

People Working Together

A Report on the
Fourth National Conference
On International Economic
And Social Development

Co-Chairmen:

HONORABLE ORVILLE FREEMAN, Governor of Minnesota

HONORABLE CHARLES P. TAFT, Mayor of Cincinnati, Ohio

February 12-13, 1957
Washington, D. C.

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The Fourth National Conference on International Economic and Social Development, held in Washington February 12-13, 1957, brought together representatives of 107 national organizations. It was sponsored by the Point Four Information Service, an informal group of representatives of farm, labor, educational, religious, cooperative and civic organizations interested in the technical assistance and economic development programs of the United States, the United Nations, and non-governmental agencies. It has met informally, usually for luncheon, for over five years and was the sponsor of earlier conferences here in Washington in 1952, 1955, and 1956.

The responsibility for this conference, as before, rests with the National Conference on International Economic and Social Development, Inc.

Preparation of the conference was in the hands of the following participants in the Point Four Information Service:

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This report was edited by

DAVID C. WILLIAMS, Americans for Democratic Action

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The reference to President Eisenhower at the top of page five should read as follows:

In his second Inaugural Address, President Eisenhower said:

“. . . the American story of material progress has helped excite the longing of all needy peoples for some satisfaction of their human wants. These hopes that we have helped to inspire we can help to fulfill.”

THE FOURTH NATIONAL CONFERENCE ON INTERNATIONAL ECONOMIC AND SOCIAL DEVELOPMENT was privileged to have as its co-chairmen the Honorable Orville Freeman, Governor of Minnesota, and the Honorable Charles P. Taft, Mayor of Cincinnati, Ohio. These two men with such broad understanding of international problems added significantly to the success of the conference.

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**NATIONAL CONFERENCE ON INTERNATIONAL ECONOMIC
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KALIJARVI—*“Two-way streets everywhere”*

Excerpts from address by THORSTEN V. KALIJARVI, Acting Deputy Under Secretary of State for Economic Affairs

“. . . the American story of material progress has helped excite

In his second Inaugural Address, President Eisenhower said: the longing of all needy peoples for some satisfaction of their human wants. These hopes that we have helped to inspire we can help to fulfill.”

In the years since World War II, the United States, with its economy booming and its homeland physically undamaged, has been in a unique position to spread beneficent techniques across national boundaries. Quite apart from the grants and loans made to other countries, we have administered programs of technical cooperation desired by other governments. We did this in the knowledge that, although technical skills cannot be absorbed at an equal rate in all places, they are in urgent demand practically everywhere.

What techniques our people have shared with less developed countries, they have shared in a humanitarian spirit. But let it not be called charity, for the policy is based on a farsighted conviction that we *and* the recipients would both benefit.

The United States has joined in the technical education process which the United Nations carries on through such specialized agencies as the Food and Agriculture Organization, the World Health Organization, the International Labor Office, and the UN Educational, Scientific, and Cultural Organization. And we are also associated with other international bodies which devote a considerable part of their efforts to the advancement of economic development through technical cooperation. The World Bank and the International Monetary Fund, though specialized agencies of the UN, carry on separate activities in this field. The Organization for European Economic Cooperation, the Organization of American States, and the Colombo Plan—all sponsor technical cooperation.

Never before have the resources of so many countries been mobilized for a world-wide cooperative enterprise as in the United Nations Expanded Program of Technical Assistance. During the first six years of the program, experts were recruited from 77 countries to help provide technical education in various forms.

I am sure that most of you are familiar with the striking achievements of this Program throughout the world. Many of you have

visited countries where the Program is working and have yourselves seen the benefits it is bringing to the peoples.

The elimination of dread diseases; better educational facilities and advances in literacy; increased agricultural and industrial productivity; improved government administration; better road, rail and air transportation—examples of such accomplishments can be cited on the basis of your own personal experiences.

Rather than eulogizing, unnecessarily, a program which is generally regarded as one of the most successful endeavors of the United Nations system, I should like to mention a few current aspects of our own participation in that program.

During the first six years of the Expanded Technical Assistance Program, the United States has exercised a position of leadership and has steadfastly supported the stability and continuity of the Program. We have contributed over these years about 55 percent of the \$143 million in voluntary contributions by which it is financed, and our proportion has been gradually reduced from 60 percent to 50 percent. Our pledge for the calendar year 1957 is \$15.5 million, subject to certain matching provisos, and we expect that our proportion of the total in 1957 will be somewhat below 50 percent.

In the Mutual Security Appropriation Act of 1957, the Congress placed the proviso that the US contribution to the 1958 program should not exceed $33\frac{1}{3}$ percent of the total amount. This whole matter of national contributions poses difficult problems. It was, of course, to be expected that the high percentage paid by the United States in the early years would be somewhat reduced and the share paid by other countries would be somewhat increased. The question is not that. The questions are: How *fast* can our percentage be reduced without bringing a set-back for the program? What, ultimately, should our percentage be? And by what methods does one calculate the appropriate share of *any* country? We have not yet found final answers to these questions.

As between our multilateral and bilateral approaches to technical cooperation, it is not a question of "either-or." It is "both." The questions are "where," and "how," and "how much," and "how fast."

We do not have the choice whether the world is going to change. The world *is* changing. Man's choice is whether or not, as the world changes, human beings will arrive at just one crisis too many, or whether they will learn to pave their globe with two-way streets everywhere.

In this, the mightiest construction project of all, let us never fail to do our part.

WOOD—*“It’s the people who count”*

Excerpts from address by TYLER WOOD, Assistant to the Administrator for Evaluation, International Cooperation Administration

Let me tell you briefly about the size and scope of the bilateral programs of foreign assistance which the United States has been engaged in and is now engaged in. The 1957 program of foreign aid comes to about \$3.8 billion, the amount appropriated by the Congress. There is a great deal of discussion, and properly, of the makeup of these bilateral foreign aid programs. To fill you in on that, of this \$3.8 billion about \$2 billion, or just over 50%, is military aid—aid in the form of weapons to permit other nations who are threatened by aggressive totalitarian Communism to protect themselves, and to join us in creating a shield against that kind of aggression.

Then we have the item called “defense support.” This is an item which is often bandied about and mistreated. It is in effect economic aid—aid in the form of goods, services, and machinery which is non-military in nature, but given to countries which are carrying a military burden beyond their capacities to carry. Those who think it is popular to talk only about military aid emphasize the military aspect of this, and they are quite right and quite honest about it; those who are more interested in economic aid, emphasize the economic aspects of it, and they are also right. The proper thing to do is to look at this problem whole, in its entirety. This form of aid, and it is a very large proportion of the aid of the United States abroad, serves both purposes and it is doubly constructive. I don’t think anyone has to apologize for either aspect of this aid. In addition to these two major items, which make up over 80% of the total in this fiscal year, we do have development assistance of about a quarter of a billion dollars. This is the assistance which is given in the form of commodities and machinery—the same as the defense support—but to countries which do not have a military aid agreement with us or a very substantial military program. In addition, we have the bilateral technical cooperation assistance of over \$150 million. The balance is scattered.

By way of further background, let me give you just a few more figures. We have today, training in the United States, about 2500 people from all over the world. This is part of the technical cooperation work in the bilateral aid program of the United States. Visualize that number of people. It is a very important element in the relationships of this country with the rest of the world. Of our technicians,

there are somewhat above 4,000 in other countries of the world, probably in every one of the 54 countries which are cooperating with us in the Mutual Security Program. We expect in the fiscal year 1957 to have trainees, the expenses of whom we are financing in this country and in third countries, numbering about 5,000. Finally, let me give you a few figures that indicate how this country has put its strength and economic resources behind its efforts to assist its friends in the world to become stronger, to stand on their own feet, to be able to defend themselves, and to be able to develop. From the middle of 1945 up through September 30, 1956, the United States made available in all forms of assistance \$57 billions, of which \$46 billions were grants and \$11 billions were loans. This is a staggering figure. It's a figure which is criticized by those who attack our foreign aid activities, but it is one of which I think we can be proud when we look at the results it has accomplished.

Now why do we do all this? Mr. Kalijarvi has discussed this in some respects. I'd like to give you just a few of my own comments—comments developed, thoughts developed, as a result of many years of experience in this business. Many reasons are given. It seems to me that the very basic reasons are simple and powerful and deeply rooted in our own character and traditions. Nothing very good and lasting can come in this country unless it has those characteristics. I should say that one of the things that strikes me as being most important in this respect is that we in the United States want to and do perform things that are fundamentally good and constructive, especially in a troubled world such as that in which we have been living since the last war. This constructive thing, as I put it to myself, is to help create a community in which the values we believe in can be safe and flourish, not only for ourselves but for all men who do believe in or will believe in these values.

Inherent in what I am just saying, you will notice, is an emphasis on people, not on things. The more I have been around the world, the more I have watched what we have done in these aid programs, the more it has come to me with greater and greater force that it isn't the money—the figures that I have just quoted, impressive as they are—but the people who really count. It is the people, it is their attitudes all over the world that are really important, not the things. One of the aspects of our foreign aid programs which I as evaluator expect to emphasize increasingly—and I am sure it will be constructive—is the importance of the training of people, the importance of the attitudes of people, the importance of the things that the representatives of the voluntary agencies do here and abroad. It is human beings who are terribly important, much more than things.

Development programs in action

Excerpts from Panel Discussion

JOHN DE WILDE, economic adviser, Department of Operations, Asia and Middle East, International Bank for Reconstruction and Development

The technical and economic development programs in the Middle East area have been conditioned by four factors.

1. *Natural resources*: It is obvious that the countries in the area differ greatly as to natural endowment in resources. Oil is very unevenly distributed, as are other resources. Countries such as Iraq and Iran have the greatest potential for development. At the other end of the scale are Egypt, Jordan, Lebanon, Israel, which are poorly endowed. Syria falls between the two extremes. Land and water are the most important resources in this area, and those to which most of the development programs are addressed.

2. *Availability of capital*: All the countries in the area are poor. Levels of income are generally low. Savings are very small. The principal source of finances for development is oil revenue. As oil resources are very poorly divided among the various countries, revenues are not received by these countries in proportion to the potentialities for development. In all, the countries in the area received about one billion dollars a year in oil revenues before the closing of the Suez canal. Most of this was received by Arabia, Iraq, Kuwait, and Iran, leaving very little for Syria, Jordan, Lebanon, Egypt and Israel. It is obvious that the capital resources for development are not necessarily in proportion to the potential that is available. Moreover, efforts to pool these resources have so far failed. Some attempts were made by the Arab League to pool, through an Arab Development Bank, the financial resources available for development of this area; but up to the present these efforts have not met with success.

3. *Human resources*: It would be a mistake to regard the shortage of capital as the crucial factor. One is struck by the fact that the quality of human resources—the level of technical and administrative talent—is a much more crucial factor than capital. In this connection, it is impressive that the two countries with perhaps the highest standard of living are Lebanon and Israel—two countries which have little or no oil and are the most poorly endowed with natural resources. Israel, to be sure, has profited tremendously from the inflow of capital, which has been a great stimulus to development. But its high quality

of human resources, of skill and organization, has been one of the most important factors in lifting the country's standard of living. In Lebanon, the income is high because of the unusual capacity of the population to organize themselves effectively and to make the most of the slender resources they have.

4. *Single-mindedness in striving for technical and economic development*: In the Middle East there is obviously no 100 percent preoccupation with economic development on the part of the governments in that area. Instead, there is preoccupation with political and international issues, to the detriment of economic development. The greatest single problem in the Middle East is the relation of Israel to the other countries. A substantial part of all these countries' resources is devoted to national defense—in effect, to preparing themselves for internecine warfare—instead of national development. International cooperation for development has hardly been possible. For example, Jordan, an obviously poor country, has refused funds available for the development of the Jordan Valley because this would involve doing business with Israel. The Nasser regime in Egypt has two preoccupations: it is interested in the development of the country, but at the same time it is also very much interested in wiping out the humiliation Egypt suffered when it was defeated by the Israeli army. So we see today that Egypt has devoted substantial amounts of its resources to arms and military activities, while the country remains desperately poor.

In looking at the problems of the Middle East, one must keep in mind that the resolution of the outstanding political issues is very essential to the promotion of the economic development of that area.

A. J. CRESHKOFF, economist, Robert R. Nathan Associates, Inc.

Burma has made substantial progress since 1950 when all organized attempts to overthrow lawful authority by force were overcome. Total production between 1950 and 1956 increased, in real terms, at an average of $7\frac{1}{2}$ percent a year. A high rate of capital investment was maintained during this period with about a fifth of total output going into capital formation each year. Nevertheless, Burma has yet to achieve her prewar level of output.

Since 1955 Burma has had to combat rising prices primarily due to shortages of consumer goods imports resulting from insufficient foreign exchange. Capital development expenditures had to be curtailed and it was found necessary to seek loans and assistance from abroad.

The economic situation today is much improved over a year ago. The foreign exchange position is stronger. Export potentialities are up. External assistance provided greater flexibility in the use of re-

sources and helped avert more critical shortages. However, inflation remains a problem.

Some of the main conclusions to be reached from Burma's experience since 1950 are as follows: The greatest single deterrent to Burma's economic progress is the lack of complete internal security. Improvement in public administration and management at all levels, and a more adequate supply of other technicians, is an absolute necessity. Inadequate capital and technical resources have forced Burma to increase the emphasis placed on expanding agriculture, mining and timber—a healthy development. Loans and other assistance from abroad were of limited assistance to Burma in 1956. The prospect of additional foreign resources in 1957 makes possible a higher level of capital development expenditures than would otherwise be the case.

First, the lack of complete internal security continues to be the greatest single deterrent to economic progress. Burma's dense jungles and mountains are hard to clear of the splinter groups of rebels that roam these areas and harass villagers and interfere with transportation and minerals and timber production. Yet, until this is accomplished, Burma cannot hope to realize in full her high potential for economic growth.

