. The World Health Organization has supplied laboratory equipment and a laboratory chief technician. Lebanon provided the land, utilities,

⁶⁰Lebanon, 1955, USOM, American Embassy, Beirut, Lebanon, p. 70.

⁶¹Lebanon, 1957, USOM, American Embassy, Beirut, Lebanon, p. 66.

⁶²Ibid., p. 65.

furniture, library, and an elevator, while the United States, spending \$ 176,300, provided the architect, the building, laboratory equipment and laboratory advisor.⁶³

In the Nursing Program seven nursing schools have been given assistance by Point Four in recruiting Lebanese girls for nursing.⁶⁴ The Makassed Hospital in Beirut is the most important nursing development by Point Four. In October, 1954, the Makassed demonstration school opened its doors to fourteen young women. Here, the nurses were trained for nursing duty. A Point Four nurse was put in charge of the school and the salaries of her and of her five employees were paid by Point Four funds.

The New Makassed Hospital has also been supplied with aid given by Point Four amounting to \$ 38,000 for special equipment and the services of two American nurses.⁶⁵ This project, non-governmental, is described as being a perfect example of Point Four aid, where the aid given was designed to take advantage of a public-spirited organization whose purpose fits the country's need, where the assistance supplements but does not replace the planned development, and where the responsibility for operations is in the hands of the Lebanese.

⁶³Extract made available to Lebanese Press, April 12, 1958, on U.S. Aid to Lebanon, American Embassy, Beirut, Lebanon.

⁶⁴Lebanon, 1957, USOM, American Embassy, Beirut, Lebanon, p. 67.

⁶⁵Farley, Hugh, U.S. Technical and Economic Assistance to Lebanon, Cenacle Libanais, Beyrouth.

Other Point Four benefits to nursing have been the sending of the Educational Director of the Red Cross School of Nursing in Beirut for training in the United States. Furthermore, a course of instruction in the history of nursing and professional adjustment was conducted by the chief public health nurse, a Point Four technician. There have also been additional scholarships for advanced nurses training and for clinical training in the United States.

The first rural clinic center was established in Chtoura in the Beka'a.⁶⁶ This center was designed for full-time generalized public health services to be rendered to the sixty thousand population of the Zahle district. In coordination with the Lebanese Ministry of Public Health and the World Health Organization, the Chtoura center is used for field training of sanitation and Public Health nursing students from American University of Beirut, for immunization against diphtheria and typhoid, for health education and environmental sanitation and for maternal and child care. From this demonstration health center, medical and health services are extended to the villages of this district by visiting doctors and sanitation engineers who are attempting to make this Zahle district a good example for all other health center activities. Potable water supplies, too, are being stressed throughout the district, which involves the testing of existing wells and the relocating of many, once proven impotable. Here again the World Health Organization enters the picture by supplying teams for malaria and maternal and child care.

⁶⁶Point Four in Lebanon, U.S. Technical Cooperation Service, Catholic Press, Beirut, Lebanon, 1953, p. 32.

In the Beka'a, two other clinics have been set up for maternal and child health care, one at Jib Janeen where the present facilities were enlarged and provided with the services of a physician, and the other at Mashghara where the municipality assumed full responsibility.⁶⁷

The Beirut Social Health Center has become an integral part of the lives of the residents of Beirut. Located in Ras Beirut, the center is constantly in demand by the public. The \$ 53,000 spent for health workers, training, and equipment for the center has certainly been worth every cent. In an eighteen month period, the number of sessions held were four hundred and eighty. During these occasions, the following chart has been compiled, showing some of the services:⁶⁸

Immunizations.....	6229
Curative Injections.....	1154
Dressings.....	793
School Health Examinations.....	989
Prenatal examinations.....	257
Public Health Nursing	
Home Visits.....	873
Health Talks & Group Teaching.....	200
Mother's Classes.....	81
School Visits.....	119

⁶⁷Lebanon, 1955, USOM, American Embassy, Beirut, Lebanon, p. 74.

⁶⁸Ibid., p. 73.

Sanitation

Inspections of Restaurants and Public Institutions....3280

Classes for Foodhandlers..... 8

Laboratory Services

Urine..... 955

Blood.....2763

Not only is the center a boon to the Beirut community, it also provides a field training area for undergraduate students in public health, economics, sociology, education, and other related fields.⁶⁹

Health Statistics and Vital Registration is the last field undertaken by Point Four technicians in the Public Health Program. In this category, technical advise is prevalent. Under vital registrations, births, deaths, marriages, divorces, and other pertinent life data are officially kept. Yet, these statistics are incomplete. Point Four attempted to cooperate with the Government in completing these pertinent figures and certificate forms.⁷⁰ Also, the Point Four micro-filming machinery is constantly used to film the statistics, thereby simplifying office procedures.

In Vital and Health Statistics, Point Four technicians have helped the Government to formulate certain procedures beneficial to the collection

⁶⁹ Point Four in Lebanon, U.S. Technical Cooperation Service, Catholic Press, Beirut, Lebanon, 1953, p. 33.

⁷⁰ Lebanon, 1955, USOM, American Embassy, Beirut, Lebanon, p. 74.

of statistics.⁷¹ A law was revised on communicable diseases, involving new communicable disease forms to be published and sent to physicians. Card indexes and punch cards were found to be helpful in obtaining necessary information. And a burial format has been prepared for all of Lebanon. The one in existence complies only to Beirut again. Once the statistics have been collected, micro-filming is used.

Point Four technicians have also given, repeatedly, lectures to the medical associations, public health groups, medical, nursing, and sanitation students at the American University of Beirut and midwives trainee groups on the importance of reporting immediately vital and health statistics to the proper authorities.

Agriculture. The Agriculture Program of the Point Four Mission to Lebanon has the greatest number of projects to its credit although it is not the foremost in the allocation of funds. Since Lebanon is basically an agricultural nation, where the growing of foodstuffs is the only means of livelihood for the majority of the population, Point Four has attempted to increase the productive capacity of the agricultural people. With a greater earning capital, the standard of living of these rural folk will rise. The terminology of "backwardness" and "underdeveloped", labels applied to those areas having as a basis a low per capita income, will be removed. With more spending power, new and greater industries will be able to rise to supply the demands of these people. This is why the Agricultural Program is the most intensified program.

⁷¹Lebanon, 1955, USOM, American Embassy, Beirut, Lebanon, p. 75.

The varied aspect of the Agricultural Program being carried out in Lebanon is divided into twelve fields. These are animal husbandry, poultry, irrigation, farm machinery, veterinary, marketing, horticulture, agronomy, forestry, extension work, entomology, and agriculture cooperatives. A brief description of each field and the locations of its activities will help one to picture the extent of the Agricultural Program of Point Four and the Ministry of Agriculture.

A. Animal husbandry. Because Lebanon is forced to import food products, especially meat, and dairy products which contribute to almost fifty percent of the total good import bill, there is an emphasis on increasing the livestock production. To do this, the Animal Husbandry Project emphasizes the following goals:⁷²

1. "Improve quality of herds with imported purebred cattle.
2. "Develop artificial breeding practices.
3. "Encourage growth of nutritious forage for feed.
4. "Extend use of silos for storage to guarantee ample year-around feed.
5. "Demonstrate modern sanitary dairy methods.
6. "Prove the efficiency of well-run model barns.
7. "Train Lebanese personnel in feeding and management of livestock."

Animal Husbandry Projects are found in the following sites: Halba,

⁷²Lebanon, 1955, USOM, American Embassy, Beirut, Lebanon, p. 11.

Minya, Ba'albeck, Jbail, Tel-el-Amara, Terbol, Beirut, Mashraa', Bhamnes, Ba'abdat, Chiyah, Anjar, Khayzaran, 'Adloun, and Tyre.

- To initiate the increasing of the herds, the Point Four Mission imported a herd of thirty heifers and twenty two bulls of the Holland black and white Holstein-Friesian breed.⁷³ These cattle, sent from Holland, were stabled at Terbol farm, the large Point Four experimental station in the Beka'a, save for seventeen bulls which were distributed to some of the villages listed above. The Terbol herd has proved most satisfactory in experimental work in milk and meat production. The milk production of this model herd is twice that of the most highly productive native cows.

The five bulls retained by the Terbol station are used basically to foster the artificial insemination program. Under this project, the local cattle strain is being improved. Where the native cow will produce an average yearly milk production of 1719 kilograms, the second generation local-imported stock will produce average yearly production of 4500 kilograms. Approximately 225 cows are being bred by this method per month.⁷⁴

Needless to say, cattle owners soon realized that their milk production could easily be increased. Large herds of this cross breed now graze in the pastures of Lebanon. The large owners have purchased Holstein bulls from abroad for their own herds.

⁷³Point Four in Lebanon, U.S. Technical Cooperation Service, Catholic Press Beirut, Lebanon, 1953, p. 18.

⁷⁴Lebanon, USOM, 1957, American Embassy, Beirut, Lebanon, p. 45.

With this increase of milk, Point Four has attempted to initiate better methods in milk handling and pasteurizing. Cows were once milked by using wet hands, hands dipped into the fresh milk pails. Being both unsanitary and dangerous to both customers and cattle, the use has been widely discouraged by the Point Four technicians. At the Terbol farm, modern milking machines and new pasteurization equipment has been installed.⁷⁵ From these demonstrations other herd owners have followed suit. In the Beirut area, two pasteurizing plants are now operating, designed with sanitary bottling and capping equipment.⁷⁶ There is another plant which processes ice cream, butter and cheese. All three have been aided by Point Four with equipment, the design for the plant, and advice on the selection of the best sources of milk supply.

At the Terbol station, silos have been erected to store fodder.⁷⁷ These storage bins have shown how the much needed winter roughage can be stored safely, without weather loss. As a result, the large dairy owners have built silos patterned after the Terbol ones, insuring a high year-round milk production.

Stables built at Terbol are serving as a model in the construction of new barns throughout Lebanon.⁷⁸ What has been a most important

⁷⁵Point Four in Lebanon, U.S. Technical Cooperation Service, Catholic Press, Beirut, Lebanon, 1953, p. 20.

⁷⁶Lebanon, 1955, USOM, American Embassy, Beirut, Lebanon, p. 13.

⁷⁷Lebanon, 1957, USOM, American Embassy, Beirut, Lebanon, p. 44.

⁷⁸Lebanon, 1955, USOM, American Embassy, Beirut, Lebanon, p. 15.

addition is the exercise yard. By forcing their cattle to exercise, the owners are reducing the tuberculosis rate of their stock, a rate which is over fifty percent in the cattle stock in Lebanon.

Training is ever important in animal husbandry. The Terbol station is a school where on-the-job training can be supplied. Then, too, in the field of artificial insemination, technicians have been sent to the United States for advanced training while others received their field training in Lebanon, at the artificial insemination laboratory established under Point Four and Lebanese Government auspices.

B. Poultry. Again the Terbol station was chosen to house the model poultry flock. At the station, there is an established 1500 layers and 3500 chicks. Imported from America and Holland, the large breeds are being experimented with to produce tender and plentiful meat and large eggs. Malnutrition of Lebanese chickens is prevalent throughout Lebanon. A need for adequate food is essential. Yet the model flock at Terbol is being fed with only imported American mashes.⁷⁹ For the local flocks, there are experiments continuing to improve the protein and local grain diet. Demonstration and experimental work has and is going on in the following locations in Lebanon: Jebrayl, Tripoli, Bechmezzine, Jibbouleh, Ba'albeck, Terbol, Anjar, Ghazir, Jounieh, Sannine, Biskinta, Beirut, Furn-esh-Shebbak, Sin-el-Fil, Souk-el-Gharb, Talabaya, Jezzine and Kasmie.

⁷⁹

Personal Interview with Director at Terbol, September 3, 1957.

Demonstration poultry units have been supplied with imported chicks. At these places disease is fought. Over one million vaccinations against Newcastle Disease were provided.⁸⁰ Because of the high death rate of baby chicks, increasing experiments are taking place. In many parts, disease remains unchecked, merely because a solution has not been found as yet.

In experiments to increase the protein diet of the chicken, it was found that the best results were by mixing local feed with imported United States mashes. To reduce this expensive mixture, plans for a local plant for poultry concentrates has been completed. The building of the plant has begun.

The baby chick industry, using imported breeds, has risen astoundingly. It is now possible for Lebanon to export to other Middle East countries day-old chicks.⁸¹ Advice to poultry owners by Point Four technicians has been most helpful in increasing the poultry industry.

Upon their advice, egg washing machines are installed, along with modern incubators and laying pens. Marketing eggs, scientific killing for marketing of chickens, and poultry housing construction have all given greater satisfaction to the producer as well as the buyer of poultry products.

⁸⁰Personal Interview with poultry expert, Point Four Office, Beirut, Lebanon, September 4, 1957.

⁸¹Lebanon, 1957, USOM, American Embassy, Beirut, Lebanon, p. 62.

C. Irrigation. It is imperative for the increasing population to use new land, or land on which food production can be increased for needed foodstuffs. Because of the lack of new land, irrigation projects must be pushed forward to increase crop production. To achieve greater land production, the following objectives relating to irrigation have been agreed upon:⁸²

1. "Development of modern irrigation and drainage systems at the experimental stations at Terbol, Tyre, and El-'Abde, for research and investigation and as tests and demonstrations of various irrigation practices and equipment.
2. "Development of additional irrigation water supplies, with major emphasis on underground water.
3. "Providing technical irrigation and drainage assistance to individuals or groups of farmers through the extension program.
4. "Publication of the results of all investigational and research work.
5. "Training of Lebanese technicians, both locally and abroad, who will be able to carry on a continuing irrigation program within the Ministry of Agriculture."

The first point has amply been fulfilled. All three stations have irrigation systems demonstrating the use of irrigation on crop potentiality.⁸³

⁸²Pount Four in Lebanon, U.S. Technical Cooperation Service, Catholic Press, Beirut, Lebanon, 1953, p. 22.

⁸³Lebanon, 1955, USOM, American Embassy, Beirut, Lebanon, p. 46.

At Terbol, aluminium pipes are used to control the flow of water from the spring where a new engine and pumps were installed. This system is both above and under the ground, fulfilling point two.⁸⁴

At Tyre, an irrigation ditch has been installed and proved successful.⁸⁵ At 'Abde, irrigation pipes are in use to water the wheat and small trees which are there.⁸⁶

These demonstrated projects have proved that Lebanon can use her available land and water towards greater productivity. But much of the available water must come from distant regions. To enable a greater equality of water use, canals must be built, such as the ones at Tyre and the Kasmie region. Since its completion, lands adjoining the Kasmie Canal System have increased ten fold in value as their crop production increased.

As for drainage of the wet lands in the Beka'a and southern coastal plain, Point Four engineers have been working on a plan which, if undertaken, will afford, in some places, a hundred percent increase in crop production.⁸⁷

D. Farm machinery. Farm machinery, with centers at 'Abde, Cedars, Chekka, Laklouk, Beirut, Dahr-el-Baidar, El-Masna'a, Tel-al-Amara,

⁸⁴Lebanon, 1957, USOM, American Embassy, Beirut, Lebanon, p. 60.

⁸⁵Lebanon, 1955, USOM, American Embassy, Beirut, Lebanon, p. 46.

⁸⁶Personal Reconnaissance at 'Abde, Lebanon, June 27, 1957.

⁸⁷Lebanon, 1955, USOM, American Embassy, Beirut, Lebanon, p. 48.

Terbol, and Tyre, has tended to revolutionize farming methods on the large farms of Lebanon. The farm machinery program has three main objectives:⁸⁸

1. "Training operators and maintenance crews.
2. "Servicing allied agricultural projects.
3. "Servicing private farmers and cooperatives."

A training school at the Tel-el-Amara Agricultural School for tractor and farm implement operators and mechanics, the first of its kind in Lebanon, was sponsored by Point Four.⁸⁹ At the initial classes, in September, 1954, sixty eight trainees attended. From the classrooms come the mechanics and operators necessary to operate the machinery which is coming into Lebanon from Point Four and private sources. These operators and mechanics will be able to train others needed to perform on the farm machinery.

Extensive equipment was purchased with Point Four funds.⁹⁰ This machinery has been distributed to various collective stations, entitled collective pools, where they have been rented out at a minimum charge to those desiring the use of the machinery.

⁸⁸ Lebanon, 1955, USOM, American Embassy, Beirut, Lebanon, p. 48.

⁸⁹ Ibid.

⁹⁰ \$ 940,500 has been spent on farm machinery and a variety of other supplies and services for agriculture.

Extract, made available to Lebanese Press, April 12, 1958, on U.S. Aid to Lebanon, American Embassy, Beirut, Lebanon.

But farm machinery is not solely used to plant and sow and harvest. Point Four farm machinery has been used in such projects as the Khalde Airport where tractors were used in the sand stabilization project, irrigation and drainage project at the Tyre station, the reforestation at the Cedars, using a power post hole digger, and the building of roads in the Biskinta area, using bulldozers and tractors.⁹¹

The use of bulldozers and tractors in the mountain areas can certainly revolutionize the fruit industry. This machinery has proved through demonstration that, within forty-five hours of work by a tractor in grading new terraces, three years of hand labor and L.L. 5,000 could be saved.⁹² Furthermore, by the time the hand labor would have been completed, the machine-made terrace would have produced a crop, increasing an initial three fold investment.

Of all the suitable sites available for the development of orchards in the mountains, sixty percent of these could be terraced by machine; yet, because of a lack of accessible roads and bridges, heavy machinery needed cannot be transported to these locations. These demonstrations have shown what is possible to increase mountain production. Cooperation among villages can afford the necessary manpower for building roads, as had been done in certain areas. Initiative from all parts must be stressed.

⁹¹ Lebanon, 1955, USOM, American Embassy, Beirut, Lebanon, p. 32.

⁹² Point Four in Lebanon, U.S. Technical Cooperation Service, Catholic Press, Beirut, Lebanon, 1953, p. 24.

The Point Four agriculturalist is always available for consultation to help determine what is advisable in certain situations. His recommendations have helped in terracing, cultivation practices, and selecting trainees for advanced study in the United States.

E. Veterinary. When the Point Four Veterinary Project was signed in 1953, Lebanese livestock was prevalent with tuberculosis, foot and mouth disease, bang's disease and parasitism. Furthermore, four out of five chicks died before maturity. The Joint project was designed to improve the present animal and poultry health by controlling diseases and providing more modern veterinary service.⁹³ To fulfill these plans, a vaccine laboratory has been planned and the site selected at Ba'abdat. The expensive pieces of equipment to be installed have been made available through Point Four auspices.

Other building projects which are contemplated or have begun construction are four animal health centers. Point Four will supply the funds for the ground floor and laboratory, complete with equipment for each structure.⁹⁴

In the field, Point Four has supplied the Lebanese Government two vehicles to continue the uninterrupted moveability of the four district veterinarians.⁹⁵ These district veterinaries received stocks of vaccines

⁹³Point Four in Lebanon, U.S. Technical Cooperation Service, Catholic Press, Beirut, Lebanon, 1953, p. 24.

⁹⁴Lebanon, USOM, 1955, American Embassy, Beirut, Lebanon, p. 27.

⁹⁵Ibid., p. 26.

from Point Four for blackleg, anthrax, and foot and mouth diseases. Also supplied were vaccines for sheep and goat pox. Furthermore, sufficient vaccine was supplied to the veterinarians for the control of the major poultry diseases, such as Newcastle Disease and coccidiosis.

The veterinary project is not only concerned with cattle and poultry diseases and the prevention of these. During a rabies outbreak in which eleven persons died, Point Four helped to obtain rabies vaccine from the United States to prevent a wholesale outbreak of the disease.⁹⁶ Furthermore, the analization of animal feeds has been given active support from the Veterinarian Project. The best quality and most economic feed will be stressed. The veterinary service emphasizes that an adequate and nourishing diet is probably the best preventative against livestock disease.

Veterinary activities included work at the following sites: Tripoli, Halba, Ba'albeck, Beirut, Ba'abdat, Saida, and Tyre. To these locations are furnished printed material from the audio-visual section in Beirut on such topics as "Rabies in Dogs", "Respiratory Diseases of Poultry", and "Poultry Newcastle Disease".

In the training program for veterinarians, American University of Beirut has offered a Point Four sponsored five weeks course to twenty-four veterinary agents where they studied the anatomy and digestive system of the cow, complete with charts and dead carcasses.⁹⁷ Field trips included

⁹⁶ Lebanon, 1955, USOM, American Embassy, Beirut, Lebanon, p. 26.

⁹⁷ Ibid., p. 28.

tours of the artificial breeding station, on-the-spot disinfectant demonstrations, and visits to privately owned farms to point out the good and bad points of the premises pertaining to the health of the animals present.

