

A STUDY OF THE BASIC REQUIREMENTS  
FOR SUCCESS IN AN INTERNATIONAL  
BUSINESS-CHRISTIAN MISSIONARY  
VENTURE

By

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VENTURE

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## PREFACE

There can be no doubt that upon examination this dissertation will prove to be a most unusual one. While the work done is basically in the field of industrial management, it is much broader than this field in scope. It deals with a relationship of management and business generally to Christianity and Christian missions. Many people have cautioned me that this relationship was too complex for such an analytical approach. In our specialized and compartmentalized society, however, I have strongly felt the need to break open the bounds of these restrictions and make a serious and studious attempt to tie together these two often separated realms of business and Christianity.

My father, the late Mr. R. G. LeTourneau, was one of the leading proponents of our nation in combining these two fields into a workable and successful combination. This dissertation is based heavily on his contribution to society in this regard.

He was a good teacher as well, for from early youth these principles were so soundly drilled into me and demonstrated before me that they have indeed also become my own principles. This did not preclude my objectivity, however, in pursuing this complex question as it relates to the two foreign business-Christian missionary projects in this study.

It is needless to say that in the absence of specific data and obvious conclusions this work was a very difficult one to write. The research, and writing involved, consumed a period of over five years and involved a great many people. In the writing of it I have deliberately

refrained from naming individuals involved in the projects lest I unjustly reflect on their capabilities and accomplishments. No amount of praise for those that endured the hardships of the projects would be too great. And the critical evaluations set forth are of a general concept nature, with no fingers pointed at any specific individual. I trust that my frankness and objectivity in these evaluations will be taken in that spirit by those project personnel who may read this work.

My special thanks, if I am to limit it to just a few individuals, must go to (1) Professor Wilson Bentley, my graduate adviser who, along with Dr. James E. Shamblin and Dr. Earl Ferguson permitted and encouraged me to make this radical departure from a normal course of research; (2) Nels Stjernstrom, who as my Executive Assistant and later Vice President of my company was both a traveling companion on several visits to the projects and an excellent "reactor" and editor for the various progressive stages of the study; (3) my secretary, Mrs. Gerrie Forbis, who not only performed the Herculean task of producing the manuscript in its multitudes of drafts but also was extremely helpful in evaluating the material as it was pulled together; and (4) of course, the patience and continuous encouragement of my wife, Louise, throughout my seemingly interminable graduate study.

The forbearance of the staff of both LeTourneau College and R. G. LeTourneau, Inc., for both of whom I was Chief Executive Officer during the time of this research, must also be recognized and appreciated.

While this work was undertaken as a part of the requirements for a doctoral degree, a greater reward to me than the degree itself, would be to see this work utilized in some manner, at sometime in the near future as a tool to assist in the accomplishment of the goals that it sets forth.

If the Lord should permit, perhaps I, myself can be used in just such a capacity to bring the not yet fully realized dreams of my father into fruition.

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## CHAPTER I

### INTRODUCTION

As technology in our society has been undergoing a rapid, even radical change, so have other facets of our society been undergoing change. Modern technologies have created a new set of circumstances within which people must live and work; thus, all phases of human and social relationships have been forced to change.

Our entire educational system is being subjected to great pressures and change. These problems and pressures of change extend into the area of religion also. The United States and the entire world has been caught up in social, cultural, technological, educational and religious change.

One area of concern to this writer has been the management and operation of Christian foreign missionary work. This also is undergoing a vast change due to world-wide conditions. Fifty, or even only twenty years ago, Christian missionary work could be approached on a relatively simple basis. A person adequately informed about the Bible, plus a limited understanding of the humanities, could be sent out to remote areas of the world with Bible in hand for a term of four or five years. Without technical support, however, any hope of a broad influence was almost nil.

Opportunities have now increased. Air travel and radio are available for two-way communication and for broadcasting. Even television is

available in many areas. Linguistic assistance and printing presses are available in even the remotest areas. Vehicles suited to the most difficult terrain are available for land transportation as are modern power boats for river travel. Motion picture films and slides with sound tracks in native languages are available. Yet problems and difficulties remain.

The rise of nationalism and the conflict of the ideologies of Communism and Capitalism now limit the opportunities which have been open to the missionary for centuries. Many factors have contributed to the closing of some countries. Two of these are national pride that refused to admit the need for such services, and fear of the Western capitalistic oriented missionary. New nations, struggling for power, fear the threat of outside influences that might endanger this development of power. They particularly fear those influences which they do not fully understand.

Thus, missionary work as carried out for centuries is being forced to change its approach. Not only must new ways be found to enter and work within nations which have grown suspicious of missionary activities; but the methods of the past have become trite in the eyes of the nationals. They are enamored with the potentials of development that will provide the standard of living that exists in the United States and other parts of the world.

The purpose of this research is to analyze the entire scope of past missionary activity in order to determine how it can be better adapted to present opportunities. Special attention will be given to the utilization of "business-international" approach for development which is currently popular in most developing nations. Staffed by

Christian personnel, who carry their message in a modern and effective way, greater success can be expected.

The purpose of this work will be to investigate the feasibility of combining business and Christianity on an international scale, to determine the basic requirements or "ground rules" that must be followed. This method may be used to supplement present missionary methods or may even replace them completely where past methods are no longer acceptable to the nations involved.



## CHAPTER II

### AUTHOR'S INTEREST AND QUALIFICATIONS

A work of such importance and broad impact as one dealing with the management, methods and feasibilities of modern Christian missions requires a background of many years of exposure and a personal desire to find the answers to some of these pressing questions. Five years of research has heightened this desire and has developed a depth of understanding heretofore impossible. Fundamental to such a study, however, is a personal desire to determine the validity of past methods proposed and defended by leaders of missionary organizations. Therefore, I am exercising the privilege, in this chapter, of writing in the first person.

From early childhood I have many recollections of association with missionaries. This broadened my knowledge of the people and the cultures of foreign lands. I listened to the fascinating missionary stories told in my church and heard discussion in my parents' home where visiting missionaries were often entertained. Examining curios and artifacts, pinpointing places on maps of distant lands, was available in a setting of this nature. Annual missionary rallies of our church and our church society were always (and still are) a thrilling experience. (Figure 1 and 2)

Further interest was developed when my father's sister went to China as a missionary. After two terms her younger sister joined her

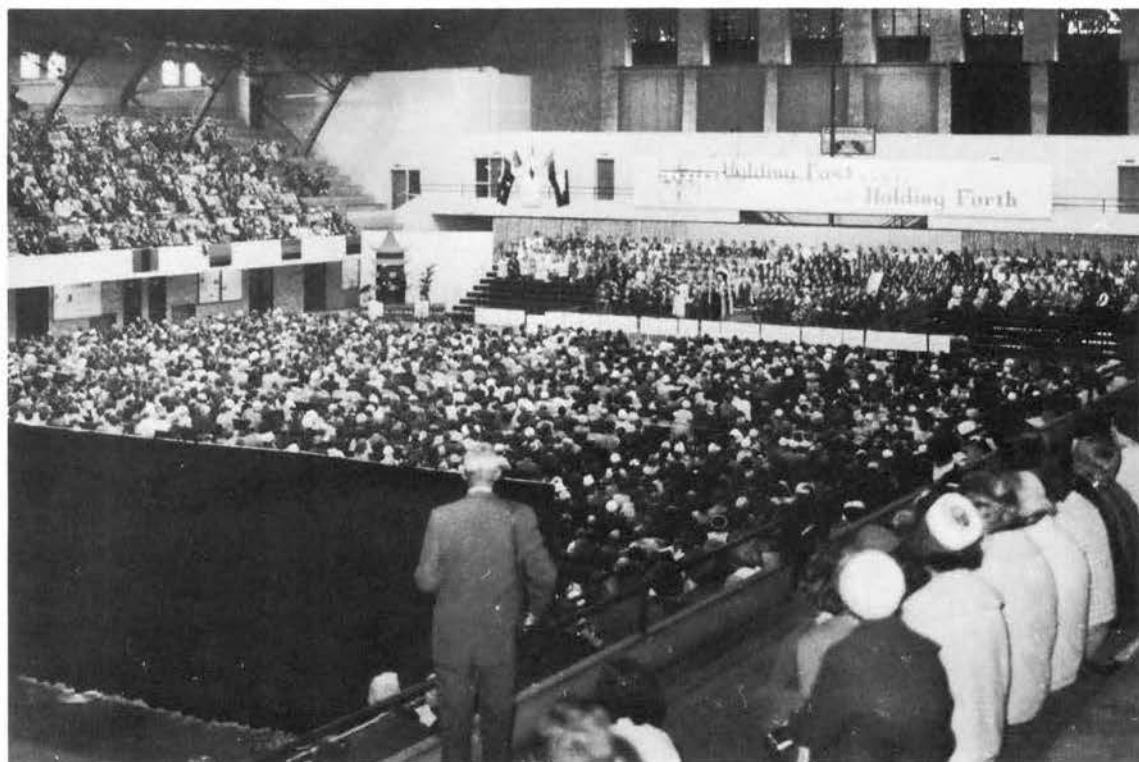


Figure 1. Sunday Afternoon Missionary Rally at the Annual Convention of The Christian and Missionary Alliance



Figure 2. Missionaries on the Platform at Annual Missionary Rally With Posters Indicating the Number of People for Whom the C&MA is Responsible in Their Area

for a five year term. The excitement of the return of these ladies from a seemingly interminable stay in that foreign land created a flurry of activity, stories, questions, curio gifts and the like that will never be forgotten. One of my prized possessions is an ornately carved jewelry chest made of sweet smelling camphor wood that was brought from China as a gift by my aunt over thirty years ago. Wei Hei Weih, North China, was a familiar name to me in my childhood. It was the mission station of the Christian and Missionary Alliance where my aunts had served. It was closed by World War II, never to be reopened after the Communists took over all of China. That land of 400 million people is closed to the Western missionary, perhaps forever.

While personal involvement is important and certainly provides a valuable background, that alone does not contribute greatly to the validity of the thesis herein set forth. As a matter of fact, caution must be exercised in order to prevent such experiences from prejudicing an inquiry and making it invalid.

The background presented is, however, more than childhood emotional experiences. It represents an acceptance of and commitment to the gospel of Jesus Christ as presented in the Bible. It is a way of life and a way of living, as well as an assurance of life after death. It also includes a lifetime of exposure to and an evaluation of the life of my father who many have referred to as the nation's "Number One Christian Businessman." (Figure 3 and 4). He accomplished what most people consider impossible, namely the combination of business and religion.

I have also had personal experience in seeing Christianity and



Figure 3. R. G. LeTourneau Gives His Personal Testimony at Houston's Astrodome During A Billy Graham Meeting

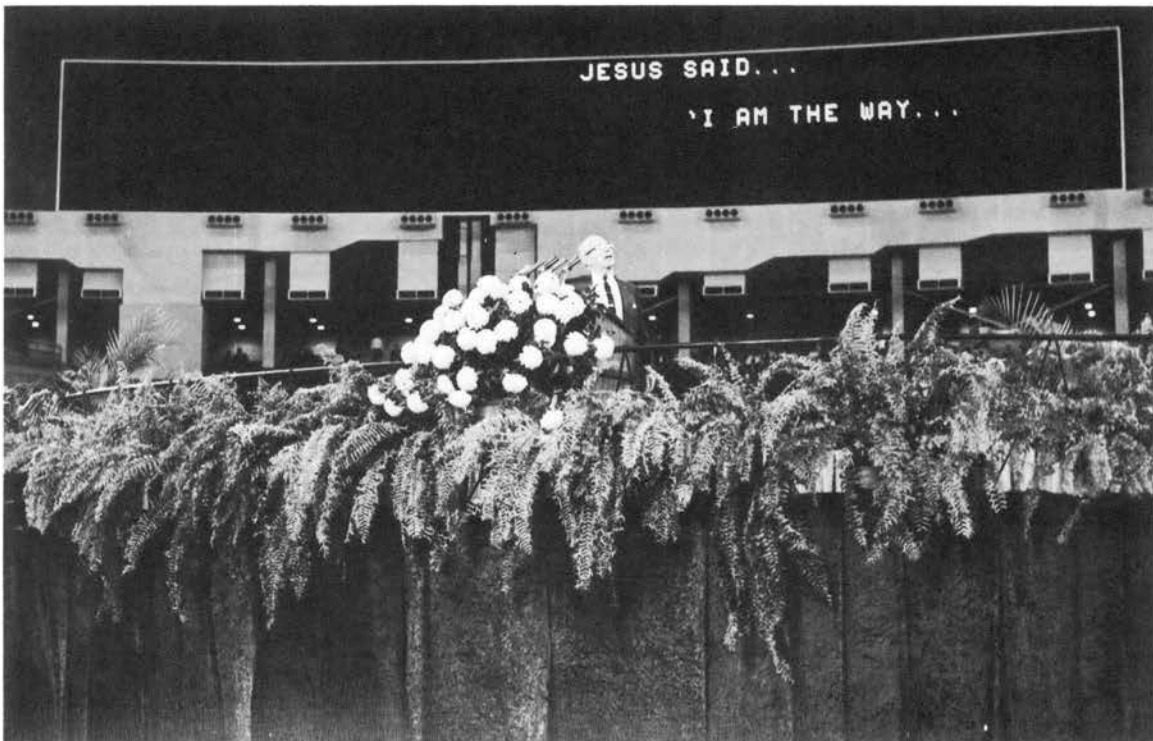


Figure 4. R. G. LeTourneau Gives His Personal Testimony at Houston's Astrodome During A Billy Graham Meeting

business combined. My involvement in factory chapel services, (Figure 5) responsibility for plant chaplains and the spiritual counseling of industrial workers, (Figure 6) and having a part in launching full scale industrial-missionary projects in Liberia, West Africa and Peru, South America, have exposed me to another side of missions. The practical problems of daily details, legal entanglements, logistics and the successes and the failures in combining an industrial development and missions have not only provided first hand experience in bringing new ideas to reality, but have created a desire to find the answers to the difficulties encountered and the objectivity that is required to question the validity of the premise itself.

The purpose, then, of this dissertation, is to study this "business-religion" concept as it relates to the methods and management of foreign missionary efforts, and to determine its feasibility.

The original title, which was so cumbersome that it was eventually discarded, nevertheless, presented a more comprehensive description of purpose. The original title suggested was, "A Study And Analysis Of The Effectiveness And Feasibility Of A Business Or Industrial Approach To The Emanation Of An Evangelical Christian Religion And Philosophy Both In The U.S.A. And In Overseas Missions."

Certainly, I as an individual, (and I can probably assume that this is true of the reader as well), am interested not strictly in emotional or theistic research, but in the feasibility and practicability of an undertaking of this scope. While some of my church colleagues may disagree, I feel that even the theistic approach demands planning and feasibility that bespeaks a soundness for our theology that many fail to attain and even possibly seek to avoid.



Figure 5. Paid-time Chapel Service at Vicksburg, Mississippi, Plant of R. G. LeTourneau, Inc., in Chapel Built for This Purpose



Figure 6. Full-time Chaplain Counsels with Employee at R. G. LeTourneau, Inc., Longview, Texas, Plant

When this topic was proposed, I was cautioned by my advisors that many problems would be encountered, but that if I recognized these problems and felt that they could be overcome, the work could truly be very significant.

These cautions were in:

1. The difficulty in being objective in evaluating and drawing conclusions that might conflict with the emotional background of the researcher.
2. The difficulty of obtaining information sufficiently specific and so objective that valid conclusions could be reached.

It is with full recognition of these problems that I have undertaken this research and resulting documentation.

With regard to the first problem, my years of experience in educational administration and industrial management dealing with the problems of people, production and profit would not permit me to consider being anything but objective. Evaluations based on emotion alone have no place in such administration and management. I would not, however, claim to be able to overcome completely the effect of my experiences and emotions because an evaluation of this nature involves the culture, customs and emotions of people and to approach it with a cold eye of "dollars" or "numbers of conversions" would negate the very evaluation I have sought to obtain.

The second problem is also fully recognized. Success in terms of measurable results is evasive to say the least, and possibly even unattainable. But I believe that if non-precise evaluations are permitted (and I believe that in this case they must be), the answer

can in reality be a valuable one. This imprecise method of measuring results may soften the strength of the conclusions obtained, but I believe that sufficient information can and has been gathered to lend credibility to these conclusions that may not have been thought possible.

In the course of this research, I made several trips to Liberia, West Africa and to Peru, South America. The primary purpose was to gather information to document as closely as possible the facts and to gain impressions and evaluations first hand to support the thesis of this work. The documentation is pictorial as well as verbal in order to aid the reader in evaluating these observations.

In addition to several weeks in Liberia and Peru on the two specific projects which will be examined in detail, I have also visited other countries and talked with numerous missionaries, government officials and others in order to obtain more complete, unbiased and accurate information. (Table I).

Thus I feel that the conditions preparatory to engaging in this research have been fulfilled, the research itself has been conducted in a comprehensive manner and, therefore, the writing of this dissertation on "The Basic Requirements For Success In An International Business Christian-Missionary Venture" is valid and significantly worthy of your time and attention as you read and travel with me in this unusual industrial management venture.



TABLE I  
INTERNATIONAL TRAVEL BY WRITER

DATES	PRIMARY COUNTRIES (3 DAYS MINIMUM OR SIGNIFICANT BUSINESS)	EN-ROUTE COUNTRIES	METHOD OF TRAVEL
Nov., 1943 to July, 1946	Australia New Guinea Philippines Japan	Cuba Panama New Zealand	Ship
Aug., 1952	England Kenya South Africa Southern Rhodesia <u>Liberia</u>	Ireland Italy Egypt Nigeria Portugal	Commercial Air Lines
July, 1955	<u>Peru</u>	Panama	Private Plane A-26
Jan., 1956	<u>Liberia</u> Brazil <u>Peru</u>	Bermuda Azores Panama	Private Plane A-26
April, 1956	Germany	Ireland England	Commercial Air Lines
July, 1956	Jamaica		Private Plane A-26
Jan., 1965	<u>Peru</u> Surinam	Panama Brazil	Private Plane A-26
Dec., 1965	Surinam	Puerto Rico	Private Plane Lear Jet
Feb., 1966	<u>*Liberia</u> Switzerland Germany	Senegal Portugal England	Commercial Air Lines
Mar., 1966	<u>Peru</u>	El Salvador Ecuador	Private Plane Lear Jet
May, 1966	<u>Peru</u>	El Salvador Ecuador	Private Plane Lear Jet

TABLE I  
(CONTINUED)

July, 1966	<u>*Peru</u>	El Salvador Ecuador	Private Plane Lear Jet
Oct., 1967	<u>Peru</u>	El Salvador Ecuador	Private Plane Lear Jet
Jan., 1968	Jamaica		Private Plane Lear Jet
July, 1968	<u>Peru</u> Bonaire	El Salvador Ecuador Curacao Jamaica	Private Plane
Oct., 1968	<u>*Peru</u>		Commercial Air Lines
April, 1969	Germany		Commercial Air Lines
Dec., 1969	Monaco Singapore	France Italy Pakistan Thailand Philippines Hawaii	Commercial Air Lines
Feb., 1970	<u>Peru</u>	El Salvador Ecuador Panama Jamaica	Private Plane Lear Jet

Note 1. Underlining indicates visits to projects discussed in detail in this text.

Note 2. Asterisk (\*) indicates a comprehensive report from this trip is in the appendix.

## CHAPTER III

### BASIC HYPOTHESIS EXPANDED

Although the concept of combining business and Christianity was not new and had been successfully practiced by many business organizations prior to this time, it was not until 1951 that the late Mr. R. G. LeTourneau, father of the writer, decided to apply it in a foreign situation. This was the combining of an international development outreach with a Christian-missionary program.

A four point program later outlined in his autobiography was developed by Mr. R. G. LeTourneau.<sup>1</sup>

One: By supplying the natives with machinery and training them in its use and maintenance we would help them to help themselves.

Two: We would establish a model village ... complete with electric lights, short wave radio, airport, anchorage facilities, hospital, school, and non-sectarian church, to serve as a guide to higher living standards.

Three: We would engage in land clearing for the ultimate production of crops and livestock shown by experiment to be best suited to the locality.

Four: By word and example we would teach the Christian way of life and through the training of local pastors extend God's word to the villages of the interior.

This was one of the first attempts of this type by a modern industrial enterprise. The concept involved was an extension of its operations beyond the profit motive into the motive of pure philanthropy or international good will. In doing so, however, the concept added to it the motivation of extending the message of the Bible through Christian

missions. In this case, Christian missions were combined with industry, agriculture, philanthropy, economic development and colonization.

This philosophy may be difficult for a lay person to grasp due to the dichotomy which exists in the minds of many people in attempting to combine or relate the profit motive that is required in capitalistic industrial enterprises to the purely religious development motivation. While there are exceptions, for most business operations in a capitalistic oriented society, a return on investment becomes a primary requisite for continued existence. This return is generally an economic one. The economic return that appears to be available on an investment of this type, therefore, raises a serious question in their minds as to its validity and capability of continued existence. However, the concept set forth in this thesis is one of return on investment, in dollars or economic progress, only to the degree necessary for economic subsistence and growth but with a main emphasis on return on investment in terms of advancement of mankind and the development of satisfactory relationships between individuals and their Creator throughout the world.

The hypothesis set forth in this research is that the general goals of Christian missions can be accomplished through an industrial approach and that the result can be a profitable business enterprise as well as an effective means of assisting mankind in its personal development, better standards of living and a nobler purpose in living.

It must be recognized that the United States of America, which has the highest standard of living and the broadest industrial impact of any nation in the world, was established upon a Christian foundation and has maintained a strong emphasis upon the Bible, the church and the

Christian way of life.

This has not been by coincidence but was so planned by the nation's founders, and this country's reliance (or non-reliance) on God and the Bible will have a very definite effect on the future success or failure of our nation in the international arena.

Thus, the hypothesis here proposed is, in effect, an extension of this country's entire national origin and development for the purpose of fulfilling its founding purpose and philosophy in a new way - by assisting other nations in developing as it has developed. This nation can assist them by extending to them the helping hand of its technical and production knowledge, by providing the benefits of its Christian heritage and by relating the two in such a manner that they catch the vision of this country's forefathers through the example of Mr. R. G. LeTourneau.

The hypothesis presented is that industry and Christian missions can be combined in a wholesome and effective manner and can be made so attractive to developing nations that they will welcome the concept into their national programs.

As already stated, the validity of this hypothesis cannot be determined by an objective "yes" or "no" calculation. Being a subjective type of evaluation it is subject to many parameters and conditions within which it may or may not operate successfully. Even beyond these parameters and conditions, the definition of a "successful" operation itself will be equally difficult to determine. For these reasons no attempt will be made to prove the validity of the hypothesis itself in absolute terms, but to set forth the circumstances, parameters and conditions under which it is likely to operate successfully and to also subjectively evaluate what might be termed "success" in such an

operation.

The research conducted, therefore, will, to a large degree, indicate from actual cases of operation of this type, just what basic requirements are necessary to be able to put together the ingredients of a successful international business Christian-missionary operation.

FOOTNOTES

<sup>1</sup>Robert G. LeTourneau, Mover of Men and Mountains, (Edgewood Cliffs, N.J., 1960), p. 250.

## CHAPTER IV

### BUSINESS AND CHRISTIANITY - DICHOTOMY OR BALANCE?

In the first three chapters of this work the writer has concentrated on the basic thesis of the compatibility or incompatibility of business and Christianity, particularly as it relates to the international scene.

This chapter will be devoted to an analysis of these elements, business and Christianity, and their relationship to each other. The writer will deal specifically with whether or not they are independent in direction and orientation, as many believe, creating a dichotomy, or whether they are a combination of elements which provide the balance upon which an individual philosophy and enterprise or even a nation can base its future.

In this analysis it would be well to first analyze each of them independently and then the relationship which exists between them. For the sake of a simple analysis, the writer will divide each of these areas into a three-way balance in itself and then determine the dichotomy or balance between business and Christianity.

### BUSINESS

If one were to attempt to determine three basic elements of a business or industrial enterprise that might appear to be in conflict with each other and yet at the same time be vitally necessary to each



other, such a list might appear as follows:

1. Originality or satisfactory development of a product or service to be offered.
2. Meeting the needs of the individuals of the organization in the maintenance of individual rights and human dignity.
3. Development of the organizational cohesion which is necessary to carry out the activities of the organization.

A careful study of these elements will show that while each may appear to lead an organization in a direction opposed to the other two elements, they are all three necessary and all three must appear in a proper balance in order for an organization to succeed in its purpose.

Thus, while the above mentioned three elements may, in a sense, be in conflict with each other, a three-way balance is obviously necessary for success.

#### CHRISTIANITY

While the term "religion" is more commonly used, the term Christianity is more specific and relates itself more to the particular emphasis that is being developed in this work. If, in Christianity, one were to take the same approach as in the business area and set forth three basic elements which might appear to have different directions and yet all be a definite part of Christianity, this list might appear as follows:

1. A sound Biblical theology based on detailed truths and the complex (and sometimes difficult to understand) teachings of Christ;
2. The simplicity of the gospel message itself in, "Believe on the Lord Jesus Christ and thou shalt be saved"<sup>1</sup>;

3. And, an application of the principles of Christianity to daily living in social, business, and political affairs.

Each of these three appear to indicate a direction that might be difficult to reconcile with either of the other two and which might indicate a conflict within Christianity. However, a close analysis will show that the three must exist in a definite balance, even though each must maintain its individual strength.

Moving on from these two basic fields of endeavor and the characteristics of each one individually, the relationship between them is noted and an attempt is made to show that between them there is both a dichotomy and a balance.

#### BUSINESS-CHRISTIANITY

Business and Christianity when analyzed together as a unit are a seeming dichotomy with which a great many people have difficulty. The tendency in modern society is to compartmentalize these elements and to relegate Christianity to two or three church services per week and then feel that responsibilities are complete and that it need not be related to business.

Personal research and practical experience has satisfied the writer that the combination of business and Christianity is not only feasible and practical but is essential for true success. The rejection of capitalism as an economic system is largely due to the ethics of business, (both domestic and international), ethics that are unsound even from a humanitarian standpoint, let alone from the standpoint of Christian principles. To be profitable, business must be based on sound business principles, but this need not conflict with a concern

for the welfare of mankind and a practical relationship to God.

Typical of the reaction of people who compartmentalize business and Christianity is the personal experience which is described in the next paragraph.

