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THE FOREIGN ASSISTANCE PROGRAM — A SURVEY OF THE RECORD

Remarks by Gordon Chase  
St. Joseph, Michigan  
February 20, 1967

THE FOREIGN ASSISTANCE PROGRAM -- A SURVEY OF THE RECORD

Good evening, ladies and gentlemen. I am delighted that you invited me to be with you tonight.

I am particularly happy that you have asked me to talk about foreign assistance. This is so because--in a way--I am a recent true believer. And, as you know, the more recent the believer the more fervent he reputedly is. When I came to the Agency for International Development a little more than a year ago, I think I came with much of the same kind of skepticism of the aid program which many Americans share. After a year, it is my general belief that--on its merits, foreign aid really does do a job for the U.S., and that, by and large, it does that job well. I hope that I will be able to convey to you tonight why I feel this way.

I have been asked to give you a survey of the record with respect to our foreign assistance effort. In other words--just how have we been doing during the nearly 20 years since President Truman started the first peacetime foreign assistance program? How have we failed? How have we succeeded? What is the net balance of advantage or disadvantage to the United States? Have we gotten our money's worth?

It is clearly a very large order to try to cover all of this ground in an hour's time. In thinking about how to do it, it seemed to me that I had two options. On the one hand, I could pick out three or four country cases and from these try to draw some general conclusions for the whole 20-year period.

I rejected this option because it seems to me that a selective look is never really very persuasive. It always leaves me--for example--with the feeling that if only I knew all the cases, I would come out differently.

The other option was to try to look at all the cases and to draw some balanced generalizations from such an examination. In this way, I would have to avoid detail, but hopefully, I would be able to convey an accurate picture of our aid effort as a whole.

I have chosen the latter option. Accordingly, I would like to do two things tonight. First, I would propose to break up the U.S. foreign assistance effort--somewhat arbitrarily--into five time periods and to look briefly at the facts--who, specifically, got how much--of what--and when. Second, I would propose to draw some generalizations from these facts about what we have been trying to buy with our money over these periods, and--most importantly--whether in fact we have gotten our money's worth.

Before going into the record in this way, let me say a word about the definitions of several of the terms I will be using. I will be talking essentially about two kinds of foreign assistance. First, I will be talking about military assistance. As you know, this is assistance which we have given and are giving to countries--mainly on a grant basis--to help them build up forces which would--along with ours--be capable of maintaining internal security and of withstanding aggression from the Communist Bloc. In an over-simplified sense, we provide the materiel and training while the recipients provide the men.

Second, I will be talking about bilateral economic assistance. This falls mainly into three categories:

--Non-food aid. This is the kind of economic assistance which has been and is administered by AID and its predecessors. By and large, it consists of loans and grants to the less-developed countries to help them modernize their economies and maintain, or establish (such as in Vietnam), economic and political stability. This includes development loans, supporting assistance, and grants for technical assistance.

-- Food aid. This is the kind of economic assistance which involves sending U.S. agricultural commodities to the less-developed countries. Much of this also is on a loan basis.

--Export-Import Bank loans. This is assistance which borders on "non-assistance". It involves loans which are on less concessional terms and which normally are not as attractive to the less-developed countries as the two other kinds of economic assistance.

With this introduction, let me now run briefly through the five time periods I have mentioned to see what the shape of our program has been over the past two decades. As I do this, I hope you will take particular note of the fact that the names of a few countries pop up again and again. To me, this is one of the keys to understanding what foreign aid is all about. It is no mistake or haphazard chance that certain countries have received the bulk of our assistance.

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The first period I want to look at is 1948 to 1952--the Marshall Plan period. I want to touch on this period only briefly. It seems to me that, here, the record is clear and well-known. There is little doubt as to the effectiveness of foreign assistance during that period. It was a demonstrably successful phase. Within the incredibly short space of about four years, the U.S. had substantially helped Europe to its feet. By 1950, all but Greece had reached

pre-War levels. By 1955, all Europe was enjoying a standard of living never reached before.

About the only other thing I would like to say about this period that none of us should forget the essential difference between the job we faced in Europe after World War II and the job we face today in the developing countries. To put it in a sentence--it is one thing to assist reconstruction and recovery in developed countries which had once known flourishing and advanced industrial economies--and quite another thing to assist fundamental development in countries with a literacy rate averaging less than 40 percent and per capita income of only \$160.

