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THE 1973 LEGISLATIVE REORIENTATION OF THE UNITED STATES FOREIGN ASSISTANCE POLICY: THE CONTENT AND CONTEXT OF A CHANGE

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PREFACE

In 1973, there was a legislative policy reorientation of the United States bilateral economic assistance program - foreign aid. The program's policies were redirected towards directing aid to the poorest of the poor, encouraging participation in the development process by all the people affected, and planning and appropriating the US program in terms of functional sectors including food, health and population, and education. This paper is about that change. The first chapter outlines the content of the change; and the subsequent chapters explore the context in which it arose.

This paper reflects the convergence of three of my interests. The first is an interest in the development process, and particularly the American role in effecting change in the Third World. The substantive information in this paper is about the evolution of that role throughout the program's history, with emphasis on the change made in it in 1973. The second is an interest in the sociological concern of how change occurs. The reflective guiding and analytic notions in this paper are about change and its causes. The third is an interest in how research can be evolved so that hypothesis generation, data collection, and analysis are continuous and simultaneous processes. These three interests; one substantive, one theoretical, and one methodological represent the three strands of my graduate education. This thesis is my attempt to integrate them into one sociological enterprise.

I began this paper with the notion that the change in the policies of the assistance program which was legislatively mandated in 1973 emerged from the confluence of several factors. Initially, I listed as many factors as I could think of, then I selected as many as I felt I could reasonably study in the time allotted. Although the time frame grew from seven to ten months, the scope of the study contracted as it went on and the complexity of each factor was realized. The factors which, from the beginning, I considered most important have all been included: the program's own history, geopolitical events, American ideas, and the role of the people intimately involved in effecting the change. Each of these topics is discussed in a chapter devoted to it: collectively they begin to tell the story of what happened in 1973 and what my concept of contextual factors producing a change is all about.

Beyond the notion that I would look at the content and context of this change (the latter including history, events, ideas, and people) there was no initial research design for this study. The hypotheses to be posed, the variables to be compared, and the theoretical concepts to be discussed developed cumulatively as I researched and wrote first one chapter and then another.

The effect of this process, which should be noted at the outset, is that, despite some eleventh hour editing, the incremental factual and conceptual development of this thesis is still evident in it.

In the first chapter of this thesis, I describe the legislative change, amplifying on the intent of Congress by quoting interpretive commentaries on the legislation. In the second chapter, on the program's own history, I review the authorizing legislation, the administrative

aegis, the stated objectives and conditions of the program from its inception to the present. In addition, I discuss the issues which emerged in each period. The underlying conceptual framework for this chapter is that tensions generated within the program's history have given impetus to change. In the third and fourth chapters, on ideas and events surrounding the program, I particularly look for evidences of constraint as causes of change. In the ideas chapter, I explore three complexes of ideas which derive from different sources but which all impinged on and influenced the program: Manifest Destiny from the American cultural tradition, the Cold War ideology from the events of the times, and development theory which was created to inform and legitimate the program. In the events chapter, I chronicle geopolitical events which have impinged on and influenced the program. Two types of events, wars and evidence of human need, emerge as repeatedly exerting their influence on the program. In the fifth chapter, on the people involved in effecting the change, I review the interviewing process and summarize the information about the change which I got from the twelve interviews I conducted. In the sixth and final chapter, I discuss the evolution of the study, my substantive conclusions, and I comment on the value of the thesis to my own development as a sociologist.

CHAPTER I

THE 1973 CHANGE IN THE FOREIGN ASSISTANCE LEGISLATION

The purpose of this chapter is to establish the reality of my subject: the 1973 legislative policy change in the bilateral economic assistance program to the less developed countries (LDC's).

My best evidence of the existence of the change came when the subject was suggested to me. I was told "'Seventy-three' reoriented the program towards aiding the poorest of the poor; towards authorizing and appropriating in the sectoral areas of agriculture, health and population, and education; and towards encouraging and sustaining the participation of the people in planning their own development. 'Seventy-three' gets away from GNP and is concerned with median income; it gets away from the elite and is concerned with the poor; '73' gets away from economic development alone and moves towards political and social development too."[1]

Being told what '73' does was great; but my best evidence that something had happened was the use of '73' as a noun, labelling the change. Later, in interviews, I found that people close to the program don't say "When we amended the Act to include participation it allowed

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[1]The suggestion of studying this change was given to me by Robert Berg who is in the Office of Development Program Review and Evaluation at the Agency for International Development.

us to..." nearly as often as they say "'Seventy-three' allowed us to...." Although I found that not everyone defines or values the legislative package of 1973 the same way, everyone feels that something substantial and definitive happened in 1973; something real enough to be named.

There is, of course, other evidence of the change. In this chapter, I will indicate what the additions to the Act were (for the change is embodied in amendments to the existing Foreign Assistance Act of 1961) and, with citations from analyses of the Act and hearings on it, I will indicate what the intent of the change was thought to be at the time of its enactment on December 17, 1973.

Relevant portions of the amended Act are included in this report as Attachement 1.

The Foreign Assistance Act of 1961 (FAA) is organized into four parts: Part I pertains to economic assistance and is the subject of the following discussion and analysis. Part II pertains to military assistance, Part III pertains to free enterprise and assistance, and Part V pertains to the Indochina program. (The absent Part IV was repealed in 1962.)

Part I is divided into Chapters 1 - 9. The Chapters are divided into Titles I - XI and sections (sec.) 102-491. The focus of this study is Part I, Chapter 1, secs. 102-114.

In 1973, the title of Chapter 1 was changed from "Policy" to "Policy: Development Assistance Authorizations"; the existing sec. 102 called "Statement of Policy" was added; and sections 103-114 were added.

Sec. 102(a) is not new. It has been in the Act in its current form since 1967. This section includes a justification for assistance

and seven guiding principles for the administration of the program authorized under the Act.

The justification for assistance is that US freedom, security, and prosperity "are best sustained in a community of free, secure and prosperous nations."[1] This section describes a cycle of ignorance, want, and despair leading to extremism and violence in turn leading to aggression and subversion which threaten freedom, security, and prosperity elsewhere and consequently in the US. The justificatory statement concludes with a declaration that assistance is "important to our national security" as well as "expressive of our sense of freedom, justice and compassion."[2]

This policy statement includes a declaration of support for helping other countries help themselves; for economic cooperation and trade; for freedom of the press, information, and religion; for freedom of navigation; for freedom to travel and pursue lawful activities regardless of race or religion.

The section concludes with seven principles for guiding the assistance program:

1. Assistance is to be used as a supplement to, rather than a substitute for, self-help and is to be concentrated in countries demonstrating a capacity for self-help with maximum effort made to stimulate the participation of people in the LDC's in the development process.

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[1] U.S., Congress, House, Committee on Foreign and Affairs and Senate, Committee on Foreign Relations, Legislation on Foreign Relations: With Explanatory Notes, 93rd Cong., 2d Sess., 1974, p. 7.

[2] Ibid., p. 8.

2. Multilateral assistance is to be encouraged.

3. Assistance is to be used to encourage regional cooperation by LDC's in meeting regional problems.

4. The "first objects" of assistance are to support efforts to meet people's needs for food; health; home ownership and decent housing; and knowledge and skills - with particular emphasis placed on food production and voluntary family planning.

5. Assistance is to be constituted of US commodities and services wherever practicable.

6. Assistance is to be given so that the greatest effectiveness is gained for every dollar spent.

7. Excess property and food are to be used as a supplement to other assistance and are to be coordinated with it.

The 1973 amendments begin with Sec. 102 (b). The text of the introductory paragraph of Sec. 102 (b) and an explanation of its intent taken from a section-by-section analysis of the bill prepared by the Senate Foreign Relations Committee follows. From the Act:

> Sec. 102 (b) The Congress further finds and declares that, with the help of the United States economic assistance, progress has been made in creating a base for the economic progress of the less developed countries. At the same time, the conditions which shaped the United States foreign assistance program in the past have changed. While the United States must continue to seek increased cooperation and mutually beneficial relations with other nations, our relations with the less developed countries must be revised to reflect the new realities. In restructuring our relationships with these countries, the President should place appropriate emphasis on the following criteria.[1]

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[1] Ibid., p. 9.

From the Senate Analysis:

> These criteria are intended to be the legislative expression of a new approach to the problems of the developing world. This approach recognizes that economic growth alone does not necessarily lead to social advancement by the poor. Thus our policies and programs must be aimed directly at the poor majority's most pervasive problems. Related to this focus must be a recognition that labor intensive technologies are generally more suited to the developing world than the widespread use of capital equipment which eliminates jobs and uses up scarce foreign exchange. The Committee believes that policies which encourage social justice and full employment can, indeed, lead to greater economic growth than would be possible through concentration on economic growth alone. The Committee expects the Agency for International Development to be guided by these new principles.[1]

Following this statement, a list of seven criteria for our foreign relationships are channeled through assistance are articulated:

1. Assistance should be concentrated more on sharing technical expertise, farm commodities, and industrial goods and less on large scale capital transfers.

2. Assistance should focus on sectors which affect the lives of the majority of the people in the LDC's: food production; rural development and nutrition; population planning and health; education, public administration and human resource development.

3. Assistance should be carried out to the maximum extent possible by our private sector; especially by those institutions which already have ties in the LDC's including educational institutions, cooperatives, credit unions and voluntary agencies.

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[1] U.S., Congress, Senate, Committee on Foreign Relations, Foreign Assistance Act of 1973: Report of the Committee on Foreign Relations, United States Senate, Together With Additional Views on S. 2335, 93rd Cong., 1st Sess., 1973, Rept. 93-377, p. 8.

4. Our assistance style should be collaborative, designed to support the development goals chosen by each recipient country.

5. Priority should be given to proposals from recipient countries which will directly improve the lives of their poorest citizens and which will improve their citizens' capacity to participate in the development process.

6. US private investment in economic and social programs should be reflected as practicable in the programs the government supports.

7. The agency responsible for administering this Act should coordinate all US development oriented activities.

Points 1, 2, and 5 above, coupled with the introductory paragraph are the most essential portions of this section in terms of the policy orientation. The intent of Point 1 which moves the program away from capital investment, Point 2 which introduces the sectoral focus and Point 5 which establishes the focus on the poorest of the poor and on universal participation are the basics of the 1973 reorientation and the program's policies. The following statements, made during the course of hearings on the bill, explain its intent.

In testimony before the House Committee on Foreign Affairs, James P. Grant, President of the Overseas Development Council, supported these provisions this way:

> Unemployment levels in many developing countries are still increasing; ...the income gap between the poorest half of the population and those well-off is actually widening; the bottom two-thirds of the population still have no meaningful access to health facilities; a majority of the rural population are illiterate; and urban settlements are mushrooming because of massive rural migration. In many areas, these problems have become less manageable every day because population growth continues unrestrained. Finally, if the debt burden that has built up in a number of major, very low income countries continues to accumulate, it will become insupportable.

> These are the real issues which must be met in seeking to answer the question: "Where next with development assistance?" ...To continue to measure development by GNP increases alone is to forget that, after all, the goal is human progress. Development must now be seen as encompassing the minimum human needs of man for food, health and education, for a job which can give him both the means to acquire these basic needs as well as the psychological sense of participating usefully in the world around him.[1]

Unlike most foreign affairs legislation, this bill was the result of a Congressional initiative. The initiative came from within the House Committee on Foreign Affairs. Their report on the bill amplifies the intent of Congress vis a vis Points 1, 2, and 5. Excerpts follow.

On Point 1, concerning less capital investment and more technical assistance, farm commodities and industrial goods to meet development problems:

> Past foreign aid programs have had a heavy emphasis on large-scale capital transfers to the 'third world.' While the industrial sectors of recipient countries have thereby progressed, the benefits often have not 'trickled down' to the poorest majority of people....Growth in the gross national product is not enough. Governments of the developing nations must actively attempt to distribute income more equitably and to attack directly the most pressing problems of their peoples.[2]

On Point 2, concerning sectoral assistance:

> Hunger, malnutrition, disease, ignorance and poverty continue to plague the majority of the human race....The ability of the United States to meet those needs is staggering. For that

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[1] U.S., Congress, House, Committee on Foreign Affairs, Mutual Development and Cooperation Act of 1973: Hearings Before the Committee on Foreign Affairs, House of Representatives, 93d Cong., 1st Sess., 1973, pp. 474-75.

[2] U.S., Congress, House, Committee on Foreign Affairs, Mutual Development and Cooperation Act of 1973: Report of the Committee on Foreign Affairs, Together with Minority and Additional Views on H.R. 9360, 93d Cong., 1st Sess., 1973, Rept. 93-388, p. 15.

> reason, attacks on the problems of the developing countries must be based on clear priorities. Those priorities should be directly related to meeting the basic human needs of the poorest people....Projects which aim at development through a 'trickle down' approach should be left to multilateral... institutions and private investment. U.S. bilateral assistance henceforth should be problem-solving, people-oriented and targeted on the basics.[1]

On Point 5, concerning development planning and participation:

> Although the restructured program would abandon attempts to do 'made in America' country planning for recipient nations, it does express a clear preference for a particular type of development - one that aids the poor majority of the people and enables them to participate more effectively in the development process....We are learning that if the poorest majority can participate in development by having productive work and access to basic education, health care and adequate diets, then increased economic growth and social justice can go hand in hand. Through the restructured program the United States would be telling the developing countries: Use technology suited to your needs. Keep investments labor-intensive. Do not forget the immediate needs of your poorest people....Our view that these fields need the greatest attention may not be shared by the governments of the developing countries. The setting of domestic goals is their own business. But it is our business to decide what form our bilateral aid will take, and what kind of activities we henceforth support.[2]

The other Points articulated in Sec. 102 (b) are somewhat less important to the reorientation of the program and so I will only comment briefly on each of them.

Points 3 and 6 recognize and protect the contribution and rights of private American initiatives in the LDC's. This was not a new direction for assistance, but it was one for which there was considerable public support. The support for private socially motivated programs was, of course, compatible with the thrust of the new orientation.

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[1] Ibid.

[2] Ibid., pp. 16-17.

Point 7, in stipulating the coordination of assistance by the foreign assistance agency, continued a trend towards the centralization of authority which was begun some years before. This was not basic to the reorientation of assistance, but it was reflective of a bureaucratic demand for clarification and systematization.

Point 4, stipulating a collaborative style of assistance giving, underscored a long-endorsed principle and extended it somewhat. Whereas the 1967 provision in 102 (a) says "Development is primarily the responsibility of the people of the LDC's themselves" this new provision in 102 (b) says "Development planning must be the responsibility of each sovereign country."

Following Sec. 102 (b) are five sections which authorize appropriations. Sections 103, 104, and 105 are authorizations for the functional sectors emphasized by the bill: Food and Nutrition; Population Planning and Health; and Education and Human Resource Development. The other two sections are for Selected Problems and Selected Countries and Organizations and represent smaller authorizations.

The three major sectors chosen for emphasis represent a critical assessment of development problems and priorities. The coupling of two or more areas into one sector was done rationally, i.e. health and population were combined because poor people who depend on their children to support them when they are old must know that the children they have will survive before they will curtail the size of their families. The House Report cited above offers an explanation of each of these sections which includes a statement of the scope of the problem, the intent of the legislation, and examples of previous successful efforts which

legitimate the intended approach. Excerpts from that report on Secs. 103, 104, and 105 follow:

> Section 103 - Agriculture, rural development and nutrition. This section authorizes the appropriation of $300 million for each of the fiscal years 1974 and 1975 for agriculture, rural development and nutrition.
>
> Agriculture is given a particular priority because in most developing countries it provides not only food and fiber, but also jobs for the unemployed, increased incomes for the poor and additional foreign exchange earnings.
>
> If present population growth rates continue in the developing countries, world food production must double by the year 2000 merely to maintain current inadequate diets.
>
> Increasing production of food grains is not, by itself, sufficient. Better distribution of foodstuffs and better nutrition are essential to increased well-being for the poor.
>
> Rural development aims at increasing the productivity and improving the quality of life in rural areas. Projects are needed to aid small farmers and help reduce existing income disparities.
>
> To slow the rural-urban migration will require renewed efforts at rural development, including increased agricultural production, land reform and the encouragement of local institutions which can foster participation by the general populace.
>
> To meet those objectives, rural development funds authorized under this section should be concentrated in the following areas: 1. Local and regional institutions in which people participate in development....2. Local, essentially agricultural, market areas and market towns, and small cities located in them....3. Local and regional financial institutions....4. Local infrastructure and utilities; farm-to-market roads, small scale land improvement, rural electrification....5. Small-scale agriculturally related industries, consumer goods, and service and construction industries oriented to meeting the needs and demands of people whose incomes are low but rising.[1]
>
> Section 104 - Population planning and health. This section authorizes the appropriation of $150 million for each of the fiscal years 1974 and 1975 for population planning and health....The great majority of people still do not have access to even rudimentary health services, and birth rates are dropping only slowly in most countries.

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[1] *Ibid.*, pp. 18-21.

From the standpoint of population control, there are four groups of people in the developing countries: 1. City dwellers who have easy access to a variety of health and family planning services, which they can afford. This group is relatively small. 2. Rural people who have similar availabilities as group No. 1. This is a larger but still relatively small segment. 3. The urban poor who have only limited or difficult access to family planning services and cannot afford them. This is a large number. 4. The rural poor who have little or no inkling of reliable family planning methods, no access to antifertility services, no money to pay for them anyway, and little motivation to limit their families. This is the majority in the developing nations.

In the past, U.S.-aided population programs have for logistics and other reasons concentrated on groups Nos. 1 and 2, and have found many in them to be "early acceptors" of family planning. Now efforts must be launched to reach and motivate the much larger numbers in groups Nos. 3 and 4.

In the field of health, rather than focus on curative programs which would reach relatively few people, foreign assistance funds must continue to try to reach the great mass of people with programs to prevent serious epidemic diseases.[1]

Section 105 - Education and human resource development. This section authorizes the appropriation of $115 million for each of the fiscal years 1974 and 1975 for education, public administration, and human resource development.

Although the low-income countries have doubled the size of their school systems in the past 10 years, it is believed that there are more children for whom even elementary education is unavailable than there were a decade ago.

It has become clear that these countries cannot afford universal education as known in the West and that the academic patterns of the developed countries are inappropriate in the developing countries. Those nations must develop low-cost, innovative systems of education to roll back illiteracy and provide their people with the requisite skills to participate in the process of development. The United States can assist the developing nations with designing and testing new educational systems and concepts aimed at reaching larger numbers of people at lower costs.

To that end, funds appropriated under this section should be targeted at: 1. Expanding nonformal education....2. Increasing the relevance of formal educational systems to development problems....3. Aiding higher education...to the extent that the professional skills imparted contribute most directly to development and the welfare of the poorest majority....

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[1] Ibid., pp. 21-24.

4. Improving the administrative capacity of government at all levels.[1]

Following the sections authorizing appropriations are several sections which give additional guidance on the administration of the program.

Section 108 requires that previous laws be applicable to the restructured program. Section 109 allows for the transfer of up to 15 percent of the funds available in one sectoral category to another. Section 110 gives legislative directions for the restructuring of the donor-recipient relationship by requiring the assumption of 25 percent of the costs of a program, project, or activity by the recipient. This section also limits funding to projects which can be completed in 36 months; unless adequate additional justification for undertaking them is presented.

Section 111 amplifies the intent of the legislation by allocating a portion of each appropriation for the development of cooperatives. This was supported as a strategy for encouraging participation of the urban and rural poor in the development process.

Section 112 stipulates that, with the exception of such programs as narcotics control, no part of the appropriation made available by this Act is to be used for police training or related programs in foreign countries. This strengthened the people oriented thrust of the program and weakened the security orientation which predominated at an earlier time.

Section 113 reflects an American concern: the role of women in society. This section directs that programs which integrate women into

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[1] Ibid., pp. 25-26.

their economies be emphasized. This section and the next, unlike the others, originated in the Senate after the basic restructuring of the Act had taken place. Section 114 also reflects an American concern: abortions. This section stipulates that none of the funds authorized under this Act be used for abortion.

Section 114 is the last of the innovations in the policies for bilateral economic assistance to the LDC's. These innovations, which redirect the program, were the result of a deliberate process of study and restructuring which took place in the House of Representatives in the early months of 1973.

The thrust of "73" is towards a people oriented program, concerned with improving the general standard of living in the LDC's. The legislation reflects a new appraisal of what America should try to do to the Third World, and how it should be done. Notably there is a new reliance on political and social strategies as well as economic strategies to foster development; and on political and social barometers as well as economic barometers to measure it. "Seventy-three" is sophisticated and innovative, representing the cumulative experience of years of economic assistance. The next chapter will chronicle the program's history, which is one vital aspect of the context in which this policy change developed.

CHAPTER II

A FOCUSED HISTORY OF THE BILATERAL ECONOMIC ASSISTANCE PROGRAM

In the preceding chapter, I demonstrated a change in the assistance program's policies by saying in essence that "all this is new; therefore the program is changed." I believe my conclusion is a correct statement of bald fact; but it is by no means a sociologically insightful statement. Sociologically speaking, change is a many faceted process and no matter how simplistically the bald facts can be stated, understanding the process is complicated.

This chapter has developed from some sociological assumptions about change and an initial hypothesis about history. It reflects a desire to gain sociological insight into the development and meaning of the 1973 change in the policies of the bilateral economic assistance program.

Assumptions about change. My development of this discussion of a specific change was guided by the assumption that four facets of the change process are particularly critical to understanding all change. They are the pattern, tempo, perceived value, and causes of the change.

When I say change has a pattern, I mean that the "before" and "after" states of a changing phenomenon are part of a sequence which may be described as linear, cyclical or alternating. When I say change has

a tempo, I mean that it may be described as occurring quickly or slowly, in equally or unequally measured increments. When I say change has a perceived value, I mean that each person involved in or aware of the change will describe it in such terms as "good" or "bad," "progressive" or "regressive," representing his own perception of it, which perception is derived from his relationship to it. When I say change has causes, I mean that it can be described as a response to or result of other phenomena - including both events and ideas.

The first three of these facets of change describe what has happened, the fourth explains what has happened. The first three are easier to establish, the fourth is not directly experienced and is harder to establish.

Hypothesis about history. My development of this discussion of a specific change was also guided by an initial hypothesis which was simply that the history of any social phenomenon contributes to its subsequent development. The expectation that the past policies and performance of the program are a key to the development and meaning of the 1973 policy change shaped the historical account which follows.

This focus led to an emphasis on four aspects of the history: (1) the legislation authorizing the assistance program, (2) the objectives and conditions of the program, (3) the administrative aegis for the program, and (4) issues within the program which produced an incentive for change. This focus also led to an analysis of these four aspects of the history in terms of a search for successes which are presently being repeated, failures which are being remedied, issues which are being addressed, and an indication of which factors have previously been considered causes of change.

This chapter begins with a brief discussion of the antecedents to the bilateral economic assistance program to the less developed countries (LDC's), continues with a discussion of the program from 1949 to 1973 with an emphasis on the four aspects of the history mentioned above, and concludes with a discussion of the program's history as a factor in the 1973 change with an emphasis on the four facets of the change process mentioned above.[1]

The Antecedents to the Program of Economic Assistance to the LDC's: "What's Past is Prolog"

US bilateral economic assistance to the LDC's has its antecedents in assistance to allies and former foes during and following World Wars I and II.

During the World War I period of reconstruction, the US extended credit to its European allies. The US considered these debts legal obligations which the debtors were expected to repay in full. Despite warnings from contemporary critics that this policy was retarding European recovery and would be ultimately detrimental to the US, the

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[1]The many discrete historical facts in this chapter are not individually footnoted. It was surprising to find that there was not a single, comprehensive, published history of the program. The facts assembled here were culled from many sources including: "A.I.D. Background Data," an anonymous, undated typewritten paper on file at the U.S. State Department Library which I believe must have been written in about 1968; American Foreign Assistance, William A. Brown and Redvers Opie, (Washington: The Brookings Institution, 1953), which is a detailed history through 1952; Giant Among Nations, Peter B. Kenen, (New York: Harcourt, Brace and Co., 1960), which is a history and interpretation up to the Kennedy period; the USAID pamphlets describing the programs throughout the 1960's listed in the bibliography; the relevant laws as found in the appropriate issues of U.S., Statutes at Large; and the reports of the numerous commissions and task forces including the Randall Commission, the Green Committee, the Peterson Commission and the Stern Task Force which have studied the program.

policy was pursued until 1931 when the depression hit its nadir in Europe and a moratorium on repayment was called. The lesson learned was that burdensome debts are indeed detrimental to the international economy, and therefore to the lenders as well as the debtors. After World War II, loans of this nature were assiduously avoided.

Foreign assistance was incompatible with the US isolationist stance of the between the wars period; but gradually the exigencies of the late 1930's and '40's reinvolved the US in two assistance programs based on a new concept of "mutual assistance." The idea here is that the donor and recipients both benefit from assistance because of their involvement in an international community. Benefits to the donor are measured in terms of greater security and prosperity due to a healthy world economy, rather than in terms of financial returns.

The first new program was one in Latin America designed to insure hemispheric solidarity and security. Following the initiation of restrictions on trade and on the use of the Panama Canal in 1939, the US advanced loans to Latin American countries to compensate for their loss of European business. The lessons of this program for the future were in the coin of experience in technical assistance and cultural and information exchange, which was later influencial in the development of the Point Four program.

The second assistance program of this era was Lend-lease which was begun in 1941 "when hard-pressed Britain and even harder-pressed China alone stood actively in the way of an Axis victory."[1] The US revoked its legislation against arms sales to the allies and, under

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[1]Brown and Opie, p. 8.

Lend-lease, supplied defense articles including raw materials and food to the allies and neutral buffer nations.

The important innovation of Lend-lease was the concept of mutual assistance. The lender-borrower relationship which the US and European nations had experienced before was usurped by a donor-recipient relationship which still obtains. This new relationship has more flexible and diverse obligations and responsibilities than the former one had. It is not without a well spring of tension however. Since Lend-lease, there has been a tradition of donor conditions for assistance which threaten always to undermine the sense of common cause inherent in the idea of mutual assistance. Writing in 1952, Brown and Opie note the tension between donor conditions and mutual assistance and declare them a lasting legacy of Lend-lease:

> The problems created by merging these different ideas in a single program were solved during the war by political accommodation and negotiation. They left an impress, however, that is still prominent in the Mutual Security Program.[1]

Despite this paradox, the concept of mutual assistance was realized and strengthened by the Lend-lease program. Following the war, the sense of common cause and internationalism was high and the first relief program was a multilateral, internationally organized one called the United Nations Relief and Rehabilitation Administration (UNRRA). Each UNRRA country contributed one percent of its GNP to the program which continued until the financial burden proved too much for the participating European nations.

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[1] Ibid., p. 35.

The need for a US bilateral assistance program was sharply perceived and quickly responded to when Britain announced in early 1947 that it would be unable to continue to carry its burden of Assistance to Greece and Turkey. President Truman responded in March with a message to Congress asking for authority to assist Greece and Turkey. His message became known as the Truman Doctrine and remained in effect as the cornerstone of the Cold War and the assistance program for more than two decades.

The Truman Doctrine is basically a policy of helping "free and independent nations" which are threatened by "forces of subjugation."[1] This policy is based on two concepts: (1) that each nation's security is vital to world security, and consequently to US security (the domino theory was introduced here) and (2) the US, by virtue of its resources, has an obligation to lead in world affairs. After the years of reluctant participation in international affairs this program of action was welcome to many.

Truman's policy was amplified by Secretary of State George Marshall in a June 1947 speech at Harvard and was operationalized through interim relief measures and the enactment of the Marshall Plan (the Economic Cooperation Act of 1948) on April 2, 1948.

The Marshall Plan was proposed in early June 1947. The European nations met later that month to consider their participation. The USSR withdrew its support at this juncture, so linking the assistance effort

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[1] U.S., President, 1945-53 (Truman), Recommendations on Greece and Turkey: Message of the President to the Congress, March 12, 1947, in Francis O. Wilcox and Thorsten V. Kalijarvi, eds., Recent American Foreign Policy: Basic Documents, 1941-51, (New York: Appleton-Century-Crofts, 1952), p. 817.

and the Cold War. American studies on European needs and American capabilities were conducted concurrently with the European meetings. Out of these meetings and reports, and out of the by then obvious East-West schism emerged a program stressing assistance as a safeguard against communism and aimed at the independence of a unified Europe. A four year program was planned which would supply the dollar goods necessary to prevent economic and political breakdown while simultaneously European economic and political structures were being reconstructed so that dollar dependency would be unnecessary when the program ended in 1952.

Marshall said the Plan was a "cure" rather than a "palliative."[1] It was uniquely innovative in its treatment of the European nations as a single unit involved in recovery and reconstruction. Initially a regional organization called the Organization of European Economic Cooperation (OEEC) planned for the allocation of resources and submitted requests for assistance to the US aid agency, the Economic Cooperation Administration (ECA). Subsequently it was felt at the OEEC that Europe was not adequately unified for such extensive regional planning and this function was ended. Later allocations were kept at a fixed percentage for each country, that percentage having been fixed by the OEEC during their last allocation exercise. This format for allocation and for regionalization has never been re-introduced into the assistance program.

Bilateral assistance was criticized from its inception. Brown and Opie cite six major criticisms which began when aid to Greece and

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[1]Brown and Opie, p. 126.

Turkey was proposed:

1. The new policy means interference in the internal affairs of other states.

2. The new policy means lending support to reactionary governments.

3. The new policy means supporting British imperialism in the Middle East or, alternatively, embarking on a new US oil imperialism.

4. The program will expand to other areas and the cost will be too high.

5. The UN is being by-passed.

6. The new policy will ultimately divide the world into two warring camps.

These criticisms have continued through the course of the program's history.

As a bilateral effort, the Marshall Plan was criticized widely, for this was an era when the idea of internationalism was important. Henry A. Wallace, who was to run for President in 1948 on the Progressive Party ticket, testified before a Congressional committee against the Marshall Plan saying it was exploitative, imperialistic and representative of big business interests. He proposed an alternative plan which would channel assistance through the UN.[1]

In an interview,[2] Mr. C. Tyler Wood, who was involved in drafting

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[1]Henry A. Wallace, The Wallace Plan vs. the (Hoover) (Dulles) Marshall Plan, a private reprint of testimony given by Henry A. Wallace before the House Committee on Foreign Affairs on February 24, 1948, I found this in the files of Robert Oshin, available at the offices of the Society for International Development, Washington, D. C.

[2]Interview with C. Tyler Wood, November 14, 1975.

the Marshall Plan legislation, told me that Fiorello La Guardia, who was the director of UNNRA and Eleanor Roosevelt who was at the UN both voiced opposition to the initiation of a bilateral assistance program. Mr. Wood publicly debated with Mr. La Guardia on the issue, bolstering his case with accounts of Soviet abuses of UNNRA efforts, including the report that UNNRA grain for east Europe was re-bagged in Soviet bags before delivery. Mr. Wood recalls feeling the mood of the audience - a Town Meeting of the Air audience assembled in Plymouth on Thanksgiving - turn from opposition to bilateral assistance to receptivity to it during the course of the debate.

Mrs. Roosevelt's opposition never became public. After conveying her intent to oppose the program should it be proposed to the Congress to Secretary Acheson, Mr. Wood was dispatched to New York to convert her. In our conversation, he recalled that she had a busy schedule: a meeting, a radio broadcast, a rally and a private appointment all before lunch. Mr. Wood proposed riding with her to her appointments and talking with her while enroute from one to another. This he did and by the morning's end, she gave her support to the bilateral effort which she had initially opposed. Again, Mr. Wood says, the strongest argument for a bilateral program was a recitation of the Soviet abuses of the UNRRA program. This corroborates the contention that from the earliest times, the assistance program and anti-communist program were intertwined.

Once underway, the criticisms shifted from what the program would cause to what it was causing. Ineffectualness was quickly added to the above list of six basic criticisms. In this vein, I have seen a draft memo from a Truman aide, Robert Oshin, to the Marshall Plan Director, W. Averell Harriman, suggesting that the response to restructuring the

European economy was dangerously paralleling the Hoover response to the depression: it was focusing on improving the immediate climate with the hope that that would in itself dissipate the structural problems. Oshin recommended greater direct attention to the structural problems themselves.[1]

In addition to the Latin American loans and the European program, the US aided China, Japan and Korea during this era. From 1945 to 1951, these three countries received about one sixth of all US assistance. The goals were reconstruction and rehabilitation in Korea and China, and relief in Japan. Immediately after the War, the Japanese program was aimed at reducing the country's industrial capacity; later it was aimed at developing it and creating a self-sustaining economy in Japan. Unlike the European program, the Asian program was not characterized by an American goal of regional unity.

The European and Asian programs were similar in that both were geared to the solution of postwar problems which, for all their urgency, were expected to be transitory.

This series of assistance efforts - World War I loans, Latin American mutual assistance for hemispheric security, Lend-lease, UNRRA and the Marshall Plan - were increasingly systematic efforts and represented increasing US consciousness of global interdependence and America's emerging leadership role as a major source of wealth. These programs were the historical antecedents of the US bilateral economic assistance program to the LDC's.

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[1]This memo, called "Critique of Present ERP Operations" is among the personal papers in the Robert Oshin files at the Washington offices of the Society for International Development.

Economic Assistance to the LDC's from 1949 to 1973: "The Bold New Program"

Economic assistance to the LDC's was initiated by President Truman in his inaugural address in January 1949 and has continued through the terms of all subsequent Presidents. Each subsection of this chapter bears the name of a President, as a reminder of the general tenor of the times in which each development in the program was taking place.

The Truman Years

In his inaugural address, President Truman said:

> In the coming years, our program for peace and freedom will emphasize four major courses of action.[1]

The first course was continued support for the UN, the second was continued support for our programs for world economic recovery, the third was continued support for our programs for military preparedness and the fourth was the initiation of economic development assistance for the underdeveloped countries. The text says:

> Fourth, we must embark on a bold new program for making the benefits of our scientific advances and industrial progress available for the improvement and growth of underdeveloped areas.[2]

The assistance program which evolved took its name from the passage which launched it: Point Four.

Further details on the program in terms of (1) the legislation authorizing it, (2) its stated objectives and conditions, (3) the

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[1] U.S., President, 1945-53 (Truman), Inaugural Address, in Walter M. Daniels, ed., The Point Four Program, (Basic Reference Shelf; New York: H. W. Wilson Co., 1951), p. 10.

[2] Ibid.

administrative aegis under which it operated and (4) issues which arose in and surrounding it all follow.

The Legislation. Point Four was established legislatively by the passage of the Act for International Development which was passed on June 5, 1950. It was modified the next year through the passage of the first Mutual Security Act under which it was subsumed. It was repealed August 26, 1954, by the Mutual Security Act of that year.

Policy Objectives and Conditions. The stated objectives of the program of this period are found in two laws: the Act for International Development which created Point Four and the Mutual Security Act, which was a legislative umbrella for the European Recovery Program, the Mutual Defense Assistance Program, and Point Four. It should be borne in mind that the Act for International Development was passed 20 days before the invasion of S. Korea, the Mutual Security Act was passed a year later.