Second, public administration and management need to be improved at all levels. Burma has too few top administrators and technicians, and those she has are spread thin and overburdened with work. Burma is terribly short of skills of all kinds—from managing a jute factory to implementing an import program, from running a teak sawmill to developing an adequate statistical reporting system.

This is understandable in a country which until its independence nine years ago had little opportunity to develop abilities along these lines.

Third, inadequate resources have forced Burma to curtail her development program and to hold it within very tight fiscal limits. However, they have also forced a desirable shift in emphasis in favor of expanding the basic production sectors—agriculture, mining and timber. Additional resources from abroad during 1955-56 made possible slight upward adjustments in Burma's development program. The prospect of additional foreign resources this year in the form of a \$25 million US loan, and additional Public Law 480 surplus commodity purchases for Burmese currency, a West German credit for \$16 million, credits from the USSR, utilization of the \$12 million Indian loan, further World Bank loans, and some private foreign investment should result in a program of capital investment higher than would otherwise be compatible with internal economic stability.

The Government of Burma is expected shortly to announce its

development plan for the four years ending in 1960. A smaller program is anticipated than was planned in 1953 when Burma's comprehensive 8-year program was launched. It will be a plan that is financially feasible, within the resources that appear to be likely. It will be a flexible plan which can be adjusted upwards as additional resources are found.

In conclusion, by 1960 output in Burma may reach \$60-\$70 per capita per year assuming an annual average rate of growth of 5 to 8 percent is maintained. This compares with nearly \$2,500 per capita in the United States. By 1975 a 5 to 8 percent rate of growth would result in increasing annual per capita output in Burma to \$100 to \$200.

A doubling of living standards in 25 years may be acceptable to advanced industrial countries such as the United States. In a country like Burma where the people are in a hurry to raise their living standards and where the level they start from is so low, impatience and social discontent may bring into power political leaders who promise short cuts to higher living standards, at the cost of individual freedom.

It would appear in the interest of the United States to seek and find new ways and means to help Burma to more quickly transform her present unprogressive economy into a progressive technology capable of more rapid improvement of living standards.

PROFESSOR FLEMMIE KITTRELL, Howard University

Former Ambassador to India John Sherman Cooper said in a testimony before the House Foreign Affairs Commission on May 8, 1956, the following:

"I doubt if there is a country in Asia or perhaps in the whole world with as limited resources that is making progress comparable to that of India. . . . For the future of democratic government, it is important that India succeed. If at the end of 10 or 15 or 20 years, India remains and grows as a strong stable democratic government, it will certainly be a favorable development in the world situation for the United States and other free nations."

One out of every six persons in the world is an Indian. India covers about 1,270,000 square miles. Its languages, religions and culture show greater diversity than all of Western Europe. Yet, India's present political unity, under an independent and centralized government, is greater than has ever been achieved before in her history.

The new nation which won its independence in 1947 is today composed of the area that was controlled by British rule and more than 500 princely states which had exercised varying degrees of autonomy. The partition of the subcontinent was largely on religious lines

between Hindus and Moslems, yet India today still has 40 million Moslem citizens, as compared to 65 million in Pakistan.

In its first and second five-year plans India is undertaking some of the most comprehensive development programs in the world. Proceeding by democratic means and largely on the basis of the resources of the nation itself, India today is showing sound progress in expanding its national economy and in raising the standard of living of its population of more than 380 millions.

India has a very diverse climate and geographic features. The highest mountains in the world and the large flat and sandy areas of the country pose special problems to be dealt with. Foremost among these problems is that of irrigation, which has been practiced in India for centuries but is being greatly improved at the present time.

Approximately 83 percent of the people of India live in rural areas. Their gross per capita income is less than \$75.00 per year.

In many phases of national life, India presents examples of the highest development. Yet the benefits of these do not extend to the great mass of the people. For example, the country has 32 universities (with 920 affiliated colleges), more than 25,000 secondary schools, and 225,000 elementary schools. Yet there are no schools at all for approximately 50 percent of the nation's children. The literacy rate is only 20 percent, yet this is a great improvement over the figure five years ago.

United States assistance to India is designed, in keeping with India's own development plans, to help extend production, help increase training facilities and assist broad programs for making basic improvements in the economy and social progress of the nation. As of May, 1956, there were 137 American technical specialists in India. A total of 401 Indian participants in the program had studied in this country.

RT. REV. MSGR. L. G. LIGUTTI, Executive Director, National Catholic Rural Life Conference

The world is now emerging from a long era of international and national policies based on a social philosophy which considers human society as a rabble or horde, and each individual as ultimately seeking only self preservation. This type of philosophy gave rise to superior race theories and national aberrations. Within a national society it logically developed the stratification of classes and caused the resultant struggles. What is still happening in some few international instances, and what is still hung on to here and there nationally, can be traced to such a social philosophy.

Latin America is our closest neighbor. Our own material and social fortunes are getting into a closer and closer union. If in the past Latin America was looked upon as a poor benighted land, an object of

pity and curiosity to the "Gringo," it certainly cannot be considered that in 1957.

Christian service and enlightened self-interest should be the motivating causes of our action in Latin America and elsewhere.

The raising of the standards of living elsewhere does not mean the lowering of our own. We merely extend the circumference of the circle.

Our plans for Latin America should be in the hands of social as well as technological experts. The understanding and sympathetic attitude adds immeasurably to the value of technical assistance. It is what makes success possible.

In our technical assistance as well as food distribution we must ever be on guard that our share does not contribute to the debasement of the personal dignity of the recipients. It is better for human beings to go hungry than to lose liberty or be pauperized.

The relations between the US and Latin America cannot be segmented. In the totality and in each detail there must exist a unity of purpose and action and a coordination—else what is a gain in one sector becomes a loss in another. Improper religious approaches, unreasonable commercial profits, underhanded and venal seeking of favoritisms are pitfalls to be avoided.

Latin America is not a one color print with shadows, but is more varied than a mosaic. Catholicism and Hispanidad are the two great unifying forces, but the differences are overwhelming and must be grasped. All points to a greater degree of understanding, but we still have a long way to go from the "big stick" policy of Teddy Roosevelt and the bigotry of Poinsett.

Perhaps the private independent agencies like the cooperatives might become the media of good will and the builders of understanding. A letter written by Latche I. Naraine of British Guiana, commenting on the meeting held in Jamaica to organize a Federation of Free Cooperatives in the Caribbean area, puts this effectively:

"The Conference was a new experience to me. If someone had told me that persons of different nationalities, culture, and languages could be assimilated into one mass in so short a time, I would have doubted that person. But that is exactly what happened in Jamaica and I am firmly convinced that the cooperative movement is a bridge to link the nations of the Caribbean area together and a very firm weapon to eradicate the evil of any form of undemocratic Government."

THEODORE GEIGER, Chief of International Studies, National Planning Association

Since World War II, accelerated economic development has been

occurring in West Africa. British and French authorities and the Liberian Government have prepared more or less ambitious development programs, and sizable government funds have already been appropriated and partly expended to carry them out. These government-financed projects are largely designed to provide the region with the basic transportation, power, public health and educational facilities—without which rapid and substantial growth of agriculture, mining, and manufacturing could not occur.

UN and US assistance in West African economic and technical development has so far been on a relatively modest scale. The IBRD has established a \$7½ million credit for railroad construction in French West Africa; and FAO, WHO, UNESCO, UNICEF, ILO and UNTAA have modest technical assistance programs in their respective fields throughout the region. The largest direct US economic aid has been that given to Liberia in the form of three Export-Import Bank loans totalling \$21.3 million. Liberia has also received the largest share of US technical assistance, amounting to almost \$10 million since 1952. American economic aid to the British, French and Portuguese territories has been primarily in the form of local currency counterpart funds. In addition, some US technical cooperation programs are being undertaken in these territories, mainly in the fields of public health, education, and agricultural and community development.

Though the Gold Coast, Nigeria and Senegal are considerably more advanced economically than the rest of West Africa, the region as a whole is still in the early phases of its transformation from a static, self-sufficient tribal economy to a more dynamic, interdependent and productive economic system. While economic growth has not yet reached the self-generating stage, the spread of commercial agriculture and extractive industries has been resulting in money incomes for growing numbers of West Africans, thereby creating expanding markets for consumer goods and fostering local industries and service trades.

West Africa has the great advantage (compared with parts of Southern Asia, the Moslem region and East Africa) that it is still comparatively underpopulated. There are vast tracts of uninhabited or sparsely inhabited but potentially usable land, and the productivity of most of the land now in cultivation can be substantially increased. It will be many decades before the population expansion now beginning to result from improvements in health and diet will create difficult problems of population pressure on natural resources. Indeed, some of the plantation, mining and manufacturing enterprises in West Africa have been experiencing recurring labor shortages, which will only be eliminated when advances in tribal methods of cultivation enable more food to be produced with fewer workers. If treated fairly

and with due regard for his human dignity, the West African worker is cheerful and cooperative and readily learns basic agricultural and industrial skills.

Counterbalancing these favorable factors are a number of obstacles to more rapid economic and social development. Despite recent improvements in health conditions, endemic diseases are still major problems in West Africa, and it will be many years before the incidence of malaria, sleeping sickness, yaws and the numerous parasitic infections is reduced to minor proportions. Though total caloric intake is reasonably ample, the West African diet is seriously deficient in proteins and certain vitamins and minerals. Most parts of the region are still without means of transportation more adequate than primitive head-loading; credit and banking facilities are generally rudimentary; and needed ancillary industries and suppliers are usually lacking. For the great bulk of the inhabitants, who still live within tribal societies, the social and psychological gap between their traditional values, institutions and techniques and the attitudes and working methods and organization required for greater productivity is too broad to be crossed in one generation. Finally, in the most advanced areas, where political independence is imminent or progress has been made toward self-government, the new native regimes are inexperienced and therefore tend to be relatively inefficient, and the standard of morality expected in West African public life is generally not very high.

Despite these unfavorable factors, the momentum gained during the past decade appears sufficient to warrant the conclusion that substantial progress will continue to be made in the future toward realizing the truly great economic potentialities of West Africa. Though nationalism is strong among educated or articulate West Africans, it does not in most cases have the exaggerated and irrational character which makes it an obstacle rather than an incentive to economic and social progress. There is no mass basis for a widespread Communist movement, and the Kremlin's ambitions in West Africa are as yet served by only a small group of intellectuals in the more advanced parts of the region. Granted continued world peace and prosperity, the pace of West Africa's economic and social progress will largely depend upon the energy and common sense of its people, the responsible fostering of true self-government by the metropolitan powers, and adequate and effective aid from Western Europe, the United States and the appropriate UN agencies.

HUMPHREY—“*We need a new emphasis*”

Excerpts from address by SENATOR HUBERT H. HUMPHREY of Minnesota

Since 1951 nearly all our foreign aid—totalling about \$25 billion in six years—has gone to arm and maintain a circle of allies around the Communist bloc. No matter what else the Republicans or anyone else may call it, this is our “policy of containment.” We have sought to establish a ring of pacts, of military bases, a ring of standing armies, a ring of political and economic strong points, a ring of information, pamphleteering and propaganda for freedom. Consequently, about 60 percent of our foreign aid went for military hardware, another 25 to 30 percent for budgetary and financial support of governments which were maintaining armies otherwise beyond their means, and approximately 10 percent for technical and developmental assistance.

It is fair to say, I believe, that we have never really had a definite policy for speeding up the economic growth and development of friendly non-Communist countries. Whatever we have done along this line was basically only incidental to our military containment policy. Hence, the appropriateness of the term “defense support” for much of our development aid.

I do not question the need for adequate defense; I support it. For some time, however, I have publicly doubted whether the United States has begun to develop the kind of affirmative and constructive policies which show what we are *for* as well as what we are *against*—policies which can draw together the forces of freedom everywhere, policies which can ultimately establish a secure world climate for the freedoms we cherish here at home. Our foreign policy needs a new emphasis. It needs the emphasis of economic growth and progress, along with national independence for free people and nations. Military containment must give way to economic and social development.

My second point is closely related to my first: There will be no significant departure in our economic development programs in 1957 unless President Eisenhower gives us both a proposal bearing his name, and more than his customarily mild, detached leadership.

I have never been known as a pessimist. I hope I am wrong about what I have just said, as well as about the chances for a new program this year. But I believe your discussions will be more realistic if they are based on the hard, discouraging outlook that there is not likely to be a substantial change in American foreign policy leadership this year.

This leads me to my third point. I also believe that forward-looking groups such as yours can perform a service in advancing ideas and establishing a favorable climate for a new American economic leadership. I suggest this can be done best by identifying those key issues, those leading questions, on which a shift in American policy must be based. I have not studied this subject at length, as some of you have, and I am sure this list of issues can be improved by your discussions. In a very abbreviated form, here are my suggestions on those key questions, and my personal answers to them.

Question No. 1: *Have underdeveloped countries, especially those in Asia and Africa, acquired a new importance to the United States and the Free World that requires us to work out policies of accommodation to their legitimate needs, just as we have long worked out accommodations with Western Europe?*

My answer is an unqualified yes. No one privileged to serve on our American delegation to the United Nations, as I have been at the current session, can fail to grasp that these new and developing nations of Asia and Africa, now numbering 27, control over a third of the votes in the General Assembly. By the end of the year, two more may be added, that is, Ghana, formerly the Gold Coast, and Malaya. Almost all future additions to the family of free nations will lie in Asia and Africa. The outcome of the great struggle between freedom and Communism will unquestionably be decided by the turn of events in these countries.

Question No. 2: *Is economic development the most important relationship which the United States can employ to build a position of trust and respect among developing nations?*

Unquestionably it is. All the more reason, therefore, why the new economic approach must be accompanied by more sensitive attitudes toward neutralist foreign policies and toward the remnants of colonialism.

Question No. 3: *Is it a fact that the developing countries need, and can wisely use, a substantially larger flow of outside capital?*

I have talked to no reputable economist who does not confirm this fact. When you think back on the large amounts of capital which the United States found it necessary to import from Europe in launching its own development process, it is not surprising that these newly developing countries likewise look to older economies for their initial capital.

