

**Harry S. Truman**  
**Message to Congress on the “Point Four Program” for U.S. Foreign Aid**  
**Washington, D.C.**  
**June 24, 1949**

In order to enable the United States, in cooperation with other countries, to assist the peoples of economically underdeveloped areas to raise their standards of living, I recommend the enactment of legislation to authorize an expanded program of technical assistance for such areas, and an experimental program for encouraging the outflow of private investment beneficial to their economic development. These measures are the essential first steps in an undertaking which will call upon private enterprise and voluntary organizations in the United States, as well as the government, to take part in a constantly growing effort to improve economic conditions in the less developed regions of the world.

The grinding poverty and the lack of economic opportunity for many millions of people in the economically underdeveloped parts of Africa, the Near and Far East, and certain regions of Central and South America constitute one of the greatest challenges of the world today. In spite of their age-old economic and social handicaps, the Peoples in these areas have, in recent decades, been stirred and awakened. The spread of industrial civilization, the growing understanding of modern concepts of government, and the impact of two World Wars have changed their lives and their outlook. They are eager to play a greater part in the community of nations.

All these areas have a common problem. They must create a firm economic base for the democratic aspirations of their citizens. Without such an economic base, they will be unable to meet the expectations which the modern world has aroused in their peoples. If they are frustrated and disappointed, they may turn to false doctrines which hold that the way of progress lies through tyranny.

For the United States the great awakening of these peoples holds tremendous promise. It is not only a promise that new and stronger nations will be associated with us in the cause of human freedom, it is also a promise of new economic strength and growth for ourselves.

With many of the economically underdeveloped areas of the world, we have long had ties of trade and commerce. In many instances today we greatly need the products of their labor and their resources. If the productivity and the purchasing power of these countries are expanded, our own industry and agriculture will benefit. Our experience shows that the volume of our foreign trade is far greater with highly developed countries than it is with countries having a low standard of living and inadequate industry. To increase the output and the national income of the less developed regions is to increase our own economic stability....

Furthermore, the development of these areas will strengthen the United Nations and the fabric of world peace. The Preamble to the Charter of the United Nations states that the economic and social advancement of all people is an essential bulwark of peace. Under Article 56 of the Charter, we have promised to take separate action and to act jointly with other nations

"to promote higher standards of living, full employment, and conditions of economic and social progress and development."

For these various reasons, assistance in the development of the economically underdeveloped areas has become one of the major elements of our foreign policy. In my inaugural address I outlined a program to help the peoples of these areas to attain greater production as a way to prosperity and peace. The major effort in such a program must be local in character; it must be made by the people of the underdeveloped areas themselves. It is essential, however, to the success of their effort that there be help from abroad. In some cases the peoples of these areas will be unable to begin their part of this great enterprise without initial aid from other countries.

The aid that is needed falls roughly into two categories: The first is the technical, scientific, and managerial knowledge necessary to economic development. This category includes not only medical and educational knowledge, and assistance and advice in such basic fields as sanitation, communications, road building and governmental services, but also, and perhaps most important, assistance in the survey of resources and in planning for long-range economic development.

The second category is production goods--machinery and Equipment---and financial assistance in the creation of productive enterprises. The underdeveloped areas need capital for port and harbor development, roads and communications, irrigation and drainage projects, as well as for public utilities and the whole range of extractive, processing, and manufacturing industries. Much of the capital required can be provided by these areas themselves, in spite of their low standards of living. But much must come from abroad.

The two categories of aid are closely related. Technical assistance is necessary to lay the groundwork for productive investment. Investment, in turn, brings with it technical assistance. In general, however, technical surveys of resources and of the possibilities of economic development must precede substantial capital investment. Furthermore, in many of the areas concerned, technical assistance in improving sanitation, communications, or education is required to create conditions in which capital investment can be fruitful.