In 1965, R. G. LeTourneau, Inc., was engaged in negotiations with the government of Surinam, South America to supply heavy construction equipment for a development project. At the culmination of these negotiations, a proposition was offered to the Minister of Public Works. The Minister, after reading the proposition, and knowing of Mr. R. G. LeTourneau's Christian testimony and religious beliefs, exclaimed in surprise, "I thought Mr. LeTourneau was a religious man. This looks like it was written by a business man." The official had apparently not expected a religious man to be a good business man. He had probably concluded that a man known as a Christian would be naive in business.

Business experience and research has satisfied the writer that a proper religious program for the employees contributes greatly to employee morale and indirectly to greater business success. Chapel services, counseling by chaplains and the application of Christian principles in dealing with both employees and the public have been found to produce morale and productivity that far exceeds the cost of the program. A note of caution, however, must be inserted at this point. There have been many attempts to institute such programs in business or industry because of the benefits experienced by certain organizations. The success of such a program, depends entirely on the motives of the particular company. If the motive is a sincere Christian interest to help the employees and to seek to improve their welfare,

the economic results will also be realized and will more than compensate for the cost. If, however, the motive is only economic profit, it is likely to fail.

In this writer's opinion, if the business world would apply Christian principles in daily operations and in employee relations, many labor problems would be eliminated and business would be more profitable.

Business and Christianity, while appearing to be a dichotomy, can and should be brought into balance. Each must be allowed to develop its own strength but a balance must be maintained for optimum satisfaction to both management and employees.

This chapter may seem to have deviated somewhat from the basic hypothesis of this research, but it seemed important to establish a philosophy of relationships to enable the reader to understand the importance of the conclusions reached.

FOOTNOTES

<sup>1</sup>Acts 16:31

## CHAPTER V

### AN ANALYSIS OF CURRENT CHRISTIAN MISSIONARY METHODS

In previous chapters an hypothesis was presented and discussed which recognizes the unique relationship of business and Christianity. This hypothesis has developed as the result of the experience and research that has been accomplished in this area. Before attempting to evaluate the methods of current missionary programs, it is only proper to establish the need for Christian missions.

#### CHRISTIAN MISSIONS

Although missions, in a sense, began with the beginning of time, as will be explained in a later paragraph, missionary work is generally considered to have begun as a response to the great commission of Christ in the Bible. This commission is recorded five times in the New Testament.

1. "... All power is given unto me in heaven and in earth. Go ye therefore and teach all nations ... and lo I am with you always, even unto the end of the world."<sup>1</sup>
2. "... Go ye into all the world, and preach the gospel to every creature."<sup>2</sup>
3. "... That repentance and remission of sins should be preached in his name among all nations..."<sup>3</sup>
4. "... As my Father has sent me, even so send I you."<sup>4</sup>

5. "... And ye shall be my witnesses both in Jerusalem, and in all Judaea, and in Samaria, and unto the uttermost part of the earth."<sup>5</sup>

Thus, the command for Christian missions is very clearly recorded in the Bible. It is on the basis of this command recorded, in these five places, that missionary organizations have developed through the centuries. Missionary organization began with the Apostle Paul's missionary journeys and has extended to our present day.

#### HISTORY OF CHRISTIAN MISSIONS

From the very beginning of time, God has instructed his people to spread out over the earth to carry His message. To Adam and Eve He said, "...Be fruitful, and multiply, and replenish the earth..."<sup>6</sup> A similar charge was given to Noah after the flood in order to give the human race a fresh start. God's aim in this case was the diffusion of people to the ends of the earth. Man's desire to combat this and not be scattered abroad resulted in the attempt to build the tower of Babel and the confusion of tongues or languages.

God said to Abraham, "...In thee shall all the families of the earth be blessed."<sup>7</sup> And then again to Moses at Sinai, as a message to all the people of Israel, "Now therefore, if ye will obey my voice indeed, and keep my covenant, then ye shall be a peculiar treasure unto me above all people: for all the earth is mine: And ye shall be unto me a kingdom of priests and an holy nation..."<sup>8</sup>

The Old Testament contains more examples of missionaries. Joseph, as a missionary, sent by God from Canaan down to foreign Egypt, is one example. The various prophets of the Old Testament and their message to

the people give many more examples. The book of Esther presents a missionary venture in a moving story of a young woman who risks her life in a foreign land for her beliefs. In the Old Testament, these efforts were related to the promised coming of the Messiah. It is in the New Testament, however, that we find the true beginning of Christian missions is presented with the message of the birth, crucifixion and resurrection of Christ and the forgiveness of sins for those who receive this message.

Many volumes have been written giving the history of Christian missionary work, therefore, anyone wishing to obtain broader and more detailed historical information may refer to the bibliography. A recently published manual listing the various missionary organizations and agencies in operation<sup>9</sup> lists 1,437 different organizations whose primary purpose is protestant Christian missionary work of some type or form in the world today. Later in this chapter various types of missionary work, in which these organizations are engaged, will be described in order to show the scope, complexity, and the problems encountered in carrying out Christian missions in the middle of the twentieth century.

#### PRESENT CRISIS

The world today is a different world than it was at the time of Christ or one hundred years ago, or even ten years ago. Eric S. Fife and Arthur F. Glasser in their book, "Missions In Crisis" have the following to say about our world today:

We are living in a time of unparalleled crisis in world affairs; a period when crises have developed in every corner



of the globe. The year 1945 signaled the end of one titanic power struggle and the arrival of another. Seemingly irrepressible and volatile forces have perpetuated a succession of unbroken crises which have undermined the complacency of almost every nation. Such phrases as cold war, hot war, nuclear deterrent, iron and bamboo curtain countries, containment, and peaceful co-existence on one hand, and nationalism, independence, revolution, subversion, reform, revolt, riot, racism, and persecution on the other have become commonplace in our vocabulary. In the wake of an outmoded colonialism, a host of newly independent nations, many of them premature, have reared their proud young heads - and not without travail.<sup>10</sup>

It is almost trite to say that we live in an age of crisis, in a world filled with problems, turmoil and change. Yet this is the setting in which modern Christian missions must operate, the setting in which they must evaluate their present status, their present methods of operation, the effectiveness of such operation, and the necessity and direction of change that is so vital if their work is to continue to be effective.

Later the same authors explain the frustration that the crisis, both in the world and in the church, are causing.

Especially during the last few decades, a profound change has taken place in human affairs. The pent-up frustrations and resentments of the past that have been locked up in the breasts of the exploited, underprivileged masses of mankind have at last reached bursting point. These pressures can no longer be contained by the appeals of the ruling classes that the status quo is attributable to God's immutable decrees or the innate superiority of the West. Neither force nor law can restrain them. It is almost trite to say that a new era is dawning and the world will never be the same again ... This climate of frustration has arisen for three chief reasons. The first reason arises out of the relationship between the 'population explosion' and the problem of food ... the second reason for today's crisis ... is the outcome of the worldwide dissemination of Western thought and ideals, of Western economic and social achievements ... The third reason for the present world wide crisis and frustration ... is Communist achievement and Communist literature have convinced the world that it is possible for backward, agrarian nations to transform themselves into first-class industrial powers within a few decades.<sup>11</sup>

The independence and the problems presented by conventional missionary methods that have been used for centuries is further pointed out by these same authors in discussing methodology of missions. They point out that:

Indigenous principles are fast becoming the norm rather than the ideal standard. The old paternalism, the "handout" approach of the nineteenth century, must be completely repudiated. Today every national group wants to be itself, independent of all other nations and especially independent of the West.<sup>12</sup>

It thus becomes reasonably clear that the "handout approach," the paternalistic situation, the condensation of the Westerner to sacrifice and give of his life and effort to bring the message of Christ is no longer appreciated and no longer accepted in many parts of the world.

#### NEW SPECTRUM OF CHRISTIAN MISSIONS ENDEAVOR EMERGING

As a result of these world pressures, Christian missionary operations are being forced to change their methods. While the conventional type of operation is still used and is still very effective in some parts of the world, the areas in which it is not acceptable are so significant that the problem can no longer be ignored. Present transportation and communication systems are making the world smaller year by year and almost month by month. The days of a missionary "sailing" with all his worldly possessions for a term of five or seven years, without homeward communications, except for slow mail service, is gone forever. Even the demarkation between home and foreign missions is becoming more vague and more meaningless. Robert Glover points out that:

It is important to remember that the Word of God recognizes no distinction between home and foreign missions, but that these are merely man-made terms of accommodation. The field is the world. The task is one.<sup>13</sup>

Some of the same problems which confront business, industry, education, politics, and other professional fields also find their way into missions management in today's problem ridden world.

Eric Fife and Arthur Glasser point out this problem of management of missions today with this illustration.

Field Marshall Montgomery writes, "The British army entered the Second World War in 1939 admirably organized and equipped to fight the 1914 war and with the wrong officers at the top." He adds, "It was totally unfit to fight a first-class war on the continent of Europe." Field Marshall Montgomery's point is quite simply that, although the men who compromised the army were first-class material, the leadership of the army, its weapons, and its strategy were hopelessly obsolete and inadequate ... Today there is a very real possibility that our missionary leadership may find itself at the head of a missionary arm that is "admirably organized and equipped" to evangelize the world as it was prior to 1939, or at best 1945, but totally out of touch and unprepared to minister realistically and effectively in the world as we find it today.<sup>14</sup>

For a closer examination of the potential types of missionary activity available today the writer has developed a spectrum of opportunities or activity and has divided this spectrum into two general classifications (supported and self-supporting), and ten basic distinctive avenues of endeavor. (Figure 7). The supported and self-supporting areas may also be termed professional and non-professional.

Both (professional and non-professional) are valid and God-given. Both enjoy His blessings. God deals with His people as individuals and as congregations that they might utilize these two methods throughout the earth. His immediate concern is that those whom He leads to use one method should not compete with, or criticize, those whom He leads to use the other. After all, it is He alone who gives the increase.<sup>15</sup>

One of the prime justifications or necessities for extensive use of the non-professional missionary or self-supporting approach (which

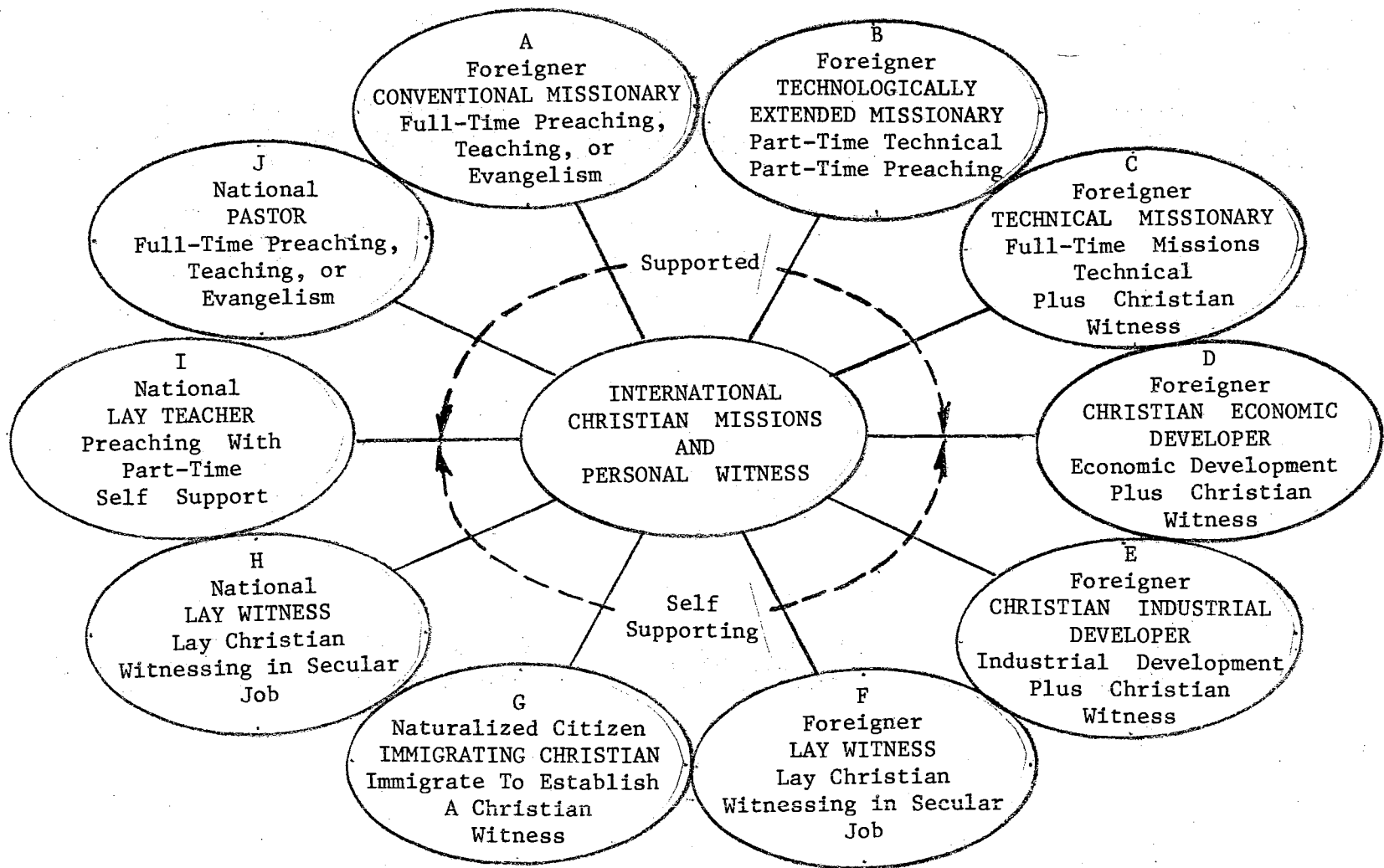


Figure 7. Spectrum of Methods in International Christian Missions and Personal Witness

is the area in which this research is being developed and concerning which the hypothesis deals) is that:

Some countries are hostile to the gospel, refusing to admit conventional missionaries. Christian teachers and engineers are welcome. In other countries from which Christian missions have been expelled, "nonprofessional" missionaries have been permitted to remain. In most countries today there is a desire for technological advance. Typical of many similar cases is that of a staff member of a university in a major Latin American city, a man who holds a Ph.D. in physics. He is treated with respect, and his personal testimony for Jesus Christ the more heeded, because it is given by a man who is respected for his academic ability.<sup>16</sup>

For convenience in evaluation the writer has divided into a ten part spectrum the various types of ministry which can be used. (Figure 7). The term "Christian witness" as related to an individual in this spectrum may be defined as, "The total personal image created by that individual in the minds of the people with whom he is in daily contact and his effectiveness in conveying to them the gospel of Christianity."

#### A. Conventional Missionary

The conventional missionary, as we have known him for many years, is a foreigner to the country in which he is working and is spending his full time in preaching, teaching or in evangelism and is fully supported by the church group or mission board in his home country.

#### B. Technologically Extended Missionary

This is simply an extension of A with the added conveniences of modern transportation, communications, and other technological advances. This missionary is also a foreigner to the country in which he is working who, because he is using jeeps, projectors, radios, etc., must

spend a large portion of his time in technical work, leaving only a part of his time available for preaching, teaching, or an evangelistic ministry. Support for him also is totally from the home church or mission board in his native country.

#### C. Technical Missionary

This method of operation is an outgrowth of modern technology brought about by a demand on the mission field for full-time technical personnel such as pilots, aviation mechanics, printers, construction personnel, etc. Normally the mission boards will fully support such personnel but will require that, in addition to their full-time technical work, they have a vibrant "Christian witness" so as not to detract from the effectiveness of the preaching and teaching ministry of the missionary, even though these individuals themselves do not have sufficient time to engage in these activities.

#### D. Christian Economic Developer

In this method, the primary emphasis is on economic development, social development, or on raising the standard of living of the nationals. A "Christian witness" as previously defined is expected, but is not the primary daily activity of the missionary. An individual involved in this area might indeed not be called a "missionary" but might be considered a lay-Christian, working for the good of mankind in a country in which he is a foreigner. As indicated by the diagram, this type of activity could be either fully supported or self-supporting, depending on the particular circumstances. It is in this particular field of endeavor, as well as the one to follow, that the hypothesis

for this particular research primarily exists.

E. Christian Industrial Developer

Moving from a strictly economic development to an industrial development, and moving from subsidized support to self-support, we find both economic and industrial developments carried out by individuals and organizations concerned with a Christian witness. Lay personnel are used who either contribute to the Christian witness or, at least, do not detract from it in their relationships with the nationals.

F. Lay Witnessing Foreigner

A further extension of a Christian witness by a person in a foreign country would be by securing a secular job with firms of his own country or with firms or organizations of the country in which he is residing. By working at this job, carrying out his Christian witness in his spare time and living a Christian life before the people he would attract them to Christianity.

G. Immigrating Christian

This method, although the most practical and most Biblical, is probably used less than any of the areas presented in this chart. This would require an individual to be so dedicated to the welfare of a particular people that he would immigrate to that country, establish citizenship, identify with the people of that country, becoming self-supporting in a profession and then carry out his Christian witness as a lay person in that country. This has the obvious advantages of identification directly with the nationals as well as financial

independence.

#### H. Lay Witnessing National

A step further around the circle is the counterpart of F, the national of the country, working as a lay Christian in a secular job but using his spare time, energies and dedication in Christian witnessing.

#### I. National Lay Teacher

In this case the national Christian, having had some education and training, would conduct a preaching and teaching ministry to his people without becoming a burden to them financially because he would carry on a part-time work in order to partially support himself in his work.

#### J. National Pastor

The national Christian, with Bible school training, might engage in full-time preaching, teaching, and evangelism, being supported by his own people or possibly partially supported by the missionary organizations working with him. Ideally, however, this would be an indigenous church supported entirely from within the country and employing only full-time national pastors and teachers so that the feeling of the Westerners' intrusion is removed completely and the work of Christ is allowed to move ahead without distracting problems and influences.

### SPECIALIZED MINISTRIES

In addition to these methods, there are many specialized ministries which, in most cases, involve two or more of the above methods in regard



to personnel required. Some of these specialized activities might be as follows:

1. Radio Broadcasting

This is the broadcasting of full-time missionary programming to specific countries and to broad areas of continents. Such service is performed by HCJB in Quito, Ecuador, covering most of the continent of South America, Trans World Radio in Monte Carlo, covering Europe and Africa and in a second location at Bonaire, Netherlands Antilles, covering the Western Hemisphere and a portion of Africa. (The writer has visited both of these stations and has interviewed station personnel both in Monte Carlo and in Bonaire). Others include Far East Broadcasting Corporation in the Philippines and many others whose full-time programming is dedicated to the preaching of the gospel in the native tongue of the various countries to which their programs are beamed. At least one of these stations, with which the writer is familiar, (ELWA) furnished battery operated fixed frequency transistor receivers to nationals in jungle villages so that entire villages might hear the programming at a minimum of investment.

2. Two-way Radio Communication

This method is not highly organized, hence it is generally a local, on location, type of communication but there are organizations which assist in the securing and maintaining of two-way communication equipment for specific mission fields in

order to make their work more effective and efficient and to create a greater margin of safety for the missionary in his travels through isolated and desolate areas of his field. In addition to the basic commercial communication, ARMS (Amateur Radio Missionary Society) has set up a network of amateur radio stations within countries where third party communication is permissible so that, at least for emergency and "contacts with home," communications can be handled on the amateur radio frequencies bringing the missionaries even closer to their home church and families.

3. Orphanages and Children's Work

Although this has been an arm of missionary activities for many years, a recent surge in interest has taken place, particularly in Korea where many homeless children need care. When this can be done by missionaries or an arm of the missionary society the children can also be taught the fundamentals of Christianity during their formative years. Two organizations, Vision and Compassion, plus several others, are actively engaged in this work.

4. Ministries to Students and Service Men

At least three major organizations in the United States concentrate their efforts in behalf of college students and service men, both in this country and throughout the world. These are Inter-Varsity Christian Fellowship, Campus Crusade for Christ, and The Navigators. This is a unique ministry in that it uses

methods not always approved by other missionary organizations. This ministry has proved to be extremely effective in providing wholesome activity, recreation, and refreshments for students and service men while, at the same time, presenting a witness for Christ.

5. Aviation

Missionary aviation is a service that has developed rapidly in recent years with the availability of aircraft and the development of landing strips in even the most remote jungle areas of the world. Since aviation, from the standpoint of both flying and mechanics training, cannot be a part-time activity, because of the proficiency and responsibility required, organizations have been developed for the specific purpose of providing air transportation for missionaries in various mission fields over the world. The largest of these with wide-spread activity, which concentrates solely on the operation and maintenance of aircraft for the benefit of missionaries is MAF (Missionary Aviation Fellowship).

6. Linguistics

The study of languages and the translation of scriptures and other reading materials into the language of the nationals has always been a prime activity of missionaries. This is laborious work and requires specialists. The long hours required limit the opportunity for a personal ministry. One of the largest of the organizations devoted specifically to the study of

linguistics and the promotion of literacy in various parts of the world is the Wycliffe Bible Translators. So dedicated are they to their ministry that they have been accepted, almost without question, by the governments of many countries which normally will not allow a missionary or a Christian witness in the country. Their preaching and teaching is indirect in that their primary emphasis is entirely on linguistics and literacy but, by providing the proper kind of translated materials, they can also be a great influence in Christian missionary work.

#### 7. Medical Care

Medical care of the people whom they were striving to reach has always been to some degree a part of the missionary's activity. In some cases it is limited to elementary first aid and personal hygiene but in many cases this develops into a full scale medical facility with doctors, trained nurses, operating capabilities and a type of care that is comparable to a modern hospital. Due to the lack of government facilities in many areas and the high incidence of disease in many areas, such facilities and personnel take on a major importance in relieving human suffering and opening the opportunity for a Christian doctor or nurse to bring the gospel to a needy people.

Missions are complex because the world is complex and, therefore, missionary methods must be developed to cope with this complexity. Care must be taken, however, not to get submerged in the details and complexities. Samuel Zwemer warns that those who are intent on minor issues

of eschatology are like the man who spent so much effort to understand the train time tables at the railway station that he missed the train.<sup>17</sup>

Another has warned that the "Bane of the Church in the twentieth century is professionalism. The more complex our society and the more ecclesiastical our methods the greater this threat becomes."<sup>18</sup>

The question thus again becomes one of balance and a sound approach to a complex problem. Just as there are foundations in science, foundations on which medicine is built, foundations on which education is built, there is also a foundation on which Christianity and missions are built. This foundation is the message of the gospel and the fact that Christ died to provide forgiveness to sinners. The great Karl Barth when asked one time what was the most profound thought that ever passed through his mind, answered, "Jesus loves me, this I know, for the Bible tells me so."

Christian missions must be built on a solid foundation which utilizes the knowledge of technology and science as well as modern methods suited to nations in strife in order to present to them the Christian message within our generation. This philosophy of business and Christianity, personal experience, research and analysis of the history of past and present methods used by missionaries, has led to the hypothesis here set forth. This is related specifically to the propagation of Christian missions through an industrial and economic development program which is acceptable and helpful to the economy of the country and, at the same time, effective as a missionary effort.

This philosophy has served as a guide in the establishment of the two projects which will be discussed in the chapters to follow.

FOOTNOTES

<sup>1</sup>Matthew 28:18-20

<sup>2</sup>Mark 16:15

<sup>3</sup>Luke 24:47

<sup>4</sup>John 20:21

<sup>5</sup>Acts 1:8

<sup>6</sup>Genesis 1:28

<sup>7</sup>Genesis 12:3

<sup>8</sup>Exodus 19: 5, 6

<sup>9</sup>Burton L. Goddard, The Encyclopedia Of Modern Christian Missions, (Camden, N. J.), 1967.

<sup>10</sup>Eric S. Fife and Arthur F. Glasser, Missions In Crisis, (Chicago, 1961), pp. 9, 10.

<sup>11</sup>Ibid., p. 18.

<sup>12</sup>Ibid., p. 55.

<sup>13</sup>Robert Hall Glover, The Bible Basis Of Missions, (Chicago, 1946), p. 47.

<sup>14</sup>Eric S. Fife and Arthur F. Glasser, Missions In Crisis, (Chicago, 1961), pp. 240, 241.

<sup>15</sup>Ibid., p. 163.

<sup>16</sup>Ibid., pp. 167, 168.

<sup>17</sup>Robert Hall Glover, The Bible Basis Of Missions, (Chicago, 1946) p. 9. (Preface by Samuel Zwemer).

<sup>18</sup>Eric S. Fife and Arthur F. Glasser, Missions In Crisis, (Chicago, 1961), p. 188.

## CHAPTER VI

### THE LeTOURNEAU CONCEPT OF COMBINING ECONOMIC AND INDUSTRIAL DEVELOPMENT WITH A CHRISTIAN MISSIONARY PROJECT

To create a dynamic Christian testimony in the industrial empire which he built was one of the lifelong motivations of Mr. R. G. LeTourneau. His love for God and his love for machinery were intertwined in such a way that it resulted in an unusual and effective combination.

While over a period of years many men have combined business and Christianity, probably none have done so as effectively or with as much public recognition, as did Mr. LeTourneau. For approximately thirty years (1936-1966) he spent virtually every weekend and many occasions during the week in churches, civic clubs, conventions and other types of meetings, giving his testimony for Christ and at the same time expounding upon his philosophy of business and Christianity. He was an ardent supporter of the conventional missionary, as designated in position A of Figure 7. Because of his technical orientation, he was also a proponent of the technologically extended missionary, designated in position B of Figure 7. And certainly, the full technical missionary, as designated by position C of Figure 7, was highly recommended by Mr. LeTourneau.

His interest went deeper than this, however, and although little effort had been made to extend missionary work deeper into the circle, outlined in Figure 7, his "practical" orientation to both education and

Christianity led him strongly to the type of witness, outlined by positions D and E of the circle. Of interest, particularly in view of LeTourneau's philosophy, was the concept of being fully or partly self-supporting.

#### LETOURNEAU'S TRADE PHILOSOPHY

Late in 1950, in the course of his speaking engagements, Mr. LeTourneau was invited to speak to an International Trade Conference in Washington, D. C. In his talk to that conference, he stressed his concepts of mass production and how they related themselves to some of the less industrialized or newly developing nations in the world. The basic philosophy which he presented was as follows:

The less industrialized nations of the world, and also some of the forward nations, have been against the use of machinery using the 'silly' argument that it puts men out of work.