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The second period I have used is 1953 to 1957. This was after the Marshall Plan but before Development Loans. At the outset, it is important to paint a word picture of the broad world scene. This is so because--as you would expect--the shape and content of our aid program always is closely related to this scene. Nothing could be more logical or more right.

What then did this period of American history look like?

--While the Korean War ended early in the period, we had much to fear in the Far East. The line was being precariously held in Korea. In Indochina, the French had fallen at Dien Bien Phu and the shaky Geneva agreements had been signed in 1954. There was no telling what aggressive Communism was going to turn to next.

--In Europe we also were in a shaky period. NATO had been formed only a few years before, and was still young, inexperienced, and relatively weak.

In 1956 there was an awesome display of ruthless Communist power in Hungary and other East European countries. In Western Europe, a Communist take-over in one or more countries seemed to be something more than a vague possibility, and the threat of external aggression from the Soviet Bloc seemed to be at least a possibility--even if not a likely one.

--And finally we had a new President--the first Republican President in twenty years and a soldier by training. President Eisenhower--rightly--was not a man to take a chance with the country's security in the atmosphere of 1953-1957.

What did the foreign assistance program look like during this period?

--As you might expect, of the total foreign assistance program of \$29 billion--over half was spent on military assistance. Virtually all of the military assistance went to our NATO allies in Europe, to our NATO allies Greece and Turkey, and to our allies in the Far East--Vietnam, Korea and the Republic of China.

--On the economic side, too, our aid had a strong tinge of security. A large part of our economic assistance during this period went to the Republic of China, Korea, Vietnam, Greece, Turkey, Iran and Pakistan--all of them countries on the periphery of the Communist heartland. Most of the economic assistance to these countries was to help maintain economic and political stability and was only indirectly aimed toward long-term economic growth. Thus, the central fact of our aid in this period can be summed up in one word--security. The balance of our assistance was for the following purposes: --Some went to Europe. Most of this was by way of following up the Marshall Plan and finishing off what it had started.

--A modest amount of food aid was available--but not as much as in later periods. A large proportion of this food aid went to Yugoslavia, Italy, Spain, India, and Pakistan.

--There was very little aid to Africa and Latin America. Whatever aid did go to Latin America was largely through Export-Import Bank loans, which in this period were more in the nature of commercial credits than aid.

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The third period is 1958-1961. This period was in many ways very different from the previous one.

--On the security side of the picture, we were now several years away from the Korean War. We had called the Communist bluff in Quemoy and Matsu; others were not so sure that we were a paper tiger. In the NATO area, more and more, we were feeling that our position was secure. In short, we were a more confident nation.

--On the economic side of the picture, we began to see more clearly the nature of the development task in the less-developed countries. We began to recognize that the problem of development was long-term and that we could not solve the problems of the developing world with an unrelated and uncoordinated attack. More specifically, we began to understand that institutional change and human resource development were more difficult than simply capital flowing into well-prepared vessels.

--As for the geography of our effort, this too began to change during this period. We were beginning to see the importance of those on our Latin-American doorstep. Castro and Cuba in 1959 were potent forces for driving this lesson home to U.S. policy makers.

The nature of the foreign assistance program during this period, totalling \$22 billion--reflected the times.

The biggest difference from the previous period was the substantial shift in emphasis from military to economic assistance. The proportion of military assistance to total foreign assistance was reduced from over 50 percent in the 1953 to 1957 period to about 35 percent in the period 1958 to 1961. Its major directions remained roughly the same as before--to our NATO allies in Europe, to Greece, Turkey, and Iran, and to our allies in the Far East--Korea, the Republic of China, and Vietnam. Europe's share, however, declined during the period from 64 percent to 40 percent, while the proportions going to our allies in the Near East and South Asia, and in the Far East increased.

--On the economic side, our aid to Europe continued to plummet. The largest residual recipient in that area was Spain, one of the least developed of the European countries.

--In Latin America, aid remained at modest levels. At the same time, it was more than it had been earlier, as President Eisenhower increasingly directed this country's attention to that area.