This country, in recent years, has conducted relatively modest programs of technical cooperation with other countries. In the field of education, channels of exchange and communication have been opened between our citizens and those of other countries. To some extent, the expert assistance of a number of federal agencies, such as the Public Health Service and the Department of Agriculture, has been made available to other countries. We have also participated in the activities of the United Nations, its specialized agencies, and other international organizations to disseminate useful techniques among nations.

Through these various activities we have gained considerable experience in rendering technical assistance to other countries. What is needed now is to expand and integrate these activities and to concentrate them particularly on the economic development of underdeveloped areas.

Much of the aid that is needed can be provided most effectively through the United Nations....

In addition to our participation in this work of the United Nations, much of the technical assistance required can be provided directly by the United States to countries needing it. A careful examination of the existing information concerning the underdeveloped countries shows particular need for technicians and experts with United States training in plant and animal diseases, malaria and typhus control, water-supply and sewer systems, metallurgy and mining, and nearly all phases of industry.

It has already been shown that experts in these fields can bring about tremendous improvements. For example, the health of the people of many foreign communities has been greatly improved by the work of United States sanitary engineers in setting up modern watersupply systems. The food supply of many areas has been increased as the result of the advice of United States agricultural experts in the control of animal diseases and the improvement of crops. These are only examples of the wide range of benefits resulting from the careful application of modern techniques to local problems. The benefits which a comprehensive program of expert assistance will make possible can only be revealed by studies and surveys undertaken as a part of the program itself. In every case, whether the operation is conducted through the United Nations, the other international agencies, or directly by the United States, the country receiving the benefit of the aid will be required to bear a substantial portion of the expense.

The activities necessary to carry out our program of technical aid will be diverse in character and will have to be performed by a number of different government agencies and private instrumentalities. It will be necessary to utilize not only the resources of international agencies and the United States government but also the facilities and the experience of the private business and nonprofit organizations that have long been active in this work....

The second category of outside aid needed by the underdeveloped areas is the provision of capital for the creation of productive enterprises. The International Bank for Reconstruction and Development and the Export-Import Bank have provided some capital for underdeveloped areas, and, as the economic growth of these areas progresses, should be expected to provide a great deal more. In addition, private sources of funds must be encouraged to provide a major part of the capital required.

In view of the present troubled condition of the world---the distortion of world trade, the shortage of dollars, and other aftereffects of the war---the problem of substantially increasing the flow of American capital abroad presents serious difficulties. In all probability novel devices will have to be employed if the investment from this country is to reach proportions sufficient to carry out the objectives of our program....

Since the development of underdeveloped economic areas is of major importance in our foreign policy, it is appropriate to use the resources of the government to accelerate private efforts toward that end. I recommend, therefore, that the Export-Import Bank be authorized to guarantee United States private capital, invested in productive enterprises abroad which

contribute to economic development in underdeveloped areas, against the risks peculiar to those investments....

The enactment of these two legislative proposals, the first pertaining to technical assistance and the second to the encouragement of foreign investment, will constitute a national endorsement of a program of major importance in our efforts for world peace and economic stability. Nevertheless, these measures are only the first steps. We are here embarking on a venture that extends far into the future. We are at the beginning of a rising curve of activity, private, governmental, and international, that will continue for many years to come. It is all the more important, therefore, that we start promptly.

In the economically underdeveloped areas of the world today there are new creative energies. We look forward to the time when these countries will be stronger and more independent than they are now, and yet more closely bound to us and to other nations by ties of friendship and commerce, and by kindred ideals. On the other hand, unless we aid the newly awakened spirit in these peoples to find the course of fruitful development, they may fall under the control of those whose philosophy is hostile to human freedom, thereby prolonging the unsettled state of the world and postponing the achievement of permanent peace.

Before the peoples of these areas we hold out the promise of a better future through the democratic way of life. It is vital that we move quickly to bring the meaning of that promise home to them in their daily lives.

*“Harry Truman: The Point Four Program.” U.S. Department of State. 10/25/2010.  
[http://usinfo.org/PUBS/LivingDoc\\_e/pointfour.htm](http://usinfo.org/PUBS/LivingDoc_e/pointfour.htm)*