F. Marketing. The Marketing Division of the Point Four Mission in Lebanon has had mainly advisory work. Their work has pertained to four fields: grading and packing, storage facilities, high and uniform standards, and the development of foreign markets.⁹⁸

With the purchase of an onion and potato grading machine by Point Four, and demonstrated in the Beka'a, several private concerns have recently installed their own. As a result, 1954 marked the first year for exporting graded onions to England and Germany. On the advice of Point Four technicians, the shippers used United States ventilated bags as a trial, and proved very successful.

On the advice of the Point Four technicians, mechanical grading and packing equipment for the citrus industry has been installed by private industrialists. Black scale, prevalent among the oranges of Lebanon, has been traditionally cleaned from the fruit by hand, injuring the fruit and causing undue rotting damage. Then, too, spoilage has occurred by using improper harvesting, handling, and packing practices. With the advent of fruit clippers and picking bags and machinery for grading and packing and cleaning of the fruit, spoilage is practically eliminated.

⁹⁸Lebanon, 1955, USOM, American Embassy, Beirut, Lebanon, p. 26.

In the marketing of bananas, Point Four technicians encouraged the use of burlap and excelsior in which to pack bananas for shipment abroad. Consumer acceptance is thus increased when the fruit arrives undamaged.

Vegetables and eggs, too, have come under the scrutiny of the marketing expert. Exporting bags for vegetables, produced in the United States, were found desirable once demonstrated by Point Four technicians. Graders have helped to eliminate expensive handling charges. These eggs, once they have been machine graded, candled, and date-stamped, have increased the demand for Lebanese eggs in the markets abroad.⁹⁹

Inspection of packing and shipping facilities has resulted in a greater demand for Lebanese products and a greater income for Lebanese shippers.¹⁰⁰ Prior to investigation of products to be shipped, Lebanese fruits and vegetables were packed and shipped in such crude ways as to cause almost total or partial loss of the shipment. Now, with the establishment of an investigation service for packing and shipping, which included accompanying a cargo overseas to record shipping data for prevention of spoilage, setting up a disinfectant station for fruits or vegetables and a fumigation system for bananas to make them saleable abroad, and to supervise the building of a governmental packing plant with equipment from Point Four funds, Lebanese fruits and vegetables can reach markets, desirable, and in greater demand.

⁹⁹Lebanon, 1957, USOM, American Embassy, Beirut, Lebanon, p. 58.

¹⁰⁰Lebanon, 1955, USOM, American Embassy, Beirut, Lebanon, p. 20.

The technician has also helped to establish an agricultural cooperative marketing board, to be composed mainly of representatives of produce farmers and the Ministry of Agriculture, established to supervise the universal marketing practices in Lebanon.¹⁰¹

Marketing facilities of Point Four-Lebanese cooperation have been located at Tripoli, Saida, Tyre, Zahle, Terbol, Kornayel, and Beirut, At Beirut is being built a million dollar new wheat storage project undertaken by Lebanese and Point Four funds to be used to supplement insufficient wheat storage facilities now existing.¹⁰²

Advance training has been given to one trainee for study of the apple packing and marketing in the United States.

G. Horticulture. The objectives of the Lebanese-Point Four work in horticulture are to improve the quality and quantity of crop production, to reduce costs, and to increase the supply of fruits and vegetables for home use and export, thus improving the diet of the people and at the same time, the international trade balance of the nation.¹⁰³

This program is long-range in nature since the seedlings imported and planted will not bear fruit until three to five years have passed. The work is basically experimental, with technical advice being given to all who desire it.

¹⁰¹Point Four in Lebanon, U.S. Technical Cooperation Service, Catholic Press, Beirut, Lebanon, 1953, p. 25.

¹⁰²Lebanon, 1955, USOM, American Embassy Beirut, Lebanon, p. 21.

¹⁰³Ibid., p. 35.

Because the horticultural crop is around seventy-five percent of the total crop production in Lebanon, this field is the most important of all agriculture work.¹⁰⁴ Each crop entails many problems which must be overcome. Disease, both insect and plant, fertilization, root stock adaptations, variety selection, irrigation, and soil management are but a few of the problems which are being experimented with by this branch.

The importation of seeds and seedling to the experimental stations at Terbol and Tyre, ninety-three varieties and thirty-three varieties respectively, will produce valuable information on adaptability of new stock into Lebanon. Fourteen different grape stocks, six berries, nine avocados, three nectarines, eight peach, five plum, two persimmon, four fig, four apricot, six apple and two pear are only some of the different varieties, hoped by the experts, to replace some of the older stock trees now producing in Lebanon.¹⁰⁵

To the existing fruit trees in Lebanon, the technical experts have attempted to induce new methods of pruning, new sprays to eliminate disease, especially the orange black scale, and demonstrations in bee pollenization. Fertilizers, too, are being tested in coordination with the Ministry of Agriculture and the American University of Beirut. Zinc and potassium compounds are being stressed since the citrus trees in Lebanon seem to have a lack of those two chemicals.

¹⁰⁴ Lebanon, 1955, USOM, American Embassy, Beirut, Lebanon, p. 21.

¹⁰⁵ Ibid., p. 38.

Modern methods of trellising grapes on cement posts are being encouraged, too, by Point Four since the raised grapes produce more and improve the quality.

New varieties of vegetable seeds have been imported at Point Four expense, and distributed to the graduates of the five government agricultural schools, in the hope that the graduates will plant gardens of their own, thus spreading the highly tested seeds.

Horticulture project locations are found at 'Abde, Khonchara, Beirut, Terbol and Tyre.

H. Agronomy. Agronomy, defined as the theory and practice of field crop and soil management for the improvement of the quality and quantity of agricultural crops, is basically an experimental field in Lebanon.¹⁰⁶ Like the horticultural field, agronomy projects seek to increase the production of foods, such as potatoes, grains, legumes and forages and thus reduce the volume of imports. It involves soil studies for fertility, acidity, alkalinity and salinity. It involves the control of disease, insects and weeds in agronomic crops.¹⁰⁷ Unlike the fruit crops, Lebanon must import approximately sixty percent of its bread grains. At the experimental stations of Terbol, 'Abde, Batroun, Sarafand, Jebrayl, Bhanine, Hermel, Ma'arieh, Bechmizzine, Jabbouleh, Anjar, 'Adloun, Laklouk, Loubieh, Tyre and Bujada, new varieties of graincrops,

¹⁰⁶ Lebanon, 1957, USOM, American Embassy, Beirut, Lebanon, p. 42.

¹⁰⁷ Point Four in Lebanon, U.S. Technical Cooperation Service, Catholic Press, Beirut, Lebanon, 1953, p. 28.

such as wheat, barley and corn, and vegetables, like potatoes, sugar beets, soybeans and legumes, have been planted for experimental demonstration work. A two crop system was developed, using irrigation and good fertilizers. Also, a third crop has been grown, entitled a 'green manure', whereby the crop is turned under, injecting nitrogen and other necessary chemicals into the soil.

Along with the grain and vegetable experiments, there were plantings of grasses, too, for the livestock of Lebanon. Since most of the meat products are imported, the agronomists are attempting to develop a grass which will grow more to the acre and feed more cattle and livestock. With an increase of livestock in the country import costs will decrease.

"Thus, the expansion of the two-crop per year system will accomplish the desired results of increasing the farmer's income per hectare of land, produce a more adequate supply of livestock feed...and increase the fertility of the soil."¹⁰⁸

The potato industry has been greatly improved by the experiments held at Laklouk, Terbol and Tyre. Point Four has test-planted successfully twenty-five varieties of potatoes from Canada, United States, Iceland, France, England and Holland to determine suitability to climate and soil conditions.¹⁰⁹ Of the forty thousand tons of potatoes produced annually, one-third are exported. Increase of production from the experimental stock can gain a greater income for the grower.

¹⁰⁸Lebanon, 1955, USOM, American Embassy, Beirut, Lebanon, p. 24.

¹⁰⁹Lebanon, 1957, USOM, American Embassy, Beirut, Lebanon, p. 43.

At the Terbol station, emphasis has been placed on the various agronomic practices such as rate of seeding, row spacing, fertilizer placement, and the varying amounts and combinations of commercial fertilizer.

The agronomist, too, has helped to collect for the Ministry of Agriculture reliable factual data on local agriculture.

I. Forestry. Through the years, the Lebanese mountains have been depleted of their forests. Conquering and invading armies have continually helped themselves to these woods. Yet, there was no concrete organized plan to reforest the barren hills. Overgrazing and improper management practices have resulted in the depletion of range plants and ground cover. Without trees, erosion had become extensive. The Point Four technicians in forestry are aiding the Government to reforest its hills, especially with the prized cedar and pine nut varieties. Some half a million acres need restoration in order to check soil erosion, increase the area of water shed forest, produce more wood, and help the national tree, the cedar, to regain its former range in the country.¹¹⁰

At such locations as Kammoua'a, Cedars, Dahr al-Baidar, El-Masna'a and Biyada, entire hillsides are being replanted. In many places, bulldozers and tractors have terraced the land to afford a well patterned reforestation plan. In the nurseries established at Beirut, Chekka, Terbol, and Tyre, experiments are being performed on the adaptability of certain

¹¹⁰Point Four in Lebanon, U.S. Technical Cooperation Service, Catholic Press, Beirut, Lebanon, 1953, p. 29.

trees to certain locations. For instance, the nursery at the Khalde Airport is growing pine nut trees to be planted among the special grass sown for the sand stabilization project. In years to come, this area will be a pine forest, supplying the government with an extensive crop of pine nuts yearly.

Incidentally, the rooted grass around the Khalde Airport has saved the government L.L. 55,000 a year in maintenance costs of removing blown sand from the highway and runways, whereas the entire project costs only L.L. 13,000.¹¹¹ Suggested by an American Civil Aeronautic Administration official the project has reduced maintenance costs to a minimum.

The nurseries are growing trees which will be distributed to private land owners or used in the governmental reforestation projects.¹¹² Here tests are conducted to include fertilization of nursery soils, the use of mechanical equipment in the preparation of seed beds and in seedling culture, chemical weeding of conifers, and mechanical lifting and grading and packaging of nursery stock. Nut trees, such as almonds and pistachios, are being grown under these modern methods to be used for planting in the abandoned terraces in the North of Lebanon.

J. Agriculture extension. "The primary function of agricultural extension is to demonstrate to adult farmers and their families the use of newer methods and techniques which research indicates will increase the

¹¹¹Lebanon, 1955, USOM, American Embassy, Beirut, Lebanon, p. 42.

¹¹²Lebanon, 1957, USOM, American Embassy, Beirut, Lebanon, p. 50.

productivity of land."¹¹³ There are sixteen centers established throughout Lebanon to diffuse the necessary information - 'Abde, Tripoli, Bechmezzine, Jabbouleh, Rayfoun, Tel-el-Amara, Ghazir, Terbol, Beirut, Sin-el-Fil, Hammana, Baakleen, Deir-el-Qamar, Jezzine, Damour and Tyre. In each one of these locations are offices where an extension agent receives persons who wish to discuss agricultural problems with him. But the agent does not always stay in his office. He goes to the people, talking to villagers on the latest methods, and on the problems confronting them in the field of agriculture.

This program was first suggested in a report dated September, 1948, when a special mission from the United States Departments of State and Agriculture came here at the request of the Lebanese Government.¹¹⁴ The program includes the establishment of an Agricultural Extension Division in the Ministry of Agriculture, funds for the building of the district extension offices, and the training of nineteen ministry personnel selected for training in agricultural extension, the training furnished by Point Four.

One of the best ways to put across modern methods is to hold fairs. At these fairs, competition is always a vital part. And when products which are grown under the advised Point Four methods win, the farmers have no arguments on which to fall back. Here, too, are demons-

¹¹³Lebanon, 1957, USOM, American Embassy, Beirut, Lebanon, p. 50.

¹¹⁴Point Four in Lebanon, U.S. Technical Cooperation Service, Catholic Press, Beirut, Lebanon, 1953, p. 29.

trated the latest methods such as dipping vats for insect control of cattle, or machinery demonstrations.

To carry out this extension work, of going to the people, transportation vehicles have been supplied by Point Four funds.¹¹⁵ Then, too, the need for printed material on agricultural production is in demand by the agricultural extension officers. The audio-visual section aids all it can. But books in Arabic are preferred. Such a book on apple production was published only after the Point Four Mission underwrote its publication. This book is now being used in the Governmental agricultural schools and in Point Four sponsored training classes.¹¹⁶

This section then can be termed as the advisory section. Aside from transportation vehicles, this section goes to the people who ask questions on agricultural problems. This section sees that the farmer knows what is going on in Lebanon in the field of agriculture. This section provides for the demonstrations, such as terracing by machinery and fig packing operations with hand presses. This section helps in selecting trainees for American University of Beirut fellowship training in agriculture and in selecting other trainees for other agricultural sections.¹¹⁷ And trainees have gone to the United States for training in extension work, to carry on a hoped for expanded extension program for the future.

¹¹⁵Lebanon, 1957, USOM, American Embassy, Beirut, Lebanon, p. 37.

¹¹⁶Point Four in Lebanon, U.S. Technical Cooperation Service, Catholic Press, Beirut, Lebanon, 1953, p. 30.

¹¹⁷Lebanon, 1955, USOM, American Embassy, Beirut, Lebanon, p. 51.

K. Entomology. Entomology is the controlling of diseases and insects harmful to crops. Working closely with the agronomists and the horticulturalists, the entomologist advisors have helped to protect the spread of insects and have developed new insecticides to be used in killing of insects.

Some of the projects which resulted in quick action by the entomology section were the destruction of beetles which began infringing on wheat crops at Anjar and Terbol, a spraying program to reduce bean crop losses affected by an applied infestation, and adding insecticides to the soil to exterminate pests at the experimental stations.¹¹⁸

The moveability of this section has made imperative the purchase of five pick-up trucks, to haul insecticides and the spraying equipment.¹¹⁹

As to training, a Point Four entomologist conducted training courses in the use of modern insecticides, spray equipment and the time when to spray. Preventive teaching as the entomologist has done has helped the Lebanese farmer to fight the yearly influx of insects which attack his crops.

Entomology projects can be found scattered throughout Lebanon at twenty-nine locations. Tripoli, 'Abde, Bechmezzine, Zghorta, Batroun, Jabbouleh, Anjar, Tel-el-Amara, Terbol, Hoch Harimi, Laklouk, Rayfoun, Ghazir, Ma'ameltain, Hammana, Baakleen, Damour, Deir el-Qamar, Beirut,

¹¹⁸Lebanon, 1955, USOM, American Embassy, Beirut, Lebanon, p. 51.

¹¹⁹Ibid.

Zahle, 'Anout, Jazzine, Aley, Jib Jannine, 'Adloun and Tyre, places where all previously named experimental stations and agricultural extension stations are located.

L. Agricultural cooperatives. The Point Four-Lebanese Government Project pertaining to agricultural cooperatives has as its primary objective to set up a program to assist in the organization of agricultural cooperatives which will demonstrate to the farmers the effectiveness of working together.¹²⁰ Five types of cooperatives were to be outlined in this project:¹²¹

1. One to furnish machinery and equipment service to members and demonstrate the use of such equipment;
2. One to furnish a spraying and/or dusting service designed to minimize losses from insects and other pests;
3. One to purchase agricultural production supplies, seed, feed, fertilizers, etc;
4. One for the purpose of handling milk and transporting it to market; and
5. A producer cooperative which will pack fruits and vegetables and demonstrate to farmers the proper methods of packing and handling in order to minimize losses.

¹²⁰ Point Four in Lebanon, U.S. Technical Cooperation Service, Catholic Press, Beirut, Lebanon, 1953, p. 27.

¹²¹ Ibid.

These cooperative plans were to be based on a governmental Agricultural Credit Bank, ready to finance such cooperatives. Point Four funds were extended to an agricultural credit and cooperative fund from which cooperatives could draw necessary loans to begin their community projects.¹²² Cooperatives are now found throughout Lebanon at Jebrayl, Hakour, Hermel, Tripoli, Kafar-Akka, Goma, Fatahate, Grave, Jbail, Qartaba, Manarah, Sannine, Kornayel, 'Abadyah, Bourg-Barajneh, Hock el-Omara, Kabb-Elias, Damour, Saïda, Geba'a, Marjeyoun, Dmoul, Sheikh Taba, Chekka, Ba'albeck, Mishmish, Tannourine, 'Ain-Zhalta, Lala and Jebullah.

The Point Four Mission has supplied over six hundred tons of fertilizer per year since 1956 to village cooperatives. It has donated an apple grading and packing machine to the Ministry of Agriculture to be used by local packers. It has advanced \$ 32,000 worth of agricultural machinery, equipment and supplies to cooperatives, equipment including trucks, fruit grading machines, fruit pruning supplies, lime burner, milk house with cooler, bee supplies, sprayers, dusters and office supplies. The money repaid is to be placed in a revolving fund with the Agricultural Credit Bank to finance "poor risk" cooperatives, those having no financing capital available to participate in the cooperative plan.¹²³

Cooperatives are progressing nicely, especially in the dairy field. In certain villages, the villagers pooled their resources and were able to

¹²² Lebanon, 1955, American Embassy, Beirut, Lebanon, p. 49.

¹²³ Ibid.

buy one or two bull calves from the Terbol station.¹²⁴ These two were put to use by the entire village. As a result, the initial investment increased ten fold since milk production from the hybrid cows is in greater proportion to the native cows.

Another village cooperated in building a road so that market produce could be easily transported and terracing equipment could enter.¹²⁵

Only through such cooperatives as these can the rural villages raise their standards of living. To help one another, by pooling all their resources, obtaining credit from the central government and using the technical service of Point Four technicians, only in this way are the villages able to compete with the large land owners and industrialists who threaten to dominate the Lebanese rural farmers with their capital. Combining all local competition into one monopoly, forming a single competition to the large owners, can bring prosperity to the villages. All the demonstration projects of Point Four and the supplying of grains, cattle, fertilizers, trees and machines, were working towards raising the standard of the rural people by increasing their crop output and livestock output. All that will be benefited by these supplies and demonstrations will be the capitalists, those that are able to purchase the necessary equipment to fulfill the modern methods stressed, unless village cooperatives are formed. The government Agricultural Credit Bank

¹²⁴ Lebanon, 1955, USOM, American Embassy, Beirut, Lebanon, p. 49.

¹²⁵ Ibid., p. 63.

is the source from where the necessary finances come. Cooperative spirit must come from the villagers themselves before the Point Four Agricultural Program can succeed in Lebanon.

Public Works and Transportation. The Public Works Division of Point Four serves primarily as a technical, engineering, advisory staff to the Ministry of Public Works.¹²⁶ The plans of these advisors are used by the Ministry to organize its program of public works construction. Because the goal of all public works projects is to improve the level of living of the Lebanese people, most of the projects pertain to water since the majority of the people live off the land; and with an increase in the water supply, crop and livestock production can be augmented. The Litani Project was the first public works project to be undertaken.

The Litani River, flowing through two-thirds of Lebanon, originates from a small spring in the Bekaa as a sluggish stream, flooding during seasonal rains part of the land adjacent to it. During its course to the sea, the stream becomes a raging torrent, plunging hundreds of feet through the mountains to end sluggish, once more, emptying into the sea as the largest river in Lebanon. The river has been under consideration by many groups of people. The French, during their mandate, studied the Litani as a future long-range development plan.¹²⁷ No action was initiated. In 1946, the United States State Department Agricultural Mission, which

¹²⁶ Lebanon, 1957, USOM, American Embassy, Beirut, Lebanon, p. 9.

¹²⁷ Development Plan for the Litani River Basin, Vol. I, U.S. FOA June, 1954.

surveyed Lebanon, recommended the Litani River for expansion of irrigation, development of electrical power for small industries and home use, and the distribution of potable water to villages and towns.¹²⁸ In these recommendations lie the germs of the much larger schemes undertaken by the United States Bureau of Reclamation which surveyed the river in 1951,¹²⁹ at the request of the Lebanese Government, just prior to the signing of the Point Four General Agreement. This report was used as a basis for the final United States survey, under Point Four auspices, which was completed in 1953. By the final planning, the Litani Project was to be begun in 1955 and is to last for twenty five years. The overall program would include the erection of six power plants, three large dams with one diversion dam, and many kilometers of canals. The Karaoun Dam and Reservoir will provide water for the Bisri River basin, through the Lebanese mountain range, for irrigation and power development. The Khardale Dam on the lower Litani, when installed with a power plant of one hundred seventy one thousand kilowatt power units and a transmission system, will operate with sixty nine thousand volts affording six hundred twenty six million kilowatt hours of energy to be produced in an average year. The kilowatt hours generated by all six power stations will be approximately two hundred forty million. The irrigation projects from the entire system will provide water for twenty-five thousand four hundred ninety hectares.

¹²⁸ Development Plan for the Litani River Basin, Vol.I, U.S. FOA June, 1954.