--At the same time, aid to Africa more than tripled, as more and more countries broke away from their earlier ties to Europe. About half of this African aid went to Morocco and Tunisia.

--In the Near East and South Asia, there was considerable change on the economic side from the previous period. Annual aid to the area more than doubled, as the levels of economic assistance to several countries in the area, including India, Pakistan, Turkey, Israel, and Jordan increased substantially. Much of this increase was due to increased food aid; much was due also to the new Development loans, which began in 1958, and went in large amounts to this area.

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The fourth period is from 1962 to 1966.

This period too was quite different from pervious periods. First, with the exception of Southeast Asia, it became increasingly clear that the military security aspects of foreign aid were secondary to the economic aspects.

Second, there was a sharp focusing of attention on Latin American during this period. This focusing had begun at the end of the Eisenhower period and began to gather steam in March 1961 when President Kennedy initiated the Alliance for Progress. This emphasis goes on today.

Third, during this period there also was a greater squeeze on funds. In a way, this probably has had a lot to do with emphasis in at least one significant direction today. It has forced us, more and more, to look to others to help--the recipient nations themselves, as well as other countries that have improved their lot, or that we have helped since the end of World War II.

Fourth, there were some internal changes in the aid business as well. We began to be a good deal more scientific about economic aid. As early as the middle and late 1950's economists and scholars began to flock to this field and a host of articles and books appeared. From this activity emerged, and continues to emerge, a refining of our aid approach. Its broad features are:

- Less attention to showstoppers--flashy public projects--and more attention to identifying basic bottlenecks in less-developed economies and to breaking these bottlenecks.
- Less attention to using our food aid as a means for simply getting rid of embarrassing surpluses and more attention to it as a development tool--freeing resources for other sectors.
- Less attention to the short-run political aspects of aid and more attention to bringing about basic reform and self-help. In a sense, our concepts of self-help began with President Kennedy. They have reached almost a fever

pitch under President Johnson. Today, virtually every significant loan we make involves protracted negotiations with the recipient government on the kind of self-help measures it is prepared to make.

In specifics, the program during this period was roughly as follows:

--Out of a total program of \$32 billion, military assistance constituted about \$8 billion--a quarter of the total. This compared to over 50 percent in the 1953 to 1957 period and about 35 percent in the 1958 to 1961 period.

--Economic aid to Latin America more than doubled over the pervious period.

--Economic aid to the Near East and South Asia rose by a third over the previous period. More than half of this increase was because of increased food aid. In this regard, it should be noted that food aid constituted one-third of the total economic assistance effort in this period as opposed to about 28 percent in 1958 to 1961, and only 19 percent in the period 1953 to 1957.

--During this period only six countries accounted for about 40 percent of all economic aid. The names are familiar ones in U.S. aid history--India, Pakistan, Vietnam, Brazil, Korea, and Turkey.

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The last period I want to cover is the present. I think I can do this best by describing briefly the Foreign Assistance Program--excluding the food portion--which the President recently submitted to the Congress for fiscal year 1968. To a large degree the President's aid program for fiscal 1968 reflects many of the themes of the past few years. It also emphasizes some new ones.

--The 1968 program reflects a continued shift from military assistance to economic assistance.

--The program intensifies our effort in the self-help area. In this regard, the new Act which the President is proposing this year provides for the establishment of a National Advisory Committee on Self-Help, composed of American leaders from many fields to advise him of progress being made by aid-receiving countries in their self-help efforts. This is yet another step of the President to insure that our tax dollars go to those countries which will help themselves.

--The program is geographically concentrated. In order to make a maximum impact in a few countries rather than a minimum impact in many, more than three-fourths of our economic assistance will go to only ten countries; more than two-thirds of our military assistance will go to only six countries.

--The program concentrates our assistance by function. In fiscal 1968 we plan to use more than \$1 billion of our economic assistance funds for programs in the fields of agriculture, health, and education. In particular, the President is determined to make war on hunger. He has said "other than peace itself, the greatest challenge to mankind will be to increase food production in relationship to population." The President means what he says. We will see more and more emphasis in the areas of food production and population control over the coming years.