Question No. 4: *Can private investment provide a sufficient capital flow for these purposes or must we look also to public investment?*

The United States has not done nearly enough to encourage its citizens to invest abroad. More private investment is certainly possible.

But I never heard of a private investor prepared to finance hospitals, malaria control, a teacher training school, a county agent operation, or a community development project. We know that these steps are often necessary before private investment can go into an area. The conclusion seems inescapable that public investment must supply a substantial portion of the capital, at least in the early years.

Question No. 5: *Have we fully explored the use of our abundance of food and fiber as an integral part of a general economic assistance program?*

Recognizing the political difficulties confronting a large-scale economic assistance program, it is all the more important that we explore the possibilities of increasing our activities by means of programs such as the Agricultural Trade and Development Act of 1954. Congress originally spelled out the use of foreign currencies accruing from the food and fiber sales under Public Law 480 as follows: (1) to expand international trade; (2) to encourage economic development; (3) to purchase strategic materials; (4) to pay United States obligations; and (5) to foster in other ways the foreign policy of the United States.

Merely to list these objectives answers the question of whether we have used this law to its fullest extent. The answer is clearly no. Both in my role as a Delegate to the United Nations General Assembly, and as a member of the Senate Agriculture Committee, I have recently proposed increasing this type of program, including the actual extension of Public Law 480 for a two-year period with an authorization for \$3 billion.

Already we have gained practical experience under this program in India, Turkey, Spain, and certain South American countries. Further development of national food and fiber reserves, coordinated with the program of the Food and Agricultural Organization, operating under the auspices of the United Nations, remains to be explored. We have merely scratched the surface of the real possibilities in this field.

Question No. 6: *Should we look to national governments like the United States, or international bodies like the United Nations, to administer such a program?*

I fail to understand why this question is so often posed as an "either-or" proposition. We need both. But I do think the greatest gap in our present economic development machinery is an international fund which can finance sound projects in underdeveloped countries. That is why I have always supported the Special UN Fund for Economic Development (SUNFED), though I recognize that the present proposals for the capitalization of SUNFED are wholly inadequate. We need a good deal more thinking on what the relationship of such a fund should be to the International Bank and the Inter-

national Finance Corporation, for unless that question is worked out satisfactorily there will be little inclination on the part of the donor countries to entrust funds to an international body. Nor should be neglected the possibility of regional economic development authorities especially in the Middle East.

Question No. 7: *How long will this proposed development program continue?*

The only honest answer is that it will continue throughout our lifetime and probably throughout the lives of our children. Our initial commitment should not be for less than four or five years. If we think this is a quickie job for political expediency, we would do better to keep the money in our pockets and forget the proposal.

Question No. 8: *What would this proposal cost?*

There have been many estimates. Last year the Committee for Economic Development suggested from \$500 million to \$1.5 billion in new capital each year, over and above the present flow. The most detailed estimate I have seen was that advanced by the M.I.T. study project, which came up with a total cost of \$2.5 billion a year, of which some part would be borne by other industrialized countries, part could be financed with American farm surpluses, and the balance of about \$1.5 billion a year would be provided by American public funds. This represents a little less than we are now spending on so-called "economic aid," though of course under the M.I.T. proposal this amount would go entirely for economic development, rather than military support.

Question No. 9: *Can we afford it?*

In 1956 the United States spent 1.1 percent of its gross national product on foreign aid. Nine years ago, during the first year of the Marshall Plan, we spent 1.7 percent of our gross national product, a proportion half again higher. Can you blame the United Nations members for hanging their heads in embarrassment when our government told the Economic Committee two weeks ago that we cannot support SUNFED because we cannot afford it? Actually two UN members—Canada and France—are making *larger* contributions to international development, in relation to their present economies, than is the United States. Western Europe and Canada combined are making *larger* net investments in foreign countries than is the United States.

The question has never been whether we can afford it, but whether our national interest will assign a sufficiently high priority to this foreign policy leadership to justify the use of our resources. It is one of the purposes of this conference, I trust, to help establish that priority.

VORYS—*“America should stay strong”*

Excerpts from address by Representative JOHN M. VORYS of Ohio

We owe it to the rest of the world, as well as to ourselves, to stay strong economically here at home.

I was on the Commission on Foreign Economic Policy, the Randall Commission, in 1953 and '54. We held hearings in Paris, to hear nine distinguished representatives of international organizations. The hearings were off-the-record, their recommendations varied, but all agreed that it was of first importance for America to stay strong, not have runaway inflation or a depression. All agreed that, if we crashed, the whole free world would crash with us.

Many people say that foreign “giveaways” are unconstitutional. I agree. As Saint Paul says, the greatest of human virtues is *charity*, but it is a personal virtue that does not apply to our government, under our Constitution. Unless the foreign grant or loan promotes the security or welfare of the United States, it is unconstitutional. As individuals, we have the right, the duty under God, to be charitable. Our private institutions with voluntary support, our church organizations, the Red Cross, our foundations, can and do carry on vast humanitarian programs of aiding people all over the world, with selfless motives. Our government, supported by involuntary taxes, has no such powers. This has not been tested in the courts, because it is almost impossible to have a case involving this issue, but Congressmen, as well as judges, are sworn to uphold and defend the Constitution.

Therefore, any reappraisal plan for government action should be based on our own best interests, and we should tell the world what these interests are.

We have 6 percent of the world's population, 7 percent of the area, about half the world's production, and double the debt of the rest of the world. Our dollars for foreign aid can only buy from our decreasing natural resources, or hire people from a limited number of trained technicians. We cannot take care of all the needs of the world. Our help can be only marginal, in most places. We have a responsibility to be selective and, in most instances, to do our own selecting.

Many reappraisal proposals say that we have over-emphasized military aid and defense support, and should concentrate on other forms of aid. We should remember that:

1. Our defense needs are caused, not by ourselves, or by our friends, but by our enemies.

2. Our military aid is, in the words of Admiral Radford, "part and parcel of our own defense."

3. Aid to other countries, in the form of weapons and training is, to the American taxpayer, economic aid. He puts up the "economic" dollars, for both military and economic aid. We should make it clear to the world that, while we cannot buy friends and will help others as we can, when it comes to foreign aid our dependable friends and allies come first.

We have an interest in the healthy development of undeveloped countries. Developed countries make better customers in peace, and are better able to protect themselves in war. We should do our share in furnishing technical assistance through the UN and through ICA. Capital needs for development should be met by loans. First of all, the needs must be determined, the ability of the country to use, and repay, capital loans. Next, the climate for investment must be created, the willingness to repay. A big part of development depends upon the establishment of the capacity of the country to use capital, and its willingness to repay. This is needed to stimulate private investment, or to justify governmental loans. Too rapid development is not stabilizing; it is unstabilizing, apt to cause inflation, almost sure to cause social and political restlessness.

In all our government programs, military, economic, technical assistance, we should remember that whoever we send to a foreign country is a representative of our country. If he, or his wife and family, live above and apart from the native community, as many of the people in our missions do, or if their personal contacts with officials and people are bad, then our interests are affected adversely, no matter how smart they are as soldiers, doctors, engineers, experts. All the people in our missions are "missionaries" from our country, for better or for worse. We want them to be worthy missionaries.

We are the greatest trading nation on earth. About one-fifth of all the trade that crosses an international boundary is from the United States. We want to expand our trade, our exports and our imports, on a reciprocal, mutually profitable basis. We must protect our labor standards from substandard wage levels. We need to preserve here the skills we need for defense. Skilled workers cannot be stockpiled. We should not lower our tariffs and then launch a program of domestic aid to industries and workers that are damaged.

Economic progress—a forward look

Excerpts from Panel Discussion

DAVID OWEN, Executive Chairman, UN Technical Assistance Board

The United Nations Program of Technical Assistance for economically less-developed countries has just completed its sixth full operational year. It is still a very small undertaking compared with the magnitude of the task with which it is faced, but it has grown steadily since 1951 when only 55 governments contributed \$20 million to its resources, compared with the \$31 million expected from over 80 governments this year. During its short life, the Program has provided technical services and training for over 115 countries and territories and in the year 1957 nearly 2400 technical experts will be at work in the field and over 2300 fellowships holders will be getting further training and experience in countries other than their own. The broad multilateral character of the Program is demonstrated by the fact that the experts are drawn from 77 countries, and that over 100 countries and territories have provided opportunities for further training and experience. This is a Program which is mobilizing the technical resources of the world for service wherever the need may be. It is, I believe, the most comprehensive international program of economic and social co-operation so far established. It is a source of great pride to the many countries and to the thousands of men and women who are concerned with its operations.

The most important source of strength in the development of the UN Program is to be found in its deep roots in the experience of the Specialized Agencies in the UN family. Technical help in the field of public health is based on the professional knowledge and experience of the World Health Organization with its extensive contacts in the world of medicine and public health administration. Advice on the development of agriculture, forestry, fisheries and nutrition is based on the work of the technical divisions of the Food and Agriculture Organization. The International Labor Organization, UN Education, Scientific and Cultural Organization and the International Civil Aviation Organization make their important contributions in their own specialized fields, and the UN Technical Assistance Administration, established to serve as the operating arm of the UN itself, provides the basic industry and transport, public administration and social welfare.

The strength gained by working through eight specialized institutions is re-inforced by the measures which have been taken to ensure that they work together as an inter-agency team in a combined attack on the problems of economic and social backwardness. The elimination of malaria, the improvement of staple crops, the introduction of secondary industries, the training of mechanics, and raising of basic educational standards are complementary components in an organized drive to root out poverty in an economically backward area. The negotiation of such programs based on an over-all review of a country's needs can be successfully accomplished only on an inter-agency basis. Most of the administrative and daily living problems of international technical experts and their families serving in foreign lands can be handled best together for all the agencies. It is for these reasons that the co-ordinating role of the Technical Assistance Board, on which all the agencies are represented, is so important for the effective operation of the Program. For a combined attack, there must be a combined approach, with an agreed strategy.

There is another important reason why close co-operation between the international agencies is essential for the success of the Program. The resources of the Program depend upon the voluntary contributions of some 80 governments to a central fund upon which each agency draws according to the requirements of its share of the approved program. Governments have made it plain that there would be no question of their making voluntary contributions to eight separate funds to finance eight separate programs; and it is inconceivable that funds necessary to finance the future expansion of the Program would be forthcoming if the central fund and the combined approach were abandoned.

The UN Program prides itself on the high quality of its technical services and training facilities; and, drawing as it does on the resources of the greater part of the world, it is able to meet the linguistic and cultural as well as professional requirements of an exceptionally wide range of undertakings. The increasing demand for its services shows no sign of diminishing. On the contrary, it is becoming more difficult each year to satisfy even the more urgent and important requests for assistance, despite the increase in resources which has actually taken place. If high standards of service and training are to be maintained, it would not be possible, even if the money were available, to increase the expert force and the number of fellowship placements by a large proportion in any single year. But it would certainly be possible to increase these elements in the Program by 20 percent a year over the next five years: surely a modest goal in view of the urgent needs of the less developed countries.

There is one aspect of the work of the Program which is likely to add considerably to the responsibilities of the participating organizations during the next few years. This is most vividly illustrated by an historic event which is due to take place in West Africa in less than a month from now. On March 6th of this year, the British colonial territory—the Gold Coast—will gain its independence as the State of Ghana. It will be a moving occasion—of tremendous importance for the future of Africa as a whole. The problems of the new state will be grave and many, and its development will be watched with anxious care by all who are concerned for the peaceful evolution of dependent territories into securely established independent states. Ghana will need help from the international community—particularly in administrative and technical skills, public health and vocational training. She will doubtless continue to receive some help from Britain, with whom she wishes to be associated in the Commonwealth of Nations; but she will also wish to broaden the basis of the help she gets from outside her own borders—and she will certainly look to the UN, of which she will doubtless become a member later this year. But Ghana is only one such case.

If the largest contributors to the Program—particularly the United States, the United Kingdom and France—were prepared to raise their contributions by easy stages over the next five years, to a level comparable to Denmark, the Netherlands, Norway, Sweden and Canada, the back of the problem would be broken. Each of these countries contributes one-hundredth of one percent of its national income to the Program—indeed, Denmark, the Netherlands and Norway do considerably better than that. If the other major developed countries could in time match the standard of one-hundredth of one percent of national income, we should then be able to double the present level of activities and to meet more adequately the needs that are being pressed so urgently. It does not seem too much to expect.

**PROFESSOR W. W. ROSTOW, Massachusetts Institute of
Technology**

1. The United States should launch at the earliest possible moment a long-term program to promote sustained economic growth in the Free World. This program would make available to the underdeveloped countries sufficient additional capital and technical assistance to satisfy all likely demands for such assistance which meet fairly high standards of eligibility based on the prospective productivity of investment. The levels of investment assumed would be sufficient to make possible at least an over-all 1.5 or 2 per cent annual increase in real income per head for all the underdeveloped countries

of the Free World. In practice, some would grow faster, some slower than this rate.

2. As part of this program the US government should offer to provide a new long-term capital fund of from approximately ten to twelve billion dollars to be made available over a five-year period for loans and grants to accelerate economic growth in underdeveloped countries. In many instances individual loans and grants should be in the form of stand-by agreements, covering the full period of a national development program. Although an initial five-year allocation is recommended, the plan would look ahead for a longer period, at least a decade.

3. This sum provided by the United States should be accompanied by commitments from the governments of other advanced industrialized countries—notably those of Western Europe—to make additional loans and grants of from \$2 to \$3 billion over the same time period as part of a unified Free World program.

4. Concerted measures should be taken to enlarge the international flows of private capital. Such measures might yield an addition over present levels of \$2 to \$2.5 billion during the first five-year period.

5. These sums must be made available to Free World countries without any military or political strings, but under strict businesslike criteria designed to guarantee that the loans and grants could be effectively used and that the loans could be repaid within a reasonable period of time.