Point Four was a program of technical assistance and capital investment. The major broad objectives were to raise the standard of living of the people in the LDC's and so stimulate greater productivity in those areas. Underlying these program objectives were a belief in global interdependence in the areas of security and economics, strong opposition to Communist expansion, and a humanitarian impulse. The policy statement of the Act for International Development says:

> Sec. 403 (a). It is declared to be the policy of the United States to aid the efforts of the peoples of the underdeveloped areas to develop their resources and improve their living and working conditions by encouraging the exchange of technical knowledge and skills and the flow of investment capital to countries which provide conditions under which such technical assistance and capital can effectively and constructively contribute to raising standards of living, creating new

sources of wealth, increasing productivity and expanding purchasing power.[1]

The Mutual Security Act of 1951 which consolidated the various assistance programs said that they, including the Act for International Development, "shall hereafter be deemed to include this purpose":

> Sec. 2. The Congress declares it to be the purpose of this Act to maintain the security and promote the foreign policy of the United States by authorizing military, economic and technical assistance to friendly countries to strengthen the mutual security and individual and collective defenses of the free world, to develop their resources in the interest of their security and independence and the national interests of the United States, and to facilitate the effective participation of those countries in the United Nations system of collective security.[2]

Throughout its history, the assistance program has been used to implement foreign policy, the major goal of which has been the realization of a peaceful, stable and free world. Before the Korean invasion, global economic prosperity was considered the cornerstone of the peaceful international structure which was the goal. After the Korean invasion, which came as a shock and which indicated that the Communist threat was not only one of subversion but also one of invasion, the cornerstone of international peace was deemed to be military preparedness.

The objectives and conditions of assistance are being considered together in this subsection because the conditions, which establish the climate for assistance, indirectly affect the attainment of the objectives.

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[1] U.S., Statutes at Large, Vol. 64, Part I, p. 204.

[2] Ibid., Vol. 65, Part I, p. 373.

Tying assistance to the fulfillment of specific conditions was, from the beginning, a knotty problem. The advantages and disadvantages in terms of real politik and of morality were debated from the beginning. And from the beginning, strings have been tied to aid. As Peter Berger says, "There is no free lunch."[1]

The Act for International Development stipulated five conditions for assistance. The US was to be assured that an assisted country was: (1) paying a fair share of the cost of the program, (2) providing information regarding the program and publicizing it internally, (3) trying to coordinate all the assistance programs it was using, (4) trying to utilize the program well, and (5) cooperating with other countries for the mutual exchange of technology.

The Mutual Security Act added a general qualification for receipt of aid. The US would have to ascertain that assistance "would strengthen the security of the United States and help to promote world peace." Furthermore, the recipient had to agree to "Join in promoting international understanding and goodwill, and maintaining world peace (and) take such action as (might) be mutually agreed upon to eliminate causes of international tension."[2]

Under the Mutual Security Act, countries had to enter a signed formal agreement to which some countries objected. The most noteworthy case was Iran with which we particularly wanted good relations.

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[1]Peter L. Berger, Pyramids of Sacrifice, (New York: Basic Books, 1974), p. 101.

[2]U.S., Statutes at Large, Vol. 65, Part I, p. 381.

Nonetheless, we suspended military assistance (which was subject to even more stringent conditions) for a time. Economic assistance was continued and a revised but an acceptable agreement was eventually signed. As will be seen, this was the period of most stringent conditions.

Administrative Aegis. The Act for International Development provided for the administration of the program by an official directly responsible to the President and for the creation of a citizens' advisory board. The Act also provided for the delegation of the President's authority to the Secretary of State or any other government officer or employee. President Truman did delegate his authority to the Secretary of State, so beginning the tradition of policy oversight of the assistance program by the State Department.

The Secretary of State set up the Technical Cooperation Administration (TCA) which concluded General Agreements establishing a program and Project Agreements initiating specific projects with the governments of the participating countries. Each country was considered individually; the regional planning and pressure for unification which were characteristic of the Marshall Plan were not a part of this program. The first year the allocation of funds was made on a functional basis.

The Mutual Security Act established the office of Director of Mutual Security with authority over the various assistance programs. A Mutual Security Agency was established which held direct administrative responsibility for the European program but which delegated responsibility for the Military Program to the Department of Defense and for Point Four to the Technical Cooperation Administration. The legislative umbrella provided by the Mutual Security Act was initially more viable

than was the administrative umbrella provided by the Mutual Security Agency.

In 1952, the program was reorganized along regional lines with bureaus for the Near East and Africa, Asia and the Pacific, and the American Republics being established.

Issues. I have already indicated several issues which have consistently plagued the assistance program. Looking back over three decades of economic development assistance experience the quality and complexity of the debate about assistance at the time Point Four was initiated is striking.

Economic development was generally acknowledged from the beginning to be a long term, multi-faceted job. Challenges, some sophisticated, some naive, some reflecting objectivity and others reflecting ideology were levied against the long term, multi-faceted nature of the program. Questions and answers on what to do and how to do it under Point Four were numerous. Interestingly, many of the potential issues were implicit in the President's inaugural address. In Appendix II, there is a presentation of citations, first from Truman's inaugural and then from other sources, illustrating the debate on the sensitive issues of technical assistance, capital investment, unilateral vs. multilateral assistance, stimulating private investment, imperialism, and the program's cost in time and money. A brief discussion of these issues follows here.

Technical assistance and capital investment were rightly perceived as both being necessary ingredients in a development program. But from the first, it was clear that technical assistance was to receive greater

emphasis. There were several reasons for this. As a seemingly more plentiful commodity, talent was easier to proffer than money. At the same time, early writers acknowledged the difficulty of inter-cultural transplants of technology as well as the difficulty societies torn between modernity and tradition experience in adopting new technology. Furthermore, there was awareness of the paucity of people who could move from our culture to another, transmitting understanding as well as technical know-how.

Technical assistance also gained impetus from the widespread domestic perception that capital investment was not a government responsibility, but a private sector function. The capital investment program was slow to take off and its format was much debated. The ratio of private to government investment, the guarantees for investors in a risky market, and the potential benefits were all discussed. The most critical question surrounding this issue was the question of how to make foreign capital investments without being (or appearing to be) exploitative and imperialistic. The range of opinion was great, with some arguing that if one's intent was not imperialistic then the program was not, while others argued that it was impossible to pursue an anti-imperialism position and to engage in foreign capital investment at the same time.

Anti-imperialists recommended channeling assistance through multilateral agencies. Many others who did not single out this reason also felt multilateral aid was important, as the bilateral program threatened to weaken the UN.

Because of the dominance exerted by the US in international organizations, hindsight suggests that assistance through multilateral

channels might not have obviated the problem of imperialism. At any rate, after three decades of multi and bilateral assistance, the problem is exacerbated not eradicated.

Although there was a sincere desire to be non-exploitative, there was never any question that there was a concurrently held sincere desire to make an honest gain through the expansion of trade to the developing nations.

While some people said development was the challenge of the age, others said it was an impossible task. Debates about the time frame for development and the material costs of it have surrounded the program from its beginning.

The Eisenhower Years

The 1950's were a time of intense anti-Communism with a commensurate stress on military assistance and the security motivations underlying all assistance. The sentiment that security at home demanded security abroad was popularly believed. On the other hand, the term "abroad" encompassed ever wider and more foreign seeming areas; and the sentiment which was easily sustained in the cases of Great Britain, beleaguered Korea, and neighboring Latin America was easily challenged in the cases of newly emerging, far off nations. Thus, this was a period of redefinition, reorganization and re-evaluation.

The Legislation. Minor amendments were made to the Act for International Development until it was repealed by the Mutual Security Act of 1954. The Mutual Security Act was also amended year by year, until its repeal in 1961.

There were three significant reorganizations legislated during this period, as well as several restatements of objectives and conditions for assistance. The reorganizing legislation included: (1) "Reorganization Plan No. 7 of 1953" which established the Foreign Operations Administration (FOA) and abolished the office of the Director for Mutual Security and the Mutual Security Agency; (2) the "Executive Order No. 10610 of 1955" which established the International Cooperation Administration (ICA) and abolished the FOA; and (3) an amendment to the Mutual Security Act of 1957, which established the Development Loan Fund (DLF). The Mutual Security Act of 1954 amended the conditions for assistance and the Mutual Security Acts of 1956 and 1959 made changes in the statement of policy.

The legislative and administrative machinations of the 1950's are difficult to unravel, there were laws amending other laws and agencies on top of agencies. My historical expert, Mr. Wood, who was involved in the development and administration of the assistance program from its inception through 1973, assures me that its thrust was clear. Mr. Wood tells me that through the mid-50's, the program was simply called Point Four and that when he went to India as Mission Director in 1956, the Mission was called the TCA Mission because although the TCA had been replaced, the Indians still referred to it that way.[1]

Policy Objectives and Conditions. During the 1950's, military preparedness was stressed. The dominant perspective was that the threat to world security was a military one and so the response was accordingly a military one. Economic assistance was not neglected, but it was used

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[1]Interview with C. Tyler Wood, November 14, 1975.

in the service of the predominant military goal. The program was "dressed in khaki"[1] when taken before Congress and generally assistance was greater wherever the Communist threat was most imminent. During this period, economic aid was generously given to countries where the US had military bases.

The texts of the policy amendments to the Mutual Security Acts of 1956 and 1959 reveal that the peaking of the anti-Communist motivation came in the mid-50's:

> 1956: Sec. 2. (a) The Congress of the United States recognizing that the peace of the world and the security of the United States are endangered as long as international communism and the nations it controls continue by threat of military action, use of economic pressure, internal subversion or other means to attempt to bring under their domination peoples and nations once free but now subject to such domination, declares it to be the policy of the United States to continue as long as such danger to the peace of the world and to the security of United States persists to make available to free nations and peoples upon request assistance of such nature and in such amounts as the United States deems advisable compatible with its own stability, strength and other obligations, and as may be needed and effectively used by such free nations and peoples to help them maintain their freedom.

Sec. 2. (b) says Western Europe should help in this effort.

Sec. 2. (c) says aid shall be administered:

> So as to assist other peoples in their efforts to achieve self-government or independence under circumstances which will enable them to assume an equal station among the free nations of the world and to fulfill their responsibilities for self-government or independence.[2]
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> 1959: Sec. 2. (a) It is the sense of the Congress that peace in the world increasingly depends on wider recognition, both in principle and practice, of the dignity and interdependence of men; and that the survival of free institutions in the

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[1] Kenen, p. 85.

[2] U.S., Statutes at Large, Vol. 70, Part I, p. 555.

United States can best be assured in a worldwide atmosphere of freedom.[1]

After a brief experiment with more rigid conditions, the original five conditions of the Act for International Development were reinstated in 1954.

The Development Loan Fund (DLF) of 1957, which was a new initiative in capital assistance introducing soft loans, had its own statement of objectives and conditions. The Mutual Security Act of 1957 changed the name of Title II from "Development Assistance" to "Development Loan Fund" and continued with this statement of policy:

> Sec. 201 - Declaration of purpose. - The Congress of the United States recognizes that the progress of free peoples in their efforts to further their economic development, and thus to strengthen their freedom, is important to the security and general welfare of the United States. The Congress further recognizes the necessity in some cases of assistance to such peoples if they are to succeed in these efforts. The Congress accordingly reaffirms that it is the policy of the United States, and declares it to be the purpose of this title, to strengthen friendly foreign countries by encouraging the development of their economies through a competitive free enterprise system; to minimize or eliminate barriers to the flow of private investment capital and international trade; to facilitate the creation of a climate favorable to the investment of private capital; and to assist, on a basis of self-help and mutual cooperation, the efforts of free peoples to develop their economic resources and to increase their productive capabilities.[2]

The conditions attached to Development Loan Fund assistance, in addition to the general conditions of the Act, were stated in terms of factors which the President should "take into account." These included consideration of other free world sources of assistance, the economic and technical soundness of the project, and assurance of a reasonable

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[1] *Ibid.*, Vol. 73, Part I, pp. 246-47.

[2] *Ibid.*, Vol. 71, Part I, p. 357.

promise for the project to lead to the development of economic resources in the assisted country. Furthermore, loans were to be made with a firm commitment to repay, and a reasonable prospect that they would be repaid.

Administrative Aegis. While the Mutual Security Act remained the legislative vehicle for assistance throughout this period one of its major intentions, the administrative consolidation of all forms of assistance, was quickly thwarted. The Mutual Security Agency never had more than partial success at administrative consolidation and was short lived. With its dissolution the attempt at combined oversight of all aspects of assistance was ended.

The program of economic assistance to the LDC's went through a succession of administrative changes during this period: the TCA was succeeded by the FOA in 1953, the FOA was succeeded by the ICA in 1954, and when the DLF was established in 1957, the capital assistance program was severed from the technical assistance program. The two unifying administrative threads were that the program remained under the executive authority of the Secretary of State throughout this period, and that much of the personnel remained in place.

Issues. The first issue of this period was whether the program was effective. The administrative shifts which characterize the period were designed as solutions to this problem. They, in turn, created the second issue of the period - the problem of administrative chaos and increasingly dispersed authority.

The program was officially challenged in 1954 by the Presidentially appointed Randall Commission. Their report said:

> At present, as the need for economic aid for postwar recovery disappears, demands are increasing for general economic aid

> unconnected with recovery from war or preparation for defense. Underdeveloped countries are claiming a right to economic aid from the United States in proposals in the United Nations and in the Interparliamentary Union. We recognize no such right.[1]

In response to the sharp criticism explicit in this report, the mid-to-late '50's became a period of intense study of assistance. An annotated list of reports on assistance enumerates 27 reports issued between 1947 and July 1965, of which 13 were issued in 1957 alone. Subsequent reports were less conservative and less ready to junk development assistance than was the Randall Commission report. The above mentioned review of reports states that one report published in March 1957 by the Presidentially appointed Citizen Advisors of the Mutual Security Program "reaffirmed the United States' commitment to a program of collective security...," and that another published by the Presidentially appointed International Development Advisory Board "to advise on US international economic cooperation and related matters... endorses the continuation of US economic assistance."[2]

The Senate created a Special Committee to Study the Foreign Aid Program in July 1956. Its 11 independent reports were issued between January and May of 1957. This Special Committee (chaired by Senator Green and hereinafter called the Green Committee) reported that assistance was losing support in Congress and suggested that a major reason was that many programs with diverse objectives were lumped together and often programs were evaluated in terms of inappropriate goals. The Committee suggested separate legislative consideration of

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[1]Kenen, p. 165.

[2]Appended to the anonymous report "A.I.D. Background Data" available at the U.S. State Department Library.

military and non-military assistance. It suggested that the Defense Department administer military assistance and that the State Department administer supporting assistance, which is short term assistance given to meet a specific crisis. It also suggested that consideration be given to setting up a government corporation to administer technical and development assistance.

Recognizing the need to augment technical assistance with capital assistance, the Green Committee proposed the establishment of a fund for development loans. This proposal was implemented in 1957 when the Development Loan Fund was begun. It represented "a compromise between new grants and an end to economic aid."[1]

The Green Committee recommended a long-term authorization for loans in recognition of the long-term nature of capital projects and the need of recipient countries to be confident of the requisite funding. The Green Committee also recommended and argued forcefully for the requirement that loans be repayed. As there was still sensitivity to overburdening a weak economy with debts as was done after World War I, this recommendation was compromised and Congress stipulated that loans could be repaid in local currency. This was done despite the Committee's warning that the consequences of accumulating reserves of foreign currency were not yet fully understood by the Executive branch and a recommendation that they therefore be avoided.

Writing in 1960, Peter Kenen saw the DLF as a significant program, in part because the loans were repayable in local currency which allowed poor countries to utilize them. On the other hand, he pointed out two

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[1]Kenen, p. 173.

disadvantages to the DLF: (1) the fund's assets did not revolve so it required continual replenishment and (2) the United States' accumulation of vast foreign reserves was giving it great power over other country's fiscal and monetary policies, so promoting resentment. These problems were to leave their impress on later policies.

The issue of bureaucratic proliferation, change, and diffuse authority also influenced the policies of later years. Coordination of assistance was a difficult process during the late 1950's and so was being a recipient:

> Foreign governments, for their part, must negotiate with the Export-Import Bank, the DLF, ICA, Agriculture, Defense, and the International Education Exchange Service in the State Department. They must also work with several United Nations Agencies.
>
> This bureaucratic merry-go-around may dangerously strain the managerial resources of an underdeveloped country.[1]

In summary, the Eisenhower years were a period of strong security motivation for assistance, challenges to the program in terms of basic effectiveness, and a succession of legislative-administrative responses which began with an attempt to consolidate the programs and which ended with their increased disaggregation. The Development Loan Fund stands out as the one significant effort to improve the art of development assistance through the introduction of a new form of assistance.

The Kennedy Years

This was a period of administrative consolidation coupled with professional development in the assistance agency. The distinctive characteristic of this period was the emphasis on pursuing the political,

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[1] *Ibid.*, p. 181.

security and economic motives of assistance in a way which stressed development. Theoreticians and policy makers evolving assistance strategies worked more closely together at this period than at any other. One indication of this partnership is an academic advisory group AID Administrator Bell convened which met regularly and put out discussion papers on major development questions.

The Legislation. On September 4, 1961, the Foreign Assistance Act of 1961 (FAA) supplanted the Mutual Security Act as the legislative vehicle for all assistance programs. The Foreign Assistance Act designated the scope of the program, established an administrative structure for it, established the legislative format for authorizations and appropriations, and articulated broad assistance policies including objectives and conditions for assistance. The Foreign Assistance Act still exists and the 1973 policy changes are amendments to it.

Policy Objectives and Conditions. The Act begins with a policy statement which sets forth the broad objectives of assistance. This is the section of the Act which underwent radical amendment in 1973 and so a close look at it is warranted.

By the 1960's, the bi-polarity of the world's political order had begun to lessen and technology had advanced making military bases less essential to the defense of the United States. Therefore, the predominance of the security motivation for development aid was reduced and redefined. Security was redefined as resting on the obviation of conditions in which subversion and aggression flourish - "ignorance, want and despair" - as much as on the power to directly counter Soviet subversion and aggression. Just as there was a reaction to the Korean

conflict manifested in the objectives of assistance of the 1950's, there was a beginning reaction in the early 1960's to the Cold War ideology of those policies. The FAA of 1961 stated its purpose as:

> It is not only expressive of our sense of freedom, justice, and compassion but also important to our national security that the United States, through private as well as public efforts, assist the people of less developed countries in their efforts to acquire the knowledge and resources essential for development and to build the economic, political, and social institutions which will meet their aspirations for a better life, with freedom, and in peace.[1]

The 1961 objectives were accompanied by several principles for assistance which were expanded in the substantive sections of the Act. These principles were for the purpose of guiding the administration of the program and were not binding criteria for granting or withholding aid. The underlying concepts were that assistance should augment and reward self-help which is the primary method of modernization, that multilateral and regional cooperation should be encouraged, that the first goals of assistance are to meet the fundamental needs of the people, and that social as well as economic growth should be promoted by assistance.

In essence, the FAA of 1961 said the major objective of realizing a secure world was to be pursued through economic development and that economic development was to be pursued with sensitivity to political and social development. President Kennedy reiterated and amplified this thesis in several messages. The following, taken from President Kennedy's foreign aid message to the Congress transmitted on March 22, 1961, illustrates the way the nature of the relationship between economic aid

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[1] U.S., Congress, Legislation on Foreign Relations, p. 8.

and military threats was perceived at that period:

> We live at a very special moment in history. The whole southern half of the world — Latin America, Africa, the Middle East, and Asia - are caught up in the adventures of asserting their independence and modernizing their old ways of life. These new nations need aid in loans and technical assistance just as we in the northern half of the world drew successively on one another's capital and know-how as we moved into industrialization and regular growth.
>
> But in our time these new nations need help for a special reason. Without exception they are under Communist pressure. In many cases, that pressure is direct and military. In others, it takes the form of intense subversive activity designed to break down and supersede the new - and often frail - modern institutions they have thus far built.
>
> But the fundamental task of our foreign aid program in the 1960's is not negatively to fight Communism. Its fundamental task is to help make an historical demonstration that in the twentieth century, as in the nineteenth - in the southern half of the globe as in the north - economic growth and political democracy can develop hand in hand.[1]

The Agency for International Development Section-by-Section Analysis incorporates this statement into its analysis of the FAA's "Statement of Policy" and amplifies the intent of pursuing political development. The 1973 amendments to the FAA aim at affecting broad societal change through participation and so the principles demanding sensitivity to political and social development in the FAA of 1961 and the doctrine of political development articulated by President Kennedy can be considered early precursors to the 1973 change.

Under the FAA, conditions for assistance were listed separately for loans and grants. Except for the stringent condition that grants not have an adverse effect on the US economy, all the conditions were

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[1]U.S., President, 1961-63 (Kennedy), Foreign Aid Message to Congress, transmitted March 22, 1961, in Robert A. Goldwin, ed., Why Foreign Aid?, (Chicago: Rand McNally and Co., 1962), p. 4.

merely stated as criteria the President must take into account.

For loans the criteria were: whether financing is available elsewhere, the economic and technical soundness of the project, whether the project can be expected to contribute to the economic development of the country being aided, whether the project is consonant with the long-range development plans of the country, the extent to which the country is responsive to the concerns of its people and guided by a doctrine of self-help, the possible effects of the laon upon the US economy, the degree to which the recipient country is establishing principles of freedom, the degree to which the country is establishing a good climate for investment, and whether or not the project will contribute to self-sustaining growth.

The conditions for grants were: whether the activity will contribute to education or other social programs, whether the activity fits the long-range objectives of the country, the economic and technical soundness of the activity, the responsiveness of the country to the concerns of its people and the commitment to self-help, the willingness to pay a fair share of the program, the possible adverse effects of the activity on the US economy, the desirability of safeguarding the US balance of payments position, the extent to which the country is making progress towards the principles of freedom, and whether or not the project will contribute to self-sustaining growth.

Administrative Aegis. The FAA of 1961 established the Agency for International Development (AID, also referred to as USAID) to administer economic assistance to the LDC's. AID still exists. AID incorporated ICA, the DLF, the international aspects of PL-480 (agricultural

commodities) and the local currency lending of the Export-Import Bank. Like its predecessors the new agency was a subordinate of the Department of State. "A.I.D. Background Data," a brief paper on AID history, says:

> By subordinating overseas economic assistance to the foreign policy leadership of the State Department it was clearly established that US aid efforts should support and complement US foreign policy. However, by creating at the same time a separate economic agency within the State Department, it implied that economic development is a long term process which should be insulated somewhat from daily political pressures.[1]

AID was organized into regional bureaus "created to bring into sharp focus regional and country needs and to encourage close cooperation with counterpart regional and country offices in the Department of State."[2] This was in marked contrast to the previous agency (ICA, 1954-61) which had functional offices for education, agriculture, etc. The rationale for the new format was that "Development problems are unique to each country, so consequently, planning for development should focus first and foremost on the country's need."[3]

Unlike the legislative format under the Mutual Security Act which was regional and unlike the AID administrative structure which was regional, the legislative format for authorization and appropriation under the FAA was by type of assistance. Because it was well known, the DLF retained its name (though it was no longer an independent program) and loans, primarily for capital investment, formed one of the two major

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[1] Anon., "A.I.D. Background Data," p. 1.

[2] Ibid.

[3] Ibid., p. 2.

categories for authorization and appropriation. Grants, primarily, but not exclusively for technical assistance, formed the other.

The 1961 authorization of the DLF was for five years, but there was no termination date for the program such as the previous authorization had contained. (Termination dates had accompanied most early assistance programs and were probably reasonable for the European programs. The Mutual Security Act had a termination date for all but its technical assistance program, which indicates some recognition that the area to which technical assistance was being addressed had, indeed, to be measured in decades.) The FAA also introduced an explicit written provision for committing funds which were authorized but not yet appropriated. This is an evidence of Congressional recognition that loan projects carry over from year to year, and that recipient countries need assurance that they will have long term funding if they are to engage in long-range planning. Another important change in the authorization of the DLF was that repayment in local currency was no longer permissible. This change was considered an antidote to the perceived shortcomings of the accustomed repayment in local currency which were cited above.

Grants were given a no-years authorization: that is, specific sums were authorized to be available until expended. Review was to be annual.

Issues. The emerging issue of this period and the next, and which, indeed, the 1973 mandate addresses, is the question of how to go about political development.

In 1962-63, Robert Packenham did a study entitled, Political Development Doctrines in the American Foreign Aid Program. He conducted fifty-four formal interviews at AID in Washington and had several other conversations with other officials in AID and elsewhere. At that time, Packenham found that political development was being subsumed to economic development at AID. This is the relationship reflected in the FAA: however, Executive Branch statements about the spirit of the law to which Packenham held up the AID performance are considerably more pro-political development, allowing the conclusion to be made that AID was not adequately fulfilling the intended policy of political development.

Packenham quotes the President, the Secretary of State, and others in the Executive Branch in demonstrating that a political development doctrine existed. Essentially, he establishes it as a transmutation of the objective of a secure world based on military preparedness and economic stability into an objective of "a world community of mutually independent and democratic nations"[1] based on the achievement of development objectives including political development. He points out that this reorientation was a conscious choice, that development objectives per se were not always or necessarily a concern of the assistance program.

Despite the articulation of a doctrine of political development as an objective of the program, Packenham found the agency wholly dominated by an operational objective of economic development. Indeed, he found many AID officials equated "development" with "economic

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[1]Robert A. Packenham, "Political Development Doctrines in the American Foreign Aid Program," World Politics, XCIII, no. 2, (January 1966), p. 212.

development" and when asked to give a meaning for "political development" many understood it to mean "anti-communist, pro American stability" and many understood it to mean "the absence of political impediments to economic development." Interestingly, only ten respondents mentioned political development as an AID objective and of those six, felt the way to realize it was "to pursue economic growth consistent with democratic institutions."[1]

Essentially, at that time, the agency was ill equipped programmatically to pursue an objective of political development and there was little theoretical understanding of political development as distinct from the program of economic development being carried on. This study provides an historical context against which to gauge the magnitude of the 1973 change in terms both of the development of theory and policy.

The Johnson Years

This was a period of questioning of assistance. The initial challenges of the period represented the shift of the pendulum from affection to disaffection which had happened before in the program's history. The later challenges, during the Vietnam War years, cut deeper to the question of an appropriate role for America in the world community. The war exacerbated the imperialism debate, and the assistance program was launched upon a new wave of criticism along this tack.

The Legislation. The 1960's saw repeated amendments to the FAA. Gradually the capacity to affect political and social change was

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[1] Ibid.

increased. The single most important amendment was Title IX which was passed in 1966. In 1967, the purposes and conditions for loans were modified through amendment. In 1967, a population program was funded and in 1969, a housing program was funded.

Policy Objectives and Conditions. Title IX says that in administering AID programs emphasis "shall be placed on assuring maximum participation in the task of economic development on the part of the people of the developing countries, through the encouragement of democratic private and local governmental institutions."[1] The purpose of the Title has a familiar ring. What is unique is that the Title goes on to authorize funds for research on political and social obstacles to development, ways development assistance can promote democratic social and political trends in LDC's, and evaluation of past and current programs in terms of promoting the aims of the Title. Furthermore, the Title directs that the findings of all this research be applied. Specifically, there is an authorization for AID to carry on "Systematic programs of in-service training to familiarize its personnel with the objectives of this Title and to increase their knowledge of the political and social aspects of development."[2]

In 1967, the DLF portion of the Act was amended to include an itemization of five purposes of development assistance on which the President was to place "appropriate emphasis." These included participation in development by the citizens of the recipient country, programs

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[1] U.S., Congress, Legislation on Foreign Relations, p. 42.

[2] Ibid.

directed at self sufficiency in the area of food production, programs directed at education, programs directed at health and programs directed at other important development activities. The concept of self-help was also amplified.

In allocating assistance, the President was directed to take into account the country's activities in relation to food self sufficiency, its activities in relation to creating a favorable climate for domestic and foreign private investment, its activities in increasing its peoples' role in development planning, the extent to which allocation of its monies went to key development areas rather than military development, the country's willingness to share the cost of development, the extent to which social reforms (land, tax, etc.) were being undertaken, and the extent to which the country was otherwise responsive to the economic, political and social concerns of its people.

The President's message to Congress of February 9, 1967, spelled out six guiding principles for assistance which are reflected in these amendments. This message is also interesting because, although delivered by a President who was dedicated to an anti-communist war, it does not reflect any of the intense security motivation for assistance that the 1950's reaction to Korea produced. Although used for political-security ends, the refocusing on the environment and conditions of underdevelopment remained an objective of aid throughout this period. President Johnson, emphasizing self-help, multilateralism, regionalism and the functional sectors of agriculture, education, and health and population, expressed the need for development programs in terms of

global interdependence:

> Some would have us renege on our commitments to the developing countries on the ground that 'charity begins at home.' To them let me emphasize that I have recommended no charity, nor have I suggested that we stray from home. The inescapable lesson of our century, inscribed in blood on a hundred beaches from Normandy to Vietnam, is that our home is this planet and our neighbors three billion strong.[1]

Other steps extending the political and social development goals of assistance were taken during this period. The 1961 version of the Act included a section called "Assistance to Countries with Agrarian Economies." This section provided for emphasis on programs which reach people in agriculture or who are living in rural areas where the economy can be characterized as agrarian. This emphasis, joined and strengthened by two funded programs of the late 1960's - a 1967 population program and a 1969 housing program for Latin America - were precursors of the emphasis on the poor and the sectoral approach of 1973.

Administrative Aegis. There were no major administrative changes during this period. AID, still under the policy oversight of the Secretary of State, continued to administer the program through regional bureaus and with authorization and appropriation by loan and grant categories. The special programs to South East Asia commanded funding and staffing priority during this period.

Issues. The issues of the period were the issues of the Vietnam War. Because economic assistance to Vietnam was a part of

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[1] U.S., President, 1963-1969 (Johnson), Message from the President of the US Transmitting Proposals for Implementing the Six Guiding Principles on Which Our Foreign Aid Programs Are Based, 90th Cong., 1st Sess., February 9, 1967, H. Doc. #55, pp. 9-10.

the war effort, and because much of that assistance was channeled through AID, the entire development assistance program was subject to all the doubts and criticisms the war raised. The question of imperialism, an issue since the inception of the foreign assistance program, became a major issue during this period. Whether the program is dominated by economic and military motives which are exploitative and inspire dependency, as opposed to humanitarian motives which foster independence and equity, became the dominant issue. Secondarily, there was debate as to whether "modernity" is inherently preferable to the solidarity of traditional society, what aspects of American life can and should be transplanted, and again, what the time frame and material costs of development would be.

Abuses and misuses of assistance created doubts about the ethics and professionalism of the agency's personnel and about the potential for a government program to deliver a non-exploitative program which would help people rather than governments.

The issues of the Johnson years culminated in the Congressional repudiation of the program in the early Nixon years and the restructuring of the program in 1973.

The Nixon Years - to 1973

During the early years of this period, foreign assistance survived on continuing resolutions passed by an increasingly critical Congress by very slim margins. In 1973, the tide turned; on a Congressional initiative the program was given a new mandate which has subsequently been extended and which has increased Congressional confidence in the program.

The Legislation. On October 29, 1971 a foreign assistance bill was defeated. In January, 1972 the existing program was extended until June 30, 1973 by the passage of a continuing resolution. In 1972 the administration introduced a new bill. It was rejected by the Senate in July, passed by the House in August and went into conference in October. On October 18, 1972 it died when the Congress adjourned. A Congressional initiative ensued and a new bill was introduced by twenty-six members of the House Foreign Affairs Committee (now called the House Committee on International Relations) on May 30, 1973. It was introduced in the Senate on June 20, and went to conference in November 1973. It was passed and on December 17, 1973 the Foreign Assistance Act of 1961 was amended. All but one of the changes contained in the original House bill were incorporated, the 1973 mandate restructuring the foreign assistance program was achieved.

Policy Objectives and Conditions. During the first years of this period, there were no changes as the program was continued as it existed under continuing resolutions. The changes introduced by the 1973 legislation have been fully discussed in the preceding chapter. In summary, the legislation:

1. Redefined the target population as the poor majority of the people in the recipient countries.

2. Redefined the authorization and appropriation categories as functional sectors which address development problems; namely food and agriculture, health and population, education and human resources.

3. Moved from a development strategy which stressed economic development to one which stressed participation.

Administrative Aegis. The Agency for International Development, under the policy oversight of the Secretary of State and organized by regional bureaus, was retained. Authorizations and appropriations were shifted to a functional or sectoral basis.

Issues. The issues of the Johnson years continued into the early Nixon years. Furthermore, the issue of the continuing applicability of the Truman Doctrine, which had legitimated the program for its entire lifetime arose. Nixon tried to redefine the basic thrust of US foreign policy; to this end he accomplished Soviet detente, Chinese rapprochement, and the articulation of the Nixon Doctrine. All of these exerted influence on the assistance program, but the basic restructuring of it which took place during the Nixon years was not an administration accomplishment.

In 1969, Nixon established a citizen's task force to study the program, headed by Rudolph Peterson. It reported to him in early 1970 and its recommendations, which included the division of the assistance agency into four administrative bodies, were at the core of the Administration proposals which were defeated in 1971 and '72 when the Congress rightly perceived that the problems of the program would not be solved by a proliferation of agencies alone.

One of the obstacles to further Administration restructuring of the program was Watergate. During this critical period (following the 1971 defeat of the bill) the Executive Branch was being overwhelmed by domestic troubles and paralyzed by Watergate. The Congress stepped into the breach, with a subtle assist by AID which was conducting internal studies and recommending sectoral planning and authorizations, and

advanced its proposals. These were consonant with the other foreign policy modifications of the time, and so garnered Administration support. For many policymakers, the issues of the previous period were on the way to being solved.

The major remaining issue of this period, which was not resolved until 1975, was the continuing combination of military and economic assistance in one bill. The importance of this issue can be seen by comparing the margins by which the 1973 and 1975 bills passed: in 1973, the margin was 17 in the House and 3 in the Senate, in 1975, the margin was 89 in the House and 13 in the Senate.

The History of the Assistance Program and the Pattern, Tempo, Perceived Value and Causes of the 1973 Change in the Program's Policies

The Pattern of the Change

Looking at the whole of the history one sees that the ideas in the 1973 legislation echo the ideas of Point Four: both are people oriented programs, concerned with development in terms of human rather than institutional problems. This long look reveals that during the years when the program was "dressed in khaki" there was not much progress in the development of these ideas. Only time will tell but two possible patterns are suggested: that the concepts of Point Four and 1973 are cyclical, that they will emerge periodically and submerge periodically; or that the course of experience has taught that these ideas are better and they will continue to underlie the program and be developed and refined for some time to come.

Looking at only one part of the program's history - the past decade - one sees an evolutionary development in the ideas of assistance

which is linear. The first stage was a general sensitivity to development problems and to political development, the second was a perception of the need to develop new strategies and to train AID personnel to effect political development, and the third was the development of a strategy of economic growth with participation and equity which was articulated in 1973.