--The program emphasizes regionalism as a technique for encouraging countries to work beyond their borders to solve common problems. In this regard our policy in Africa in fiscal 1968 will shift significantly as a result of our belief in this important concept. We intend to gradually shift to cooperative projects which involve more than one donor and more than one recipient. We

will also place more emphasis on regional financial institutions, such as the African Development Bank.

--Our program emphasizes multilateralism as a means of more effectively coordinating our assistance with other donors and of insuring an equitable sharing of the development burden. In fiscal 1968 at least 85 percent of development lending will be provided in a multilateral framework. Moreover, we intend to continue support to multilateral financial institutions.

The total foreign assistance program requested for fiscal 1968 is \$3.1 billion--\$2.5 billion for economic assistance and \$600 million for military assistance. These figures do not include food aid which will probably be somewhere in the neighborhood of \$1.5 to \$2 billion and which will go largely to India and Pakistan. The \$3.1 billion program breaks down roughly as follows:

In East Asia we intend to spend about \$1.1 billion. Over half of this is economic aid for Vietnam, with other large portions for Korea, Thailand, and Laos. Next to Vietnam, our largest aid program in the Far East is for Korea, which today shares a bloody burden with us in Vietnam, and which, despite this burden, is growing at an incredibly fast rate.

The central fact regarding our assistance to East Asia is that roughly 85 percent is directly or indirectly related to our effort to contain Communist aggression in that part of the world.

For the Near East and South Asia--an area whose population equals that of North America, South America, and Western Europe combined--we are requesting about \$1 billion; \$234 million is for military assistance, down 50 percent from 1963 levels. Virtually all of it is for Greece, Turkey and Iran--countries which have shared with us the burden of collective security for 20 years.

Our economic aid effort in this area of the world is heavily concentrated in the three most populous nations. More than 90 percent of our economic assistance funds will go to India, Pakistan, and Turkey.

For Africa we are recommending a program of about \$225 million. More and more, this money will be channeled within a regional framework and/or through strengthened multilateral institutions.

Finally, for Latin America we are requesting about \$670 million. Two-thirds of these funds will go to only four countries.

Brazil, which overshadows all the other Latin American countries in size, will of course receive the largest share. Brazil has made considerable progress on both the political and economic fronts since it pulled away from the brink of near political and economic disaster in 1964.

Colombia, Peru, and Chile will receive the next largest amounts. All of these countries--under liberal progressive leadership--have chosen the difficult, subtle, and sometimes bumpy road of democracy as the way to economic growth and social welfare.

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Having had a very brief and cursory look at who has been getting how much of what, it is now appropriate to try to evaluate whether we Americans have been getting our money's worth.

First, in the opening years of the foreign assistance business we were trying to put Europe on its feet. There is little question that with respect to this job, U.S. foreign assistance must get the highest marks. Virtually all of the

countries we helped in Europe are today independent, free societies, developing rapidly on the economic front, standing firm with us in the basic conflict between Communist and Western ideologies, and cooperating with us in helping the developing nations.

Second, over the years, we have tried with our foreign assistance program to protect ourselves and the western societies against the sporadic onslaughts of the Communist world. Here the record has been mixed. On the one hand, we certainly are not yet living in a peaceful world. On the other hand-- given the aggressiveness of the Communist world over the past twenty years--we have not done badly. From the Communist point of view, the record must seem pretty dismal. They have made very few concrete gains in the developing world over the years. On the contrary, one can point to a number of cases which, to the Communists, must look like concrete losses.

--Successful resistance to Communist aggression or subversion in Korea, Greece, Turkey, and Iran.

--Shifts away from extreme leftist patterns in countries like Indonesia, one of the largest countries in the Far East; and Brazil, by far the most important country in Latin America.

It is of course not very credible to attribute all of the U.S. success in stopping Communist aggression to the foreign assistance program. This would be comparable to the man who is walking with his friend on Broadway in New York City. He is whistling in a very strange way. His friend asks him why he is whistling like that. The man replies that he whistles in this way to keep away the tigers. His friend reminds him that there is not a tiger

within 6,000 miles of Broadway in New York City. The man replies, "See, it works!"