¹²⁹ Point Four in Lebanon, U.S. Technical Cooperation, Service, Catholic Press, Beirut, Lebanon, 1953, p. 15.

The cost of the program will be \$ 97,800,000 with power installations costing \$ 71,800,000 and irrigation, \$ 26,000,000.¹³⁰

This project, begun last year, is completely in the hands of the Lebanese Government. Point Four supplied the engineers to furnish the Government with the plans. Construction is solely Lebanese.

Nine other river basins have been surveyed for the potential use of the waters for irrigation, power and village water supplies.¹³¹ The rivers under investigation were the Ostouene, Arka, el Bared, Abou 'Ali and el Assi in the North; the Ibrahim, el Kelb, Beirut and Damour in the Central portion of Lebanon. The investigations and surveys of these nine river basins comprises eighty percent of the water resources of Lebanon excepting the Litani system. As of now most of the survey reports with recommendations have been turned over to the Minister of Public Works. The cost of the surveys including the Litani was \$ 746,000.¹³²

Work that was entailed during reconnaissance investigations of the basins included such undertakings as the discharge measuring of the springs and rivers, to determine the water available for development, land classification to determine the extent and location of irrigable lands, mapping of rainfall and geologic studies of the surface geology of the stream basins to select possible sites for storage and diversion dams,

¹³⁰Development Plan for Litani River Basin, Vol.I, U.S. FOA, June, 1954.

¹³¹Lebanon, 1955, USOM, American Embassy, Beirut, Lebanon, p. 93.

¹³²Extract made available to Lebanese Press, April 12, 1958, on U.S. Aid to Lebanon, American Embassy, Beirut, Lebanon.

tunnels, panstocks, power plants and pumping plants.

The Kasmieh Irrigation Construction Project was signed on February 16, 1955.¹³³ This agreement stated that Point Four funds were to be provided for the construction, technical assistance and direction necessary to complete the partially built projected Kasmieh Irrigation Project. When completed \$ 497,400 of Point Four aid had been spent for the project.¹³⁴

The irrigation project was divided into three main divisions: the Saida branch, twenty nine kilometers long, the Tyre branch, ten kilometers long, and the Safsafe Canal, four kilometers long. The work included placing concrete lining, and constructing lateral turnouts, culverts, bridges, stock watering ramps, checks and waterway turnouts and a protective drainage system. An interesting item to note was the use of a Roman Canal in constructing the Safsafe Canal.

The Kasmieh Canal Project consists of $38\frac{1}{2}$ kilometers of main canal, covering irrigation for an area of sixteen thousand two hundred hectares, where Bananas, citrus fruits, and vegetables are the main crops.

A project arising from the Litani survey is the village water supply project, when geographical tests for the Litani found underground water. Under the project agreements, thirteen village water supply districts were provided for, although only nine are in operation.¹³⁵ The

¹³³ Lebanon, 1955, USOM, American Embassy, Beirut, Lebanon, p. 92.

¹³⁴ Extract made available to Lebanese Press, April 12, 1958, on U.S. Aid to Lebanon, American Embassy, Beirut, Lebanon.

¹³⁵ Lebanon, 1955, USOM, American Embassy, Beirut, Lebanon, p. 89.

nine districts are Akkar, Ad-Daniyah, El-Koa, Batroun, Central Beka'a, Al-Kharoub, Rachaya, Kasmie and Jebel 'Amel. The purpose of these district projects is to bring to rural villages water that is potable and in sufficient quantity to merit all the needs of the village. In the districts, save for the El-Koa and Batroun, two hundred and seven villages, with a population of one hundred seventy five thousand have or are in the process of receiving a water supply. In the Rachaya and Al-Kharoub districts alone, two pumping stations, fifty-two reservoirs, and fifteen kilometers of main pipe line were constructed while construction of four pumping stations, sixty-four reservoirs, and two hundred and ten kilometers of main pipeline was well under way in Rachayah, Jebel Amel and Central Beka'a districts.

The natural resources division not only plans the development of these projects, prepares the designs and specification, and inspects and supervises the construction of the supply system, but it also agreed to purchase and furnish \$ 2,000,000 of materials, supplies and equipment for supplementary construction of the projects.¹³⁶ Wells, too, have been drilled and tested as to determine the available flow from these sources.

The materials purchased from the \$ 2,000,000 included such items as pipes, fittings, pumps, valves, generators, and motors. The remainder was reserved for construction designs and specifications (\$ 55,000) and materials (\$ 200,000) for the Anjar springs' pumping plant unit, Rachaya district.

¹³⁶Lebanon, 1955, USOM, American Embassy, Beirut, Lebanon, p. 89.

The Power Transmission Project, formerly entitled Rural Electrification, is a new project, just beginning, using the money appropriated under the Eisenhower Doctrine.¹³⁷ This project is still in the planning and blue print stage. An American firm has been hired to help in the planning of rural electrification. The total money appropriated for this project in 1957 consisted of \$ 5,500,000 and has been used to purchase poles, towers, copper wire, insulators, and transformers.

Point Four has supplied trained geologists to travel throughout the Lebanon in an attempt to locate mineral deposits which may be developed for export or home use. Reports turned in to the Ministry have resulted in the opening of iron ore mines.¹³⁸

Expansion of the Beirut International Airport, a joint Lebanese-Point Four project, was developed to provide improvements to insure continued safety of flight operations for large jet type aircraft. Funds appropriated totalled \$ 470,000.¹³⁹ From this \$ 100,000 worth of radar equipment has been purchased and will be installed this year. The plans for the extension of runways have been completed, too. An up-to-date electronic navigation guide, entitled a visual omni-range guide, for aiding planes in flight and landing, is in the process of being installed at 'Ainab. When completed the International Civil Aviation standards will be met.

¹³⁷ Personal Interview with U.S. Point Four employee, September 5, 1957.

¹³⁸ Lebanon, 1957, USOM, American Embassy, Beirut, Lebanon, p. 22.

¹³⁹ Personal Interview with U.S. C.A.A. official, Beirut, Lebanon, July 6, 1958.

Located at the airport is a plane, paid for by Point Four funds, but operated by United States Civil Aviation personnel. Regional in scope, the plane is used to flight check requesting Lebanese pilots and to check the Visual Omni-Range installations.¹⁴⁰

The training program in aviation has afforded nine trainees to study in the United States. Their paid expenses amounts to \$ 500 per person. The training program for the division of public works supports some engineering students, most of which are at the American University of Beirut, a few in the United States for advanced training. Most of those in the United States are receiving their training from the Bureau of Reclamation in civil engineering and hydraulic structures.

In Lebanon, on-the-job training has been carried out by Point Four officials in all fields of the division operations.

While the Public Works Division has used forty-two percent of the allocations from Point Four and special economic and development assistance funds, the Transportation Section of the Public Works Division spent an additional eighteen percent of the total funds. These funds went to the building of two road projects only, the Beirut-Ma'ameltein road and the Beirut-Damascus highway.

The Beirut-Ma'ameltein project, fourteen kilometers in length, was to be used as a demonstration project, showing new methods and materials used in road construction.¹⁴¹ Equipment, valued at L.L. 1,600,000 was purchased by Point Four. Steel asphalt and materials were purchased, and an American highway engineering company was hired to supervise the work. The first section was to cover a range of six and four tenths kilometers. Construction work was initiated in June, 1955. Supposedly only to take one year to complete, the project work was lengthened into two and a half years.

¹⁴⁰Ibid.

¹⁴¹Lebanon, 1955, USOM, American Embassy, Beirut, Lebanon, p. 84.

The second stage of the highway stretching from Dbayeh to 'Aintoura was begun last year. This portion will cost approximately L.L. 4,000,000 and is supposed to take only fifteen months to be constructed. Preliminary work has been very slow and little progress has been accomplished at this writing. In this section two four-kilometer tunnels will be built and a new bridge will span the Nahr el-Kelb.¹⁴²

The cost of the entire project is to be L.L. 20,000,000.

The second road project, the Beirut-Damascus highway, will exceed in costs the coastal road. Funds to date have been \$ 500,000 for road-building equipment, \$ 200,000 for the financing of an engineer firm to supervise work, a \$ 984,000 supply of asphalt for the program, and the allocation in June 1955 of the sum of \$ 3,200,000 (L.L. 10,000,000) for the Bhandoun-Sofar section of the road. An American engineering firm has helped in the surveying and plans for the entire project--Beirut to the Syrian border. Attempts at providing a loan by the International Cooperation Agency of \$ 5,000,000 failed at the rejection by the Lebanese Government. The Lebanese Government did not want to contract debts when grant aid was available from sources other than the United States.¹⁴³ Point Four purchased equipment has also been transferred from the coastal road to the rural and mountain areas to build important links between villages and the coastal plains.

¹⁴² The Daily Star, June 26, 1957, Vol.6, p. 4.

¹⁴³ New York Times, (microfilm edition), February 23, 1956, p. 1.

Allocation figures for the entire Public Works Division of Point Four Technical Assistance has been \$ 10,000,000 for pipes, wire, poles, generators, miscellaneous fittings and asphalt, and \$ 1,647,000 used to pay design costs for the two major highway projects and for construction equipment, materials, laboratory, and highway construction costs.¹⁴⁴ Furthermore, an additional \$ 4,000,000 has been set aside for continued road construction.¹⁴⁵

Industry. Industrialization is the key word to those who seek development in underdeveloped countries. To many in Lebanon, only through the expansion of industry can Lebanon take her rightful place among the developed nations of the world. The industrial program of the Point Four Mission, working through the Ministry of National Economy, is seeking to develop the neglected industrial potential to bring greater prosperity and employment to Lebanon.¹⁴⁶ Its objects are to expand the manufacture of export goods to increase foreign exchange earning and to increase the volume of domestic goods, thus reducing imports in order to save foreign exchange.¹⁴⁷

To abet the industrial programs of Lebanon, the United States

¹⁴⁴ Extract, made available to Lebanese Press, April 12, 1958, on U.S. Aid to Lebanon, American Embassy, Beirut, Lebanon.

¹⁴⁵ Ibid.

¹⁴⁶ Point Four in Lebanon, U.S. Technical Cooperation Service, Catholic Press, Beirut, Lebanon, 1953, p. 39.

¹⁴⁷ Lebanon, 1955, USOM, American Embassy, Beirut, Lebanon, p. 77.

Government has spent \$ 886,927 of Point Four allocations for the construction and equipping of the buildings and testing laboratories, contractual services, and technical consultants of an industry institute.¹⁴⁸ This institute, located in Ras Beirut, has the responsibility of not only being a physical research center but also a clearing house for technical knowledge, and a means of solving economic problems in the fields of productivity, standardization, analysis, investment, machinery, labor, business management, and processes. The service sections are broken down in the following manner:¹⁴⁹

<u>Technical</u>	<u>Management</u>	<u>Quality Control</u>	<u>Pilot Operation</u>	<u>Information</u>
Research	Feasibility studies	Chemical analysis	Process adaptation	Technical productivity
Development	Market surveys	Physical control		
Design	Organization			
Engineering	Production control			
	Accounting			

Examples of projects which the institute has undertaken with the help of its nine long-term specialists and ten short-term consultants, have been the working with Lebanese industrial groups on programs designed to improve industrial productivity. One such group, the cottonseed processing mill owners have accepted the program and have found a L.L. 1,000,000.

¹⁴⁸ Extract made available to Lebanese Press, April 12, 1958, on U.S. Aid to Lebanon, American Embassy, Beirut, Lebanon.

¹⁴⁹ Lebanon, 1957, USOM, American Embassy, Beirut, Lebanon, p. 81.

net gain to the national economy, and the conducting of many feasibility studies to appraise the creation of new industries or the expansion of existing plants. The institute analyzes the products of the anti-fraud division of the Government to insure safe products on the market. The institute provides analyses for local industry for new products. The institute obtained the services of an expert in solar salt to outline a program of assistance for the local salt producers. As a result of the expert's advice, the Institute is now engaged in engineering a refining plant for salt. The Institute has adapted for the Lebanese leather industry, modern tanning techniques to produce leathers of improved quality, and has actively promoted for the canning industry an improved canning process. These projects in many instances have resulted in the need of special technical advisors. The Point Four mission has helped to finance the hiring of these consultants.

Of special interest to the industrialists and small business men is the library of the Institute. Established as a source of technical information for local industrialists, emphasis has been placed on the procurement of books and journals pertaining to applied science. In addition to the technical books, the library subscribes to journals specializing in applied economics, trade methods and principles of finance, management and industrial organization, analytical, physical, organic and chemical. minerology and metallurgy, and electrical, chemical and mechanical engineering.¹⁵⁰

¹⁵⁰Lebanon, 1955, USOM, American Embassy, Beirut, Lebanon, p. 80.

Under Point Four auspices, the Institute was consigned to make an industrial census on the different industries in Lebanon with a view to determine the existing plant conditions for planning a successful future industrial development.¹⁵¹

The industry development of the Point Four is also concerned with methods of introducing industrial credit facilities to enable small business to be established and maintained, methods of attracting private investors and inventors and to protect their capital and their processes, evaluation of raw materials not now being utilized, and the sending of Lebanese to the United States to learn modern, specialized industrial techniques.¹⁵² The last point is the only one to bear fruit. Industry trainees have been sent to the United States to study analytical chemistry, economics, and industrial management. On their return they were employed by the Industrial Institute and the Lebanese Government.

In addition to the four that were mentioned above, seven trainees were sent to the United States to study industrial engineering and chemistry. A team of industrialists, too, have toured the United States to study industrial practices. Those fields which they viewed were textile and cotton manufacturing, flour and leather industries.

To encourage an influx of foreign capital, Point Four has helped to establish a contact clearing house service, designed to effect contact

¹⁵¹ Lebanon, 1957, USOM, American Embassy, Beirut, Lebanon.

¹⁵² Point Four in Lebanon, U.S. Technical Cooperation Service, Catholic Press, Beirut, Lebanon, 1953, p. 39.

between foreign and American firms interested in exploring investment arrangements in Lebanon.¹⁵³ The Point Four Mission has also agreed to explore markets abroad for Lebanese goods. This last part has been comparatively successful in the New York area.

Tourism. "The Point Four Travel Development Program rests on the premise that Lebanon's traditions, antiquities, scenery, climate, natural wonders, summer and winter resorts...are natural resources and should be developed, maintained and promoted abroad like any other resource."¹⁵⁴

The Travel Development Division has undertaken the job to survey all existing tourist attractions and recommend those which would be favorable for development. Of all sites investigated, the Cedars and Ba'albeck were recommended in reports for development.¹⁵⁵ Furthermore, under the Project Agreement, plans for building a rest pavillion at Syro-Lebanese border and youth hostel at Hammama were completed, along with plans for establishing a credit bank for hotel reconditioning.¹⁵⁶ The latter has not been undertaken as yet. Atraine was sent abroad to the United States to study tourism. Upon his return he was immediately hired by the Government to continue with the surveys and recommendations of the Point Four technician.

¹⁵³Lebanon, 1955, USOM, American Embassy, Beirut, Lebanon, p. 82.

¹⁵⁴Point Four in Lebanon, U.S. Technical Cooperative Service, Catholic Press, Beirut, Lebanon.

¹⁵⁵Ibid.

¹⁵⁶Ibid., p. 41.

Rural Improvement. The most important undertaking by Point Four-Lebanese offices is the program for rural improvement. This joint Rural Improvement Program was formulated to revitalize the village, the backbone of Lebanon.¹⁵⁷ Because of the deterioration in village life-- high rate of illiteracy, a low standard of public health, underdeveloped agriculture and rural industry, concentration of the amenities of living in Beirut, resulting in an abnormal flow of rural people to these centers, and a breakdown in the traditional values and institutions of the village community--the program technicians put forward as the aims of the rural improvement project:¹⁵⁸

1. "To aid in providing drinking water, and to protect present sources till other sources are provided.
2. "To help introduce all possible improvements to the houses and public institutions of the villages.
3. "To promote health services, preventive medicine, child care and home making.
4. "To propagate health, agricultural, educational and social information among village inhabitants.
5. "To help the farmer improve his agricultural productivity and encourage the inhabitants to form cooperatives for improving and protecting their production.

¹⁵⁷ Point Four in Lebanon, U.S. Technical Cooperation Service, Catholic Press, Beirut, Lebanon, p. 16.

¹⁵⁸ Ibid., p. 17.

6. "To prepare the curricula for schools in villages on a pattern that suits the rural life and needs.

7. "To propagate the spirit of cooperation among the inhabitants and encourage them actually to contribute to these activities and share in the responsibility for their implementation."

As one can see, these aims are taken from the aims of other Point Four Mission sections, and combined under one heading. Responsible for coordination of all the different missions sections and the ministries in the Lebanese Government, is a council, composed of one member from each responsible ministry and Point Four Mission section, headed by a director general of the Ministry of Social Affairs.¹⁵⁹ This council is responsible for preparing projects for village development, with the first rural improvement project undertaken being the Kasmieh area. The irrigation canals, water drilling, and education improvements of this area have been described in their respective chapters.

Technicians have planned and built five community centers. In each center are two classrooms and one room each for home economics, health clinic, agriculture, and general meeting hall. Furniture was provided by Point Four for one center, to be used as demonstration furniture.

In the courses on home economics, the rural development education technician is attempting to teach the women about: healthful living,

¹⁵⁹ Point Four in Lebanon, U.S. Technical Cooperation Service, Catholic Press, Beirut, Lebanon, 1953, p. 17.

improved practices in cooking, child care, sewing and food presentation; conduct English classes for young school girls; provide recreation at the social centers through the use of books, magazines, music, crafts, projects and dramatics; and to induce girls to cooperate in the work at the social centers.

Two other rural improvement projects have been implemented. The Jebel 'Amel area where drinking water is the core of the project, and the Sannine area, comprised of seven villages, where much road work and water development was furnished.¹⁶⁰ Community cooperatives have also been started in Sannine, to include fruit spraying, veterinarian service, and grading and marketing of fruit. Using Point Four road equipment the Sannine villagers combined forces and built over thirteen kilometers of roads. Because of the new roads, the villagers are experiencing thirty percent increase in profit on their fruit produce.

In the preceding pages, I have attempted to show a brief survey of Point Four activities in Lebanon. The equipment which was purchased and the money for materials in construction and road asphaltting, and plants and seeds have all been an important part of the Point Four Mission. But one must never forget that the basic work of Point Four is the technical advice afforded to the Lebanese Government and the people of Lebanon. This intangible service is the paramount factor. Unfortunately this contribution is overlooked when describing Point Four activities.

¹⁶⁰ Point Four in Lebanon, U.S. Technical Cooperation Service, Catholic Press, Beirut, Lebanon, 1953, p. 17.

Machinery, seeds and equipment can be touched. Where can one hold in his hands the advice given to the fishing industry to increase the individual fisherman's production and assist the Government in preparing itself for greater responsibilities and services resulting from the expanded fishing industry? Then, too, the overall Point Four Project has received slurring comments because of political interference. In November 1953, when Mr. Eric Johnston issued his tri-country water power program for Jordan, Lebanon and Israel, whereby all three states would cooperate with the United States in developing the Jordan Valley, the United States Government attempted to apply pressure on the Lebanese Government to cooperate on this project with Israel.¹⁶¹ Lebanon has unquestionably refused to cooperate in any scheme involving Israel. Political interference occurred again in 1955 when the Lebanese Government decided to break off American Point Four aid.¹⁶² Pressure was being applied by the United States to have Lebanon join in the Baghdad Defense Pact. The Minister of Social Affairs ordered that work started under Point Four auspices be continued exclusively with Lebanese funds. By calm discussions and stoppage of pressure, work was once more resumed jointly.

Once more politics entered the scene in granting funds to Lebanon when the United States had attempted to force a loan of \$5,000,000 to Lebanon for road construction rather than granting funds. In 1956 a

¹⁶¹New York Times, (microfilm), January 22, 1954, p. 26.
London Times, (microfilm), November 2, 1953.

¹⁶²Asian Recorder, 1955, pp. 394 and 447.

spokesman for the Lebanese Government stated that his country did not want loans when others were receiving gifts. He cited the fact that Israel had received over \$ 400,000,000 in United States aid while Lebanon received only \$ 27,000,000.¹⁶³ The day when Mr. Shepilov, Russian Foreign Minister, was to arrive in Lebanon to discuss possible technical development funds, the United States graciously allocated the sum of \$ 3,670,000, basically for Point Four road construction.¹⁶⁴ The timing, purely political, was perfect. As Mr. Shepilov stepped from his plane he was greeted with newspapers headlines lauding the generosity of the United States Government. His visit was in vain.

Point Four funds have not been the only source of American Aid to Lebanon. Economic and military grants have contributed to the overall development program of Lebanon.

Economic Aid

Economic assistance was first issued in 1954 when a \$ 5,000,000 grant was extended to Lebanon.¹⁶⁵ These funds, though, were to augment Point Four proposed projects in agricultural production, road construction and village water supply.