It is noteworthy that in 1973 not only are the concepts of a people oriented program being approached with more sophistication, but the basic view of development as a multifaceted process is being fleshed out as political and social development are related to economic development and more complicated strategies for effecting all three are articulated. A pattern of accumulated experience and knowledge is evident in the 1973 policies.

The ideas underlying the program are old and reveal a pattern of interrupted linear ascent. The process through which the change occurred and the generic type of change 1973 represents reveal different patterns.

While the development of the ideas was evolutionary, the orchestration of the change was revolutionary. Congressional initiatives in foreign policy legislation are the exception rather than the rule. As such this bill departs from the usual pattern of accomplishing legislative change in this area. Isolated amendments including Title IX were offered by Congressmen during the late 60's and early 70's, however a restructuring of this magnitude of the substance of foreign assistance by a Congressional initiative is unprecedented in the history of the program.

The 1973 change in the foreign assistance legislation is an example of a generic type of change in which innovation in a program

which is designed to assure improved performance is introduced at a time when disillusionment with the program runs high. This is a generic type of policy change because it is not specific to the assistance program or foreign policy; any program can be, and many have been, revitalized by this type of change. There is a precedent for this type of change in the assistance program's history: the Development Loan Fund which represented a new way of doing things was introduced during the 1950's when suggestions of abandoning the program were being seriously made and considered.

The Tempo of the Change

Two aspects of the change - the development of the ideas and the struggle for the program's very existence - have distinct tempos which the history reveals.

As the span of history which is considered is shortened, the tempo of the development of the ideas in the 1973 legislation quickens. Looking at the whole span from 1949 to 1973, the tempo seems ragged and slow. Looking at the span from 1961 to 1973, the tempo seems to gradually build momentum and strength. Looking at the span from October 1972 when the last administration bill died until the passage of the 1973 amendments, the tempo seems purposeful and quick.

Besides initiating a change, the 1973 legislation was a lifesaver to the program. In 1971, the program was put on the critical list. Although it had always been a subject of controversy, it was during the Vietnam War period that it became part of a larger controversy about American intervention in the Third World which nearly engulfed it. The defeats in Congress of 1971 and 1972 provided a challenge and impetus to

the supporters of the program who moved forthrightly to restructure the program itself and Congressional support for it too. Restructured in 1973, the legislation passed by a slim margin and the program, near death in 1971, survived.

The Perceived Value of the Change

The history of the program cannot say how people related in various ways to the program perceive it in 1973: only the people themselves can do that. What the history can do is to indicate what the major concerns have been and what groups were influential in creating change.

Two ways of dividing the American constituency for the program are suggested by the history: each seems plausible and each has some utility. One way is by work relationship to the program: Congress, the Executive Branch, AID professionals, the business community, the consultant community, development theorists, voluntary agencies, etc. The second way is by proponents of assistance objectives. Four objectives, foreign policy, economic policy, prosperity, and humanitarianism, seem to run through the history of the program and each of these has had, and presumably has, its constituency.

The constituencies established by the objectives cut across the constituencies established by work relationship to the program; i.e. some Congresspeople support aid for reasons of security, some for reasons of prosperity, some for reasons of conscience and some for two or three of these motivations; and so it is with the other work categories as well. One effect of this is to dilute the strength of each group.

The Causes of the Change

As causes provide an explanation rather than a description, this section is particularly interpretive. Therefore, it seems important that although I will discuss causation at greater length in the next chapter, I shall lay out certain of my assumptions about causes, history and change now.

I assume that social phenomena are dynamic - that change within them is a constant process.

I assume that every change has causes; and that understanding a specific change will be facilitated by understanding its causes.

I assume that although change can occur without evidence of conflict, much of the time its cause is conflictual. Therefore, I am inclined to look for conflicts as causes of change.

Finally, I assume that while conflicts can be constraints which arise externally at the time of a specific change they can also be long term tensions which are part of the history of the specific changing phenomenon. Therefore, I expect to find conflicts in the history of the assistance program which are causes of its changes.

Criticisms of the assistance program serve as a guide to conflicts within it. As noted, some criticisms have followed the program from its inception, others have developed in the more immediate past. The following conflict areas emerge from the history of the program.

The Failure of the Decade of Development. The 1960's was to be the Decade of Development but was not. The early promise was high: the administration of the new AID was vigorous, there was intellectual questing for solutions to well identified development problems, there was a seemingly plausible and potent theory to guide the program, the

DLF was a new modality with seemingly great potential, and there was a great increase in newly independent countries which were eager for assistance and development.

The primary strategy for development was an infusion of capital into the pre-modern economy which was to cause a "take-off" into modernity - economic, political and social. As the Decade of Development wore on, take-off repeatedly failed to happen and what development did occur failed to foster international security and prosperity.

The failure of the Development Decade did not dawn on the world one bright morn in 1973. Title IX and other reform proposals (which were not enacted) are testimony to some Congressional recognition of the need to evolve new strategies. Dudley Seers,[1] David Bell[2] and Robert McNamara[3] are among the major figures in the development community who challenged reliance on GNP as the measure of development, emphasis on the economic sector to the neglect of the political and social sectors, the concepts of trickle down and take off, and entering the system at the level of the elite. They also talked about new measures such as median income, sectoral planning, reaching the non-elite, participation, and new strategies.

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[1]Dudley Seers made this challenge in several forums including the 11th World Conference of the Society for International Development where, as Society President he delivered an address called "Challenges to Development Theories and Strategies" on November 17, 1969.

[2]David Bell took occasion to challenge traditional thinking and doing in a speech called "Assessment of Efforts to Assist Underdeveloped Areas" made to the General Accounting Organization on December 13, 1971.

[3]Robert McNamara has repeatedly challenged traditional thinking and suggested new approaches in his role as President of the World Bank. An oft cited instance is a speech he delivered to the Bank's Board of Governors on September 27, 1971, called "The Basic Problems of Development."

The 1973 mandate addresses itself directly to the issue of how to go about the development business which the failure of the 1960's brought to a head. The 1973 legislation ties growth to equity and economic development to participation.

The long standing problem of interference. The program's history shows that the issue of to what degree, if any, American interference in the internal affairs of another country can be countenanced by Americans dates back to the Marshall Plan days. Fundamental American values are thrown into opposition to one another by the act of assistance. On the one hand sovereignty demands respect, and on the other, need demands relief. This paradox is especially keenly felt by the new nations themselves which, while free at last are economically and militarily dependent still. This tension within the new nations increases the unease in America.

The 1973 legislation responds to this conflict by underscoring the principle that self-help is the brain and backbone of development and that US assistance merely adds muscle, by encouraging participation, and by directing assistance to the poorest of the poor. Taken together these positions and provisions exhibit sensitivity to sovereignty and need at once.

The charge of imperialism. One of the original criticisms of the assistance program, lodged when President Truman proposed taking over Britain's obligations to Greece and Turkey, was that it is inherently exploitative and imperialistic. That criticism has been maintained and was exacerbated by the Vietnamese War.

The 1973 legislation offers a compromise. By redirecting aid monies from big, industrially oriented capital expenditures sure to increase US trade to agriculture, health and education, the legislation continues the assistance program while encouraging national independence in food production and greater social equity and while not obviously enhancing US business opportunities.

Donor conditions for assistance. Again an old issue which involves a clash of American values emerges. On the one hand, sovereignty and need stand together as testament against donor conditions while on the other, fiscal prudence and governmental accountability stand as testament for donor conditions.

The 1973 legislation, like the legislation immediately preceding it, has some factors which the President is to "take into account." The history shows that his is the most flexible formula for conditions which has been devised.

The 1973 has an implicit set of conditions which may have some coercive power on the recipient development planners. By allocating money only for certain sectors and with emphasis on participation, pressure to plan along those lines is implicitly exerted. In this case, 1973 does not really relieve an old tension.

Each of the four conflicts I hav discussed has roots in the program's own history. I believe that understanding these conflicts as well as the other historical facts presented in this chapter helps explain the 1973 mandate; but these conflicts interacted with other causes and this history is part of a wider context which must be explored if fuller understanding is to be reached.

CHAPTER III

EVENTS WHICH IMPINGED ON AND INFLUENCED THE ASSISTANCE PROGRAM IN 1973

Change is an implicitly dramatic event which can usually be counted on to excite curiosity in anyone confronted with it. Curiosity prompts many questions: "What is going on?" "Where?" "When?" "How?" and ultimately "Why?" Varying circumstances make these questions harder or easier to answer satisfactorily in specific instances. Also, answers which satisfy mundane curiosity may fail to satisfy scientific curiosity which demands exceptional rigor.

In the context of this study the question "Why?" at once demands to be asked and eludes definitive answer. In the first chapter of this study, I outlined the content of the change, in the second chapter, I began to explore the context in which it happened which is what I shall continue to do in this chapter and the next. This exploration is motivated by the question "Why?...What caused this change to happen?"

Causal assertions are not lightly made in sociology, because the answers are so hard to come by. I am content to have my causal assertions treated as suppositional.

However they are considered, causal assertions are a fundamental way in which we order and understand our world. Traditionally causal assertions describe a one way relationship in which factor "A" is

related to, prior to, and necessary to factor "B." M. Maruyama,[1] among others, has suggested an alternative causal pattern: the causal feedback loop. This describes an interactive causal relationship. An example is that the existence of the assistance modality caused the President to respond to a financial/political crisis in Greece and Turkey with an aid program; and that this political use of the program acted back on the modality and caused it to be redefined. Multiple, interlocking, interactive causal relationships are responsible for the change in the foreign assistance program.

The context in which the program has developed is a seamless web of events, ideas and people. In the previous chapter, I looked at one aspect of this web; the program's own history. In this chapter and the next, I will look beyond the program's immediate context to explore events and ideas which are external to it but which impinged on and influenced it. I'll use the same causal premises in these chapters which I employed in looking at the program's history: (1) that change has causes, (2) that the causes of a change and its content are to be found in the context from which it emerged, and (3) that conflicts are causes. In the final segment of the last chapter, I described conflicts which were generated within the program and which represent weaknesses in it. Relying on the same causal premises, in this chapter and the next one, I will describe a new aspect of conflict - the coercive, constraining parameters that external events and ideas constitute for this (or any) program.

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[1] Magoroh Maruyama, "Mutual Causality in General Systems," in Positive Feedback, ed. John H. Milsum (Almsford, New York: Pergamom Press, 1968), pp. 80-100.

In the course of this chapter and the next, I will develop an itemization of outside factors which impinge on the program and influence it. It is important to say from the outset that the factors which I include are only a fraction of all the possible factors which could be included and which are part of the context of this change. As I've said, answering the question "Why?" is difficult and what I can do, at best, is just to indicate the way I believe an answer can be derived. Specifically, that is by exploring the context of the change; paying attention to events, ideas, and people in relationship to the historical development of the phenomenon. In this case, the phenomenon is the foreign assistance program and though I regret exploring only a sliver of the context - a few events, a few ideas and a few people - I do not apologize for the sliver I have chosen. These events, ideas, and people played a major role in the development program and, more than others, demand to be included in a contextual analysis of this type.

Some of the factors I will discuss are commonly called geo-political; others are part of the peculiarly American political, economic or cultural experience. They include a broad spectrum of events and ideas, some of which pre-date the assistance program and many of which have emerged during the course of its history. The factors which I will chronicle come from my perusal of histories, legislation, hearings, reports, and especially for recent years, from my own deductions.

I've chosen to look at the program's history and external factors separately in order to keep the number of facts presented in a single chapter at a manageable level and in order to develop the concepts of conflict as internal tension and conflict as external constraint

separately. But separation is an artificial device and the events and ideas must finally be considered as interactive with each other and with the program's history.

The history of the assistance program is complicated by many visions and revisions. Before appending a new set of specific events and ideas to this complicated history, I think it would be useful to pull an abstract description of the program out of the myriad facts of the history and to describe it in broad strokes, with a clear focus on the aspects which are relevant here.

Three thrusts are interwoven in the program: aid as foreign policy, aid as economic policy, and aid as humanitarianism. Events and ideas have impinged on and influenced these thrusts. While some analysts argue that one or another of these is predominant, it is my view that they have coursed through the program in an uneasy alliance; indeed that the program has endured in part because it has filled diverse needs and commanded diverse constituencies. This model of the program provides a framework in which to place the facts of its history, amplified by the concurrent development of external impinging and influencing events and ideas.

Questions which guide this chapter and the following one and which will be implicitly addressed through them include:

1. What events and ideas have impinged on and influenced the program historically?

2. What events and ideas impinged on and influenced the program in 1973?

3. In 1973 which factors were leftover from an earlier period and which were new?

4. How did the three thrust model fit the assistance program traditionally?

5. How were the three thrusts of the model affected by the 1973 legislation? Does it still fit the program?

The remainder of this chapter will be about events, and the next chapter will be about ideas. Again, this is an artificial division and in both cases the factors explored represent only some of the possible factors which could be explored under those headings.

Events, and their interpretations, have impinged on and influenced the foreign assistance program throughout its history. Included have been political, diplomatic, military and economic events of an international as well as national order. Of all the possible events, I have selected two classes of events to explore in this chapter: the Nuclear Age and the Cold War. I selected the Nuclear Age for inclusion because it seems to me to be the overarching reality of contemporary life. I selected the events of the Cold War because political factors have had a major influence on the assistance program which has been shaped by politicians and carried out under the direction of politicians.

In the first part of this chapter, I will list and describe events which were relevant to the development of the assistance program from its inception to 1973, and in the second part, I will array them alongside the history of the program and suggest an interactive relationship between the events and the program.

Description of the Events

The Nuclear Age is a product of the relationship between technology and politics. If one sees technology as apolitical and

amoral, as technologists claim, then one must also see it as a commodity of the political and, presumably, moral community. The decisions about the production, distribution, and use of technology are made politically by modern states. This relationship seems to be a stable structural feature of modernity: this means that the decisions about nuclear power have been and will continue to be political decisions. This does not mean that they will always follow one political course, only that they will be political.

Technologically the nuclear age is a culmination of many scientific advances made throughout this century and especially since Niels Bohr's articulation of atomic theory in 1913 and the development in the early 1930s of equipment for handling nuclear experiments. The watershed event for the Nuclear Age as a technological-political era was the production of a nuclear chain reaction by Enrico Fermi in Chicago in 1942. This brilliant technological discovery was made in a political context - that of the Second World War. Political decisions made resources available for work on nuclear energy and they directed the course of that work. Within the following three years the atomic bomb was developed and used by the United States.

After the War, the political scene was changed and the question of how to develop and use nuclear power was debated. This was a period when some political decisions were supportive of global cooperation and others were supportive of ideologically based global competition. Nothing inherent in nuclear energy, an amoral and apolitical resource, precluded cooperatively oriented decisions or preordained competitively oriented ones.

Indeed, in 1946 the Baruch Plan, a cooperatively oriented political suggestion for the development and use of nuclear energy was proposed.[1] This plan called for the internationalization of all aspects of nuclear development, from the extraction of uranium ore to the development of weapons or non-military atomic projects. This course of action was rejected and a competitive course was adopted for political reasons.

Whether it was or will be shaped by a competitive or cooperative policy, these conclusions can be drawn about the Nuclear Age: its technology is the overarching reality of contemporary life, and while the technology is amoral and apolitical, its use is politically directed; its destructive capacity endows it with a connotation of terror; and because it can be so ecologically destructive as a weapon and may be so useful as an energy source all the world's people have a stake in how it is used. The events of the Nuclear Age have interacted with contemporary thinking, lending potency and strength to the idea of interdependence. This idea - global interdependence - and the events of discovery, production, use, and distribution of nuclear power have both impinged on and influenced the assistance program which has developed in the context of them. These events have been politically determined and to date the Nuclear Age has been a nuclear competition which is a facet of the major political perspective of the period: the Cold War.

In 1972, looking back over the decades, George Kennan said that the two major problems after World War II were the nuclear energy

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[1] Lincoln P. Bloomfield, "Nuclear Spread and World Order," Foreign Affairs, LIII, (July, 1975), p. 749.

problem and the problem of filling the power vacuums left by the dissolution of the hegemonies of Germany and Japan. "These two great bewilderments" were, he said, "mutually interconnected and interreacting."[1]

These problems emerged in a world which had been drastically altered by the War. The number of strong states was greatly reduced and the locus of power had shifted out of Europe. The primary powers, the US and USSR, though recent allies against a mutual enemy, were committed to fundamentally different concepts of social and economic life. Both were chauvinistic; both felt threatened; and with no other power to balance them, their ideological bipolarity became the dominating factor in defining their relationship. Ideologically competitive they were incapable of cooperative solutions to the major problems of their times which they as major powers, more than others, had a responsibility for solving. The questions of how to fill the power vacuums and how to develop nuclear energy were transformed in this context of bipolar tension into arenas for enacting the competition. That this happened is very logical; these two areas - territory and might - were the most vulnerable areas in the fabric of international relations and they were traditional areas for asserting power.

Senator J. William Fulbright, looking back, raises a question about the inevitability of the predominance of the competitive model. Both of the major problems Kennan mentions were amenable to cooperative solution. I have already suggested the Baruch Plan as a possible cooperative solution for the nuclear energy problem. At the same time, just at

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[1]George F. Kennan, "After the Cold War: American Foreign Policy in the 1970's," Foreign Affairs, LI, (October, 1972), p. 211.

the War's conclusion, the Potsdam division of responsibility for the defeated countries amongst the victors (and allies) without the establishment of hegemony promised a cooperative format for the power vacuum problem. The dissolution of those arrangements into de facto partitioning was not inevitable, just as the rejection of the Baruch Plan was not inevitable. These were the outcomes of political interpretations and decisions.

The non-inevitability of political outcomes is important. It means that the political course can change. It gives us hope for the future. But Senator Fulbright points out in his article that this fact, the non-inevitability of political outcomes and the flexibility in terms of orientation within a context of political decision making, is easier to perceive at some periods than at others.[1] It was not a strong characteristic of the immediate post-war period. That period, in which the Cold War began and its ideology was shaped, was one in which simple, direct and forceful responses to complex problems were sought. The responses were often appropriate to the immediate situation, but it was also a characteristic of the period that the basic initial analyses and responses made in the early years (1945-50) were extended for years to come and were applied to many diverse situations for which they were not always appropriate.

The events of the Cold War interacted with the thinking of the era and the idea of competitiveness was lent potency and strength. This idea, and the idea of interdependence, and the events of the Cold War - the nuclear competition and the territorial competition - all impinged

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[1] J. William Fulbright, "Reflections," The New Yorker, XLVII, (January 8, 1972), p. 46.

on and influenced the assistance program, which in turn acted back upon them. In a later section, I will continue the analysis of the relationship between events and the program's history, but first I will conclude this section with a chronicle of the events which comprise the nuclear and territorial competitions of the Cold War.[1]

The Nuclear Competition

This competition has had two stages - the development of weapons and the development of weapons delivery systems. The first, the arms race, has been a strategy based on fear. The goal has been the development of weapons for their deterrence power; that is, their ability to so menace the other side that they won't consider striking first for fear of retaliation. Both sides have seemingly embraced this rationale. Of course, each side has been subject to the fear the weapons of the other engenders; and so escalation has been the name of the game. More and better weapons have been steadily produced.

With basic sophisticated weaponry mastered (the ability to build A and H (atomic and hydrogen) bombs) each side has turned to the development of sophisticated deployment systems. The rationale of the deployment system is the same as the rationale for the basic weapons system: the development of a deterrence capability based on fear. In America this aim has been blurred in the public conscience as the deployment programs (the space and submarine programs) have taken on an air of adventure and challenge, presenting themselves as programs of

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[1]References for the multitude of discrete facts in this chronicle of events will not be individually cited. They were culled from standard references to historical events. These included the Langer Encyclopedia of World History and articles on the major topics covered in at least two general encyclopedias.

scientific exploration rather than military preparedness. The element of competition with the Soviet Union has remained, though it has assumed an aura of sport. One might say that the manifest goal of the program assumed a latent demeanor; and latent goals (reaching the moon) assumed a manifest demeanor. This public blurring of the military purpose of the space and submarine programs gave them a base of popular support they might otherwise not have enjoyed in the 1960's as the support for the Cold War ideology eroded.

Nuclear weapons are fearful and pressure has developed to control them. Test ban and non-proliferation treaties have resulted. Not all countries have supported the treaties; the exceptions generally being the countries closest to developing weapons systems of their own.

Table 1 portrays the contest between the East (the USSR and China) and the West (the US and Europe) in the areas of armament, deployment, and agreements limiting the use and/or proliferation of nuclear weapons.

The Territorial Competition

The primary territorial battleground of the Cold War was Europe, and the secondary battleground was Korea. For some historians this is all there was, but I incline towards the view that a tertiary battleground emerged in the 1960's in the Third World. Although the bipolarity of the earlier period was modified, it can be argued that the Vietnam War was an episode in the Cold War competition for territorial power.

TABLE 1

THE NUCLEAR COMPETITION

Date	West Events	East Events
12-2-42	US production of a nuclear chain reaction	
7-16-45	US test of A bomb	
8-6-45	US uses A bomb at Hiroshima	
8-9-45	US uses A bomb at Nagasaki	
1949		USSR tests A bomb
11-52	US develops H bomb	
11-53		USSR develops H bomb
1956	US starts work on new ships	
1957	Britain develops H bomb	
10-4-57		USSR launches Sputnik
1-31-58	US launches first satellite	
1958	First US-USSR conference on arms, test ban agreement	First USSR-US conference on arms, test ban agreement
1960	US develops Polaris submarine	
1960	France develops H bomb	China develops A bomb
9-60		USSR breaks te ban resumes testing
5-61	US resumes testing	
1964		China develops H bomb
10-10-67	Partial Nuclear Test Ban Treaty (France and China did not sign)	Partial Nuclear Test Ban Treaty (France and China did not sign)
7-1-68	Signing of non-Proliferation Treaty began	Signing of non-Proliferation Treaty began
11-69	SALT talks on control of delivery systems began, continue to present	SALT talks on control of delivery systems began, continue to present
3-5-70	Non-Proliferation Treaty in effect*	Non-Proliferation Treaty in effect

*Note that a non-signatory, and neutral nation, India, tested a bomb 5-74.

The concept of territorial domination is one which I will discuss at greater length in the next chapter. Suffice it to say here that ownership or direct rule are not prerequisites of contemporary hegemony.

For the sake of clarity, the following chronicle of events in the territorial competition is presented in four segments: Europe from 1945 to 1950, Korea in the 1950's, Europe to 1963, and the Third World in the 1960's.

Europe, 1945-50. In Europe, Germany was particularly vulnerable as a disarmed, defeated state for which the US, USSR, Britain and France shared responsibility. Each had responsibility for a quadrant of the country, and a quadrant of Berlin which is in the Eastern quad which was assigned to the USSR. The western countries unified their areas so that the divisions were East and West Germany and East and West Berlin.

In June 1948, in response to western fiscal reforms the Soviet Union blockaded Berlin. America and Great Britain promptly inaugurated an airlift of supplies to Western Berlin, nullifying the effects of the blockade. Eleven months later the blockade was ended by the Soviets. This type of confrontation was periodically repeated in Germany, earning it the dubious distinction of being called a "hot spot."

The other nations of Western Europe were less vulnerable to overt intervention in their affairs than Germany was at the end of the War. But they were also weakened and their internal stability was questionable. Communist victories at the polls seemed possible in several countries; notably Italy, and France where there was a Communist majority in the elections of 1946 and 1951. Colonial powers, they were unable in several cases to carry on their overseas financial

responsibilities. American assistance was initiated as a disincentive to subversion in the European countries and as a protection against subjugation in their colonies.

During the early post-war years, the Soviet Union consolidated its power in Eastern Europe by creating satellite countries. In some cases, such as Czechoslovakia, the Communist take-over was gradual for a time, with a final abrupt seizure of power. In others, such as Poland, the process was orderly and in still others, such as Hungary, there was a sudden coup. But throughout Eastern Europe - except in Yugoslavia which, after three years in the bloc took a separate road to socialism - Soviet imperialism was extended. It was this spectre which gave impetus in the West to the anti-Communist, containment policies of the Cold War.

During the early years of the Cold War in Europe, policy was formulated which was to mold the Cold War perspective for years and places to come. The Marshall Plan was discussed earlier, but two points deserve reiteration: (1) the Soviet Union was invited to the initial meetings in Europe on the Plan and representatives attended the first at which they voiced dissent and left. Soviets did not attend the second meetings at all. This rebuff of a Western cooperative overture was a watershed in the development of the East-West pattern of non-cooperation. (2) American assistance was conceived in part as an anti-Communist measure.

Preceding the Marshall Plan by a few months was the granting of assistance to Greece and Turkey, dependencies of impoverished Britain, and the enunciation of the Truman Doctrine. The substance of the Doctrine is, of course, ideas, but its articulation was an event. After

years of reluctant involvement in international relations, the Doctrine was a bold step acknowledging global interdependence and American responsibility.

The Doctrine was presented in a speech President Truman made to Congress on March 12, 1947. He argued for assistance to Greece and Turkey so that they could resist subjugation, contending that the US was the only resource they had. Should they fail in their efforts to maintain their national integrity, he predicted reverberations throughout the Mid-East. The shock waves in this region would, he said, fan out and others would be hurt. The President predicted that should the US fail in its responsibility of leadership this domino game of disaster would reverberate upon it. This Doctrine which at once spelled out American responsibility and promised assistance to countries fighting for their freedom, opened the door to an era of Pax Americana.

A framework for supporting the policies of the Truman Doctrine was supplied by George Kennan, then Ambassador to the USSR. Kennan cabled his views in to the State Department in 1946 and, writing under the pseudonym "X," published them in the July 1947 issue of Foreign Affairs. This is another example of a dramatic event which produced an important idea - the idea of containment.

In the next chapter, I will quote extensively from this document because it is an initial, rational, and thoughtful working out of a position which, more often than not, in later years sounded more emotional than rational and in which hackneyed phrases replaced reasoned arguments.

During this period of developing Cold War ideology, alliances were being formed in the East and West. 1949 saw the signing of the

North Atlantic Treaty Organization (NATO) pact by Belgium, Canada, Denmark, France, Great Britain, Italy, Luxembourg, The Netherlands, Norway, Portugal and the United States. This organization had the purpose of giving central direction to the economic and financial, and military affairs of the signatories. It was based on a principle of collective security and proclaimed that "an armed attack against one or more of them in Europe or North America shall be considered an attack against all of them."[1]

Table 2 portrays the major events of this period:

TABLE 2

THE COLD WAR IN EUROPE: 1945-1950

Date	East-West Events	West Events	East Events
7-17 to 8-2-45	Potsdam Conference		
1946		French Communist majorities at polls	
1946		Kennan cable on containment	
3-12-47		Truman Doctrine announced with aid to Greece and Turkey	
6-5-47		Marshall proposes Plan	
6-27-47	Soviets attend Paris conf. on Marshall Plan, dissent		
7-12-47	Soviets rebuff invitation to meet on Marshall Plan		
7-47		Kennan article appears	

[1]This sentence was taken from "Article Five" of the NATO Agreement, quoted in Wilcox and Kalijarvi, p. 878.

TABLE 2—Continued

Date	East-West Events	West Events	East Events
9-47			Warsaw conf. of Soviet bloc
1947		Rio Treaty (NATO of Americas)	
4-18-48		2 weeks after Marshall aid approved Italy rejects Communists at polls	
6-48			Yugoslavia leaves bloc, remains Marxist
6-48			Czech. adopts Soviet modelled constitution
1947-48	Mounting disagreement about Germany		
6-18-48		Currency reform W. Germany	
6-23-48			Currency reform E. Germany
7-24-48			Soviet blockade of Berlin
7-24-48		Airlift to Berlin	
4-4-49		NATO Pact signed	
5-12-49			Blockade lifted
10-1-49			China becomes Communist

The Korean War. From 1910 to 1945, Japan controlled Korea. At the War's end, it was divided at the 38th parallel, with the Soviet Union assuming control of the North and the US assuming control of the South. Negotiations on re-unification between the Soviet Union and the US were fruitless. The US took the problem to the UN which ordered free elections under its supervision in 1948. The Soviet Union refused to let the UN supervisory delegation enter the North; consequently elections were held in the South only. The Soviet Union proclaimed

the North a Communist government and began its withdrawal. The US withdrew from South Korea soon thereafter.

The North tried to subvert the South during 1949 and early 1950, unsuccessfully. On June 25, 1950, North Korea invaded South Korea. The first attack came across the border and pressed on to Seoul which quickly fell. The US sent troops to aid South Korea as an independent action and later as part of the UN force. Only a small area was held by the South Korea-UN force by summer's end. In September, an amphibious assault against the North Korean rear troops was launched by the South-UN army and the course of the war was reversed. By the end of the month, the North Korean army was back above the 38th parallel.

The UN pressed North, seeking to reunify Korea. China began a retaliatory infiltration of troops into the North to aid the Korean Communists. In November, the Chinese-North Korean force struck and the UN-South Korean force was pushed back to just below the 38th parallel. The US and UN agreed to abandon the goal of reunification, to push the Communists back above the 38th parallel, and to then negotiate a peace settlement. The war along the boundary line continued for about six months and then the Soviet Union indicated that the Communist side was ready to negotiate.

Talks initiated in June 1951 ended in futility and the war recommenced. In October 1951, talks were reopened and continued for a year and a half. The war was concluded on June 27, 1953.

Although it was the North Koreans and the Chinese who fought for the North, the Soviet Union armed them and refused to accept the UN findings that the North Korean attack was unprovoked and wrong. The concept of a monolithic menacing Communist movement directed by the

Kremlin underlay the American interpretation of this war and response to it. This was a clear instance of Communist aggression which was to be met with the containment strategy suggested by Kennan and made policy by Truman. In a report to Congress made July 19, 1950, the President said:

> In this connection, I think it is important that the nature of our military action in Korea by understood. It should be made perfectly clear that the action was undertaken as a matter of basic moral principle. The United States was going to the aid of a nation established and supported by the United Nations and unjustifiably attacked by an aggressor force.
>
> In addition to the direct military effort we and other members of the United Nations are making in Korea, the outbreak of aggression there requires us to consider its implications for peace throughout the world. The attack upon the Republic of Korea makes it plain beyond all doubt that the international Communist movement is prepared to use armed invasion to conquer independent nations. We must therefore recognize the possibility that armed aggression may take place in other areas.[1] (Basic Documents, 1950-55, pp. 2556.)

In a radio address to the nation on September 1, 1950, the President was even more blunt about the Soviet connection to the aggression:

> During the last 5 years, we have worked day in and day out to achieve a just and lasting peace. We have given every possible proof of our desire to live at peace with all nations. We have worked for liberty and self-government for people the world over. Most nations have joined with us in this effort, but the Soviet Union and the nations it controls have unceasingly hampered all efforts to achieve a just peace.
>
> The Soviet Union has repeatedly violated its pledges of international cooperation. It has destroyed the independence of its neighbors. It has sought to disrupt those countries it could not dominate. It has built up tremendous armed forces far beyond the needs of its own defense.
>
> Communist imperialism preaches peace but practices aggression.
>
> In these circumstances, the free nations have been compelled to take measures to protect themselves against the aggressive

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[1] U.S., Dept. of State, History Div. eds. Basic Documents of American Foreign Policy, 1950-55, (General Foreign Policy, Series 117, Washington, US Government Printing Office, 1957), p. 2556.

designs of the Communists.[1] (Basic Documents, 1950-55, p. 2567.)

Europe 1950-63. With the end of the Korean War, the Cold War focus of attention shifted back to Europe; and to the Middle-East. Two constant patterns emerge in this period: the continuation of sporadic crises in areas where there had been an attempt to solve post-war problems cooperatively, and the continuation, practically unchanged by time and events, of the Cold War ideology as a rationale for American foreign policy.

Germany, divided in a conference at Potsdam; Palestine, partitioned by the UN; Korea divided in the Japanese terms of surrender; and later Vietnam, divided by treaty in 1954 are all examples of attempts to cooperatively settle problems of responsibility and rule which turned into "hot spots": that is, arenas for East-West competition. In each of these instances the Truman Doctrine of containing Soviet imperialism legitimated the American role.

The conversion of these particular spots into arenas of world tension was logical on pragmatic and ideological grounds. Pragmatically they were vulnerable as areas newly organized through the use of mechanisms which were themselves new. Ideologically the view that the Soviets were opposed to cooperation was enhanced by the blows struck at these attempts at cooperation.

Despite these recurring patterns, this was an era in which the Cold War in Europe did cool off. By the end of the period, a policy of co-existence in Europe and defensive rather than offensive policies,

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[1] Ibid., p. 2567.

recognizing a Soviet sphere of influence in Eastern Europe and an American sphere of influence in Western Europe and the Americas had, by 1963, replaced the earlier offensive policies. Factors which may have contributed to these changes include the deterrent capacity of nuclear weapons which were developing apace and being used in confrontations; the strengthening of Europe (including the Gaullist movement in France) and its assertion of a counterbalancing power to the superpowers; and the increasing poly-centrism of the Communist world.

Table 3 portrays the major events of the period:

TABLE 3

THE COLD WAR IN EUROPE: 1950-1963

Date	East-West Events	West Events	East Events
8-10-51		1st meeting European Coal and Steel Community	
3-10-52 4-10-52	Abortive exchange on reunification of Germany		
4-5-53			Stalin dies
5-5-55		W. Germany becomes independent and joins NATO	
7-27-55			Austria becomes independent
1955	Geneva Summit		
1955	Bandung Confer.		
2-56			Kruschev denounces Stalin
7-56		Britain leaves Suez Canal	Nasser nationalizes Suez Canal*
10-56		Israel invades Sinai	
11-56	UN settlement, Egypt gets Suez	Britain and France attempt seize Suez	Soviet threat of missiles at Suez
1956			Hungarian revolt, US does not interfere

*This was a national event which the Soviets quickly gave their support to.

TABLE 3--Continued

Date	East-West Events	West Events	East Events
10-9-57			5 days after Sputnik Soviet threatens US in Turkey-Syrian dispute
11-14/ 16-57			Mao recognizes Soviet Union as head of socialist camp
11-27-58			Ultimatum to West to leave Berlin
5-5-59			Ultimatum withdrawm
1959		DeGaulle becomes President 5th Republic	
5-1-60			U.S. U-2 shot down, aborts proposed summit
5-14-60			Beginning Sino-Soviet estrangement
6-15-61			Based on East to West brain drain, USSR Ultimatum renewed for West to leave Berlin
8-13-61			Berlin Wall constructed, ends brain drain
10-17-61			Ultimatum withdrawn
10-15-62		Photos of Cuba show Soviet ballistic missiles, U.S. blockade	Soviet withdrawal
12-2-62			Kruschev attacks Chinese Comms. China asks Comm. world to revolt against Soviet comination

TABLE 3--Continued

Date	East-West Events	West Events	East Events
6-63	Establish Wash.-Moscow hot line		
6-10-63		Kennedy recognizes post-war status quo in E. Europe	

The Third World, 1960-73. The focus of attention of the Cold War shifted to the Third World during the 1960's and there it remained. The Cold War was acted out in many countries around the globe during this period. The Third World countries were especially vulnerable to Cold War assault at that point in their history: by and large they were newly sovereign, they were generally disunited amongst themselves, they were economically and militarily dependent, and they were in a process of change. The fact that they were changing anyway was particularly significant; first because any changing system is especially open to outside influence and also because one of the basic differences between the ideological opponents in the Cold War is their dichotomous concepts of change. Both could feel they had something significant to contribute to the Third World in their processes of change and both could feel that the more places their process was accepted the stronger their position vis a vis their opponent would be. More than in other parts of the world (Europe especially) in the Third World, the Cold War aims were diffuse: hegemony was still an aim, but proving out their process of change was a possibility and therefore constituted another aim.