6. Although it is most unlikely, if such criteria are enforced, that the whole of the sums offered would be taken up, it is essential that availability of the full amount be guaranteed in order to remove lack of capital as a bottleneck to economic growth and to provide maximum stimulus for the governments and peoples of the underdeveloped countries to expand their capacity to use capital effectively; that is, increasingly to devote their energy, talent, and resources to constructive domestic tasks.

7. A systematic plan should be worked out for mobilizing stocks of agricultural surpluses to be made available for development purposes through an international food and fiber bank. Such a plan must insure that distribution of food and fiber stocks would not interfere with the normal market of exporting countries. We calculate this as about 20 per cent of the American contribution.

8. Loans and grants should be administered by existing national and international agencies, including the Export-Import Bank, the International Bank, and the Colombo Plan organization; but new machinery must be created to coordinate information, set the ground rules, and secure acceptance of the criteria for the investment program.

9. If the US capital made available under this program is to have its full potential effect in providing a lubricant to international trade, we must refrain from attaching "buy American" conditions on our contribution. In addition, if we are to persuade the underdeveloped countries and the other industrialized nations to move toward an increasing volume of trade and an effective international division of labor, we must take the lead by pursuing more vigorously the relaxation of our own barriers to international commerce.

The fundamental case for an economic program of the kind I summarized is that it is a means—perhaps the only means—of effectively associating the United States with the revolution in the underdeveloped areas—and by moving those areas forward under democratic banners, economic progress can help frustrate the Communist techniques of soft war: guerrilla operations, subversion, ideological competition, and diplomacy.

Let me be absolutely clear on this point. It is not a question of hungry men making good Communists. It is a question of men coming to feel that progress can be made toward the larger human goals of their revolution by democratic means, in association with the United States and the West. Economic action is a means to this end; but the end is a state of mind not a technical economic result.

In the longer run it is the American interest to achieve this association for reasons which transcend the Communist challenge. Looking ahead to the next century it is evident that, in one way or another, the vast populations of Asia, the Middle East, and Africa are going to modernize their societies. Their power and influence on the world scene will certainly increase. Our great-grandchildren if not our grandchildren are going to live in a world where the central issue will be this: can the older nations of the West and the newer nations arising from traditional societies and colonialism live in harmony? Will the heritage of colonialism, the heritage of racial feeling, the heritages of the bitter struggle to modernize themselves produce a deep and abiding hostility toward the West which will split the world on new lines; or will the human beings of the planet find that their common purposes and interests outweigh their bitter memories?

It is up to us all—to the citizens of our democracy—to see that we do not fail to meet this challenge—the challenge of our times and the challenge of our heritage—in making the decisions we must make in 1957.

H. FIELD HAVILAND, JR., Senior Staff Member, The Brookings Institution

The present reappraisal of the foreign assistance program raises

important administrative as well as policy issues. Among such administrative issues there are at least four that deserve very careful thought. These concern: (1) the degree of administrative discretion to be authorized, (2) the allocation of responsibilities among Executive agencies, (3) the utilization of multilateral agencies, and (4) the co-ordination among Executive agencies.

With regard to the degree of administrative discretion to be authorized, there is evidence that a number of problems are caused by the absence of a consensus, both inside and outside the Federal Government, regarding the basic objectives of the foreign assistance program. As a result, administrative effectiveness has been hampered by conflicting objectives and persistent uncertainty about the future of the program.

If any lessons have been learned, one is that the basic aims of the program should be as sharply delineated and as internally consistent as possible. Subsidiary objectives written into the legislation should be carefully reviewed to make certain that they are essential to the national interest and do not so conflict with the main purpose that they threaten to seriously impede its fulfillment. And, if the program is to be continued in any form, its authorization and financing should be placed on a more long-term basis than at present.

With regard to the second major problem area, the allocation of responsibilities among Executive agencies, there are two related issues: What authority for military assistance should be vested outside the Department of Defense, and should the appropriation for military assistance be separated from the appropriation for other forms of assistance? The President has answered the first issue by delegating authority to the Secretary of State to approve the amounts of military assistance programs in particular countries on the assumption that foreign policy should take precedence in guiding defense policy when military assistance programs are to be carried out through other governments. There is, moreover, a need to draw a sharper and more accurate boundary than now exists between the military and economic assistance appropriations. This could be done, however, simply by means of clarification within the present single appropriation act. There is no clear evidence or argument that would support separating the appropriations for military and economic assistance.

Within this same general area regarding the allocation of responsibilities, there is the issue: What should be the relationship between the Department of State and the agency primarily responsible for administering the economic aspects of the assistance program, now the International Cooperation Administration? At one extreme, a complete merger of present ICA activities with the Department of

State would probably disrupt certain segments of the Department while jeopardizing the assistance program. At the other extreme, to endow the assistance agency with great freedom from the foreign policy direction of the Department of State is to invite a serious conflict. The practical range of choice extends from an independent agency subject to policy guidance by the Department of State, such as the FOA, through the present arrangement of semi-autonomy within the Department to closer integration with the Department, perhaps by merging the position of the Director of the ICA with that of a new Under Secretary for Economic Affairs, allowing the ICA organization to remain unified within the Department. Considerations of program scope, duration, and boldness of objectives—all of which are presently being re-examined—would affect the choice.

Concerning the third issue regarding the relative emphasis to be placed on the utilization of multilateral, as distinguished from bilateral, channels, there is no simple or easy answer. The performance of existing international agencies indicates that they have operated reasonably well within their present limitations. The International Bank for Reconstruction and Development has been particularly effective. On the other hand, the operations of the United Nations Expanded Programme of Technical Assistance are subject to criticism because of the centrifugal tendencies of the co-operating agencies, the inadequate co-ordinating arrangements at the center, and the absence of effective programming on a country-wide basis. Multilateral organizations have sometimes found it difficult to enforce rigorous standards because the recipient countries are partners in the enterprise and usually play a more decisive role than they might in bilateral operations. Finally, because it might be difficult for other donor nations to match any significant increase in financial backing by the United States, there is the possibility that such an increase would jeopardize the multi-lateral character of these international programs.

On the fourth problem concerning co-ordination of foreign assistance activities, one issue is: What official should be assigned primary responsibility for the central co-ordination of military and economic assistance? Of course, ultimate co-ordinating authority must rest with the President. It is unlikely, however, that co-ordination can be very effective if it is left entirely to voluntary negotiation among department and agency heads on a basis of equal status. It has also proved difficult for the Director of the ICA, which is not a fully autonomous agency, to co-ordinate military and economic assistance. The Secretary of State appears to be in the strongest position to play the chief co-ordinating role because of his pre-eminent authority and prestige in the field of general foreign affairs. Yet, the rise of

the Department of Defense as well as other departments and agencies to positions of prominence in the foreign policy field, and the inclination on the part of the present Executive leadership to remove operating responsibilities from the jurisdiction of the Secretary of State, have provided arguments for assigning the chief co-ordinating role to a Special Assistant to the President.

There is also evidence to support the view that there is a need for more effective interdepartmental collaboration in the planning of both military and economic assistance policy. This calls for more continuous, detailed, and profound inter-agency analysis than is presently available, possibly under the direction of a new specialized subcommittee of the National Security Council Planning Board.

PAUL SIFTON, Washington Representative, United Automobile Workers, AFL-CIO

Again some—not all—of the “have” nations, led by the United States (offering a curious plea of “world tensions” and poverty), have vetoed the eight-year-old proposal for a Special United Nations Fund for Economic Development (SUNFED) which some 39 UN member nations have recommended over and over again during the past several years.

As in former years, the US State Department reason for delaying (vetoing) action on SUNFED was the same patched-pants routine that has been advanced ever since April, 1953, when President Eisenhower, after picturing a vast international economic aid program, put it on the shelf by making it all contingent upon world disarmament. Until such disarmament could be agreed upon and put into effect with resulting cuts in military expenditures, it was said, we could not afford to obligate the US to meet its fair share of such a program.

It had seemed, and still seems, to many of us that this amounts to saying that we must postpone a positive peace offensive in terms of large-scale international economic cooperation until the peak need for military defense expenditures and for military aid to our allies has passed.

This, it seems to us, means in reality that we must not undertake such a positive peace offensive until after the most acute need for it has passed.

We need such a program now, *before* disarmament is achieved, in order to begin to create the conditions under which disarmament can be achieved, not all at one time, but step by step, as the positive peace offensive begins to take effect.

Because we can afford survival we can afford both an adequate military defense program and our share of a positive peace offensive in terms of international economic cooperation and development. We can afford much more than any amount suggested for genuine international economic cooperation since the days of the Marshall Plan. We could afford it on a pay-as-you-go basis because, without increasing present Federal income tax rates, we can raise an additional \$11 or more billions simply by closing existing loopholes in the tax law. SUNFED as one segment of a sensible international economic development program would take not more than \$80 million a year as our share of the initial \$250 million for the Special UN Fund for Economic Development.

Subsequently the total amount of our share would and should increase, but the danger would be, not that the amount will be too large, but that SUNFED and we might be too late with too little to meet the challenge of the widening gap between the economically developed and the economically underdeveloped nations in per capita income and standards of living, in economic, social and political strength, stability, security and the value and dignity placed upon individual human beings.

In discussing SUNFED we should not make the mistake of viewing it as a substitute for other parts of a workable program of international economic cooperation and development. It is a prime essential item that is needed between the preliminary work of technical assistance and later private investment. Unless it is supplied, the danger is that often we and other "have" nations assist in the education and training of people in the economically underdeveloped countries only to have them discover that they may have no place to go to work either in agriculture or in industry, since the non-self-liquidating basic developments have not been installed and therefore private investment will not seem sufficiently attractive.

Here, briefly stated, is the purpose of SUNFED:

SUNFED is needed to supply grants or loans for basic improvements which, although not self-liquidating, are necessary early parts of a practical rounded development program. Such investments are prime essentials for building up the underdeveloped nations' "human or social overhead capital" (the promotion of health, education and housing), and the "economic overhead capital" (transport, communications, power and other public utilities). Until this "make ready" is provided, neither public nor private loans can be fully effective.

HOFFMAN—*“Invest in waging peace”*

Excerpts from address by HON. PAUL G. HOFFMAN, Member of the US Delegation to the United Nations

I would like first to address myself to the development of the underdeveloped countries. Here we have a problem of huge dimensions. If we define an underdeveloped country as one where the per capita income is approximately \$100 per year, or less, we find that one-third of all mankind, or 900 million people, live in these areas. One rather dramatic fact is that 750 million of that 900 million live in the 18 new countries which have won their independence during and since the end of World War II. These new nations are beset by all the problems faced by all the less-developed nations, and, in addition, are seriously handicapped by lack of trained civil servants and also by the activities of highly-skilled subversive groups usually directed from Moscow.

With this audience there is no need of stressing the vital stake that the free world has in the outcome of the effort that these nations are making to build strong, free, democratic societies. Speaking in a very practical vein, a substantial part of the raw materials needed by more industrially-advanced countries come from these areas. Further, the whole free world will profit much from advancing living standards among this “one-third of all mankind” because with higher standards comes increased trade. Even the relatively modest improvement in certain of these countries has resulted in an increase in US exports to this area by a ratio of five to one since the year 1938. But, of course, the overwhelming and underlying reason for concern about this part of the world is that nothing could better assure the survival of nations presently free than the strengthening of these new nations to such a point that they can be genuinely self-sustaining and independent of all nations, including Russia and the United States.

Unfortunately, only two or three of these new countries have what I would term thoroughly realistic developmental programs. By realistic, I mean programs which include only those projects which will (1) help strengthen public administration; (2) assist in the building of basic facilities, such as highways, communications, hospitals, schools, etc.—facilities which must be built in order to have a base for extensive industrial development; and (3) increase productivity in agriculture or industry.

In view of the lack of realistic programs, it is impossible to arrive

at a precise estimate as to the overall cost of an adequate and effective program of economic development for the 18 nations and for the other underdeveloped areas. However, two steps which the free nations should take seem clearly indicated.

In the case of those countries which already have realistic programs, external help should be made available to the greatest extent possible for those projects which meet the criteria which I have outlined.

Those countries which do not yet have development programs should be both encouraged and assisted to go forward with their planning. The United States and other advanced industrial nations should, if necessary, expand their technical assistance programs in order to give this assistance. Most importantly, the United Nations should expand its programs in the field of technical assistance and public administration and should, if necessary, take on the additional function of making comprehensive resource surveys.

It will be argued that any encouragement to underdeveloped countries to plan programs will result in demands upon us for additional support. This is unquestionably true and therefore we should attempt to determine exactly what we are letting ourselves in for. At the present time, because programs are not ready, we cannot arrive at a precise estimate as to the overall cost of an effective program—but we can determine the outside limits of the aid that can be absorbed, provided, of course, proper criteria are used. The highest responsible estimate I have seen for an overall program calls for three and a half billion dollars per year, the lowest something under two billion. US participation in such a program would range from one billion to two billion dollars annually, part of which could be given in agricultural surpluses. We must face the fact that economic development is not a one-year undertaking. I suggest that we think in terms, for any given country, of a four-year program, although it is understood that appropriations could be only on an annual basis.

Whether it is an annual expenditure of one or two billion, it is a substantial sum we are talking about and we should ask ourselves whether it is in our interest to make such an investment. My own strong feeling is that we cannot afford *not* to go into such a program for the very good reason that, unless we take every sensible opportunity that we can to strengthen the free world, defense costs will keep going up and up. On the other hand, if we invest some money in waging peace, we may actually save money over the long pull. Defense costs cannot safely be reduced until world tensions are reduced.

Now I should like to speak of what has transpired in the 11th

UN General Assembly in moving this troubled world closer to conditions to make possible the achievement of a durable peace.