¹⁶³New York Times, (microfilm), February 23, 1956, p. 1.

¹⁶⁴New York Times, (microfilm), June 23, 1956, p. 1.

¹⁶⁵Department of State Bulletin, Vol.32, January-March, 1955, p. 346.

In 1956 \$ 2,000,000 was granted on April 25, to aid in restoring villages devastated by the earthquakes on March 16.¹⁶⁶ As a result of these devastating shocks, one hundred thirty six persons were killed and ten thousand were left homeless, five thousand, five hundred homes were destroyed completely or partially, while eleven thousand homes had been damaged. Point Four Director in Lebanon, Stephan Dorsey, asked for relief planes from Germany and Dhahran to bring down emergency shelters and blankets for the homeless.

With the allocated funds, the Lebanese Government bought materials for making reconstructed dwellings proof against earthquakes, including nine thousand tons of steel. Furthermore, one hundred pieces of construction equipment was provided for by this aid.

That same year, 1956, brought a further development assistance grant for \$ 3,670,000.¹⁶⁷ This time the funds were to augment the Point Four projects in highway development and airport enlargement.

When Lebanon agreed to accept the Eisenhower Doctrine, she received, in return, a sum of \$ 10,000,000 to be used for rural electrification (\$ 5,500,000), airport navigation (radar equipment), housing, irrigation and highway construction. A malaria fighting team and equipment for a one thousand kilowatt radio station were also considered as part of the Eisenhower Doctrine agreement.¹⁶⁸

¹⁶⁶London Times, (microfilm), April 25, 1956.

¹⁶⁷New York Times, (microfilm), June 23, 1956, p. 1.

¹⁶⁸U. S. News, Vol.42, May 24, 1957, p. 32.

The Lebanese-United States Agreement on the Eisenhower Doctrine contained six points. These are:¹⁶⁹

1. That the two governments would follow the United Nations' Charter in respect for the sovereignty in their mutual dealings;
2. That each government would defend its respective independence and territorial integrity and choose their own governments and forms of social and cultural life;
3. That the two governments will oppose any form of intervention or interference in internal affairs of one state by another.
4. That the two governments consider international communism to be incompatible with national independence and constitutes a cause of permanent trouble for world peace and security;
5. That the two governments are dedicated to the social and economic progress of their own peoples; and
6. That both nations should work together through the United Nations and by all means towards just solutions of various problems that create tension in the area.

Ten million dollars seemed to be very small, though, for most of the Lebanese Government officials since the Government had originally asked Mr. Richards, President Eisenhower's special envoy to the Middle East in 1957, for \$ 25,000,000.¹⁷⁰ One consolation that Lebanon received

¹⁶⁹ London Times, (microfilm), March 16, 1957.

¹⁷⁰ U. S. News, Vol.42, March 29, 1957, p. 101.

was a joint statement issued on March 16 to the effect that the United States had agreed in principle to supply certain equipment needed to strengthen the Lebanese armed forces.¹⁷¹ At any rate the Government won an overwhelming vote of confidence on this policy.

Allocations so far for 1958 show that a \$ 750,000 special economic assistance grant has been extended to Lebanon.¹⁷²

The total aid funds granted for technical and economic assistance has been approximately \$ 38,311,000. The breakdown per year since the first aid was extended to Lebanon is as follows:¹⁷³

1952	Technical Cooperation.....	\$3,507,000
1953	Technical Cooperation.....	916,000
1954	Technical Cooperation.....	2,844,000
	Special Economic Assistance.....	5,000,000
1955	Technical Cooperation.....	2,128,000
1956	Technical Cooperation.....	2,320,000
	Development assistance.....	5,670,000
1957	Technical Cooperation.....	2,343,000
	Development Assistance.....	11,000,000
1958	Technical Cooperation.....	1,823,000
	Special Assistance.....	<u>750,000</u>
	Total	\$38,311,000
	or	L.L. 120,526,000

¹⁷¹ Asian Recorder, 1957, p. 1443.

¹⁷² Extract made available to Lebanese Press, April 12, 1958, on U.S. Aid to Lebanon, American Embassy, Beirut, Lebanon.

¹⁷³ Ibid.

The percentage breakdown between technical and economic aid is forty one and one half percent of the total funds for Technical Point Four aid and fifty-eight and one half percent for the Special Economic aid and Development Assistance funds.

This \$ 38,311,000 has been broken down into the different categories according to amount and percentages:¹⁷⁴

Public Works and Transportation.....	63.4%	\$ 24,300,000
Agriculture.....	10.4%	3,972,500
Public Health.....	3.7%	1,421,000
Education.....	4.9%	1,881,300
Industry.....	3.6%	1,358,100
Community Development.....	1.8%	692,800
Labor.....	.4%	158,700
Administrative Costs.....	3.35%	1,286,300
Miscellaneous (including \$ 1,650,000 yet to be programmed)	8.45%	3,240,300

One must note that the amount devoted to the service of American personnel, both administrative and technical, was \$ 4,542,600 or eleven and nine tenths of the funds allocated. There was one other money allocation to be distributed in Lebanon. This was the money given to U.N.R.W.A., the United Nations organization for Palestinian refugees.

Further aid which involved no aid grants, other than military equip-

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Extract made available to Lebanese Press, April 12, 1958, on U.S. Aid to Lebanon, American Embassy, Beirut, Lebanon.

ment under the Eisenhower Doctrine, was two fold. In September, 1952, at the request of the Lebanese Government, the United States Ambassador to Lebanon called for United States Military Air Transport Service planes from Libya to airlift Lebanese pilgrims to Mecca.¹⁷⁵

The second project involved an agreement signed between the United States and Lebanon in an "Atoms-for-Peace Program".¹⁷⁶ This agreement, signed June 2, 1955, was one of many sponsored by the United States Government in an attempt to initiate world wide nuclear research programs. In the agreement, the United States and Lebanon would exchange information on design, construction, and operation of research reactors and their use in medical therapy, on health and safety problems relation to the operation of research reactors, and on the use of radio-active isotopes in physical and biological research, medical therapy, agriculture and industry. Then, too, the United States will furnish fissionable material and technical aid in initiating the reactor program, with trainees attending further specialization in medical therapy, atomic industrial hygiene, and radioactive isotope techniques in the United States.

What has occurred from the program is that the United States sent to Lebanon in the fall of 1955 a gift of libraries on non-secret atomic literature.

¹⁷⁵ Department of State Bulletin, Vol.27 July-September, 1952, p. 406.

¹⁷⁶ Lebanon, 1955, USOM, American Embassy, Beirut, Lebanon, p. 98.

Military Aid

Military aid to Lebanon has been derived from the Eisenhower Doctrine. When accepted, Lebanon requested that military equipment be sent. And when trouble seemed eminent regarding the parliamentary elections of 1957, the United States acted quickly and sent a one package deal. Equipment and materials flowing into Lebanon on June 8 and the days following were thirty-seven jeeps, sixty 2½-ton trucks, signal equipment of telephones, radios and wire switch boards, engineering equipment of a rock crusher, dump truck, crane, shovel and bulldozer, and ordinance equipment of twelve 106-millimeter recoilless rifles, eighteen 105-millimeter howitzers, and a supply of ammunition.¹⁷⁷

The only military equipment from the United States prior to June 8 had been twenty-five 106 recoilless rifles, brought over to demonstrate usefulness of the weapon.¹⁷⁸

One can only speculate, though, on how much military equipment and supplies were brought into Lebanon during the present crisis. One sees and hears tanks, half tracks, mortars, machine guns, and other weapons. Reports, though, are non-existent. The Eisenhower Doctrine's military side is being put to a severe test in maintaining the independence of Lebanon.

When commenting on President Eisenhower's proposals in February,

¹⁷⁷Personal Interview with U.S. Army Military Attache, Beirut, Lebanon, July 19, 1957.

¹⁷⁸Ibid.

1957, Charles Malik, the Lebanese Foreign Affairs Minister, stated:

"We think the United States' action is timely and important. It is to be hoped this action will help in arresting the general deterioration in the area."¹⁷⁹

In speaking of the Eisenhower Doctrine today, and of the landing of American troops on Lebanese soil, this statement could again be applied. American interests must be defended. In this case, \$ 38,000,000 in aid grant projects must be preserved. The benefits reaped from these funds are proof that American aid is helping in the development of the country. Now the Eisenhower Doctrine is preserving the independence of Lebanon so that these projects may continue to function and more funds can be allocated to Lebanon to continue to help raise the standard of living of the people and to make Lebanon a highly developed nation.

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Asian Record, 1957, p. 1255.

CHAPTER III

ESTIMATION OF AID PROGRAMS

Lebanese Criticism

"If it had not been for interference of American Imperialism, (the) Lebanese would have solved their problems by themselves...but American Imperialism, using the Eisenhower Doctrine, split the Lebanese nation. It is American Imperialism which armed government partisans to kill innocent citizens."¹ This excerpt is from an editorial of the Al-Akhbar newspaper, in which the writer blames the United States for the current state of turmoil now taking place in Lebanon. Al-Akhbar, directly pro-leftist, is expressing a communist line of policy, to blame the United States for all evils that may befall a pro-Western nation. Decidedly radical in opinion, the editorial has expressed the extremist position in regard to the United States' policy to Lebanon.

Saeb Salam, an opposition leader to the Lebanese Government, was quoted in the news paper, L'Orient: "La politique etrangere du Gouvernement est a l'origine de la crise."² He stated further that the crisis began a year ago when the Lebanese Government departed from the traditional program of neutrality. Furthermore, he concluded with this statement:

¹Editorial Review of the Lebanese Press, Beirut - American Embassy, June 6, 1958, p. 1.

²L'Orient, "The foreign policy of the Government is the cause of the crisis." May 6, 1958, page 1.

"Le Liban est un pont entre l'Orient et l'Occident mais il ne deviendra jamais une tete de pont pour l'Occident."³

Although not specifically mentioning the United States, the implication leaves no doubt that the Lebanese Government alienated a part of its citizens by accepting the Eisenhower Doctrine.

In both these instances, full blame is laid upon the United States for these civil disturbances.

To determine whether this is correct would be highly premature. One must ponder other factors, such as the policy of Gamal Abdul Nasser, the Muslim faction in Lebanon, and the strength of Arab nationalist sentiment. What is important is the fact that the United States policy towards Lebanon and the acceptance of this policy by Lebanon is under attack and therefore, a factor in the present Lebanese crisis.

When reviewing the scene prior to the turbulent disorders of May, one finds that an all-out attack against United States aid began in December of 1957. Ghassan Tweini, owner-editor of the daily newspaper, An-Nahar, wrote and published a series of editorials in which his basic theme was: is American aid beneficial for Lebanon?⁴ In these articles, he pointed out that large American funds put into Lebanese hands tended only to encourage theft, bribery, ignorance, laziness, dependence, nepotism, and favortism, nouns which demonstrate a decaying government.

³Ibid., "Lebanon is a bridge between the East and the West, but it must never be a bridge-head for the West."

⁴Middle East Forum, Vol.33, No.2, February, 1958, p. 7.

"On the contrary, abundance of money in administrative hands so afflicted, and in the hands of governing authorities that have failed to treat these (above mentioned evils) increases the potential of both government and administration for corruption, rather than reform."⁵

In other words, United States aid is keeping in power a decadent regime, one which is stifling progress afforded to it. To prove Mr. Tweini's point, I can cite a newspaper article which stated that on June 1, 1953, the Lebanese Parliament was dissolved because of holding up of development projects. There was complete inefficiency. Furthermore, the members failed to attend committee sessions on proposed projects.⁶

Mr. Tweini failed to cite a solution to this situation. Instead, he outlined a program for the spending of United States aid money, with the premise that the government using these funds be free from corruption. His proposals included the following:⁷

1. The Government should spend aid money in those fruitful and productive fields whereby aid to Lebanon will be eventually eliminated. Apple industry, fruit juice industries and the Litani River Project were cited. "Aid should not be spent on the laying of a road here and there, or the distribution of cows to the farms of a privileged few."

2. The Government should spend aid money in the training of an administration, capable of correctly spending the budget money. With an

⁵Middle East Forum, Vol.33, No.2, February, 1958, p. 7.

⁶London Times, (microfilm edition) June 1, 1953.

⁷Middle East Forum, Vol.33, No.2, February, 1958, p. 35.

intelligent civil service system, much corruption can be eliminated.

"Our rulers have so far always claimed that the dismissal of dishonest, ignorant and lazy civil servants would ruin peoples' careers and lead to a crisis."

3. The Government should know what the people want and what to expect from aid by preparing an overall program, so that outsiders may not impose their programs on us and may not be given the opportunity to use the absence of a program as an excuse for with-holding adequate aid.

Mr. Tweini's last criticism on the absence of a program and the with-holding of funds because of this absence was the basis of a discussion held in December, 1957, during a foreign affairs committee meeting.⁸ Most members present criticized the smallness of United States aids and technical assistance since 1952, approximately \$ 27,000,000, not including military aid. Dr. Charles Malik was reported as saying that United States aid would be unlimited and unrestricted if the Lebanese administration could submit its development schemes in their final and fully considered draft.

The climax of the discussion of United States aid was reached in April, 1958. Le Jour, on April 12, remarked that although Lebanon had received L.L. 121,780,000 in aid to date, the fact should be pointed out that Israel had received more in aid than the combined aid given to all the Arab states.⁹ This criticism was reiterated by a United States

⁸The Daily Star, Vol.6, December 27, 1957, p. 1.

⁹Middle East Forum, Vol.33, No.6, June, 1958, p. 4.

reporter during a press conference with Mr. Dulles on April 15, when the Secretary of State was asked why United States aid was being criticized in countries such as Lebanon.¹⁰ Mr. Dulles' reply provoked a barrage of editorial comments. "The United States granted aid to foreign countries to help them maintain their independence, even if this independence was used to criticize the United States."¹¹ Ghassan Tweini reported by saying that anyone who read Mr. Dulles' remarks might think that the United States was a charitable institute. "When Lebanon criticized United States aid, it was not being ungrateful...in its present form the aid was not serving the joint interests of Lebanon and the United States."¹²

Al-Jaridah then quoted on the 16th from a New York Times article on the subject of Lebanese criticism of American Aid.¹³ Aid was too small. It was a campaign to describe the United States as miserly. As early as April 25, 1956, Emil Bustani, head of the "CAT", was critical of United States aid policy. He stated that the United States is "pennywise" to Arab countries.¹⁴ It was not until two years later that he said that Lebanon should terminate United States aid programs.

¹⁰Middle East Forum, Vol.33, No.6, June, 1958, p. 4.

¹¹Ibid.

¹²Ibid.

¹³Ibid., p. 11.

¹⁴London Times, (microfilm Edition), April 25, 1956.

Al-Jaridah, an opposition paper continued to attack United States aid. On April 22, the paper, published an article by Joseph Sadiqi in which the author stated that most of Point Four schemes had not helped Lebanon's development. Some of the Lebanese proposals had been refused while others had been of little benefit to Lebanon. "... in all cases, Lebanon had supplied the cash, land, buildings, and the services of its employees while United States aid had been confined to tools, materials, and experts that had all been imported from the United States."¹⁵ Sadiqi's conclusion showed conclusively that of the \$ 38,000,000 of United States aid, \$ 28,000,000 had been in the form of salaries and technical assistance while only \$ 10,000,000 in material and equipment.

Official government protest was inaugurated by Deputy Emile Bustani by calling on the Lebanese Government to disassociate itself from the Eisenhower Doctrine and to refuse further aid under the Point Four Program.¹⁶ His attack came during a meeting of the foreign affairs committee on April 24th. He based his platform on two points: firstly, Lebanon believed when she accepted the Eisenhower Doctrine that its terms were different from what they had proved to be, in that substantial aid was promised to nations which accepted the Doctrine. The "... enormous aid promised proved to have been only a dream."¹⁷ Secondly, the envoy who proposed the Doctrine in the Middle East had as his mission the

¹⁵Middle East Forum, Vol.33, No.6, June, 1958, p. 11.

¹⁶The Daily Star, April 25, 1958, Vol.7, p. 1.

¹⁷Ibid.

alienation of the Arab world from Egypt. His solution was that Lebanon should seek loans from oil-wealthy Arab neighbors.

Raymond Edde, in the same meeting, stated that Lebanon's trade relations with communist states were more favorable than those with the United States.

Opposition to Malik's policy was well organized. Mr. Philip Takla, chairman of this committee sided with Bustani and Edde by saying that United States aid compared unfavorably to what other Arab states had received from Russia. Because Malik pointed out that aid was not only on economical, but on political and military levels, the committee's final resolution was as follows:¹⁸

"In view of our discussion on the question of American aid, ...the Committee unanimously urges the Government to insist that the United States clarify (its) position as soon as possible.

"The Committee is of the opinion that Lebanon should receive enough financial aid or assistance in kind to justify her continuing to accept American aid at all."

The government policy was now being openly accused by governmental sources itself. Malik's declaration of eternal ties with the United States was causing open governmental disention at last. The Foreign Minister continued to stall opposition forces, at the same time meeting hurriedly with the United States' Ambassador in an attempt to gain more funds

¹⁸The Daily Star, Vol.7, April 25, 1958, p. 1.

without there being any strings attached.¹⁹

But the meeting of April 24th, proved that not only was the size of the United States aid being condemned. The complete alignment of Lebanon with the West, away from neutrality, by her acceptance of the Eisenhower Doctrine, and the question of Russian aid was openly contemplated. In June, 1956, the Soviet Foreign Minister Shepilov participated in discussion with the Lebanese Government. These discussions had led to an accord of development, economic, and cultural cooperation of the two countries.²⁰ This accord, though, was never made into an official agreement. Ambassador Kiktev submitted his country's offer of economic aid to Lebanon once more after the declaration of the committee on May 5, 1958, to accept aid from all sources. Government forces were then aligning their policy closer to those of the opposition.²¹

From the inception of the Eisenhower Doctrine, opposition leaders have accused the United States of attempting to separate the Arab nationalists of Lebanon with those of Syria and Egypt, by shackling Lebanon to follow every move of the United States.²² The basis of this attack can not be derived from the Doctrine itself, though. There are no strings

¹⁹Middle East Forum, Vol.33, No.6, June, 1958, p. 13.

²⁰Keessing's Contemporary Archives, Vol.10, 1955-1956, p. 14959.

²¹The opposition platform of April, 1957, was as follows: (1) Total neutrality for Lebanon; (2) Rejection of foreign military bases and military pacts; (3) Rejection of any aid which seemed to compromise Lebanese sovereignty.

Middle East Journal, Vol.11, 1957, p. 300.

²²Editorial Review of the Lebanese Press, Beirut, American Embassy, June 6, 1958, p. 1.

attached with which to ensnare Lebanon. Premier Sami Solh declared, after his government had won a vote of confidence when the opposition had accused his government of selling the country's independence for American economic aid, that Lebanon supported the Eisenhower plan against communism in West Asia but sided with the brother Arab nations on all other issues.²³ The fear that if Lebanon does not follow suit, the United States will retaliate by granting no aid under Point Four contracts, is certainly a valid one. But whether or not aid is granted because of a diverging of policies is not the primary factor to consider. Whether there are political commitments to adhere to under the Doctrine is. And the lack of entrapping commitments should prove to the Lebanese that freedom of choice still remains to them.

As Rene Aggiouri suggested in the Middle East Forum, Lebanon was asked to make a choice, whether to follow a general policy advocated by the United States, or one by Russia.²⁴ He seemed to think that only in choosing can Lebanon assert her independence. And since it is recognized in doctrinal writing that the United States wishes to respect the independence of each Arab state, Lebanon's sovereignty is doubly safeguarded. Charles Malik on February 8, 1957, declared himself convinced that the Eisenhower Doctrine would provide the initiative needed to start a "drift away from neutralism in the Middle East."²⁵ The foreign policy of Lebanon was thus chosen.

²³ Asian Recorder, "Lebanon", 1957, p. 1440.

²⁴ Middle East Forum, Vol.32, No.6, June, 1957, p. 3.

²⁵ London Times, (microfilm edition), February 8, 1957.

By making this choice, though, Lebanon was free to make other aid programs if it so desired. This has been proved when on May, 5, 1958, the cabinet approved a plan which would enable the government to accept "stringless economic aid" from any source, striking off the clause "American assistance" from their records and replacing it with the clause "foreign assistance" thus enabling the Government to enact legislation as regards to aid from all nations.²⁶

By acceptance of the Eisenhower Doctrine, Lebanon did decide to follow the lead of the United States. The hope that one nation could develop the country, and yet respect its independence, was certainly the motivating factor behind such adherence. Since the "hoped-for" funds were withheld, resentment began to appear. Any divergence from United States policy would certainly seem to the United States Government as a "stab in the back" act. Retaliation could only be applied with the denial of sufficient aid. To turn to the communist block and its previous policies of complete domination was distasteful. But since insufficient funds were coming forth, Lebanon could react in the only way possible, a declaration of acceptance of the aid from any source. The hope that the United States would then be aroused to grant greater funds was certainly the wish since at the time of the "aid from any source" declaration, the Lebanese Government asked from the United States for economic development a sum of \$ 170,000,000 to be granted over a period of six years.²⁷

²⁶The Daily Star, Vol.7, May 6, 1958, p. 2.