Now we realize that we cannot raise the standards of these less industrialized nations without machinery. They now want it. I believe in furnishing them as much as exchange conditions will allow, with perhaps some loans thrown in, but they can't get enough that way. Neither can they manufacture their own, because their consumption is so much less than ours that they could not use our mass production methods.

Therefore, it would take not only many times the number of man hours to produce it, but without our mass production methods it would require a great deal more skill, which would take decades for them to acquire.

I propose a method by which they could use their own raw materials and produce their own machinery. A corporation such as ours or, say, General Motors, would set up plants in the different nations. Each nation participating in the scheme would build a certain component of the finished machine in quantities sufficient to supply the world. Then they would trade that component to the United States factory, and all other plants of the company using it, for the other parts of the machine. Or one model might be built complete and traded to the company's United States factory for the different models required by that country.



For instance, General Motors could build in Australia all the axles for cars used in the United States and the world. These axles could then be traded to the United States and other parts of the world for the finished car coming from the United States or some other country. Or one model might be built complete in sufficient quantities to supply the world, and traded for other models.

The point is to build a world supply in one place of one thing, to get mass production and have world-wide consuming power and world-wide production.

Our company follows the aforementioned system between our four domestic plants located East and West, North and South. Each plant uses a lot of the same parts, but whenever one plant is tooled up to make a part it supplies all of that part required by all other plants. The transportation from one plant to the other is a drop in the bucket compared to the savings on account of greater production. This system of different plants mass producing a single component was the system that gave America the high production during World War II. This system could be carried out by a corporation like General Motors between different countries. The ocean freight would be small compared to the savings.

We can not give the less industrialized nations the standard of living they could have, or provide the employment they require by bringing their raw materials over here, and making them into the finished product, and sending the finished product back. The above scheme would need the cooperation of the different countries. There would be no object to levying duties because it would be a fair exchange. No one in this country would be put out of a job by the bringing in of products made by other countries because an equal amount of similar products would be going back. Men can have what men produce, but they must produce it before they can have it. This is the only way I see for the less industrial nations to industrialize, and it would help this country because the things we made would be produced in larger quantities.

What a wonderful world it could be if people would cooperate with each other, but it would be a still more wonderful world if more people would cooperate with God. Let's start the New Year right by asking God to forgive our sins because Christ paid their penalty; then begin to cooperate with Him in the salvation of the lost. Our Christianity should be practical. Why not a manufacturing plant in Africa to supply their material needs as well as preach the gospel to them?<sup>1</sup>

## AN OPPORTUNITY TO TEST THE PHILOSOPHY

At the trade conference at which Mr. LeTourneau presented this particular philosophy, there were several representatives from the government of Liberia, West Africa. Subsequent to the meeting these men asked for an audience with Mr. LeTourneau to discuss with him the possibilities of LeTourneau becoming engaged in a venture of this type in the country of Liberia. Seeing a potential opportunity to put some of his theory into practice, Mr. LeTourneau reacted very favorably to the Liberian officials and a series of events were put into motion which within eighteen months time created a test project on a remote location in the country of Liberia.

### PLANNING FOR THE INITIAL PROJECT

Following an original visit of a group of Liberian statesmen to the LeTourneau factories in January, 1951,<sup>2</sup> the activity gathered such momentum that, while some planning certainly took place, clearly thought-out planning became a secondary element.

In May, 1951, Mr. LeTourneau went to Liberia personally visiting with various government officials, including the President. He also viewed the interior of the jungle first-hand, as much as it could be seen from the air and with what ground access was available. Liberia quickly took a prominent place in his thinking and activities and became the illustration most often used in his weekend speaking engagements as to how Christianity could be made practical and put to work.

Speaking of the necessity of creating capital in Africa or importing it, Mr. LeTourneau said,

All you have to do would be to teach them to make their own machinery and raise their own standard of living and industry would pay them more money. They can produce their wealth, not overnight or in a year's time, but America wasn't built in a day either. Now, I agree that we should try to help Africa and not be too long about doing it, and using a little capital to get them started to build their own machinery, the idea of sending machinery over there to extract their raw materials is the wrong approach. We should send machinery over there with which they can build machinery, then it would be like a load of seed corn - that is, of course, if we sent them some know-how along with it. In other words, send instructors in the building of machinery along with the machinery that builds the machinery. This is where we should begin.<sup>3</sup>

#### PLACING THE PLAN IN ACTION

Since sending machinery to Africa with instructors to teach the use of it was what Mr. LeTourneau felt was the answer, this is what he began to plan to do. Ocean shipping costs for the heavy machinery (which he had in mind sending to Liberia) were very expensive and the machinery would be difficult to unload in the remote coastal areas. To overcome these problems, one of the first steps was to purchase a surplus vessel that could be modified to these particular needs. An LSM was purchased in Pittsburg, Pennsylvania, moved to the LeTourneau plant at Vicksburg, Mississippi, and modified for the service planned. The ramp was removed, the bow doors welded shut and an overhead crane with rails extending some distance beyond the bow of the ship was installed to permit loading and unloading of heavy equipment onto a beach in a remote area. (Figures 8 and 9). A contingent of personnel

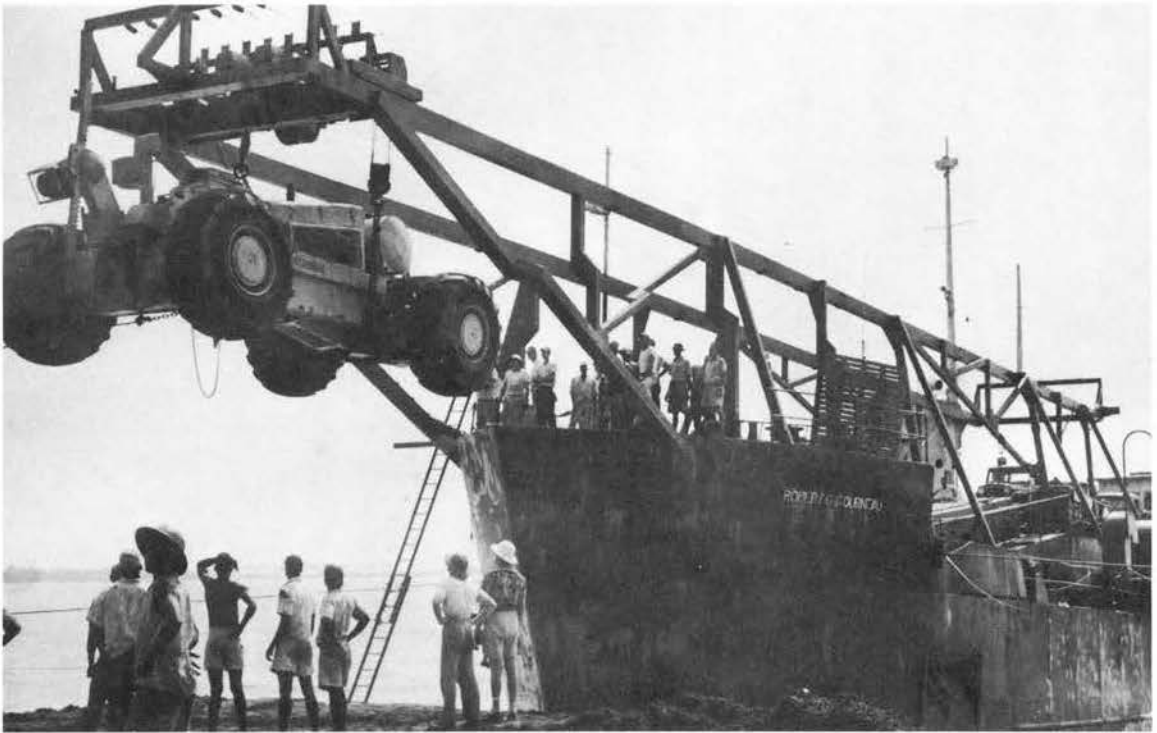


Figure 8. M/V Robert G. Unloading Heavy Equipment on Baffu Bay Beach in Liberia, West Africa

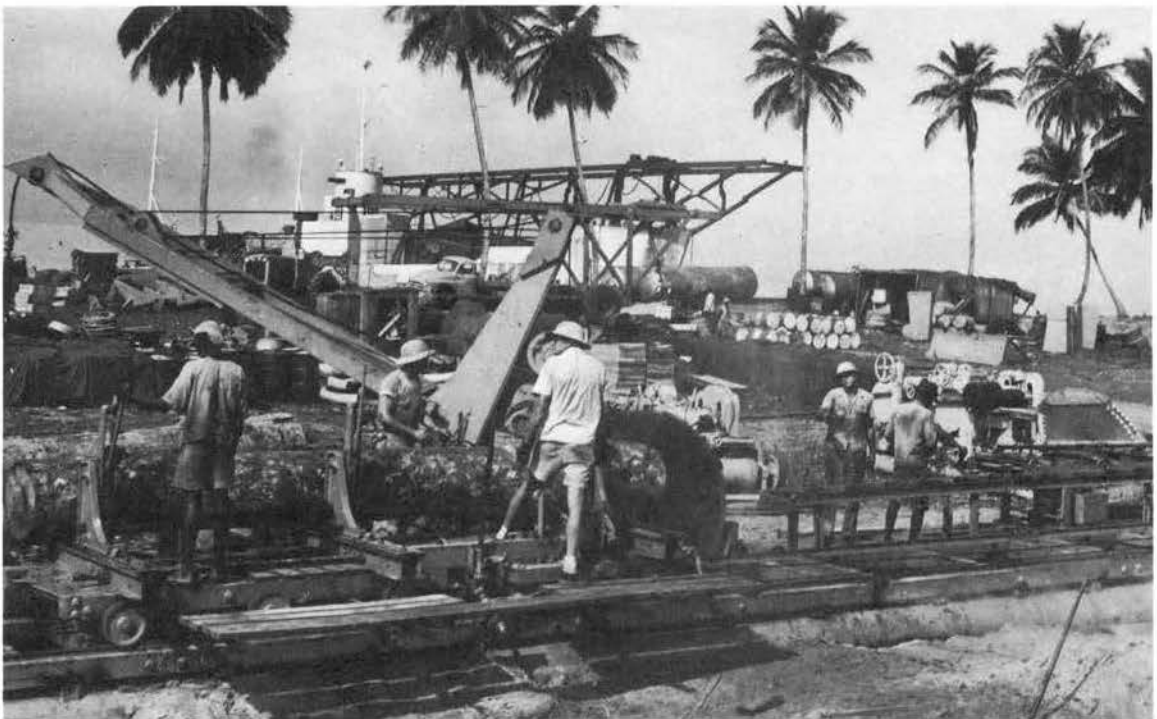


Figure 9. Sawmill Set Up on Beach at Baffu Bay, Liberia, M/V Robert G. in the Background

was recruited and assigned to the task, supplies and equipment were ordered, and on July 19, 1952, the ship was dedicated at the Vicksburg factory. The Associated Press reported on the event:

A unique, million dollar amphibious operation for God was formally blessed yesterday at a dusty Mississippi landing. Evangelist Billy Graham, standing on the bow of a Navy LSM, prayed that the project to spread Christianity and prosperity to an African jungle will open a new era in missionary work.

The LSM loaded with heavy equipment for clearing jungle and turning it into rich farm land will carry a staff of 'technical missionaries' to the Negro republic of Liberia. It is an ambitious plan to test the theory of a millionaire manufacturer, Robert G. LeTourneau of Longview, Texas. The bald, bespectacled, heavily built businessman, backs his interest in religion with about 90 cents of every dollar he makes and he believes preaching with teaching is the best foreign mission bet in the long run.

The twelve missionaries on 'LeTourneau's Ark' will direct crews that will clear jungle, build villages and roads, and teach natives how to make the most of their fertile land. "The natives now lead a hand to mouth existence," said LeTourneau. "How can a man be led to Christ when his belly cries for food?"

Under this system the same man who teaches the native how to raise their standards of living will teach them the love of their saviour who died for them. As a gigantic test tube for the project, LeTourneau acquired an 80 year lease on half a million acres of jungle.

Graham called the expedition unique in the annals of Christianity. He flew here from Montreat, North Carolina. "These men and women go on far bigger business than any soldier," he said. "With faith, they can turn Liberia upside down for Christ and make it a heaven on earth."

This ship named the Robert G. LeTourneau will be beached at the Baffu Bay area of Liberia. Half a million dollars worth of earthmoving equipment will be moved ashore along with farm machinery. A jungle camp will be set up, the ship will carry pre-fabricated huts, electric generators, trucks, autos, a light plane, and a portable machine shop. A quarter million dollars worth of spare parts will be stored ashore. A monster ambulating saw which whacks trees off at ground level will be put into operation. LeTourneau estimates it will clear 8 acres a day. He hopes the project will pay part of its way through timber sales. An ingenious sawmill will slice the giant hardwood trees into lumber to be shipped on the LSM.

"One missionary told me, keep business separate from religion," said LeTourneau. "I don't believe that. I mix business with religion. I think more businessmen should pay more attention to religion." However, he doesn't expect "LeTourneau of Liberia" to ever become a self-supporting institution. "We want to teach the natives how to help themselves," he said. He feels that a 'handout' system creates 'rice Christians' - a missionary term for natives who stay converted as long as the mission feeds them.

Most of the heavy equipment to be thrown against the jungles was designed and manufactured by LeTourneau, including the saw on wheels.<sup>4</sup>

#### INITIAL AND LONG-RANGE OBJECTIVES

As already pointed out, during this eighteen month period of time a great deal of philosophy was expounded which presented many long-range objectives for this particular project. Even these long-range objectives, however, were clearly defined only in the basic general context presented. The project undoubtedly was hampered from the very beginning due to a lack of a specific long-range objective or something to which the personnel and leaders of the project could look as an ultimate goal. Also absent were clearly defined specific initial goals on which the personnel involved could focus. The initial objectives seemed to have been:

1. To successfully land a shipload of heavy construction machinery in a remote area inaccessible by any other means of transportation.
2. To set up a base of operations for this machinery and the personnel to manage and operate it.
3. To clear the jungle land in the immediate vicinity and put this land to some experimentally productive use.

4. To teach natives of the area to operate and maintain the equipment.
5. To develop schools and churches in order to advance Christianity among the natives involved with the project.

These goals were admirable, but they lacked translation into specifically accomplishable daily tasks on which the longer range and less definite objectives could be built. The case history of the project itself that developed in Liberia will be set forth in the next chapter.

#### A SECOND PROJECT

Following this in Chapter VIII the writer will present the case history of a second project in Peru, South America, which embodied the same basic philosophy and principles set forth above. It, too, was started in a "flurry" of activity with a limited amount of realistic planning. The Peru project however did have a specific immediate goal in the construction of a thirty mile road through the jungle. This specific goal did assist considerably in enabling the project to fulfill a successful commercial development that brought the entire concept closer to an actual realization.

To present these projects in the detail that would give the reader a complete and fully informed picture of what actually transpired would require many times the space available or even justified in this type of analysis. The writer will, however, present the basis of operation of each of the projects, along with the opportunities and problems that were present so that at least general observations and evaluations may

be made. These observations should be sufficient to permit a structuring of the basic elements to be required or to be evaluated in determining the potentiality of success in a similar project of this nature.



FOOTNOTES

<sup>1</sup>NOW, January 15, 1951

<sup>2</sup>NOW, March 5, 1951, p. 2.

<sup>3</sup>NOW, August 1, 1951, p. 2

<sup>4</sup>Bill Cryder, Associated Press Release, (Vicksburg, Mississippi), July 20, 1952.

## CHAPTER VII

### LIBERIAN PROJECT CASE HISTORY

Steps leading up to the establishment of the LeTourneau project in Liberia, West Africa, and the philosophy concerning it were outlined in the previous chapter. Mr. LeTourneau on one of his trips to Liberia in late 1951, entered into serious negotiations with the government of Liberia regarding a specific combination industrial missionary project that would test the philosophy he had been expounding.

This original negotiation with the government of Liberia resulted in an act by the legislature of Liberia approved on February 27, 1952, which in essence granted LeTourneau an option to lease five hundred thousand acres of land in the Baffu Bay area. (Figure 10). (See Appendix A). Fifty thousand acres of this amount would be leased initially at a cost of six cents per acre per annum, with additional tracts eventually totaling the five hundred thousand acres to be available as soon as the original fifty thousand acres and each subsequent portion was developed. The term of the lease was to be for an 80 year period. (Although deeded land was available to members of the Negro race, national law prohibited individuals or corporations from owning deeded land if they did not possess a certain minimum percentage of Negro blood).

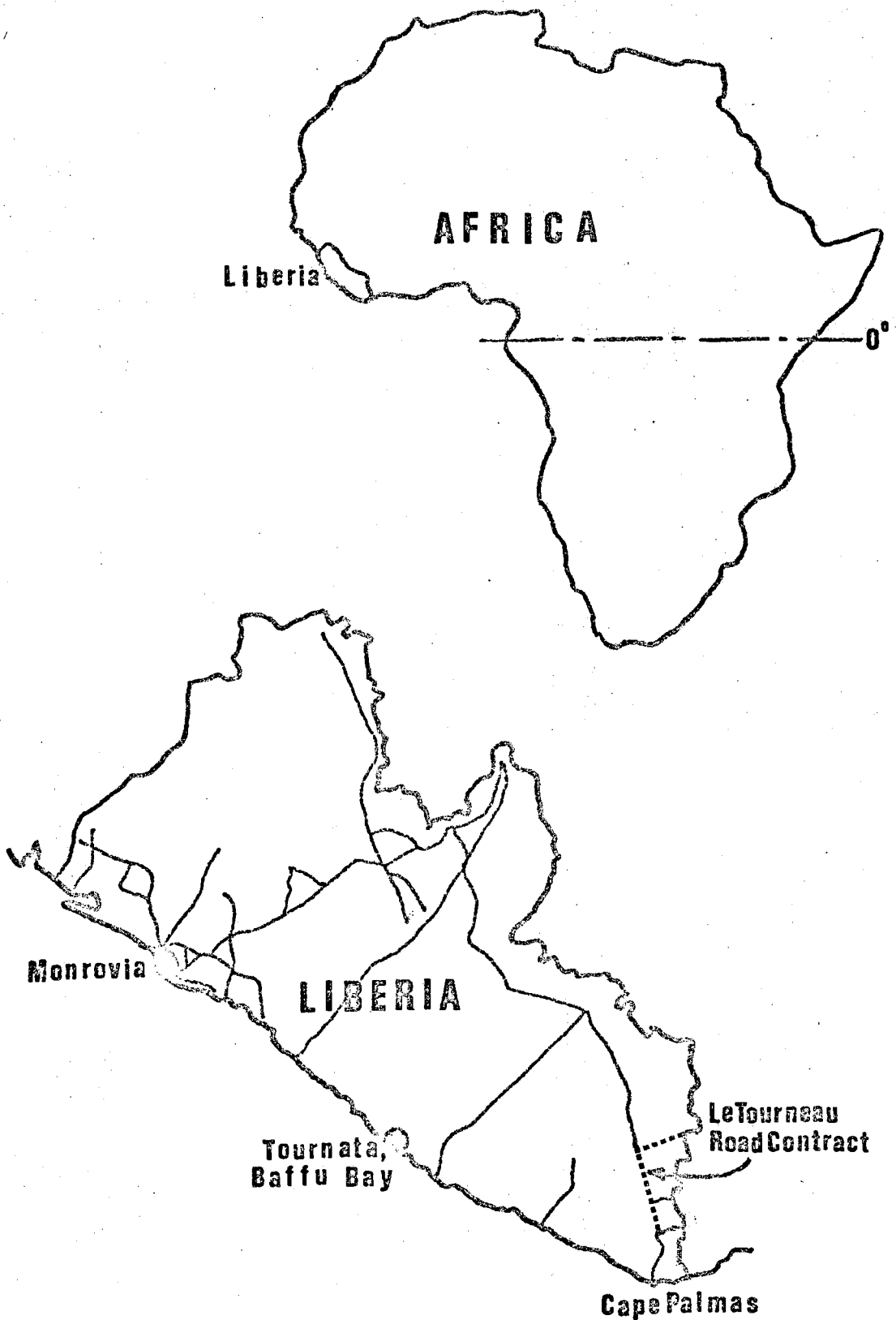


Figure 10. Map of Liberia Including Location on African Continent and Existing Road System Within the Country

## THE COUNTRY OF LIBERIA

Liberia, located on the southwest coast of the West Africa bulge, is a nation of approximately two million Negro people, a large majority of which live in the dense tropical jungle in a primitive fashion. It is slightly smaller than the state of Louisiana in land area or about two-thirds of the size of the state of Oklahoma. The government is a democracy patterned after the United States constitution and is controlled by descendants of American slaves who returned to Africa in 1822. Most of the urban population date back to this migration and English is the official language of the country. Only about twenty percent of the population speak English, however, and many of these are illiterate. In spite of the fact that resettlement in Liberia was initiated because of ethnic biases in the United States, there still exists in Liberia, over one hundred years later, a definite caste separation between the indigenous native population and the descendants of the American Negroes.

Through its difficult and struggling history, Liberia has been assisted many times by the United States and has maintained a close relationship. Its major airfield, near the capital of Monrovia, was an important United States airbase in World War II.

In the urban areas and in areas where United States missionaries have operated, the religious beliefs are predominantly protestant, but only a small percentage claim any religious affiliation. In jungle areas, witchcraft flourishes and virtually controls the lives of the vast majority of the jungle population.

Being near the equator, the climate is warm to hot the year around and very humid. Rainfall on the coast may be as high as 200 inches

annually or five times that of most areas of the United States.

The economy of Liberia is based primarily on farming, fishing, rubber, and more recently iron ore.

#### BASIC GOALS

The project was basically designed to combine a jungle land development scheme with an opportunity for Christian missionary work in the remote jungle area inland from Baffu Bay, Liberia, where the initial community was established. (Figure 11).

The jungle land development was to take the form of first clearing the jungle from the land and then putting the land into productive use with agricultural products, in cattle or in other similarly economically beneficial ways. In doing this it was planned that timber could be harvested to provide economic benefits in itself and that access roads would be built that would open up the country for colonizing and general expansion by the native population.

It was with these basic goals in mind that the project was begun.

#### STAFFING THE PROJECT

The key to any successful activity is the people who carry out the work of that activity. Recognizing this and the fact that there would be some unusual requirements for the personnel of the project, Mr. LeTourneau selected his son-in-law, who had the vision and dedication as well as technical and management capabilities, to head the project. This proved to be a very important decision. The first few years of the project were not easy and anyone with less real desire to see the principle fulfilled might not have been able to continue in that capacity for very long.



Figure 11.

Aerial View of Tournata, LeTourneau Community at Baffu Bay, Liberia

The recruiting of American personnel was an arduous task for there were many anxious to go for the adventure involved, but few who qualified in all ways for the work. First, since the project was to be a missionary influence in the area in which it operated, there was an underlying requirement that all personnel be of good Christian character and beliefs and that those directly involved in the missionary thrust also have a "call" from God and be "dedicated" to that particular work. Second, since the project was a functional one, there was a necessity for technical capabilities in the particular field in which the individual was to work. Then, thirdly, but probably the most important, and most difficult to ascertain, was the need for a personality or attitude in working with others that would allow them to overlook petty grievances and "get along" well with those with whom they must live and work in a close group such as this would be.

The reader might question the need for the third qualification if the first one is met. Unfortunately, not all Christians, not even those called to foreign missionary work, have the personality along with their dedication to permit them to "wear" well with others when closely confined for long periods of time. Nearly all missionary organizations recognize this as one of their most significant personnel problems and go to great lengths to try to ascertain these qualities before sending out an individual or a couple.

Hiring a man to do a job in a case such as this is still only half the requirement, however. The wife, whether she is working for the project in another capacity herself or not, becomes a significant factor in a situation of this type. Thus, before a couple is really qualified, both must meet the requirements.

Before the project began, management established brief "General Project Policies" (See Appendix B). These outlined in brief form what would be expected from American personnel in terms of qualifications and what the general terms of employment would be. While the presence of these policies did not prevent all misunderstandings and problems, they did form an excellent clear base from which to operate and helped a great deal in this regard.

Many technical skills were required. Primarily they revolved around equipment operation and maintenance, building and facility construction and maintenance, agricultural development, and the missionary work. The initial staff was chosen primarily from those who voluntarily expressed an interest in the project and what it was designed to accomplish. To some, of course, it was an adventure or an opportunity to save money over a period of time, but attempts were made to screen out this type and most personnel were sincerely dedicated to their job.

While many were employees of LeTourneau at the time and known well to management, many were "write-in" applicants who, hearing of the project through the LeTourneau publication, NOW, expressed a desire to become a part of it.

Initially the American staff consisted of approximately ten families plus from five to ten single individuals. (Figure 12). This, of course, varied from time to time and was considerably more than this during the more active contracting phases of the project to be described later.

#### EARLY STAGES AND COMMUNITY DEVELOPMENT

On August 27, 1952, the M/V Robert G. landed on the shores of Baffu Bay, Liberia, with a load of equipment and personnel (Figure 8) to begin





Figure 12. American Staff Personnel Photo Taken During a Visit of Mr. and Mrs. R. G. LeTourneau, (Front Row, Left), to Liberia



Figure 13. One of Several Permanent Houses Built in the Community for American Staff Personnel

the complex task of carrying out the philosophy and goals of Mr. LeTourneau for this combination development and missionary project.

The early days of the project were very difficult. Even though every attempt was made to secure personnel that were dedicated to the particular goals of the project, personnel problems were many and serious. Difficulty was encountered with equipment operating thousands of miles from adequate service and parts supply and operating in the heavy salt air environment of the Baffu Bay beach. (Figure 9).

Setting up the community was not an easy task, for all facilities had to be created on the site. Electric power systems, sanitation systems, satisfactory living quarters (Figure 13) and first-aid facilities were needed. An air strip (Figure 14) for emergency contact with civilization was developed at once as a matter of necessity.

In addition to these problems, inadequate inspection of the site had failed to reveal that within a few hundred yards of the beach was a swamp area nearly half a mile wide, paralleling the beach and making penetration inland from that location extremely difficult and hazardous. (Figure 15).

The land, because of the denseness of the jungle, was thought to be rich in nutrients. This turned out to be a great disappointment. It was known in advance that the natives worked a piece of land only once every five or six years. This was thought to be related to their system of clearing and burning which required a period of time for new growth which could be burned. A preliminary study would have revealed the poor quality of the soil. Instead this was determined only after many thousands of dollars had been spent on various crops with little or no success. (Figures 16 and 17).