First I must describe what I mean here by "peace." We do not have to find a solution to every international problem to reach a state of affairs in which it is possible to build a secure and lasting peace. What we do have to achieve is a relaxation of international tensions to the point where World War III is not an active, hovering threat. So I define peace, in this context, as a state of affairs in which international problems exist, but without tensions so explosive that they might at any moment erupt into general war. We have not really known such a state of affairs since the end of World War II. And this is for two major reasons. First is the emergence of 18 new countries, with their 750 million people, from colonial status to national independence. This emergence from colonialism on so grand a scale, coupled with a massive urge to raise living standards rapidly, is the greatest socio-political movement of all time. Under these circumstances, the post-war years were bound to be years of unrest, of uncertainty, of delicacy in international affairs.

But what has really kept the world on tenterhooks—and in danger of being blasted to bits—was the coincidence of this great turbulence in the former colonial areas with an international conspiracy to impose Communism on the world whether the world wanted it or not.

One of the most effective techniques of the cynical leaders of the Kremlin was to exploit the inevitable suspicions of the newly-independent peoples against the former colonial powers—to rouse nation against nation, people against people, race against race, East against West. Only those who have had the opportunity of discussing world affairs with the people of the so-called "neutralist" countries can know how successfully the Communists succeeded in fostering suspicion, jealousy, distrust, and even hatred between the older, richer nations of the West and the young nations of Asia, the Middle East, and Africa; how successfully the Communist propagandists identified Communism with social progress and with the aim of peace; how successfully they put across the idea that the western democracies, and particularly the United States, were governed by trigger-happy war-mongers; how successfully they identified the words "white" and "West" with "imperialism" and "war."

Then came the momentous declaration of President Eisenhower on October 29 expressing regret at the aggression of Great Britain, France and Israel in the Middle East, and stating that the United States could neither ignore nor condone aggression whatever its source. The effect on the neutral nations was electric. The prestige of the United States reached a new high but the neutralists still

believed that the Soviet Union had nothing in mind but peace and social progress.

Nothing less than the events of Hungary could have shaken that conviction.

When the news first reached the UN of the heroic struggle for freedom that had broken out inside Hungary, some of the delegates were prepared to believe the preposterous Soviet line that this was a Fascist revolt engineered by the United States intelligence service. But when dispatches came in from their own embassies in Budapest—when the monstrous proportions of the Soviet massacre of defenseless Hungarians became clear—there was a great and perhaps historic change in the attitude of many delegations toward the Soviet Union. It must be clear that credit for this goes not to the other delegations but to the nameless heroes who filled the ranks of the Freedom Fighters of Hungary. By their bravery they shocked the conscience and opened the eyes of many delegates to the cruelty, the cynicism and the immorality of Soviet intentions toward the peoples of other lands. The Soviet suppression of the Hungarian freedom movement served the same purpose for many of the so-called “neutralists” as the Soviet seizure of Czechoslovakia served for many people in North America and western Europe who, until that time, were unprepared to see or believe the true nature of the Soviet imperialist conspiracy.

I do not know when or how the Hungarian people will gain their independence. But if their revolt against tyranny has revealed the nature of Soviet imperialism for all the world to see, and if it has helped wipe out the propaganda lie of warmongering from the West, then those who died at the hands of Russian tanks and machine-guns have not died in vain. They may well have engineered a profound shift in attitude that significantly brightens the cause of peace.

For the first time in UN history—when the case of Hungary came before the Assembly—the free world was not divided in appraising Russia’s motivations. East and West stood together in mutual condemnation of tyranny. This, I think, is of profound and permanent significance.

The role of non-governmental organizations

Excerpts from Panel Discussion

RICHARD A. HUMPHREY, Director, Office on International Projects Abroad, American Council on Education

The university contract program in technical cooperation is a venture which the American Council in Education has followed with great interest for some time. The contract program, although a relative newcomer in international affairs, has begun to evolve into a useful instrument both of public and educational policy. Some of its problems, some of the issues it raises, are of relevance to the whole gamut of enterprises in international education.

Although most of you are well enough acquainted with them already, a word about the statistics of the program. A pattern of relationships between American and foreign universities, the program reflects our national policy of providing assistance to underdeveloped areas. Our objective is to assist in the economic and, inferentially, the political development of those areas. Sponsored by the International Cooperation Administration, the program represents an investment of upwards of \$50,000,000, engages the talents of 54 American colleges and universities holding 84 contracts, and furthers cooperative research, teaching, and extension work in technical and scientific fields in some 38 countries around the world.

The line of communication is between the intellectual leadership of the underdeveloped areas and our own. Herein lies an element of major significance. In the last analysis, the program exists to convey an impact from one culture to another, in this case through the instrument of higher education. There are few more delicate tasks in the whole realm of international relations. Everything I should like to say is conditioned by this background.

In many if not most of the underdeveloped countries, higher education differs basically from our own. Not all of the differences can be considered here. The one which deserves particular attention, however, is the nature of the educated leadership *produced* by those countries, especially in the technological and scientific fields, and the relationship between that leadership and national needs. In our terms, and in theirs, this leadership has been halting, perhaps principally because of the type of training received.

Engineering "taught" from texts, by individuals obliged to toil

elsewhere for their daily bread, demonstrates inadequacies in a nation requiring roads, transport systems and dams—fast. Far Eastern equivalents of McGuffey's Reader leave something to be desired in nations struggling sharply to raise literacy levels in a few years instead of a few generations. Millenia of abundant manpower have not solved the basic agricultural problems of semi-starving millions in half the world. In these situations, American engineering concepts and practices, texts and principles of secondary education, agricultural science and machinery have something to offer.

It is certainly not very original so to identify and define this characteristic of American education. It is more important to remember that the application of this type of attitude and training to countries whose survival may depend upon educated practicality is a striking, perhaps unique, contribution of the university contract program.

My second point has been widely discussed by many more learned in the problem than I, notably by such experts as John Useem. It should, however, be touched upon here. In all such programs we risk a certain arrogance inherent in the job which deeply affects the problem of cultural transfer, and which can be ignored only at our peril. In its most blatant, and illustrative, form it gives rise to such expressions as "exporting know-how."

Let us grant that knowledge of scientific crop rotation and the possession of a tractor would raise an oriental farmer above starvation, perhaps even permit him to produce a surplus from which increasing urbanization can be fed. The traditions of centuries are hard to break, however, certainly by an impatient foreigner with a machine; and the approach to that farmer through training his agricultural specialists can only be made with subtlety and sympathy. Moreover, rainfall in Iowa or New York *does* differ from that in Luzon, and a crop which prospers in one place may not in another. Perhaps previous training of Taiwanese engineers is inadequate by our own, or any objective, standards. But, we shall have wasted our efforts, no matter how many "structures" we leave behind at the conclusion of a contract, if the Chinese give us a ceremonial send-off and return to doing it the old way!

The point is obvious. Though we have something to give, something which we believe to be vitally needed, we cannot afford psychologically to play from superiority, and we must be sure that what we give is really relevant to the indigenous need. We can afford to learn in the process, as well. The foreign scientists we "train" can transmit a great deal of value to us, especially while we have them on our campuses. We need to be more sensitive than we have been to

the backgrounds and mores of the societies with which we work. Even our universities are not free from a kind of parochial ignorance about other peoples. If we can show those with whom we cooperate that our universities are anxious to take advantage of the opportunity to learn from and about them, we shall have done much to counter the psychological disadvantages of our technical superiority. More, it is of direct and practical value to us to be as literate as possible about other cultures. The spirit of exchange, in short, is compelling; the spirit of export could defeat our ends.

Finally, what can be said of the program in relation to public policy? Here, I think a *caveat* is in order—that we be sure we employ the educational instrument for purposes it can achieve, and not for purposes it cannot.

Clearly, the program can assist materially both in raising the economic and technological sights of underdeveloped countries and in establishing valuable long-term lines of communication between them and us. It is less clear that it can, or even that it should, look to derivative “political” results.

I am glad to see one question about the philosophy of foreign aid raised with increasing frequency. Those who question point out that there is no *necessary* connection between the achievement of economic results and the solidifying of political patterns—democratic or any other. We have no valid reason to assume, that is, that application of foreign aid or technical assistance will influence an underdeveloped country toward democracy and away from Communism.

In summary, I believe the following to be of first importance: increased exploitation of the mutual benefits to be derived by the cooperating universities, thoughtful and continuous attention to the problem of cultural transfer, and its implications to what we do and how we do it; development of a legal and fiscal relationship between Government and the universities which is more adaptable than the present contract system; emphasis upon the unique capabilities of the educational instrument; exploration of the adaptability of the inter-university relationship to non-technical disciplines; and a manful effort to induce participants in all phases of international education to exchange information, in order that a more intelligent use may be made of the total resources at our disposal.

**LOUIS W. SCHNEIDER, Secretary, Foreign Service Section,
American Friends Service Committee**

The American Friends Service Committee is perhaps most widely known for its postwar relief undertakings. In our own minds, how-

ever, this is not our most significant enterprise. Other aspects of our work include educational programs, work in the field of economic assistance, etc. The rationale for undertaking this work is quite simple—i.e., for the sake of the people themselves. Our work therefore is undertaken at the grass roots level. We feel, from our experience in such activities, that this approach has won for us a degree of acceptance that we might not otherwise have achieved.

Our workers are volunteers, receiving no salary except maintenance costs. Ours being a private effort, it is therefore modest and on a small scale. It is, however, an integral part of the total effort of the American Friends Service Committee. Furthermore, it has proved to be valuable in a reciprocal way, in the light of an understanding of programs undertaken by other groups.

I will try to give you an idea of the kinds of projects undertaken by the AFSC, notably in the Middle East and India, and some conclusions from our work in this field. In our agricultural improvement work in Israel, we concentrated on one village, providing it with advanced heavy agricultural equipment. It appears now this must have been a mistake. We might have succeeded considerably more had we broadened our activities. We are now engaged in a survey in Israel with respect to other needs we might address ourselves to. One by-product of this has been that in village surveys, whenever possible, government officials have accompanied our workers and acquired first-hand knowledge of the villages' problems—and this led to government services being provided in these villages.

In Jordan we had a broader, experimental program. We tried to stimulate interest in local improvement programs. We provided materials, skilled labor, and supervision. Our work consisted of three stages—experimentation, demonstration, and village activities and participation in the program. In this work, we used integrated teams of specialists, including native specialists. One of our chief concerns was to involve the government in these demonstrations, to obtain their cooperation in the supervision and coordination of the work of local societies. Our continuing effort now is centered in India, in the fields of health, agriculture, and crafts. We have completed five years of work here, and we are now planning for the future.

We have enjoyed a very happy relationship with our government with respect to funds. But another aspect of this relationship regards security clearance of personnel. In the case of one new contractual agreement, we have concluded that we could not enter into it so long as security clearance is required for our personnel. We feel this is inconsistent with the prerogative of a private voluntary association engaged in this kind of endeavor.

**MRS. RAPHAEL TOUROVER, Washington Representative,
Women's Zionist Organization of America**

Hadassah began its work in Palestine, now Israel, some 44 years ago. We acknowledged then, and re-state now, the indispensability of a National Home to assure the creative survival of the Jewish people. We accept responsibilities through our program for the development and strengthening of the Jewish State—Israel—which has evolved in the intervening years. The programs which Hadassah has developed and maintained have been geared to increasing the opportunity for a better life for all the peoples of the country; they have been provided without distinction for Jew, Christian and Arab alike.

Detailed review of these programs is not possible within the allotted time; the fact that sums in excess of eight million dollars are spent annually in their support—and I emphasize that these are gathered by volunteers—is no indication of the impact that they have had on the country's development, or on the people themselves. The medical work of Hadassah has been recognized internationally. The Director General of Hadassah in Israel, Dr. Kalman J. Mann, has participated in programs of the World Health Organization of the United Nations; he is a member of the World Health Organization Expert Advisory Board, and was one of nine international health authorities selected to address the Organization of Medical Care when it met in Geneva. He has spoken in Guatemala, on the invitation of the Government, to describe to medical men there the program of Kiryat Yovel or Bet Mazmil.

This model community health center, near Jerusalem, has been hailed by the medical profession and has aroused world-wide interest as a unique experiment. Here, the whole family is the unit of treatment; each family is served by a "team" consisting of a physician, nurse, psychiatric social worker, health educator, all assisted by a psychologist, anthropologist, and a bio-statistician. Originally established for 500 families, it has expanded to serve 1500. Kiryat Yovel serves, also, as a teaching clinic for the students of the only medical school in Israel, the 450 student body at the Hebrew University Hadassah Medical School. Kiryat Yovel is further unique in that its clientele consists of people of diverse backgrounds and varying stages of social development; it must, therefore, act as an integrating agency for new immigrants from 42 different countries to help them live side by side with a native Israel population. In this health center, all factors are considered as affecting health conditions, such as economics, social development, psychological elements, and environment. The Israel Government has accepted the example which Hadassah has

created thru Kiryat Yovel and has itself established similar institutions in the country. This is an outstanding example, it seems to me, of what a non-governmental voluntary organization can accomplish in setting patterns for areas in which it works, and which can be copied by others. There are other notable examples, such as the Lasker Child Guidance Clinic, providing for disturbed children; an anti-trachoma service; departments of dental hygiene and of school and student health—all of which are now accepted as patterns to be followed by the Israel Government and school authorities.

One recent important event which should be specially noted is the opening in 1956 of a mother and child welfare center at Abu Gosh—an all-Arab village, located in the Jerusalem Hills—an event marked by the presence of many Hadassah members then in Israel and by American and Israel Government representatives who gave generous recognition to Hadassah for the part which we played as an American voluntary organization in bringing American standards of health to a special group of Israel inhabitants.

RICHARD W. REUTER, Executive Director, CARE

The health of any country can be judged largely by the health of its component communities. It is for this reason that American voluntary agencies, among them CARE, are placing increasingly greater emphasis on their community development roles in the less developed lands. Yet it has not been easy for the voluntary agency to project to the American public the significance and challenge of this relatively new function. Assistance in bringing health to the forgotten communities of the world may sometime—perhaps sooner than we think—be recognized as one of the major jobs of our century.

