

USAID Developments

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President approves reorganization of foreign affairs agencies

On April 17 President Clinton approved a reorganization of three independent foreign affairs agencies, including the U.S. Agency for International Development (USAID), and the Department of State.

The reorganization plan calls for merging the Arms Control and Disarmament Agency and the U.S. Information Agency into the State Department. USAID would remain as a separate agency with the administrator reporting directly to the secretary of state rather than to the president.

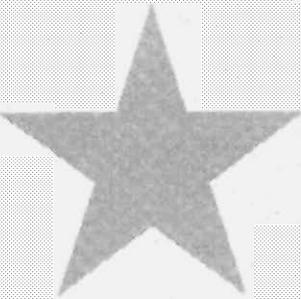
"We should all welcome the decision of the president and vice president

to reorganize our government's foreign affairs machinery and to enhance the development and humanitarian relief missions by maintaining USAID as a separate and distinct agency," USAID Administrator Brian Atwood said. He emphasized that he and Secretary of State Madeleine Albright are working together to create a new partnership between the development and diplomacy missions. "[Albright] firmly believes that sustainable development is an integral part of our foreign policy and that USAID is a vital instrument for carrying out the development and humanitarian relief missions," he said.

Secretary Albright called a "town hall" meeting of the employees and heads of the three agencies together with State Department employees on April 29. "If we work together and do this job right, we will have more success in winning congressional and public support for our engagement overseas," Albright said. "We will have a foreign policy apparatus that functions better, faster and more flexibly. We will have greater success in meeting the foreign affairs challenges of the next century. And we will have served our country very, very well." ■



Enjoying a laugh from comments made by a questioner at a "town hall" meeting called by Secretary of State Madeleine Albright are (from left) U.S. Information Agency Director Joseph Duffey, USAID Administrator Brian Atwood, Arms Control and Disarmament Agency Director John Holum and Secretary Albright.



UNITED STATES AGENCY
FOR INTERNATIONAL
DEVELOPMENT

50th anniversary of the Marshall Plan

Few commencement addresses have transformed the world as did the June 5, 1947, address by then Secretary of State George C. Marshall at Harvard University. The speech launched the unprecedented and successful "Marshall Plan," which provided economic assistance for a ravaged post-war Europe.

The Marshall Plan was America's first major foreign assistance endeavor and is generally viewed as one of the most successful foreign policy initiatives undertaken by the United States. The successful implementation of the Marshall Plan laid the groundwork for subsequent American efforts to promote democracy and economic growth in the developing world through foreign assistance programs.

It is remarkable to note the almost eerie similarity between early criticisms of the Marshall Plan and many of the current attacks on U.S. efforts to help less fortunate nations. The 50th anniversary of the Marshall Plan is a fitting time to salute the visionaries who helped make this effort possible and to commemorate the continuing importance of U.S. international engagement.

N. R. Danielian, writing in the August 1947 issue of the *Atlantic Monthly*, believed that massive aid

Marshall Plan video available

USAID has produced a 15-minute video on the Marshall Plan commemorating its 50th anniversary. Through interviews and historical footage, the video underscores the need to continue foreign assistance programs modeled on the Marshall Plan. The video will be available to the public in late June. For a copy, please send requests to: U.S. Agency for International Development, LPA - Room 4889, attn: D. Woolf/V. Cheeves, Washington, D.C. 20523-0056. Fax: (202) 647-3945.



Secretary of State George C. Marshall marches with Harvard faculty members in the June 5, 1947, commencement procession.

would have no beneficial effect on Europe and would weaken the economy of the United States. A Washington columnist soon after voiced the opinion of many critics that U.S. economic aid could not stop the communists. William S. White, writing in the *New York Times* in November 1947, reported: "It is plainly difficult for many persons...to think of a restored Europe in terms of civilian life as a reasonable possibility."

The Marshall Plan was a bold, massive undertaking. In today's dollars, U.S. economic assistance in 1949 alone was more than \$53 billion. These aid levels amounted to about 1.5 percent of total U.S. gross national product (GNP). Today, U.S. foreign assistance levels are less than one-half of 1 percent of GNP.

One can only guess what today's world would be like without the vision of statesmen such as Marshall. Listen to Marshall's words as he speaks to Harvard's 1947 senior class:

"I need not tell you...that the world situation is very serious. That must be

apparent to all intelligent people. I think one difficulty is that the problem is one of such enormous complexity that the very mass of facts presented to the public by press and radio make it exceedingly difficult for the man in the street to reach a clear appraisal of the situation...

"Aside from the demoralizing effect on the world at large and the possibilities of disturbances arising as a result of the desperation of the people concerned, the consequences to the economy of the United States should be apparent to all...Our policy is directed not against any country or doctrine but against hunger, poverty, desperation and chaos. Its purpose should be the revival of a working economy in the world so as to permit the emergence of political and social conditions in which free institutions can exist. Such assistance, I am convinced, must not be on a piecemeal basis as various crises develop. Any assistance that this government may render in the future should provide a cure rather than a mere palliative." ■

The 50th anniversary of the Marshall Plan is a fitting time to salute the visionaries who helped make this effort possible and to commemorate the continuing importance of U.S. international engagement.