Figure 14. Moving Dirt for Airstrip and Community Roads



Figure 15. Penetrating the Virgin Jungle With a Bulldozer



Figure 16. Cultivating Cleared Land for Agricultural Experimentation



Figure 17. Cultivating Cleared Land for Agricultural Experimentation

In spite of all of these difficulties, progress was made. Living quarters were established, a community was developed, a warehouse and workshop for the equipment was constructed, a medical facility was established, a church was built, and even a pathway across the swamp was located that contained a minimum of hazards.

The accomplishments in the face of the obstacles were almost miraculous. In fact, had it not been for the faith and fortitude of Mr. R. G. LeTourneau and the dedication of the personnel on the project, it would almost certainly have failed within the first few months. While it might not have been recognized prior to the beginning of the project, it soon became evident that the project would require a tremendous outlay of cash with no hope of any return on this investment for many years.

The community, or model town, that was established was set up on such a broad base that the founding of it as well as the maintaining of the facilities surrounding it would have significant requirements of both capital and operating expenses. Because of the lack of skill on the part of the Liberians, they were of little help in the early stages of the project. As a result, American personnel were required to perform a large proportion of even the elementary tasks.

(Note: A 24 page survey, available prior to the opening of the project, "Exploratory Survey of Vocational Education Opportunities in Liberia," by Edward Warner Price, Chief of United States Information Service and Roger Dreyfull, Vocational Expert, UNESCO, pointed out very clearly the total lack of any technical capabilities in the people of Liberia and also the fact that the country was less than ten percent literate).

Originally, a smaller base of operation probably would have been sufficient for the type of experimentation and development that was planned. The early experimentation and failures in the agricultural area, (Figures 16 and 17) revealed that there was not likely to be any short term cash crops but that a long arduous development program would be necessary to experiment, analyze and develop the types of crops suited to this particular soil and the heavy rainfall.

#### LOCAL TRAINING AND PERSONNEL PROBLEMS

While large numbers of native personnel could not be used effectively due to lack of skills, as facilities were being set up a cadre of native personnel were engaged to assist as helpers and in common labor jobs in which they could be instructed in a short time. All native personnel were hired on the site from those who lived in the immediate area and who were willing to work. As the project began to develop and the word spread, many came also from some distance with their families and belongings with them looking for work.

Since the area was chosen particularly because it was sparsely settled, an early requirement to provide housing for the native workers also developed. Along with this, there was also the need to provide food supplies through a market and other basic necessities of living. In addition, as stated earlier, a training problem was present due to lack of skills and education among the natives of the local area. This meant the development of both technical training opportunities as well as some basic education opportunities.

To provide the maximum benefit to the area as well as improve the quality of workers, a school and worker training program were begun

almost immediately. To each American staff member two or three Liberians were assigned as helpers with the specific purpose of training them as well as utilizing their services. In addition, all Liberian workers were required to attend a school for a certain period each day where they were taught basic elementary subjects. Since, to most of them, their natural language was a native dialect, of which there were several, English in a very crude and elementary form, became the most important subject in the school.

Later as the project expanded, school was provided for the children as well, but initially it was concentrated on creating a higher literacy among the adult work force of the project. The number of Liberians employed varied but initially was from thirty to forty.

There were personnel problems with the American staff as well. Some adjusted well to the new environment, but others became dissatisfied after only a few weeks or months. Since dissatisfaction tends to spread, it was not always wise to attempt to hold personnel to their original commitments and for this reason personnel changes began to take place. As this occurred, it was necessary to engage and send out new staff members from the United States to replace them.

While all hiring was done by the manager of the project at the beginning, hiring of replacements was of necessity, done by others. This presented additional problems. In the United States there was no one central employment office that could evaluate personnel in the same light as the manager, therefore, hiring tended to become decentralized among several people and offices whose evaluations were regarded in varying degrees by the manager. Applicants were sought by and evaluated by the personnel offices of each of the four LeTourneau manufacturing

plants as well as by two or three other trusted individuals. This eventually caused a great deal of misunderstanding since the evaluations were not always accurate or consistent and the individuals hired were not always given a clear picture of what was expected of them.

Most of the personnel difficulties were, however, those to be expected in dealing with people and with the complex set of circumstances present. These could also have been minimized greatly had some short-range goals been established and accomplished which would have provided a greater degree of motivation within the cadre of American personnel.

#### SHORT-RANGE GOALS AND FINANCIAL PRESSURES

If the early lessons in agriculture had been heeded an adjustment of short-range goals could have been made which might have altered the eventual course of the project. Unfortunately, however, the broad base and the extensive long-range goals got all the attention and the short-range adjustments were neglected. Consequently more capital was continually required to support the objectives sought.

A mistaken idea that an inexhaustible source of funds was available plus the absence of an overall financial plan, caused the activities to expand themselves beyond the source of income. Within a few months it was realized that more attention had to be given to financial planning. (Table 2, Figure 18).

#### CONSTRUCTION CONTRACTING

With this in mind approximately one year after the beginning of the project, a construction contract was sought and obtained from the



TABLE II

LeTOURNEAU OF LIBERIA, LTD., FINANCIAL HIGHLIGHTS  
FROM LIBERIAN INCOME TAX RETURNS  
(000 OMITTED)

YEAR	GROSS PRODUCT SALES	COST OF GOODS SOLD	* TOTAL REVENUES	EXPENSES	NET LOSS	ACCUMULATED LOSS
1953	36		147	477	330	330
1954	74		66	428	362	692
1955	99	45	152	769	617	1,309
1956	87	58	477	651	174	1,483
1957	50	34	564	847	283	1,766
1958	49	33	239	334	95	1,861
1959	62	37	26	182	156	2,017
1960	89	128	22	202	180	2,197
1961	189	175	79	462	383	2,580
1962	120	76	50	291	241	2,821
1963	145	70	74	270	196	3,017
1964	67	28	80	145	26	3,043
1965	63	34	75	165	185	3,228
1966	85	54	78	175	283	3,511

\* Net Income on Product Sales Plus All Other Revenues

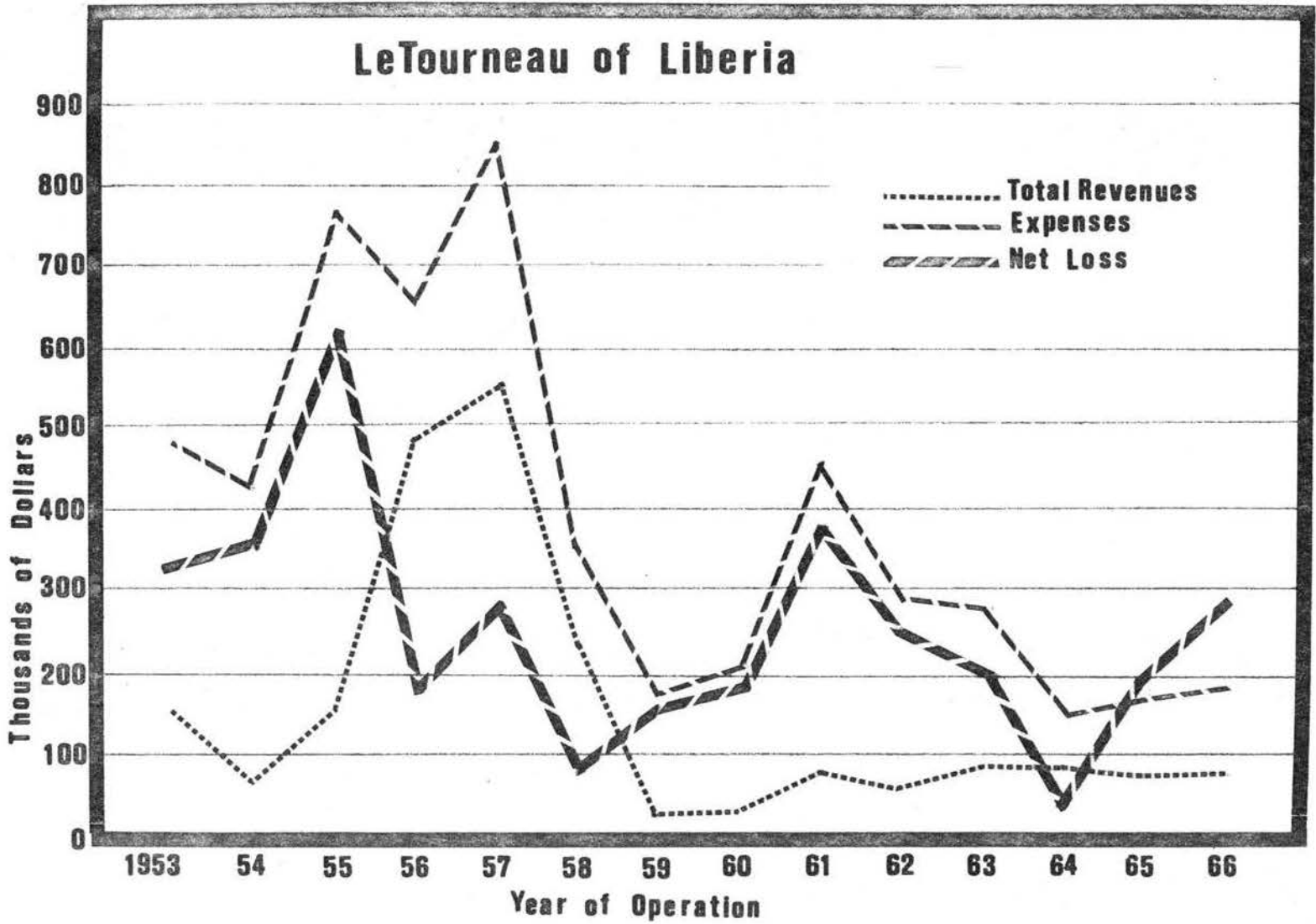


Figure 18. Graph of Total Revenue, Expense and Loss for LeTourneau of Liberia for the Years 1953 to 1966

Liberian government for the construction of a section of road at Cape Palmas in the southern part of Liberia, approximately 120 miles down the coast from the project headquarters. (Figure 10). This contract would utilize economically a large amount of the equipment that had been brought to the project and thus alleviate some of the financial pressures that had begun to develop.

Because of the distance between the road construction project and the established headquarters city, all machinery and supplies had to be transported by ship. For this the converted LSM was put into use as a coastal service vessel. On one of these trips to Cape Palmas on the southern tip of Liberia, the ship did not beach properly, was caught crosswise on the beach, and within a matter of hours, was hopelessly imbedded in the beach sand. After considerable effort to extricate the ship, it was eventually given up as a complete loss. (Figure 19, 20 and 21).

For the next four years almost all the efforts of LeTourneau were directed toward the contract work and the completion of this road for the government. (Figures 22-27). The financial figures in Table II and the graph showing gross income and operational losses in Figure 18, indicate the effect of the road construction contract on the operation.

The loss of the LSM and the need for coastal transportation caused Mr. LeTourneau to immediately build another vessel utilizing some of his ideas and applying it directly to the service for which he had in mind.

This vessel, although it was not charged directly to the project, became another cost problem. Because of its unconventional hull and drive system, numerous technical problems developed. As an ocean going vessel (300 tons) it was too large for profitable coastal service and



Figure 19. M/V Robert G. Mired in 8 Feet of Sand



Figure 20. M/V Robert G. Mired in 8 Feet of Sand



Figure 21. M/V Robert G. Hopelessly Mired in 8 Feet of Sand After Drifting Cross-wise on Beach



Figure 22. Surplus Army Tank With Converted Electric Drive Utilized as a Bulldozer During Road Contract



Figure 23. Electric Drive Tractor Moves Boulders for Road Building

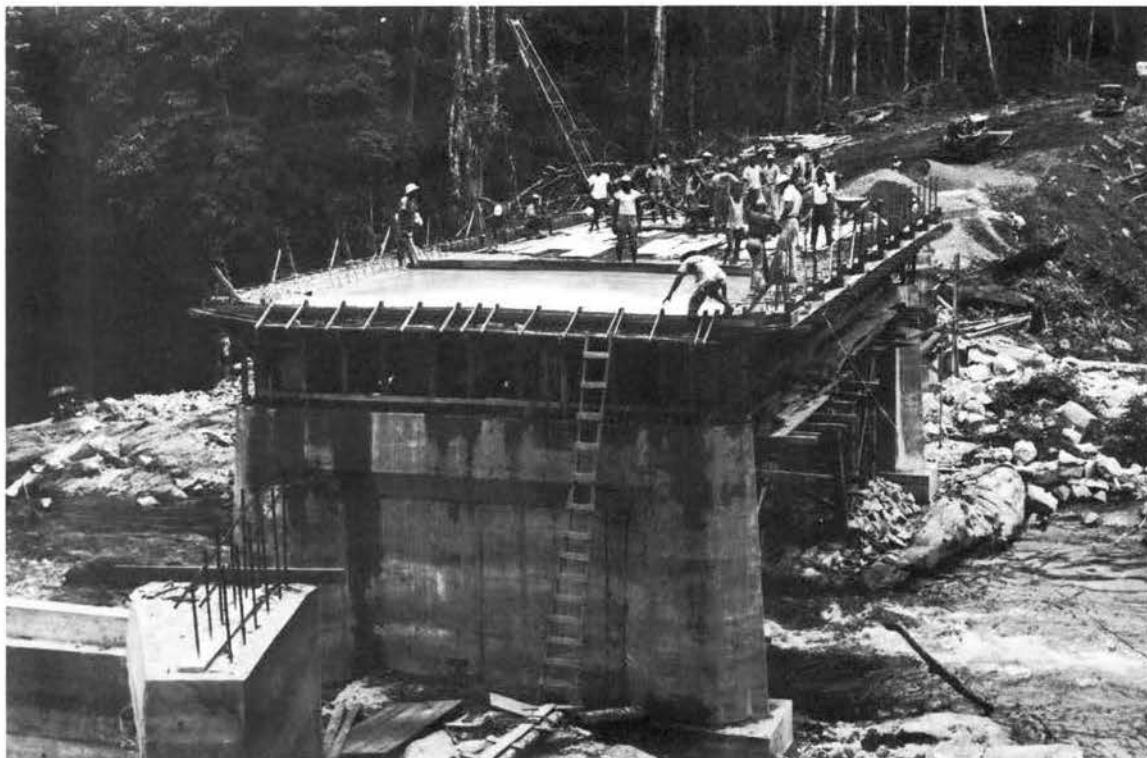


Figure 24. Bridge Construction on Road Contract



Figure 25. Partially Finished Portion of Road Contract



Figure 26. Temporary Bridge on Road Contract



Figure 27. Fuel in Drums Floated Ashore From Ship at Anchor in Bay

had too many technical problems for it to become efficient in this service. In August, 1961, this vessel, also, because of technical difficulties, was driven onto some rocks near the base community and became a total loss.

#### FINANCIAL PRESSURES AGAIN

In 1958, as the road contract neared completion and the pressures of inadequate finances again became quite evident, the project manager resigned in frustration and a new manager was placed in charge of the project. At this point, goals were still very vague, particularly specific short-term goals, and with the financial pressures that had begun to develop, even specific goals would have been very difficult to finance.

However, in spite of these pressures, at the end of 1958, the new 300 ton vessel was sent to Liberia with more equipment which included a sawmill and a gigantic tree crusher for land clearing. This was an attempt to fulfill some of the original long-range goals of clearing land for crops and producing some usable timber.

By this time, however, the sheer magnitude of the maintenance of the equipment and the support of the community, was such that little progress could be made beyond just keeping this giant operation alive. The failure to develop any successful agricultural ventures and the failure to develop beef cattle, (cattle was abandoned due to a high death rate from the tsetse fly for which no control appeared to be effective), led to a frantic search for other types of products or activities for sources of income.



## A POULTRY PROGRAM

An analysis of the needs of Liberia at that time revealed that eggs and chickens were in extremely short supply. As a result in 1959, the seventh year of the project, a poultry program was begun with a 32,000 egg incubator and a shipment of baby chickens from the United States. (Figures 28 and 29). With this program the operation took on more life. More personnel were sent in from the United States, including those experienced in poultry and it looked as though this might be a solution to the financial problems. Again, a lack of adequate foresight and planning created a near catastrophe for the project. The cash needs of the poultry program were not adequately recognized and provided for and the tight financial position, rather than being relieved, became even tighter.

The inaccessibility of the project created a marketing problem immediately. In order to get the chickens and eggs to their markets in a fresh condition, it was necessary to fly them. Flying is expensive even with good maintenance and supplies but with the circumstances that existed it became extremely expensive. In addition to the marketing problems there was also the supply problem. It was necessary to bring feed for the chickens by coastal shipping the 150 miles from the capital city of Monrovia. Had the poultry operation been placed in the capital city near the supplies and the market, it could possibly have succeeded. The cost of the operation, however, and the emergencies which occurred quickly made it unprofitable and eventually caused its abandonment. In 1961, when feed for 10,000 chickens and supplies for a community of nearly 700 people

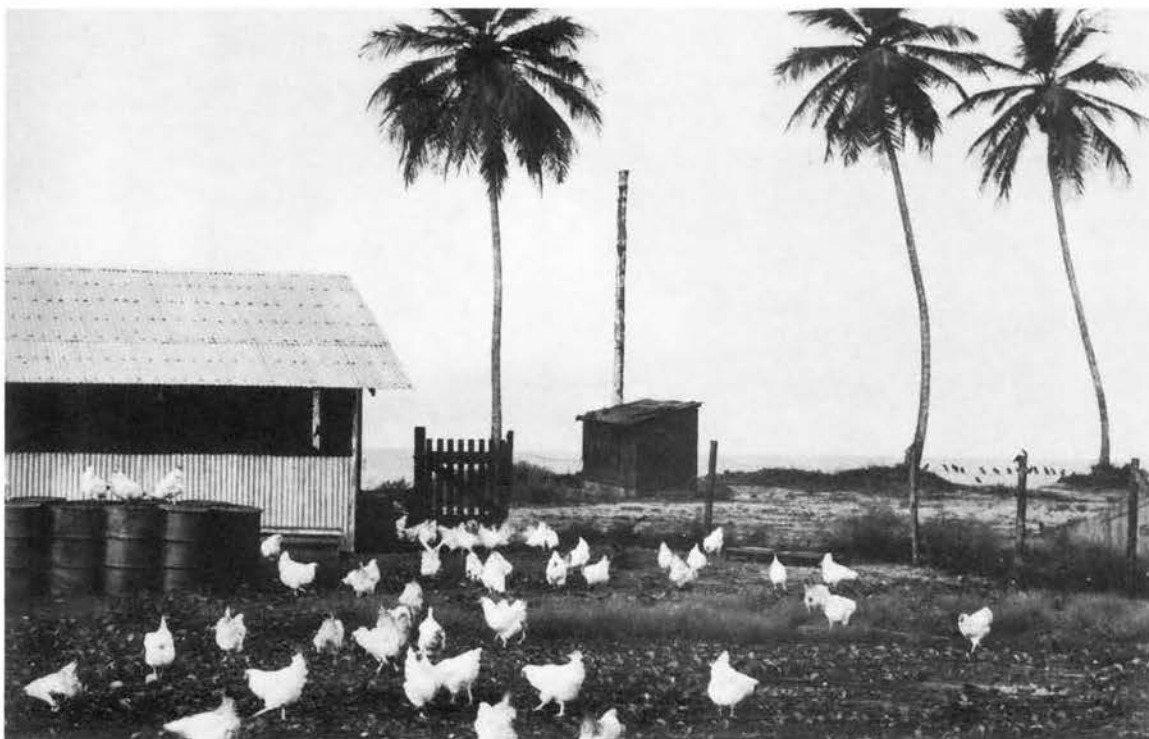


Figure 28. Part of Poultry Farm Established at Tournata



Figure 29. LeTourneau Converted A-26 Aircraft During One of It's Visits to Liberia

were supplied solely by coastal and air transportation, the ship being used went on the rocks, as mentioned earlier, practically closing down the poultry operation. For a period of time to salvage the chickens that were there at the time, an airlift operation bringing in feed and taking out the product, was established, but this was so costly that it was very short lived.

The graph in Figure 18 for the period of 1959-61 reveals graphically the losses created by the poultry operation with the very little increase in gross income during that period.

#### THE MISSIONARY AND SOCIAL PROGRAM

But there was another side to the project which was not so distraught with crises and financial limitations and which gave the operation a meaning and reason for existence and probably was the cohesive force which not only held the project together but which gave motivation to the personnel during these most difficult and trying times.

This was the missionary program that was established by project personnel. From the very beginning of the project a Christian witness was established in the jungle area surrounding the project. This, of course, was one of the primary objectives of Mr. LeTourneau in beginning a commercial operation. A full-time missionary was placed in charge of this phase of the project at the beginning of operations in 1952. A local church was established in the community that was developed. Additional churches were added to the group from existing missionary operations in the country which could no longer support them and from new churches and congregations which were built in communities throughout the interior where a desire and interest for such a work was evident.

Regular conferences of church pastors and congregations were held at various villages in the interior to give the entire scope of work a cohesion and attitude of cooperation. (See Figures 30-35). In the headquarters community itself the church program became a very vital and effective work. In addition to the church's program, an elementary school was opened in the headquarters city for the children of the community and for children of the pastors and evangelists who served churches throughout the interior.

Another phase of the operation which contributed greatly to the health of the people of the area as well as serving the American personnel, was a very extensive clinic, established for the base community area. This clinic operated for the nearly fourteen years of the project's operation and performed many and varied services for the people of the area. Many lives were saved and much suffering averted during this period because of the presence of the clinic and the personnel that staffed it.

With the shutdown of the poultry operation in 1962, all operations were reduced to a bare minimum and little of economic development or industrial nature was accomplished during the next three or four years. The church development and support continued, the clinic continued in operation, and the community continued to develop as primarily a center for the natives of the area, but with few American personnel on the job.

#### THE "GAP" PROBLEM

The operational aspects of the missionary program pointed up one of the most serious problems encountered in Liberia in the opinion of this writer. This was the wide gap between the commercial personnel and



Figure 30. Village of Trah, Deep in Liberian Jungle, Typical of Interior Villages



Figure 31. Writer Receives Customary Gift From Son of Paramount Chief During Visit to Trah, Liberia



Figure 32. Speaking Through an Interpreter at Church Conference in Trah, Liberia



Figure 33. Mr. LeTourneau Speaking to Project Workers at Chapel Service During One of His Visits to Liberia



Figure 34. Baptismal Service Following Trah Conference Deep in the Interior of Liberia

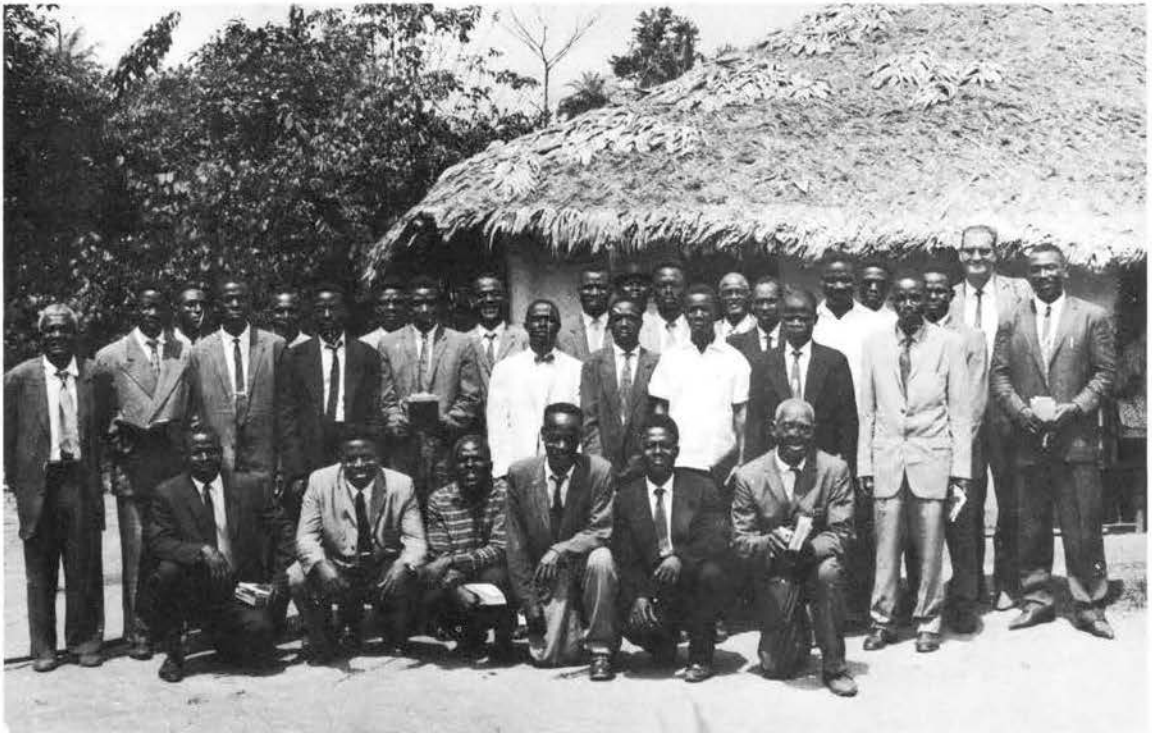


Figure 35. Twenty-Nine Pastors and Evangelists From Churches Directed by the LeTourneau Project

the nationals in cultural and living standards, particularly with respect to the churches in the remote jungle areas.

Serious problems developed because pastors and congregations could not reconcile the spending of thousands of dollars for machines, equipment and commercial activities with the Christian message of love, and sharing when there was an unwillingness on the part of the project to distribute its "wealth" freely to all who had a need. Because of their limited cultural understanding, they were unable to reconcile the concept of "you must work for what you receive" with the charitable nature of Christianity and what to them appeared as an abundance of wealth. To have satisfied them, LeTourneau, as a private philanthropist, would have had to take on the entire support of the area and eventually all of Africa. This, obviously, is not the teaching of Christianity, but the gap in the standard of living was so great that the true concepts of free enterprise and Christianity blending together was understood by very few of the people of the area.

This gap problem is, of course, not peculiar to a situation of this type. To some degree it is present in business and industry and must be recognized by management. Just as it is difficult for the common laborer to reconcile his meager wages with the operation of executive offices in a large corporation (even without the concept of Christianity and charity) so it was even more difficult for the Liberians to comprehend that there could justifiably be such a great difference in the use of funds.