Despite the obvious differences between the countries in which the Cold War was being enacted in the '60's as compared with the '50's;

and despite the increasingly obvious rift between the Chinese and Soviet Communists, the American Cold War ideology as formulated in the '40's was initially employed during this period. Andrew Westwood comments:

> The basic Cold War posture of containment, which called for the United States to respond to crises where and as they arose, remained in force and had come to apply to crises arising in all underdeveloped areas--Africa and Latin America as well as Asia and the Middle East. The 'Decade of Development,' however, was to be a major alteration in the tactics by which containment was to be pursued. While the United States would continue to respond to crises, it was to make more effort, in aid for economic development, to get a jump ahead of crises, thus to forestall them.[1]

Although this period began with the policy of containment intact, its major importance is that this was the period in which that policy eroded, primarily through the experience of the Vietnam War. There were other areas of conflict in which the great powers took sides and/or manipulated the Third World to their ends - Cuba, the Congo, South Asia, and the Middle East - but none brought the intellectual and political debate on containment as sharply into focus as did Vietnam. And none other resulted in such a basic realignment of thinking and action amongst the nations of the world.

Vietnam was partitioned at the 17th parallel at the Geneva convention of 1954 which concluded the French war in Indochina. The South was pro West and capitalistic and received American support and assistance; and the North was communistic and received Soviet and Chinese support and assistance.

As in the Korean War experience, the only Communist party to the conflict also in the UN was the USSR. This peculiar situation quite

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[1]Andrew F. Westwood, Foreign Aid In A Foreign Policy Framework, (Washington: The Brookings Institution, 1966), pp. 96-97.

possibly caused the Communist movement to appear more united to Western observers than in fact it was. At any rate, the enemy of the West was again "the Communists" - a single menacing monolith. During the course of the war, the fallacy of this position became obvious and the overarching significance of the Vietnam War is that the Truman Doctrine which propelled America into the war was destroyed by it.

In brief, the war took this course: in late 1960, the Vietcong (South Vietnamese Communists aided by North Vietnam) formed the National Front for the Liberation of Vietnam and began a guerrilla war. About six months later the US gave South Vietnam a promise of significantly increased assistance, including many more military technical advisors and military consultants in the field, American assistance to the South Vietnamese continued for several years. In August 1964, it was reported that the North Vietnamese pursued and attacked two American ships, the Maddox and the Turner Joy, in international waters. The United States retaliated by bombing and destroying oil and naval installations on the North Vietnamese coast. From that time, and under the authority of the Gulf of Tonkin Resolution passed by the Congress on August 5, 1964, the United States was an overt military ally of South Vietnam and an active adversary in the war.

Several times during the course of the war, one side or the other stated its willingness to negotiate a peace, but the terms of each side were always unacceptable to the other and the war continued. Important military events included the 1964 initiation of non-retaliatory bombing by the United States, the 1968 Tet offensive launched against 30 South Vietnamese cities by the Vietcong and North, and the 1969 invasion of

Cambodia by the United States and South Vietnam for the purpose of cutting off Vietcong supplies.

The American presence in Vietnam was a divisive issue domestically. Protest about America's role by Americans in the form of petitions, demonstrations, and draft resistance was steady throughout the course of the war with especially large demonstrations following the American offensives in 1965 and 1969. Lyndon Johnson, the President who was incumbent when active participation in the war began, felt his presidency was so divisive he did not run for re-election in 1968 when the major issue was ending the war. A further indication of the disaffection with the war and concern about the war powers of the President is reflected in the June 1969 repeal of the Gulf of Tonkin Resolution by the Congress.

The end of the active U.S. role in the war came about through the peace accords signed on January 27, 1973 by the United States, South Vietnam, North Vietnam and the Provisional Revolutionary Government of the National Liberation Front. The U.S. continued an indirect role of assistance which ended with the collapse of the Republic of South Vietnam in 1975.

Another major event of this period, and one which is tangential to the Vietnamese war, was the resumption of diplomatic relations between the United States and China. Detente, initiated in 1970 ended a period of estrangement which began in 1949. This long policy of non-communication was compounded of American anti-Communism and Chinese isolationism during its period of radical cultural change. The policy of detente similarly is compounded of American and Chinese views and needs.

On the American side, the erosion of the Cold War ideology was necessary to detente with China. This erosion occurred through the experience of the Vietnam War. It is an interesting paradox of the period that although the United States and China had no channels for direct rational communication, they were interacting in the war; and so China played a part in causing the erosion of the American Cold War views which were preventing rational, "normal" relations between the two powers.

Resuming pragmatic international relationships after an extended period of withdrawal, China's interactions have an aspect of drama. Suddenly front and center, one is aware of this new actor's potential for counterbalancing the power of the older actors. This power derives from China's position as the most populous country in the world, from China's nuclear capacity, and from China's seeming success in effecting social change and achieving a high degree of social coherence.

Another spin-off of the Vietnam War is the Nixon Doctrine. This Doctrine promises American defense of its treaty commitments with a reduced conventional military capacity and a heightened insistence on nations which are involved in wars carrying the primary burden of their own defense. One effect of this policy is to place greater reliance on nuclear deterrence. Another is to acknowledge and accomodate American public disaffection with the interventionist role of the immediate past. These policies combined - honoring all commitments, relying on our nuclear umbrella, and reducing our conventional forces juxtaposed with the sentiment of self-determination for others and abstention from imposition and intervention - reveal contradictions and ambiguity. The

polycentrism of power is acknowledged, negotiation is applauded, but containment is not abandoned. This is a limited reformulation of policy at best.

Not all of the ramifications of the Third World emergence upon the international scene and the American conscience can be interpreted in terms of the Cold War. While American policy in the Third World was dominated by Cold War policy during this period, there was an intercultural experience going on which was only tangentially related to official policy (communications were increased by the official policy). The identification of people of color in America with people of color in Africa, Asia and Latin America is a peculiarly American event which augments and reinforces the geopolitical position of American concern for the Third World. Reflection quickly indicates that at each period, there have been domestic events which augment and reinforce public foreign policy. Other examples include the McCarthy hearings of the 1950's and the ecology movement of the 1970's.

Table 4 portrays the major events of this period:

TABLE 4

THE THIRD WORLD: 1960-1973

Date	Third World Event	East-West Event
1960	This was a year in which many countries achieved independence	
6/60-9/60	Revolution in the Congo, Lumumba ousted	
12-20-60	Vietcong formed National Front for the Liberation of South Vietnam	
6-16-61	American promise of aid to S. Vietnam	
10-16-62		Cuban missile crisis
8-2-64	Following S. Vietnam coastal raids, N. Vietnam torpedo boats pursued and attacked US Maddox in international waters	

TABLE 4--Continued

Date	Third World Event	East-West Event
8-4-64	Second attack on Maddox and Turner Joy reported	
8-5-64	Tonkin Gulf Resolution passed. US planes attacked and destroyed oil and naval installations on N. Vietnam coast	
2-16-65	Soviets proposed conference on Vietnam, US refused	
3-2-65	US initiation regular, non-retaliatory bombing N. Vietnam	
4-13-65	President Johnson states willingness to negotiate peace, N. Vietnam states unacceptable terms	
4-19-65	US involvement in Dominican Republic commences. U.S. sphere of influence established	
9-15/16-65	National Coordinating Committee to End the War in Vietnam staged multiple demonstrations; domestic protest continues through conclusion of War	
1967-68	American protest about War and other causes continues to mount, including urban riots	
1-68		Korea captured Pueblo, defying U.S.
5/30/67-1/13/70	Civil war in Nigeria (Biafra)	
1-30-68	Tet offensive launched by N. Vietnam against 30 S. Vietnam cities	
5-10-68	Paris Peace Talks commence	
8-68		Soviet invasion Czechoslovakia. No US response. USSR and US spheres of influence established
10-14/15-68		Kruschev deposed
10-31-68	End of bombing in N. Vietnam	
1969		Sino-Soviet clash heightens
4-30-69	Cambodian crisis, student protests	
6-24-69	Congress repeals Gulf of Tonkin Resolution	
6-30-69	Congressional amendment bars use of troops in Cambodia	

TABLE 4--Continued

Date	Third World Event	East-West Event
11-3-69	President Nixon announces first withdrawals from Vietnam	
11-12/13-70	Cyclone in Pakistan, onset of disasters in Indian sub-continent which alert US to extreme poverty and need	
1970		First indications of US-China thaw
5-22/30-72		Nixon's trip to China

A Juxtaposition of the Events and the History of the Assistance Program

In this section, I will bring together the events just reviewed and the history of the assistance program, with analytic emphasis on the recent past (1964-73).

First, rather than presenting a chart with every event and programmatic change listed, I will briefly describe 11 chronologically arranged periods which interrelate geopolitical events and the assistance program. Then I will discuss the effects of events on the program in 1973.

Stage 1: 1945. This was a year of cooperation; landmark events included the founding of the UN, the UNRRA program, and the cooperative settlement of the territorial problems (primarily in Germany, Korea, and Japan) which the War produced.

Stage 2: 1946. This was a year of developing schism as the United States took note of the Soviet Union's consolidation of its power in Eastern Europe and the threat of Communist subversion, heightened by the French Communist election victories, grew in Western Europe.

Stage 3: 1947-48. During these years the definitive split between the US and USSR took place and the Cold War began. Landmark events of this critical stage included:

3-12-47	Truman Doctrine, aid to Greece and Turkey
6-5-47	Marshall Plan proposed
6-27-47	Soviets refuse to participate in Marshall Plan
7-47	Kennan article rationalizing containment policy appeared
7-12-47	US and W. European nations meet without Soviets on aid
7-47 to 4-48	Interim assistance, planning
4-3-48	Marshall Plan enacted
4-16-48	Marshall Plan begins
4-18-48	Italians defeat of Communist at the polls attributed to assistance

Foreign policy and assistance policy were hand in glove at this stage: the positive role of assistance as an instrument of policy was quickly ratified at the polls in Italy. In 1949, when the Berlin blockade was nullified by the airlift further ratification was provided. An interactive pattern for policy and events on the one hand and assistance on the other was established at this time.

Stage 4: 1949. The Point Four program was inaugurated this year. Some sources say the White House never expected it to be as well received as it was; but it capitalized on the Manifest Destiny theme in the American intellectual tradition, and the government quickly capitalized on the favorable sentiment which greeted the program. This was also a period when the power of the Soviet Union was growing. Landmark events were the Communist take-over in China and the Soviet development of the A bomb.

Stage 5: 1950-53. This was the period of the Korean War, the major significance of which was in the American conclusion that the Communist threat was one of direct aggression as well as subversion. This was reflected in the consolidation of economic and military assistance under one Act - the Mutual Security Act - and the shift of emphasis from developing economic stability as the primary defense against Communism to emphasis on military preparedness as an assistance goal. Domestically the anti-Communist perspective reinforced these foreign policy and foreign aid perspectives. The testing of bombs by both the US and USSR during this period also contributed to the rationale for other defense programs.

Stage 6: 1956-57. This was a period when the Soviet Union had several successes: at the Suez Canal, in Hungary, with Mao's recognition of Soviet leadership in the Communist world, and above all, the technological and psychological success of Sputnik. Domestically this was a period of disaffection with the assistance program. The question of whether to end it or change it arose, and the latter course was chosen. Perhaps this can be attributed in part to the bad international state of affairs which made abandoning a foreign policy tool which had had some success seem foolhardy. The US response to this combination of factors (Soviet successes and domestic disaffection with aid) included the creation of the Development Loan Fund, an assistance modality designed to enhance the operability of the growth model of development. From this point on, the field of focus for assistance was more and more in the Third World, the US arena of choice.

Stage 7: 1958. In this year, the US experienced some successes which offset the successes of the Soviets during the preceding stage. Included were the failure of the Soviet Berlin ultimatum, the launching of a satellite, and the initiation of an arms conference.

Stage 8: 1959-60. These years marked the beginning of multipolarity in the balance of power. Both France and China developed nuclear arms and both began to separate themselves from the superpower in their camp.

Stage 9: 1961-63. The emergence of the Third World nations was spectacular during this period - as many countries had achieved independence in 1960 as had in the years 1945-59. Though subsequently less dramatic, the trend continued. The American response included the Alliance for Progress, the Peace Corps, and the Foreign Assistance Act of 1961 which created AID. In these years a playoff of crises in Berlin and Cuba, and arms control progress led to a tacit detente in the European and American arenas.

Stage 10: 1964-68. This period included the Vietnam War build up, the protest of American interventionist policies, the arousal of black (and other group) consciousness, and the gradual development of concern with ecological problems.

Stage 11: 1969-73. This period saw the continuation of the Vietnam War and domestic protest. It also included the initiation of detente with China, the introduction of an alternate development model, the articulation of an alternate non-Marxist development perspective, the erosion of the Truman Doctrine and the articulation of the Nixon

Doctrine. The assistance responses were the passage of Title IX in 1969, the defeat of assistance bills in 1971 and 1972, and the passage of the new mandate in 1973.

Two classes of events - wars and evidence of human need - stand out as factors which repeatedly exerted influence on the assistance program.

The effects of the Korean War and the Vietnam War on the program were quite different; but the effects of both were profound. Whereas the Korean War strengthened the political-security thrust of the Program; the Vietnam War strengthened the humanitarian thrust of the program. And, whereas the Korean War strengthened the ideas of anti-Communism, competition, containment, and American interventionist responsibilities; the Vietnam War weakened these political notions, which had traditionally undergirded the assistance program. Both these wars changed perceptions about the arrangements of power and about the American role in the world. In both instances adjustment to the emergent realities included a reorientation of the assistance program.

Because of the nature of the new realities after the Vietnam War, one of the possible alternatives was a withdrawal from the assistance program. On October 29, 1971, when the assistance bill was defeated for the first time, Senator Frank Church gave a speech in the Senate outlining his criticisms of the program. He said:

> Foreign aid, in all its forms, is costing the US approximately $10 billion a year! This country simply cannot afford to sustain such an outlay out of habit, especially when in terms of its stated objectives - the containment of communism, the promotion of economic development, and the advancement of

freedom - the program is on the whole a proven failure, whose termination is warranted on these empirical grounds alone.[1]

For all its support, the abandonment of the assistance program was the course not taken. A new program was inaugurated in 1973 with high hopes that it would fit the new realities. Several reasons suggest themselves for this turn of events.

As was noted previously, when the program was beleagured in the 1950's a new development modality, the DLF, was introduced; 1973 repeated this salvaging pattern. More cynically, it has been suggested that bureaucracies tend to perpetuate themselves. One can also build a case for the continuation of the program around each of the thrusts which course through it: economic policy, foreign policy, and humanitarianism.

In terms of economic policy, if one can demonstrate that foreign assistance promotes trade then one establishes an economic incentive for retaining the program. Economic factors have not been considered in this study, but one can easily speculate on three ways assistance could build trade: (1) by directly creating business opportunities for American businesses to supply assistance projects, (2) by creating a more prosperous population in the Third World thereby extending American markets, and (3) by creating a positive climate for US private enterprise in the Third World.

Foreign policy factors have been considered in this study, and a tendency to retain the assistance program because it has had some success as a tool of foreign policy has been noted. Another foreign

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[1]Frank Church, "A Farewell to Foreign Aid; A Liberal Takes Leave," Vital Speeches, IIIVIII, (November 15, 1971), p. 67.

policy reason for retaining the program was that, in fact, while the Nixon Doctrine effectively softened the interventionist aspect of the Truman Doctrine, it did not nullify the containment aspect of it and so, continued support of friendly nations and buffer states would be compatible with the overall foreign policy aims of the US. As redesigned in '73, with emphasis on participation and programs affecting people's lives, the program earned points for trying not to be impositional and offered greater assurance than previously that the dangers of intervention were recognized by the assistance community and were being guarded against while it still could serve as a foreign policy instrument.

It is in terms of the humanitarian thrust of the program that its continuation in 1973 is most easily understood. Like war, evidence of human need has chronically exerted an influence on the program. The Marshall Plan was inaugurated as a response to the need evident in Europe after the War and the Third World development program, initiated with Point Four, was a response to the need evident in the emerging colonies. In 1971 and '72, Congress killed the assistance bills, but it didn't solve the increasingly apparent problems of poverty: overpopulation, hunger, unemployment, illness, and the general lack of opportunity for most of the world's people. As an attempt to meet these problems, economic assistance has been valued and so there is an inherent logic in continuing the program, as long as the problems persist. As Senator Church pointed out, the program was perceived as ineffectively responding to the problems of need; the emphases on the poorest of the poor, participation, and sectoral planning and allocation were responses which the 1973 legislation made to this criticism. This

basic redirection of the program, designed to heighten its effectiveness in meeting human needs, was critical to the continuation of the program.

Most of the debate against the 1971 and '72 bills centered around the military uses of assistance, and especially the military grants central to the Nixon Doctrine. The emphasis of the humanitarian thrust of the program in 1973 and the concomitant de-emphasis on its political intent and interventionist potential were complementary: the latter mollified most opposition to continuing the program while the former secured it adequate support for passage.

In addition to reasons 'for' the continuation of an interventionist policy are reasons 'against' the adoption of an isolationist stance. The isolationist position was basically a response to the War. Like scapegoating, it was anticipated as the War drew to a close. Like scapegoating, it has a 'poor loser' connotation which operated against its employment. Furthermore, isolation is often spoken of as "a retreat into isolation" and, like being a poor loser, that carries a negative psychological connotation in America. Besides these psychological factors, there remained the facts of the Nuclear Age with its seemingly permanent and inviolable mandate for interdependence. These factors, mitigating against isolationism, encouraged the continuation of the assistance program.

CHAPTER IV

IDEAS WHICH IMPINGED ON AND INFLUENCED THE ASSISTANCE PROGRAM IN 1973

Ideas, like events, have been part of the constraining-nurturing context in which the assistance program has developed and changed. Ideas which have impinged on and influenced the program have many sources. In this chapter, I shall explore ideas which derive from three sources. First I will present an idea which is deeply embedded in the American cultural tradition - Manifest Destiny; then I will discuss a complex of ideas which came from the events surrounding the program - containment and intervention; and finally I will review a group of ideas which were generated specifically to inform and legitimate the assistance program - development theory. Once again, only a sliver of the context will be explored; once again, I believe it is a significantly influential sliver.

This is a chronicle of an interaction - in this case, between ideas and the program. In the course of this chapter, as ideas are discussed, they will be related to the program in 1973. At the end of the chapter, there will be a brief section in which all the ideas are arranged alongside the program's history.

The American Cultural Tradition - Manifest Destiny and the Program

A conscience, individual or national, is the part of the self which demands that whatever the self does is right; and which establishes standards of right and wrong for the self. The conscience does this in terms of the morality it knows.

America's concept of itself as a "nation under God," separate from any church but imbued with Judeo-Christian morality, underlies and informs its national conscience. The aspect of national conscience which impels the assistance program is represented by the precept "I am my brother's keeper."

The relief program is the most literal expression of this precept in the foreign assistance program. The initial assistance program in Europe was aimed at relief and reconstruction, and while reconstruction has been replaced by development in the Third World context, relief has remained a distinct thrust of the program. The disaster relief program administered by AID is the largest such program in the world.

Apart from the relief program, the precept "I am my brother's keeper" is generally not taken literally in the context of the national conscience and the assistance program. This is not to say that there is not a strong humanitarian impulse underlying the assistance program, for there is. In American public opinion foreign assistance has traditionally been seen primarily as an expression of conscience. In a 1966 report on public sentiment about non-military aid, as revealed in public opinion surveys, Alfred Hero says:

> Although the minority who know of, or at least mention, long-term economic or political developmental objectives has gradually increased since the initiation of the Point

> Four Program in 1941, humanitarian or charitable purposes have continued to be perceived as the most important motive or rationale for aid. Although preventing the spread of communism has been the major argument among the public for military assistance since the initiation of such aid to Greece and Turkey in the late 1940's, it has been regarded as only one (and never the top priority one) rationale for economic aid during either the Marshall Plan, comparable assistance to Japan, or more recent assistance to less developed areas.[1]

The history of the program reflects this popular sentiment and the 1973 mandate stands out as an effort to make the program an expression of "people to people" concern. Necessarily though, governments mediate the assistance and other competing thrusts mingle with the humanitarian thrust. The history of the assistance program reveals an American national perspective which combines humanitarianism with economic and political activities. The simple precept "I am my brother's keeper" in the context of the assistance program's history might be translated: America, confident in the merits of its system and preeminent in power, recognizes that it is a leader in an interdependent community of nations in which it must assume the responsibility of helping other peoples be secure, prosperous and free.

The ideas of doing what is right, and of the responsibilities of leadership were given impetus by events of the last three decades and were re-inforced by the experience of the assistance program during that period. They are, however, rooted in an American cultural tradition which extends back much farther than the recent past which has been the

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[1]Alfred O. Hero, "American Public Reactions to Non-Military Foreign Aid," A report prepared for the Brookings Institution Steering Committee on a Possible New Organization to Develop US Public Support for Aid, apparently written in 1967, pp. 2-3.

focus of this study so far. They are both part of the Manifest Destiny theme which has coursed through American life since 1830.

Manifest Destiny is a peculiarly American doctrine. Above all, it is a rationale and legitimation for action. It has rationalized and legitimated the American expansion of territorial and ideological domain since colonial days on the basis of: (1) American superiority and (2) natural laws which fate the survival of superiority.

In its nineteenth century heyday, Manifest Destiny described a movement: the westward expansion of the American nation. Charles Sanford says Manifest Destiny was "the great idealizing slogan of American territorial expansion in the nineteenth century."[1] In his compilation of readings on the doctrine, he demonstrates that it had roots in 17th century America as a religious mission and that it had gained its secular caste as a civilizing mission by the 1830's. During the 19th century, it rationalized and legitimated the annexation of territory and the conquest of the Indians. It was especially the concept of American cultural and racial superiority and its inevitable predominance which allowed a nation dedicated to equality to subjugate another people.

This superiority complex was based in part on a belief in the westward movement of progress. Progress was considered inevitable and the westward flow of civilization was considered historically sound. Europe, to the east, represented the apex of pre-American civilization. Quite confident that the American experiment was surpassing Europe in terms of harmoniously combining social authority and individual liberty,

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[1]Charles L. Sanford, Manifest Destiny and the Imperialism Question, (New York, John Wiley and Sons, 1974), p. 2.

the popular doctrine and the social philosophy were consonant with each other. Darwinism infused this nationalistic, messianic doctrine with new meaning in the scientific currency of the day: the Darwinian concepts of natural law, evolution and progress lent their weight to "destiny" and empiricism gave modern authority to "manifest." The substance of the doctrine was also reinforced by Darwinism: "The Darwinian mood sustained the belief in Anglo-Saxon racial superiority which obsessed many American thinkers in the latter half of the nineteenth century. The measure of world dominion already achieved by the 'race' seemed to prove it the fittest."[1]

Manifest Destiny and social Darwinism also shared a belief in individualism. John Ward calls the person of the American an atomic person. Quoting from President Jackson, Ralph Waldo Emerson, an anonymous popular journalist, and with reference to evangelical Protestantism Ward says: "We discover a common assumption about the central value of American culture: the assertion of the worth of the totally liberated, self-sufficient, atomistic single individual."[2]

The atomistic individual is not to be confused with the alienated one though both are socially isolated. Whereas the alienated person is cut off from the meaning of his society, the atomistic person, living apart from even such central social institutions as the family, still was in touch with the meaning of his society. Manifest Destiny and the

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[1]Richard Hofstadter, Social Darwinism in American Thought, (1st ed. rev.; Boston: Beacon Press, 1955), pp. 172-73.

[2]John William Ward, Red, White and Blue; Men, Books and Ideas in American Culture, (New York: Oxford University Press, 1969), p. 13.

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expansionist movement it fostered kept the isolated pioneer in the social fold.

The critical question in the context of twentieth century foreign assistance is whether or not Manifest Destiny has remained an operative doctrine. My premise is that, in the context of a different "frontier," and with modification of its territorial expansionist aspect, it has.

As a doctrine of "spreading the gospel," Manifest Destiny is still viable, though asserting its viability is difficult because the frontier has changed, because relativism has supplanted Darwinism, and because expansion - territorial or ideological - smacks of imperialism, which is un-American.

In 1967, President Nixon said:

> The United States, with its coast reaching in an arc from Mexico to the Bering Straits, is one anchor of a vast Pacific community. Both our interests and our ideals propel us westward across the Pacific, not as conquerors but as partners.[1]

In 1966, Senator Javits said:

> It may be hard for the world to realize it, but there is one nation that the good Lord has put upon the earth which seems to have the resources, material and spiritual, to wish to secure for mankind the rule of law and justice. It may be hard to get the world to accept that as a reality, but we must try.[2]

In 1967, the New York Times reported that Henry Steele Commager told the Senate Foreign Relations Committee that re the limitations of power:

> [The US] had been overcome by a 'moralistic obsession' with stopping Communism and a 'messianic' feeling that the United

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[1] Sanford, p. 133.

[2] Ibid., p. 134.

States had a 'deep obligation' to advance and spread democracy throughout the world.[1]

These quotes, from defenders and a critic of Manifest Destiny, verify its persistence. American confidence was unmistakably shaken by the Vietnam war between the late 1960's and the time of the 1973 assistance mandate but the quotes taken from testimony before the Congress on the bill and presented in the first section of this study indicate that Manifest Destiny was not obliterated. The following statement made in August 1975 in Helsinki by President Ford while pursuing detente reveals its endurance:

> In their Declaration of Independence, Americans asserted not only that all men are created equal, but that they are endowed with inalienable rights to life, liberty and the pursuit of happiness.
>
> The founders of my country did not merely say that all Americans should have these rights, but all men everywhere should have these rights. And these principles have guided the United States of America throughout its two centuries of nationhood.[2]

Rhetoric, often a nostalgic artifice, is just one indicator of the persistence of Manifest Destiny. Programs are another. The Peace Corps is perhaps the purest, noblest example of a Manifest Destiny program in this era.

The Peace Corps was greeted with special excitement at its inception, because the volunteers and vicariously through them, the nation, could participate in an experience which was basically an expression of 19th century Americanism. The volunteers were atomistic, independent pioneers on the new frontier. Little did it matter that the

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[1] Ibid.

[2] The Washington Post, August 2, 1975.

new frontier was densely populated and that expansion across it was a cultural and ideological rather than a territorial expansion. The sense of mission and the reliance on initiative and innovation of earlier days was unmistakenly there. Other programs - from foreign assistance to military intervention - have a more contemporary profile yet they too are part of the Manifest Destiny movement and they are legitimated by this doctrine.

Manifest Destiny, as a figment of the positivist perspective, relied on a belief in absolutism which has been eroded by pragmatism and relativism. The inevitability of the supremacy of American culture wherever it was introduced which earlier writers in the Manifest Destiny tradition espoused has given way to the possibility of an American style society emerging wherever American ways are introduced.

Pragmatism means that the outcome is not always known. For Manifest Destiny, this means greater attention must be given to the process of establishing a pattern of behavior or a belief. This is illustrated by the history of the foreign assistance program which has been called a series of efforts at learning how to transplant American patterns.

In this context, relativism means that the intrinsic worth of any coherent culture must be respected and that Manifest Destiny is a process of integration of American patterns with another society's patterns.

During the post-1945 era, the goal of territorial expansion has been another defection from the original Manifest Destiny doctrine. Sanford raises the question of whether or not Manifest Destiny sanctions extracontinental territorial expansion. I think this is a moot question

because the western concept of domination, originally based on the Roman model of they came, they saw, they conquered has been modified since World War II.

In Germany, Korea and Japan, America evolved a pattern of domination which did not require territorial absorption. And elsewhere, as the war weakened European colonial powers gave up their empires, America eschewed the assumption of colonial prerogatives. To a small extent this may be accounted for by anti-imperialist scruples, though the cases of the Indians, Puerto Rico, and the Philipines cast a pall on those scruples.

The primary reason for modifying the western concept of domination to exclude territorial expansion is found in the context of the ideological contest with the Soviet Union. This contest has included an American repudiation of the Soviet principles of imperial expansion and has described the Soviet colonization of eastern Europe. To engage in a similar pattern of colonization would negate the anti-imperialist stance the United States has taken vis a vis the Soviet Union.

Given the new concept of a frontier, the constraints of pragmatism and relativism on the idea of providing the world with "the" pattern for social life, and the preclusion of traditional territorial expansion, Manifest Destiny is still being expressed in a recognizable form. There is still a recognizable sense of mission which propels America into programs of cultural and ideological expansion.

Manifest Destiny, as a doctrine of cultural and ideological expansion into foreign territory, requires a substitute for annexation and colonization as a way of reaching people. Intervention is a contemporary way.

Sanford says Americans have always hoped to "exert a favorable influence over the rest of mankind"[1] but they have differed as to the appropriate means. One school argues for influence through example, the other for influence through intervention. "Intervention" is tainted now by the shame of the military intervention in Vietnam and it is with difficulty that I call foreign assistance intervention, but that it is. (Indeed some think foreign assistance has its own shame, either as an adjunct of military policies or as a form of "neo-colonial imperialism." Those judgements may or may not be defensible, they are not at issue here. At this juncture, I ask that you put the shame and taint associated with intervention aside, and consider assistance a program of cultural and ideological expansion through activity, through intervention, as opposed to a program of expansion by example.)

During the foreign assistance decades, two cultural "products" have been central to the substance of Manifest Destiny: the American democratic system with its high value on individual liberty and opportunity, and modernity - the technology, bureaucracy, life style and artifacts of American society.

The first assistance program was in Europe where Manifest Destiny expressed itself in the United States' emphasis on the rationalization of their markets and the unification of their states.

Subsequent foreign assistance has been to Third World countries. Characteristically poor and pre-modern; sovereign but dependent economically, educationally, militarily and otherwise on stronger nations; these societies are America's new frontier. The essential

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[1]Sanford, p. 9.

idea of assistance has been to supplement the resources of these countries so that they develop into modern societies – rational, bureaucratic, technological social organisms; and so that they join or remain in "the free world." In other words, the goal of American assistance has been to effect change which extends the American culture and ideology.

Just as the whole idea of assistance can be seen as an expression of Manifest Destiny, so can specific aspects of it. The 1973 emphasis on programs which intimately affect people's lives - in agriculture, health and population, and education - and on popular participation in evolving these programs, is an expression of American concern with extending democracy and with enlarging the individual's opportunities for "life, liberty and the pursuit of happiness."

The involvement of other peoples in charting their own destiny serves the American ideal of self-determination while it challenges the concept of an American prescription for the world. In my view, this modification of the American role (stimulated by Vietnam and the Nixon Doctrine) strengthens a positive aspect of Manifest Destiny – introduction and encouragement of valued patterns – and weakens a negative aspect of the doctrine - the imposition of American patterns on another society.

I have explored the theme of Manifest Destiny at length because I believe in the Weberian notion that ideas are causes for the way societies behave. Sanford says: "Historians who argue that the westward movement can be explained by the economics of land hunger in response to a largely empty continent inviting to be filled, fail

adequately to take into account the power of an idea."[1] I believe this argument can be extended into the present era to refute the argument that American cultural and ideological expansion in the Third World is motivated by material causes alone.

The Events-Ideas Matrix - Containment and Intervention

In the last chapter, I discussed the enunciation of the Truman Doctrine and the publication of George Kennan's anonymous article as events; which they were. After years of isolation and cautious intervention, they were a bold exercise of the option to act. They were no less important, however, as a source of ideas which for most of its history undergirded the assistance program.

As I've noted before, the separation of events and ideas is an artificial device; in fact they are intertwined and, in the cases of the Truman Doctrine and the Kennan paper, both the drama of the event and the simple, direct appeal of the ideas were germinal in the development of the assistance program.

The Truman Doctrine was a response to a specific situation which implied and achieved broader applicability. The initial situation which prompted the Doctrine was the inability of Britain to continue its financial responsibilities in Greece and Turkey; the broader implication was the suggestion that America help free people everywhere in their fights against subjugation. The domino theory and the responsibilities of leadership were suggested as reasons for assuming this policy.

In his speech, moving from the specific cases of Greece and

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[1] *Ibid.*, p. 6.

Turkey to the general theme of resistance to subjugation, the President said:

> The peoples of a number of countries of the world have recently had totalitarian regimes forced upon them against their will.
>
> At the present moment in world history, nearly every nation must choose between alternative ways of life. The choice all too often is not a free one.
>
> I believe that it must be the policy of the United States to support free peoples who are resisting attempted subjugation by armed minorities or by outside pressures.
>
> I believe that we must assist free peoples to work out their own destinies in their own way.
>
> I believe that our help should be primarily through economic and financial aid which is essential to economic stability and orderly political processes.[1]

George Kennan's paper, written in Russia and published anonymously in 1947, extends the rationale for adopting the containment-intervention policy of the Truman Doctrine.[2]

Kennan asserts that the American relationship with the Soviet Union is a function of the internal structure of the USSR and he begins his article with an analysis of the Communists' experience in ruling Russia from 1917 to 1947. He continues his argument with the following points:

1. The Communists instituted a dictatorship in Russia because of the early threats to their rule by Russian capitalists, including the peasant masses.

2. Rationalizing the existence of the dictatorship in terms of the threat of capitalism meant that as the internal threat abated, an

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[1] U.S. President, 1945-53 (Truman), Recommendations on Greece and Turkey, p. 817.

[2] George F. Kennan, (X), "The Sources of Soviet Conduct," Foreign Affairs, XXV, (July, 1947), pp. 566-582.

external threat had to be posited.

3. During the War, there was a basis in fact for an assertion of imperialistic intentions on the part of a capitalist power. After the defeat of Germany, there was only a fictional basis for the assertion of capitalist imperialist intentions against Russia, but that assertion carried the weight of truth. Kennan says:

> But least of all can the rulers dispense with the fiction by which the maintenance of dictatorial power has been defended. For this fiction has been canonized in Soviet philosophy by the excesses already committed in its name; and it is now anchored in the Soviet structure of thought by bonds far greater than those of mere ideology.[1]

4. The Soviet Communists retain the basic Marxist formulations but in their actions they place more emphasis on two concepts derived from their experience: the opposition of capitalism to socialism and the absolutist authority of the Kremlin.