²⁷Ibid.

The fact also that although Russian aid was repeatedly offered, and never accepted, before and after that statement, should also prove that the Government is still desirous of only one source of aid--the United States.

A policy of neutrality in theory is still being enacted by the Lebanese Government, if neutrality entails a policy of choice. "The Eisenhower Doctrine would appear to make it possible for the Arabs to resist communism while not coming into the Western camp nor surrendering their neutralism."²⁸

Valid arguments against acceptance of the Doctrine, though, have been raised. Michael Abou Jaudeh, writing in An-Nahar, asked the Lebanese Government to stop begging for money. "Only in Lebanon was the Eisenhower Doctrine still a live issue. But of all the Middle East countries, it was the one that least needed aid to defend its economic and political independence."²⁹ Abu Jaudeh was writing prior to the outbreak of terrorism. The Lebanese Government has desperately needed United States military aid in order to maintain itself in power and free from the territorial aspirations of the United Arab Republic.

Ghassan Tweini stated that Lebanon did not need the funds so much as it needed comprehensive economic planning.³⁰

²⁸Middle East Forum, Vol.32, No.2, February, 1957, p. 3.

²⁹Middle East Forum, Vol.33, No.6, June, 1958, p. 13.

³⁰Ibid.

Ad-Diyar, an anti-government paper, supported the balance of trade theory rather than acceptance of gifts.³¹

As-Sharq, the left wing daily publication regarded the foreign aid program as a means to establish military bases for aggressive purposes.³²

The accusations have been made, some opposition, some governmental, many third forces. Criticism from all three sources proves to the writer that there is a drastic wrong in the policy of United States aid to Lebanon. Where does the basic fault lie, though, in the failure of Point Four activity in Lebanon? To whom can the blame be attributed? Is it the Lebanese Government? Is there a need for different emphasis on projects or areas? The fault can not be placed on any one country or person or thing. A compilation of the errors, misjudgements, non-cooperation relegates the failure to numerous causes. There is definitely a lack of sufficient funds being allotted to Lebanon. Charles Malik, though has reiterated again and again that aid must come at the rate of ability to use it and to benefit from it.³³ The failure of supplying sufficient funds lays partly in the lack of activity to use the money rapidly. "The slowness of the Lebanese Government" resulted in the withholding of \$ 1,661,000, originally earmarked for Lebanon.³⁴

³¹Middle East Forum, Vol.33, No.6, June, 1958, p. 13.

³²Ibid.

³³Middle East Forum, Vol.33, No.2, February, 1958, p. 7.

³⁴New York Times, (microfilm edition), January 3, 1954.

The reason for delay was given as "political instability. Seven different governments in two years. Each time a new regime comes to power, Point Four receives a new appraisal. Projects were caught in a crossfire of opposing groups, such as business men looking for contracts and sectional leaders trying to attract projects for their regions. The Lebanese Government and Parliament is dominated by businessmen and rivalries have caused delays in approving projects."³⁵ Charges by the opposition, such as trench siloes being dug near a Point Four model farm were really ammo dumps to be used when United States troops occupy Lebanon and the barns being converted into barracks, caused the Government to investigate the charges.³⁶ Again delays. Mr. Ghassan Tweini, as I pointed out before, said that there was a lack of project planning. According to the original Point Four Agreement between the United States and Lebanon, the Lebanese were to submit proposed plans. These projects were then voted upon and either passed or rejected. I have found, though, that many projects have been submitted but were not the work of Lebanese. The United States Point Four technicians have been compelled to make detailed plans which should have been completed prior to their surveillance.³⁷ The result has been delay.

Ghassan Tweini states that Point Four aid is being used to further

³⁵New York Times, (microfilm edition), January 3, 1954.

³⁶Ibid.

³⁷Personal Interview with U.S. Point Four employee, September 5, 1957.

graft, corruption, nepotism, and other government ills.³⁸ Following closely on this vein of thought, Ibrahim Khairallah, writing in The Daily Star, has asked four questions to the Government, pertaining to the water supply development, the questions implying the answers in themselves.³⁹

"A. Is the L.L. 22,000,000 primarily allocated to the really rural areas in a proper proportion, and not to the summer resorts and tourist centers?

"B. Are the works planned proceeding at the utmost possible speed?

"C. Is the rural area planning covering the most isolated communities or being concentrated mostly on technically simple areas, thereby giving a glowing progress report which in reality means very little?

"D. Is the present legislation adequate to ensure regular testing and control of these newly available supplies?"

Mr. Khairallah goes on in his article to state that the Lebanese Government is tending to centralize improvements and especially industry, forcing the rural areas and small industries into the background or into non-existence. "This grievous mistake of centralized industry and the favoring of the Cadillac-carried magnates against the smaller factories and village craftsmen in need of technical and financial assistance,

³⁸ Middle East Forum, Vol.33, No.2, February, 1958, p. 7.

³⁹ The Daily Star, "Rural areas and basic industry need support", July 28, 1957, Vol.6, p. 3.

calls for instant reorientation...if only the government is prepared to be very firm."⁴⁰ It would seem to be that Mr. Tweini's corruption theme is being implemented.

This program of centralization has been shown to be erroneous in many projects. In placing pilot projects throughout the country, Point Four officials hoped that the rural peoples would come for instruction. Unfortunately this has not been the case. When visiting various projects which have been completed, I came upon scenes of complete or almost total inactivity. The Terbol station in the Beka'a has been equipped with the latest equipment for milking and pasteurizing. Breeding stock has been imported. Farming methods have been inaugurated, along with the growing of new grains and grass seeds. Yet, with this money, what has been accomplished? The milk is being sent directly to Beirut for use in the city. The profit from the sale of the milk is for the Lebanese Government. The bulls, to be used for the breeding purposes, have been mainly used for propagation at the farm. The farmers in many cases have no time for bringing their cattle to the stations. Artificial insemination for cattle breeding is now being inaugurated, yet not many farmers use this service because of ignorance and superstition.

As to the poultry, at the farm, there are a total of one thousand layers and three thousand five hundred chicks. I asked if the eggs were being sold to the farmers for breeding purposes to improve their flocks.

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The Daily Star, "Rural areas and basic industry need support," Vol.6, July 28, 1957, p. 3.

The answer was, "no". The eggs and chickens were being sold at auction, with profit again going to the Government. From the sale of the farm products, a small percentage was being turned back to the farm for maintenance.

The living conditions of the poultry, although supposed to be the most up to date, was, to me, deplorable. In viewing the pens, one notices that the sick are not separated from the healthy. In fact, I even noted dead chickens being mauled by the living. Although labeled as an experimental farm, I saw/poultry experimentation in progress: no /little cross breeding, no improvement of methods, no curing of the disease rampant among the small chicks.

As to the growing of grain, I noticed productive fields. Yet, when questioned whether the crops were used for feeding the station poultry, the reply was in the negative. All mashes are imported from the United States. A very costly expenditure.

Veterinarian service is available for the farmers at no cost. Here, too, work for them was negligible.

The director of the farm informed me that the ills of the station were many. (See above). His scorn was directed towards several inadequacies. He sensed that the primary reason for the lack of activity was a lack of propaganda. Material or trained personnel to visit the rural villages was insufficient. Secondly, he cited that, after the building and establishment of an experimental station, there was no follow through, no supervision to maintain that standards are kept high. The fault was

relegated to both governments, United States and Lebanon. Thirdly, the elections of the United States continually hold up funds and determine the policy of United States foreign aid. Fourthly, there is an "I don't care" attitude of the Lebanese governmental officials, an attitude spreading to the supervisors and employees of the station.

He offered, as his one solution to combat all these ills, that the United States should allocate greater funds to maintain what was constructed and/or established and to train more competent personnel to run these stations.⁴¹

To increase more money, though, would not solve the problem. Till now, there has been a surplus of funds. The New York Times, on January 3, 1954, ran an article as follows: "How to get rid of money has been one of the toughest problems faced in Lebanon by the Point Four Program. (The Program) has for two years been an object of wide spread grumbling and complaint...the reason (for the complaints is that it) has been impossible to spend money fast enough to get a worth while program launched to make a showing.

"In 1952, the first full year that the Program operated in Lebanon, United States' appropriations were \$ 3,100,000. Only \$ 480,000 actually was spent in 1952."⁴² On the Kasmieh Water Project, the United States put up \$ 652,000. Lebanon, by the end of 1953, used only \$ 45,000.

⁴¹Personal Interview at Terbol, September 3, 1957.

⁴²New York Times, (microfilm edition), January 3, 1954.

"Delays in awarding contracts and drawing up plans left most of the funds idle."

The experimental station at 'Abde, North of Tripoli, is a center for farm machinery and a nursery. There were all types of machinery present. Yet there was no activity. Much of the machinery was rusting, being left to the elements. The director of the station said that the service of the station was well received. But now, because of a dirth of funds, the rural people are being forced to wait until operation can once more be resumed.

The center was proud of its wheat experiments. But the experiments involved only two species of wheat, from Italy. There was no wheat grain coming from the United States, the country which has the greatest surplus and the greatest acreage production in the world.

These illls, he commented, were caused by numerous factors. There is tremendous ignorance on the part of the peasant. (Lack of propaganda). The station was receiving no money because of elections and the interference of the Government. There was a need for more administrative power to cope with the difficulties, free from governmental supervision. The hands clasping on the Point Four signs look very good. But there is no cooperation after a certain point.

When asked to offer a remedy for the illls of the station, he shrugged his shoulders and shook his head negatively.⁴³

⁴³ Personal Interview at 'Abde, June 27, 1957.

Let us take another facet of the problem--political elections.

Last summer while touring the Akkar region, I visited the station at 'Abde. I asked why there was nothing being accomplished, no activity. (See above). The person in charge told me that, at the advent of the Parliamentary elections, all work had ceased. No funds were being allotted to carry out any projects. And then, too, there were no projects to carry out. I then asked him whether this period of inactivity had been prolonged. He said, "Yes, for six months", the blame he laid partly to political elections.⁴⁴

Criticism of United States Aid Policy Formulation

This man's attitude was found every where, at every place visited, in different degrees of intensity. The man at 'Abde was sad; the one at Terbol, angry; the technician at Point Four headquarters in Beirut, bitter. Parliamentary elections in Lebanon, though, are held once every four years. The situation in the United States is entirely different. Political elections are constantly on the American scene, with congressional elections every two years, and presidential, every four years. Because of the rotating congressional elections, the foreign policy program of the United States is constantly in the fore. With rising costs of living and higher taxes, the demand is always for lower taxes. The logical place to begin expense cuts is the foreign aid program. To many persons, non-

⁴⁴Personal Interview at 'Abde, June 27, 1957.

domestic policies must be viewed with suspicion. A farmer in Minnesota is interested in farm bills affording him higher dairy products. Of what interest is the granting of aid to buy Holland cattle for Lebanon?

Then, too, how much pleasure can a shop clerk gain from hearing that a country being granted large sums of money is openly accusing the United States, or else, openly seeking favor with the Eastern bloc? The politician's favorite spiel of lower taxes falls gratefully upon waiting and hopefully ears. A congressional candidate favoring increased aid whose opponent favors tax cuts will certainly lose votes. The domestic issue must of course, be favored initially. Secondly, the defense program. The United States needs military strength for the containment of communism. Foreign aid runs a poor third. Mr. Jerry King, writing on "Technical Assistance in United States Foreign Policy", stated:⁴⁵ "It cannot be over emphasized that party politics and personal gain seeking should have no place in the foreign economic efforts of the American people." Unfortunately this is hardly ever the case.

For an example of United States public opinion in politics being involved in the United States foreign aid policy, I shall present a brief sketch of the struggle through which President Eisenhower's 1957 aid bill was inflicted.

A Senate-House conference agreed on \$ 3,366,000,000 for the military foreign aid authorization bill, \$ 498,410,000 less than asked by

⁴⁵Bulletin of the Atomic Scientists, Vol.10, 1954, p. 127.

President Eisenhower. Senator Lynden Johnston attempted to explain this cut by saying that "There was a growing sentiment in the country against large foreign aid funds."⁴⁶ The Technical Cooperation fund was undisputed. The development loan fund though was highly controversial. There was the opinion that the Government should make long-term loans at low interests to friendly nations, a motion which was defeated by the short termists. There were made twenty-one official and private studies on the bill. All agreed that "In view of the continued threat of communist aggression and despite the \$ 60,000,000 already spent on it, (aid), both military and economic foreign aid must continue."⁴⁷ President Eisenhower warned that \$ 3,665,000 is to be "rock bottom". Any further cut would imperil the national security and that of the United States' allies.⁴⁸ But still, the Senate-House conference agreed to only \$ 3,366,000.

The House on August 16, 1957, passed the request for only \$ 3,191,810,000. The alignment of the Democrats were "fed up with the Administration."⁴⁹

Senator Fulbright, a supporter of the President, even criticized the President by stating, "Ike mishandled it (the fight for the bill)

⁴⁶New York Times, (international edition), August 9, 1957, p.1.

⁴⁷New York Times, (international edition), August 8, 1957, p. 1.

⁴⁸Ibid.

⁴⁹New York Times, (international edition), August 17, 1957, p. 1.

all the way through."⁵⁰

In the Senate, Democratic Senator Ellender led the fight to delete \$ 225,000,000. "We are still assisting allies in many parts of the world that are just as able to take care of themselves as we are!"⁵¹ He added: "The administrators of our program are just softies." Senator Olin Johnston could see nothing in the bill but "more waste, more taxes, more national debt, and more inflation."⁵² The bill as approved by both Houses of Congress was \$ 3,438,800,000. A full \$ 565,650,000 below the President's request.⁵³

The headlines and subhead lines in the New York Herald Tribune for this period runs as follows:

August 20. "Eisenhower Appeals for Rayburn's Help in Restoring Aid Cuts."⁵⁴

August 21. "Senators in Clash on Aid Funds."⁵⁵

August 28. "Senate Votes Money Bill of \$ 3,600,000,000 for Aid."⁵⁶

A subhead line stated that Hollister resigned, Hollister being the head of the International Cooperation Administration.

⁵⁰New York Times, (international edition), August 18, 1957, p. 1.

⁵¹New York Times, (microfilm edition), August 28, 1957, p. 3.

⁵²Ibid.

⁵³New York Times, (microfilm edition), August 31, 1957, p. 1.

⁵⁴New York Herald Tribune, (Mediterranean edition), August 20, 1957

⁵⁵New York Herald Tribune, (Mediterranean edition), August 21, 1957, p. 1.

⁵⁶New York Herald Tribune, (Mediterranean edition), August 28, 1957, p. 1.

The bill was finally signed by the President on September 3, although he was very disappointed.⁵⁷ Party politics had played the major issue in the fight for appropriations. The public, partially satisfied with the cut, settles down to wait until the following year for the struggle between the advocates of foreign aid and those dissentors or pseudo-dissentors to take place.

The nature of the funds must assume a characteristic of being short-term as opposed to long-term agreements. Since the party majority of Congress may change every two years, all policies tend to be limited to those two years. The need for funds for projects, the building of which may last for ten years, is imperative to the development of those countries being aided. A dam system can hardly be completed in two years. Experimental agricultural stations cannot conclusively show results from only two years of experimentation. Yet, beyond a two year period, a political party rarely ventures for fear that repercussions may befall it after its fall from power, such as a cancellation of the projects, or a criticism if something befalls the projects.

A greater limiting factor which makes short-term planning compulsory is the annual budget arrangement. Each year, the President must submit to Congress for approval an annual budget, enumerating the financial costs of each expenditure and governmental service which is expected during the year. The Representatives and Senators argue as to whether

⁵⁷New York Times, (international edition), September 4, 1957, p. 1.

this agency needs that much money, or whether the foreign aid program should be that large. The battle again takes place when the President requests appropriations from the sum allotted in the budget.

To obtain funds for foreign aid, the foreign aid bill must undergo a series of attacks from public comments, congressional party politics, lobbyists, budgetary arguments, and finally, appropriation allocations. It is no wonder that the sum requested by the President is constantly diminished as it progresses to its culmination in funds granted to different countries. There, too, adherents of foreign aid criticize the over emphasis placed on defense and military armament. "It (is) charged that Mr. Dulles' seeming over emphasis on military pacts and military deterrents is losing this country friends..."⁵⁸ Much defense money could be used to greater purposes elsewhere. The mania for combatting power with greater power is getting out of hand. Friends (and therefore allies) cannot be bought with armament. Economic development grant is a greater friend acquirer than a dozen tanks.

View Point of the Writer

Adverse criticism, though, never solves any problem unless solutions are offered. After careful consideration, I list here a few proposals which I consider to be helpful in abetting the Lebanese-United States foreign aid program:

⁵⁸The Daily Star, "Foreign Policy Debate", April 20, 1958, Vol.7, p. 4.

1. Separate the planning and operating of Point Four Programs from politics.
2. Appoint competent supervisors of completed projects.
3. Provide for maintenance funds.
4. Expand propaganda facilities.
5. Create a larger technical training program.
6. Establish a credit institute for small farmers.
7. Provide for the training of competent administrative civil servants.
8. Provide "stringless" funds.
9. Provide proper long-term and overall planning.
10. Place emphasis on programs which will help to eliminate foreign aid in the long-run.
11. Place emphasis of program on rural development rather than on centralization in cities or centers.

Point Four operations have been greatly hampered by the interference of politics. The funds granted in the United States are hard won because of the order of American politics. In Lebanon, too, graft and corruption have played a tremendous part in deterring the work of Point Four. The instability of the political situation has incurred great delays and much diminishing of the contracted funds. Therefore, I propose as my first remedy the separation from politics of aid funds. If the United States and Lebanon could establish a board which I shall entitle as the "Planning and Operating Board", comprised of Lebanese businessmen and

planners and United States technicians, the funds granted could be placed in this groups' hands. Procurement, contracting, and project decisions could be then undertaken and the project carried out in the most efficient manner. The members could be nominated for a specific term, and would be salaried from joint governmental grants, continuing in office if a governmental crisis occurs. The basic premise under which this board would work is non-interference by the joint governments. If this were agreed upon, operation could be continuous. Graft and nepotism would be limited since proposed members must have certain specified qualifications. These qualifications would pertain to technical ability, non-political status, planning ability, and/or philanthropic in outlook. Since the board members would be working closely together, chances for private procurement of funds would be negligible.

Contracts would be awarded to competent bidders, whose work would be closely supervised and constantly checked.

Military aid would remain separate from technical and economical development funds, and would remain in the hands of Lebanese Government where such matters belong.

The second point, that of the appointment of competent supervisors over completed projects, was chosen because of the lack of competent personnel who now oversee those projects now completed. Here again nepotism has played a part in the selection of authoritative personnel. Once the United States Government has withdrawn from a project because of the completion of her part of the project, the projects tend to

deteriorate and become stagnate.

This is closely tied in with my third solution, that of providing maintenance funds for completed projects. The United States Government, with the coordination of the Lebanese Government, should provide funds for the upkeep of completed projects. The Terbol farm is doled a portion of its profits, insufficient, I might add, to maintain itself. With adequate funds from Point Four sources, controlled and distributed by competent authoritative directors, the projects can retain their high standards, standards which were intended to be kept in the original planning of a project. The appointed directors of projects should be appointed by the Planning and Operating Board mentioned above. Qualifications for candidates must include technical knowledge of the project and administrative ability. Constant supervision should be taken to safeguard the manipulation of funds in the supervisor's hands once installed in his, or her, position.

One of the greatest complaints coming from the agriculture centers throughout Lebanon is the lack of knowledge of the projects and especially of the benefits provided by the center available to the rural people. A highly organized propaganda section should be inaugurated with respect to Point Four work. What especially should be undertaken is to have Point Four personnel, Lebanese, but trained for the job, to tour the mountain areas and speak to the people of the benefits available to them. Demonstration teams should augment the speakers. Positive proof by seeing is always more convincing than words. Printed material need

not be stressed. The motivating principle to remember is that the Point Four must go to the people, continually, rather than the people come to the Point Four. Unknown methods are generally looked upon with suspicion. This suspicion must be overcome in order to have a smoothly running project. Proper propaganda is the answer.