In their simplicity of understanding, Christianity was, in effect, socialism and while they could understand the efficiency of modern equipment, it was difficult for them to reconcile apparent wastes and



the high living standards of the American personnel with the meager standard of living permitted them. And perhaps they were not all wrong in their understanding, either, for if every American person employed by the project had been able to comprehend the dynamic, yet humble, spirit of Mr. LeTourneau, the true concept of Christianity and the stark equality that it sets forth might have been much clearer to them.

#### GOVERNMENT ATTITUDES

One of the encouraging factors of the project was the political climate and the government attitude toward the project and the personnel. From the very beginning, a relationship of mutual respect had been established between Mr. R. G. LeTourneau and President William V. S. Tubman of Liberia. (Figure 36). Tubman, President since 1944 (and still President in 1970, 26 years later), was a dynamic leader and while operating within the framework of the constitution of a democracy was in reality a "benevolent dictator" type. Oden and Olivia Meeker of "The New Yorker" in a comprehensive "Letter From Liberia" said, "It is sometimes hard to tell the difference between his way of governing and a dictatorship," but also said that, "The Liberians worship him and the Americans working here regard him as a wit, a real statesman, and a prince among men."<sup>1</sup>

With this type of government and a good relationship to LeTourneau, many potential problems were avoided. On several occasions when the project manager sent word to the President that he would like an appointment to discuss a problem, a direct solution was available in a matter of days.



Figure 36. Mr. LeTourneau and President William V. S. Tubman of Liberia



Figure 37. Liberian "White House" built with United States Funds at Cost of Three Million Dollars

This close coordination was helpful, but the government itself was now facing problems. Its own growth was phenomenal. From a \$750,000 budget in 1943 (the year before Tubman took office) the budget grew to over \$50,000,000 in 1963, 20 years later.<sup>2</sup> In addition, it was forced to keep up its prestige by "staying ahead of" the other new and rapidly developing African nations. Typical of this was the construction (with United States funds) of a far too extravagant three million dollar executive mansion. (Figure 37).

With this growth came a multitude of petty politicians. Many were illiterate. Some had only three or four years of elementary education, and with their newly found power and position, graft and handouts became a way of life. This was true particularly at the lower levels of government.

Along with this problem, the government attitude began to change toward business. This was due largely to the pressures of financing the growing government. By 1965, a law was on the books which in effect gave the government an automatic fifty percent ownership in any new foreign capital venture in the country.

Thus, the later years of the project presented external difficulties beyond the nearly insurmountable internal difficulties. A survey of governmental problems included items such as:

1. Interference and graft by lower level government officials,
2. A changing government attitude toward industry,
3. The financial strain within the government,
4. Constantly changing legislation in attempting to cope with their problems,

5. The imminent government requirement to legally separate commercial and missionary operations.

While no one of these factors in themselves was a cause for undue alarm, they were part of an accumulation of factors which necessitated a more serious look at the future, and the feasibility of the basic concept.

#### AN OBJECTIVE EVALUATION

By 1965, it was evident that some decisions were necessary. The operation had to be made profitable or the commercial aspects of it abandoned. This writer, although not organizationally involved in the project at that time, was commissioned by Mr. R. G. LeTourneau to visit the project, make a comprehensive study of the potentials and possibilities and make recommendations as to a future course of action. The report of the writer following a visit to the project in February, 1966, is included in the Appendix of this work. (See Appendix C).

The following challenges and problems were found.

#### Challenges

1. The churches were thriving and excellent work was being accomplished by them in the remote jungle area.
2. The clinic in the base community was doing a very effective work and a new in-patient hospital was under construction.
3. The elementary school and junior high school were effectively operating in relatively new quarters with an excellent teaching staff.
4. A growing demand for lumber indicated the potential economic value of a sawmill and lumbering operation.

5. Other areas of potential business activity appeared to be present because of the demand for poultry, beef cattle, coastal shipping, agriculture, palm oil, aluminum manufacture, rice mill, steel manufacturing, road building, iron ore, mining, and heavy manufacturing.

### Problems

1. Much more study was needed for profitable exploration of raw material resources.
2. Environmental conditions and the location of the project were undesirable from many points of view.
3. Considerably more capital equipment was needed.
4. Personnel with a particular type of qualifications were needed.
5. An extreme cultural gap existed between project personnel and nationals of the area.

At this point in time the manufacturing corporation of Mr. LeTourneau, whose profits were the only source of funds to invest in the project, had undergone much financial difficulty and was unable to provide any additional investment capital. Therefore, the decisions made were conditioned by the limited capital available.

### THE DECISION

After exhausting all of the commercial potentials in the country of Liberia that would be available with a minimum capital investment, and after recognizing all of the factors brought out in the report, a decision was made to separate the commercial and religious operations. The community facilities and all commercial operations were turned over

to the local government agencies. The church operations continued to be supported on a direct basis thus eliminating the central community base of operation. With these decisions, the operational cost at that time of approximately \$7,000 per month, was eventually reduced to approximately \$500 per month.

This decision was both difficult to make and difficult to carry out since over \$3,000,000 had already been invested in the project since its inception. It was hoped, however, that by closing it out there could be some recovery of this investment.

The actual recovery, however, proved to be almost nil. The details and mechanics of closing out the relationship with the government, selling equipment, etc., required nearly twelve months and finally barely broke even for that period.

#### SUCCESS OR FAILURE - A POINT OF VIEW

From a commercial point of view the project was a failure in that its original purpose of economic and industrial development failed and was eventually terminated.

From a spiritual point of view, the project was a success, in that even though the available funds finally were exhausted, hundreds of people accepted Christianity (See Figures 30-35), twenty-six native churches were established in various communities throughout the interior, the economy of the area surrounding the remote base of the project was improved considerably, and large numbers of the native population were given educational opportunities and taught trades and skills which will enable them to realize a much higher standard of living than would otherwise have been possible.

From a practical or realistic point of view, the results are not as easily measured. Many mistakes were made in the planning and developing of the project and many lessons were learned through these mistakes and the experience that resulted from them. The fourteen years of operation of the project has added much to the body of knowledge that exists concerning the feasibility of such a project and the requirements for success. An analysis of the basic requirements for success learned from this experience will be dealt with in a later chapter.

FOOTNOTES

<sup>1</sup> Meeker & Meeker, "Letter From Liberia," New Yorker," (Vol. 28, Nov. 29, 1952), p. 104.

<sup>2</sup> Lawrence A. Marinelli, "The New Liberia - A Historical And Political Survey," Frederick A. Prager, Publishers, (New York, 1964), p. 77.



## CHAPTER VIII

### PERU PROJECT CASE HISTORY

In 1953, the year following the beginning of the Liberian project discussed in the previous chapter, another opportunity opened up which Mr. LeTourneau found difficult to turn down. This was another project, which, although similar in philosophy and general purpose, would eventually branch out into an entirely different direction.

In the fall of 1952, Mr. Cameron Townsend, founder and president of Wycliffe Translators, contacted Mr. LeTourneau with this new challenge. Wycliffe had a large base of operations in the jungles of Peru, South America, and had established an extremely cooperative relationship with the government, particularly with President Odria. At that time, the government was anxious to complete its Trans-Andian railway which crossed the Andes from the capital city of Lima, but which had not penetrated the jungle to headwaters of navigation of the Amazon river system. The pressing need at the time was a thirty mile segment of railroad on the river end of the system that would allow more jungle penetration from the east and which would eventually tie into the existing railway coming across the mountain range from the west. (Figure 38).

Hearing of LeTourneau's project in Liberia and knowing of the need for this railway, Mr. Townsend put Mr. LeTourneau in contact with President Odria and a basic agreement was quickly reached.

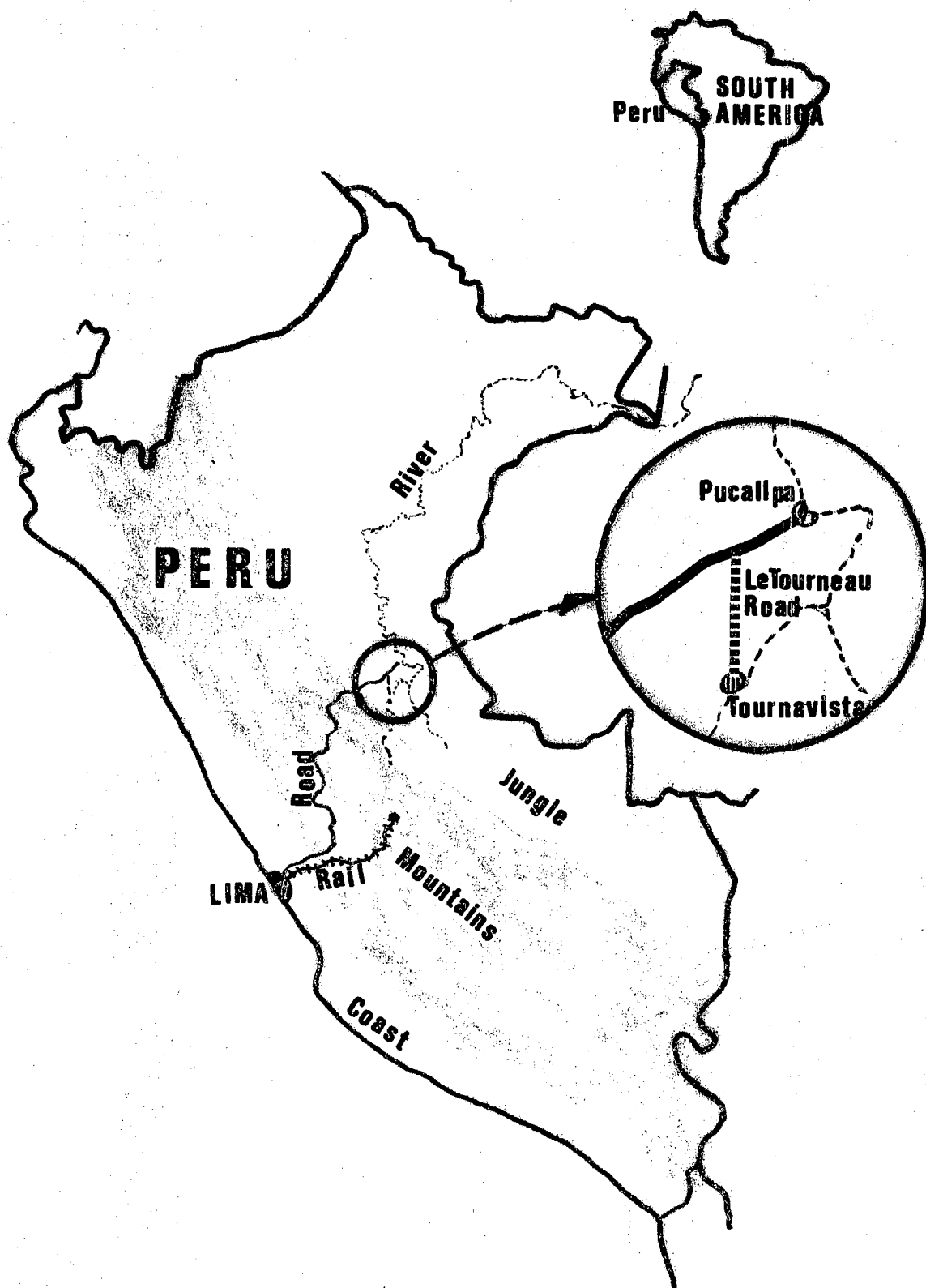


Figure 38. Map of Peru Showing Location in South America With Road, River and Railroad Referred to, and With Detailed Inset

## THE BASIC AGREEMENT

First, Mr. LeTourneau, convinced the President that a vehicle road would serve their needs better for the present because LeTourneau-built rubber tired trains were capable of handling all freight requirements for many years. Later the railroad could be added over the same road-bed if desired.

Second, LeTourneau agreed to construct this thirty miles of road through virgin, uninhabited and uncharted jungle areas in exchange for a deed from the government to one million acres of jungle land. Similar to the railroad grants in the early days of the American West, half of the right-of-way frontage was to border government land and half was to border LeTourneau land. On December 4, 1953, an act of the Peruvian congress approved the contract and the grandiose scheme was placed into action. (See Appendix D). Original estimates by LeTourneau of the construction costs of the road indicated an investment of approximately five hundred thousand dollars would be required. (LeTourneau corporate financial advisors persuaded him to raise this to seven hundred fifty thousand dollars later as the original capitalization of the new company which was set up to do the work).

In addition to the construction work required to build thirty miles of road, LeTourneau also developed elaborate plans for clearing vast areas of jungle land in order to put it into productive use and eventually sub-divide it for colonization purposes.

Since the jungles of Peru represent the major portion of the land area of the country and are largely undeveloped, the government was extremely interested in any project which would contribute to the

development and colonization of these areas.

### THE COUNTRY OF PERU

Peru, (Figure 38) is the third largest nation in South America, and is located on the west side of the continent just below the equator. In size it is approximately twice as large as the state of Texas (496,000 square miles vs. Texas' 267,000 square miles) and has a population of 12 million, which is approximately equal to Texas. The country is divided into three very distinct regions geographically. The coastal plain on which most of the people live is generally arid desert land which requires irrigation for subsistence. The mountain region, which has peaks up to 22,000 feet in altitude, has a scattered population which lives off the land along with some mining. Farming areas and substantial communities exist as high as 16,000 feet altitude in these Andes mountains of Peru. The jungle region which is over half of the land area of Peru is extremely sparsely populated, but is very fertile and has generally a very high annual rainfall. This eastern part of Peru is the headwaters for the giant Amazon River system and has a development potential much greater than that of the American mid-west of 150 years ago.

The origin of the people of Peru are basically Spanish and Indian with traces of other European influence. The language is Spanish as is all of South America, with the exception of Brazil which is Portuguese and the Guianas on the north coast of the continent. Scattered throughout the mountain and jungle areas a few of the pure Indian tribes remain in existence as they did centuries ago with their various Indian dialects but their number is small in relation to the general population.

A republic in theory, the government of Peru has been and still is far from stable. During most of the time element of the LeTourneau project, the country was governed by a President, a cabinet and two legislative chambers. However, in 1968 the government was taken over by a military coup d'etat and currently it appears that this form of government will continue for some time. Even with the military government, however, most normal functions of the state continue unhindered.

The religion of almost all of the people of Peru is Roman Catholicism, however, it is only nominal in meaning to most and has a passive, traditional and ritualistic effect only on the people. Several protestant denominations have missionary work in Peru but their number is relatively small. In addition the Wycliffe Bible Translators (mentioned earlier) who are protestant in orientation, have a significant work among the Indians of Peru. Their mission is to reduce the various Indian dialects to a written language and then bring literacy to them through schools and printed materials, using the Bible as their major textbook. Catholicism as it exists in Peru does not seem to be fulfilling the needs of the people, however, in giving them a faith, hope and peace for daily living.

A Peruvian writer in Time Magazine stated that,

Our people, especially our lower classes, are full of tensions and frustrations, dark, pent-up passions and angers. This situation is becoming acute under the impact of the population explosion and the poverty of the masses. Add to this the Communist contagion. These people have lost some of their faith and hope. When this happens, then sometimes people will behave more like brutes than men.

This opportunity for a Christian witness is one of the reasons that Peru was chosen as another area in which the LeTourneau philosophy of

combining business with Christian missions might be given an opportunity to prove itself.

#### BASIC GOALS

This project, like the one in Liberia, was basically designed to combine a jungle land development scheme with an opportunity for Christian missionary work. The initial entree into Peru was different in that a contractual relationship was set up for LeTourneau to build a thirty mile road in exchange for a deed to the jungle land it desired to develop. It was planned that beyond the investment in the road, the commercial operations entered into would support the missionary operations envisioned.

Original commercial goals included clearing and development of land for agricultural purposes as well as the exportation of timber and other profitable jungle products.

In addition to the commercial construction and development phase of the project, the Peruvian venture also provided a plan of colonization whereby after the development of the land it would be sub-divided and conveyed to nationals for the establishment of a homestead in the jungle area.

Missionary goals included the establishment of schools and clinics, for which the area had a great need, and demonstration to the people that Christianity can have a relevant effect on their lives and can bring the faith, hope and peace which so many lacked.

Ironically in the development of the mixing of business and Christianity, the Peruvian project followed a reverse sequence from the Liberian project. While Liberia began solely with development and

missionary work and then worked later into contract construction work, the Peruvian project started with contract construction and then later evolved into development and missionary work.

#### STAFFING THE PROJECT

In any foreign venture it is generally conceded that the management must be enthusiastic and must have a great desire to bring success to the venture. In addition, due to the great distance from headquarters in the United States, management must be completely trusted in their decisions. For these reasons, Mr. LeTourneau chose his 24 year old son to head the Peru project. What he lacked in judgment and experience, he compensated for in the drive and enthusiasm. These became a critically needed quality to offset the frustrations that would occur in the years ahead.

American personnel chosen for the project were required to be qualified both technically and spiritually, much the same as for the Liberian project. (See Appendix E). The primary difference was that the average age was less due to the youth of the project manager and his preference to work with those nearer his age.

Most of those engaged were employees of LeTourneau in the United States whose qualifications were well known to the manager. Specific policies were established and adhered to in arrangements with American personnel and in general the group was congenial. The initial staff consisted of approximately ten families. Later a number of single draft age men were furnished to the project by the Mennonites in the United States for private foreign service in lieu of the military draft. This arrangement between the Mennonites and the United States Selective

Service provided an excellent cadre of willing and able young men, many of whom returned to the project or other missionary work after their obligatory term of service.

The number of Peruvian national workers employed by the project varied considerably depending on the activity level at any one time. From a minimum group of approximately thirty, this group at times exceeded one hundred fifty during heavy construction work in the dry seasons.

#### THE PROJECT IS BEGUN

As in Liberia, sound planning and realistic cost calculations were given a secondary level of importance. The road building was, of course, an immediate goal, and had primary and almost total, emphasis. Other matters became secondary. The development and colonization of the jungle area, and the missionary work were left rather vague in regard to immediate goals and planning and, therefore, did not become effective until the later years of the project.

In late 1953, even before the contracts were actually signed, the project was outfitted and machinery for the clearing and road construction were loaded on the converted LSM, which was back from its second Liberia trip. Then the long voyage to the mouth of the Amazon and the consequent three thousand miles up-river began. The road was to begin at the existing highway, twenty miles from the jungle city of Pucallpa, Peru. At the time, Pucallpa was considered the head of navigation on the Amazon River system. The terminal point of this segment of road was to be at a river crossing in the midst of the jungle, thirty miles distant.



Not being one that likes to be crowded by neighbors whose property values he would raise by his operation, LeTourneau insisted that construction operations begin at the far end of the road and work back. In this manner the headquarters community would be developed in an isolated area with literally hundreds of thousands of acres of land between it and any significant number of neighbors. This decision, while sound economically, when viewed only in this context, proved eventually to be very costly when viewed in retrospect and as related to an overall program. Later, when the road was not completed on schedule and not finished even then for all-weather travel, access to and support of the community proved to be difficult and costly.

Nevertheless, at high river levels the ship pushed its way beyond normal navigation limits up into the Pachitea River, much further into the jungle and operations were begun in complete isolation from civilization. (Figures 39 and 40).

#### ROAD CONSTRUCTION

The construction work was more difficult than had been anticipated and both time and costs soon became excessive. Insufficient experienced personnel were on hand to operate the job efficiently, the jungle presented more formidable problems than had been anticipated and the equipment sent to do the job was not always the type best suited for those conditions. (Figures 41-47).

Mr. LeTourneau, after one of his two week visits to the project to learn first hand of the problems in conquering the jungle, reported in NOW:



Figure 39. M/V Robert G. at Original Landing Site on the Pachitea River in Peru



Figure 40. Torrential Rains Make Mud Bog of Landing Site



Figure 41. LeTourneau "Tree Stinger" Pushes Over a Big One Bypassed by the Bulldozer



Figure 42. Opening up a "cut" on the LeTourneau Road in Peru



Figure 43. Rubber-tired Bulldozer Clears Right-of-way for Road



Figure 44. Upper Landing Site for M/V Robert G. on Second Trip to Peru

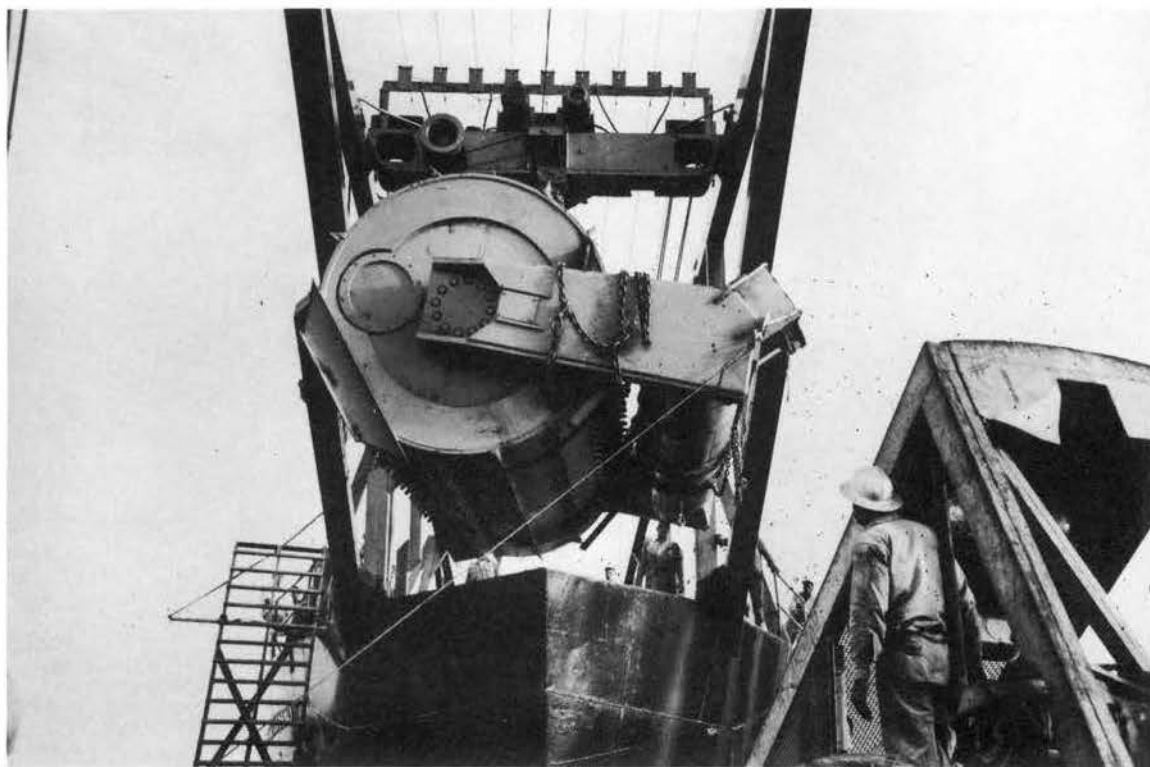


Figure 45. Unloading Tree Crusher Drums From M/V Robert G.



Figure 46. Aerial View of Road Construction  
and Dense Amazon Jungle



Figure 47. Aerial View of Road Construction  
and Dense Amazon Jungle

The biggest problem is the pioneering of haul roads and clearing on a steep side hill. You might find a flat area and then there will be a bank straight up say 25 or 40 feet. The dozer has to get up on top to make a road down and has to virtually lift itself bodily by hooking its winch cable to a tree up over the top, but if you slide a little side ways, you may bump into a tree that's in the way and perhaps too big to push over in the ascent and you come down and try over. One day it had been too much work to get the dozer up that far so I let him hang there by his tail while I went back after another tractor and put his winch cable around a tree off to one side and pulled him sideways to get him out from behind a big tree. Then sometimes the big ones are so thick you can't get between them. Then too, 50 feet away there might have been a spot where you could drive right up but you wouldn't know it unless you cleared and cut away the impenetrable jungle on the whole side hill. It is so dense you can't see what's going on ten feet away.<sup>2</sup>

As a result of this type of difficulty the work fell far behind schedule and with no cash income for the work, the excessive cost depleted the funds and forced a further slow down.

#### COMMUNITY DEVELOPMENT

Much of the problem of time and costs centered around the need and desire for a developed community that could supply the services required in the area rather than just setting up a construction camp. Relatively permanent housing was built, offices and warehouses were constructed, schools and a clinic were placed in operation and a special school for missionary children of the entire jungle area was instituted. (Figures 48-53). All of these required support facilities, utilities, personnel and administrative control. In addition to the fact that requirements were great, there was also the problem that until the road was opened for transportation, all supplies, materials, and equipment had to be brought in by river or by air. The river travel was slow and air travel was costly, both of which caused serious problems.