5. The inevitable destruction of capitalism is their single goal. Everything will be directed towards it. Defeats in one area or another will be tolerable (as long as they do not entail undue loss of prestige) as other areas will be available for exercise of pressure against the capitalist West. It must be borne in mind, Kennan cautions, that inevitability has a "connotation that there is no hurry about it."[2]

6. Within this framework, Kennan analyses the first of the two concepts the Soviets derive from their experience: the "innate antagonism between capitalism and socialism."[3] This belief,

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[1] Ibid., p. 571.

[2] Ibid., p. 573.

[3] Ibid., p. 572.

he asserts, precludes a cooperative model for Soviet-US relations. Kennan writes:

> It has profound implications for Russia's conduct as a member of international society. It means that there can never be on Moscow's side any sincere assumption of a community of aims between the Soviet Union and powers which are regarded as capitalistic.[1]

7. Actions which appear contrary to this "postulate" are in fact "tactical manoeuvres" and should not fool us, he continues.

8. False promises of cooperation and other tactical moves are explained by the second concept derived from their experience: the infallibility of the Kremlin coupled with the iron discipline of the Party. Kennan asserts that what the Kremlin says is treated (i.e. thought to be and acted on as) as fact. He writes:

> Once a given party line has been laid down on a given issue of current policy, the whole Soviet governmental machine, including the mechanism of diplomacy, moves inexorably along the prescribed path, like a persistent toy automobile wound up and headed in a given direction, stopping only when it meets some unanswerable force.[2]

9. In view of the Soviet goal of achieving the demise of capitalism through subversion and aggression, empirically evident in Europe, Kennan proposed an American response of thwarting Soviet imperialism. A response he calls "containment."

10. In view of the Soviet capacity for persistence because they consider their goal inevitable but have not given it a due date, Kennan says the response must be equally persistent.

11. In view of the Soviet disdain of logic as truth, the response cannot rely on words but must present pragmatic, empirical facts. About

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[1] Ibid.

[2] Ibid., p. 574.

the American stance Kennan writes:

> [Countering Russia must be] intelligent long range policies on the part of Russia's adversaries - policies no less steady in their purpose, and no less variegated and resourceful in their application than those of the Soviet Union.
>
> The main element of any US policy toward the Soviet Union must be that of a long-term, patient but firm and vigilant containment of Russia's expansive tendencies.
>
> [There must be] the adroit and vigilant application of counter-force at a series of constantly shifting geographical and political points.[1]

12. Finally, Kennan looks to the future. He analyzes weaknesses in the Soviet system and casts doubt upon its survival for internal reasons; but should it surmount its internal problems, he still feels the US can have an effect. To be effective America must show the world its determination and stability, its leadership capacity and its spiritual vitality.

13. Kennan sees a course of containment ranging over ten to fifteen years with an ultimate accommodation by Russia to its own containment:

> No mystical, Messianic movement - and particularly not that of the Kremlin - can face frustration indefinitely without eventually adjusting itself in one way or another to the logic of that state of affairs.[2]

14. In his final paragraph, Kennan concludes that the observer of the American - Soviet relationship will

> Experience a certain gratitude to a Providence which, by providing the American people with this implacable challenge, has made their entire security as a nation dependent on their pulling themselves together and accepting the responsibilities of moral and political leadership that history plainly intended them to bear.[3]

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[1] Ibid., pp. 575-76.

[2] Ibid., p. 582.

[3] Ibid.

This paper is important as a statement of the philosophy which undergirded the assistance program for most of its history and as an example of American foreign policy.

As an example of foreign policy, this paper reflects a critical paradox which runs through all American foreign policy: it is at once pragmatic and idealistic. Its very great appeal is in the interplay between the pragmatic, rational analysis of the situation and the recommendation of the containment strategy; and the idealistic, emotional assessment of the adversaries and the heroic prescription to carry on the good fight.

Furthermore, it resolves a second paradox of American foreign policy - the tension between isolation and intervention - in a way which was psychologically desirable at the time it was suggested.

This happy resolution of these paradoxes, combined with the ever present inclination to grasp at simple solutions and apply them universally, accounts for the remarkable longevity of the containment-intervention perspective.

The containment-intervention perspective and the assistance program were launched together. In the 1950's, the concepts of the Cold War ideology were unquestioned and the political-security thrust of the assistance program was predominant. Into the late 1960's, the Cold War perspective was still a strong, seldom opposed motive for assistance; although the development-humanitarian thrust of the program was gaining leverage. In the late 1960's and the early '70's criticisms of the Cold War ideology mounted. Because the ideology and the assistance program were so long and intimately connected, the program received a share of this anti-Cold War criticism. Two outspoken Congressional critics were

Senator William Fulbright, Chairman of the Senate Committee on Foreign Relations and Senator Frank Church, a senior member of that Committee.

Both of these critics conceded that the Truman policy was appropriate for the situation which it first addressed; but both condemned its long and uncritical application in other situations. Senator Fulbright said that the Truman Doctrine, and its indiscriminate application, made the US an imperialistic power which intervened repeatedly, in the name of anti-communism and in the spirit of assuming the responsibilities of power, in the affairs of other nations. The Vietnam War, he wrote, "brought many Americans to an awareness of the sham idealism of the 'responsibility of power'"[1] and it heightened their awareness of the potential for exercising options rather than submitting to "destiny - because," he added, "there is no such thing."[2]

Both Senators also pointed out many missed opportunities for cooperation rather than confrontation, to which American intransigence contributed. Indeed, they maintained, the American ideology became as rigid and inflexible and operated as blinders as much as Soviet ideology did. Senator Fulbright wrote this about the effects of the Truman Doctrine and George Kennan paper:

> The effect of the anti-Communist ideology was to spare us the task of taking cognizance of the specific facts of specific situations.[3]

Because of its long association with the assistance program, understanding the containment-intervention policy as stated in the

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[1]Fulbright, p. 62.

[2]*Ibid.*, p. 58.

[3]*Ibid.*, p. 43.

Truman Doctrine and amplified in the Kennan paper, is clearly critical to understanding the changes made in 1973. It was necessary in 1973 to respond to the charges not only against the program's own lack of effectiveness but also to the charges against the underlying foreign policy of containment and intervention.

The policy of intervention has always been pursued with the alternative policy of isolation waiting in the wings. Presumably, these two traditions exert some influence on each other: the excesses of the 1960's indicate that there is not a well oiled equilibrating mechanism at work, however. The balance can go too far, as it did in Vietnam and a commensurately drastic reaction in the other direction can be invoked. The defeat of the assistance bills by the Congress in 1971 and '72 was such a reaction. The 1973 mandate, de-emphasizing the political thrust of assistance and emphasizing the apolitical humanitarian thrust, struck an apparently acceptable balance.

The policy of containment is qualitatively different from that of intervention. Intervention is an old theme in American life; containment is a new one, coined to meet a particular exigency. As that exigency faded into the background, so did the strategy for meeting it; that is what happened to anti-Communist containment in the 1970's - it became a hazy background factor.

The ideas discussed in this section have derived from events the program has had to contend with and which it has been influenced by. These ideas are a small part of the larger foreign policy framework the program is part of. As it is also part of an economic policy framework and part of a broader network of humanitarian programs and policies, events in these areas would also produce ideas which would be germane

to the program. The context in which the 1973 change in the assistance program was produced was a complicated interactive process indeed, containing many more factors than those used as illustrations here.

Ideas Generated to Inform and Legitimate the Program - Development Theory

Development theory is another ideational framework in which the assistance program is situated and with which it interacts. Its relationship to the program is quite different from that of the Manifest Destiny theme or the foreign policy ideas produced by current events. Development theory contributes "expertise" to the program.

Development theory has emerged with the program and has two functions: (1) legitimating the course taken by the policy makers and (2) inspiring and guiding that course.[1] Development theory has been produced by academicians and professionals in the interrelated fields generally called the social sciences; particularly from economics, sociology, political science, and anthropology. Each expression of theory has reflected the emphases of its author's discipline, of course, but the more profound division in the body of theoretical literature reflects the ideological division between the Marxists and non-Marxists which transcends the distinctions between the disciplines.

There is a semantic difficulty in discussing these perspectives which I would like to discuss at the outset. In essence, it is that two of the perspectives do not have universally used names.

Since Marx articulated his theory, others have been responding to it. The responses have come from several disciplines and have formed

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[1]Berger, Pyramids, p. 12.

several distinct theoretical streams of thought. These have each had names: capitalist economic theory, democratic political theory, idealist sociological theory and so forth. In some instances, including development theory, these streams have converged but a distinctive name other than non-Marxist has not evolved. There is an irony in calling this theory non-Marxist because that label implies subordination whereas in fact the non-Marxist theory has been predominant in use and the Marxist theory has, in considerable measure, been a response to the non-Marxist theoretical and programmatic stance.

Until recently, the Marxist and non-Marxist perspectives differed between themselves, but each enjoyed a high degree of internal consistency. Recently some non-Marxist theorists have differed with the major tenets of the non-Marxist perspective; but they have not become Marxists. They have articulated another non-Marxist perspective. In the following discussion, I will use the terms Neo-Marxist, Traditional non-Marxist, and Alternate non-Marxist for the three perspectives in development theory.

Neo-Marxist and Traditional Non-Marxist Theory

In terms of (1) their world view, (2) their program for the Third World, and (3) their designation of the portion of the population which can cause change, the traditional non-Marxist perspective, which has predominated as legitimator and informer of the assistance program for much of its history, and the neo-Marxist perspective, which has offered an alternative position and a critique on the predominant perspective, have differed. The following discussion of the content of these two perspectives will illustrate the differences between them and will

prepare the way for the consideration of the alternate non-Marxist perspective which legitimates and informs the 1973 mandate.

World View. The neo-Marxist world view is an extension of classical Marxian formulations to the current international scene. Simply put, the analysis includes the following points:

1. The economic system determines the character of a society and the relationships between its parts. In this case, "society" is extended to the international constellation of Western non-socialist developed countries and Third World LDC's. The prevailing economic system in capitalism and the propensities Marxists assign it for producing poverty as well as wealth, and oppression as well as power within a single society are extended to the international level.

2. Capitalism produces classes based on the relationship of the individual to the means of production. The owning class is called the bourgeoisie and the working class is called the proletariat. In this case, the western developed countries and the western styled elites of the developing countries are the bourgeoisie and the non-elites of the developing countries and potentially the developing countries (stripped of elite control) are the proletariat in the classical equation.

3. Under capitalism classes polarize: the bourgeoisie exploits the proletariat; the proletariat experiences material inequity and alienation. In this case, exploitation is extended to cover the control of the market by the developed countries. In the neo-Marxist view, there is a consistent pattern of low prices for LDC exports, high prices for LDC imports, Western control of the capital market and the rate of industrial advancement in the LDC's in part through the mechanics of

assistance programs, and the capitalistic indoctrination of LDC elites by the Western countries. Neo-Marxists summarize these patterns as a single phenomena which they call "neo-colonial imperialism."

The fourth point in the Marxist analysis concerns the resolution of the situation. I will reserve that point for the subsection on Program for the Third World; the three points I have just reiterated give the neo-Marxist view of the world as it is arranged.

The neo-Marxist world view, or assessment, is more easily stated than is the traditional non-Marxist view because Marxist views can always be cast in terms of a single theory whereas non-Marxist views cannot. This is not to imply that Marxism is static. It is a dynamic tradition and indeed this perspective on development is appropriately called neo-Marxism because it modifies some Marxist concepts and adds some others; but there is a central core of Marxist theory to which it is true.

The traditional non-Marxist perspective can be handily stated by recounting the three Marxist points stated above and responding to them in non-Marxist terms:

1. The economic system determines the character of a society and the relationships between its parts. The traditional non-Marxist perspective repudiates the economic determinism of Marxism. It counters with an assertion of multicausality. In this case, an interplay of economic, social and political factors is credited with producing the international stratification the neo-Marxists attribute to capitalism.

2. Capitalism produces classes based on the relationship of the individual to the means of production. The owning class is called the bourgeoisie and the working class is called the proletariat. No one

denies that capitalism produces owners and non-owners but, pointing proudly at the middle class, non-Marxists deny that these statuses enable one group to enjoy prosperity while consigning the other to poverty.

The stratificatory schemes of the traditional non-Marxists are more complicated than that of the Marxists. In this case, the designation of the participants have been frequently changed within the perspective in an effort to deny or erase any pejorative connotations, including the Marxist connotation of superordination and subordination. The participants have variously been called advantaged/disadvantaged, developed/underdeveloped and later less developed, modern/modernizing, and haves/have nots.

The non-Marxist concept of multicausality has contributed to the definition of class in this perspective. Above all, it does not derive solely from the economic conditions of people or societies. It includes inputs from the political and social sectors. The traditional non-Marxists extend the concept of socio economic class to nations, with GNP only one among several measures of class. Others which determine status in the First, Second and Third Worlds (one of several stratificatory schemes) are political variables such as the system of government and military independence; and social variables such as health and morbidity levels and literacy rates.

3. Under capitalism classes polarize: the bourgeoisie exploits the proletariat; the proletariat experiences material inequity and alienation. Although capitalism undeniably causes differentiation within a society, it is not the non-Marxist view that it causes polarization or results in exploitation. Alternatively, they maintain

that it causes interdependence and results in progress and prosperity which permeates the whole society. While the neo-Marxists call the relationship between the First and Third Worlds a "class struggle," the traditional non-Marxists call it a "partnership in progress." And while the neo-Marxists see foreign aid as an extension of colonial domination, the traditional non-Marxists see it as what they often call it: assistance.

The traditional non-Marxists make some general observations with which I think the neo-Marxists would agree. These are essentially distinctions between the conditions faced by countries developing in the twentieth century and those faced earlier by the developed countries. They are that now the pressure of a growing population is greater, that the available technology is greater, and that the climate of global political instability is greater. The first two points are commonsensical. The third requires amplification. They assert that sophisticated communications create expectations which can not be met and that the balance of military power is askew because the superpowers have weapons they dare not use, giving everyone with conventional weapons power by default. The traditional non-Marxists and neo-Marxists treat instability differently, but I think both would agree with this description of some of its time specific origins.

The Marxists posit alienation as a result of capitalism and most traditional non-Marxist statements seem to acknowledge it as an attribute of modernity. Unfortunately Rostow, an important traditional non-Marxist who compares his economic theory to Marx's, discounts alienation.

Reciting the major tenets of Marxism, he says:

> Capitalist industrial societies would, Marx predicted, create the conditions for their destruction because of two inherent characteristics: because they created a mainly unskilled working force, to which they continued to allocate only a minimum survival real wage; and because of the pursuit of profit.[1]

This misinterpretation is not widespread and many theorists recognize that alienation is particularly acute in people just emerging from traditional societies which enjoy a high degree of social solidarity and that it makes these people particularly susceptible to the security offered by authoritarian systems.

In terms of this one dimension, how they view what is happening in the world, the difference between these two perspectives is the difference between the motifs of polarity and interdependence. These perceptions underly the differences in program and population of interest between the neo-Marxist and traditional non-Marxist perspectives.

Program for the Third World. The fourth point in the Marxist canon is that class struggles will inevitably be resolved through revolution. Proceeding from the view that capitalism produces a dichotomous social order, the neo-Marxists say that the first step in development must be the replacement of capitalism by socialism, a system which is conducive to an equitable distribution of wealth. A two staged revolution - one stage to abolish the old order and one to establish the new - is the inevitable strategy of development in this perspective. Paul Baran outlines this thesis in The Political Economy of Growth in

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[1] W. W. Rostow, The Stages of Economic Growth; A Non-Communist Manifesto, (London: Cambridge University Press, 1960), p. 146.

this way:

> The establishment of a socialist planned economy is an essential, indeed indispensable, condition for the attainment of economic and social progress in underdeveloped countries. The task confronting a socialist revolution in a backward country is... complex. It must not merely generate a vast development of the country's productive forces. It must also - in order to accomplish this - create the altogether new economic and social order of socialism. "The bourgeois revolution terminates usually with the conquest of power, while for the proletarian revolution, the conquest of power represents merely its beginning, with power employed as a leverage for the reconstruction of the old economy and the organization of the new." (Stalin.)[1]

Two aspects of the neo-Marxist perspective which are modifications of the original Marxist theory are the belief in nationalism as a potent force for stimulating revolution in the Third World and the belief in the peasant class as the strategic group for effecting change. The theory of national liberation is that in societies where capitalism has been imposed by colonial powers, it is viewed as peculiarly foreign and reprehensible by all classes of the society which, in asserting their nationalism, move as one against all vestiges of imperialism including the imposed capitalism. The focus on the peasantry has been empirically determined as most twentieth century revolutions have been peasant revolutions. Affirming the importance of nationalism and the peasantry to neo-Marxism, Aidan Foster-Carter comments on the ambiguous relationship between the theory and these new, pragmatic concepts:

> As we shall see, however, subsequent developments make it by no means clear, in these alliances, who is actually using whom. Rather than Marxism encompassing nationalism or the

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[1]Paul A. Baran, The Political Economy of Growth, (USA: Prometheus Books, 1957), pp. 261-62.

> peasantry, nationalist and peasant movements seem often to have encompassed Marxism.[1]

Because the traditional non-Marxist view on the program for development has predominated in practice, the neo-Marxist strategy has been coupled with a critique of the non-Marxist program. The belief which underlies all the other criticisms of the non-Marxist program is that assistance which originates in a capitalist framework is incapable of remedying material inequities because capitalism has produced and will forever produce those inequities. Foster-Carter says:

> Underdevelopment is in fact not an original state but one continuously generated at many levels by the workings of capitalism.[2]

The major specific criticisms which the neo-Marxists lodge against the traditional-non-Marxist approach are (1) that, as a capitalistic program, development assistance is exploitative rather than developmental; (2) that encouraging the formation of a westernized elite discourages the equitable distribution of wealth within societies as well as precluding the equitable distribution of wealth among nations; and (3) that, as an evolutionary perspective, it is unrealistic about the way change occurs. The neo-Marxists charge that the basic goal of the developed Western nations is to maintain economic dominance over the developing countries. This aim, they say, has produced a strategy of discouraging national liberation movements and economic development even while paying lip service to them. Stability, with all its conservative

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[1]Aidan Foster-Carter, "Neo-Marxist Approaches to Development and Underdevelopment," Paper read before the British Sociological Association Conference on "Sociology and Development," April 12, 1972, p. 4.

[2]*Ibid.*, p. 14.

connotations, has predominated over liberty, independence, and change in determining the program of the traditional non-Marxists, in their view.

Though the neo-Marxists and traditional non-Marxists prescriptions for the Third World are different, just as the world views on which they base their prescriptions are different, they share two premises. Both are underlaid by a belief in progress and both describe economic progress in terms of universal fixed stages.

Although, the neo-Marxists recognize that capitalism was not born of feudalism in much of the Third World as standard Marxism describes, but was imposed by colonialism, they still expect the dialectic to obtain and socialism to supplant capitalism as a matter of natural progression.

Within the traditional non-Marxist perspective, W. W. Rostow has responded to Marx with an economic theory which designates a natural economic progression for societies. Often called "Take-off" for short, it is properly called "The Stages of Economic Growth." The stages which Rostow designates are: the traditional society, the preconditions for take-off, the take-off, the drive to maturity, and the age of high mass-consumption.[1]

The crucial difference between the neo-Marxist and traditional non-Marxist concepts of economic progress and consequently in their prescriptions for the Third World lies in how societies move from one stage to another. The neo-Marxist concept of change is one of revolution based on the dialectical process. The traditional non-Marxist concept is one of evolution based on growth. (Another distinctive difference

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[1]Rostow, p. 4.

is that in the Marxist view, economic change is tantamount to societal progress whereas in the non-Marxist view, change in other sectors is not a product of economic change but is essential to progress so economic change alone is not indicative of development. I will first discuss the stages of growth theory because of its similarities to the neo-Marxist perspective, and will then discuss other areas of change traditional non-Marxists consider imperative to development.)

Rostow posits a dynamic theory of production which accounts for growth. He says that in a free market economy, governed by the laws of supply and demand, there are dynamic forces which determine the level of output. These forces include levels of income and population, and the characteristics of tests which act upon demand; and the available technology and the marketing system which act upon supply.[1] Growth itself is assumed to proceed with geometric progression and to propel societies from one stage of economic development to another.[2]

Organized and motivated by this "law," societies can be expected to progress along the development continuum described by the stages of growth. Rostow characterizes the stages this way:

1. The traditional society is limited in its level of production by its pre-modern level of technology and its assumption that man can not manipulate the world to increase production. It is characterized by a concentration of the population in agriculture and a concentration of power in the landowner.[3]

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[1] Ibid., p. 13.

[2] Ibid., p. 2.

[3] Ibid., pp. 4-6.

2. The preconditions stage is a transitional one. The stage is set during this period for the remarkable growth of take-off with the adoption of the concept of economic progress, the initial development of an elite educated to participate in a modern economy, and the emergence of risk-taking men. During this period, investment increases, commerce widens, and manufacture begins.[1] True to the multicausal assumptions of his perspective Rostow goes on to say:

> But all this activity proceeds at a limited pace within an economy and a society still mainly characterized by traditional low-productivity methods, by the old social structure and values, and by the regionally based political institutions that developed in conjunction with them.
>
> In many recent cases, for example, the traditional society persisted side by side with modern economic activities, conducted for limited economic purposes by a colonial or quasi-colonial power.
>
> Although the period of transition - between the traditional society and the take-off - saw major changes in both the economy itself and in the balance of social values, a decisive feature was often political.[2]

3. Take-off is the critical stage in the traditional non-Marxist perspective. Rostow says "The take-off is the interval when the old blocks and resistances to steady growth are finally overcome."[3] At this stage, modern economic institutions assume dominance over traditional ones. During this period industry grows, profits are reinvested, industrial employment grows and consumer demand increases. Agriculture is necessarily commercialized - the industrial sector is dependent upon it.

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[1] Ibid., pp. 6-7.

[2] Ibid., p. 7.

[3] Ibid.

4. The drive to maturity is the stage of sustained growth. Traditional non-Marxists have a tendency to speak of "a take-off into self-sustained growth," as they want the progress of the take-off to be irreversible. At this stage re-investment is steady and above the level of population growth, new industries develop, and the economy establishes itself in the international market. Rostow says:

> Formally, we can define maturity as the stage in which an economy demonstrates the capacity to move beyond the original industries which powered its take-off and to absorb and to apply efficiently over a very wide range of its resources - if not the whole range - the most advanced fruits of (then) modern technology.
>
> Historically, it would appear that something like sixty years was required to move a society from the beginning of take-off to maturity.[1]

5. The age of high mass consumption is the final known stage. Writing in 1960, Rostow said this is the stage "From which Americans are beginning to emerge; whose not unequivocal joys Western Europe and Japan are beginning energetically to probe; and with which Soviet society is engaged in an uneasy flirtation."[2] In this stage, income per capita affords more than life's necessities and the work force becomes more urban and better trained. At this point, societies do not constantly opt for industrial growth, but they invest in social reform.

The stages of development are the most formal statement of traditional non-Marxist theory, but they are not therefore its most important statement. As we have just seen even Rostow was well aware of the important underlying concept of multicausality and interacting sectors of which the economy is just one among several which must change

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[1] Ibid., p. 10.

[2] Ibid.

for modernity to be achieved.

This perspective has been formulated by many people from several disciplines over a period of decades. In 1960, the Senate Committee on Foreign Relations asked an interdisciplinary group of ten theoreticians and scholars at the Center for International Studies at MIT for a report on "Economic, Social and Political Change in the Underdeveloped Countries and its Implications for United States Policy." Their report was submitted as a joint effort (the chapters are not authored by individuals, but the group stands responsible for the whole) under the editorial guidance of Max Millikan and Donald Blackmer. A revision of that report was subsequently published as a book: The Emerging Nations, Their Growth and United States Policy.[1] Because of (1) the time it was written - when the perspective was mature and before the alternate non-Marxist perspective was formulated - and (2) the nature of its authorship, and (3) because, in my opinion, it is an excellent representative of the traditional non-Marxist perspective, I will use this book as my primary reference for the remainder of this discussion of the traditional non-Marxist perspective.

The traditional non-Marxists assert that choice is a distinctive attribute of modernity. It is virtually unknown in pre-modern societies. The societal choices for a developing country number three: (1) to defend tradition and preserve it, (2) to become revolutionary and destroy the traditional society completely, or (3) to go the route of evolutionary modernization. It is this latter of course, which the traditional

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[1]Max F. Millikan and Donald L. M. Blackmer, eds., The Emerging Nations; Their Growth and US Policy, (Boston: Little Brown and Co., 1961).

non-Marxists explain, advocate, and defend.[1]

Modernization is, they say, a psychological, political, social, and economic change which evolves through several stages. In the economic area, the Rostowian stages of development are used by this perspective. The authors of The Emerging Nations posit three stages of political development, noting that other schema are also possible and used: (1) neo-traditional oligarchies, (2) transitional oligarchies, and (3) actively modernizing democracies.

Neither capitalism nor democracy, they assert, necessarily follows economic change and both, as systems valued by Americans, should, they say, be thoughtfully encouraged and nurtured by American assistance. Their development cannot be assumed because socialist economics and authoritarian politics have real appeal to people in traditional societies. The rationale for this assertion is that it holds because socialist authoritarian societies entail less freedom and offer fewer choices than do capitalist democratic societies; and few choices, means more security, especially to those accustomed to traditional society which also offers few choices.

People are important in the traditional non-Marxist perspective. The authors of The Emerging Nations say:

> In any case, there are three principal areas in which elements of resistance must be overcome if the modernization of a traditional society is to be carried through successfully: politics, economics, and social structure. The underlying requirement for change in these areas is the modernization of attitudes.[2]

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[1] Ibid., pp. 97-98.

[2] Ibid., p. 19.

And later they amplify:

> By identifying the three principal areas in which the requirements for modernization may give rise to tensions and resistance, we have in effect defined social evolution in institutional terms....But the more closely we examine our subject, the more evident it becomes that in the end we are talking not about institutions but people....Our understanding of the process of modernization in the underdeveloped countries, and in turn our understanding of the policy problems involved, must be informed by awareness of the ferment of individual thoughts and emotions at the core of any drastic change in a society.[1]

This conception of change sets the traditional non-Marxists apart from the deterministic Marxists dramatically. As will be seen later, it underlies the alternate non-Marxist position and is extended by the writers in that perspective.

The authors of The Emerging Nations make specific policy recommendations which are based on their belief that development must occur in several interacting sectors of the society and their analysis that the most important tasks facing emerging nations are "The expansion of the society's human resources; the laying down of basic transport, communication, irrigation, and power facilities commonly referred to as social overhead; and a radical transformation of the agricultural sector.[2] Their recommendations for American assistance are pegged to the stages of political/economic development which they posit.

For neo-traditional societies which are developing the pre-conditions for take-off, they recommend an American aid emphasis on building an elite to carry on the idea, and work, of development.

For transitional societies, they recommend an American aid emphasis on developing an efficient and effective bureaucratic

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[1] Ibid., p. 23.

[2] Ibid., p. 47.

government which can develop technical assistance programs of its own for the local governmental units. It is at this stage that emphasis on hitting all sectors and segments of the society must be promoted. Communication between governmental units is the structural change they emphasize.

It is during the transitional stage that land reform is confronted. Recognizing the disruptive potential of land reform, the authors urge that American policy support it as a necessary step in an evolutionary process, not as an end in itself.

At this stage, too, capital needs begin to loom large. By demonstrating a readiness to assist in this area, America can, they say, promote development.

For actively modernizing societies, at the take-off and self-sustaining growth stages economically, the authors recommend an American aid emphasis on honing bureaucratic skills, including planning and administration; and an American commitment to making the foreign exchange necessary to self-sustaining growth available. Finally, they urge American policy to promote pluralism and democracy during a stage when centralization and authoritarianism are appealing.[1]

To summarize in a word, the differences between neo-Marxism and traditional non-Marxism along the dimension of program for the Third World are the differences between revolution and (evolutionary) growth.

Strategic Population for Change. The neo-Marxist concept of change places the responsibility and potential for change on the

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[1] *Ibid.*, pp. 134-141.

non-elite segment of the population, and particularly the peasantry. The traditional non-Marxist concept of change places the responsibility and potential for change on the elite population which is in touch with the main forms of modern life: technology and bureaucracy.

The programs of these perspectives reflect their different evaluations of the strategic populations because the programs emerge from their concepts of change. A great deal more needs to be said about this dimension, the strategic population, and its role in shaping a paradigm; but I believe it can best be said after the alternate non-Marxist perspective has been introduced.

In summary and graphic form, the differences between the neo-Marxist and traditional non-Marxist perspectives along the dimensions of world view, program for the Third World, and strategic population for change can be presented this way (see Table 5):

TABLE 5

DIFFERENCES BETWEEN NEO-MARXISM AND TRADITIONAL NON-MARXISM

Perspective	World View	Program	Population
Neo-Marxism	Polarity	Revolution	Non-elite (peasantry)
Traditional Non-Marxism	Interdependence	Growth (evolution)	Elite

Alternate Non-Marxist Theory

In introducing a second non-Marxist perspective, the question of whether this is a distinct perspective or a new wrinkle in an old

perspective appropriately arises. I hope to demonstrate, through an exploration of the world view, program, and strategic population of this perspective that it is indeed distinctive. I will show that the alternate non-Marxist perspective not only relates to the traditional non-Marxist perspective, accepting some of its tenets and modifying or rejecting others; it also relates to the neo-Marxist perspective accepting and modifying as well as rejecting some of its tenets. This alternate non-Marxist perspective is a synthesis of the two others. Table 6 graphically portrays this synthesis which I will discuss next:

TABLE 6

SYNTHESIS BETWEEN PERSPECTIVES

Dimensions	Perspectives		
	Neo-Marxism	Traditional Non-Marxism	Alternate Non-Marxism
World View	Polarity	Interdependence	Interdependence
Program	Revolution	Growth (evolution)	Growth, modified (equity)
Population	Non-elite	Elite	Non-elite

In calling the alternate non-Marxist perspective a synthesis, I mean that it adapts portions of both of the older theories after evaluating them, not that it is the result of a dialectical process between them. The alternate non-Marxist perspective still competes with both of the others and, in my opinion, outside factors as well as (and

even more than) the tensions between neo-Marxism and traditional non-Marxism produced this new perspective.

Theory is responsive to non-theoretical experience (empirical data) and in this case, many of the pressures on the program have also been exerted on the theory. Among these are the geopolitical and American political, social and economic events which have been discussed. In passing, it is noteworthy that this theoretical perspective has emerged since detente with China and the consequent flood of information on the Chinese development experience, and after the Vietnam experience of American failure in stemming the tide of a peasant movement. This perspective is also undoubtedly influenced by the history of successes and failures of the American assistance program with which it has a symbiotic relationship, and, to the extent that the program reflects the perspective also the empirical successes and failures of the traditional non-Marxist perspective. As a legitimator and guide of policy, the alternate non-Marxist perspective is actively trying to build on the successes and remedy the failures of the past. Paramount among these has been the non-inevitability of take-off into self-sustained growth and balanced development, despite extensive programs of technical and capital assistance which have supplied a modern infrastructure and a burgeoning elite in many countries.

Description of the alternative non-Marxist perspective will reveal its status as legitimator and informer of the 1973 legislation.

I will use two books as my primary references in developing the discussion of this perspective. One of them is authored by members of the academic and sociological communities: The Homeless Mind by Peter Berger, Brigitte Berger, and Hansfried Kellner (1973) which articulates

a theory of cultural change.[1] The principal author of the second book is an AID official and, I have been told, "the intellectual architect" of the 1973 legislation. The book is Development Reconsidered by Edgar Owens and Robert Shaw (1972) and it is the articulation of an American aid strategy based on non-elite participation in the development process.[2] In the following pages, I will discuss the alternate non-Marxist world view, program and strategic population; outlining the basic position and contrasting it to the positions of neo-Marxism and traditional non-Marxism.

World View. The world view dimension I have developed is very static: it shows how the world is ordered but not how it changes. Although a concept of change can legitimately be considered a part of a world view, I have chosen to discuss it as a part of the program or prescription for the Third World instead as there is a close connection between a concept of change and the implementation of it. Because of its narrow, static scope, there is considerable agreement between the traditional non-Marxists and the alternate non-Marxists. Both reject Marxism. Furthermore, the alternate non-Marxist perspective accepts the concepts of interdependent countries and interdependent social sectors which are generic to the traditional non-Marxist perspective. They also accept the multicausal concept of the traditional non-Marxists. With

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[1] Peter L. Berger, Brigitte Berger, and Hansfried Kellner, The Homeless Mind, Modernization and Consciousness, (New York: Vintage Books, 1973).

[2] Edgar Owens and Robert Shaw, Development Reconsidered; Bridging the Gap Between Government and People, (Lexington, Mass.: Lexington Books, D. C. Heath and Co., 1972).

each of these concepts when the dynamism of change is added the two perspectives differ radically so the apparent convergence of world views must be evaluated with my static definition of "world view" in mind.

Program for the Third World. It is here, with the addition of the two concepts of change - revolution and growth - that the modifications of the alternate non-Marxists begin to come into sharp focus.

Each of the reference works for this section approaches the question of change differently.

The Homeless Mind offers an explanation of cultural change as a critical component of development which makes up for a real deficiency in the traditional non-Marxist perspective. As we have seen, the traditional non-Marxist perspective emphasizes people and the areas of psychological and social change; but they do not articulate an explanation or evolve a direct strategy for widespread cultural change. The alternate non-Marxist perspective does both.

In The Homeless Mind, the authors designate technology in the economic sector and bureaucracy in the political sector as the hallmarks of developed societies and they show that these hallmarks each carry a socio-cultural style which must be implanted and adopted for modernization to occur. This socio-cultural style they call "consciousness" and it is patterned of behavior and belief. The authors talk about people throughout the society, in contradistinction to the elite emphasis of the traditional non-Marxists; and they talk about the everyday meanings of everyday things in the lives of ordinary people. The meaning structure of a society allows people to feel "at home" in it, they assert. Therefore, when new societal forms are introduced, the

introduction of new meanings will occur. When a new meaning is introduced attention must be paid to integrating it with the existing meaning structure - it must relate to other meanings and it must become established as other meanings are.

Berger, Berger and Kellner identify technology and bureaucracy as the principal transmitters of modern consciousness. Technology, they assert, carries a distinctive orientation towards scientific knowledge; a mechanistic, hierarchical, compotential and sequential approach to tasks; and a separability of ends and means as its consciousness. These traits carry over into non-technological spheres of life where they are recognized as the problem solving orientation; the assumption that bigger and better, onward and upward and other maximizing drives are valuable, and the anonymity which comes from one person's being able to fill a job as well as another. Bureaucracy also carries a specific consciousness. The bureaucratic process is rational, procedure oriented, fair in that all eligible people are treated equally, categorical and jurisdictional, moral in that the means are related to the ends and are important, and, finally, anonymous. Bureaucratic behavior is based on competence and carries over to other areas of life as orderliness, the habits of organizing and planning, and an expectation of justice. The anonymity which arises in the bureaucratic system comes from the presumption of equality: if all people are equal, then all people must be depersonalized.