CARE's particular contribution to this job is the supplying of material and logistic support for community programs in various underdeveloped parts of the world. It does not pretend to supply the planning function—that is the job of governmental and inter-governmental bodies and indigenous agencies; nor does it offer technical expertise as does the UN Technical Assistance Administration and the ICA. But by utilizing sources of supervisory and technical personnel in recipient countries and complementing programs of the UN, the US Government, and indigenous agencies, CARE does provide needed supplies for community programs wherever it can. We call this supply line CARE's self-help program because the materiel distributed is basically a means to help people in underdeveloped and critical areas to help themselves.

As an illustration I might call your attention to a fishing village

on the island of Chung Chou outside Hongkong, which I recently visited. Here large numbers of refugees from the mainland settled in hopes of starting life afresh in a free world. But the junks on which they worked and lived were often so rotted you could push your hand through them. What's more, those who came from the mainland were shallow-water fishermen, whereas the waters around Hongkong are deep-water fishing areas. Their equipment, such as it was, was totally inadequate for the task. Help from the American people came through CARE in the form of nets and gear, and with the aid of the Cooperative League \$5,000 was made available as a loan fund to those who had not yet established "catch records" and thus had no credit to purchase other equipment. Loans will be repaid, and as the recipients establish regular catch records with the new equipment repaid monies will constitute a revolving fund to meet other needs of the fishermen and their families.

All of us tend to get frustrated in New Delhi, but in the villages of India a sense of great challenge pervades the work of community development which is so important to India's first and second five-year plans. I visited one village where CARE had supplied \$500 of equipment for a community center, including Coleman lanterns, sewing machines, and rope- and soap-making machinery. The material itself meant a lot to that village, but the fact that it was probably the first time in their history that people from so far away gave direct evidence of wanting to join with them in reaching toward a more productive life was enormously important to them.

One of the great dangers in underdeveloped countries is that people tend to depend too much on the central government for solutions to all problems, even those where voluntary local effort can make a big difference. But real strength comes to newly independent governments from the impulse of people to help themselves at the community level. So often, however, the impulse cannot grow without example, without tools, without simple basic equipment.

ROBERT W. HUDGENS, President, International Development Services, Inc.

Next to the problem of finding competent personnel for technical assistance programs the greatest single problem of administration is to find the method that will accomplish two things while avoiding a third. The three things are:

- a) How to channel assistance through local agencies, while
- b) Protecting the end use of the funds or services
- c) Without violating the sovereignty of the country or interfering with the prerogatives of its institutions.

There is a lot of evidence to illustrate the significance of these points. We have all known of plans guaranteed by agreements made in good faith between countries which were later nullified in the specifics of administration.

We have also known of grants that have been diverted from the original plan by a change in the control of one of the governments or by second-guessing on the part of the governments. There are cases of plans made so inflexible in order to protect the end use that they became unworkable. There are cases where plans have failed because of the ineffectiveness of the local agency that had responsibility for carrying out the plan. Probably the most frustrating disappointments among technical assistance projects have been those where ICA furnished a team of specialists who being US Government employees could not be subject to authority of the local agency nor could they have delegated to them authority over local technicians.

These projects had run up against the hard fact of the current concept of sovereignty, and plentiful is the evidence that this hard fact of sovereignty has broken many projects. This is a basic administrative problem that must be solved. Sometimes sponsors have dodged the issue by sending consultants when what was needed was someone to whom authority could be delegated.

The crucial part of the process of transfer of technology to underdeveloped countries is not technical but administrative.

To make any permanent impact technical assistance programs must be institutionalized. When know-how for institutionalizing comes from without a country a more touchy problem is added.

When we carry to its logical conclusion the idea of helping a people to help themselves, it means we must work toward the point when programs of their own choice and plan are directed by local administrators and staffed by competent local technicians. Usually the most effective long-range method of helping people to help themselves is to induce the establishment and competent staffing of indigenous institutions whose services are indispensable to the process. For a sovereign government or a business corporation to attempt to amend or control a public institution in a foreign country would risk serious resentment.

This points up the function of the non-government agencies and especially the operating foundation acting as a contractor. US Government, business corporations and agencies of the UN are handicapped by not being able to participate directly in the administration of programs they finance.

Round tables

Four simultaneous round-table discussions were held, with the participation of the resource persons named. Summaries of the discussions follow:

The UN and its specialized agencies

Resource Persons: E. M. BERNSTEIN, International Monetary Fund; HAROLD GRAVES, International Bank for Reconstruction and Development; PETER STRAUSS, International Labor Organization; HAROLD VOGEL, Food and Agriculture Organization; DR. MYRON E. WEGMAN, World Health Organization.

The discussion began with each of the representatives of UN specialized agencies present outlining briefly the work of his agency in the field of technical and economic cooperation.

The discussion then turned to the common problems the agencies share in their work, such as finding acceptance and the right atmosphere for their programs in the various countries in which they function. It was agreed that there is increasingly fruitful cooperation with governments which have come to know the UN programs and to make good use of them. The time has come when, in addition to technical assistance, the need for capital has taken on great significance. Coordination has been good in some countries, poor in others. Inflation is a common problem, but it is hard to get countries to realize that it is the basis of many of their other problems, and hard to induce them to undertake the painful task of halting it.

Some participants in the discussion said that they were disturbed by reports of rivalries among the agencies. There was general agreement that so much required to be done that there was no excuse for such rivalry. Instances were given of positive cooperation among the agencies and with the UN Expanded Technical Assistance Program. There is a very real desire for cooperation, but obvious difficulties with the various funds and their different ground rules—not to mention the different points of view of different human beings. It was agreed that there was no perfect mechanism in sight, but that the UN and the specialized agency programs were in sight of achieving a *modus vivendi*.

Re-thinking technical and economic cooperation

Resource Persons: HALDORE HANSON, Public Affairs Institute; ANDREW E. RICE, "Doorway to the 20th Century"; PAUL SMITH, National Education Association.

The gap in living standards between the industrialized West and the new nations of Asia and Africa has been steadily widening during the first decade since World War II, despite economic assistance from the US, the Colombo Plan and others. This suggests something inadequate in the practice of foreign aid: our efforts are not fully effective, or they are not large enough, or the host governments do not make full use of the help offered. Group discussion suggested that all three inadequacies exist.

The American program is short of trained personnel, and some of the technicians sent abroad—while well trained by our standards—are not experienced in imparting new ideas in a strange environment. Some in the discussion favored a career service for development administrators.

A larger flow of capital is needed, it was pointed out, but primarily in the few countries which are going through the stage of transition from a traditional, static economy to one of continuous growth. Even the limited economic progress which has been made in Free Asia during the past five years was made possible largely by the raw materials boom during the Korean War and by exceptionally favorable monsoons. The monsoon fails an average of three years out of ten, it was noted, but the last failure was in 1951.

The shortcomings of the host countries reflect a lack of management skills in all sectors of society—in government, in education, in finance, in private enterprise, in technical fields. These management shortcomings pose a greater problem than lack of capital in many underdeveloped countries. A step-up in technical assistance, both through the American program and through the UN, was suggested as one approach.

Why we conduct aid programs has an important bearing upon the results, and confusion over our reasons for aid is impeding success. A program of military aid which seeks to step up the defenses of a foreign country may siphon local funds away from economic development. A program to dispose of American farm surpluses abroad will necessarily withhold American assistance which stimulates competing agricultural products. Actually, a variety of motives for aid are legitimate under appropriate circumstances. But the American people and Congress need a clearer understanding of the kinds of aid offered, and the reasons for them.

Specifically, the group favored separating military assistance from economic development aid, so that each program can be examined on its merits and its true size seen. Estimates for the amount of development assistance, now scattered throughout the President's \$4 billion aid budget, ranged from \$400 to \$800 million, while military assistance—including goods to support the military forces—exceeds \$3 billion.

The role of non-governmental organizations

Resource Persons: WILLIAM NORWOOD COLLISON, American Council of Voluntary Organizations for Foreign Service; OLAF SPETLAND, Credit Union National Association.

The resource persons began by describing briefly the work of their organizations. It was clear from the ensuing discussion that the Conference had performed a useful function in bringing the resources and information possessed by these and other organizations to the attention of many individuals and organization representatives who are seeking help in various fields and have not known where to get it.

A suggestion was made that voluntary organizations working abroad might do so more effectively, in some cases, by combining their resources. It was pointed out that this is already being done by the formation of voluntary councils and coordinating groups in the countries served. The stimulation of the formation of indigenous voluntary organizations in underdeveloped countries is also a most useful function.

In reply to the assertion that it was difficult to get church mission boards to support activities abroad with a heavy technical assistance emphasis, it was said that the chief lack was effective presentation of the needs and opportunities. Where this had been done, church groups showed great willingness to support such activities.

The fact that the distribution of surplus commodities, such as food, can and ought to be much more than a "relief" activity was stressed. It can and should be an effective means of improving variety and standards of diets, the use of new foods, etc.

The question was raised as to just how much foreign technical assistance work could be carried on by voluntary organizations. The questioner reported hearing frequently opinions that government should not be involved at all in supporting such activities, that it should all be done by voluntary groups. The answer given was that many types of technical assistance cannot well be done by voluntary organizations and require multi-lateral or bi-lateral governmental

action, but that a tremendous role is left for the voluntary organizations in doing the many things which they can do better. Governmental and voluntary organization activities should be complementary, and both are needed.

It was noted that voluntary organizations which do not conduct direct foreign activities can nevertheless play a major role in informing their members as to the value and need of such activities, in supporting the work of organizations which do operate abroad, and in helping overseas visitors to this country. One individual expressed a need for information as to which of the many voluntary organizations seeking aid for work abroad and making separate appeals were most worthy of help. The suggestion was made that a "Community Chest" in this field may be necessary at some future time.

The Congressional outlook

Resource Persons: LAURA BORNHOLDT, American Association of University Women; ANNALEE STEWART, Women's International League for Peace and Freedom.

The following general conclusions were reached:

1. Foreign aid programs before Congress this year will be faced with the solid opposition of those who are seeking to cut the budget.
2. The demands for cutting the budget will be more vociferous this year than in any recent year.
3. There is little general interest among the public in continuing foreign aid.
4. Newspaper, radio, TV, periodicals and other means of disseminating the news are paying little or no attention to the problem.
5. There are few public outlets for those who favor foreign aid to use in speaking to the people.
6. These facts add up to the probability that members of Congress will have little or no word from home that the people favor continuing and even increasing technical and economic assistance.
7. Without some indication of interest at home there will be little desire among members of Congress to support needed foreign aid programs.
8. National organizations can perform a useful function in presenting the facts to Congress at the foreign aid hearings and in meetings with individual Congressmen.
9. The major task this year, however, is educating the people back home, so that their concern with these matters will be more evident.

JAVITS—*“A thin front line of technicians”*

Excerpts from address by SENATOR JACOB K. JAVITS of New York

United States foreign technical and economic assistance programs must be continued, expanded and made more efficient if we are to win the battle with Communism in the underdeveloped areas of the world. In fact, providing adequate amounts of technical and economic aid to help meet the needs of the free world is the primary challenge we face in the cold war.

It is my belief that this objective can only be obtained if we integrate with the Federal Government's effort, including our share of multilateral technical assistance through the United Nations, the potential of the nation's private economy—management, labor, investors and farmers, as well as veterans, civic, religious and educational establishments.

I believe that the International Cooperation Administration has an even greater role than has been evidenced up to now in the task of bringing the private sector into our overseas development programs. I therefore believe that dismantling this organization and turning over its particular functions in economic and technical assistance work to other agencies, a suggestion made recently, would be inadvisable and would reduce the effectiveness of our overall effort.

The Communists promise higher standards of living NOW if peoples will accept denials of freedom, complete state economic planning and iron discipline. We must show, first, that under free institutions we can deliver higher standards of living which the Communists can only promise, because we have more of what it takes in goods and “know-how” and that we are willing to use them. Second, we must drive home the realization that Communism is only a form of imperialism and that the slave collar of Communism, once fixed on a people by the Kremlin, never comes off.

It is not enough for us to tell the peoples of these areas that they have only to put into practice the principles of the Declaration of Independence and everything will be all right. First, they may not know what we are talking about; second, even if they do, they may not agree with us. Many are willing to make sacrifices of political liberties in order to achieve economic progress. We must convince them that they can have both freedom and better living standards, and help them in the effort. A great responsibility therefore rests upon the

very thin front line in the struggle for peace—the few hundred technicians who are carrying our technical and economic aid programs on their backs.

Travelling around the world late last year through India, Pakistan, Thailand, the Philippines, Hong Kong, Japan and Formosa confirmed those conclusions for me.

The present offers an exceptionally fine opportunity for action to further integrate the private sector into the nation's foreign policy effort because of the high confidence of business in the administration of President Eisenhower. But business has constantly maintained that the way it is dealt with in tax laws is a primary consideration in determining the extent of its overseas operations. I believe that Congress should give prompt consideration to an income tax program for the accelerated amortization of investment made in co-ordination with the foreign policy of the United States. Overseas investment should be expanded from the present cumulative net of almost \$2 billion a year to \$5 billion a year by the end of 1965.

As companion moves to increase the scope of the private sector's participation in economic development overseas, especially in under-developed areas, I recommend the following five-point program:

1. Coordination of private industrial research with government research programs, particularly in industrial technology, health and agricultural fields.

2. Massive broadening of the information activities of the United States under a director having Cabinet rank.

3. A major increase in the number of foreign students studying in the United States and those being trained here from abroad in industry and the professions.

4. Similarly, there should be a vast increase in the number of Americans equipped to work abroad. The United States has only 180,000 civilian Americans working abroad for both government and private activities. Our goal should be to equip 1,000,000 young men and women to go overseas as technicians and teachers.