Figure 48. Homes Built for National Workers in the Early Years of the Peru Project

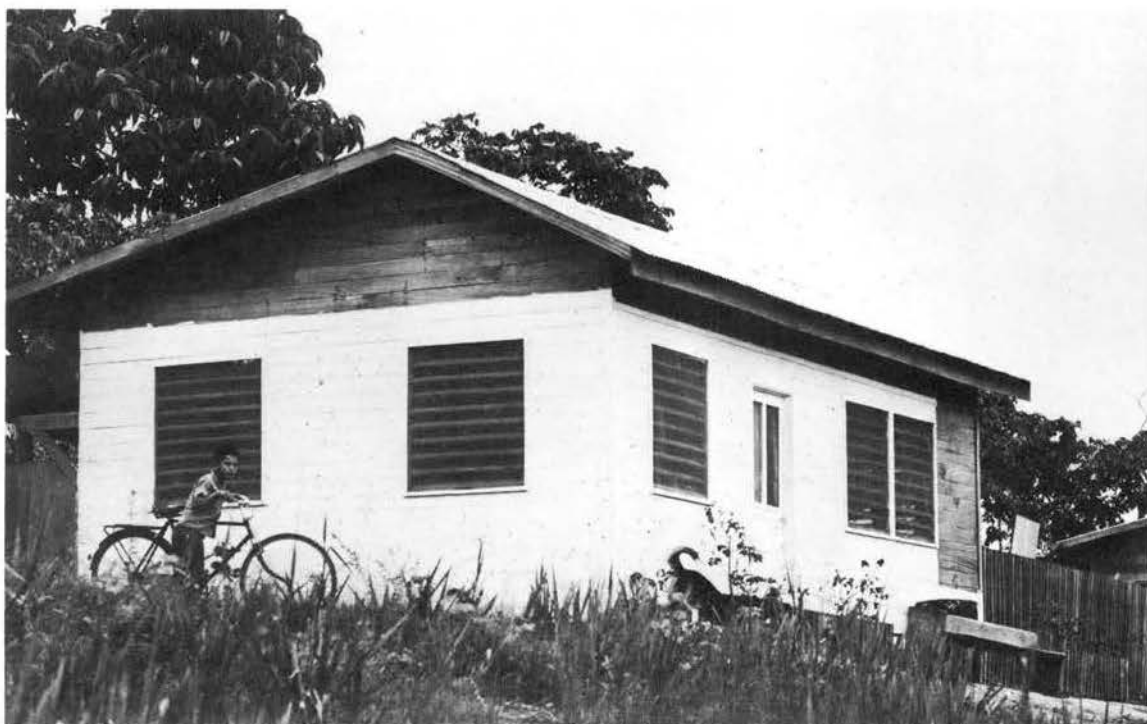


Figure 49. Typical National Worker's Home in Projects' Later Years



Figure 50. Project Peruvian Staff in Front of Tournavista Church

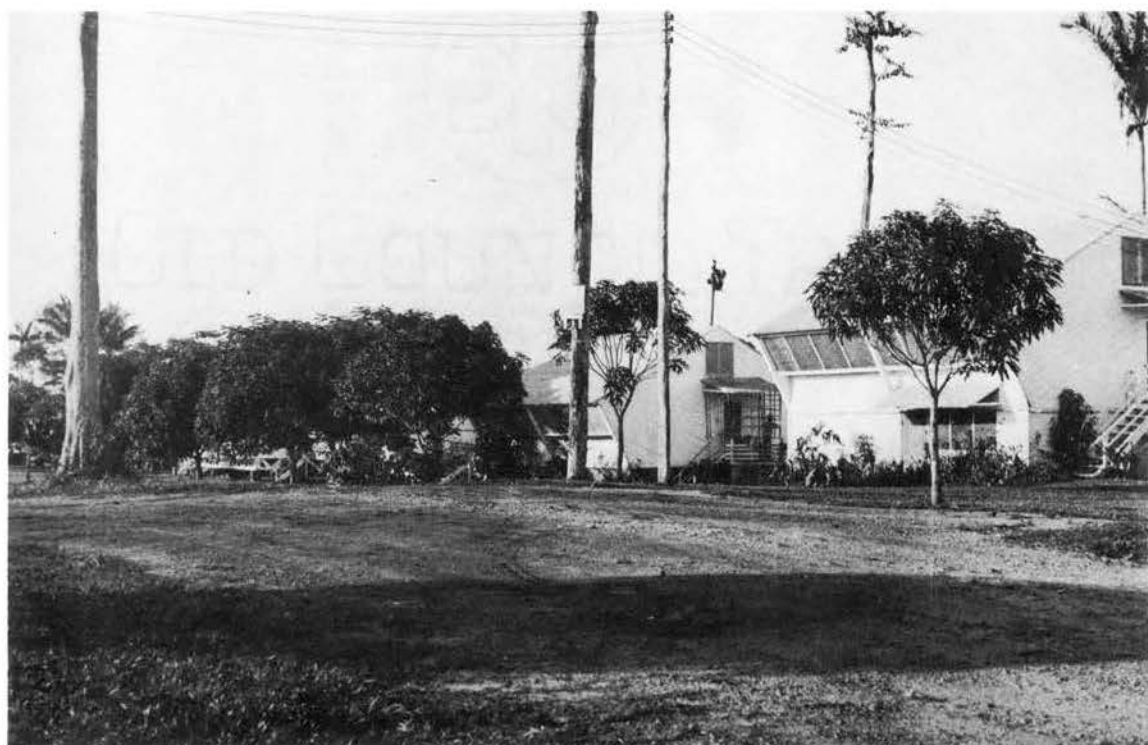


Figure 51. Typical Staff Homes in Tournavista for American Personnel





Figure 52. Tournavista and Air Strip (Lower Left)



Figure 53. Tournavista, LeTourneau Project Community in Peru

Expenses and direct losses (income was negligible) exceeded five hundred thousand dollars in each of the first three years, with only a fraction of the road construction completed. (Figure 54, Table III). Even with severe restrictions on available funds, the fourth year's expenses totaled four hundred eighty-two thousand dollars and the fifth year's, three hundred thirty-three thousand dollars.

Thus, in spite of an original estimate of five hundred thousand dollars to complete the road, by the end of five years approximately two million dollars had been expended with less than half of the construction work completed.

The road construction pushed on, however, and by 1959, the sixth year of operation, it was opened sufficiently so that during the dry season at least, it could be utilized as a supply line. In 1960, the following year, with the road only partially completed with a gravel surface and much of it usable only when dry, construction operations were halted. Serious attention was turned (as in Liberia) to a means of self-support to keep the complex community system in operation.

#### INCOME PRODUCING CONTRACTS

A contract negotiated with Mobil Oil Company in 1960 for clearing and road construction work utilized much of the machinery previously devoted to the contract with the government. This provided income which relieved some of the financial pressure, at least for a short time.

After a loss of over two hundred fifty thousand dollars in 1959, these outside contracts in 1960, reduced the project losses to sixty-three thousand dollars.

TABLE III

LeTOURNEAU DEL PERU, INC., FINANCIAL HIGHLIGHTS  
 FROM UNITED STATES INCOME TAX RETURNS  
 (000 OMITTED)

YEAR	GROSS PRODUCT SALES	COST OF GOODS SOLD	TOTAL REVENUES	EXPENSES	NET LOSS	ACCUMULATED LOSS
1954	10	9	10	554	544	544
1955	43	61	(15)	510	524	1,068
1956	55	71	(5)	532	537	1,605
1957	169	120	55	482	428	2,033
1958	74	43	34	334	300	2,333
1959	86	59	30	300	270	2,602
1960	(1) 443	269	186	250	63	2,666
1961	(1) 302	117	200	408	208	2,874
1962	71	144	(73)	186	259	3,132
1963	(1,2) 164	206	(43)	214	257	3,389
1964	(1,2) 273	243	30	151	121	3,510
1965	(1,2) 259	200	59	123	64	3,574
1966	(1,2) 363	329	34	75	40	3,614
1967	(2) 236	208	29	63	35	3,649
1968	(2) 225	251	(26)	93	119	3,767
1969	(2) 196	132	(3) 203	221	17	3,784

(1) Private Construction and Clearing Contract Work

(2) Beef Sales

(3) Liquidation of Assets

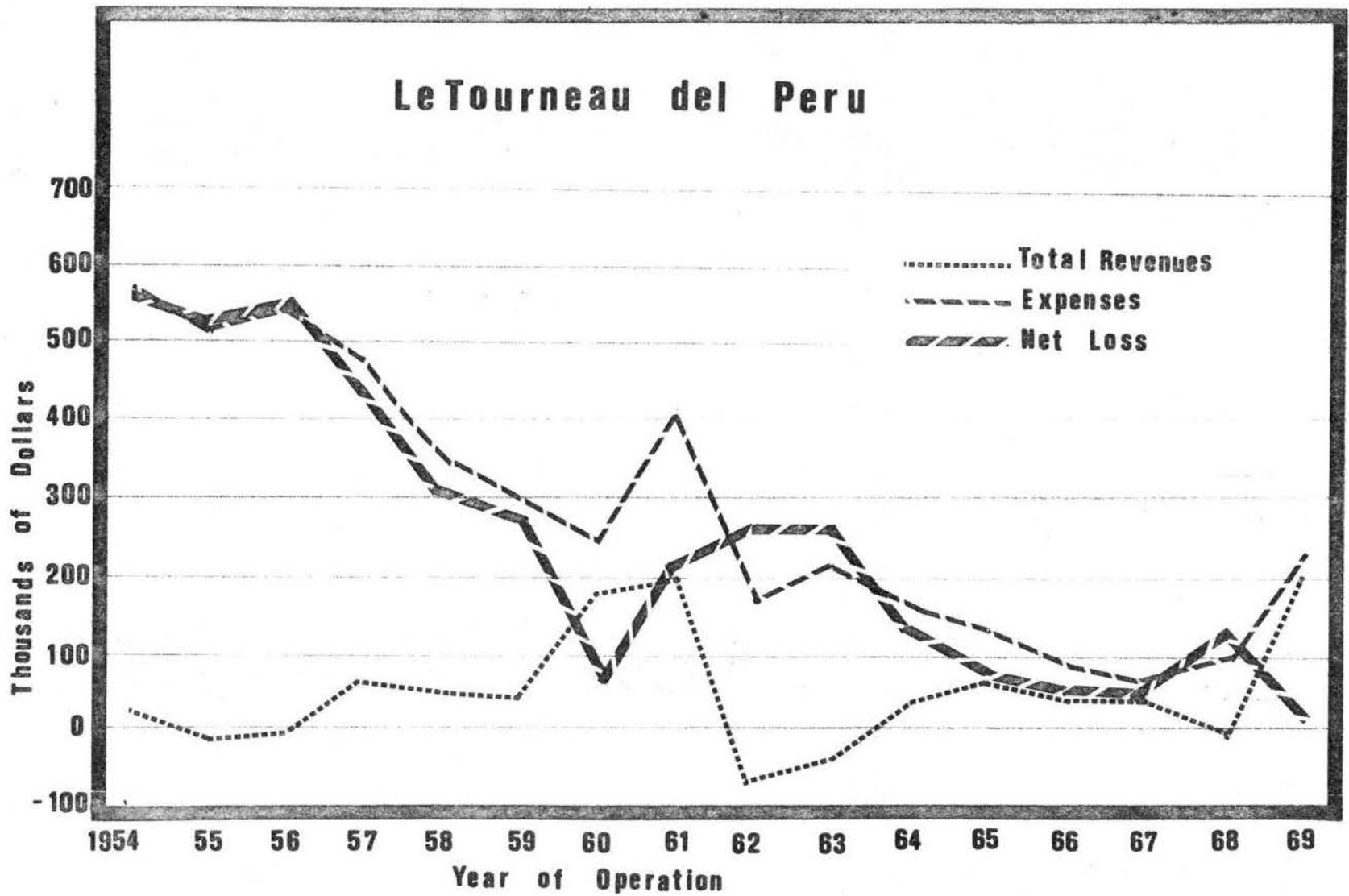


Figure 54. Graph of Total Revenue, Expense and Loss for LeTourneau del Peru for the Years 1954 to 1969

On the completion of this particular contract, losses again rose over the two hundred thousand dollar mark for the three years following-1961, 1962, and 1963.

In later years other contracts were obtained for both construction work and jungle clearing. These provided a means of utilizing the large complement of heavy equipment available and also absorbed sufficient overhead that losses were reduced to a tolerable level during their existence.

#### BEEF CATTLE DEVELOPMENT

During the government road construction period some attention had been focused on agriculture and cattle. While the agriculture pursuit did not produce any economic benefits, the cattle raising did provide some revenues. Construction equipment had been utilized in clearing the jungle and by the time road construction was halted in 1960, several thousand acres of land had been cleared and much of it developed into pasture. (Figures 55-58). Since more serious attention was now being given to raising beef cattle, more jungle was converted to pasture and the beef cattle program began to grow rapidly.

By 1966, over ten thousand acres of land had been cleared for pasture and the herd numbered over four thousand head. (Figures 59, 60). Part of the impetus of the program was a national shortage of beef, much of it being imported from Argentina. Thus, a market was readily available for the product. A slaughter house and freezer were built so that the beef could be frozen for transportation to the capital at Lima and what looked like an economic bonanza was underway. While the benefit to the country as a whole was phenomenal with the jungle development and



Figure 55. LeTourneau Tree Crusher Flattens Virgin Jungle Unassisted



Figure 56. "Business-end" of LeTourneau Tree Crusher, Results in Foreground

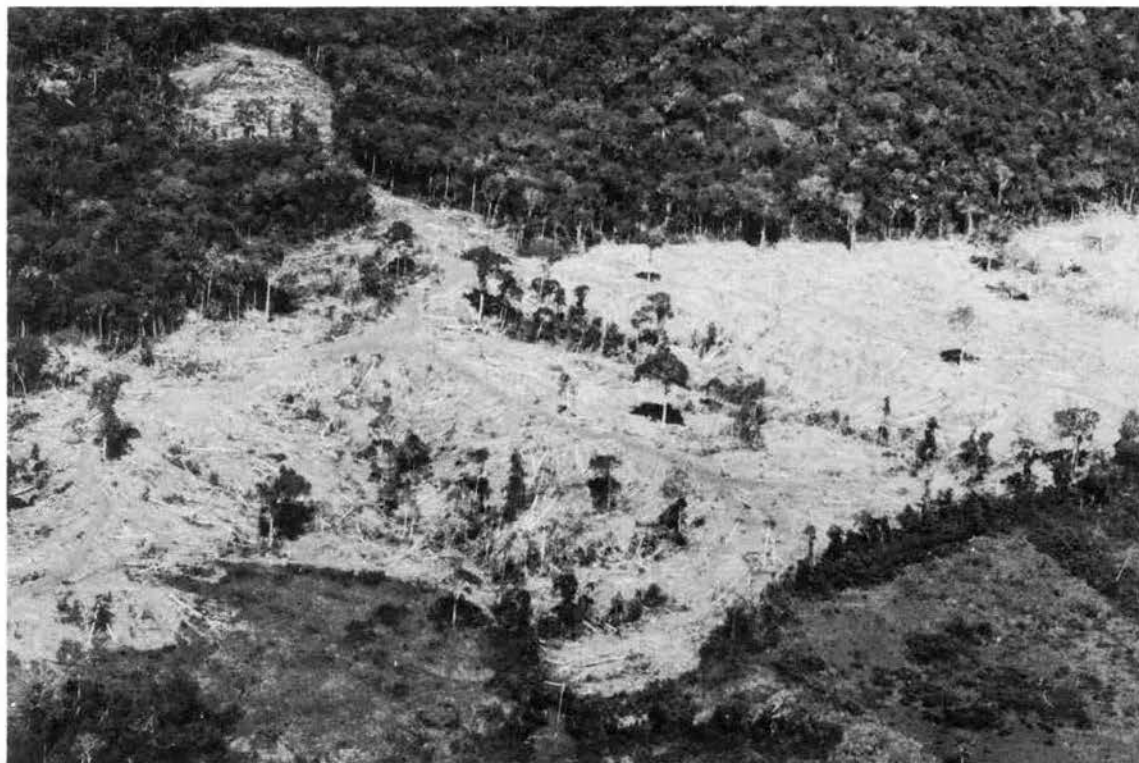


Figure 57. Jungle Land Freshly Rolled by Tree Crusher but Not Yet Burned



Figure 58. Virgin Jungle Converted Into Pasture Near Tournavista (Top of Picture)



Figure 59. Pasture and Cattle on Cleared Jungle Land at Tournavista, Peru



Figure 60. Pasture and Cattle on Cleared Jungle Land at Tournavista, Peru



availability of beef, yet the economics did not seem to work out as anticipated. There were several reasons.

#### DIFFICULTIES DEVELOP

The overhead of the operation had taken on significant proportions. It was difficult to fence such large areas so that cattle did not wander into the jungle and eventually go wild causing serious losses. The supply and market lines were also difficult to keep open. Most of the beef was transported to market by air because the road was closed for long periods during the wet seasons and not too dependable even in the normally dry seasons. Personnel problems haunted the operations as it did in Liberia, since there were discouraging problems and little to motivate the staff.

Changes in government occurred also and politics prevented an extension of the time limit of the original road contract. This left the original contract unfinished and unrenewed with no final determination from either side.

#### COLONIZATION

The colonization program, after many years of neglect, was finally begun and became a very important element in its effect on the jungle region. In 1965, LeTourneau entered into a contract with the Peruvian Development Bank to clear nearly 3,000 acres of jungle land near the city of Pucallpa for Japanese colonists who were migrating from Brazil to Peru. These colonists were interested in developing pepper farms and the Peruvian government was most anxious to assist them in financing this operation. With LeTourneau assisting and carrying some of the

financing, the pepper farms, encompassing several thousand acres and several dozen Japanese colonists families, were developed into a model jungle farm development community. (Figures 61-64). LeTourneau's expertise in jungle clearing by that time made possible a development within a short period of months that would have taken several years by normal clearing and development. While the pepper farms were not a financial benefit (particularly to LeTourneau) they did help to create a better image in the minds of the Peruvian people as to the true effect that LeTourneau's presence was having in the country.

#### MISSIONARY WORK

In addition to the colonization program, other activities of the LeTourneau project had an important effect on the people of the area. As time permitted, project personnel engaged in missionary activities on an individual basis in order to convey the Christian faith to those of the area that did not possess such faith. (Figures 65, 66, 67). Particular emphasis was with the children. A typical instance of the work with children was reported in NOW.

One of the wives has started a native children's meeting on Tuesday afternoons with flannel-graph lessons, singing, memory work and a glass of lemonade or a surprise of some kind at the conclusion. These meetings have been attended by about 12 or 15 each week. We are still having our Sunday classes up river and a fellowship time on Thursdays for the young folks.

In addition to this type of work, a formal church was organized in the community with its own pastor and congregational government. Here Peruvians and American project personnel worship together regularly and are developing their own outreach into the community and surrounding area.



Figure 61. A Portion of Jungle Acreage Cleared for Japanese Colonist's Pepper Farms



Figure 62. Project Manager and Mr. LeTourneau at Entrance to Pepper Farm Area

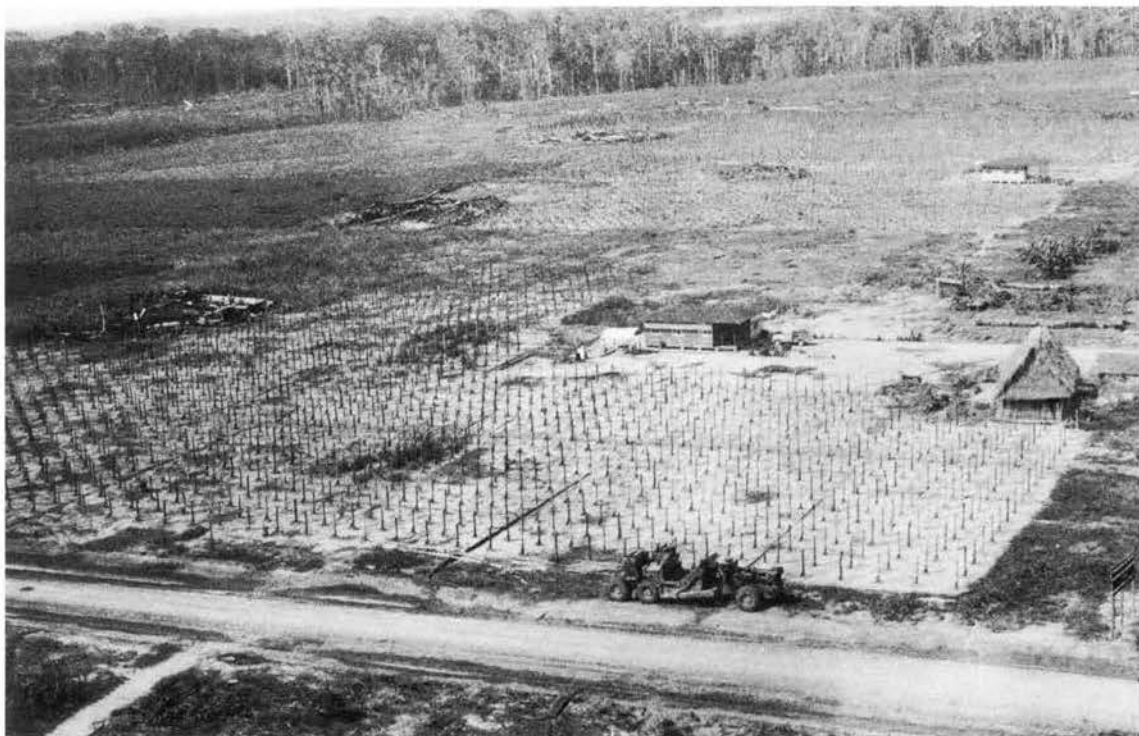


Figure 63. Aerial View of Pepper Farms in Early Stage of Development



Figure 64. Young Pepper Plants Growing on Rough Hewn Support Posts in Japanese Pepper Farms



Figure 65. Flannelgraph Provides Interesting Bible Lessons for Children in Jungle Village



Figure 66. To Reach Other Villages for Missionary Work Travel by Outboard Canoe was Often Necessary



Figure 67. Mr. LeTourneau Speaking Through Two Interpreters (English to Spanish to Indian Dialect) at Jungle Indian Mission Station During One of His Visits

## THE MEDICAL CLINIC

The clinic operation at Tournavista, the headquarters community, also soon became, and still is, a major benefit to the people of the area. It is a daily reminder to those who utilize its services that Christianity is a religion of love and compassion. Reporting recently on the activities of the registered nurse in charge of the clinic NOW magazine stated:

Lyndis is busy managing the clinic, seeing an average of more than 700 persons each month and visiting the folk living along the river and the road. She travels by means of her bicycle or a canoe. Facilities for caring for the sick are limited in the homes, but this seems to inspire her to rise to the occasion to help these people.

Some weeks are especially taxing. One Sunday, shortly after the morning service, a seventeen-year-old lad was carried in. He had been bitten by a snake. Prompt action was needed to save his life. An exciting afternoon, but a successful one, because his life was saved.

Monday, before dawn - a Peruvian baby born. There was care for the mother unknown before to these folk. She combines professional competence with love for Christ and these people.

Tuesday - a young man with a gash of several inches in his arm. She cleaned and sutured the wound, provided medicine. Another friend had been helped.

Wednesday and Thursday - a steady stream of those who needed shots, treatment of minor injuries, and checkups on progress.

Friday - a woman came running, huffing and puffing. She had fallen and had driven a needle through her hand, but she knew where help could be found. She was not disappointed.

One day remained - a day that demanded quick action, and cooperation by others who serve the Lord in the jungle. A national was in his boat, hunting. His gun discharged accidentally and the shot struck his leg, causing profuse bleeding. Immediate action was demanded to bring this man to the hospital at Pucallpa, about sixty miles away, but

the Tournavista plane was out on another mission. By shortwave radio, JAARS, the Jungle Air and Radio Service of the Wycliffe translators located at Yarina Cocha just outside of Pucallpa, Peru, was contacted. They responded and thirty minutes later, rushed the man to the hospital at Pucallpa and another life was saved.<sup>4</sup>

#### THE TECHNICAL HIGH SCHOOL

Probably the most significant impact on the Peruvian jungle in the years ahead from the LeTourneau project will be from the operation of the technical high school. Structured to meet the needs of the people both in technical training and in Christian training, the school, now in its fourth year of operation, has been extremely successful. The project manager recently described the school program in NOW magazine,

The program has been approved by the Minister of Education and, therefore, all work receives full high school credit for entrance in universities. The curriculum of our high school is one that is not available in any other high school in Peru. Bob Moore and Mr. Pina have developed a curriculum that is best suited to the area and to our facilities as related to the dairy, pork and beef program, heavy equipment, diesel and a technical program. The technical program for the girls includes home economics and nursing. The Government has approved this as a pilot program, and studies and reports will be constantly made in order that similar programs may be adopted in other jungle areas by the State for use either in private schools or in state schools. So things look mighty good.<sup>5</sup>

While the school program, as well as other programs, have been restricted in growth due to lack of funds, this method of helping the people of Peru continues in operation and undoubtedly will have a significant effect on their future. (Figures 68 and 69).



Figure 68. Elementary and Technical High School Children at Tournavista School Compound

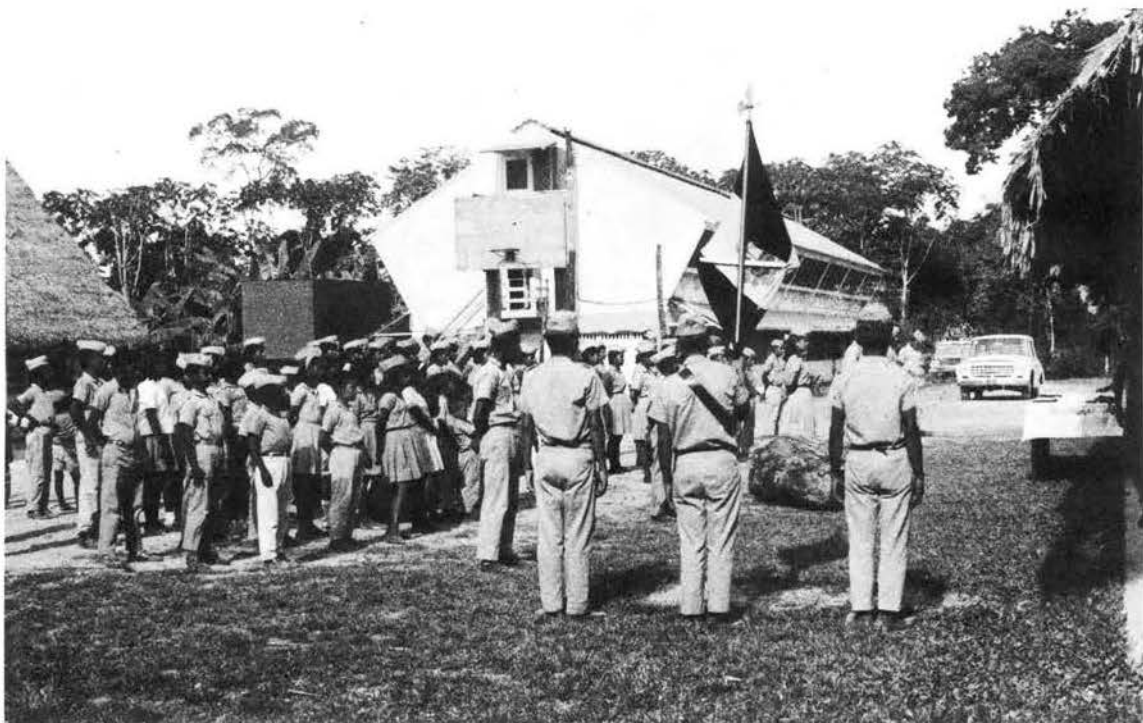


Figure 69. Elementary and Technical High School Children at Tournavista School Compound



## CURRENT EVALUATION

In 1966, an impartial consulting firm was engaged to prepare a comprehensive report on LeTourneau operations in the jungle and its effect on the jungle area of Peru. This report resulted in a very favorable and well documented study which LeTourneau hoped to be able to use in eventually arriving at a satisfactory settlement with the Peruvian government as to the status of its uncompleted contract. At this time, sixty-eight percent of the contract work had been completed, but the government had deeded to LeTourneau only fifteen percent (one hundred fifty thousand acres) of the promised acreage.