World Environment Day - June 5

This year marks the 25th anniversary of celebrating World Environment Day. Since the June 5 opening of the United Nations Conference on the Human Environment in Stockholm in 1972, that date has been celebrated annually as U.N. World Environment Day.

The conference, which led to establishing the U.N. Environment Program based in Nairobi, Kenya, attracted 1,300 delegates from 112 countries. "One of the major accomplishments of the conference — and the one that made all of the substantive progress possible — was the avoidance of any sharp division between rich and poor countries on the issue of development vs. environmental protection," said American correspondent Robert Doty who covered the conference.

For 25 years, the U.N. General Assembly has urged countries worldwide to observe the day with activities reaffirming dedication to protecting and enhancing the environment.

Following the Stockholm conference, the United States was the first major donor country to begin an active program of support for environmental protection as part of its foreign aid. Today, USAID devotes more than \$500 million annually to address the global environmental threats of biodiversity loss and climate change.

A sampling of environmental projects overseas that USAID supports includes:

- Work with 16,000 people living outside the Maya Biosphere Reserve in Guatemala — one of Central America's most biologically

rich areas — has saved 410,000 hectares of rain forest.

- Parks in Peril, the agency's largest regional program devoted to strengthening protected areas, has improved on-site management in 28 Latin American parks covering 7.8 million hectares.
- USAID invested less than \$25,000 for a wind-power demonstration project in Indonesia that resulted in the Indonesian government purchasing 30 wind turbines from an Oklahoma-based firm. The Indonesian purchase has yielded \$1 million in direct U.S. exports.
- Since 1980, 20 million Egyptians have benefited from USAID work to provide water and wastewater services to Alexandria, Cairo and other Egyptian cities. As a result of this work, a major source of pollution to the Mediterranean Sea has been reduced.
- In water-scarce Morocco, USAID assistance in passing a new water law and introducing new irrigation technologies has led to a 20 percent water saving in the agricultural sector.
- In the Philippines, a demonstration program in cost-effective pollution prevention has reduced the country's emission of industrial organic pollution by almost 2 percent and yielded an estimated \$30 million in annual savings to the private sector.

For more information, contact David Hales, USAID, Deputy Assistant Administrator/Global Environment Center, Room 509, SA-18, Washington, D.C. 20523-1812. Fax: (703) 875-4639. ■



Working to protect and enhance the environment worldwide remains one of USAID's major objectives.

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Spotlight on Alabama and Texas

The principal beneficiary of America's foreign assistance programs has always been the United States. Close to 80 percent of USAID's contracts and grants go directly to U.S. firms, organizations and institutions for work overseas.

In addition to helping developing countries, foreign assistance programs have helped the United States by creating major markets for agricultural goods, new markets for industrial exports and hundreds of thousands of jobs for Americans.

Two examples of states benefiting from the U.S. foreign aid program:

Alabama

USAID's grants and contracts in Alabama from Oct. 1, 1995, to Sept. 30, 1996, totaled \$139.3 million.

In 1993, USAID purchased about \$2.1 million of wheat, cotton, soybeans and other agricultural products in Alabama for use in its Food for Peace programs. In 1994, USAID purchased an estimated \$4.1 million of Alabama wheat for use in these food aid programs. In 1995, USAID purchased about \$4.4 mil-

lion of wheat and corn products to feed people in Bosnia, Ethiopia and Cape Verde.

Shipping and handling USAID's food and other aid generated \$342,000 in fees for port services and shipping charges for Alabama companies in 1993. In 1994, shipping and handling of aid brought \$304,000 to Alabama; in 1996, \$669,028.

In 1994, USAID sponsored 143 foreign participants' training at Alabama universities and educational facilities, usually including full tuition and living allowances. The program sponsored 105 students in 1995 and 70 students in 1996.

USAID's program in Egypt financed \$359,445 in purchases from an Alabama company, Bethea Tool and Equipment, during 1994. USAID programs in Egypt financed \$159,687 worth of purchases in 1995.

Texas

USAID's grants and contracts in Texas from Oct. 1, 1995, to Sept. 30, 1996, totaled \$88.2 million.

In 1993, USAID purchased about \$61.7 million of Texas wheat, rice and feed grains for use in Food for Peace pro-

grams. In 1994, USAID purchased an estimated \$135.5 million of Texas agricultural products for use in these food aid programs. In 1995, USAID purchased an estimated \$79.2 million in wheat, corn, rice and sorghum from Texas to feed people in 26 nations, including Armenia, Ethiopia and Bosnia.

Shipping and handling USAID's food and other aid generated \$68.5 million in fees for port services and shipping charges for companies headquartered in Texas in 1993. In 1994, shipping and handling aid brought \$92 million to Texas. In 1995, Texas firms received \$17.7 million for foreign aid transportation services and \$44.6 million in 1996.

In 1994, USAID sponsored 337 foreign participants' training at Texas universities and educational facilities, usually including full tuition and living allowances. The program sponsored 230 students in 1995 and 328 students in 1996.

USAID programs in Jordan and Egypt financed \$6.4 million in purchases from Texas companies in 1993; \$4.8 million in purchases in 1994; and \$4.8 million in purchases in 1995. ■



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