Mr. Khairallah, writing in the Daily Star, deplores the "Terrible snowballing emergence of qualified graduates from the...excellent (universities of Lebanon)." ⁵⁹ He states that there is less and less hope of being able to earn a living in Lebanon and abroad in chosen professions. The professional workers' markets are becoming over-stocked. There should be greater emphasis placed on the skilled technical trainees, those willing to work manually as well as mentally, in their chosen profession. Experienced agronomists, horticulturists, and hydrologists are needed much more than lawyers and doctors. The technical training program should then have greater emphasis. New subjects should be taught. When American Point Four specialists leave, their positions must be filled by well trained personnel, capable of carrying on the job efficiently, or with even more efficiency.

Point six is a suggestion outlined in The Atlantic Monthly by William Polk and William Thweatt, which I have found highly constructive and have inserted in my proposals. The authors comment: "A serious obstacle to rural development in Lebanon has been the high cost of credit."

⁵⁹ The Daily Star, "We need direct economic representation overseas", August 18, 1957, Vol.6, p. 4.

Interest rates run up to forty percent; so a projected credit institution should be helpful to small farmers. In the present plan the Government would put up about forty percent of the capital and leave the rest for local investment."⁶⁰ Dr. Alter of Jebrayl, Lebanon, has expressed this same idea. He said that an agricultural fund should be established wherein small amounts of not more than L.L. 500 being loaned, with auditing by Point Four, local and central governments. This sum, except for low interest rates, would be repaid only under long-term conditions. Fear of immediate repayment coupled with a possibility of initial failure, prevents farmers to ask for loans. This fear would be eliminated since the repayment would not be immediate and Point Four officials would be present to guide the farmer in his undertaking.⁶¹

It would be my contention to modify both plans, to insure that the high principles of this plan are carried out. The finances for this agriculture fund would not come alone from the Lebanese Government and private businessmen. Outside grants from the United States or international organizations could be incorporated into this scheme. Secondly, the Lebanese Government, or Point Four officials, would not interfere in the operation of this fund. A special subsidiary bureau would be established under the Planning and Operating Board (proposed as point one). This board would allocate sufficient funds, appoint the funds'

⁶⁰Perspective of the Arab World, Atlantic Monthly Supplement, 1956, p. 34.

⁶¹Personal Interview with Dr. Alter, June 26, 1957.

directors, personnel capable of performing the appointed task, and supervise the operation and auditing. In this way, governmental corruption would be eliminated, and would insure the continuous operation of the fund. Favorable conditions would be established for private investors, desiring to gain interest rates on idle capital.

The sum to be loaned would be kept small. The plans of the prospective loan candidate would be submitted and passed on. If the project to be undertaken was of little worth, or seemed insufficient to warrant a loan, the candidate should be refused a loan. The Director, or a board appointed by the central Planning and Operating Board, would be the judges for granting of a loan.

Mr. Tweini advocates, "The spending of a large part of the aid-money in the training of an administration capable of correct spending of budget money."⁶² Training scholarships abroad for administrative specialization would be the best way to gain a competent civil service.

The proposal is excellent. Yet, as I mentioned before, his theories are based on a stable and worthy regime. The problem lies in the placing of these trained civil servicemen. With a society of favoritism, the positions where these officials would have performed the best are probably filled with persons less competent, less honest, and less industrious. Because of the low salaries of governmental workers, financial means must be obtained from other resources. Most members in

⁶²Middle East Forum, Vol.33, No.2, February, 1958, p. 35.

Parliament have businesses elsewhere, either as journalists, merchants, lawyers, or sundry other commercial fields. The officials in lower positions are perhaps not as fortunate as to have had higher training in some other field. So, money must be found elsewhere.

If the governmental servants were paid higher salaries, much corruption, graft, nepotism, and inefficiency that Mr. Tweini talks about would be eliminated. Positions would then be opened for the trained administrative personnel so urgently needed by the Lebanese Government.

One of the greatest stumbling blocks in the American Foreign Aid Policy is the attachment of conditions to most of their aid programs. The fear of communism has become almost an obsession with governmental officials. Their policies are thus governed by this fear. Yet communism has gained repeatedly because of this over-emphasis. Soviet loans or grants, expressly omitting commitments, have been lauded by the neutralist nations. Sovereignty theoretically is thus completely retained by those countries accepting unconditional Soviet aid.

Opposed to these Soviet proposals are the policies of the United States Mutual Security Agency, under which Point Four operates. One of the basic premises that is contained in the regulations regarding the donating of money is that the countries accepting this aid must fight communism.⁶³ States that do accept such aid are labeled as pro-Western, anti-Communist nations. To accept American Point Four aid is to bow to

⁶³ Department of State Bulletin, Vol.26, January-March, 1952, p. 404.

the dictates of another state, even though the accepting state desires to fight communism. In many respects this loss of sovereignty is gauling. The Eisenhower Doctrine is the first divergence from the general policy. The wording of the Doctrine leaves no doubt that the funds granted will be used to fight communism and infiltration. Yet there are no stated commitments to adhere to. President Eisenhower had wisely seen the stigma of commitments in other aid programs. And so, when asking for this money, he specified that the appropriations be in a special fund under his direction. Congress was circumvented. Conditions could be omitted.

The American public, though, is wary of "giving something for nothing." Assurances to fight the enemy are highly acceptable. The Congressmen who are elected by the public see that there are assurances of giving something and expecting returns. The fear that a "non-stringless" program can snowball is also valid. Requests from states can always have the joinder--if you don't give us unconditional aid, we shall obtain it some where else. The "some where" is interpreted as Soviet Russia. The United States can easily become drained of available funds, and an unhealthy economic atmosphere will prevail.

Extreme care, then, must be undertaken by United States officials in granting "stringless" aid. In my belief, certain situations warrant the granting of unconditional grants. Lebanon, with its explosive political situation and its strategic location, cannot afford to be linked too closely with one bloc, at least on paper. The appearance of neutrality must be kept.

The ninth point which I have cited has been demanded, not only by Lebanese critics, but also by American officials working in Lebanon. Proper planning must be adopted. This planning must contain projects for the not too immediate future. Mr. Ibrahim Khairallah has stated: "It is in this lack of proper long-term and overall planning ability that Lebanon has not been able to make the best use of what both Point Four and the American Government might have had to offer... The Point Four organization has been put in the position of having to make the plans of projects themselves...and then, submitting their own projects to themselves to have them included in the Economic Aid Program."⁶⁴

Planning of projected undertakings should be relegated to the proposed Planning and Operating Board, mentioned under point one. Planning, too, should entail only those projects which would be most beneficial. Mr. Kust, writing in Foreign Affairs, "feels that a substitution of roads, bridges, docks, power, water supply, irrigation, housing, health, and education is prerequisite to balanced, satisfactory agricultural and industrial development."⁶⁵

Mr. Tweini advocates placing emphasis on programs aiding the Lebanese economy to develop to the point where aid becomes unnecessary (point 10).⁶⁶

⁶⁴ The Daily Star, "We need direct economic representation overseas." August 18, 1957, Vol.6, p. 4.

⁶⁵ Middle East Forum, Vol.32, No.1, January, 1957, p. 3.

⁶⁶ Middle East Forum, Vol.33, No.2, February, 1958, p. 35.

Mr. Khairallah, Dr. Alter, and the writer believe that emphasis of aid to Lebanon should be placed on rural development (point 11).

Aid to Lebanon will eventually end, most definitely in the future. If this aid, though, can be terminated quickly, the prestige and morale of the Lebanese people will be raised. Aid, any form of it, denotes a backwardness, an underdeveloped country, a status not to be desired in the present world scene. Mr. Tweini proposed that aid be given to improve the apple industry and the fruit juice industry, and the Litani Project. But how do these three projects help the backbone of the Lebanon, the rural farmers, who eke out a means of living on a minimum subsistence level? Certainly the revenue of the country will eventually be greater if there were a year-round apple crop and new juice plants. But the wealth will initially go to those who have control of these industries. More jobs will be opened up. But this means taking people from mountain villages. Mr. Khairallah calls this draining of village youth a tragedy since rural village life "is the veritable backbone of Lebanon."⁶⁷ A large migration to the cities and centers of industry over a short period of time brings a chaotic existence to both the rural areas and the cities. The cities are unprepared for a large wave of humanity seeking work. Inadequate housing, sanitation, health facilities, and legal forces would exist. Mobs, disease, and slums can be the only result. In the rural areas, cultivatable lands will fall into disuse, causing a drop of economy to the village, and probably inadequate foodstuffs in the cities.

⁶⁷
The Daily Star, "Rural areas and basic industry need support",
July 28, 1957, Vol.6, p.3.

Planned industrial centers are much more desirable. In the planning, adequate housing, sanitation and health facilities will be incorporated. There can be controlled the number of people coming to the center, a number limited to the industry's capabilities. But in the establishment of such centers of industries, home industries would be forced out of business. Eventually this will be the result. But the transitional period must be gradual. Quick disruptive schemes brings about instability to everyone in the nation.

As for the Litani Project, the water and power which will come from this completed system, will greatly enhance the productive capacities of the nation. Yet, the small farmer will benefit the least from this tremendous project. Electricity generated will afford more energy for more industries. Water will irrigate more lands, large tracts of land. The small farmer will be crowded from the agricultural scene.

At the time of this writing, the farmer is completely unprepared for an abrupt change. A gradual period of modification and dislocation is to be desired. Planning should follow this basis.

In the northern region of Akkar, a small privately run center exists. It is guided by Dr. Alter, a man of wisdom and planning. His small center is the initial realization of his scheme for the development of Lebanon. At this center, young men and women learn modern ways of life. Homemaking, sanitation, and health are stressed. Improved agricultural methods are taught, too. The center is self-sufficient,

and provides information and technical advice to those seeking succor. In other words, his center teaches the young man and woman to live in the rapidly changing modern civilization. With the realization that village life will recede into the background and industrialization is inevitable, young people know what to expect and how to adapt themselves to this new environment. The family lands will have to continue to be cultivated. But with the improved methods learned, one person is able to perform the labor where in the past, the number might have been seven. The others leaving the village for industrial centers carry with them the training so necessary for continued health.

I advocate strongly that centers such as the one run by Dr. Alter be established by Point Four and other economic aids. It is my contention that only in these centers can a stable modern Lebanon emerge to take its rightful place among the independent nations of the world, free from foreign influence, being developed by its own initiative and finances. The importance of education in these centers should be stressed, along with the practical methods being taught. Rural life must give way to industrial urban life. Let the change be peaceful and as gradual as possible.

The need for technical, military, and economic assistance in Lebanon cannot be questioned. At the time of this writing, though, military aid is being emphasized primarily because of the revolting groups. In fact, all Point Four activities have ceased, for how long, one is unable to say. There is talk of closing down permanently certain offices. Upon reviewing the services of United States aid to Lebanon, though, we find

an impressive list of works that have been completed or at least initiated, and numerous military grants totalling millions of dollars. (See Chapter II). But we also find that the aid programs, save military aid, have bogged down. I have attempted to list the faults of the program, placing blame where I believe it lay. The programs, especially the Point Four, cannot continue as they have in the past, though. It is imperative that the two governments meet to review the aid programs. In their meetings, they are faced with four alternatives. These are:

1. Stopping of all, or some, United States aid.
2. Supplying by Russia of all aid to Lebanon.
3. Supplying by the United States of all aid to Lebanon.
4. Supplying from all sources of aid to Lebanon.

When analyzing the first possibility, that of stopping of aid, or some of the aid, to Lebanon by the United States, we find that the Lebanese Government has several alternatives to take. Either the authorities can turn to the Soviet Union and its satellites by accepting the Russian Ambassador's offer, or the officials can ask for aid from other Western bloc states such as Germany or France, or from the World Bank as advocated by Mr. Tweini.⁶⁸

A third alternative suggested by Mr. Bustani is that Lebanon should seek loans from her wealthy Arab neighbors.⁶⁹

⁶⁸Middle East Forum, Vol.33, No.6, June, 1958, p. 13.

⁶⁹The Daily Star, April 25, 1958, Vol.7, p.1.

There is a fourth alternative, that of bootstrap development, where the Lebanese people must develop their country by themselves.

If the Lebanese Government chooses the first alternative, turning to the Soviet bloc, there will be the danger as exemplified in Eastern Europe, by overrunning of the Government by communist forces, not necessarily troops, but highly organized groups capable of mass power. Then, too, there is the danger as befell Egypt. By binding herself economically to the Soviet Union, she has incurred the wrath of the West. As a result, her economic stability is endangered; her trade, monopolized. The same might befall Lebanon.

A third possibility in accepting Russian aid is that Russia may ask for nothing in return, just grant aid loans, without attempting to gather the nation into its satellite orbit.

If the Lebanese officials accept loans from the Western bloc nations, other than the United States, she will still be labeled as a non-neutralist country by her fellow Arab nations. The danger here is in the amount which could be loaned or granted. Until recently, most of the countries of Europe were being given aid grants to improve their own economies.

As to accepting aid from world organizations, the Lebanese Cabinet on May 5, 1958, approved a plan which will enable the Government to accept economic aid from international organizations. Each Ministry or Department requiring financial aid for projects will furnish the Ministry of Planning a detailed list of proposed plans. The Minister of

Planning will contact the international organization which will be most beneficial to relative projects.

There is no guarantee, though, that these organizations will be able to aid in the proposed projects, either because of insufficiency or because of pressure. The United States has been supplying the United Nations and its subsidiary organizations with over one-third of all its working funds.

The third alternative which Lebanon could take is to accept loans from her oil-wealthy neighbors. This would be, to me, the best solution if United States aid was discontinued. Certainly the move would be welcomed by her Arab neighbors. But there is no guarantee that loans would be offered. Iraq, along with her own development projects, is now supplying aid to Jordan. The Saudi Arabian Government, also supplying funds to maintain the Jordanese Government, has a large monarchic family to support. Kuwait, rapidly developing her own small land, is under British protection. All surplus revenues are being banked in England. The other states, having no oil wealth revenue, are being forced to ask for aid from abroad. Aid is unlikely.

The fourth alternative, that of a slow development by itself, is highly esteemed in that the state would be free from outside interference. Neutrality would be the primary word in her policy. But in a rapidly progressing and developing world, the Lebanese people would be left behind. Outside aid must come to the country. "Bootstrap Development" is obsolete in the rapidly growing world.

The second alternative which would face the negotiators, that of refusal of United States aid and acceptance of only Soviet aid, would certainly be extremely distasteful to the United States reviewers. The possibilities which Lebanon would face have been reviewed in the previous dissertation on the first alternative.

It is needless to say that the United States will do everything in its power to prevent this from happening. One of the principles of United States policy today is the containment of communism. If aid were disbanded, the United States would have abandoned her principles and would have virtually handed Lebanon on a platter to the Soviet Union. The precedent of Egypt is still smarting the eyes of the United States officials. In my estimation, this alternative will never be given a chance to be discussed.

The third alternative, supplying by the United States of all the aid to Lebanon, has been the policy in the past of the Lebanese Government. The results have not been favorable. The Lebanese Government has been faced with the accusation of selling Lebanon's independence for a few dollars. Part of the present crisis is a result of the alignment of the Lebanese Government with United States policy. Certainly the Parliamentary elections of 1957 had as their main issues, alignment with the West, or alignment with the neutralism of Egypt. If all aid were granted by the United States, drastic changes must incur in the agreements between the two governments. These proposals for changes have been cited on page 159.

In the eyes of the writer, the fourth alternative offers the most

beneficial solution for Lebanon. By declaring herself willing to accept aid from all sources as she has done this year, the Lebanese Government has gained an important bargaining power. The strategic position of Lebanon warrents attention by both blocs and by the neutralist nations. A free port with a free currency market is most favorable to the industrialists. The trade of the nation is another inducement to the powers. Lebanon is assured of being presented with grants and/or loans. The stigmatism of being aligned with anyone side will have been removed. Then, too, because of her position, the Western bloc will not abandon her if events become precarious for the country; that is, if she does not blatantly flaunt communist agreements in the faces of the Western nations. Care must be observed, though, in selecting suitable offers. "Strings" must be carefully avoided, especially the hidden ones.

A specially created board must be established, to weigh each proposal, and judge them. The pros and cons of accepting such a grant must be considered. Whether one side will be unduly provoked is certainly a factor to be avoided. Emphasis should be placed, too, on the asking for and acceptance of loans and/or aid from the United Nations and its subsidiary international organizations.

That something is wrong with the form of United States aid to Lebanon is undeniable. Adverse criticism from both governmental and private sources indicate that a change is needed, either in the approach or in the application of funds and materials granted.

I have suggested a number of proposals to help remedy the erroneous

situation. And I have indicated that there are four possibilities which the Lebanese Government must consider with regards to foreign aid. I have indicated that Lebanon should accept aid from all sources. I do not mean that the United States should discontinue the granting of aid to Lebanon. On the contrary, the United States Government should continue aid but on a larger scale, with the reservation that this aid should be placed in the hands of a central board, free from politics, and should permit the board to allocate sums for urgent projects, such as rural development centers. This aid, too, should not be burdened with conditions that make it unpalatable to a sovereign state.

The Eisenhower Doctrine was an attempt to give Lebanon unconditional aid. Unfortunately, the journalists played up the theme that these funds were going to be used to fight Communism. In reality, the Doctrine has been used to aid the Government in continuance of power against the insurgents who are attempting a revolution. Bad publicity, though, has hampered the main purposes of the doctrine. The opposition leaders were able to claim that Lebanon had sold her sovereignty for a few dollars. This claim cannot be true.

Journalism in the United States has caused devastating results to the foreign policies of the United States. Not only is the American public swayed, but also the world press.

Therefore, unconditional aid should be given. But not solely from the United States. The international organizations are able to benefit a nation such as Lebanon; also, her Arab neighbors, if it were

possible. And Lebanon would be able to face her critics without being labeled pro-Western or pro-Eastern.

Then, too, the Lebanese Government should contribute to all development projects. If this were not done, the nations aiding Lebanon would become very discouraged to see a state not abetting her own economy. Non-contribution or delay in granting funds for projects has been a main criticism of the Lebanese Government. And this would be the major disruptive factor to my points for alleviating Point Four inactivity. If the Lebanese Government fails to contribute, the Planning and Operating Board will collapse and all projects will be stopped or shelved.

CONCLUSION

In the preceding paper, I have attempted to show that United States Aid to Lebanon is under adverse criticism by the Lebanese Government and also by the U.S. Point Four employees in Lebanon. That the United States must alter its program to Lebanon is evident by the conflict in the Lebanese nation over the foreign policy of the Lebanese Government. I have put forward certain recommendations which I believe the United States and Lebanese governments should undertake to ensure a continual growth in the development of Lebanon.

Lebanon, as the intellectual leader of the Middle East, is therefore the bridge head to the Middle East in Western doctrines. But, because of its strategic position, Lebanon is also looked upon by the Eastern bloc nations with favorable interest for spreading their doctrines. The West, therefore, must undertake immediate steps to ensure the people of Lebanon that their policies are only to aid in the betterment of the nation. A semblance of neutrality must be emphasized to ensure the people of Lebanon that the West has no imperialistic designs on their sovereignty or territorial integrity.

Neutrality, then, is the key word for the development of Lebanon, a neutrality sponsored by the West and the United Nations, a neutrality whereby aid sent by the United States will not be controversial within the nation.

That the United States must continue to send aid is undeniable

for the development of Lebanon. The United States is the only nation of the Western bloc able to grant such funds. The ideal situation would be to have the development aid sponsored by United Nations auspices, affording Lebanon to have a completely neutral policy, free from a tinge of pro-Western or pro-Eastern sympathies. Since the mentality of the world, though, is not ready to have a dominant world organization, the United States Government must use direct offices, rather than indirect, to grant needed funds. Let this aid, though, bring security and stability, and foster a government which has as its policies, aims, and ideals, the betterment of the nation.

APPENDIX A

QUESTIONS AND ANSWERS
RELATIVE TO THE INVESTMENT GUARANTY PROGRAM
OF THE GOVERNMENT OF THE UNITED STATES

Prepared By
The Foreign Trade and Investment Office
United States Operations Mission to Lebanon

1. WHAT IS THE "INVESTMENT GUARANTY PROGRAM"?

It is purely and simply an insurance program.

2. WHAT IS THE PURPOSE OF THE INSURANCE PROGRAM?

It is primarily to encourage new investments of private United States capital abroad by endeavoring to increase the confidence of the investor in the safety of his investment.

3. WHAT IS THE SCOPE OF THE PARTICIPATION OF THE GOVERNMENT OF THE UNITED STATES IN THIS INVESTMENT GUARANTY PROGRAM?

It acts solely as an insurer.

4. WOULD THE GOVERNMENT OF THE COUNTRY OF THE INVESTMENT BE ABLE TO EXERCISE CONTROL AS TO WHAT INVESTMENTS WOULD OR WOULD NOT BE INSURED UNDER THIS PROGRAM?

No investment can be insured under this agreement unless approved by the host Government. Should the Government of the investment country decline to approve any single investment under the agreement, the investment cannot be insured.