Since funds for the completion of the road were completely exhausted and since there was a serious question whether the government would follow through in payment for the work, LeTourneau was anxious to arrive at some settlement.

Then in 1968, the democratic government of Peru was overthrown completely and a military coup d'etat took over the reins. At the time of this writing the military government is still in control with little legislative action taking place and little encouragement to foreign investors. As a result decisions have been made and action is now (1969-70) being taken to terminate the LeTourneau beef program by selling the cattle and the land and within a reasonable time the commercial operations will probably cease altogether in Peru.

The missionary purpose of the project, in the broad sense, has been largely accomplished. While the commercial ventures were not financially profitable, they did open a vast area of Peruvian jungle to colonization and developed a beef industry that should become the

foundation of a significant beef supply in Peru. These commercial ventures also provided training for the nationals in mechanics and construction, in community building and jungle removal. They proved that the jungle can be conquered and can be used to meet the needs of the people. They opened large sections of the jungle for colonization and many colonists are now occupying areas which would not have been possible without the development created by the project. And the combination of Christianity with these ventures also brought to them the message of Christianity and with it Christian education, so that their lives could take on a new direction and a new meaning.

The independent engineering consultant survey of the work of LeTourneau in Peru in 1966, was high in its praise of the lasting contribution that LeTourneau had made in opening up the jungle. Other reports and analyses have agreed with this survey.

Therefore, even if LeTourneau is forced to leave Peru the effect of their being there, the good to the country and the work of Christianity will long be felt in an honest appraisal of the project.

#### ANALYZING THE FACTORS

Many weeks have been spent in studying the correspondence files, interviewing personnel that served on the projects and interviewing outsiders that worked in the same general area. A total of seven trips was made to Peru while the project was in operation so that first hand observation and evaluation have entered significantly into the narrative and results presented herein. On two occasions this writer was present in a private audience with the President of Peru (President Odria, in 1955, and President Belaunde in 1966), where the status and direction



Figure 70. Peru President Odria (Seated) and Mr. LeTourneau (Standing) Discuss the Progress of the Project During One of Mr. LeTourneau's Visits to Peru (Photo Was Taken by the Writer)

of the project was discussed. Three trips in March, May, and July 1966, were for the expressed purpose of a critical evaluation of the project to determine the future direction of the project as well as to gather material for this dissertation. Portions of the report written after the July, 1966, visit are included in Appendix F for further study. Various other tables and analyses made during a 1968 visit are also recorded in Appendix G for further study.

As a result of these interviews, discussions, observations and evaluations, the specific elements of the LeTourneau Peruvian project which contributed to or detracted from its success have been identified. These characteristics are:

#### ELEMENTS CONTRIBUTING TO SUCCESS

##### 1. Benefactor Motivation

Mr. LeTourneau wanted to prove the feasibility of the combination of a missionary operation and an industrial and land development concept. His dogged determination to see it through was unquestionably a prime factor in the successes of the project.

##### 2. Government Cooperation

In spite of problems with politics, from the very beginning the government's attitude was one of utmost cooperation with a genuine desire to see the remote jungle lands of their country developed and opened up in the same pioneer spirit as the West of the United States in the early 1800's.

### 3. Machinery Availability

With the LeTourneau manufacturing company supplying the machinery for the project, ample machinery of sufficient size and power to conquer the dense jungle land was available to the project.

### 4. Land Fertility

The heavy rainfall (eighty inches annually) and the fertility of the land contributed to a great deal of experimentation, most of which was successful in land usage and which eventually led to the development of pasture and a beef cattle operation.

### 5. Beef Demands

Since Peru imported over seventy-five percent of its beef demands from other countries in South America, particularly Argentina, the demand for locally produced beef was great. This encouraged the development of a beef cattle industry.

### 6. Vocational Training

The desire of the nationals of the jungle area of Peru for vocational training for gainful technical occupations provided an abundant supply of labor at reasonable rates.

### 7. Personnel Motivation

Since the American personnel employed by the project saw the challenge of developing jungle lands while also training the nationals in the Christian philosophy, there was a higher level of motivation than could have been possible in a pure secular operation.

## 8. Divine Guidance

In spite of the lack of planning and many mistakes there was ample evidence of divine guidance both in daily details and in the broad aspects of the project's operation.

### ELEMENTS DETRACTING FROM SUCCESS

Likewise there are a number of elements that detracted from the success of the project. These are:

#### 1. Politics

The constant change and irresponsibility of government officers with their frequent changes of cabinet and ministers made a follow-through and an effective program of government relations extremely difficult.

The final blow politically was the military take-over with no due process of government channels available for the solution of problems.

#### 2. Personnel Inexperience

Headed initially by the 24 year old son of Mr. LeTourneau, the project developed a cadre of young, very eager, but inexperienced personnel. They were inexperienced in dealing with the technical problems of the gigantic task before them, and also lacked the maturity necessary to weather petty differences and discouragements.

#### 3. Lack Of Planning

While the project had immediate specific goals in the building of

the road, there was little planning originally as to the scope, character, and direction of the community jungle development, colonization and educational aspects of the project.

#### 4. Cost And Time Recognition

The lack of a realistic estimate of the cost that would be involved in building the thirty mile road and the time which would be required to complete it created severe handicaps for the project. The true cost of completing the road would have been ten times the initial estimate and the time required to complete it at least twice that of the initial contract, even if sufficient funds had been available.

#### 5. Jungle Magnitude

With no experience in actual jungle areas of the type encountered, the sheer magnitude of the jungle itself was grossly underestimated. The rapid regrowth of the jungle after initial clearing was also underestimated creating severe problems in maintaining cleared areas and pastures through the years.

#### 6. Experimental Machinery

A large percentage of the machinery shipped to the project was of an experimental nature, untried and unproven in environmental conditions of this type and the premature failures of the equipment coupled with the long slow supply line for parts and repair or redesign procedures created costly delays in the construction work.

### 7. Lack Of Funding

The lack of cost recognition, at the beginning, caused a lack of funding of the entire cost of the project prior to its initial undertaking. This caused very severe money crises, almost from the beginning, which developed to the point that the actual construction work had to be abandoned.

### 8. Lack Of Empathy

While in most cases there was considerable empathy with the nationals, management personnel did not understand how to relate the philosophy of the project to everyday dealings with the nationals.

### 9. Lack Of Economy

The push for beginning operations on a giant scale created an attitude on the part of personnel which made it difficult to establish any measure of economy, budgeting, or cost control.

But the purpose of this dissertation is not to determine the success or failure of the project for that would be as difficult in Peru as it was with the Liberian project. Depending on the point of view it could be proven that it was a phenomenal success or a complete failure. The purpose of this work, however, is to analyze the organization and management of the project, the planning, the timing and other decisions to determine what steps could have been taken that would have improved or assured its chances for commercial success as well as philosophical success.

These elements set forth will be merged with those related to the



Liberian project, an analysis will be made, and the conclusions from these, plus other similar observations will be discussed at length in the next chapter bringing to a focal point the objectives of this work - that of determining the requirement for success in a foreign industrial Christian-missionary project.

FOOTNOTES

<sup>1</sup>Time Magazine, "Peru, A Crashing Of Mountains," June 5, 1964,  
p. 36.

<sup>2</sup>NOW, September 1, 1954.

<sup>3</sup>NOW, November 1, 1954.

<sup>4</sup>NOW, January, 1967.

<sup>5</sup>NOW, May, 1968.

## CHAPTER IX

### MEASURING RESULTS AND TRANSLATING THESE INTO RECOMMENDATIONS

As has been stated earlier, the particular combination of motivation and philosophy that is present in the type of projects studied, create a very difficult problem in measuring effectiveness. Normally, when a phenomenon is studied, the results are apparent and are so noted. In this instance, however, the results are so complex that they present a formidable task for evaluation. These results to be evaluated in the case of the two projects studied are many and varied. Neither is the normal evaluation of results against the time and money expended completely meaningful in these cases. Normally research of this nature should produce some measure of the results which can be evaluated against the inputs in order to arrive at a meaningful and specific conclusion. In studying the specific results sought for, however, a different approach may be warranted in this particular study.

### RESULTS TO BE EVALUATED

In combining business and Christianity in a development project the results sought have a broader base than is normally present in a pure business or a pure development venture. These results might be classified as follows:

1. Dollar Return To The Investor

While these particular projects were not geared to a dollar return

for the investor, they nevertheless were begun on the philosophy that combining Christianity with business need not preclude such a return. Therefore, while not of primary importance, this is one factor to be considered in evaluating the results.

## 2. Satisfaction Return To The Investor

With the recognition in more recent years of the fact that benefits and burdens to people are not always financial in nature, it should not be difficult to recognize that in ventures of the type studied in this research, the satisfaction of seeing basic goals accomplished might be of much greater value to the investor than economic rewards.

## 3. Immediate Economic Impact On The Area Served

The immediate economic impact on the area served would necessarily be almost directly related to the amount of funds spent. A higher level of spending locally would naturally have a greater economic impact. Funds spent for outside services and capital equipment would, however, have an impact only in relation to the efficiency realized through their use in the local area.

## 4. Long-Range Economic Impact On The Area Served

This result or impact would depend more on the particular way in which funds were expended and would relate to specific area improvements, services and opportunities realized through the project. This could be in the form of colonization opportunities, educational facilities, fixed capital improvements, etc.

#### 5. Sociological Impact On The Area Served

In addition to the economic impact realized through capital improvements and a higher standard of living, if these are provided in the proper relationship, there will also be a sociological impact. Educational facilities, for example, in addition to providing economic rewards for the people; could also provide very distinct sociological improvements. This would be true of other phases of the project also.

#### 6. Influence Of Christianity On The Area Served

Since this was the primary motivation in the two projects studied it becomes an important aspect of evaluation, and relates to item 2, above, in the satisfaction realized by the investor. The purpose of Christian missions generally is to present the message of the Bible and Christianity to those who have not been exposed to its influence. Results in this area cannot always be measured in terms of "converts." Some groups tend to measure in this way only. Whether classified as "converts" or not, the primary result sought is to have the individuals accept the message of Christ in the Bible with its transforming power on their lives and thus redirect their lives into channels of service for God and mankind that are more meaningful to life itself.

#### 7. Examples Set In Relating Business And Christianity

One of the most significant benefits, and yet one of the least measurable of the results, is the example set by combining business and Christianity on such a large scale. The work of Mr. LeTourneau in this regard both within his manufacturing business in the United States

and in the two foreign projects studied has been well publicized throughout the years to over a half million regular readers of the LeTourneau publication NOW and to probably several times that number who have heard of these unusual ventures through the news media and other sources. The effect of realizing that there need not be a wall built between practical everyday business problems and Christianity as heard from the pulpit on Sunday has renewed the motivation of thousands of men and has encouraged them to apply Christian principles in their business.

#### MEASURING THESE RESULTS

The most difficult aspect of this research, particularly as it relates to measuring results, has been to bridge the gap between "what was," as seen in the preceding two chapters and, "what ought to have been," which will be the summary and conclusions of the next two chapters. One of the difficulties in creating this bridge is the lack of being able to define precisely either the results of past actions or the principles involved in the future decisions. The results must often be general observations and feelings created rather than something specific and measurable. The decisions must often be based on a broad background, experience and intuition rather than being the application of certain principles.

Table I records the travel and study which provided the background and shows the effort put into this research. This, coupled with the educational background of the writer and his many years of experience in industrial management, have developed a personal philosophy regarding evaluation methods which are pertinent at this point. The writer

believes in a basic two-step philosophy that can be stated simply as follows:

1. Obtain all the experience possible by taking advantage of every opportunity to gain experience; study and read as much as possible to benefit from the experience of others; reflect on past personal successes and failures, each with their own circumstances, so as to retain maximum benefits from these also and then:
2. Keep all of this firmly in mind so as to form a foundation or act as a background for decisions, but do not depend on this as a program for a computer or for the decision making machine; then, on this firm foundation of knowledge and experience use the best intuitive judgment available, leaving a certain amount of latitude (but not indecisiveness) for divine guidance, and having the capability of recognizing if and when a direction may be blocked or changed by divine intervention.

Management decision-making is not necessarily a "well-oiled machine" or a well programmed computer into which data is fed and solutions are forthcoming. While technological developments can supplement the information available to the decision makers, major management decisions themselves must largely fall back on the two-step philosophy outlined above. Some, who might not accept the divine guidance and intervention concept of the second step, might prefer to call it a "sixth sense" which they have learned to use and which undoubtedly has become a "religion" to them and has aided them in decision making.

The previous paragraphs may seem to have been a digression but they are in reality a statement of philosophy as to how this writer is

seeking to build the bridge mentioned earlier between "what was" and "what ought to have been."

If it were actually possible to define precisely these results they would, at the very least, be most elusive and even then not greatly meaningful in contributing to the value of this research. The real value of this research is the knowledge it can contribute in any future ventures of this kind. A study of the record of the two projects, particularly the comprehensive chronological files that have been available to the writer, would leave no doubt in the reader's mind as to the validity of the conclusions drawn.

Therefore, without attempting to further define or measure the specific results or impact referred to earlier in this chapter beyond what has already been recorded, this well-developed intuitive judgment will be utilized to develop the necessary and essential elements for success in a combination business Christian missionary project.



## CHAPTER X

### DEVELOPMENT OF THE ELEMENTS THAT CONTRIBUTE TO OR REDUCE THE SUCCESS POTENTIAL OF AN INTERNATIONAL BUSINESS-CHRISTIAN MISSIONARY VENTURE

Although the scope of this study may appear to have been somewhat limited in covering only two specific projects dealing with the hypothesis stated in the opening of this dissertation, the intensity and depth of the study of these projects coupled with a broad experience and study of the writer in world-wide observation of this type of activity should justify the conclusions and their bearing on the hypothesis.

Since the basic field of study to which this research is directed is the field of industrial management, sound management principles have weighed heavily in the evaluations presented and in the elements which will be set forth in this chapter. Personal experience as President and Chief Executive Officer of a heavy industrial corporation with a volume of over seventy million dollars annually, six years as a college president and many years of service on boards of control of educational organizations and national church denominations, have provided an unusual vantage point for this study. This particular vantage point in viewing the projects in this study as well as other similar ventures provide the relatively conclusive set of factors utilized.

#### TEN PRIMARY FACTORS DISCUSSED

These factors, while general in nature, are specific in their

application to the two projects under study. In almost every case each factor can be applied to both of these projects and they can probably as well be applied to any venture of this general nature. The factors are both "management" and "philosophically" oriented. Each one can be related to the "business" as well as the "Christian missionary" aspect of the title. These factors are as follows:

1. Overall Feasibility

The first element observed in an analysis of both the Liberia and Peru projects of LeTourneau is the apparent lack of a feasibility study of the total venture and an estimate of the probability of success based on resources, personnel, and prevailing conditions. An undertaking of this kind requires some risks not encountered in more conservative business ventures; but, nevertheless, an overall feasibility study to determine the likelihood of success should be made before the project is begun.

This writer was involved in just such a feasibility study on another project which is not included in this research due to the fact that it was never consummated. This potential project would have been comparable to the Liberia and Peru projects. This opportunity opened up in 1965, in the country of Surinam, South America. LeTourneau was requested to supply a number of units of heavy construction machinery to the government of Surinam for construction and clearing contracts with the government. In exchange, the government would make available to LeTourneau large tracts of virgin jungle land for clearing, development, colonization, and missionary work similar to that of Liberia and Peru. In the course of an in-depth feasibility study, the

writer made three visits to the country of Surinam and had numerous discussions with various government personnel, including the Minister of Public Works and the Minister of Development. (Figure 71). After several months of study, exchanges of proposals, and a visit to the LeTourneau operations in the United States by the Minister of Development of Surinam, it was determined that the project was not feasible because of the limitations of capital funds, personnel, resources, and the types of machinery available at that time.

Had a similar feasibility study been made before the beginning of the Liberia and Peru projects an entirely different approach might have been taken. This does not necessarily mean that the project would not have been attempted. In fact, an in-depth feasibility study might have indicated the course required for their total success. Such a study, however, would have required an entirely different approach by LeTourneau in terms of personnel, funds available, levels of operation, plus the other elements that will be discussed in the remainder of this chapter.

The feasibility study is of paramount importance because it determines the advisability of the project, outlines the steps to be taken and indicates the funds required. All of this information is of vital importance.

## 2. Realistic Operational Cost Estimation And Budget Controlled Operations

In both of the projects under study the eventual level of operations and the capital required exceeded by several times the original estimate. Some of this excessive cost was due to an unrealistic evaluation of the situation as it existed before entering into the



Figure 71. Mr. R. G. LeTourneau and Writer Confer With Surinam Government Minister of Development Rens and Minister of Public Works Tyne During a Visit to Surinam

contract. Some, of course, was due to lack of sufficient control of operations after the project had begun.

Both of these concepts must be given very careful consideration as an element necessary in the success of a business-Christian missionary venture. Initial estimates must be realistic in viewing the operational costs for the particular locale involved with allowances for the inflationary effects that are almost always created by the operation itself. Then after establishment of the realistic level of such costs, an adequately controlled budget and accounting system are of vital importance in carrying out the operation within these established limits.

In the Liberia and Peru projects, the original cost estimates were unrealistic and the day-to-day operation was given almost "blank check" authority to operate without specific budgetary controls. Controls were finally forced by severe financial limitations at the source of the funds. Sound management and budgetary controls, coupled with realistic cost estimates, are a very vital element in the success of such ventures.

### 3. Adequate Funding

Without the accurate cost estimation and budget control identified in the above item, adequate funding, of course, would be almost impossible. This is included, however, as an essential element to logically follow the above item, in that along with accurate cost estimation and budgetary control, there must be adequate funds provided, either directly from the control source or through a specific endowment for the project,

The source of this funding should be identified and committed to

the project prior to the signing of any contracts or commitments to the countries and governments involved.

The two projects studied were in constant financial trouble and eventually the commercial operations were discontinued because of lack of adequate funds.

Even while the projects were in operation many worth-while programs were started which could not be completed because of this improper funding. Problems in the minds of the project personnel which might have been insignificant otherwise, were magnified by inadequate funding to the point that they became virtually insurmountable.

Thus, while overall feasibility, cost estimation and budget-control are pre-requisites for funding, adequate funding is also a very vital and essential element for the success of such a venture.

#### 4. Specific Objectives Beyond Broad Purpose

This particular element was not as prominent in Peru as in Liberia. The Peruvian project had a specific objective in the construction of thirty miles of road. It was this specific objective that probably contributed most to the commercial success in Peru. In Liberia the objectives were well stated, but too broad in their concept. Specific objectives in the first few months and the first two or three years of the project were not sufficiently identified to give either the personnel or the management of the project a measurable result to compare with a specific objective. Without these specific objectives and measurable results to compare with them the motivation and control became stagnate and human nature began to magnify the little difficulties to the point where little was accomplished.

No operation of the scope of these two projects would be started without a broad general purpose. But these broad purposes are insufficient unless they are translated into detailed, specific objectives which can be measured against performance on a time schedule. Only then can sufficient management control be exerted to guarantee the success of the broad general purposes.

#### 5. Short-Term Completability

The environmental conditions that were present in both of the projects under study, and which would be present in similar projects in primitive areas, are such that personnel morale and motivation is difficult to maintain without the satisfaction of the completion of specific tasks within the broad purpose of the project. In addition, projects of this nature are normally developed in countries where political changes are frequent and where the national people of the area are unable to understand long-range concepts without seeing immediate accomplishments and benefits.

Because of this a business-Christian missionary venture must show measurable success within a relatively short period of time (preferably two years, not more than five years). If, in Liberia and Peru, the first major phases had been completed within a five year period, and if the projects could have reached a financial break-even level of operations within this period, the effect and direction of the projects would have been changed drastically.

The political changes which eventually affected both of the projects did not occur until well beyond the tenth year of operation and had the projects been well stabilized prior to that time the effect of

these changes would have been minimal.

In spite of the political changes, the problems present and their lack of fulfilling initial promises, the general image of both projects held up extremely well during the first few years of operation. It was only when these promises were still unfulfilled after a period of several years that the image began to deteriorate and questions began to arise in the minds of the nationals as well as the operating personnel of the project.

Short-term completability of a major phase, then, becomes a critical element in the success of such a venture.

#### 6. Maintain Proximity To Nationals Culturally And Technologically

Maintaining proximity to nationals culturally and technologically also relates more to the Liberian project than to the Peruvian project. This deals with the cultural and technological gap in Liberia between the incoming project personnel and the equipment, and the nationals of the surrounding area. This gap in Liberia was striking and significant.

The community established was not unlike a small rural community in the United States. They had electric power, water and sewage system, an internal telephone system, permanent housing and modern appliances such as automatic washers, freezers, radios, hi-fi sets, and the like.

The technology brought in included massive heavy construction machinery which would have been at the high end of the technological scale, even for a major construction project in the United States. This equipment utilized the electric wheel drive, with power and capacities that were more suitable for massive construction projects. The area in which the project was located, on the other hand, was one of the most



primitive areas in the country of Liberia, with practically no implements or metal tools of any kind, outside of the hand machete. This extreme gap presented a cultural and technological shock creating a gulf that was difficult, if not impossible, to bridge in accomplishing the philosophical purposes of the project.

In a project of a purely technical or developmental nature, this would not be quite the problem that it became in a project whose purpose was to build a bridge between the developers and the national people so that the message of Christianity could be effectively transmitted across that bridge.

A specific incident illustrating this element occurred while the writer was on one of his visits to the project in Liberia. At that time the project was supervising thirty-five national churches within a hundred mile radius in the jungle area surrounding the project. Part of this supervising process involved regular advisory council meetings plus a token support for the pastors of each church and the four evangelists who made regular tours of the churches. At one council meeting, attended by the writer, during the time that severe financial limitations were being imposed on the project, due to lack of funds from the United States, a request was made by the pastors and evangelists for an increase in their allowances from five dollars to ten dollars per month. When the project manager questioned whether or not at this time the project could afford to make this increase, considerable discussions followed which indicated a total lack of comprehension or understanding by the pastors as to why this could not be done by an organization which had invested millions of dollars in the development and construction phase of the project.

At that time, (1966), the project was operating on a bare subsistence level and even though virtually all machinery operation had ceased with no visible signs of excessive spending, still the machinery was physically there, it meant dollars to the pastors and they could not understand the fact that more was not available where that came from.

This single incident is only one of many illustrations of misunderstandings that occurred in attempting to operate a limited budget missionary program within the same organization as a complex industrial program where the cultural and technological gap was as great as that of Liberia.

Bearing out this premise is the fact that in Peru, where the project operated in a semi-civilized area, the gap was not nearly so great and this problem did not present itself in any great magnitude.

Therefore, this research shows that extreme caution must be exercised in a business-Christian missionary combination where the cultural and technological gap is great and every care must be exercised to minimize this gap and the effect of it.

This, of course, is not easily accomplished. In a business situation it may be imperative to use technology and investment of funds to the extent that it becomes incompatible with the companion missionary thrust from this standpoint. One method of avoiding this conflict is to separate or isolate the personnel or base operations of the business from that of the missionary operations. This, however, would defeat the purpose of the combination in showing that they could work together. The only other compromise solution would be to either downgrade the business operations to a more primitive level or face the

enormous funding requirements of raising the missionary operation to a higher "business spending" level. This dilemma may make this element the most significant of all and may be the one factor that could make impractical the combining of a business-Christian missionary venture.

#### 7. Management Relatability and Empathy

Closely related to the problem of the cultural and technological gap, is the critical need in an operation of this type for management to be closely related to the nationals of the area in order to be able to empathize with them. While this is a very desirable characteristic even in a strictly commercial corporation, it becomes critical when the purpose of the operation is to build a relationship that will permit a cultural and philosophical transfer to the people. This concept is readily recognized by most missionary societies and very careful orientation in this direction is a vital part of Bible college and missionary training.

In order to convey Christianity to a different culture than his own, the missionary must view the national as an equal, study his culture extensively, and attempt to understand and relate to it, where scripturally permissible, rather than attempt to change it.

Too often the Christian missionary attempts to simply "civilize" the nationals by forcing Western customs and mores upon them that have little relationship to Biblical teaching or Christianity, instead of accepting them as they are and presenting the gospel of Christ as in the Bible without modern day Western embellishment.

While this was not a general problem in the two projects under study, it was definitely so in the case of some individuals, even at

management levels in the projects. This created a barrier between those individuals and the people as well as between the project generally and the people of the area.

In several instances, particularly in Peru, a management level individual exhibited, publicly, contempt for nationals who were previously unknown to him. From these observations and from the effect that this has on the ability to transmit a Christian philosophy to the people, this element then becomes one of prime importance in the combination of business with a Christian-missionary enterprise.

#### 8. Isolation Not Always Best

Because it appeared that the missionary work desired had a greater need in an area isolated from civilization and also because extensive developments tend to increase surrounding land values, in both of the projects studied the original community was built in an area of complete isolation from surrounding civilization. The increased effectiveness of the missionary work and the increased values that resulted, however, did not offset the difficulties encountered because of this isolation.

The cost of supply lines alone on both projects were excessive. In Liberia the supply line problems created the necessity of the project operating ocean-going vessels along the coast and a very expensive air shuttle service. In Peru the supply line was also furnished by the project itself thru chartering river barges or thru a costly private air hauling system.

In addition to the supply line problem for the project itself, the logistics of developing a profitable business operation in an area far

removed from markets was a detriment as well. In the later years of both projects, the decisions to terminate the commercial activities would have been viewed in an entirely different light if the base of operations had been sufficiently close to civilized areas that an economically marketable product could have been developed. In Liberia, most business opportunity potentials were deemed inadvisable due to the distance from supplies and markets. Likewise, in Peru, the cost of maintaining the road and the difficulty in moving the beef to market in the wet season, precluded further development of the cattle ranch. Other business opportunities, there, were foregone for the same reason.