5. Increase in the opportunities for talented youth to study in science and engineering and for the expansion of educational facilities in these fields. We are falling behind the Soviet Union in the rate we are training engineers, scientists and technicians. In only five years, 1950-1955, the Soviet Union doubled the annual output of engineers from its universities from an estimated 28,000 to 63,000, while in the US the number of our engineering graduates has dropped from 52,000 to 23,000 a year against our estimated need of 45,000 to 50,000 newly graduated engineers each year.

HAYS—*“More than mere economics”*

Excerpts from address by Representative **BROOKS HAYS** of
Arkansas

A new direction is needed in American technical and economic assistance programs if they are to reach the twin goals of achieving economic stability and rising standards of living in the under-developed countries of the world. We should not merely react to the threat of Soviet competition, but should frame our programs according to the ability of the various nations to absorb American aid into their economies.

This is more than a mere matter of economics—and, indeed, I look forward to the day when philosophy, religion, and good human relations will take equal rank in our policies with economics. A politician must keep ideals and goals in mind—but he must also know how to enlist adequate support from the people who elect him in order to achieve them. Therefore, ideals must be expressed with practical, political realism. Otherwise, the ideals will remain merely ideals and the goals merely goals, for lack of the public support needed to translate them into hard realities.

Americans often fail to realize the disparities which exist in today's world—the great extremes of wealth and poverty. But we should not be patronizing in our attitude to the peoples of the under-developed countries, for often the raw materials which they provide us have contributed to our own wealth. Therefore, when we aid them, it must be with a sense of our own very real interest in their economic development.

We can express the existing disparities in the following index numbers, showing in a general way the ratio of productive capacities for each individual's use:

Africa and Asia	1
Latin America	3
Europe	11
United States	30

We cannot expect the peoples of Africa, Asia, and Latin America to remain satisfied with such a disproportion. The people of our country will, I am confident, respond if there is a balanced presentation of these facts and of their significance for the future. Our nation is a highly favored one. We must expect a harsh judgment from history if we do not assume responsibilities in proportion to our capacities.

I entirely agree that there should be a re-appraisal of our foreign aid programs—in fact, there should be a continuing appraisal. But re-appraisal does not mean abandonment. We would be making a grave error if, out of the desire to be “practical” or out of sheer ignorance, we yielded to those who think exclusively in terms of “economy.” Indeed, we should be doing much more than we are now doing, bilaterally and multilaterally, for the neglected areas of the world.

We need a new emphasis upon channeling more US foreign aid through the UN and the International Bank. President John Baker of Ohio University, our US member of the UN Economic and Social Council, has confirmed my view that our contribution to the UN Technical Assistance Program should be increased, and that it would then attract added contributions from other nations.

There are great advantages in sharing know-how through the UN. The United States has no monopoly on the world's technical skills. For example, the people of Santa Lucia, an island in the West Indies, wanted to put their natural hot springs to use for the production of power. They asked help of the UN. In Iceland the production of power from hot springs is an old story. So, through the UN Technical Assistance Program, Icelandic experts were brought to Santa Lucia, thousands of miles away, to give the people the immense advantage of their experience in this field.

Our economic aid should, I believe, be increasingly (though not exclusively) in the form of loans rather than grants. This would not only ensure repayment but, in my opinion, would also guarantee the economic justification of the projects proposed.

Assistance should generally be given to specific projects, rather than be a disguised form of underwriting the budgets of governments. Some of the nations in the under-developed areas of the world are not as yet truly democratic. We must have patience and tolerance for their shortcomings. But giving aid directly to particular projects offers at least some measure of assurance that there will be real and measurable benefits to the people of the countries concerned, as well as to their governments.

Above all, we must insist that our government, in framing its technical and economic assistance programs, think and act in proportion to our great capacities—and that, in administering them to help others to help themselves, it keep ever in mind the need for sound human relations and full appreciation for the natural sensitivity of the new nations of the world.

The stake of the American people

Excerpts from Panel Discussion

ROY BATTLES, Assistant to the Master, National Grange

The American farmer has a paramount stake in the economic and social development of all free people. His stake in the social and economic status of all people is twofold.

First is the building of a lasting peace. The threat of modern-day war is so overwhelmingly terrifying that we cannot afford to fail in our new role as the world's leader in its prevention.

The second major stake in the well-being of other peoples has to do with agriculture's dependence upon foreign markets. To shrink back American farm production to our domestic consumption levels would bring terrifying results in terms of living standards of American farmers.

We depend upon foreign outlets for at least 10 percent of our total farm output. We must export somewhere between \$3 and \$4 billion worth of farm commodities annually if we are to prevent further problems in the field of over-production or under-consumption.

Technical and economic cooperation is not only a vital ingredient in terms of world peace, but it is also absolutely essential in terms of building markets, increasing consumption, and developing mutually advantageous trade among the nations of the free world.

Agriculture has a prime interest in the Food and Agriculture Organization. We have supported it through thick and thin, just as we have supported the other UN specialized agencies and the whole idea of economic and technical cooperation.

We are, however, gravely concerned over present trends. Basically, our position is this: FAO was conceived before the UN. It became related to the UN only by agreement. Seventy-four nations now hold membership. These nations are represented in FAO, and FAO's regular program is controlled by representatives from the respective Departments of Agriculture. Each nation has one vote.

Then came the era of the UN Expanded Program for Technical Assistance. This program got under way in 1949. It was designed to speed up the program of the specialized agencies by pulling together additional funds. Its program was superimposed on their existing

programs. These funds were then (and still are) made up of local currencies, many of which are very soft.

ETAP funds, instead of being appropriated by the member nations to the specialized agencies themselves, are contributed directly to the UN. Of the \$29 million contributed by all nations to ETAP in 1956, \$8,535,000 was channeled to FAO. Nearly 10 percent of this was in what is termed as "difficult currencies," mostly from behind the Iron Curtain.

Of a total FAO program in 1956 of nearly \$15 million, over \$8½ million came from the Expanded Technical Assistance funds. The proportion of the ETAP funds compared with the total FAO budget has continually risen.

Large segments of agriculture believe that this is basically unsound because it forces FAO to keep two sets of books; the United Nations has final control over 9/15ths of the total budget; it destroys the will of FAO people themselves to resist outside UN domination of their program; it places within the Ministries of Foreign Affairs—with political motives, if you please—the final say in scientific programs; it requires two sets of appropriations on the part of member countries; it destroys technical incentive for initiating country programs and administration of those programs.

It is the position of our organization, as well as the position of the American Farm Bureau Federation and the National Council of Farmer Cooperatives, that we would do well in this country to work toward gradually expanding the regular program of FAO with its basically sound, carefully constructed framework, and toward gradually curtailing the ETAP program so as to make it possible for FAO to grow and expand without setback in the interim. We need a US policy to achieve this end. In other words, as farm people we are determined that FAO's program will continue to expand, but to expand that program through the ETAP route is in violation of our initial and present concept of the nature of the FAO.

JAMES G. PATTON, President, National Farmers Union

There is no better illustration of our international shortsightedness than our inability to make constructive use of our stockpile of food and fiber in the world's areas of need. Certainly, our adversaries, if blessed with such an asset, would recognize such stocks as an asset to be used creatively and boldly for their own aggressive, expansionist purposes. Are we so devoid of imagination that we cannot devise ways and means of utilizing our foods stocks, either on a loan or grant basis or both, with our interest and objectives being

the humane ones of raising standards of living and developing programs of education in chronically under-developed areas?

Another of the problems we face is that of convincing Congress that United States programs of technical assistance and economic development should be directed increasingly through the United Nations and its specialized agencies. Last year the United States contribution to the UN's technical assistance program was approximately 50 percent of the total. But even at this amount we are contributing less than several other countries, if total amounts contributed by nations are broken down to a per capita contribution. We favor, therefore, stepped-up participation in this UN program of technical assistance, and increased US contributions to other planned programs of the specialized agencies as well.

In other words, we would not want it to appear that we are trying to take over the programs of technical assistance and economic development now being conducted so successfully on a multilateral basis. There would be some concern in this connection, I am sure, if we should channel the contribution we are now making to the UN Expanded Technical Assistance Fund direct to the specialized agencies of the UN.

There are sound and logical reasons why we in the United States would do well to channel even larger amounts of our expenditures for technical assistance and economic development through the UN. Perhaps the best reason is the almost hysterical wave of nationalism which is spreading through the nations which only recently have shed the yoke of colonialism, and others which have yet to do so. These nations greatly in need of assistance, especially in education and economic development, naturally prefer such assistance to come through the UN.

The National Farmers Union has supported the view that the agencies conducting technical assistance programs should promote agricultural land reform in all of its phases—secure land tenure, adequate farm income programs, development of farmers' purchasing power, marketing and service cooperatives, adequate family farm credit facilities, organization and development of free farm organizations.

Last year the Senate adopted, as a part of the Mutual Security bill, a legislative provision providing for negotiation of an International Food and Raw Material Reserve. This provision was lost in conference. The objectives of the International Food and Raw Material Reserve are as follows:

1. To prevent extreme price fluctuation in the international market in these commodities.
2. To prevent famine and starvation.

3. To help absorb temporary market surpluses of farm products and other raw materials, exclusive of minerals.

4. To build economic—and social—development programs formulated in cooperation with appropriate international agencies.

I refer to the International Food and Raw Material Reserve Resolution at this time because I feel that the most persistent, the most disturbing of modern economic problems is the human suffering and economic stagnation enforced upon producers of raw materials by the extreme ups and downs in the prices of raw materials and, consequently, in their incomes.

**ANDREW J. BIEMILLER, Director, Legislative Department,
AFL-CIO**

American labor, together with many other groups and individuals, recognizes that hunger, poverty and despair are the strongest allies of dictatorship and war, and that our nation must strive to strengthen democratic institutions in other countries. We are impelled to this view, not only because conscience and morality require it, but because our own living standards will not be secure if we must compete in world markets with slave or sweat-shop labor.

Our aims abroad are manifold. We believe there is an urgent need for technical assistance programs to equip individuals with the necessary skills to improve the standards of living in their own countries. We support maximum use of pilot projects that can lead to broad and (whenever possible) self-sustaining, continuing application of available skills.

However, American labor also recognizes that this development of new and needed skills can be explosive unless these peoples are encouraged and enabled to use these skills in endeavors requiring development capital. Capital for industrial expansion may attract private capital, but funds for the sub-structure which is a prerequisite to industrialization is and will be much more difficult to acquire.

We believe that the wealthier nations of the world must help to supply the capital for this sub-structure—for roads, ports, power plants and other facilities for industrialization. It is for this reason that labor—not only in this country, but through the International Confederation of Free Trade Unions—supports the proposed Special United Nations Fund for Economic Development.

American labor's support for and belief in our form of government and our form of economic system is historic. We know, however, that we cannot impose these concepts on other nations. But we cannot expect the furnishing of luxuries to feudal potentates to bring about the needed improvement of relations with their peoples which alone can be counted on in the long run. This means that there must

be a conscious effort, in the administration of foreign aid, to put into practice the imaginative democratic spirit of the Benton-Moody Amendments to the Mutual Security Act.

Communism breeds on misery. But we must not blind ourselves to the fact that an important part of the Communist drive is the extent to which they appeal to under-developed nations through their offer of support against old-style colonialism and through offers of economic aid programs of their own.

While there must be no reduction in our military preparedness, we must be prepared to intensify our own offensive in the cause of freedom, peace and social justice. NATO should be used to encourage greater economic and political cooperation in advancing peace, human rights and improved living standards. SUNFED and other multi-lateral programs must be developed while we continue our own unilateral foreign aid programs.

In all these efforts, we must remember that policies and programs cannot be truly meaningful unless they can be translated into real and lasting benefits for those who toil. Recovery and rehabilitation, industrial development and technological progress will remain surface manifestations until their fruits are more fully shared by the working people of the world.

WESLEY F. RENNIE, Consultant, Committee for Economic Development

We need a clearer focus on the question of American responsibility for the economic development of the underdeveloped countries. What is the character of the problem of development and what are its true dimensions? What is a sound basis for American concern and action? What is a reasonable program, how much will it cost and how long will it take? Who can administer it most effectively? How can we secure public understanding of the problem and translate this into support for a long-range policy and program of action?

Impressed with the paramount importance to the United States of this problem, the Committee for Economic Development has had a committee and staff working in this field for over two years. One policy statement was published early in 1956, entitled "Economic Development Abroad and the Role of American Foreign Investment." A new statement has now been approved and is being issued with the title "Economic Development Assistance." These two statements present the views of the businessmen comprising the Research and Policy Committee of CED, pointing toward a long-term policy for assisting economic growth and encouraging independence in the underdeveloped nations of the free world.

The first statement concludes that the people of the United States have a big stake in the future of these countries. The societies which emerge out of the profound internal transformation now taking place will affect vitally our own security and welfare.

The new statement emphasizes American concern with the needs and desires of the underdeveloped world for economic growth in three important respects: (1) it is vital to our national security that these countries should be stable, peaceful and independent; (2) economic growth in areas comprising half the globe and with one billion inhabitants will affect favorably world trade and investment opportunities; (3) we have a traditional humanitarian concern with the well-being of people everywhere. On these solid grounds the US should frame and carry out a policy designed specifically to assist economic development in the free world. Past foreign aid programs have not constituted such a policy. They did provide direct relief from war damage, they helped rehabilitate Western Europe, they strengthened the security position of our allies. These programs have been well justified. But we must now come to grips with the need for a sustained and vigorous policy of assistance to countries outside our major alliances.

This is where expansion of assistance is most urgent. These countries have been getting less than \$500 million a year from us. The marginal capital required for success—over and above amounts generated internally and procured from private external sources—must come from external public sources. The amount that can be used effectively will not be known until country programs, soundly conceived, can be drawn up. However, CED concludes that an outlay of \$5 billion over a five-year period for such programs, in addition to our present foreign aid, could be regarded as a desirable and necessary investment.