At the same time, we can be too cavalier if we say that foreign aid had nothing to do with stopping the Communists in their tracks. While clearly other factors were important--our huge defense budget for example--I think it is fair to say that during these twenty years things probably would have been far worse if it were not for our direct security efforts in the foreign assistance field, and if we were not helping people to eliminate the poverty, ignorance, and disease which are roots of extreme political solutions.

Third, we have given foreign assistance to help countries grow economically over the years. Here again the record is mixed. We obviously have had some disappointments. At the same time, it is my view that if we look at the record--as a whole--even leaving Europe and Japan aside--we have done pretty well.

One way to do this--which seems to me fair and accurate--is to look at those countries which have received the bulk of our assistance over the years and to see how they have been doing. Europe and Japan aside, the following eight countries have received about three-fifths of our non-European and non-Japanese assistance since we began the program almost twenty years ago:

1. India	\$7 billion
2. Vietnam	6 billion
3. Korea	6 billion
4. Turkey	5 billion
5. Republic of China	4 billion
6. Pakistan	3 billion
7. Brazil	3 billion
8. Greece	3 billion

Why these particular countries? It is worthwhile to ponder this question for a moment. Note that each in its own way is special.

--Some of these are very large and intrinsically important. For example, India is the second largest country in the world--it has as many people as Africa and Latin America combined. It is the prime test case of whether or not a really less-developed country can modernize its society under a democratic process.

Brazil is by far the largest country in Latin America--with about 35 percent of all the people. The success of the Alliance for Progress is inconceivable unless there is success in Brazil.

--Five of the other major recipients are countries where there has been a direct overt confrontation with the Communist Bloc--Vietnam, Korea, Turkey, the Republic of China, and Greece. These are countries where we have been tested and where American Presidents from Truman to Eisenhower to Kennedy and Johnson have felt it important to meet the challenge.

Now note the economic progress in these eight countries.

Two of them--Greece and the Republic of China--no longer receive any major concessional economic aid from us and are clear success stories. As countries that are on the periphery of the Communist heartland, they still do receive some military assistance. Even this, however, is declining.

Three of them are doing very, very well and the end is at least in sight. Turkey--which grew by 8 percent last year--aims to be independent of concessional economic assistance by 1973. There is no time schedule set on Korea--which by the way is sharing a very heavy load with us in Vietnam. But clearly that country, too, with a growth rate of 10 percent last year, is

fast approaching economic viability. Brazil--a country of great resources-- is not far behind.

Vietnam aside--as an obviously special case--this leaves India and Pakistan, where the end is not yet in sight. Even here, there are some remarkable indicators of progress. In Pakistan, for example, GNP grew at an average of 5.8 percent compared to 2.5 percent in the previous five-year period. In India, the problem is food, and there the Indians are making a concerted effort. The Indians plan to double their outlays for agriculture over the next five years and quadruple their effort in the family planning area. The Indians increased fertilizer procurement by 85 percent over 1965.

In short, while the way to go is not going to be easy or quick in the area of economic growth, we have come a long hard way, and-- most importantly--we are succeeding.

Fourth, we have tried over the years to help the growth of democratic attitudes and institutions in the developing countries. In the present state of our knowledge we cannot be sure of how well we are doing. David Bell, recent Administrator for the Agency for International Development, felt that aid was very helpful toward this end. He cited several reasons:

The first is exposure. There is no doubt that most of the thousands of persons who come to this country under our aid programs--nearly 100,000 have come since the beginning--and most of those who come in contact with our technical assistance people abroad, are impressed by the freedom and mobility of our society and the benefits of government by consent.

--Furthermore, under the aid program we deliberately foster many democratic institutions--savings and loan associations, for example; democratic trade unions; cooperatives of various kinds; government agencies with an attitude of service toward people; and many others. Through such institutions, people in developed countries learn at first hand how a pluralistic society functions, and experience the necessity for responsible choice.

Finally, the economic and social policies which we encourage are designed to broaden the base of economic participation and spread the powers of economic decision. Land reform, for example, is often a powerful means for making a society more democratic, as well as for stimulating the growth of investment and output in agriculture. The extension of education to more children at elementary, secondary, and higher levels broadens the basis for responsible participation in a nation's affairs. Less controls and more room for play of market forces permit more people to have access to the tools of production, credit, foreign exchange, and the like, and lets small entrepreneurs and industrialists come to the fore.