5. WHAT MUST BE THE NATURE OF THE INVESTMENTS TO BE ELIGIBLE FOR THE INSURANCE?

Investments must be of such a nature that they tend to further the goals of the foreign assistance programs of the Government of the United States and they must hold promise of developing economically beneficial production or trade in the investment country. They must be new enterprises or must expand, modernize or develop existing enterprises.

6. WHAT TYPES OF INVESTMENT ARE INSURABLE?

Investments may be in the form of equities, loans, royalties or licensing agreements and may consist of cash, materials or equipment, patents, processes or techniques and/or services.

7. TO WHOM IS THIS INSURANCE AVAILABLE?

The insured must be a citizen of the United States or a corporation, partnership or other association created and organized under the laws of the United States and the majority control of the company must be held by citizens of the United States.

8. IN WHAT COUNTRIES MAY GUARANTIES BE OBTAINED?

Insurance is available for investments in any country with which the United States has agreed to institute the Investment Guaranty Program, but before the insurance can be issued for investments in any particular country, arrangements must be made with the government of that country which will permit the program to operate.

9. AGAINST WHAT RISKS CAN INSURANCE BE OBTAINED?

- (a) Convertibility insurance provides protection to the investor against the risk of not being able in the future to convert investment receipts into dollars from the currency of the country in which the investment is made. Both transfers of earnings and repatriation of capital are protected.
- (b) Expropriation insurance assures the investor that he will be compensated in dollars by the United States Government, for losses in the event of expropriation.
- (c) War risk insurance protects the insured against the loss resulting from direct damage to or destruction of physical plant, equipment and facilities covered by the guaranty contract and caused by war or enemy attack, including action taken by governmental authority in hindering, combatting or defending against an actual, pending or expected enemy attack.

This coverage does not include consequential damage whether caused by a peril guaranteed against or otherwise, or damage caused by civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or action taken by governmental authority in hindering, combatting or defending against such an occurrence, or as a consequence of such an occurrence.

10. DOES THE INSURANCE INSURE AGAINST FAILURE OF THE INVESTMENT TO MAKE A PROFIT OR AGAINST OTHER NORMAL BUSINESS RISKS THAT ATTEND ANY INVESTMENT?

No, it does not. It insures against the political risks of inconvertibility and confiscation, but not against business risks.

11. DOES THE INSURANCE OFFER ANY PROTECTION TO THE INVESTOR AGAINST THE INSOLVENCY OF THE RECIPIENT OF THE INVESTMENT?

No, it does not. This is a normal hazard of any investment.

12. DOES THE INSURANCE OFFER PROTECTION AGAINST THE GENERAL DEVALUATION OR DEPRECIATION OF THE CURRENCY OF THE INVESTMENT COUNTRY?

No, it does not. Such a risk is an economic risk and is inherent in the foreign investments of any company.

13. IS THERE A LIMITATION TO THE AMOUNT OF THE WAR RISK GUARANTY?

Only the investor's ownership in the physical property of the foreign enterprise may be covered by this guaranty. The maximum amount of guaranty obtainable may not exceed 90% of the value of the investor's ownership in the physical property.

14. WHAT RATE OF EXCHANGE WOULD BE USED IF INVESTMENT RECEIPTS WERE CONVERTED UNDER A CONVERTIBILITY GUARANTY?

Payment will be at 95% of the rate proclaimed or certified to the Secretary of the Treasury for the purpose of computing import duties on imports into the United States from the foreign country, as of the date of the investor's application for payment. If no such rate exists, then payment will be made at 95% of the rate existing on the date of application for the class of U.S. exports to the foreign country which had the greatest dollar value during the preceding year.

15. WHAT IS THE COST OF THIS INSURANCE?

The premium for each of the three coverages is $\frac{1}{2}$ of 1% per annum of the amount of insurance.

16. WHO PAYS THE PREMIUM FOR THIS INSURANCE?

The annual premium is paid to the Government of the United States by the investor.

17. IS THERE ANY COST TO THE GOVERNMENT OF THE INVESTMENT COUNTRY FOR CARRYING THIS INSURANCE?

No, the investor alone pays the cost of the premium.

18. DOES THE INSURANCE AGREEMENT WITH THE FOREIGN GOVERNMENT COMMIT THAT GOVERNMENT TO ANY SPECIAL TREATMENT OF THE INSURED INVESTMENTS?

No, it does not.

19. FOR WHAT PERIOD OF YEARS CAN AN INVESTMENT BE INSURED?

Up to and including 20 years from the date of the issuance of the insurance.

20. IS THERE ANY INTERFERENCE OR CONTROL BY THE GOVERNMENT OF THE UNITED STATES IN THE OPERATION OF THE BUSINESS OF THE INVESTOR OR THE RECIPIENT OF THE INVESTMENT?

No, there is no interference or control involved.

21. WILL TAXATION OR REGULATION BY THE GOVERNMENT OF THE HOST COUNTRY BE CONSIDERED AS EXPROPRIATORY?

No, not unless it can be shown that the Government's primary objective is to divest the owner of the investment property.

22. IS IT TRUE THAT MOST OF THE COUNTRIES WHICH HAVE SIGNED THE INVESTMENT GUARANTY AGREEMENT WITH THE GOVERNMENT OF THE UNITED STATES HAVE HAD EXCHANGE CONTROLS AND, THEREFORE, A COUNTRY WHICH HAS NEVER HAD EXCHANGE CONTROLS DOES NOT NEED TO SIGN THE AGREEMENT IN ORDER TO

INSTILL CONFIDENCE IN THE MINDS OF POTENTIAL FOREIGN INVESTORS?

It is true that most of those countries have had exchange controls at some time or another. This does not, however, basically alter the situation. During the long period of United States private industrial investment abroad, there have been many cases in which at the time of the investment and for the then foreseeable future the exchange market in the country of the investment was and would be free. Eventually, however, due to economic developments, sometimes outside of the control of the country itself, controls had to be installed. In making an investment, the investor does not generally think in terms of a few years, but considers the long future. The United States investor has not forgotten those experiences of the past. Under the Insurance Agreement, the United States investor is guaranteed for 20 years after the issuance of the insurance. It is reasonable to assume that no one knows what will happen in any country in any part of the world 20 years from now.

23. ARE UNITED STATES INVESTORS TAKING ADVANTAGE OF THE PROTECTION OFFERED BY THIS INSURANCE?

Yes, guaranty contracts written to February 28, 1957, total \$ 130,886,213. Applications in process total \$ 510 million and include investments in 25 countries. Guaranties written and applications filed have both risen sharply in the last year.

24. HAVE MANY CLAIMS BEEN FILED UNDER THE INVESTMENT INSURANCE AGREEMENTS WHICH HAVE ALREADY BEEN SIGNED?

To date during the eight years of the existence of these agreements not a single claim for industrial guaranties has been filed and yet the number of applications for this investment insurance is steadily increasing.

25. WHAT WOULD BE AN ILLUSTRATION OF THE OPERATION OF THE CONVERTIBILITY PART OF THE AGREEMENT?

- (a) Company A, in the United States, has invested in Company B, located in the participating country, and has obtained a convertibility guaranty.
- (b) Company B declares a dividend on its shares.
- (c) Company A attempts to convert into dollars the dividend which it received, but an exchange stringency makes the conversion impossible.
- (d) Company A, under its guaranty contract, could apply to the U.S. Government for conversion of the currency representing the dividend. The U.S. Government would pay Company A, in dollars, at the exchange rate then in effect, and Company A would transfer the local currency to the U.S. Government.

26. WHY SHOULD A COUNTRY WHICH HAS NOT SIGNED THE INVESTMENT GUARANTY AGREEMENT BE PLACED IN AN UNFAVORABLE POSITION WITH RESPECT TO ATTRACTING UNITED STATES PRIVATE CAPITAL TO INVEST IN ENTERPRISES WITHIN THE COUNTRY?

Investment capital is extremely sensitive and flows to areas where the investor himself thinks his capital will be safest. Thirty

countries have to date signed the Investment Guaranty Agreement with the United States. It would be unfortunate if a country should offer in most respects a favorable investment climate in comparison with other countries and yet an investor, whose investment of capital and/or technical skills would benefit the country, and the country would like to have them, would decide not to invest since he did not have the protection which other countries could afford him.

APPENDIX B

QUESTIONS AND ANSWERS PERTINENT TO A CONSIDERATION OF THE ADVISABILITY OF MAKING A FOREIGN INVESTMENT IN LEBANON

1. WHO CAN BE CONSIDERED AS FOREIGN INVESTORS? CAN FOREIGN JURIDICAL PERSONS AS WELL AS FOREIGN NATURAL PERSONS?

Any person, whether juridical or natural, who does not have Lebanese nationality is considered to be a foreigner and can as such invest in Lebanon. Foreigners may participate in a Lebanese corporation, constituted in accordance with Lebanese law, and thus invest under cover of such.

2. WHAT KIND OF FOREIGN CAPITAL CAN BE INVESTED IN LEBANON?

The law does not contain any restriction in this respect. For example, the following types of capital can be invested in the country:

- (a) Foreign exchange (cash, evidence of indebtedness, or ownership expressed in foreign currencies, funds to pay local expenses).
- (b) Machinery, equipment and component parts.
- (c) Equity or loan capital.
- (d) Intangible rights (licenses, patent rights, trade marks, formulae, etc.)
- (e) Services (technical, managerial, promotional, etc.)
- (f) Profits converted into capital through reinvestment.

The said intangible rights, however, should be registered in the Ministry of National Economy, in order to enjoy legal protection in Lebanon.

3. MUST THE ENTERPRISE IN WHICH THE FOREIGN INVESTMENT IS MADE BE ESSENTIAL TO THE NATIONAL ECONOMY?

No such condition is imposed by law, except in the case covered by Question No. 38 below.

4. ARE ALL FIELDS AND TYPES OF BUSINESS OPEN TO FOREIGN INVESTMENTS AND LOANS?

Yes, there are no restrictions in this regard.

5. CAN INVESTMENTS BE MADE IN COMMERCIAL AS WELL AS INDUSTRIAL VENTURES INCLUDING SERVICES, SALES, AND COMMERCIAL PRODUCTION?

Yes.

6. IS THERE ANY DIFFERENCE BETWEEN A NATIONAL AND A FOREIGNER AS REGARDS INVESTMENT IN COMMERCIAL AS WELL AS INDUSTRIAL VENTURES?

In general there is no difference. There are, however, three important exceptions; namely:

- (a) A working permit is required for all foreign personnel in order to work in Lebanon. This permit is issued by the Ministry of Social Affairs (Article 59, para. 3, Labor Code), subject to a previous visa of residence delivered by the Surete Generale. Such permits are in general granted to foreign specialists or foreigners of skilled labor who cannot be replaced by Lebanese personnel. No special fees are required.

- (b) According to Legislative Decree No. 196 of July 24, 1942, no act inter vivos bearing conveyance or transfer of real estate situated in Lebanon or of any interest thereon (including mortgages), or any long term lease for a period of nine years or over, may be concluded directly or indirectly in favor of a person, physical or corporate, of foreign nationality, without the prior authorization by a decree issued by the President of the Republic. A company, however, incorporated in Lebanon as a Lebanese corporation, although having foreign shareholders, is exempt from such authorization if the object of the company, as determined by its approved Articles of Association, covers the said operations in real estate.
- (c) Societes anonymes (i.e. joint stock companies with limited liability) are subject to some restrictions. As regards the management of such companies, at least half of the members of the Board of Directors must be Lebanese citizens (Article 144 of the Code of Commerce, as amended by the Law of November 23, 1948). In aviation companies, moreover, the chairman of the Board and the majority of directors must be Lebanese (Article 10, para. 3, Aviation Code). As regards the ownership of the capital, Lebanese Law does not require shareholders to have Lebanese nationality, except for corporations of public utility in which a minimum of one third of the capital should be owned by Lebanese shareholders (Article 80, Code of Commerce, as amended in 1948).

7. CAN CUSTOM DUTIES BE INCLUDED IN THE VALUE OF THE INVESTMENT WHEN THE INVESTOR'S CAPITAL IS BEING REPATRIATED?

This question does not arise, because there is no legal restriction as to the value of the investment.

8. IS THERE ANY LIMITATION TO THE PERCENTAGE OF OWNERSHIP AND CONTROL IN AN ENTERPRISE HELD BY A FOREIGN INVESTOR?

No limitation of ownership exists, except for corporations of public utility in which, as explained above under question 6 (c), a minimum of one third of the capital should be owned by Lebanese shareholders. Question 6 (c) also covers restriction regarding management.

9. WHAT FORMALITIES MUST BE COMPLIED WITH IN ORDER TO ACQUIRE LAND?

In order to acquire land situated in Lebanon or any interest therein, a foreigner must be authorized by a decree issued by the President of the Republic (Legislative Decree No. 196 of July 24, 1942).

Applications for this purpose must be addressed to the Director of the Land Department, Ministry of Finance. After due investigation by the Surete Generale, Home Ministry, the application goes to the Council of Ministers which advises its approval or rejection.

10. IS A SEPARATE BUILDING LICENSE REQUIRED?

All building enterprises, whether undertaken by a Lebanese or a foreiner require a special permit to be granted by the Municipal Authorities (Local Government), and special building regulations should be observed (Legislative Decree No. 61, dated August 30, 1940 as amended by the Law of January 20, 1954).

11. IS A LICENSE TO INVEST FOREIGN CAPITAL REQUIRED?

No special license to invest foreign capital is required.

12. WHAT LANGUAGE OR LANGUAGES ARE CONTROLLING FOR ALL DOCUMENTS AND CORRESPONDENCE IN CONNECTION WITH AN INVESTMENT BY A FOREIGN ENTITY?

Arabic is the only language accepted in official departments for all applications, documents, decisions, and correspondence. (Art. 11 of the Lebanese Constitution, as amended on November 9, 1943.) But an agreement made in any other language is legally valid. In practice, most agreements signed by foreigners are made in their own language together with an Arabic version attached to it in order to avoid translations in case the agreement should be produced before the Courts or before any other government office.

13. CAN AN INVESTOR CHANGE HIS INVESTMENT FROM THE ORIGINAL INVESTMENT TO ANOTHER OR TRANSFER IT TO OTHER FOREIGN NATIONALS?

Yes.

14. CAN CAPITAL INVESTED BE REPATRIATED AND IF SO, UNDER WHAT CONDITIONS?

Yes, no legal conditions or restrictions are laid down in this connection.

15. CAN PROFITS BE REINVESTED AND IF SO, WHAT IS THE STATUS OF AND TREATMENT GIVEN TO SUCH PROFITS?

Profits can be reinvested as additional capital after payment of the corporate income tax. The corporate income tax is levied on all profits made in a given year. After payment of tax, these profits can be paid out as dividends and the recipients do not have to include

the dividends as subject to personal income tax in their income tax return. If, however, a company does not distribute all the profits in the then current year, but adds a portion to reserve and in a later year distributes this profit as dividends or upon dissolution of the company, an extra 10% is levied because of delayed distribution as a special additional income tax above the ordinary income tax already paid by the company.

16. CAN PROFITS ON INVESTMENT AND INTEREST ON LOANS BE REMITTED TO THE FOREIGN OWNERS AND UNDER WHAT CONDITIONS?

They can be remitted to the foreign owners after payment of the income tax due in accordance with the said Income Tax Law of 1944.

The rate of such tax is the same for foreigners and nationals.

17. CAN THE PRINCIPAL OF LOANS BE REPATRIATED AND AT WHAT TIME AND UNDER WHAT CONDITIONS?

Yes, without any conditions attached or any restriction as to time.

18. WHAT MINISTRY OR GOVERNMENT AGENCY ISSUES PERMITS TO TRANSFER FOREIGN CAPITAL INVESTED, DIVIDENDS, INTEREST, AND THE PRINCIPAL OF LOANS?

No such permits are required.

19. AT WHAT EXCHANGE RATE WILL THE TRANSFERS IN No. 14, 16, and 17 ABOVE BE MADE?

No exchange rate is set. The free market rate on the day of transfer is the rate that applies.

20. IS THERE A PERIOD BEFORE WHICH DIVIDENDS, INTEREST AND PRINCIPAL CANNOT BE REMITTED ABROAD?

No.

21. ARE ANNUAL RIGHTS ACCUMULATIVE?

Yes.

22. WHAT ARE THE REQUIREMENTS FOR FORMING AN INDUSTRIAL CORPORATION?

To incorporate an industrial company possessing a separate legal personality in which the liability of the members is limited to the nominal value of their shares, it is necessary to constitute a "societe anonyme", subject to the Lebanese Code of Commerce, and especially to Articles 77-225 of the said Code. The chief requirements for forming such an industrial corporation are the following:

- (a) The head office must be in Lebanon.
- (b) The minimum nominal and issued capital must be at least L.L. 50,000 completely subscribed to (Art. 83, C.Com. as amended by the Law of November 23, 1958). The minimum value of a share must be L.L. 25 of which one quarter at least must be paid up at the time of subscription (Art. 84 C.Com.).
- (c) The Board of Directors must be composed of three to twelve members, half of which at least must be Lebanese citizens (Art. 144 C.Com., as amended in 1948).
- (d) Application for incorporation, to which are attached the Articles of Association, must be made to the Ministry of National Economy. After investigation by the competent authorities, the incorporation is authorized by a decree of the President of the Republic.

(e) The Articles of Association must be registered before the Notary Public, and after the meeting of the Constituent Assembly of shareholders, the corporation is registered in the Registry of Commerce of the Court of 1st Instance.

23. WHAT FORMALITIES MUST BE COMPLIED WITH IN ESTABLISHING A BRANCH OFFICE?

The Branch Office must be registered in the Ministry of National Economy. The application therefore must be accompanied with the following documents:

- (a) Copy of the Memorandum of Association.
- (b) Copy of the Articles of Association.
- (c) A power of Attorney in favor of the representative of the company in Lebanon, granting him authority to sign in the name of the company and to represent it before the courts.
- (d) Copy of the company's resolution concerning the opening of the branch office.

All these documents must be signed by the Board of Directors of the parent company, and legalized by the Lebanese Consular Officer and the Lebanese Ministry of Foreign Affairs. The application must indicate the name, head office, nationality and capital of the company.

(Ordinance No. 96, dated January 20, 1926, as completed by Instructions No. 476, dated July 7, 1949).

Moreover, the said branch office must be registered in the Registry

of Commerce of the Court of 1st Instance (Article 3, Law of September 30, 1944).

24. WHAT GOVERNMENT INSPECTIONS OF BOOKS OF A COMPANY ARE REQUIRED?

All companies must register their books in the Court of Commerce (Article 18 of the Code of Commerce). They are always liable to inspection by officials of the Ministry of Finance (income tax department). Moreover, books of Lebanese joint-stock companies, societies anonymes, are subject to inspection by special auditors appointed each year by the Court of Commerce (Article 173, Code of Commerce).

25. IF CAPITAL SHARES OR STOCK CERTIFICATES ARE ISSUED BY A COMPANY, CAN THEY BE SOLD WITHOUT RESTRICTION IN LEBANON AND ABROAD AND TO PERSONS OF ANY NATIONALITY?

Yes, unless the Article of Association of the company provides otherwise, especially if they give the right of priority to buy such shares either to the company itself or to the other shareholders.

26. ARE "BEARER SHARES" AUTHORIZED?

Yes, if the issue of such shares is authorized by the Articles of Association (Article 104 of the Lebanese Code of Commerce). But a share should stay nominative (name share) till its value is fully paid up (Article 119 of the same Code).

27. CAN ALIEN EXPERTS (ACCOUNTANTS, MANAGERS, FOREMEN AND OTHER SKILLED PERSONNEL) OF THE FOREIGN INVESTOR BE EMPLOYED IN THE ENTERPRISE INSIDE THE COUNTRY?

Yes, if they hold the work permit referred to under No. 6 (a) above.

28. DO THE ALIEN EXPERTS MENTIONED IN No. 27 ABOVE HAVE TO BE INDIVIDUALLY APPROVED BY THE GOVERNMENT OF LEBANON, AND IF SO, BY WHAT MINISTRY OR AGENCY?

They have to be approved individually. See Question 6 (a) above.

29. CAN THE ALIEN EXPERTS MENTIONED IN No. 27 TRANSFER THEIR SALARIES IN WHOLE OR IN PART IN THE CURRENCY OF THEIR OWN RESPECTIVE COUNTRIES AT THE PREVAILING OFFICIAL EXCHANGE RATE?

Yes, but after payment of the Lebanese income tax due thereon.

30. IS THERE ANY COMMITTEE OR GROUP WHICH IS AUTHORIZED TO ACCEPT THE RESPONSIBILITY OF SEEING THAT THE LAWS AND REGULATIONS CONCERNING FOREIGN INVESTORS ARE COMPLIED WITH AND IF SO, WHAT IS THE COMPOSITION OF THE COMMITTEE OR GROUP?