The authors do not make policy recommendations for American assistance, but they specify what will happen culturally when economic or political change is introduced. The following passage from <u>The</u>

Homeless Mind illustrates the process and gives an example of everyday meaning:

> Each phase in the establishment of modern economic institutions has its correlate on the level of consciousness. Thus, for example, the substitution of a modern cash economy for a traditional barter system not only revolutionizes economic transactions but necessitates cognitive innovation as well. As payments are made in cash rather than in kind, new notions of measurability become internalized. New elements of impersonality and formality are introduced into social relations. New institutions, such as credit associations, arise as mediators in this process. But something even more important takes place at the same time - the economic sphere begins to be perceived as an independent and highly specific area of human life. It comes to be taken for granted that economic transactions entail assumptions and rules that are sharply distinct from those that govern other activities in social life. One of the most distinctive features of modernity, the dichotomization between the public and private spheres, comes to be internalized in consciousness. Rationality and impersonality come to be experienced not simply as alien impositions but as necessary and perhaps even beneficial criteria dominating at least the economic sphere. Later we will touch upon the various possibilities of these themes being carried over from the economic sphere to the other sectors of social life.[1]

The traditional non-Marxist program for the Third World is one of growth. The alternate non-Marxist program is one of growth with equity. Owens and Shaw urge economists to turn from their measure of GNP as an indicator of development to one of median income; and they ask political scientists to relax their concern about the efficiency and competence of central governments and to turn it instead on local political processes.

This concern with equity resonates with neo-Marxist concerns. In Pyramids of Sacrifice, Peter Berger debunks both of the older traditions because of their costs in terms of pain and meaning. Inequity is a

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[1]Berger, Berger and Kellner, p. 125.

painful cost of the growth model which he decries.[1]

The magnitude of these differences with the traditional non-Marxist position will be better appreciated after the alternate non-Marxist concept of the strategic population for change is explored. It may be appropriate after introducing that dimension to return to some program differences.

Strategic Population for Change. It is here that the alternate non-Marxist perspective departs most radically from the traditional non-Marxist perspective and sidles up most comfortably to the neo-Marxist perspective. In one sense, the similarity between the two is negligible: the alternate non-Marxist perspective is not revolutionary and so the role assigned the strategic population is significantly different here than in the Marxist theory. In another sense, the commonality is large: for both a concept of change through revolution and a concept of change via growth, the non-elite, and especially the peasantry, emerges as the strategic population for effecting change.

The dynamic force of the neo-Marxist perspective is dialectical revolution. Of the traditional non-Marxist perspective, it is growth. And of this perspective, it is participation. Owens and Shaw assert that the participation of ordinary people in the process of development is the hallmark of development. Modernizing societies are precisely those which involve the people in the decisions which affect their lives. Dual societies on the other hand, are precisely those in which decisions

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[1]Rostow catches a glimmer of this as he reflects on the most advanced countries; but he still advocates going down the yellow brick road of western style growth.

Just as the political system of a dual society must become participatory so must the economic system if development is to flourish. The majority of the population of the Third World is rural and agrarian. So it is there, at the level of the farm family, that economic development must impact.

Owens and Shaw depart radically here from the traditional non-Marxists in advocating rural rather than urban development as the top priority. They describe a network of farms, villages, town markets and urban markets which link into the international market, which are all linked by roads, financial institutions, and channels of technological diffusion so that the agricultural sector becomes economically viable. Viability is essentially the ability to produce savings, reinvestment, surplus and consumerism and this they assert is the potential of the agricultural sector.

Because the people are in the rural areas and because of the disadvantages of urbanization Owens and Shaw recommend the location of small industries throughout the countryside. Fortuitously, as they point out, precisely the things rural people need and want are conducive to manufacture in small industrial settings. And fortunately, too, these things generally are labor intensive and so offer employment to a significant number of rural people.

In this perspective, the reorganization of the economy to promote development largely revolves around the reorganization of space and the provision of access to modern economic life. With the function of the strategic population in mind, it is appropriate to return to the dimension of program for the Third World.

Owens and Shaw observe that participation occurs in both authoritarian and democratic countries. Whereas, the traditional non-Marxist perspective recommends an American assistance policy of aid to governments of which we approve this perspective recommends a policy of assistance where participation is being promoted. Because so many Third World countries have authoritarian governments, this new criterion is expeditious.

More importantly, though this perspective gives the American assistance program a method for promoting democracy through the practice of its distinguishing feature. The traditional non-Marxist perspective relies on so imbuing the elite with democratic principles that it would confer them on and promote them amongst the people. In practice, this has been a perilous and disappointing route and so again, the alternate perspective is expeditious.

In practice, the problem is often not that a theory fails to take into consideration the complexity of life or to comment on many factors; it is that in translation to practice, the best formulated premises are grasped and the others, because of the complexity they give the theory and because they are not clearly operationalized, are let slide. This has certainly been the case with the traditional non-Marxist theory as it has emerged in the assistance program. And so in making policy recommendations, the alternate non-Marxist perspective has critiqued the program and, as reflected in it, the traditional theory which has legitimated and informed it. In making policy recommendations for the American assistance program, Owens and Shaw suggest four changes in strategy:

1. A shift away from capital investment and elite building to

program which promote participation at the local and regional levels. The programs should, they say, be directed at the goal of helping people in these ways:

1. To gain access to the economic and social system of their country
2. To learn how to use modern technology in their individual occupations and lives
3. To work in groups, such as their local government or their farmer's organization, to solve the problems of their local communities
4. To be linked to higher levels of the economy and the society[1]

2. To use governments and assistance to prime the pump in the beginning but to base on-going assistance on the assumption that the poor are willing and able to pay. Where innovations are made, incomes will rise and the increase can be saved and reinvested. They conclude: "Financial and economic discipline is one of the characteristics of modernizing states."[2]

3. Although some of the technologically sophisticated attributes of modern life are needed, especially in urban areas and in infrastructure, much of the investment should be on a smaller scale and less sophisticated technologically. They say:

> A higher proportion of a country's total resources should be used for organizing market towns; farm-to-market roads; small farm, labor-intensive agriculture; small-scale land improvement projects; small and "tiny" business; local consumer goods industries; and so forth.[3]

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[1] Owens and Shaw, p. 159.

[2] Ibid.

[3] Ibid.

4. The economic analysis of development programs should be modified to measure growth with equity. They say:

> A number of topics need to be added to the conventional economic analysis of which the most important are: job creation, income distribution, the relative costs of capital and labor, and the influence of these on the pattern of savings and investment by small producers.[1]

The alternate non-Marxist perspective is very new. It is interesting in the manner in which it extends portions of each of two earlier competing perspectives. It is significant in the scope of its contributions, theoretically and practically: it has supplied a new understanding of social processes and a new definition of development; evolved a new strategy for effecting development; and legitimated a new set of policies for the US assistance program. It is tantalizing in the prospect it holds out for changing the world as well as the American role in it.

The Relationship Between Ideas and the Development of the Assistance Program

In this section, I will bring the ideas just reviewed and the history of the program together, much as I brought events and the program together at the end of the last chapter. Two qualitative differences between events and ideas stand out when they are handled this way. First, because policies are ideas, the ideas surrounding the program have less of an aspect of externality than do the events. And second, because ideas cannot be easily put into a time frame, the juxtaposition of ideas in the program, while amenable to a sequential

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[1] *Ibid.*, p. 160.

ordering, is not amenable to specific dating as the events and program juxtaposition was.

The following sequentially ordered periods stand out as significant in the interdevelopment of the ideas just reviewed and the history of foreign assistance:

Stage 1. The ideas implicit in the Manifest Destiny theme were predominant in the early years of the program. Of all the ideas reviewed here, only the Manifest Destiny ideas pre-date the program. This gave them a special role initially of legitimating not only the program, but also the other ideas which were to inform and legitimate the program. The containment idea was legitimated by the Manifest Destiny ideas of the responsibility of leadership and the supremacy of the American system. The early thrust towards unifying Europe is an example not only of the containment idea of forming a bulwark against communism, but also of the idea of patterning other countries on the American model.

Point Four, like the Marshall Plan, was initially more influenced by the Manifest Destiny ideas than by the Cold War ideas. In the developing world even more than in Europe, the messianic, civilizing impetus of Manifest Destiny was expressed.

Stage 2. As the east-west schism deepened, and particularly after the Korean invasion, the Manifest Destiny ideas were subordinated to the Cold War ideas in the program. The unification of all types of assistance under the Mutual Security Act is an indication of this shift in the balance of power between the legitimating ideas for the program. During this period, the use of the program for short as well as long

term political ends had its greatest acceptance. Using aid to win friends and influence nations has always been risky, and has left the program as vulnerable to criticism as to approbation. During the mid-1950's confidence in the assistance program was shaken. While the Manifest Destiny and Cold War ideas were not repudiated, the disaffection accorded the program caused their sufficiency to be questioned.

Stage 3. The experience of doing development assistance led to ideas about how to do it. The major ideas of traditional non-Marxist development theory were articulated during the first decade and a half following the inception of the program. Their importance as an influence on the shape of the program began to become evident in 1957 with the introduction of the DLF.

Just as the Manifest Destiny ideas legitimated the Cold War ideology, they legitimated the traditional non-Marxist development theory ideas. The responsibility of leadership, and more emphatically, the idea of an American expansion undergirded the emphases on industrialization and democratic institution building in the emerging theories on development.

The ideas of the Cold War and the new ideas of development were initially compatible. Development was seen as a way of effecting containment.

Stage 4. The influence of traditional non-Marxist development theory peaked during the Kennedy years when there were conscious efforts to integrate it into the program. Essentially, it went about as far as it could go. Broad ideas, such as the need to effect political and social change as well as economic development outstripped the

development of strategic ideas on how to do it however, and, as Packenham's study indicates, the program was not effectively able to reach its goals. It was during this period though, that development theory boosted the development-humanitarian thrust of the program into a parity of importance with the political-security thrust.

Stage 5. During the next period, the mid and late '60's, the program was pushed along both its humanitarian and political thrusts, almost to the breaking point. The tension between these thrusts was exacerbated, and a period of rethinking and subsequently of restructuring was forced.

During this period, all of the ideas which had legitimated the program throughout its history were challenged. The fundamental Manifest Destiny ideas of America's epitomization of progress and its capacity and obligation to be a model for other peoples were challenged. The record of the program as a part of the Cold War containment-intervention foreign policy was evaluated and found lacking; and those basic ideas were challenged. The record of the program as an effector of development was evaluated and found lacking; and the ideas of development theory were challenged.

Stage 6. This period, culminating with the passage of the 1973 legislation is dominated by the ideas of the alternate non-Marxist development theorists. These ideas extend development theory - broadening the definition of development, suggesting a new strategy for change, and moving away from the earlier reliance on the American model - and they respond to the challenge to the Manifest Destiny and Cold War ideas - emphasizing the secondariness of America's assistance

to Third World leadership in the matter of development, acknowledging the primacy of human problems over institutional forms, and placing international relations in a moral context as well as a political one.

CHAPTER V

A REPORT ON INTERVIEWS WITH PEOPLE WHO WERE INVOLVED IN EFFECTING THE 1973 CHANGE IN THE ASSISTANCE PROGRAM

This thesis combines and reflects several of my interests: the intersection of history and sociology, the processes of change and causation, and the American role in development. It also reflects some of my ideas on how research should be done: using a flexible design, temporally meshing data collection, analysis, and hypothesis generation; and using several mutually augmenting sources of information.

An explanation of how I have used interviews in this study is an essential prelude to interpreting this chapter in which I report on thirteen interviews which I conducted during November and December 1975 with people who were personally involved in producing the 1973 mandate.

Given my general interests, my first methodological concern in developing a research topic was in taking advantage of being in Washington, D. C. Legislation is obviously appropriate to that concern, and the legislating process which also involves the Executive Branch provides an even ampler opportunity to tap the city's resources. In this study, the legislating process has not been the subject of analysis, rather the process has served as "central casting" for interviews which have focused on one particular legislative exercise in order to understand its own peculiar content and context.

The "content and context" of the change has been my own shorthand reference for my topic. By content, I have meant something very straightforward: the factual information in Chapter I suffices to explain it. By context, I have meant something very complex which has the shape of ever-widening concentric circles with the program at its vortex. The context is crowded with events, ideas, and people of the past and present. I have had no illusions about uncovering, let alone understanding, the whole context of this change; indeed, the pressure of time has demanded that I continually delimit the factors to be studied. But from the beginning, I have felt that I must include a sample of each of the three aspects of the context: events, ideas and people. The interviewing I have done has been designed to augment the reading I have done by introducing the people involved in the change.

Given my general interests and my intention of including people in my formulation of the context of the change; and given my desire to capitalize on being in Washington, it was natural to decide to interview people in Congress and AID who were close to this legislative change.

The timing of the interviews was an initial concern. I weighed the advantages and disadvantages of interviewing either at the beginning or the end of the study. On the one hand, if I interviewed at the beginning, I felt I would not be a very well informed participant. I would not know what to ask: but I would surely learn some things more quickly and easily than from books. On the other hand, if I interviewed at the end, I felt that I would be a knowledgeable participant in the interviews; but I would surely learn that I had spent time on unnecessary or irrelevant matters and that I might run out of time for additional interviews suggested by the ones I had originally scheduled. Considering

these factors plus my own psychological predilections and the pressures on the time of my interviewees, I decided to schedule the interviewing at the end of my course of study. The anticipated advantages and disadvantages were realized.

Although I planned to study, analyze, interpret, and write in advance of the interviews, I never thought of the interviews as having the purpose of proving or disproving my earlier work. I planned for them to augment the earlier material in two ways: first as a source of additional data and a check, though not a proof, on previously collected data; and second as augmenting my information on events and ideas with information on people in the context of the change.

In fact, the interviews and reading have proven mutually clarifying at times, and mutually contradictory at times. One basic assumption with which I entered the interviews and which has been clearly demonstrated was that every person will perceive the legislation differently, and in a way which singularly reflects his relationship to it. Therefore, total consistency in the reports of the "facts" gleaned through interviewing is impossible. (The same assumption can be made about authors, who also act from a specific and definable vantage point.)

From the beginning, the interviewing strategy was a subject of much concern. Besides valuable advice from my faculty advisors, I relied substantially on Anthony Dexter's book Elite and Specialized Interviewing[1] for guidance in planning and executing the interviews which I held. A resume of my interviewing process follows.

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[1]Lewis Anthony Dexter, Elite and Specialized Interviewing, (Evanston, Ill.: Northwestern University Press, 1970).

Two of the interviews were substantially different from the others: one with C. Tyler Wood, a personal friend, was arranged by my husband and was begun at a luncheon meeting the three of us had. It was continued through several phone calls and was concerned with foreign assistance history. The other was with Norvill Jones, a member of the Senate Foreign Affairs Committee staff who represented the Fulbright, Mansfield, Church opposition to the mandate.

The other interviews were generally similar. With the exception of the first two interviews at AID for which I simply called for appointments, the first contact was through a letter of introduction sent by Dr. Patricia Lengermann of the George Washington University Sociology Department to the prospective interviewee. A prototype letter is included as Appendix III.

My general experience was that when I called for an appointment, the secretary had Dr. Lengermann's letter and was cordial and helpful. In one case, we actually received a response saying that my call was awaited and that I would be given an appointment. In two cases, there were delays in receiving an appointment due to the interviewee's schedule. When I could not get past the secretaries, I followed up with a personal letter, (which in one case was delivered by my husband who is acquainted with the interviewee) and in both cases appointments were forthcoming. In only one other instance (excepting Mr. Wood) was the interviewee aware of my relationship to Robert Berg, in that case, the interviewee and I had a previous brief acquaintanceship.

I received two refusals for interviews: one from Senator Hubert Humphrey and one from James Grant, Director of the Overseas Development Council (ODC). The first, I have determined, was not such an important

loss as Senator Humphrey entered the process very late. His involvement was in getting the bill through the Senate, not in restructuring the program. James Grant was significantly more important in the scenario of the change and represents one of two serious instances in which my scheduling the interviews at the end of the study was disadvantageous because I ran out of time.

During the course of the first few interviews, I learned that ODC, a private organization concerned with development, had brokered some of the ideas in the mandate and had served as a go-between for the Congress and AID. I arranged and concluded interviews with two people who had worked at ODC during the months when the legislation was prepared. I tried to interview Mr. Grant, but when I first wrote he was in China and subsequently, he was too busy to see me. He did send me a paper written by his son, James Grant, Jr., on the mandate and based on extensive interviews conducted immediately after the passage of the legislation.[1] I am confident that this paper, coupled with my reading of papers by Mr. Grant and my interviews with other ODC people gives me a good grasp of the ODC perspective and role, including those of Mr. Grant.

The other disadvantage in scheduling my interviewing so late is that it precluded interviews in the Executive Branch but outside of AID. The National Security Council and the Office of Management and Budget were both peripherally involved, not as actors in restructuring the program but as powers which did not block it, and so their perspectives

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[1]James D. Grant, Jr. "An Analysis of the Congressional Foreign Aid Initiative of 1973." This paper, written for a course in Government at Harvard, is based on research done while an intern at ODC from November 1, 1973, to December 31, 1973.

might have been interesting to get. As it is, I must rely on James Grant, Jr.'s paper and my interviews to interpret this part of the context. Similarly, I must rely on secondary sources for understanding the role of Dr. John Hannah, then Administrator of AID and now with the FAO in Rome.

Whether to rely on notes or to tape record the interviews was a major issue in advance of the interviews. While note taking offers the advantage of unobtrusiveness, recording offers accuracy and a record of your own interaction. While I might have found tape recording awkward at any period, I found it particularly difficult to suggest during the post-Watergate period when I was interviewing. My interim decision was to offer the interviewee a choice; my final decision was to rely on note taking. I am confident of my note taking abilities, honed by training in social casework and by years of being a student. I also am confident of my capacity to recollect what has transpired, an ability I sharpened some years ago when I taught in a mental hospital for two hours each day and then immediately wrote a detailed process record. The new requirement in this note taking situation was to take notes without losing eye contact with the other participant. I found that unlined paper was easiest to write on as lines tempt one to look down, and that firm, medium sized tablets were the most comfortable to hold.

Only one interview, the very first, threatened to be a runaway interview. The interviewee began talking, on target, before he sat down. In every other case, I briefly restated my objective in being there and began with a question. Initially I asked something like this: "I wonder if you could tell me how important you think the '73 legislation was, and how it came about." After the first five or six

interviews, I realized that not only did people's perceptions of what had happened differ, but their perceptions of what is important in the legislation differs, so then I began by asking: "I've found that people see this legislation differently. I wonder if you would just recap for me what you see as its major provisions and then tell me how it happened."

I carried an interview guide with me - in a little folder with my tablet. It reminded me to ask each person about four things:

1. How important a change was 1973?
2. How did it happen, what was the process?
3. What was it responding to - in the program and in the world?
4. Where did the ideas come from - what do they portend for traditional theory?

In addition, I noted major themes about which I had written and about which I wanted to remember to elicit additional information whenever it seemed appropriate. These notes included: aid as economic policy, as foreign policy, as humanitarianism; isolationism and intervention; pragmatism and idealism; stability and instability; the changing rôle of government implicit in a people to people orientation; aid's constituencies; the conditions attached to assistance; and the relationship between 1973 and Title IX.

I invariably closed the interview by asking whom else I should talk with. Everyone had suggestions. In addition, most interviewees also had printed material to give me, including books, transcripts of hearings, bills, and papers they had written.

During most interviews, I told the interviewee that I would show him all the information which I would be attributing to him before using it. Twice I did this in response to expressed hesitation to speak freely; on one occasion that was all that was needed for a very long and candid interview to follow; on the other, the interviewee said he had had people make that promise before and go back on their word. I told him my word was all I had, he acknowledged that, but never fully relaxed. In some cases, the interviews were so conversational and seemingly candid that I felt it was awkward to introduce this topic. In retrospect, I think it would have been better had I routinely made a statement about the use of the material at the very beginning. The reason I did not was because of my experience in the first interview when the interviewee began to talk before sitting down - to a lesser degree, this was repeated again and again as the interviewee began with a question about what I was interested in and only later asked what I was going to be using the information for.

All the material attributed to individuals in this chapter was sent to them for amendment or correction. Two interviewees challenged quotes which I considered inconsequential and removed. Five people made modifications in the language which increased accuracy or added elegance; I have gratefully incorporated those suggestions. A prototype of the cover letter sent with the material for consent is included as Appendix IV.

The interviews generally did touch on each of the four points I did not want to miss, and some others too depending on the interests and experience of the interviewee. The information I gathered falls into the following ten broad categories:

1. The process for effecting this legislation.

2. The content of the legislation.

3. The magnitude of the change.

4. The sources of the ideas underlying the change.

5. The factors that produced it.

6. The relationship between the mandate and the three traditional thrusts of assistance: foreign policy, economic policy, and humanitarianism.

7. The emphasis on participation and the goal of stability.

8. Who supported or opposed the legislation, both in and out of Washington.

9. The mandate and Title IX.

10. The present (1975) and future status of the mandate.

The remainder of this chapter will be devoted to considering each of these areas in turn, but first I want to introduce the interviewees.[1] I will note each interviewee's present position as well as his or her position in 1973 on the assumption that a person's later experiences will influence his recollections of earlier ones. The respondents are listed by 1973 place of employment and within each group are listed in alphabetical order.

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[1]Unless otherwise noted, all attributed comments were made at the time of the interview noted in the following list. They will not be individually footnoted.

From AID, there were:

Sidney Brown who was appointed to a three person task force in 1972 by Dr. Hannah. The task force had the assignment of restructuring the program within the bounds of existing law. The emergent paper is called "Proposed U.S. International Development Assistance Program for the President's Second Term" and is dated December, 1972. Mr. Brown is now on the staff of the Senate Budget Committee.

Allan Furman who was the head of the AID Legislative Presentation staff and who subsequently spent a year at the Center for International Affairs at Harvard. While at Harvard, Mr. Furman wrote a paper called "Foreign Aid: New Directions or the End of an Era." Mr. Furman is now AID Associate Assistant Administrator of the Bureau for Population and Humanitarian Assistance.

Linda Lowenstein who was then on Mr. Furman's Legislative Presentation staff and who is now in the office which performs the coordination function of all U.S. aid giving agencies which was established by the 1973 legislation.

Edgar Owens (Ted Owens) was and is an employee of AID, now in the Office of the Working Group for the Rural Poor. However, he has long worked outside of bureaucratic channels; he has an independent relationship with members of the Congress, most notably with Congressman Donald Fraser. During the period of interest, Mr. Owens collaborated with Bob Shaw at ODC on a book: Development Reconsidered. Mr. Shaw's responsibility was as a writer, and ODC was the publisher; the theory, which I have discussed elsewhere, was primarily Mr. Owens'.

From the World Bank, there was:

Ernest Stern who was at AID until January 1972 and who chaired a task force on agency reorganization in 1971. Untitled, the report is popularly called "The Stern Report." Mr. Stern is now Vice President of the South Asia Region at the World Bank.

From ODC, there were:

James Howe, then and now a Senior Fellow at ODC.

Charles Paolillo who was on leave from AID during this period and at ODC with Carnegie Foundation support until March 1973 when he went on the ODC payroll. Currently, he is on the staff of the House Committee on International Relations, where his responsibilities include oversight of the AID program.

From Congress, there were:

Marion Czarnecki who was and is Chief of Staff of the House Committee on International Relations (then called House Committee on Foreign Affairs).

Donald Fraser who was and is a member of the House of Representatives from Minnesota and a member of the House International Relations Committee.

Norvill Jones who was and is on the staff of the Senate Committee on Foreign Relations.

Jack Sullivan who was and is on the staff of the House Committee on International Relations. Mr. Sullivan was new to the foreign affairs area in 1973, he was brought on board because of his experience in drafting and expediting the passage of legislation.

Clement Zablocki who was and is a member of the House of Representatives from Wisconsin and a member of the House Committee on International Relations.

Generally, but not always, the perspective and knowledge of the interviewee reflected where he or she worked in 1973. (Ted Owens is, of course, the most noteworthy and consistent exception.) A discussion of the major areas for which the interviews yielded information follows.

1. The Process by which the Legislation Came into Being: This is the one area for which I had practically no information before beginning the interviews. The one fact I knew was that some members of the House had informed the President by letter in April 1973 that the administration proposals for the assistance program were inadequate and that they would be submitting an alternate bill. This made the legislation a "Congressional initiative," which is what I have labelled it elsewhere. Technically, that is correct, the bill came from Congress not the Executive. But the tale of its development which I have heard about in virtually every interview I have had is a complicated one which inclines me to concur with Norvill Jones who said the legislation was not a Congressional initiative, it was "an aid establishment initiative." He pointed out that it was a joint product of the House Committee on International Relations, AID, and ODC; which are, in fact, the aid establishment.

This is the story of the process of developing and passing the 1973 mandate; it begins at AID.

The Peterson Commission Report, done in 1970 by a business oriented Commission appointed by the President at the behest of Congress and without eliciting Congressional or AID inputs, was not well received and the administration bills patterned on it failed. The report had recommended the reorganization of AID into two agencies. Although the idea of solving problems by proliferating agencies had little appeal,

the idea of solving problems by reorganizing somehow - an old and oft repeated idea - survived. During the early 1970's, AID paid considerable attention to evolving plans for reorganizing itself. As the administration bills were defeated and Congressional criticism mounted, "reorganization" became synonymous with "repackaging" the program so that it would garner support.

The "Stern Report" was begun before the October 29, 1971 defeat of the aid bill and completed after it. It acknowledges the press of human needs, but does not suggest a new strategy for alleviating them. It does introduce and strongly recommend a sectoral approach for authorizations.

In our interview, Mr. Stern said that there has always been a debate on how to present the bill to Congress. On the one hand, it can be described in terms of country by country authorizations which are linked with security or the political motive of enhancing democracy or on the other hand, it can be described in terms of sectoral authorizations which are linked to the development motive for aid. The 1973 decision was, he said, a "tactical measure."

The report issued in 1972 by the task force on which Mr. Brown sat strengthens the recommendation for sectoral authorizations. Like the "Stern Report," it does not suggest either an emphasis on the poorest of the poor or the participation strategy developed in the legislation.

It is the consensus that Dr. Hannah spearheaded the internal drive to reorganize/repackage the program.

Dr. Hannah was respectfully and admiringly described to me again and again. Generally, he was described as a politician rather than an

intellectual, whose tenure as President of the University of Michigan gave him two reservoirs of valuable experience for his job as AID Administrator. First, as part of a state system of education, he had had years of mastering the art of working with a legislature. And second, as leader of a prime AID contractor, he had had years of learning the aid business. He is credited with personal loyalty to the President he served, although he was critical of the administration's policies on assistance.

In the fall of 1972, Dr. Hannah had two bills prepared, one a traditional bill and one designed along sectoral lines. The new bill and its accompanying presentation books as well as the Brown task force committee report were informally presented to the four appropriate Congressional committees. The bill was also presented to other parts of the Executive Branch. While it was well received on the Hill, it was poorly received in the Executive Branch - especially at the NSC because it separated military and economic assistance and at the OMB because they resented not being in on the development of the reorganization. The upshot was that the traditional bill was formally presented to Congress by the Administration, but it was given short shrift as the Congress was, by that time, asserting its own initiative.

There were several people on the House Committee on International Relations and on its staff who were concerned about passing a foreign aid bill and about evolving and implementing a new assistance strategy. Congressman Fraser and Mr. Czarnecki are generally credited with fostering the development of the ideas; Congressman Zablocki and Mr. Sullivan are generally credited with expediting the legislation.

Congressman Morgan, the chairman of the Committee is generally credited with not opposing the initiative.

Mr. Czarnecki told me that caucusing began three to five months before the bill surfaced. He also said that numerous groups contributed ideas. A nucleus formed which examined and put together "ideas, options, and language."

On April 11, 1973, a group of fifteen Democratic and one Republican member of the Foreign Affairs Committee sent a letter to the President, urging him to reform the program. The implication, on which they acted, of course, was that if he did not, they would. This letter is included as Appendix V. It says that the reorientation of the program should be based on the following principles:

1. Bilateral foreign aid should concentrate on sharing American technical expertise, farm commodities and industrial goods.

2. Future U.S. bilateral support for development should concentrate on functional sectors such as food production and rural development; population, health, and nutrition; education, manpower, and public administration.

3. Development planning must be the responsibility of each sovereign country - a responsibility which many less developed countries are increasingly capable of discharging themselves.

4. U.S. bilateral support should be provided only for undertakings submitted by the host country which involves the masses of the people who are trying to help themselves.

5. U.S. development efforts should be channeled increasingly through the private sector.

6. A single agency of the U.S. government should be given the responsibility for coordinating all U.S. development-related inputs.

Obviously, these points were each subsequently written into the legislation.

Several people told me about a series of breakfast meetings hosted by Mr. Fraser and Mr. Zablocki in April and May. Several members

came regularly, some irregularly. The group which met 5 or 6 times generally numbered 7 to 10 people. In addition to Congressmen and staff members, Mr. Grant, Mr. Howe, and Mr. Owens attended at least some of these meetings. On one occasion Barbara Ward was invited to address the group and lend her support to the policies which were being developed. These meetings had two functions: to be a seminar on the ideas in the bill for the members and to develop a consensus on the contents of the bill.

ODC was involved in the process at this juncture. Charles Paolillo, who had been in the legislative office of AID at an earlier time and who was on the ODC staff, was recruited to draft the legislation. Each week for several weeks, there were newly revised drafts. ODC also served as an intermediary between all the other parties: Congress, AID, and other parts of the Executive Branch.

The bill surfaced on May 30, 1972, in the House. Shortly thereafter, Senate leadership was sought for it. I was told that Senator McGhee was asked to sponsor the bill first, but that he declined, recognizing that he was too much of a hawk for it to succeed under his management. Senator Hubert Humphrey, the most junior member of the Foreign Relations Committee became its Democratic sponsor and floor manager; Senator George Aiken became its Republican sponsor. The bill was passed despite the opposition of three senior Committee members: Senators Fulbright, Mansfield and Church.

I asked Mr. Jones if any changes in the provisions of the bill would have garnered the support of these three important Senators. He said he thought that the climate of their discontent was so great that only scrapping the program and starting fresh would have sufficed.

There ensued months of hearings, close votes, conference, and finally passage. ODC as well as some at AID and members of Congress publicized the bill, lobbied for it, and created new confidence and support for the program. Lively and interesting as the story of May to December is, the process of developing the change was essentially complete when the bill surfaced.

2. What the Content of the Legislation Is Primarily About: While I anticipated that everyone would see this the same way, they did not. That is not to say that anyone did or would deny existing aspects of the law, but individuals interpret it differently.

Where there is diversity, it is neither infinite or random. It can be explained by the relationship between what the person says is important in the law and where he or she was working in 1973. For AID people, the important change was often described as the shift to sectoral planning and appropriation; for ODC and Congressional people, the important change was often described as the emphasis on reaching the poor through a strategy of participation.

My awareness of this pattern happened accidentally. My first interviews were at AID and then with Mr. Owens and then on the Hill and then back to AID; after about five interviews, I realized that some people were telling me primarily about sectors, and others about participation.

Two interviews stand out because they were thoughtful and because their assessments were so different. Mr. Stern was generally skeptical about the scope of the change. He had, of course, recommended a sectoral approach in his report, and he is now with the Bank which emphasizes reaching the poor. As for AID's potential to do so, he said

that the amount of assistance given most countries is so small, that the best you can do is "make sure your policies don't adversely affect income distribution." His skepticism about the participation strategy was much deeper. He said: "The concept that the US can create more participation at the level of the national regime or at the village level is doubtful. This is an indigenous problem of political evolution to which the US contribution can only be marginal."

For Mr. Paolillo, the participation strategy is the major component of the change. The legislation's other provisions - the sectoral approach, the limitation on large construction projects, the self-help collaborative style - sometime "obscure the central point." About sectors, he said: "The vehicle for the change was functional categories, but it is clear that functional categories are not the same as the change in development strategies." About large industrial and construction projects, he said: "The Committee and Congress narrowed AID activities beyond what the strategy demands. After all, industry can help the poor. A dam can change their lives; indeed, they may depend upon it. The question is one of how it is done, who is benefiting from it." Similarly, he said "the collaborative style provision does not require AID to support without question activities proposed by developing country governments which are inconsistent with a participation strategy of development."

3. What the Magnitude of the Change Was: The above disparity really relates to the differing views on the magnitude of the change. On the one hand, it was seen by some as a cosmetic change, one of a series of repackagings the program has experienced, designed to shift attention from an aspect of the program currently in disfavor to an

aspect currently in favor. On the other hand, it was seen by some as a turning point, not only in point of view, but also in strategy.

4. The Ideas Underlying the Legislation: The sectoral approach came from AID. As I have noted in the review of the program's history, it was used before and was, as Mr. Stern observed, long considered an option. One interviewee said that his background made it easy for Dr. Hannah to see the world sectorally, which helped the idea gain currency in AID at this time.

The AID objective in advancing the sectoral approach was to refocus Congressional attention on the program. The refocusing was, of course, away from aspects which drew disaffection and towards aspects which would draw support. The underlying reasoning is that people respond differently, and at this juncture more favorably, to lending a helping hand with problems of world food, education and health than to the industrial and political development of countries X, Y and Z.

The Congress added the idea of concentrating on the lowest 40% in every economy: the poorest of the poor. I was interested in learning where this idea came from as it is in diametric opposition to the development thinking of the previous era which stressed building a middle class elite.

Whenever I asked about the genesis of ideas, I got a large number of responses crediting one or another individual in the small cast of actors in this change with the idea. Though there are several "idea men" in this group, I was interested in additional sources and the idea men's sources as well. Usually I did get a small number of answers which referred to development theory beyond that generated by the immediate actors.

When I asked where the idea of concentrating on the poorest of the poor came from, I got several responses which were interesting. Mr. Stern told me about work going on in Latin America in the late '60's. The maldistribution of income was immediately perceived by the researchers and questions were asked: Who are the poor? Can you structure a program so that the low income people will be helped? Will a sectoral approach help?

Several interviewees talked about the sectoral approach as a channel for assistance which would not necessarily help reach the poor. They pointed out that it is a scheme which can be used in conjunction with either a "top down" or "bottom up" assistance strategy.

Mr. Howe traced development theory in much the way I did in my earlier chapter on it. Mr. Howe said that the Rostow "Stages of Growth" was a legitimation of trickle down. Originally, it was thought that it would work for everyone, but it did not. Yet for years there seemed to be no alternative but the Russian one which also said to "modernize, urbanize, and push an export led development system." The issue of whether you do top down or bottom up development has become "the primordial issue," he said.