Fifth, and possibly most important, we have had an aid program because it was wrong for the U.S. to live in wealth while others lived in poverty and disease, and because it was right for the U.S. to help others. That we have alleviated great human suffering through programs over these past twenty years, there is no question.

--In 1965, our donations of food alone (not counting concessional sales) fed 93 million people in 116 countries.

--From 1962-1967, 421,000 dwellings were completed with AID assistance, benefitting an estimated 2.3 million people.

--From 1962-1967, 573 million smallpox vaccinations were given and 11,000 health centers were built with AID assistance.

--As of the end of 1966, 680 million people are protected from malaria by AID.

--From 1962-1967, 72 million textbooks were distributed and 240,000 classrooms constructed with AID assistance.

--Currently, there are 21 million students enrolled in AID-assisted or built schools.

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I think it is clear that the U.S. has gotten something for its money. Since one can always argue that we did not get enough for our money--or that we could have gotten what we did get for less money--I think I should try to address this difficult question at least marginally.

One way to throw some light on this question is to look at how much the burden of foreign assistance really is. Does it cost a lot? A little? Or what? Are we the only ones in the aid business?

My own judgment on this question is that the burden is not great.

--At the peak of the Marshall Plan, for example, foreign assistance expenditures represented something less than 2 percent of our Gross National Product and 11.5 percent of Federal expenditures.

--The relative burden on the American people since this peak has declined dramatically. The combined value of our economic and food aid is less than seven-tenths of one percent of our national income, and less than 4 percent of our Federal Budget.

In short, the relative burden on the American people has been reduced by roughly two-thirds since the peak of the Marshall Plan.

Another way to put the burden is, I think, even more dramatic--that is, simply to reflect on the fact that this country's gross national product increases by roughly \$40 billion each year.

I think it is also important to point out that other nations are bearing a substantial part of the burden. Many Americans believe that only we are in the assistance business. This may have been true once. It is simply not the fact any longer. For example:

--Economic assistance from other developed countries has doubled in the last nine years. In 1965, U.S. bilateral economic assistance commitments--including food--totalled \$3.5 billion. Other free world nations provided \$3.1 billion. International organizations provided \$1.9 billion.

--By comparison with other nations the United States does not provide a disproportionate amount in relation to its economic strength and capacity. As a whole, other aid-giving nations of the free world spend a percentage of national income not much smaller than the U.S.--even though their average per capita income is less than half of ours. Some of them--the U.K., France, and Belgium, for example--spend as much or more.

--Recipient nations, themselves, are contributing substantially to their own growth. For every dollar the United States and other donors provide, local sources invest roughly 5 to 7 dollars.

It seems to me that the burden we are bearing and the sacrifices that we are making are small. Weighed against the measurable successes that the United States has had in the foreign assistance field it seems plain to me that we have gotten at least as much as our money's worth--and probably a good deal more.

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Over the past hour--as I look back on it--I have tried in as hard-headed a way as I know how, to lay before you the record of the aid program. In a way, it seems to me now too cold and stark--too much oriented towards dollars and cents and "getting our money's worth".

There are those--and I am among them--who believe that if the advantages to the United States from foreign assistance were small or even zero, we should still help the poor nations. I personally do not believe Americans want history to say of us that we abandoned whole continents of people to hunger and disease, when--by sharing a small part of our own ample well-being and expertise--we could have helped them find a better life.

And as conscience argues loudly for an ample measure of foreign assistance, so does self-interest. To those who say that "charity begins at home", I would answer that I agree, and that by foreign assistance we do ourselves a charity. The world can exist half-slave to famine, ignorance, and disease, but that world will not be a peaceful one. Our children will not be left undisturbed to enjoy the riches of this country if those in the poor lands of the world have lost faith in their future.

It seems to me that a vulnerable world is not what we want. We must continue to help and work with the developing countries. We can do no less for the millions of people in Asia, in Africa, and in Latin America. We can do no less for ourselves.