CED suggests eight principles which should guide the program: economic development is a long-term process requiring a long-term program; country programming will be essential; bilateral agreements are favored, but multilateral agencies should be used in some instances; assistance should go to specific projects; loans best fit the objectives, but some grants will be required; special account should be taken of the need for effective use of capital and labor; agreements should not be encumbered with mutual defense or friendship guarantees; agricultural surpluses can and should be used in the program.

KENNETH L. MAXWELL, Associate Executive Director, Department of International Affairs, National Council of Churches of Christ in the USA

On religious grounds, we can see in our tremendous and unprece-

dented abundance potential blessing or curse, depending on our response to those in need. In terms of religious and moral principles, revealed in Scriptures and verified in the rise and fall of nations, we face a crucial decision at this moment of history, as individuals, as a nation, and as a civilization. Either, with sinew and muscle, mind and spirit, technique and machine, capital and abundance, we share our bounty with the needy majority of mankind in a new, vigorous expression of our religious, moral and political heritage—and thereby give hope for others and ourselves; or we extend our minds and hearts, hands and wealth only in miserly fashion, only insofar as it is inescapably demanded by rising revolutions, only insofar as it serves as a weapon in the cold war, only insofar as it serves our own security, —and thereby we rot and decay within, as individuals, nations and a civilization. Thus would we decline at accelerating speed down the sad historic course of the rise and fall of empires, fulfilling the prophecies of doom for our civilization. Thus would we contribute to the “decline of the west,” to the tragedy of eventual decay from within and destruction from without. So, programs of economic and technical cooperation become life and death matters not only for the potential receivers, but also for us—the potential givers or withholders. These are the dimensions, it seems to me, upon which our religious forces portray the questions of technical and economic aid with a picture of our world’s need and of our moral and spiritual heritage.

Sharing adequate programs of economic and technical cooperation may be seen, also, as one way of seeking to fulfill something of the commandments in our religions, in the love of God, to love our neighbors as ourselves.

For almost a decade now the churches have been at work seeking to have such principles translated into practice by our government. There is not time here to begin to detail what we have been doing. Let me simply say that the churches in the National Council are making a renewed emphasis on these matters because we believe this to be a year of crucial decisions on these programs and therefore on the whole direction of US foreign policy. The church women, youth and student groups are all cooperating in this effort. Through this year the United Church Women have an emphasis on the “emerging peoples” of the world and our responsibilities to them. We hope that as a result of all our concerted efforts, some real influence may be brought to bear through our constituency across the country upon the decisions which must be made in the coming weeks by the people of our country and the Administration and Congress.

Areas of general agreement

The Conference was held to exchange ideas and information, not to pass resolutions. It therefore took no official actions, but the following areas of general agreement emerged in the two days' discussions.

In the first place, the views which were dominant in last year's Conference seemed to have been confirmed and deepened in the course of the intervening months. These continued areas of agreement are herewith summarized:

1. Technical and economic aid must be a long-term commitment for American foreign policy.

2. As technical aid lays the groundwork for economic growth, substantial economic aid, both in the form of loans and of grants, becomes increasingly important.

3. Targets for economic aid must be set in proportion to the great capacities of the American economy.

4. Unless a really massive effort is made to narrow the gap between the developed and the under-developed countries, this gap will tend to grow wider.

5. More American aid should be channeled through the UN—and there was strong demand for the establishment of the Special UN Fund for Economic Development (SUNFED) or its equivalent in terms of multilateral economic aid.

6. There was a strong feeling that our aid program has suffered from too great emphasis upon its military aspects. Most delegates agreed that military aid was essential, but felt that its place in US programs should be less disproportionate to economic aid than it now is.

7. There was emphasis again upon the prudent and constructive use of American agricultural surpluses for world development.

8. The people-to-people aspect of international cooperation is of vital importance and the role of voluntary organizations should be expanded.

A distinctive feature of this Conference was a strong emphasis upon the human aspects of economic and social development in its broadest sense. The post-war period has seen the birth of more new nations than at any time since Latin America won its independence over a century ago, and many more will be emerging in the coming years. Many of these new nations have able and dedicated leadership,

but there is a shortage of skills and knowledge at every level from the village to the departments of central government. The UN and the US have a vital responsibility to help train needed civil servants.

The peoples of the new nations, it was noted, are proud, sensitive and reluctant to admit that they have much to learn. Tact, humility and a profound sympathy for other peoples are essential in helping them in such a way that they can accept help. The role of the teacher is a difficult and demanding one, even when his pupils are his own countrymen and share a common background of history, customs and social institutions. The task becomes far more difficult when skills and attitudes must be transmitted over the wide gaps which sometimes exist between national cultures.

These requirements highlight the importance of recruiting and training the best type of American for work overseas. He must not only have the requisite knowledge and skills and be able to impart them to the people among whom he works—he must help these people to teach their fellow-countrymen. Here is a challenge not only for government but for voluntary organizations and private enterprise as well.

It was again noted how readily funds are granted for military aid, and how reluctantly for economic aid. The cause for this contrast was seen in the fact that the American people clearly appreciate the military needs, but have nothing like so vivid an understanding of the role of economic aid. A clearer perception of the degree to which economic and social development can unify the new nations and provide constructive goals for the energies and ambitions of their peoples is needed. Such development will greatly help in the transition of these nations from dependence to their proper place in an increasingly interdependent world.

By the vigor of their discussions during these two days and their enthusiastic support for a series of regional conferences to follow up this Washington gathering, the participants showed their renewed determination to put the facts about the role of technical and economic assistance before the American people. They welcomed the words on this subject in the President's Inaugural Address and his declaration, in his message to the Conference, that "only by building up the capabilities of men everywhere can they achieve the individual self-respect which forms the necessary basis for all self-government in a world at peace." On this issue, which transcends party lines, those gathered at the Conference—whether Republicans, Democrats, or independents—looked to the President for leadership in translating these words into bold and imaginative action, so that mankind can move forward to peace and rising social and economic standards, rather than slip back into chaos and war.

Greetings to the conference

DWIGHT D. EISENHOWER:

Please give my greetings to those attending the Fourth National Conference on International Economic and Social Development.

In your discussions, enriched by the experience and concern of citizens from every part of our national life, you see the urgent need for technical and economic assistance to the under-developed areas of the world. It is clear that only by building up the capabilities of men everywhere can they achieve the individual self-respect which forms the necessary base for all self-government in a world at peace.

Best wishes for the success of your Conference and the hope that it will lead to a wider public understanding of America's opportunities in the field of international co-operation.

HARRY S. TRUMAN:

It is a pleasure once again to send greetings to the National Conference on International Economic and Social Development. These annual Conferences give evidence of the degree of public support, above and beyond party lines, which the idea of helping others to help themselves has gained since I proposed it as "Point Four" of my 1949 Inaugural Address.

Yet, in spite of this wide public support, powerful voices are again being raised in Washington in favor of curtailing these programs or cutting them out altogether. There is still unwillingness to recognize that they have become, and must remain, a vital part of American foreign policy.

Last year, in my message to your Conference, I called for "a real effort to bring water to the deserts of the Middle East" and expressed the hope that "as living standards rose, the tensions in that troubled area would inevitably be reduced." Since then, we have had tragic evidence of the cost of delay. I know that you care too deeply about the future of our nation and peace in the world to let "too little, too late" again be the epitaph of our policy. Be tireless in bringing the facts to the American people—for, if they know the facts, I have faith they will insist upon action.

ADLAI E. STEVENSON:

Please extend my sincere greetings and best wishes for a successful meeting to the National Conference on International Economic and

Social Development. Technical assistance to the people of economically less developed areas of the world is probably our best single means of combatting the spread of Communism and other forms of totalitarianism. Helping people to raise their living standards, to improve their techniques of production and distribution and to develop economic institutions which will help to do all this is in accord with the best traditions of our country and constitutes the kind of action on our part which can actually win the allegiance to the cause of freedom of the hearts and minds of many people.

AVERELL HARRIMAN:

I wish I could be with you, your distinguished guests, and the representatives of all the national organizations participating in your Fourth Conference on International Economic and Social Development.

I am sure that out of your meeting will come many suggestions for ways in which the great Point Four ideal can be furthered, ways in which the free peoples of the under-developed areas can be helped to achieve higher standards of living and to maintain their faith in freedom.

You are meeting at a critical time in the history of United States foreign policy, when we are in grave difficulties in many parts of the world. Your conference will no doubt be considering the implications of the economic aid aspect of the so-called "Eisenhower Doctrine" for the Middle East. I hope you will reaffirm the position which has been so effectively stated at your previous Conferences: that the United States cannot expect to buy friendship or loyalty through indiscriminate economic aid, and that an economic aid is not by itself a policy, nor is it a substitute for a policy.

I do not of course mean to deny that there is urgent need for technical and economic assistance in the Middle East. There is need for programs which will contribute to economic development and stability and which will help to build on a long range basis the forces of peace and democracy in that area. But, until such programs have been developed and disclosed, no one can judge whether the Administration's proposal for substantial economic aid in the Middle East is sound or not.

The American people must not be misled into thinking that economic largesse alone can solve the difficult political problems to which the present Administration has given no indication that it has any answers.

Congressional guests

Sessions of the Conference were attended by the following Senators and Congressmen:

SENATORS

Hubert H. Humphrey, D., Minnesota
Jacob K. Javits, R., New York

Richard Neuberger, D., Oregon
Alexander Wiley, R., Wisconsin

CONGRESSMEN

Watkins M. Abbitt, D., Virginia
George W. Andrews, D., Alabama
Robert T. Ashmore, D., South Carolina
Marguerite Stitt Church, R., Illinois
Harold D. Cooley, D., North Carolina
Merwin Coad, D., Iowa
Joe L. Evins, D., Tennessee
Daniel J. Flood, D., Pennsylvania
George M. Grant, D., Alabama
Edith Green, D., Oregon
Robert D. Harrison, R., Nebraska
Brooks Hays, D., Arkansas
Thomas A. Jenkins, R., Ohio
Charles R. Jonas, R., North Carolina
Karl M. LeCompte, R., Iowa
Henderson Lanham, D., Georgia
George McGovern, D., South Dakota
Ray J. Madden, D., Indiana

A. L. Miller, R., Nebraska
Morgan Moulder, D., Missouri
Will E. Neal, R., West Virginia
W. F. Norrell, D., Arkansas
W. R. Poage, D., Texas
Charles O. Porter, D., Oregon
Kenneth A. Roberts, D., Alabama
John M. Robsion, R., Kentucky
Byron G. Rogers, D., Colorado
D. S. Saund, D., California
Sid Simpson, R., Illinois
Stewart L. Udall, D., Arizona
John M. Vorys, R., Ohio
Basil L. Whitener, D., North Carolina
J. Arthur Younger, R., California
Clement J. Zablocki, D., Wisconsin
Delegate John A. Burns, D., Hawaii

Organizations represented

American Association for the United Nations
American Association of University Women
American Christian Palestine Committee
American Committee on Africa
American Council on Education
American Dental Association
American Ethical Union
American Farm Bureau Federation
American Federation of Labor—Congress of Industrial Organizations
American Federation of Teachers
American Friends Service Committee
American Friends of Vietnam
American Jewish Congress
American Labor Education Service, Inc.
American Library Association
American Medical Association
American Nurses Association, Inc.

American ORT Federation
American Overseas Finance Corporation
American Public Welfare Association
American Veterans Committee
American Zionist Committee for Public Affairs
Americans for Democratic Action
Asiatic Petroleum Corp.
Association for Childhood Education
Atlantic Union Committee
B'nai B'rith
Brethren Service Commission
CARE, Inc.
Carrie Chapman Catt Memorial Fund
Catholic Association for International Peace
Church Peace Union
Citizens Committee for UNICEF
Committee for Economic Development
Committee for a National Trade Policy

Committee for World Development and World Disarmament
 Congregational Christian Churches, Council for Social Action
 Cooperative League of the USA
 Council for International Progress in Management
 Credit Union National Association
 Evangelical and Reformed Church, Commission on Social Action
 Experiment in International Living
 Foreign Policy Association of Hartford
 Foreign Student Service Council
 Friends Committee on National Legislation
 Friends General Conference
 General Federation of Women's Clubs
 Girl Scouts of the USA
 Group Health Mutual, St. Paul
 Hadassah
 Heifer Project
 Institute of International Education
 International Affairs Seminars of Washington
 International Committee of the Mass Education Movement, Inc.
 International Development Services, Inc.
 International Technical Developments, Inc.
 International Voluntary Services, Inc.
 Jewish War Veterans of the USA
 Koinonia Foundation
 League of Women Voters of the US
 Los Angeles Council of Non-Governmental Organizations
 Lutheran Church-Missouri Synod, Board of World Relief
 Lutheran World Relief, Inc.
 Methodist Board of Missions
 Middle Eastern Affairs
 Minnesota World Affairs Center
 National Association of Social Workers, Inc.
 National Catholic Rural Life Conference
 National Congress of Parents and Teachers
 National Council on Agricultural Life and Labor
 National Council of Catholic Women
 National Council of Churches
 National Council of Jewish Women
 National Council of Negro Women
 National Education Association
 National Farmers Union
 National Federation of Business and Professional Women's Clubs
 National Jewish Welfare Board
 National Lutheran Council
 National Planning Association
 Near East Foundation
 Planned Parenthood Federation of America
 Post-War World Council
 Presbyterian Church of the USA
 Public Affairs Institute
 Resources for the Future
 Robert R. Nathan Associates
 Ruth Sloan Associates
 Salvation Army
 Service Bureau for Women's Organizations
 Students for Democratic Action
 Technical Assistance Information Clearing House
 Textile Workers Union of America, AFL-CIO
 Unitarian Fellowship for Social Justice
 Unitarian Service Committee
 United Automobile Workers, AFL-CIO
 United Church Women
 United States Committee for UNICEF
 United World Federalists, Inc.
 Vitro Corporation of America
 Wheat Flour Institute
 Women's International League for Peace and Freedom
 Women's University Club, Seattle
 WORLD, Inc.
 World Relief
 Young Women's Christian Association
 Zonta International