One of the direct ODC contributions to the development of the ideas in the legislation was their 1973 Agenda for Action, an annual publication of development issues. In addition, they published many pamphlets emphasizing the need to reach the poor and advocating a participation strategy. James Grant wrote: "Policy changes designed to provide more opportunity for the 'little man' to participate in

development can be highly efficient in helping economic growth."[1]

Another direct input of ODC was achieved via their teaching role at the April-May breakfast seminars.

An indirect ODC role in developing the ideas in the legislation was their assignment of Robert Shaw to work with Ted Owens on Development Reconsidered, and ODC's eventual publication of their book.

The participation idea does not belong to any one person; but one person, Ted Owens, had a particularly important role in making it a part of the U.S. foreign assistance orientation.

His own experience in Pakistan, where, on specific projects, he saw democratic principles at work, convinced him of the soundness of a participation strategy in terms of achieving economic development and human justice. A man with an idea, and little regard for bureaucratic channels, he began to talk with policy makers about it. He went directly to the people he wanted to influence, told them about the theory and suggested people in academic and professional circles with whom they could check it out. Interestingly, he noted that he did not have to disabuse many people of earlier theories as they were generally unknown.

At the crux of the participation strategy is the contention that participation is economically viable; that it fosters growth. I asked Mr. Owens what sources, other than personal experience, influenced the development of his thinking in this area. Mr. Owens said that originally, confronted with the conflict between growth and justice, the

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[1] James P. Grant, "Growth From Below: A People Oriented Development Strategy," (Development paper #16; Washington, Overseas Development Council, 1973), p. 22.

response was one of "political intuition." By the 1970's, this intuition had developed into a theory. He credited Bruce Johnston with being the first to articulate it - Johnston looked at Japanese farming, saw that it was different from ours, but also efficient, and asked why. Other agricultural economists and later rural development economists contributed to this growing stream of theory. The demonstration that small farms are efficient was "crucial" he said to making the participation strategy a viable alternative to the traditional model for development which emphasized bigness. Owens' theoretical framework applies to an economy which is primarily agrarian, but it is concerned with its industrial components as well as its agricultural element. Mr. Owens said that the theory in this area was given impetus by a 1970 study on full employment which Dudley Seers did for the ILO. Following this, industrial economists began to look at small industry. Mr. Owens concluded by saying that "small producer economies" is a phrase which he did not use in Development Reconsidered, but is one which he now finds "useful" in identifying this component of the theory.

In a paper he gave me entitled, "The Debate About Development in a Foreign Policy Context," he writes: "As the evidence has accumulated that small producers can be efficient and that people on very low incomes can save if they are owner-operators, more and more economists and others concerned with development have come to accept the participation strategy as viable in economic terms."

During our interview, Mr. Owens mentioned that he had asked Norman Uphoff, a Cornell professor, to do a brief recapitulation of development theory for him. He promised to send me a copy, which he did.

This was one of several papers which were given to me by my interviewees. I have chosen to use them in this chapter, rather than as regular reference materials in the other chapters, because without the interviews, they would not have been available to me and because they represent inputs of the interviewees.

Uphoff's paper is called "A Short Discourse on the Vagaries of 'Development Theory' Over the Past Twenty Years." It is a small paper, packed with facts and evaluations.

Uphoff says that development theory has been hurt by American "arrogance" stemming from "the overconfidence of coming from a 'successful' (?) country and dealing with 'unsuccessful' countries."[1] Policy makers have adopted the most attractive theories, changing them only as events have compelled them to do so. All the theoretical statements to date are what he calls "academic" as opposed to "scientific."[2]

He writes that twenty years ago theory stressed the utilization of labor, information (technical assistance) and incentives for developing rather than capital. By the 1950's, Harrod and Domar had analyzed the relationship between rates of savings and investment and the growth of GNP for developed countries and Arthur Lewis, sensitive to social and cultural factors, wrote about what could make LDC's want to save, invest and grow at a high rate. Uphoff goes on to say that

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[1]Norman Uphoff, "A Short Discourse on the Vagaries of 'Development Theory' Over the Past Twenty Years." This paper is part of a forthcoming book: The Politics of Development, Illuminated by Experience in Nkrumah's Ghana, Chapter 15.

[2]Ibid.

Rostow, seizing upon the current theme of compound growth and without Lewis' sensitivity to social and cultural factors, developed his "Stages of Growth." He writes:

> Gone was concern with cultural factors or 'absorptive capacity.' Here was an approach to development which gave the richer countries a positive means of assisting development. It coincided, fortuitously for the theory, with the advent of the Kennedy administration with its 'can-do' enthusiasm.... Enthusiasm outstripped the empirical and theoretical justification for this approach to development.[1]

Critics of this approach "began to rally" by the end of the 1960's Uphoff says. He mentions the upsurge of Marxist criticism but concludes: "Still, the new lines of thinking came most notably and influentially from within the camp of more orthodox development theorists."[2] This substantiates my earlier analysis of the three schools of theory. So does his citation of the Dudley Seers SID speech in New Delhi as "The most noted apostasy."[3] I was in New Delhi and I remember well the shock wave of excitement that speech caused.

Uphoff also mentions the next SID meetings, in Canada. Several interviewees mentioned these to me as a source of ideas, particularly noting that Marion Czarnecki had been influenced by the new directions projected there.

Uphoff also mentions the ILO study Owens mentioned and the Johnston work on Japanese farming. He cites the growing appreciation of the Chinese experience,[4] which I hypothesized was important in creating

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[1] *Ibid.*, p. 2.

[2] *Ibid.*, p. 3.

[3] *Ibid.*

[4] *Ibid.*, p. 4.

a climate for considering alternative development models. By and large my interviewees said that this was not a major factor in their thinking; it is my revised supposition that it may have played a greater role in academic/theory writing circles than among policy makers. Uphoff also cites the Owens and Shaw book as a contribution to the current theory.[1]

Uphoff cautions that the failures of old theories coupled with their unscientific nature should "lead us to treat with appropriate skepticism and empiricism the current 'wisdom' about development."[2] He counters this caution with calling the current theory "progress" and he concludes by saying: "What can be said with some confidence is that the theory treating capital as the necessary and sufficient condition for development is discredited and will probably never rule the theory roost again, though it dies hard, both in academic departments and in government agencies."[3]

Generally there was not time in my interviews to trace the "vagaries" of the history of development theory although I think about half of the interviewees might have been able to do so in an interview devoted to that.

5. The Factors Which Produced the Changes: Almost everyone suggested that the downswing in support for the program gave impetus to its redirection. Votes were not there for either the old program or the administration proposals based on the Peterson Commission report.

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[1] Ibid., p. 3.

[2] Ibid., p. 1.

[3] Ibid., p. 4.

Something new was needed. As Ms. Lowenstein said, "The necessary repackaging dovetailed with the emergence of new ideas."

As we've seen the sectoral approach was advanced by AID as a repackaging device while the concentration on the poor and the participation strategy emerged from the House Committee as a reorienting measure. The obvious reason for this latter was the disillusionment with the previous theory and strategy. It had been demonstrated that the trickle down concept was ineffectual and so another concept was sought. When it was also demonstrated that participation fosters growth, that strategy was embraced.

These two reasons, the need to repackage the program to recoup support and the need to replace an inadequate theory and strategy, were often cited for the change. I also pressed for other factors, within the program or external to it which were influential.

Only about half of my interviewees articulated other factors which gave impetus to the change. Among those most prominently mentioned were (1) the war and the resultant sense of wanting to handle economic assistance separately from military and giving it a development emphasis, (2) the awareness of hunger which tapped the desire to share the American bounty, (3) the growing sense of interdependence caused by the proliferation of information on population growth and resource use, and (4) the increasing awareness of the dichotomy between US prosperity and world poverty which fostered a belief in the need for greater equity.

6. The Relationship Between the Mandate and The Three Traditional Thrusts of Assistance--Aid as Foreign Policy, Economic Policy and Humanitarianism: Very little was said about assistance as economic

policy. That thrust, strong in the early years, has seemingly declined in importance.

Numerous interviewees talked at length about aid as foreign policy. It is the consensus that aid and foreign policy cannot be divorced; but that aid can serve either or both long and short term foreign policy. Several interviewees aligned the White House and, traditionally Congress too, with short term foreign policy goals; and AID and the present Congress with long term foreign policy goals for assistance. Several interviewees emphatically told me that what the mandate does in this area is to limit the short term political uses of economic assistance.

A fair portion of the Administration opposition to the bill was attributed to this. Several interviewees said that the Administration decried its loss of "flexibility."

While this legislation was seen as delimiting the foreign policy uses of aid, it was also seen as strengthening the humanitarian uses of it. Several interviewees pointed out the internal tension between these two thrusts which underlie the program; two referred to this tension as "political schizophrenia." Mr. Stern, aligning most of the Executive Branch and Congress with the political thrust and AID with the development thrust said "Over the years, there has been an oscillating ascendancy between these two groups. Congress was never much interested in the development aspects of aid. There is somewhat more interest now. This is an old thrust in AID, a new one in Congress." Also pointing out the White House's reluctance to lose flexibility, Mr. Howe noted that a multilateral approach is the least acceptable to them, and since that

loomed as a possible alternative a bilateral program emphasizing development, though not as desirable as one emphasizing security, was acceptable when their own proposals failed.

Although there is a traditional tension between these two thrusts of the program, there is always a need to reconcile them as far as possible. Mr. Paolillo talked about the reconciliation implicit in the '73 legislation. He said that the legislation attempted to "insulate development assistance from short term political considerations" but that it is "ultimately political." One can make a case, he asserted, that it is in the political best interest of the US to make it possible for people in the LDC's to undertake equitable development which benefits everyone and does not necessitate totalitarian foreign political systems. "Thus far," he said, "The best most countries have been able to achieve has been broad based development with a politically repressive government or narrow based development with a relatively freer government. What this legislation contemplates is the kind of broad based development that can take place in the framework of political systems which enable people to participate in the decisions that affect their lives."

Only one interviewee mentioned ambivalence at AID about the new legislation. Mr. Sullivan said that while they are pleased that it limits the State Department's "political poaching" they are displeased that it limits their own authority to do large scale capital intensive projects.

7. The Emphasis on Participation and the Goal of Stability: I hypothesized that the emphasis in this legislation on the poor - the peasantry - was a response to Vietnam where a peasant army kept the

American army from victory. This would be a repetition of the pattern of a change in assistance policies following a global trauma which the response to Korea established. I reasoned that the policy makers were looking for another way to meet the problem of the peasantry. When I advanced this view in interviews, it did not strike a resonant chord.

I also reasoned that, given the history of peasant revolutions in this century, any intervention in that social stratum might be destabilizing. When I advanced this, I was generally told that "it had not been thought through that far."

Assuming then that this was a new idea to them, the responses of several interviewees as they mulled it over were interesting. Congressman Fraser dismissed it saying "those of us who have been actively concerned about development recognize that the development process itself is destabilizing." Mr. Paolillo said "You can't scare members with that thought today as you once could. Some accept it. For example, Senator Church has said publicly that revolution may be the only way out for some countries. While most members probably wouldn't go that far, the issue doesn't seem to evoke the strong response it used to."

When I asked Mr. Owens, who is not a revolutionary, how he could be sure his theory is not revolutionary, he said he "hopes." Like it or not, he said, we live in a revolutionary time. What we want is to avoid the kind of revolution the Chinese had, the kind the French Revolution and our Civil War were. But surely, he asserted, there will be "small outbursts." One just hopes that humanity will see there is a better way; that there is an evolutionary possibility. You hope that if you get enough economic development going, it will open the society to the possibility of "becoming a humane society."

Mr. Paolillo talked about the potential of this philosophy's transforming world society only if it becomes part of our total foreign policy orientation, not just our economic assistance policy. He said: "The relationship between this strategy and change is not totally clear to me. A lot of people think this strategy of justice before the revolution is the way, the only way, for peaceful change. I think that's asking a lot. But if the US government were to adopt this as a major thrust of our foreign policy, not just assistance policy, (and it has not) then it could serve that function." This taps two themes which I heard repeatedly: (1) an expression of the hope to make a difference through the program in the quality of human society and (2) the total and pragmatic awareness of what a drop in the bucket, in every sense, this small program is. The program's limitations in terms of representing a small amount of money, a small part of foreign policy, and as a small influence on another country's evaluation of its own social priorities were all cited during the course of the interviews. And yet, for most of the interviewees, this legislation represented a significant step forward.

8. The Program's Constituents, In and Out of Washington: The interviews substantiated my view that there are multiple constituencies, from different places and in support of different things, for the program. The previous discussion on the uses of assistance as foreign policy, economic policy and humanitarianism indicate where the traditional and new constituencies in Washington are and what they support.

Some interviewees offered interpretations as to why specific individuals were inclined towards the new policies. Mr. Sullivan offered an interesting explanation which he felt was applicable to many

of the major actors on the Hill and in AID. He said the major support came from people who came out of the populist tradition in which the rural - urban balance is presumed to rest on a strong rural sector. The ideas that the farmer needs to enjoy prosperity to support cities and that the modern plagues of unemployment and destability are urban ills promoted by weakness in the rural sector (and allayed by strength in the rural sector) underlie the American populist perspective. They are expressed in this legislation, which easily garnered the support of Congressmen coming from that tradition.

As noted, the economic thrust of the program is not as strong as the other two. The notes on the business constituency for assistance are particularly interesting as they belie the claims of the neo-Marxists that the program exists for the advantage of the business community. Mr. Stern said that when he was in AID they tried to convene business-people interested in the program, but got nothing but complaints. The large business lobbyists complained that there just is not enough money in the program for them to lobby for it - especially when you divide it by industry, state and city involved. The small businesses complained about the amount of red tape involved in doing AID business. There was little interest in supporting an aid program as a means of expanding markets.

Similarly, Mr. Howe said that ODC had discussed the legislation with a few people in the business community to develop a lobby for the legislation and had found that they were not interested. Although American firms do a large part of the total AID business, the American firms involved get only a small fraction of their total business from AID, he pointed out.

Numerous interviewees mentioned the humanitarian inclination of

the American people as a fount of support for the program. Mr. Howe gave me two studies on American public opinion which update the material by Alfred Hero which I presented earlier. Only one of these was available in 1973, it was a survey done by ODC. A summary of its Summary of Findings follows:

1. Americans are generally very ignorant of development issues.

2. Despite this lack of information, public support for the idea of giving assistance to underdeveloped countries is at an historic high of 68%, considerably above the 51% and 58% levels recorded, respectively, in 1958 and 1966.

3. One of every three (38%) Americans is basically sympathetic to the concerns of the poor countries. Another 37% of the public is uncommitted and ambivalent...25% of the public is generally unsympathetic to poor-country needs.

4. Development support is more concentrated among young, better-educated, upper-income, and politically liberal Americans. Yet blacks, too, are potentially strong development supporters....And young Americans between the ages of eighteen and twenty-five are a potential bulwark of development support.

5. Americans clearly favor aiding the poor countries for primarily moral and humanitarian reasons. The "cold war" rationale for providing economic assistance appears to have lost much of its earlier public acceptance. The public believes that those countries most in need of U.S. economic assistance should be favored in the allocation of such assistance.

6. While the public expresses a definite sense that U.S. assistance to underdeveloped countries also benefits the United States, Americans are vague as to just what the benefits are. The public is almost totally unaware of any economic interdependence arguments that make assistance to underdeveloped countries a long-run interest of the United States as well.

7. The expressed public support for the principle of U.S. assistance for the poor countries is not necessarily translatable into support for U.S. government aid programs.[1]

The Manifest Destiny theme which I developed at length earlier was seldom touched on in the interviews; there was simply not enough

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[1]Paul A. Laudicina, World Poverty and Development: A Survey of American Opinion, (monograph #8, Washington: Overseas Development Council, 1973), pp. 4-5.

time. Ideally, a second interview with people who showed promise of contributing in the areas of development theory and ideological themes in American life should have been scheduled. Ideally too, a broader range of interviewees, including theoreticians and historians, would have to be sought out if the interviews were to be made to correspond to all the themes explored earlier. Along this line, Ms. Lowenstein did allude to "the American mystique" - a personal, problem-solving approach epitomized by the Peace Corps.

9. The Mandate and Title IX: It was the consensus that Title IX was a tentative and somewhat inadequate step in the direction definitively taken in 1973. Interviewees said Title IX was "out of phase with the times" and "raised more questions than it answered." The gist of the criticism of the provision was that it placed too much emphasis on political development without linking it to economic progress.

The 1973 legislation was a progressive step in that it did link political and social processes to economic growth. As Mr. Paolillo pointed out, you can not convince the government officials of foreign countries to go along with a participation strategy unless you can demonstrate that it will foster growth.

Mr. Sullivan made an important distinction between Title IX and 1973: he said that while political organizations are the primary focus of Title IX, the participation strategy can focus on them, but does not necessarily do so.

The participation theory is one of economic as well as political participation. Mr. Owens has an explanation for this. Although he may have evolved it after 1973, it is illuminating and bears repeating.

Democracy, as we know it, originated as an effort to establish civil rights for the protection of the poor masses who, at that time, were not imagined to have any future prospect of economic betterment. The poor were expected to stay poor. In the present post-industrial revolution era, there is every expectation that the poor need not remain poor, and so the primary meaning of democracy has shifted from civil rights to protect the poor to participation to integrate them into the modern social system, and especially to lead them to the prosperity which is within reach. Economic participation could be the starting point for democracy today just as civil rights once was.

This is an explanation of why foreign ministers must be assured that a development strategy will foster economic growth and why political organization is not the primary focus.

10. The Present (1975) and Future Status of the Mandate: I was not interested in this; but everyone else was! To a degree, the evaluation of whether 1973 was just a repackaging or also a fundamental shift colored the prognosis given for the program's future.

Generally there was elation at the step just taken this fall: the division of economic and military assistance. There was wide recognition though that all programs would compete with each other for resources and there was concern about the extent to which politically motivated programs would "suck off" money, personnel, and other resources and possibly erode support for all assistance. Not everyone expressed this concern; those in Congress seemed more confident that the economic assistance program is protected now as it has never been before.

There was also concern that this policy orientation would be no more than a Congressional fad. History is replete with examples of fads; the serious effort to learn about assistance which has produced a knowledgeable nucleus of members is considered a safeguard against this. One evidence of the seriousness of the intent of Congress to have its mandate heeded is the establishment of Congressional oversight committees in the House and Senate which are closely watching AID.

CHAPTER VI

CONCLUSIONS

This thesis has developed as an attempt to bring together my substantive interest in the American role in development, my theoretical interest in the change process, and my methodological interest in utilizing a flexible research design. This brief concluding chapter comments on each of these interests.

The American role in development. Recently concern about the American role in development has been rising. Sociologist Peter Berger, political scientist George Kennan, and Senator Frank Church, all of whom have been repeatedly cited in this paper, have recently recommended that America lead by example rather than by actively involving itself in the development of other countries. This is a viable alternative within the American tradition where there has long been a tension between the opposing courses of intervention and isolation.

The 1973 foreign assistance legislation was sensitive to this dilemma. While any foreign aid program is at the interventionist end of this continuum, the legislation in 1973 went farther than any previous legislation in curtailing the political uses and interventionist potential for the program. It did this by earmarking funds for functional sectors which relate to people's lives in a personal way, rather than to their collective life as a nation. It also did this by focusing on the individual's relationship to his society, rather than on national institutions.

The need for rethinking the intervention-isolation question in 1973 was exacerbated by the experience of the Vietnam War. Wars have exerted profound influence on the program. Indeed, the program began as part of the recovery effort after World War II, its thrust as a foreign policy instrument was radicalized after the invasion of Korea, and now, after the Vietnam War, its political thrust is being de-emphasized while its humanitarian thrust is being emphasized.

The assistance program has three thrusts - foreign policy, economic policy, and humanitarianism. Each has contributed needed support to the program and each must be accommodated within it. These three thrusts are not wholly compatible with one another however, and at times one or another has predominated. One of the major ways the program's policies were changed in 1973 was by shifting the emphasis accorded these thrusts.

The relationship between the thrusts of the program is influenced by a wide range of outside factors. Wars, and other geopolitical events have been one source of influence on the program; ideas have been another. Interdependence, traditionally based on economic factors and, in these times, increasingly based on the nuclear threat, is not to be discounted in analyzing the shifts in the balance between these thrusts. Nonetheless, in my view, the power of ideas must be given an equal role in interpreting and accounting for shifts of this nature.

The example of change just used, the curtailment of the Administration's flexibility in using the assistance program as a tool of foreign policy which was made as a response to the War, can be restated as a change made as a response to the idea of cultural expansion implicit in the Manifest Destiny theme.

Interpreted this way, one notes that the 1973 legislation continues the tradition of expressing the American interest in espousing and encouraging democracy. Implicitly acknowledging that many developing countries will have authoritarian governments, the focus of American assistance is redirected by the legislation from the government to the individual in his private and work life, where democratic participation can be fostered.

In addition to being a channel for expressing the American concern with the growth and development of democracy, the participation strategy, which is a cornerstone of the 1973 legislation, is a channel for expressing the American concern with encouraging economic growth.

Evidence of human need has exerted a profound influence on the program. The American response to need has consistently been two-fold: (1) it has offered relief, and (2) it has offered rehabilitation or development, as needed to foster self-sufficiency. The Robert Oshin memo cited earlier, criticizing the Marshall Plan efforts at rehabilitation in Europe, illustrates the consistency with which this second aspect of the response to need has been the more difficult to effect. The 1973 legislation, in positing a new strategy for development, is the latest attempt to fulfill the American role in the development process well.

In 1973, in addition to evidence of need motivating the program, there was a record of only moderate success in trying to alleviate need with assistance challenging the program's continuation. Acknowledging the marginal effects a small program can be expected to have, it was still widely felt that the program had fallen short of reasonable goals.

Therefore, its methods were questioned and examples of more successful efforts were sought.

Despite their dissimilarities Israel, Japan, Taiwan, some states in India, and Egypt were noted as examples of dramatic growth. Participation in their own course of development by the masses of people involved, was noted as a common thread running throughout these examples, and so the participation strategy evolved and was proposed for American assistance.

The participation strategy is an important innovation. It effectively turns around the top-down development strategy of earlier decades which met with limited success. It is evidence too, of continuing creativity and growing expertise in the areas of development theory and practice. It is appealing because, while it modifies them, it does not depart from the American traditions of fostering democracy and economic growth with assistance.

The 1973 legislation, in response to outside factors and to the program's own record of mediocre accomplishments, changed the balance of influence among the three thrusts of the program and it introduced a new development strategy. While the humanitarian thrust and development strategy are compatible and complementary, they are not synonymous. The balance between the thrusts could change and the strategy could continue to be used - to effect a program emphasizing political or economic policy.

The likelihood of such a shift in the near future seems dim to me because pressure to restructure the American role vis a vis the LDC's continues to mount and it definitely points away from a strong assertion of US political or economic involvement in the Third World.

During the months in which I have been working on this study, the demand for a New International Economic Order, with its implication of restructuring social and political international relationships as well, was presented at the United Nations. This indicates the importance of continuing to attend to the American role in the Third World. Foreign aid is only one part of the total political and economic relationship the United States has with other countries. However, at this juncture, when there is a demand for restructuring the total relationship, the foreign aid program deserves special attention because it has taken a step in that direction.

The concept of change. Originally, I conceptualized the program as the center of a network of factors which worked upon it to produce change. I called this network of factors the context of the change and I selected several of its components for study because I judged them to be particularly critical.

As the study evolved and I thought about the specific change in question, I began to formulate some notions about causality: that change has multiple causes; that it frequently proceeds from conflict; and that conflict may be generated within the experience and history of a thing, or that it may impose itself from without. Although, I thought of the relationship between the assistance program and the factors in its context as a two-way relationship, it was fairly late in the course of looking at them that I realized how truly reciprocal the relationship is and that I began to think in terms of a feedback loop.

The relationship between development theory and the program graphically makes a point which is central to my current thinking about the relationship between a changing phenomenon and its context: that is

that when a change occurs in a phenomenon (in this case the program) that comparable changes will be found in the contextual factors (in this case development theory) surrounding it. In this example, the phenomenon and contextual factor are so highly related and so truly interactive that cause and effect status can not be designated for them. This is a classic example of the feedback causal pattern which, in varying degrees, is involved amongst all the factors in this context. The program, and the contextual components - history, events, ideas, and people have each been cause and effect to each other.

While it might seem that one could look at the cross section of a context and see several static factors surrounding a moving center called "change," the true pattern is the reverse. The change can be described in a fairly static way for although it may quickly erupt or slowly metamorphize, there are a "before" and an "after" which can be compared. The context on the other hand is a vast, intricate, moving network. It is striking, but not coincidental, that each of the components of the context of the change in the program also reflects change.

The use of a flexible research design. I began this thesis (and conclude it) with the conviction that hypothesis generation, data collection, and analysis should be continuous and simultaneous processes.

I selected my topic because it seemed amenable to the kind of study I envisaged, and because it would allow me to look at a substantive area and a theoretical concern which were of interest to me. I was also eager to capitalize on being in Washington, which this topic allowed me to do.

I began with a loose topic -- the content and context of the 1973 legislative change in the policies of the assistance program. My intention was to discover the meaning of the change and figure out what had produced it. I listed the contextual factors I thought were important, chose a manageable and essential few, and began to research and then write one chapter after another. They were developed in the order in which I have presented them with one exception: originally the events and ideas chapter were one, and the ideas segment was written first. When I began to edit the material at the end, I transposed them because it seemed more logical to chronicle the events of the times immediately after the events of the program's own development.

As I moved along, I was continually faced with choices as to what factors to include. It is interesting to speculate on how a different ordering of the research process might have affected the selection of topics I have explored. Had I conducted the interviews first, and then done the ideas chapter, I am quite sure Manifest Destiny would not have been included; but the religious-humanitarian theme in American life would have. In fact, they are probably both important. Similarly, if I had read Norman Uphoff's paper instead of Aidan Foster-Carter's before writing about development theory, I might have written about the contributions of agricultural economists to the neglect of the interplay between the three Marxist and non-Marxist schools of theory. Again, both are probably important.

Increasingly, as I went along I became aware of the wide range of factors I could, and had to, pick between in developing any one aspect of the context. In the end, I began to describe the factors I chose as a sliver of the relevant aspect. And, regretting all the aspects time

did not let me research (especially the impact of the Third World suggestions, criticisms, demands and other responses on our program; and the relationship between economic history and the program), I began to think of the aspects I have looked at as only a sliver of the total context. I have been comforted though by my sound conviction that the aspects which I have looked at, and the specific factors within them, have been critical ones.

One of the problems with this type of flexible research is that it is, indeed, ongoing. It's evolutionary format invites one to make a single endeavor into a life's work. A compromise with perfection, and discipline about deadlines are necessary to ever "completing" this type of project. I have left each chapter with the feeling that I had touched on what I originally planned; but not all that I discovered, in the process, that I might.

Were I to do this project again, I would leave considerably more time for thinking between the basic research and the writing. When there is so much to study, breaking off to think it through requires strong discipline.

In the course of doing this study, I was surprised several times by what I learned. The first surprise was that there is not a single, comprehensive history of the program available. Though sorely tempted, I did not write one - but the history of the selected areas I cover in the second chapter is more complete than anything I found available.

Another early surprise was at the perceptions expressed in the 1940's about how long and complicated the development process promised to be and about where it would be in conflict with other American

perspectives. I think the debate at the time of Point Four was sophisticated and compelling. History shows that in the ensuing years the issues articulated then have demanded attention.

During the interviewing, I was surprised each time the change, which I had come to think of as a fundamental reorientation of basic policy, was called a "repackaging." Similarly, I was surprised to find on several occasions that I had been seduced by a well developed but lopsided argument. This is, of course, a common and serious problem. One antidote is to find a devil's advocate and talk it out; another is to find another persuasive book which takes an alternative perspective; and another is to study the Truman Doctrine - it is an object lesson.

While I was not primarily concerned with studying the legislative process, I did learn a great deal about it. I was pleasantly surprised to learn about one novel aspect of the process in this instance - the institution of a seminar on the ideas underlying the proposals. Members of Congress, I was told and have observed, are incredibly busy and seldom have time to study an area in detail. In 1973, a small, conscientious, and concerned group did study the development question; not only as a legislative or administrative problem but also as a theoretical area.

Finally, I was surprised when other people were surprised that I was studying the assistance program as a sociologist. I do not find it surprising to approach the assistance program from a sociological perspective; I find it logical. I would like to conclude this chapter with some comments on this study's place in sociology.

When I have been asked why I am studying aid, I have mentioned my sociological concern with change, which has evoked a knowing "Oh yes,

of course." Actually, the change in the assistance program's legislation is a type of change which is commanding considerable attention within sociology today - it is a change in social policy.

Social policy, which impinges on the lives of us all in many and various ways, is multifaceted. What the policies are, how they are formulated, how they affect people, and how they can be evaluated are all topics which are currently being studied. This study clearly has a place within this area, which is on the sociological frontier.

The concern with social policy questions requires that sociologists collect data from policy makers. This in turn requires developing "elite interviewing" skills. While these techniques are not new, they are not those most customarily found in the sociologist's repertoire; therefore, each new elite interviewing experience has the potential of adding to the profession's store of knowledge. My own experience has certainly enhanced the value of this thesis as a training exercise for me.

Although it has been dominated by economists, sociologists have made significant contributions to development theory. In fact, of all the areas I studied in the course of this project development theory was the one which I had had previous exposure to as part of my sociological education. So in this area too, this study is located within a defined and established sociological tradition.

Capturing the exact intersection of history and sociology for any single topic has long been a tantalizing problem for sociologists. I have assumed that the patterns of sociology are to be found in the specifics of history; and so, chapter by chapter, I have accumulated specifics and teased out patterns. While I have not always been wholly

satisfied with the results, I have felt that the notion was right. There is, I think, value to me as a sociologist in having grappled with this problem.

From the beginning, I made one more assumption about this project which I must mention. I assumed that its greatest potential for making a difference would be measured in terms of its value to my education and training as a sociologist.

I value it highly in these terms. It has been my first opportunity to weave the substantive, theoretical and methodological strands of my education together. It has been my first opportunity to pose my own questions, and find my own answers. It has been an exciting odyssey. In conclusion, I want to acknowledge the latitude which was given me to pursue this project as I wanted to; and the guidance which was given me whenever I needed it.

APPENDIX I

THE FOREIGN ASSISTANCE ACT OF 1961, AS AMENDED

PART I, CHAPTER 1 AND TITLE IX

a. The Foreign Assistance Act of 1961, as amended

Public Law 87-195 [S. 1938], 75 Stat. 424, approved September 4, 1961, as amended by the Foreign Assistance Act of 1962, Public Law 87-565 [S. 2996], 76 Stat. 255, approved August 1, 1962; Public Law 87-793 [Postal Service and Federal Employees Salary Act of 1962; H.R. 7927], 76 Stat. 832, approved October 11, 1962; Public Law 88-205 [H.R. 7885], 77 Stat. 379, approved December 16, 1963; Public Law 88-426 [Government Employees Salary Reform Act of 1964; H.R. 11049] 78 Stat. 400, approved August 14, 1964; Public Law 88-448 [Dual Compensation Act; H.R. 7381], 78 Stat. 484, approved August 19, 1964; Public Law 88-633 [H.R. 11380], 78 Stat. 1099, approved October 7, 1964; Public Law 88-638 [Amendments to Agricultural Trade Development and Assistance Act of 1954, as amended; S. 2687], 78 Stat. 1035, approved October 8, 1964; Public Law 89-171 [H.R. 7750], 79 Stat. 653, approved September 6, 1965; Public Law 89-371 [H.R. 12169], 80 Stat. 74, approved March 15, 1966; Public Law 89-583 [H.R. 15750], 80 Stat. 795, approved September 19, 1966; Public Law 90-137 [S. 1872], 81 Stat. 445, approved November 14, 1967; Public Law 90-554 [H.R. 15263], 82 Stat. 960, approved October 8, 1968; Public Law 90-629 [Foreign Military Sales Act; H.R. 15681], 82 Stat. 1320, approved October 22, 1968; Public Law 91-175 [H.R. 14580], 83 Stat. 805, approved December 30, 1969; Public Law 91-652 [Special Foreign Assistance Act of 1971; H.R. 19911], 84 Stat. 1942, approved January 5, 1971; Public Law 92-226 [S. 2819], 86 Stat. 26, approved February 7, 1972; Public Law 92-352 [Foreign Relations Authorization Act of 1972; H.R. 14734], 86 Stat. 489, approved July 13, 1972, and Public Law 93-189 [S. 1443], 87 Stat. 714, approved December 17, 1973

AN ACT To promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic development and internal and external security, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "The Foreign Assistance Act of 1961." [1]

PART I

Chapter 1—Policy; Development Assistance Authorizations [2]

Sec. 101.[3] Short Title.—* * * [Repealed—1963]

Sec. 102.[4] Statement of Policy.—(a)[5] The Congress declares that the freedom, security, and prosperity of the United States are best sustained in a community of free, secure, and prospering nations. In particular, the Congress recognizes the threat to world peace posed by aggression and subversion wherever they occur, and that ignorance, want, and despair breed the extremism and violence which lead to

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[1] The short title was added by Sec. 111 of the FA Appropriation Act, 1962.

[2] Sec. 101(a) of the FAAct of 1963 struck out the words "SHORT TITLE AND" in the chapter heading, which formerly read "SHORT TITLE AND POLICY". Sec. 2(1) of the FAAct of 1973 added the following words to the chapter heading: "; DEVELOPMENT ASSISTANCE AUTHORIZATIONS".

[3] Sec. 101(b) of the FAAct, 1963, repealed former Sec. 101, which related to the short title.

[4] 22 USC § 2151. Sec. 102 was amended by Sec. 101 of the FAAct of 1967.

[NOTE.—The Foreign Assistance Act will be referred to as the FAAct and "this Act". The Foreign Assistance and Related Programs Appropriation Act, 1974, will be referred to as the FA Appropriation Act, 1974.]

[5] Subsection designation "(a)" was added by Sec. 2(2)(A) of the FAAct of 1973.

aggression and subversion. The Congress declares therefore that it is not only expressive of our sense of freedom, justice, and compassion but also important to our national security that the United States, through private as well as public efforts, assist the people of less developed countries in their efforts to acquire the knowledge and resources essential for development and to build the economic, political, and social institutions which will meet their aspirations for a better life, with freedom, and in peace.

In addition, the Congress declares that it is the policy of the United States to support the principles of increased economic cooperation and trade among countries, freedom of the press, information, and religion, freedom of navigation in international waterways, and recognition of the right of all private persons to travel and pursue their lawful activities without discrimination as to race or religion. The Congress further declares that any distinction made by foreign nations between American citizens because of race, color, or religion in the granting of, or the exercise of, personal or other rights available to American citizens is repugnant to our principles.

The Congress further declares that to achieve the objectives of this Act, programs authorized by this Act should be carried out in accordance with the following principles:

First, development is primarily the responsibility of the people of the less developed countries themselves. Assistance from the United States shall be used in support of, rather than substitution for, the self-help efforts that are essential to successful development programs, and shall be concentrated in those countries that take positive steps to help themselves. Maximum effort shall be made, in the administration of this Act, to stimulate the involvement of the people in the development process through the encouragement of democratic participation in private and local governmental activities and institution-building appropriate to the requirements of the recipient nations.