Albert H. Huntington, Jr.  
6621 Gordon Avenue  
Falls Church, Va. 22046

Thursday  
April 22, 1982

Mr. Dave Donovan  
AID / Office of Development  
Information & Utilization  
500 F-State Annex # 14

Dear Dave:

Enclosed is a fresh copy of a speech I have just been re-reading — "The Foreign Assistance Program — A Survey of the Record", by Gordon Chase, A.I.D. Deputy Assistant Administrator, in the Bureau for Program and Policy Coordination, in February 1967.

As I recall, Mr. Chase was addressing a World Affairs Council group. Our office, the Statistics and Reports Division, worked closely with Mr. Chase on the many figures involved and commented on his draft, right up to the moment he left for the airport, to deliver the speech that night.

The speech is a quick summary of U.S. aid programs from 1948 to 1967. There is specific mention of President Truman and the Marshall Plan, President Eisenhower, "Security", Food for Peace, and Development Loans; President Kennedy and the Alliance for Progress; and President Johnson "sell-b.-o."

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the "Presidential Initiatives" (Agriculture, Health, and Education), his "war on Hunger", and the beginning of AID-financed programs for Population Control and Family Planning. I thought it would be useful to you as a short summary (at least a bit) of all of these things going on, these major movement in foreign aid, over these two decades and four Presidents.

Only major flaw in the speech, I would say at this point, is failure to mention "Point IV", which began in 1949, under President Truman, as the Technical Cooperation Administration (TCA), in State Department. It was merged into the Mutual Security Agency (MSA) in the Eisenhower Administration.

Since we are approaching the 35th anniversary of Secretary Marshall's commencement address (June 5, 1947) at Harvard proposing the European Recovery Program (ERP). I enclose a fresh print of a summary table on the Marshall Plan. I have added on the corner a copy of the first U.S. aid symbol. A.I.D. still uses the shield, but the words in the center have been replaced by a handshake (two hands shaking hands).

Sincerely yours,

Albert H. Huntington Jr.

"THE MARSHALL PLAN"

U.S. ECONOMIC ASSISTANCE UNDER THE EUROPEAN RECOVERY PROGRAM

April 3, 1948-June 30, 1952

(Millions of Dollars)

COUNTRY	Total	Grants	Loans
<b>TOTAL OBLIGATIONS FOR MARSHALL PLAN COUNTRIES</b>	<b>\$13,325.8</b>	<b>\$11,820.7</b>	<b>\$1,505.1</b>
1. Austria	677.8	677.8	-
2-3. Belgium-Luxembourg	559.3	491.3	68.0 <sup>a/</sup>
4. Denmark	273.0	239.7	33.3
5. France	2,713.6	2,488.0	225.6
6. Germany, Federal Republic	1,390.6	1,173.7	216.9 <sup>b/</sup>
7. Greece	706.7	706.7	-
8. Iceland	29.3	24.0	5.3
9. Ireland	147.5	19.3	128.2
10. Italy (incl. Trieste)	1,508.8	1,413.2	95.6
11. Netherlands (incl. East Indies) <sup>c/</sup>	1,083.5	916.8	166.7
12. Norway	255.3	216.1	39.2
13. Portugal	51.2	15.1	36.1
14. Sweden	107.3	86.9	20.4
15. Turkey	225.1	140.1	85.0
16. United Kingdom	3,189.8	2,805.0	384.8
Regional	407.0 <sup>d/</sup>	407.0 <sup>d/</sup>	-

<sup>a/</sup> Loan total includes \$65.0 million for Belgium and \$3.0 million for Luxembourg; grant detail between the two countries cannot be identified.

<sup>b/</sup> Includes an original loan figure of \$16.4 million, plus \$200.0 million representing a pro-rated share of grants converted to loans under an agreement signed February 27, 1953.

<sup>c/</sup> Marshall Plan aid to the Netherlands East Indies (now Indonesia) was extended through the Netherlands prior to transfer of sovereignty on December 30, 1949. The aid totals for the Netherlands East Indies are as follows: Total \$101.4 million, Grants \$84.2 million, Loans \$17.2 million.

<sup>d/</sup> Includes U.S. contribution to the European Payments Union (EPU) capital fund, \$361.4 million; General Freight Account, \$33.5 million; and European Technical Assistance Authorizations (multi-country or regional), \$12.1 million.



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