No special committee or group is organized for this purpose. In general, such matters are dealt with by lawyers, and sometimes by certain professional accountants.

31. ARE ALL RIGHTS, IMMUNITIES AND FACILITIES GRANTED TO DOMESTIC CAPITAL AND ENTERPRISES AVAILABLE ON EQUAL TERMS TO FOREIGN CAPITAL AND ENTERPRISES ENGAGED IN THE SAME FIELD?

Yes, subject to the exceptions referred to under No. 6 (b & c) above.

32. IS IT REQUIRED THAT FOREIGN CAPITAL INVESTED BE PRIVATELY OWNED WITHOUT ANY FOREIGN GOVERNMENT PARTICIPATION?

No such requirement exists, but the Lebanese Government may refuse to authorize the incorporation of a company or the acquisition of real

estate by foreigners, if it does not approve of the application, whether on the ground of a foreign government participation or on any other ground.

33. IS MACHINERY, NEEDED FOR THE EQUIPMENT OF A FACTORY, EXEMPT FROM CUSTOMS DUTIES?

Such machinery is subject to a low customs tariff (varying from 1% to 25%). Exemption exists only for certain agricultural equipment (Article 261 of the Customs Code).

34. IS THERE A CAPITAL TAX LEVY?

No, there is no capital tax per se.

35. IS THERE A SALES TAX?

No, there is no sales tax.

36. IS THERE AN EXPORT TAX?

Generally speaking, there is no export tax on commodities exported.

37. ARE THERE ANY CUSTOMS AGREEMENTS BETWEEN THE ARAB STATES WHICH WOULD GIVE LEBANON A PREFERENTIAL POSITION IN SUPPLYING TO THEM GOODS OF LEBANESE ORIGIN OVER GOODS IMPORTED FROM COUNTRIES OUTSIDE THE ARAB BLOCK?

The Inter-Arab Trade Agreement of 1953 gives preferential customs duties to members of the Arab League. The original agreement had two lists of commodities, one which is exempt from customs duties and one which enjoys a 25% reduction. These lists are in effect between Lebanon, Saudi Arabia, Jordan, Yemen and Iraq. A Permanent Financial and Economic Committee of the Arab League was set up in 1954 to study

and recommend annually, changes to this treaty. An amendment to the original agreement is now in effect between Egypt, Syria, and Lebanon and provides for three lists of agricultural and industrial commodities. The first list exempts the commodities from all duties; the second and third provide for a reduction of 25% and 50% respectively. As soon as any of the Arab countries ratifies the amendment, the new lists will go into effect with respect to that country.

In addition to the Inter-Arab Trade Agreement, Lebanon has preferential customs agreements with Iraq (Feb. 20, 1951), Jordan (Aug. 27, 1952) and Syria (Mar. 5, 1953) and anticipates shortly concluding one with Egypt. Similar agreements are planned for Saudi Arabia and Sudan. Each of these agreements has a free list including certain agricultural and manufactured products which are completely exempted from customs duties. In addition, these agreements have lists of manufactured products which enjoy a preferential customs treatment as follows: Syria, 50%; Jordan, 33 and 1/3%; Egypt, 25% or 50%. Some of the commodities included in the Bilaterals are identical with those in the Inter-Arab Agreement and the amendment. When this duplication occurs, the respective commodity enjoys whichever reduction is most favorable.

A second amendment to the Inter-Arab Treaty was suggested by the Permanent Committee in February, 1956. This amendment includes a 20% reduction in duties on products assembled in a member country if labor and local materials amount to 20% of the final cost.

38. ARE NEW ENTERPRISES OR EXPANDING EXISTING ENTERPRISES, FINANCED IN WHOLE OR IN PART BY FOREIGN CAPITAL, RELIEVED OF PAYING TAXES INCLUDING INCOME TAX ON PROFITS, IF SO, WHAT ARE THE TAXES AND FOR HOW LONG?

There is no special exemption from any taxes for foreign capital as such when invested in new enterprises or industries. A recent Lebanese law, however, dated February 5, 1954 provides for the exemption from income tax of companies, whether financed by national or foreign capital, which are constituted within five years from the date of that law, if they fulfill certain conditions, the most important of which are the following: The object of the company should be new and should be such as to increase national production and to develop the national economy, the capital should not be less than one million Lebanese pounds, the salaries paid to Lebanese employees should exceed 100,000 Lebanese pounds per year. This exemption extends to six years.

If an existing enterprise expands and conforms to the conditions stipulated in the law of February 5, 1954, it may apply to be considered as a new enterprise enjoying the benefits provided under the law. This is a question to be decided by the government, and depends upon the facts of each case.

39. WHAT IS THE CURRENT TOP BRACKET OF TAX ON BUSINESS INCOMES?

The top bracket of income tax is as follows: (Art. 28 of the Income Tax Law, as amended by the Budget Law of 1949)

- | | |
|---|-----|
| (a) For commercial (including industrial) enterprises | 42% |
| (b) For non-commercial enterprises | 37% |

40. DOES THE GOVERNMENT OFFER "ACCELERATED DEPRECIATION" OF CAPITAL EQUIPMENT AS AN INDUCEMENT TO PRIVATE INVESTMENT?

No, depreciation is determined according to a scale which depends upon the kind of business (Article 7, para. 7, Income Tax Law, as amended by the Budget Law of 1949.)

41. WHAT IS THE CURRENT INCOME TAX ON SALARIES?

Article 53 of the Income Tax Law, as amended by the Budget Law of 1945, fixes the income tax on salaries according to a sliding scale: 2% on the first L.L. 4,800 (US \$ 1,500.00) up to 10% on the portion over L.L. 48,000, (US \$ 15,000.00).

42. WHAT FORMALITIES MUST BE COMPLIED WITH IN ORDER TO OBTAIN CONCESSIONS FROM THE GOVERNMENT OF LEBANON?

Concessions must be granted by an Act of Legislature (Art. 89 of the Lebanese Constitution).

Application for a concession must be made to the Ministry of Public Works. After due investigation, it is referred successively to the Council of Ministers and the Chamber of Deputies. If it is approved, a special law is voted granting the concession and approving its general conditions (cahier des charges).

43. DOES THE GOVERNMENT RECOGNIZE THE VALIDITY OF ARBITRATION CLAUSES IN COMMERCIAL AGREEMENTS AND WILL IT ACCEPT ARBITRATION OF DISPUTES ARISING OUT OF AGREEMENTS BETWEEN FOREIGN INDIVIDUALS AND CORPORATIONS AND THE GOVERNMENT?

Lebanese Law recognizes the validity of arbitration clauses in

commercial agreements (Article 821 of the Code of Civil Procedure).

But arbitration of disputes arising out of agreements between foreign individuals and corporations and the Government is not accepted (Articles 408 and 828 of the same Code) unless authorized by a special Act of the Legislature.

44. WILL THE DECISIONS OR AWARDS OF AN ARBITRATION BOARD BE ENFORCED BY LOCAL COURTS OF LAW?

Yes, if such decisions or awards are based on a valid arbitration clause and are given in accordance with legal requirements. For such enforcement, an application is made to the Judge asking him to issue an "exequatur" order. (Articles 835 of the same Code).

APPENDIX C

GENERAL AGREEMENT

The Government of the United States of America on the one part,
and

The Government of Lebanon on the other,

Desiring to cooperate in the interchange of technical knowledge and skills with a view to the attainment of higher standards of economic development and social welfare and the promotion of international understanding and goodwill,

Having both accepted resolution No. 304 (IV) adopted by the General Assembly of the United Nations on November 15, 1949, approving the Economic and Social Council Resolution No. 222 (IX) on technical assistance for economic development and the guiding principles for rendering such assistance,

Have agreed as follows:

Article I

The Government of the United States of America and the Government of Lebanon undertake to cooperate with each other in the interchange of technical knowledge and skills and in related technical activities designed to contribute to the balanced and integrated development of the economic resources and productive capacities of Lebanon.

Article II

The Government of the United States of America agrees to:

A. Furnish, to an extent subsequently to be agreed upon, services of technical experts and pay their salaries and allowances as well as their transport costs from and to the United States.

B. Provide for training in the United States or elsewhere of Lebanese nominated by the Lebanese Government under arrangements covering the program of training and the payment of expenses as may be agreed upon by the two Governments in individual cases.

C. Supply, to an extent subsequently to be agreed upon, equipment and materials necessary to the effectiveness of the experts' work but purchasable only with United States dollars.

Article III

The Government of Lebanon, in order to bear a fair share of the cost of the program, agrees to:

A. Provide adequate facilities, office equipment and supplies, secretarial, interpreter-translator and related assistance necessary to the effectiveness of the experts' work.

C. Pay transport, communication costs and such other expenses of American experts within Lebanon as may be agreed upon by the two Governments in particular circumstances.

D. Assign appropriate technicians and whatever other Lebanese

staff is justified by the project, to work with United States technicians.

E. Pay such costs as may be agreed upon by the two Governments in connection with training provided for in Article II (B).

Article IV

The Government of Lebanon will endeavor to coordinate this program with other related technical cooperation programs in Lebanon. It will further facilitate cooperation in the mutual exchange of technical knowledge and skills with other friendly nations which may have technical cooperation programs similar to that carried on under this agreement.

Article V

All employees of the Government of the United States of America assigned to duties in Lebanon under this Agreement and accompanying members of their families shall be exempt from: (1) Income and social security taxes with respect to salaries and emoluments paid to them by the Government of the United States of America and to any non-Lebanese income upon which they are obliged to pay income or social security taxes to the Government of the United States of America. (2) Customs and import duties on personal household and professional effects and supplies including one personal automobile, on certificate being furnished, by such employees, to the effect that these effects and supplies are for the personal use and consumption of such employees and members of their families.

Duty is liable to be paid in respect of any such article imported without payment of duty and sold or disposed of within three years, but there shall be no liability if such articles are reexported within the period. Any material and equipment introduced into Lebanon by the Government of the United States of America pursuant to this Agreement shall be exempt from taxes, customs and import duties.

Article VI

The Governments of the United States of America and of Lebanon will endeavor to give full publicity to the objectives and progress of the technical cooperation programs carried on under this Agreement. They will make public in their respective countries, not less frequently than once a year, periodic reports on the technical cooperation programs carried on pursuant to this Agreement. Such reports shall include information regarding other technical assistance programs which have been or are being requested of other countries or of international organizations by either party to this Agreement.

Article VII

For carrying out particular projects under this Agreement, subsidiary written arrangements or understandings may be agreed upon by the duly designated representatives of Lebanon of the Technical Cooperation Administration of the United States of America, or by other persons, agencies or organizations designated by the Government.

Article VIII

1. This Agreement shall enter into force on the day on which it is duly ratified by the Government of Lebanon. It shall remain in force until three months after either Government shall have given notice in writing to the other of intention to terminate the Agreement.

2. If, during the life of this Agreement, either Government should consider that there should be an amendment thereof, it shall so notify the other Government in writing and the two Governments will thereupon consult with a view to agreeing upon the amendment.

3. Subsidiary arrangements or understandings which may be agreed upon may remain in force beyond any termination of this Agreement, in accordance with such arrangements as the two Governments may make.

4. This Agreement is complementary to and does not supercede existing agreements between the two Governments except insofar as other agreements are inconsistent herewith.

PROGRAM AGREEMENT

Pursuant to the General Agreement for Technical Cooperation between the Government of the United States of America and the Government of Lebanon, signed at Beirut on May 29, 1951, and ratified by an Act of the Parliament of Lebanon dated December 13, 1951; and

Pursuant to Note of January 5, 1952, signed by the Prime Minister

as Acting Minister of Foreign Affairs of Lebanon and submitted by the Ministry of Foreign Affairs to the Minister of the United States of America in Lebanon, requesting the Government of the United States to cooperate in a program of water resource development, natural resources development, public works, industry, agriculture, social affairs, education, public health and such other fields as may be agreed upon.

The Government of the United States of America and the Government of Lebanon have agreed as follows:

Article I

The two Governments shall undertake technical cooperation programs in water and other natural resources development, agriculture, forestry, fisheries, health, education, industry, tourism, communications, social affairs, and training of Lebanese technicians, and other fields as may be agreed upon, to improve and develop the economy in Lebanon and to stimulate and increase the interchange between the two countries of knowledge, skills and technical ability.

Article II

1. The obligations assumed in this Agreement by the Government of the United States of America will be performed by it through the Technical Cooperation Administration of the Department of State, an agency of the Government of the United States of America (hereinafter

referred to as the "Administration"). The said Administration may likewise represent the Government of the United States of America in the exercise of any right or action arising out of this Agreement.

The Administration and its Technical Cooperation Service in Lebanon on behalf of the Government of the United States of America, and the appropriate Ministries of the Government of Lebanon on behalf of that Government, shall participate jointly in planning budgeting, scheduling, and administering the cooperative program.

2. The Administration will establish a Technical Cooperation Service in Lebanon which shall be of such size and composition as the Administration shall deem advisable, the Director of which shall be the immediate representative in Lebanon of the Administration in connection with the technical cooperation program covered by this Agreement.

3. Any right, power or duty conferred by the Agreement upon the Director of the Technical Cooperation Service in Lebanon may be delegated in whole or in part by him to any of his assistants.

4. The Government of the United States of America will furnish the Technical Cooperation Service in Lebanon a staff of technicians in each field covered of such size and composition as the Administration shall deem feasible, subject to the approval of the Government of Lebanon, for execution of the cooperative program. Each of the technical staffs provided for this program will be headed by a Chief selected and appointed by the Administration but who shall be acceptable to the Government of Lebanon. The Chief of each Technical Staff will serve as

the principal adviser to the Director of the Technical Cooperation Service in Lebanon. Subject to the overall operational policies and direction of the Director, the Chief of the Technical Staff in each of the respective fields will collaborate with the Ministry concerned in carrying out the cooperative program.

Article III

1. This Agreement and all activities carried out pursuant to it shall be governed by the terms and conditions of the General Agreement for Technical Cooperation, as more specifically described in this Agreement.
2. This cooperative program will include:
 - a) Studies and surveys of the needs and opportunities in Lebanon in the fields listed above.
 - b) The purchase of equipment, supplies and materials needed in carrying out in Lebanon the provisions of this Agreement.
 - c) Training activities in these fields.
 - d) The initiation and administration of technical cooperation projects in these fields in Lebanon pursuant to written project agreements between the Director of the Technical Cooperation Service in Lebanon and the Lebanon Ministry within which the activity falls. Project Agreements shall include a description of the projects to

be undertaken, the location of the projects, the results to be obtained, the persons or agencies to carry out the work, the portions of the funds provided for in this Agreement to be made available for such projects, provisions governing the expenditure of funds, provisions for the employment of specialists and officials and the conditions of their appointment and dismissal and all that relates to their wages, salaries and compensations, the designation of procurement officials to be charged with the procurement of the necessary equipment, supplies and materials required for the project, provision for administration of the project by the Government of Lebanon after completion, and such other appropriate implementing provisions as may be required to assure effective utilization of the project.

Article IV

It is contemplated that the projects to be undertaken in accordance with this Agreement will include, at the request of the Government of Lebanon, and by agreement between the two parties, cooperation with municipal agencies, and also with organizations of a public or private character, and international organizations of which the United States of America and Lebanon are members.

Article V

1. The Director of the Technical Cooperation Service and the Lebanese Ministry having jurisdiction over the activity shall, by agreement, determine the general policies and procedures covering operations under the cooperative program including the carrying out of projects, the disbursement of and accounting for funds, the incurrence of obligations, the purchase, use, inventory, control and disposition of property, the appointment and discharge of officers and other personnel and the terms and conditions of their employment, and all other administrative matters.

2. Lebanese employees and specialists employed with funds made available pursuant to Article VI of this Agreement shall, whether temporary or permanent, be considered employees of the Ministry having jurisdiction over the activities, unless otherwise specified in the project agreements, but shall be subject to the technical direction of the Chief of the Technical Staff in performance of duties assigned as part of the cooperative program.

3. The Governments of Lebanon and the United States will grant to each other full opportunity to ascertain the uses made of the funds made available pursuant to Article VI of this Agreement, including reciprocal access to the pertinent documents, books and records.

4. Upon substantial completion of a project embodied in a written project agreement as set forth in Article II, a Completion Report shall be drawn up and signed by the Director of the Technical Cooperation

Service and the Lebanese Ministry having jurisdiction over the activity, which shall provide a record of the work done, the objectives attained, the financial contribution made, the problems encountered and solved and related information.

Article VI

The parties hereto shall contribute and make available to the extent provided below, funds for use in carrying out the program during the period covered by this Agreement in accordance with the following:

1. The Government of the United States of America, during the period from the date of signing of this Agreement through June 30, 1952, shall make available the funds necessary to pay the salaries and other expenses of the Technical Cooperation Service in Lebanon, except as made available by the Government of Lebanon as provided in this Article.

2. In addition, for the period from the date of the signing of this Agreement through June 30, 1952, the Government of the United States shall contribute the following sums totaling \$ 3,100,000 in United States currency, to be used in carrying out the cooperative program in each of the fields of activity noted:

Natural Resources, Water and Rural Improvement.....	\$ 1,500,000
Agriculture and Forestry.....	640,000
Public Health.....	300,000
Education.....	200,000

Industry and Tourism.....	\$ 100,000
Social Affairs.....	100,000
Communications.....	25,000
Training in all fields.....	235,000

Any additional funds which the Government of the United States may contribute under this Agreement for use in these or other fields of activity may be provided for in supplementary agreements.

The funds listed above shall be retained by the Technical Cooperation Administration and shall be expended for use in projects only pursuant to project agreements between the Director of the Technical Cooperation Service and the Lebanese Ministry having jurisdiction over the particular activity.

These funds shall be provided in addition to the costs of the United States technicians that are to be borne by the United States. However, any direct United States expenditures or obligations such as contract fees or equipment being procured by the United States for the program will be counted against the United States contribution.

3. The Government of Lebanon, for the period from the date of signing of this Agreement through June 30, 1952, shall contribute the following sums totaling LL. 1,181,600 in currency of Lebanon, to be used in carrying out the cooperative program in each of the fields of activity noted:

Natural Resources, Water and Rural Improvement....LL.	200,000
Agriculture and Forestry.....	183,000
Public Health.....	329,000
Education.....	373,000
Industry and Tourism.....	66,000
Social Affairs.....	30,000

Any additional funds which the Government of Lebanon may contribute under this agreement for use in these or other fields of activity may be provided for in supplementary agreements.

The funds listed above shall be retained by the Government of Lebanon and shall be expended for use in projects only pursuant to project agreements between the Director of the Technical Cooperation Service and the Lebanese Ministry having jurisdiction over the particular activity.

In addition, the Government of Lebanon shall, at its own expense, and for use in the cooperative program in the fields covered by the Agreement, provide such services of specialists and other personnel, office space, office equipment and furnishings, and other facilities, materials, equipment, supplies and services, as are jointly agreed upon as necessary for approved projects by the Director of the Technical Cooperation Service and the Ministry having jurisdiction over the particular activity.

Article VII

Subject to the provisions of this Agreement and to the relevant laws applicable in their respective countries, the balances of all funds made available for the purposes of this cooperative program shall continue to be available for such purposes during the existence of this Agreement without regard to annual periods or fiscal years of either of the Governments. All materials, equipment and supplies acquired from the funds made available pursuant to Article VI of this Agreement by the two Governments for this cooperative program shall, unless otherwise specified in the project agreements, become the property of the Lebanese Ministry having jurisdiction over the activity, under conditions to be specified in the project agreements assuring their continued use in the cooperative program of economic development.

Article VIII

The Government of Lebanon, in addition to the contributions provided for in paragraph 3 of Article VI of this Agreement, shall provide the general assistance and cooperation of other agencies of the Government of Lebanon for carrying out the cooperative program.

Article IX

The portion of the funds made available by each country for the purpose of the cooperative program remaining unexpended or unobligated

for specific projects at the termination of this Agreement shall revert to the Government by which such funds were made available, unless otherwise provided by agreement.

Article X

It is understood that, in accordance with Lebanese law and accepted international legal practice, all funds allocated to or derived from any program of assistance undertaken by the Government of the United States in cooperation with the Government of Lebanon shall not be subject to garnishment, attachment, seizure or other legal process by any person, firm, agency, corporation, organization or government.

This Agreement may be referred to as the "Technical Cooperation Program Agreement". It shall enter into force on the date on which it is signed and shall remain in force for one year, renewed automatically, or until three months after either Government shall have given notice in writing to the other of the intention to terminate it; provided, however, that the obligations of the two Governments under this Agreement for the period after June 30, 1952, shall be subject to the availability of appropriations to both parties for the purpose of the program, and will be specified in new supplementary agreements.

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