Second, the tasks of successful development in some instances require the active involvement and cooperation of many countries on a multilateral basis. Therefore, to the maximum extent practicable, other countries shall be encouraged to increase their contributions to development programs and projects so that the cost of such common undertakings, which are for the benefit of all, may be shared equitably by all.

Third, assistance shall be utilized to encourage regional cooperation by less developed countries in the solution of common problems and the development of shared resources.

Fourth, the first objects of assistance shall be to support the efforts of less developed countries to meet the fundamental needs of their peoples for sufficient food, good health, home ownership and decent housing, and the opportunity to gain the basic knowledge and skills required to make their own way forward to a brighter future. In supporting these objectives, particular emphasis shall be placed on utilization of resources for food production and voluntary family planning.

Fifth, assistance shall wherever practicable be constituted of United States commodities and services furnished in a manner consistent with other efforts of the United States to improve its balance of payments position.

Sixth, assistance shall be furnished in such a manner as to promote efficiency and economy in operation so that the United States obtains maximum possible effectiveness for each dollar spent.

Seventh, to the maximum extent practicable, the furnishing of agricultural commodities, disposal of excess property, and United States payments to international lending institutions, undertaken pursuant to this or any other Act, shall complement and be coordinated with assistance provided under this part.

It is the sense of the Congress that every effort must be made to obtain a permanent peace in the Middle East. To help promote that objective, the United States should encourage, as part of pacific settlement, direct talks among the parties concerned, using such third party or United Nations assistance as they may wish. To this end, the President should undertake immediately (1) a thorough review of the needs of the several countries of that area, and (2) a reevaluation of United States policies aimed at helping meet those needs and securing a permanent peace in the area.

It is further the sense of the Congress that in any case in which any foreign country has severed diplomatic relations with the United States, the President should suspend assistance to such country under this or any other Act, including any program designed to complement assistance under this Act (such as sales of agricultural commodities under the Agricultural Trade Development and Assistance Act of 1954 [6]). When diplomatic relations are resumed, a further study should be made on a country-by-country basis to determine whether United States foreign policy objectives would be served by extending assistance under this or any other Act, including any program designed to complement such assistance.

(b) [7] The Congress further finds and declares that, with the help of United States economic assistance, progress has been made in creating a base for the economic progress of the less developed countries. At the same time, the conditions which shaped the United States foreign assistance program in the past have changed. While the United States must continue to seek increased cooperation and mutually beneficial relations with other nations, our relations with the less developed countries must be revised to reflect the new realities. In restructuring our relationships with these countries, the President should place appropriate emphasis on the following criteria:

(1) Bilateral development aid should concentrate increasingly on sharing American technical expertise, farm commodities, and industrial goods to meet critical development problems, and less on large-scale capital transfers, which when made should be in association with contributions from other industrialized countries working together in a multilateral framework.

(2) Future United States bilateral support for development should focus on critical problems in those functional sectors which affect the lives of the majority of the people in the developing countries: food production; rural development and nutrition; population planning

[6] For text, see page 251.
[7] Subsection (b) was added by Sec. 2(2)(B) of the FAAct of 1973.

and health; and education, public administration, and human resource development.

(3) United States cooperation in development should be carried out to the maximum extent possible through the private sector, including those institutions which already have ties in the developing areas, such as educational institutions, cooperatives, credit unions, and voluntary agencies.

(4) Development planning must be the responsibility of each sovereign country. United States assistance should be administered in a collaborative style to support the development goals chosen by each country receiving assistance.

(5) United States bilateral development assistance should give the highest priority to undertakings submitted by host governments which directly improve the lives of the poorest of their people and their capacity to participate in the development of their countries.

(6) The economic and social development programs to which the United States lends support should reflect, to the maximum extent practicable, the role of United States private investment in such economic and social development programs.

(7) Under the policy guidance of the Secretary of State, the agency primarily responsible for administering this part should have the responsibility for coordinating all United States development-related activities.

NOTE.—Foreign Assistance Appropriation Act, 1974. "Limitation on grants. Development Assistance: Of the new obligational authority appropriated under this Act to carry out the provisions of sections 105–107, not more than $300,000,000 shall be available for grants."

NOTE.—Prior Notification. Foreign Assistance Appropriation Act, 1974, "SEC. 114. None of the funds made available under this Act for 'Food and Nutrition. Development Assistance', 'Population Planning and Health. Development Assistance', 'Education and Human Resources Development. Development Assistance', 'Selected Development Problems. Development Assistance', 'Selected Countries and Organizations. Development Assistance', 'International Organizations and Programs', 'American Schools and Hospitals Abroad', 'International Narcotics Control', 'Indochina postwar reconstruction assistance', 'Security supporting assistance', 'Military assistance', or 'Migration and refugee assistance' shall be available for obligation for activities, programs, projects, countries, or other operations unless the Committees on Appropriations of the Senate and House of Representatives are previously notified five days in advance."

NOTE.—The amount appropriated by the Foreign Assistance and Related Programs Appropriation Act, 1974, appears as a footnote to such authorization in the Foreign Assistance Act of 1961, as amended. Sec. 102 of the Foreign Assistance and Related Programs Appropriation Act, 1974, states: "Except for the appropriations entitled 'Contingency fund', and appropriations of funds to be used for loans, not more than 20 per centum of any appropriation item made available by this title shall be obligated and/or reserved during the last month of availability."

Sec. 103.[8] **Food and Nutrition.**—In order to alleviate starvation, hunger, and malnutrition, and to provide basic services to poor people, enhancing their capacity for self-help, the President is authorized to furnish assistance, on such terms and conditions as he may determine, for agriculture, rural development, and nutrition. There are authorized to be appropriated to the President for the purposes of this section, in addition to funds otherwise available for such purposes, $291,000,000 for each of the fiscal years 1974 and 1975, which amounts are authorized to remain available until expended.

Sec. 104.[9] **Population Planning and Health.**—In order to increase the opportunities and motivation for family planning, to reduce the rate of population growth, to prevent and combat disease, and to help provide health services for the great majority, the President is authorized to furnish assistance on such terms and conditions as he may determine, for population planning and health. There are authorized to be appropriated to the President for the purposes of this section, in addition to the funds otherwise available for such purposes, $145,000,000 for each of the fiscal years 1974 and 1975, which amounts are authorized to remain available until expended.

Sec. 105.[10] **Education and Human Resources Development.**—In order to reduce illiteracy, to extend basic education and to increase manpower training in skills related to development, the President is authorized to furnish assistance on such terms and conditions as he may determine, for education, public administration, and human resource development. There are authorized to be appropriated to the President for the purposes of this section, in addition to funds otherwise available for such purposes, $[illegible] for each of the fiscal years 1974 and 1975, which amounts are authorized to remain available until expended.

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[8] 22 USC 2151a. Sec. 103 was added by Sec. 2(3) of the FAAct of 1973.
FA Appropriation Act, 1974: "$284,000,000: *Provided*, That in addition to the amounts provided for loans to carry out the purposes of this paragraph, such amounts as are provided for under section 203 shall also be available for loans, together with all such amounts to remain available until expended."

[9] 22 USC 2151b. Sec. 104 was added by Sec. 2(3) of the FAAct of 1973.
FA Appropriation Act, 1974: "$1[illegible]5,000,000: *Provided*, That in addition to the amounts provided for loans to carry out the purposes of this paragraph, such amounts as are provided for under section 203 shall also be available for loans, together all such amounts to remain available until expended: *Provided further*, That not more than $112,500,000 appropriated or made available under this Act shall be used for the purposes of section 291 during the current fiscal year."

[10] 22 USC 2151c. Sec. 105 was added by Sec. 2(3) of the FAAct of 1973.
FA Appropriation Act, 1974: "$89,000,000: *Provided*, That in addition to the amounts provided for loans to carry out the purposes of this paragraph, such amounts as are provided for under section 203 shall also be available for loans, together all such amounts to remain available until expended."

Sec. 106.[11] **Selected Development Problems.**—The President is authorized to furnish assistance on such terms and conditions as he may determine, to help solve economic and social development problems in fields such as transportation, power, industry, urban development, and export development. There are authorized to be appropriated to the President for the purposes of this section, in addition to funds otherwise available for such purposes, $53,000,000[11] for each of the fiscal years 1974 and 1975, which amounts are authorized to remain available until expended.

Sec. 107.[12] **Selected Countries and Organizations.**—The President is authorized to furnish assistance on such terms and conditions as he may determine, in support of the general economy of recipient countries or for development programs conducted by private or international organizations. There are authorized to be appropriated to the President for the purposes of this section, in addition to funds otherwise available for such purposes, $39,000,000[12] for each of the fiscal years 1974 and 1975, which amounts are authorized to remain available until expended.

Sec. 108.[13] **Application of Existing Provisions.**—Assistance under this chapter shall be furnished in accordance with the provisions of titles I, II, or X of chapter 2 of this part, and nothing in this chapter shall be construed to make inapplicable the restrictions, criteria, authorities, or other provisions of this or any other Act in accordance with assistance furnished under this chapter would otherwise have been provided.

Sec. 109.[14] **Transfer of Funds.**—Notwithstanding section 108 of this Act, whenever the President determines it to be necessary for the purposes of this chapter, not to exceed 15 per centum of the funds made available for any provision of this chapter may be transferred to, and consolidated with, the funds made available for any other provision of this chapter, and may be used for any of the purposes for which such funds may be used, except that the total in the provision for the benefit of which the transfer is made shall not be increased by more than 25 per centum of the amount of funds made available for such provision. The authority of sections 610(a) and 614(a) of this Act may not be used to transfer funds made available under this chapter for use for purposes of any other provision of this Act.

Sec. 110.[15] **Cost-Sharing and Funding Limits.**—(a) No assistance shall be furnished by the United States Government to a country under sections 103 through 107 of this Act until the country provides assurances to the President, and the President is satisfied, that such country provide at least 25 per centum of the costs of the entire program, project, or activity with respect to which such assistance is to

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[11] 22 USC 2151d. Sec. 106 was added by Sec. 2(3) of the FAAct of 1973.
FA Appropriation Act, 1974: "$40,500,000: *Provided*, That in addition to the amounts provided for loans to carry out the purposes of this paragraph, such amounts as are provided for under section 203 shall also be available for loans, together all such amounts to remain available until expended."

[12] 22 USC 2151e. Sec. 107 was added by Sec. 2(3) of the FAAct of 1973.
FA Appropriation Act, 1974: "$30,500,000: *Provided*, That in addition to the amounts provided for loans to carry out the purposes of this paragraph, such amounts as are provided for under section 203 shall also be available for loans, together all such amounts to remain available until expended."

[13] 22 USC 2151f. Sec. 108 was added by Sec. 2(3) of the FAAct of 1973.

[14] 22 USC 2151g. Sec. 109 was added by Sec. 2(3) of the FAAct of 1973.

[15] 22 USC 2151h. Sec. 110 was added by Sec. 2(3) of the FAAct of 1973. See first Note in box, page 138.

be furnished, except that such costs borne by such country may be provided on an "in-kind" basis.

(b) No grant assistance shall be disbursed by the United States Government under sections 103 through 107 of this Act for a project, for a period exceeding thirty-six consecutive months, without further justification satisfactory to the Congress and efforts being made to obtain sources of financing within that country and from other foreign countries and multilateral organizations.

Sec. 111.[16] **Development and Use of Cooperatives.**—In order to strengthen the participation of the urban and rural poor in their country's development, not less than $20,000,000 of the funds made available for the purposes of this chapter shall be available during the fiscal years 1974 and 1975 only for assistance in the development of cooperatives in the less developed countries which will enable and encourage greater numbers of the poor to help themselves toward a better life.

Sec. 112.[17] **Prohibiting Police Training.**—No part of any appropriation made available to carry out this Act shall be used to conduct any police training or related program in a foreign country.

(b) Subsection (a) of this section shall not apply—

(1) with respect to assistance rendered under section 515(c) of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, or with respect to any authority of the Drug Enforcement Administration of the Federal Bureau of Investigation which relates to crimes of the nature which are unlawful under the laws of the United States; or

(2) to any contract entered into prior to the date of enactment of this section with any person, organization, or agency of the United States Government to provide personnel to conduct, or assist in conducting, any such program.

Notwithstanding paragraph (2), subsection (a) shall apply to any renewal or extension of any contract referred to in such paragraph entered into on or after such date of enactment.

Sec. 113.[18] **Integrating Women Into National Economies.**—Sections 103 through 107 of this Act shall be administered so as to give particular attention to those programs, projects, and activities which tend to integrate women into the national economies of foreign countries, thus improving their status and assisting the total development effort.

Sec. 114.[19] **Limiting Use of Funds for Abortions.**—None of the funds made available to carry out this part shall be used to pay for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions.

Title IX—Utilization of Democratic Institutions in Development[140]

Sec. 281.[141] (a)[142] In carrying out programs authorized in this chapter, emphasis shall be placed on assuring maximum participation in the task of economic development on the part of the people of the developing countries, through the encouragement of democratic private and local governmental institutions.

(b)[142] In order to carry out the purposes of this title, programs under this chapter shall—

(1) recognize the differing needs, desires, and capacities of the people of the respective developing countries and areas;

(2) use the intellectual resources of such countries and areas in conjunction with assistance provided under this Act so as to encourage the development of indigenous institutions that meet their particular requirements for sustained economic and social progress; and

(3) support civic education and training in skills required for effective participation in governmental and political processes essential to self-government.

(c)[142] In the allocation of funds for research under this chapter, emphasis shall be given to research to examine the political, social, and related obstacles to development in countries receiving assistance under part I of this Act. In particular, emphasis should be given to research designed to increase understanding of the ways in which development assistance can support democratic social and political trends in recipient countries.[143]

(d)[142] Emphasis shall also be given to the evaluation of relevant past and current programs under part I of this Act and to applying this experience so as to strengthen their effectiveness in implementing the objectives of this title.

(e)[144] In order to carry out the purposes of this title, the agency primarily responsible for administering part I of this Act, shall develop systematic programs of inservice training to familiarize its personnel with the objectives of this title and to increase their knowledge of the political and social aspects of development. In addition to other funds available for such purposes, not to exceed 1 per centum of the funds authorized to be appropriated for grant assistance under this chapter may be used for carrying out the objectives of this subsection.

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[139] Sec. 273 was struck out by Sec. 107 of the FAAct of 1967. It read as follows:

"SEC. 273. AUTHORIZATION.—The President is authorized to utilize not to exceed $10,000,000 of the funds otherwise available to carry out the provisions of part I of this Act (other than title VI of this chapter) to furnish assistance under this title on such terms and conditions as he may determine, in order to promote social and economic development and stability in southeast Asia."

[140] Title IX was added by Sec. 106 of the FAAct of 1966.

[141] 22 USC § 2215.

[142] Subsection designation "(a)" and subsections (b), (c) and (d) were added by Sec. 108 of the FAAct of 1967.

[143] The last sentence was added by Sec. 106(a) of the FAAct of 1968.

[144] Subsection (e) was added by Sec. 106(b) of the FAAct of 1968.

APPENDIX II

THE NATIONAL DEBATE ABOUT POINT FOUR

Looking back over three decades of economic development assistance experience the quality and complexity of the debate about assistance at the time Point Four was initiated is striking. Many of the issues which surround assistance now surrounded it then. In the subsequent pages of this appendix, I will review several of the issues and assessments made then not only because they add insight to that period but because they indicate the fundamental and chronic character of some of the concerns the 1973 legislation was addressing.[1]

Economic development assistance was generally acknowledged from its beginning to be a long term, multi-faceted job. In a speech interpreting Point Four, Samuel Hayes, a State Department official said:

> Point Four involves the application of two vital forces - modern technology and capital - to the existing manpower and natural resources of the have-not areas.
>
> It is a long range program. It promises no sudden miracles. The reasons for this are not always understood....Unfavorable comparisons are made with the billions appropriated for ERP (European Recovery Program).
>
> The situation is, of course, very different in underdeveloped areas from what it is in Europe. In Europe, the preconditions of economic recovery were, in 1947, already present....This was a kind of blood transfusion from one developed body to another developed but wounded body.

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[1]All of the material quoted herein is from The Point Four Program, ed. Walter M. Daniels, (Basic Reference Shelf, New York, H. W. Wilson Co., 1951), page references follow each quote.

> Before capital and modern technology can be fully utilized in an underdeveloped area, there is usually a lot of groundwork to be done. The people in that area must be ready to receive technical knowledge and to make efficient use of capital, and the early stages of economic development in many areas must, therefore, be concerned with improvements in basic education, health and sanitation, and food supply. (pp. 12-13.)

Similar appraisals were made by the President's Special Assistant, Robert Gray in a report on development problems and American capabilities and by Congressman Christian Herter, a Republican in the House.

Gray:

> The process of stimulating development is more complicated and slow than that of assisting recovery in developed countries, and there are limits to the capacity of underdeveloped countries to absorb capital....Each type of stimulus - private investment, public loans, technical assistance, and grants - has a significant role to play. (p. 73.)

Herter:

> In fact, the program, insofar as it can be called a program, must be thought of in decades, not in months or years.
>
> The mere authorization to send technical assistance where wanted throughout the world could do very little in itself toward raising the standards of living of underdeveloped nations. Very real help could be given in the fields of sanitation, education, labor, agriculture, administration, etc., but, in the long run, increased productivity can come only through a given amount of capital investment plus the technical know-how or technical skills which go with capital investments. (p. 108.)

Challenges, some sophisticated, some naive; some reflecting objectivity and others reflecting ideology were levied against the long term, multi-faceted nature of the program. Questions and answers on what to do and how to do it under Point Four were prolific. Many of the potential issues were implicit in the President's inaugural address. The following pages illustrate the sensitive issues of technical assistance, capital investment, unilateral vs. multilateral assistance,

stimulating private investment and imperialism with citations first from Truman's inaugural speech and then from other sources.

Technical assistance and capital investment were rightly perceived as both being necessary ingredients in a development program. But from the first it was clear that technical assistance was to receive greater emphasis. There were several reasons for this.

As a seemingly more plentiful commodity, talent was easier to give than money. President Truman said:

> The material resources which we can afford to use for the assistance of other peoples are limited. But our imponderable resources in technical knowledge are constantly growing and are inexhaustible. (p. 10.)

Technologists were among those to comment on the talk ahead. Morris Cooke, former Chairman of the Mississippi Valley Commission had practical suggestions for the program's format:

> The TVA is almost custom-made for Point Four use, because its techniques can be employed on streams of varying sizes, because it affords the electric power needed to infiltrate agriculture with industry, and because the development provides an adequate foundation on which to base all phases of an enriched and growing economy. (p. 113.)
>
> . . . . . .
>
> To raise the standard of living, the exchange of ideas is sometimes more effective than the sending of machinery and equipment. The export of American 'know-how' in regard to the employer-employee relationship...would cost relatively little and might immeasurably advance the world's productivity. (p. 112.)
>
> . . . . . .
>
> The widespread desire of 'backward' countries for mass production necessarily brings up the question of large plants versus small....The place of the small plant must be recognized....Small plants can be built and put in production in the shortest possible time. They can...(attain) a more integrated union among local raw materials, power and labor ....They can alleviate local shortages of critical products ....They can operate with small power equipment, now readily obtainable....They can be more simply financed. (pp. 111-112.)

Cooke also commented on the engineers' unreadiness for this task:

> In the long run...construction work of many kinds will constitute the great bulk of what is needed to get backward areas marching forward....In construction work the engineer is the key man; and this forces us to face the fact that, competent as he may be on design and in building structures, the average American engineer has not been trained to be socially minded. He is as ignorant of international affairs as he usually is of domestic politics. (p. 113.)

Norris Dodd, Director General of FAO wrote about increasing world food production through technical assistance:

> First, knowledge of scientific advancements gained through experimentation and observation must be exchanged....Second, the gap must be bridged between the scientist at the experiment station and the farmer on the land....Finally, there must be educational systems turning out research and extension workers, and more teachers to keep the thing going. (p. 116.)

Dodd also cautioned sensitivity to the level of technology which could be absorbed:

> I saw a dozen boys in a class at an agricultural school down on their knees, learning to hoe with short-handled hoes.... There are plenty of places, remember, where just a good hoe is an advanced agricultural implement. One of those boys with a common $10 hand cultivator or wheelhoe could have done the job better. (p. 115.)

Dodd grasped the paradox of peoples caught between yearning for modernity and clinging to traditionalism and he challenged the transplanatation of the technology of one country to others:

> One reason why agriculture is advanced in the "advanced" countries is...(that) governments there have invested in experiment stations, agricultural colleges, and extension services.
>
> The principles of these ideas of advancement can be carried over to countries where they are most needed. But Americans ought not to think that the extension system in this country can be transplanted wholesale. It wouldn't work.
>
> Other reasons are that in a lot of places there is a low rate of literacy. There are no farm magazines or newspapers for rural people. There are few radios. People seldom get far from their own villages. There are ancient customs and institutions to consider and work with instead of against.

> But everywhere there is a great thirst for knowledge, and for a chance to live better. (p. 118.)

Economist John Galbraith criticized the program's emphasis on technical assistance and also raised questions about the transplantability of technical know-how:

> First in what will be a kind of catalog of these problems is the extraordinarily awkward fact that in most of the world, progress - technical progress as we understand it - is abnormal and in some sense unwanted....There is almost no market anywhere in the world for technical advice as an isolated quantity. It must be provided in a mixture either with capital equipment, or with patient skillful education or persuasion, or with both.
>
> In the case of large engineering projects...capital is the critical element in the mix. If that is available, the technical assistance comes more or less automatically.... The General Electric technicians are bought in a package with the turbines.
>
> When one turns to improvements in agriculture or in public health, the capital component becomes less important, although it is still required.
>
> However, none of these things will come into use in any agricultural community except after a long process of demonstration and education.
>
> All this contrasts with the vision of an American expert, loaded with 'know-how' and United States Department of Agriculture bulletins, disembarking on some distant airport to put his cargo at the service of an eager peasantry. (pp. 48-49.)

Cooke was aware of the engineer's unpreparedness for being a technical assistant in a developing country and Galbraith criticized the concept of delivering technical assistance like cargo. Like Dodd, anthropologist Willard Park began to prescribe for the technician's role:

> The people of the Western world...have an obligation to understand the cultural patterns of those to whom they are carrying modern technology....A bold new program needs adjustment to their cultural interests and their values.
>
> For example, it isn't enough to know that one crop ought to be better than another. It is also necessary to know how attached people are to their food.

> Fullest possible utilization of scientific studies of human society should be...(made) to provide a basis for the most satisfactory adjustment between the old and the new. (p. 83 and p. 86.)

Abundance of talent and scarcity of money was one reason for emphasis on technical assistance under Point Four. The President's speech held clues to others. One was the concern that unilateral assistance weakened the UN and other multilateral channels of assistance. The President said:

> We invite other countries to pool their technological resources in this undertaking. Their contributions will be warmly welcomed. This should be a cooperative enterprise in which all nations work together through the United Nations and its specialized agencies wherever practicable. (p. 11, my underlining.)

In their analysis of assistance policy, Brown and Opie interpret "wherever practicable" as an open door to unilateral assistance wherever multilateral efforts are impracticable.[1]

There was also impetus to emphasize technical assistance because of a widespread domestic feeling that capital investment was not a government responsibility, but a private sector function. The President said:

> With the cooperation of business, private capital, agriculture, and labor in this country, this program can greatly increase the industrial activity in other nations and can raise substantially their standards of living. (p. 11.)

The format for capital investment was much debated. The ratio of private to government investment, the guarantees for investors in a risky market, and even the potential trade benefits were secondary, though not neglected, questions. The primary problem was how to make

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[1]Brown and Opie, p. 390.

foreign capital investments without being (or appearing to be) exploitative and imperialistic. The President said:

> Such new economic developments must be devised and controlled to benefit the peoples of the areas in which they are established. Guarantees to the investor must be balanced by guarantees in the interest of the people whose resources and whose labor go into these developments.
>
> The old imperialism - exploitation for foreign profit - has no place in our plans. What we envisage is a program of development based on the concepts of democratic fair-dealing. (p. 11.)

Cognizance of this problem was universal. The basically conservative Chamber of Commerce said on one hand:

> Through treaties and agreements with other countries, the status of United States citizens and business interests abroad should be clearly defined.
>
> Our government should pursue a vigorous policy against any measures of foreign countries which are prejudicial to or discriminate against our investors or investments abroad. (p. 66.)

and on the other hand:

> Congress and the Administration should make clear, in all undertakings to assist the economic development of underdeveloped areas...that our primary concern is for improvement of world economic conditions, and not primarily for investment opportunities, as there are ample opportunities for investment at home.
>
> The technical assistance program should be carried forward by our government on a modest and carefully considered basis, so conducted as to avoid any reasonable charge of either paternalism or imperialism. (pp. 63-64.)

There were, of course, more powerful statements concerning the danger of incurring the charge of imperialism. Far East correspondent Harold Isaacs offered an explanation of Third World fears of exploitation:

> The spread of Western imperialism across Asia and Africa was no welfare mission....These lands were ruthlessly exploited....Imperialism, in its conquest for power and profit, destroyed the older social balances in these countries and never replaced them with anything else designed to meet the people's needs.

> Fear of foreign enterprise springs with all the strength of a natural instinct from the totality of this experience. Foreign rule, foreign interests, foreign economic purposes are identified in people's minds with all this tangled suffering, hardship, and frustration. This holds true not only for the masses of people but for the wealthier classes as well, whose chance to develop independently was so grotesquely circumscribed. That is why any new form of Western enterprise must now be viewed with wary suspicion. (pp. 43-45.)

Dewey Anderson, Executive Director of the Public Affairs Institute and Stephen Raushenbush, Economic Consultant to the UN, felt a charge of imperialism was so inevitable a consequence of a unilateral assistance effort and so against the US foreign policy goals that they advised against such an effort. They used the following arguments to support a proposal for channeling assistance through the UN:

> The interests of all the nations of the world will be too deeply attached to the hopes and consequences of the program to allow for any monopoly of it. That is true regardless of how disinterested or pure-hearted the monopoly may be.
>
> Almost every nation in the world...is already and will in the future even more clearly be dependent upon the results of this program in the underdeveloped areas....The program's success will grow to mean more to them as we continue with our own spectacular economic growth. For our growth means to most of them a continued difficulty of competing with us in our own or other markets.
>
> Under such circumstances it seems highly unlikely that any group of nations would be happy to let this program be dominated by us. Such a result would not produce either the sense of, or the content of, the international cooperation which we want and are committed to as a national policy.
>
> The other nations would not have the opportunity to participate in what are the most important decisions that affect them. Such participation is a basic factor in any democratic functioning of society. To ignore it would be to set forth on a course quite different from the one we planned upon when we signed with others the Charter of the United Nations. It would, in its own unviolent way, be quite similar in effects to the more violent course of action taken by the Russian Empire since the end of the war. It would be another illustration of that fateful historical propensity of actions to assume, in spite of their best intentions, the very shape of the forces against which they are contending. (pp. 53-54.)

Because of the dominance exerted by the US in international organizations hindsight suggests that assistance through multilateral channels might not have obviated this problem. In any case, that was not the course taken and the problem of the resemblance of unilateral assistance to imperialism has persisted.

Although there was a sincere desire to be non-exploitative, there was never any question that there was a concurrently held sincere desire to make an honest gain through the expansion of enterprise to the developing nations. The President said:

> All countries, including our own, will greatly benefit from a constructive program for the better use of the world's human and natural resources. Experience shows that our commerce with other countries expands as they progress industrially and economically. (p. 11.)

Economist Harold Hutcheson wrote:

> On the whole, long-term economic prospects are not encouraging; nor are they likely to become so if the interdependence of European recovery and accelerated overseas economic development is not clearly perceived.
>
> Unless European reconstruction is supplemented with a concerted program to assist less developed areas, United States foreign economic policy will prove inadequate. Increasing attention must be given to improvement in the productive capacity of the primary producers. (pp. 178-179.)

Arguing for the relaxation of trade barriers economist Theodore Kreps wrote:

> The increasing need of the American economy for imports has been systematically denied, ignored, and minimized both by American business and by government.
>
> If more imports represent "an urgent problem of security and economics," why have we not gone beyond the point of taking off tariffs that are insignificant and made larger concessions on those that really matter, the removal of which would most help to bolster our imports?

Obviously, the day of complete self-sufficiency for the American economy, both technologically and ideologically, is past. We are not only part of - we are the trading heart of - an inescapably interdependent world economy, at any rate of the portion that is free. Surely, it seems open to question that all our foreign trade transactions should comprise less that 9 per cent and imports as little as 3 per cent of gross national product (which are the figures for 1948). (pp. 179-181.)

APPENDIX III

THE
GEORGE
WASHINGTON
UNIVERSITY

Washington, D.C. 20052/ Department of Sociology / (202) 676-6345

PROTOTYPE OF THE LETTER SENT TO

PROSPECTIVE INTERVIEWEES

Dear _____;

This is to introduce Ellen Berg who is doing research on the 1973 foreign assistance legislation in the George Washington Sociology Department.

Ms. Berg is concerned with assessing the development and meaning of the legislative change made in 1973. Because you played a central role in the legislative process she would like to talk with you about it.

Ms. Berg will be calling your office in a few days to arrange for an appointment. Thank you for your assistance.

Sincerely yours,

Patricia Madoo Lengermann
Associate Professor of
Sociology

APPENDIX IV

THE
GEORGE
WASHINGTON
UNIVERSITY

Washington, D.C. 20052/ Department of Sociology / (202) 676-6345

PROTOTYPE OF LETTER SENT TO INTERVIEWEES ASKING

THEM TO REVIEW MATERIAL FOR ATTRIBUTION

January 4, 1976

Dear _____,

Thank you for seeing me on (date) to talk about the 1973 foreign aid legislation. I found our conversation valuable.

I am attaching a list of comments which I want to attribute to you. You may remember that I took notes rather than a tape recording, so the language is an approximation rather than a transcription of your speech. If you want to amend the material please do so and return it to me by January 12, 1976.

Several of the people I interviewed mentioned that they had been interviewed before and had never seen the results. I want you to know that my thesis will be submitted January 26th and will be available at the George Washington University Library or from me after that, should you wish to see it.

Again my thanks for your time and the talk. With best wishes for a happy new year -

Sincerely,

APPENDIX V

LETTER OF APRIL 11, 1973, ON ASSISTANCE FROM 16

MEMBERS OF THE HOUSE OF REPRESENTATIVES

TO THE PRESIDENT

Congress of the United States
House of Representatives
Washington, D.C. 20515

April 11, 1973

The President
The White House
Washington, D.C.

Dear Mr. President:

On June 30 of this year, funding will expire for programs conducted under the authority of the Foreign Assistance Act. Before that happens, we would like to submit to you some of our thoughts about the future of these overseas undertakings.

We believe that the time has come to put an end to foreign aid as it has been conceived and administered in the past. In our view, many of the conditions which once made that program effective and feasible no longer obtain. The needs of the developing countries have changed -- and so have our own requirements here at home.

This does not mean that we advocate withdrawal from our responsibilities as a member of the international community. The United States is part of an interdependent world which has grown smaller with each ecological breakthrough -- and each advance in modern weaponry. We cannot ignore these facts. Neither can we in good conscience turn our backs on the bitter struggle for survival in which such a large part of the human race is involved.

What we do overseas in the future, however, must be related to our own national needs and our capacity to meet them..

With this in mind, we believe that any future bilateral program relating to development ought to be based on the following principles:

1. Bilateral foreign aid should concentrate on sharing American technical expertise, farm commodities, and industrial goods. Bilateral programs should be tightly controlled and selectively undertaken. Large-scale development efforts involving capital transfers should be conditioned on contributions by all developed countries, optimally working together through a multilateral framework with multi-year authorizations in order to facilitate orderly planning.

2. Future U.S. bilateral support for development should concentrate on functional sectors such as food production and rural development; population, health, and nutrition; education, manpower, and public administration. Hunger, malnutrition, disease, ignorance, and poverty continue to plague the majority of the human race. Attacks upon these basic problems should be concentrated in these basic sectors where progress can affect the welfare of many.

3. Development planning must be the responsibility of each sovereign country -- a responsibility which many less developed countries are increasingly capable of discharging themselves. U.S. foreign aid personnel should no longer attempt to promote "made in America" development strategies. Large U.S. bureaucracies which plan and execute development strategies for recipient countries are neither necessary nor feasible for the future. This in no way should reflect on the dedication and talent of the many federal employees who have been involved in past foreign aid operations. But if foreign aid as we have known it is to end, then the machinery which has administered it must be tailored to reflect the new and changed conditions. In the absence of a demonstrated capacity on the part of a nation to do its own planning, an appropriate international institution or group should assist in that country's development planning.

4. U.S. bilateral support should be provided only for undertakings submitted by the host country which involves the masses of the people who are trying to help themselves. This approach is much more consistent with the American tradition than any reliance on the trickle-down theory of development and progress.

5. U.S. development efforts should be channeled increasingly through the private sector. In place of financing operations conducted by a large federal staff, the United States ought to provide more effective support for cooperatives, universities, firms of various types, individual experts, and other private entities, including voluntary agencies, which are willing to help other countries solve their development problems.

6. A single agency of the U.S. government should be given the responsibility for coordinating all U.S. development-related inputs. Section 637 of the Foreign Assistance Act presently requires the Executive Branch to report annually to the Congress on all U.S. overseas assistance activities. These reports help the Congress identify what is being spent abroad -- but not necessarily by whom and to what end. We believe that a single agency should be held accountable by the Congress and American people for reporting on all development-related expenditures.

We believe, Mr. President, that the above principles should be incorporated in any legislation providing support for development in fiscal year 1974 and beyond. And we stand ready to work with officials designated by you in drafting such legislation for the consideration of the Congress.

At the same time, we wish to express our strong support for the position taken by the Honorable Thomas E. Morgan, Chairman of the Committee on Foreign Affairs, in his letter to you of December 14, 1972. With him we believe that our international security assistance programs are primarily an instrument of American foreign policy and should be under the direction of the Department of State with Congressional jurisdiction remaining with the Committee on Foreign Affairs.

Sincerely,

This was signed by 15 Democrats and 1 Republican.

GLOSSARY OF ABBREVIATIONS USED IN THIS PAPER

AID	Agency for International Development
DLF	Development Loan Fund
ECA	Economic Cooperation Administration
ERP	European Recovery Program
FAA	Foreign Assistance Act
FOA	Foreign Operations Administration
GNP	Gross National Product
LDC's	Less Developed Countries
NATO	North Atlantic Treaty Organization
OEEC	Organization for European Economic Cooperation
PL-480	Public Law 480 - agricultural surplus program
SID	Society for International Development
TCA	Technical Cooperation Administration
UN	United Nations
UNRRA	United Nations Relief and Rehabilitation Administration
US	United States
USAID	United States Agency for International Development
USSR	United Soviet Socialist Republics

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