Another factor to be considered is that, had the projects been located nearer to then currently civilized areas, the technological and cultural gap problem might not have been so great. The nationals involved would have been more accustomed to the technology brought in and there would have been less need for such advanced equipment closing the gap from both sides.

A missionary outreach could still be effected in the remote areas using the centrally located headquarters as a base but without the problems incurred by building up an advanced business-oriented community in an isolated area.

Therefore, while there are certainly advantages to isolation, this must be weighed very carefully in the light of both logistical costs and the "gap problem" before decisions are made in this direction.

#### 9. An Unusual Balance In Management

On-the-site management in a project of the type under study is very important. In combining business with Christian missions it

becomes immediately obvious that the manager must have the capability of organizing and operating successful programs in both areas if the combination is to be successful. While the qualities of management for these two areas certainly overlap, there are strengths that are more essential in one than in the other.

On the business side it is important that the manager have sound business judgment, that he be efficiency and economy minded and that he have the capability of being "hard-headed" when the occasion demands. On the Christian missions side it is important that the manager be understanding, patient, a good listener, compassionate and have the capability of being "soft-hearted" when the occasion demands.

By this it is not meant that the business does not require the Christian mission qualities on occasion or vice versa, but that the emphasis is generally in the stated direction.

When combining the two, however, the manager who has the responsibility for both areas of endeavor must have an unusual capacity or balance between these two emphases. On the surface this may seem to be a contradictory requirement and for an individual to have such a balance is unusual. It is possible, however, if the individual understands both philosophies clearly and has the judgment or discernment as to when to use which philosophy.

Christ set an example of this dual capacity and discernment in two contrasting occasions recorded in the Gospel of John. For the woman caught in the act of adultery he had compassion and said, "Neither do I condemn thee, go and sin no more."<sup>1</sup> On another occasion he violently overthrew the money changers who were desecrating the temple.<sup>2</sup>

The capacity of being both "hard-headed" and "soft-hearted" and being able to use discernment in the application of each is, therefore, a difficult but important requirement in the management of a business-Christian missionary project.

#### 10. Scriptural And Spiritual Motivation And Guidance

This last element is certainly not the least in importance when evaluating the elements that lead to the success or failure of this type of venture. It was placed last, however, since the tendency among many, who have beliefs similar to the writer, is to place this element at the head of such a list and then use it as a "crutch" to cover their lack of diligence in carrying out the remainder of the elements that are of vital importance.

To accept this "crutch" philosophy would destroy the validity of the research and also destroy the concept that business and Christianity can and should work together. The Bible itself, through the apostle Paul's letter to the church at Rome says, "Not slothful in business, fervent in spirit, serving the Lord."<sup>3</sup> And in the epistle of James, "Be ye doers of the word and not hearers only, deceiving your own selves."<sup>4</sup> Then too, James had much to say relating to items six and seven above.

What doth it profit, my brethren, though a man say he has faith and have not works, can faith save him? If a brother or sister be naked, and destitute of daily food, And one of you say unto them, Depart in peace, be ye warmed and filled; notwithstanding ye give them not those things which are needful to the body; what doth it profit? Even so faith, if it hath not works, is dead, being alone.<sup>5</sup>

This emphasis on works and diligence is very important in understanding the concept of scriptural and spiritual motivation and guidance.

In addition, however, to the practical side of motivation and guidance, such as has been enumerated in the first nine elements above, in order to bring the combination of business and Christian missions to a real success the overall motivation to influence individuals toward Christianity must be present and there must be an overall guidance that can only come from God. Personnel involved must also have a personal relationship to Christ themselves that will make the everyday business oriented decisions meaningfully oriented to the overall success of the project.

#### ELEMENTS ARE SUBJECTIVE BUT SPECIFIC

The ten elements set forth above are the result of a great amount of research, study and analysis even beyond that which the earlier chapters may contain as background. These are the elements which the writer concludes are necessary for the success of this type of project, and the establishment of a validity of the hypothesis as stated in Chapter III.

The two projects analyzed in detail meet the requirements of these elements in varying degrees. Where they have met the requirements it has been obvious that the projects were more successful. Where they failed to meet these requirements success was limited.

In addition to the effect of these elements on the two projects studied in detail, the writers cursory research into many other similar



or related enterprises show an equal application of these same elements to their success or failure. The financial, physical, emotional, philosophical and spiritual aspects of the elements thus set forth are then the determining elements in the requirements for the success of an international business-Christian missionary venture.

## FOOTNOTES

<sup>1</sup>John 8:11

<sup>2</sup>John 2:13-16

<sup>3</sup>Romans 12:11

<sup>4</sup>James 1:22

<sup>5</sup>James 2:14-17

## CHAPTER XI

### CONCLUSION

The title of this dissertation is "A Study Of The Basic Requirements For Success In An International Business-Christian Missionary Venture." This is a broad area and at the beginning the writer set forth the problems that might be encountered in approaching a subject and an hypothesis of this nature. The warnings that the evidence might not be conclusive did not go unheeded. In addition, the writer continued to recognize throughout the study the possible effect of non-objectivity. There may still be a question in the reader's mind as to the degree of objectivity attained. However, the conscious effort as far as possible to avoid a bias has created an approach and a result that should contribute a meaningful result to management, to education, to Christianity, and to those organizations, all of whom to some degree cannot avoid the combining of business and the ethics of Christianity.

The hypothesis stated was that, in a newly-developing nation, business and Christian missions can be combined in a wholesome and effective manner to earn a return on investment, contribute to the economic development of the nation and at the same time present the message of Christ and Christianity.

The ultimate objective of this research was not to prove or disprove the stated hypothesis, however, since this must necessarily be a highly subjective evaluation. The objective has been to determine as

finitely as possible the elements that contribute to the success of such a combination and those that detract from it. With these elements in mind, the proving or disproving of the success potential of a particular venture becomes directly dependent on the complex circumstances of the specific opportunity and whether or not the elements required can be utilized to a substantial degree.

These elements have been drawn from the results of two major attempts to accomplish this hypothesis and from many other sources and interviews with others that have been involved in a lesser way in similar ventures. The bulk of resource material for the two specific projects studied came from three sources: (1) massive correspondence and report files of the two projects themselves; (2) countless interviews and discussions with personnel involved in the projects and; (3) personal observations by the writer on several actual visits to the projects.

The elements developed from this research are basically as follows:

1. Overall Feasibility

Although involving risks not encountered in more conservative business ventures, some overall feasibility should be determined.

2. Realistic Operational Cost Estimation And Budget Controlled Operations

Operational costs for the particular locale with allowances for inflationary effects created by the operation should be recognized with adequately controlled and budgeted accounting required.

### 3. Adequate Funding

Adequate funds should be provided either directly or through endowment prior to any commitments. Cyclical variations in operations due to improper funding, present problems that are magnified in this type of situation and are virtually insurmountable.

### 4. Specific Objectives Beyond Broad Purpose

No operation of this nature would be started without a broad general purpose, but this is insufficient unless it is translated into detailed goals with the capability of being measured against performance on a time schedule.

### 5. Short-Term Completability

Measurable success of a specific phase of operations must come within a relatively short period (preferably two years, not over five years) due to political changes and lack of the capability of nationals involved to view long range concepts.

### 6. Maintain Proximity To Nationals Culturally And Technologically

The original cultural and technological gap must not be too great. After establishment, leadership position can be maintained culturally and technologically but the gap must not be large and the nationals must be capable of understanding the gap in order to follow.

### 7. Management Relatability And Empathy

It is necessary for management to view nationals as equals, study

their culture, attempt to understand it, and relate to it where scripturally permissible, rather than attempting to change it.

#### 8. Isolation Not Always Best

While isolation may present a more immediate missionary opportunity and may create built-in property values, it also creates significant problems in supporting supply lines, market access for business operations, and in emphasizing the dangerous technological and cultural gap with the nationals. A decision to establish base operations isolated from civilization must, therefore, be weighed carefully.

#### 9. An Unusual Balance In Management

Due to the dual nature of the project in combining business and Christian missions, the on-the-site manager must have the capability of being both "hard-headed" and "soft-hearted" and must have a delicate balance between them with the judgment and discernment required in their use.

#### 10. Scriptural And Spiritual Motivation And Guidance

All of the above are absolutely necessary in the absence of specific and definite scriptural or spiritual guidance otherwise. In addition, the overall motivation must be to influence individuals toward Christianity and the overall management guidance should come from God and from a relationship to Christ that will make everyday business oriented decisions meaningfully related to the overall success of the project.

These conclusions, while possibly debatable, are specific and meaningful. They point the way to the availability of a much greater success from similar projects in the future. This is not to say that either the Liberia project or the Peru project was not a success. Each in its own way created a tremendous impact on the country. Each accomplished many of the basic purposes for which it was established and each left behind not only a more highly developed area of the nation, but also left behind a people with more maturity, experience and faith than they had possessed previously. Those personnel who had the privilege of participating in these projects, including the writer himself, have also been enriched by the experiences, the challenges, the insights, and the maturity they have gained in the process.

Thus, while the commercial aspects of the projects might not have returned the business economic values intended, they did return much in the form of national economic, cultural, emotional and spiritual values.

If a study or research such as this work had been available when these projects were begun and had been followed as a guide in their development, it would probably have resulted in a much greater success. Their success could have been so great that a new method of development of Christianity, hand in hand with business, might have begun a substantial impact on the growth of new nations and in the affairs of world peace.

#### EFFECT ON FUTURE MISSIONARY METHODS

It is not yet too late for such an impact to begin. The research accomplished in this dissertation and the concepts set forth from the

lessons learned in the projects studied can yet inspire the carrying out of another project of this nature with the success and impact on the world that it deserves.

Christian missions, as pointed out in Chapter V, are extremely broad in scope involving hundreds of organizations, thousands of people and millions of dollars. Within this broad scope it is very tightly structured. Each organization has a specific job they are attempting to do in a specific way in specific places. Each, of course, feels that they are "called" to do their job in their place in their way and as a result are not greatly open to the suggestions or opinions of others or the changes that are taking place around them.

There are exceptions, of course, for there are a few organizations that are honestly trying to keep in step with the times, making adjustments in their programs regularly to adapt for a more effective operation without compromising on the basic message of Christianity that they proclaim.

It is for those who will read, listen and keep tuned to the times, that this research will be of the most value. What has been said in this work may be things of which the readers are already aware. The reinforcement of them through the case studies presented in the Liberia and Peru project should, however, give added impetus and weight to their importance.

The missionary methods used by the projects themselves did not vary greatly from those of most mission organizations. Using them within the framework of a business operation, however, opened new avenues of possibilities as well as giving an opportunity to analyze them in a different light. The spectrum of missionary opportunities



developed in Figure 7 on page 31 does not alter or detract from the conventional methods but opens up an understanding of them.

The impact that this research can and should have on those who are open to change and adjustment is two-fold:

1. It should, through the spectrum presented in Figure 7, page 31, and the analyses accompanying it in Chapter V, and throughout this work, broaden the scope of effort open to them and present additional opportunities and challenges for Christian missionary work.
2. It should, through the case studies and critical elements discussed, guide them in avoiding some of the pitfalls encountered in these cases so that the work entered into can be more effective.

It is this writer's earnest hope that this research will be so used and that the work of God and the message Christ has proclaimed might penetrate deeper into the non-Christian world because of it.

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APPENDIXES

## FOREWARD TO THE APPENDIXES

For the reader who wishes to delve more into the detail of the Peru and Liberia projects, several documents related to their formation and later evaluation of the projects are presented in the Appendixes. The original contracts with the governments involved are reproduced in full (Appendix A - Liberia, Appendix D - Peru). The personnel policies are also reproduced in full (Appendix B - Liberia, Appendix E - Peru). The other appendixes are selected material from comprehensive reports made on the projects in their later years. These reports were written specifically for the purpose of evaluation of the then present status of the project and to make decisions regarding the future. Most of the material in these reports was written by the writer during his visits. Appendix C is a 1966 report on Liberia, Appendixes F and G are 1966, and 1968 reports on Peru.

APPENDIX A

EXCERPTS FROM  
AN ACT TO CREATE AND ESTABLISH  
LeTOURNEAU OF LIBERIA, LTD.  
AND TO DEFINE ITS POWERS

CHARTER OF  
LeTOURNEAU OF LIBERIA, LTD.

PREAMBLE

In order to provide an instrumentality for serving and carrying out the LeTourneau Liberian Program, and pursuant to the laws of the Republic of Liberia duly enacted, an incorporated company is hereby formed with the liability of its members limited to the amount unpaid on the respective shares, which company shall be governed by the following provisions under the name and style entitled, "LeTOURNEAU OF LIBERIA, LTD."

IT IS ENACTED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE REPUBLIC OF LIBERIA IN LEGISLATURE ASSEMBLED.

ARTICLE 1. The name of the corporation shall be "LeTOURNEAU OF LIBERIA, LTD."

ARTICLE 2. Location of Office. The principal office of the company shall be located in the City of Monrovia, County of Montserrado, Republic of Liberia; provided, however, that upon the legal establishment of the Town of Tournata, Republic of Liberia, such town shall then be the principal office of the corporation. The corporation shall have the right to establish, maintain and terminate offices and branches



anywhere within the Republic, or in any other country.

ARTICLE 3. Rights, Powers and Privileges. The company shall have all the rights, powers and privileges granted by Act of Legislature entitled "An Act Approving the Statement of Understanding Entered Into the 27th day of February, A. D. 1952, by and between the Government of the Republic of Liberia, hereinafter called the "Government," and R. G. LeTourneau of the State of Texas, of the United States of America, providing for the incorporating of LeTourneau of Liberia, Ltd., reference to which statement of understanding is hereby made a part hereof as if fully incorporated herein."

ARTICLE 4. Object. The nature of the corporation's business and objects are:

- (a) To plant, produce, farm, cultivate, and to raise any crops, grains, rubber, cocoa, palm oil, trees, fruits, coffee, fertilizers, or any products of any kind or character, and to buy and sell the same and to process, condition, refine, market and manufacture.
- (b) To engage in the timber, tree and lumber business, and to plant, cut, saw, process, and to do all and every act in connection therewith and to buy and sell the same, and to market, process, condition and manufacture the same or any products thereof, in conformity with presently existing laws relating to lumbering.
- (c) To engage in religious, philanthropic, educational, and scientific work, including all phases of missionary work, and all things necessary in connection therewith as are appropriate and proper under the Constitution and Laws of the

Republic of Liberia.

- (d) To prospect for, mine, melt, refine, produce, buy and sell any and all ores and minerals, and to manufacture and market products therefrom, including but not limited to the smelting of iron ore within Liberia and doing all things necessary for the processing, refining, fabricating and manufacturing of products made from iron.
- (e) To acquire by purchase, lease, concession or in any other manner, and to mortgage, lease, sell or otherwise dispose of mines, mining lands, mineral properties or any interest therein, water courses, water and other rights, power plants, transmission lines, communication systems and franchises or concessions therefor.
- (f) To construct, purchase, lease, or otherwise acquire, maintain and operate refineries, buildings, laboratories, stores and warehouses, hydro-electric works, electrical installations for light and motive power, telegraphs, telephones and radio installations, railways and other kinds of transportation systems for the transportation of passengers and freight within and without the Republic of Liberia, and ships, lighters, dredges and docks, subject to Article 32 of this Charter.
- (g) To make and enter into any arrangements with any government or municipal authority or with any corporation, association or person which may be deemed for the benefit of the company for any of its purposes; to obtain from any such authority, corporation, association, or person, or otherwise to acquire, any powers, rights, privileges, immunities, franchises,

guarantees and concessions, to hold, possess, exercise, exploit and dispose of the same and to undertake and prosecute any business dependent thereon or related thereto; and to cause to be formed and aid in any way in the formation of any corporation, domestic or foreign, for any of such purposes, except in Liberia where the Corporation will deal solely with the Central Government for immunities and concessions.

- (h) To manufacture, purchase, or otherwise acquire, possess, mortgage, pledge, sell, assign and transfer, or otherwise invest, trade and deal in and with goods, wares and merchandise and real and personal property of every class and description, subject to applicable laws of the particular country.
- (i) To acquire, and pay for in cash, stocks or bonds of this corporation or otherwise, the goodwill, rights, assets and property, and to undertake or assume the whole or any part of the obligations or liabilities, of any person, firm, association or corporation.
- (j) To acquire, use, assign, lease, grant licenses in respect of, mortgage, or otherwise dispose of letters patent of the Republic of Liberia or any foreign country, patent rights, licenses and privileges, inventions, improvements and processes, copyrights, trademarks and trade names, relating to or useful in connection with any business, company, partnership or association organized under the laws of the Republic of Liberia or any other country, nation or government, or

created or issued by any governmental subdivision, and, while the owner thereof, to exercise all the rights, powers and privileges of ownership.

- (k) To borrow money, and to issue, sell, pledge, or otherwise dispose of shares of stock and bonds, notes and other evidences of indebtedness, secured or unsecured, and to mortgage the franchises, the real property of the company and the income and profits accruing to it, in order to secure payment of any or all of its bonds, notes or other evidences of indebtedness, in whole or in part.
- (l) To purchase, hold, sell and transfer the shares of its own capital stock; provided it shall not use its funds or property for the purchase of its own shares of capital stock when such use would cause any impairment of its capital; and provided further that shares of its own capital stock belonging to it shall not be voted upon directly or indirectly.
- (m) To conduct its business in all its branches, to have one or more offices, to carry on all or any of its operations and business in the Republic of Liberia and in any foreign country, subject to the laws of such country.
- (n) To lend its funds and to make advances to any other company, partnership, person or association, upon the security of property, assets and effects, on such terms as the Board of Directors may deem expedient.
- (o) To enter into any arrangement for sharing profits, union of interest, reciprocal concession, or cooperation with any person, partnership, association, or corporation carrying on

or about to carry on any business which this company is authorized to carry on, or any business or transaction necessary or incidental to carry out the purpose of this corporation.

- (p) To create and operate any business of any lawful nature, in the form of corporation, partnership, association, or otherwise, specifically, but without limitation, including banking, insurance and public service enterprises of any type, and entertainment, provided that the formation of banks and insurance companies to operate in Liberia are established in conformity with presently existing statutes especially dealing with such operations.
- (q) To act in any capacity as fiduciary, agent, representative of the Government of the Republic of Liberia, or otherwise as may be found useful or appropriate.
- (r) In general, the corporation shall have the power to do any and all things necessary or appropriate to carry out the rights, powers and privileges granted under the Act of Legislature entitled "An Act Approving the Statement of Understanding Entered Into on the 27th day of February, 1952, by and between the Government of the Republic of Liberia, therein after called the Government, and R. G. LeTourneau, Providing for the Incorporation of LeTourneau of Liberia, Ltd.," and to do any and all things set forth as its objects and to exercise all the powers which under the laws of the Republic of Liberia may be exercised by the corporation, to the same extent and as fully as a natural person might or could do,

as principal, agent, contractor, or otherwise, and to carry out all or any of the foregoing objects as principal, agent, contractor, or otherwise, and by and through agents, sub-contractors, or otherwise, and alone or jointly with any other person, partnership, association, or corporation, and to do all and everything necessary or incidental for the accomplishment of any of the purposes or the attainment of any one or more of the objects herein enumerated or incidental to the powers herein named, or which shall at any time be necessary or incidental for the protection or benefit of the corporation.

The foregoing clause shall be construed both as objects and powers; and it is hereby expressly provided that the foregoing enumeration of specific powers shall not be held to limit or restrict in any manner the powers of the corporation.

ARTICLE 5. Domicile.

ARTICLE 6. Duration.

Corporate Capital:

ARTICLE 7. Capital Stock.

ARTICLE 8. Liability of Shareholders.

ARTICLE 9. Form of Shares.

ARTICLE 10. Equality of Shares.

ARTICLE 11. Transfer of Shares.

ARTICLE 12. Issue of Additional Shares.

ARTICLE 13. Nationality of Shareholders.

Shareholders Meetings:

ARTICLE 14. Meetings of Shareholders, Notices.

ARTICLE 15. Proxies.

ARTICLE 16. Quorum.

ARTICLE 17. Powers.

Board of Directors:

ARTICLE 18. Number and Duration.

ARTICLE 19. Powers.

ARTICLE 20. Directors Meetings.

Officers:

ARTICLE 21. Officers of the Company.

ARTICLE 22. Duties of the President.

ARTICLE 23. Duties of the Vice President.

ARTICLE 24. Duties of the Secretary.

ARTICLE 25. Duties of the Treasurer.

ARTICLE 26. Manager.

ARTICLE 27. Other Officers and Agents.

Accounts:

ARTICLE 28. The accounts of the company shall be closed as of the 31st day of December of each year, and as of that date a balance sheet shall be prepared clearly showing the assets and liabilities of the corporation and the profits obtained or losses suffered during the preceeding fiscal year.

ARTICLE 29. Reserve Funds. Out of the net profits obtained in any year the Board of Directors may set aside such reserve fund or funds as it may consider advisable.

ARTICLE 30. Dividends. The balance of the net profits remaining after setting aside the reserves mentioned in the preceeding Article

may be distributed by the Board of Directors among the shareholders as dividends in the manner and at such times as the Board may determine, unless the Board should decide to make no distribution of all or part of such balance but determine to apply the sum to increasing the business or facilities of the corporation. These provisions are subject to the limitations in the State of Understanding.

ARTICLE 31. Taxation. The corporation shall have the right to import free from all customs, duties, tariffs, and all other local and general taxes, all materials, equipment, and supplies for construction and operational purposes which it may import for or in connection with the works which the corporation has the right or obligation to undertake in its program. The corporation may also export free from all customs, duties, tariffs, and all other local and general taxes, all of the products of its development refined in Liberia. This exemption shall not apply to semi-refined metals or minerals, nor to finished precious metals. It is not the intention of the corporation to export raw or unprocessed resources or materials from Liberia, but, if it should become advisable to do so, a fair and equitable compensation to the Government will be agreed upon, which compensation shall be no higher than the then current rate being paid in Liberia by others. Said exportation may be effected from any port habilitated for the commerce of importation and exportation or from private loading berths or piers, situated at other points on the coast, always with the right of the Government to control all such operations, subject to the laws and regulations of the Republic of Liberia relating thereto. The Corporation shall be exempt from any taxes or imports of any kind or character except income taxes. The Corporation shall be granted such



licenses without cost as are at present required to operate radio stations, communication facilities, power development and power distribution programs for the sole use of the corporation and such other parties as may be determined by mutual agreement, and for any roads that may be built pursuant to mutual agreement, upon such conditions as may be agreed by the Corporation and the Government. If the Corporation engages in the buying and selling of products not produced, processed, or refined by it, including goods, wares, and supplies imported for sale from selling agencies, trading companies, hotels and distributorships, it shall be subject to the same imports as other so engaged within Liberia.

ARTICLE 32. Installations. The corporation shall have the right to construct and operate within and without its premises roads, railroads, cable-roads, aqueducts, pumping stations, pipelines, refineries, warehouses, storage places, selling agencies, trading companies, hotels, housing facilities, office buildings, assembly plants, distributorships, port works, wharves, landing places, shipping terminals, hydro-electric works, electrical installations for light and motive power, telegraphs, telephone and radio installations for its exclusive use and in general all installations which the corporation may consider necessary or advisable for carrying out its program, provided, however, that any of the above installations may be made use of by the public upon the Government of the Republic of Liberia's request, upon such terms as may be agreed upon by the parties.

ARTICLE 33. Concession Granted. The Republic of Liberia grants to the corporation a concession for the development of areas and plots of land within the Republic of Liberia, the geographical boundaries

of which will be subsequently determined by mutually acceptable surveys, which for the purpose of general definition, shall consist of 500,000 acres of land in the Baffu Bay area from the Atlantic Ocean interiorward in such location as the corporation may consider adaptable for the particular type of project to be operated. The corporation shall have the right to remove all minerals and to do all necessary steps in connection therewith, upon special agreement to be concluded between the corporation and the Government. The terms of this concession shall be for a period of eighty (80) years from the time that such concession is formally granted by the Republic of Liberia. Beginning on or before one (1) year from the formal execution of the agreement between the Government and the Corporation, the latter shall select that part of said lands above described which it will start developing as may be convenient and in accordance with the economical and progressive development of said holdings; and said corporation shall upon selection notify the government of such selection and the boundaries thereof, in writing, and shall begin the payment of rentals upon a total of not less than 50,000 acres at six cents (6¢) per acre in the Baffu Bay area. Said rental of six cents (6¢) per acre shall, subject to the provisions with reference to the removal of minerals, entitle the corporation to make any use of said lands it desires, including the removal and cutting of timber, without any further rental payment of any kind or character. As and when the corporation shall take the possession of land selected by it under this agreement, the corporation shall yearly thereafter in advance pay to the Government as rental therefore at the rate of six cents (6¢) per acre per annum, which selection shall also be in writing, describing said acreage to be so

selected. Said rental payments to be paid in any coin or currency which at the time of payment is legal tender for public and private debts in Liberia on all lands currently developed. The corporation will develop the balance of said acreage of 450,000 acres at its option, and as soon as the corporation has developed the first 50,000 acres of land hereinabove described, corporation agrees to make every reasonable effort to develop said lands, but it is understood and agreed that it will be done only at its option and as the same can reasonably be done, provided, however, that the total acreage granted in the concession shall be cultivated and developed within thirty (30) years after the granting of the concession. Failing to develop all residue of lands not developed shall become public lands of the Republic of Liberia and a part of the public domain. Rentals shall cease upon acreage excluded by the corporation as unsuitable for agricultural purposes, lumbering, or any other usage in the opinion of the corporation, from the date of exclusion by corporation, and such excluded land shall automatically revert to the dominion and control of the Government. Development for the purpose of this agreement shall mean improvement of the ingrees and egresses to said lands, and the planting of agricultural and other products, and in case of minerals, the exploitation thereof. This provision shall be construed liberally. After the development of said 500,000 acres of land, a concession for additional acreage shall be granted on the same terms and conditions and in such amounts as may be mutually agreed upon by the parties. The corporation in addition has a right to develop other acreage in other locations upon the same terms and conditions and in such quantities as may be mutually agreed upon as part of the original 500,000

acres of land to be granted.

ARTICLE 34. Policies. The corporation shall not import unskilled labor for the carrying out of any operations, development or maintenance undertaken by it by virtue of this program, except in the event that the local labor supply shall prove inadequate for its needs, and in such event the corporation shall undertake to import only such foreign unskilled labor as shall be acceptable to the Government. The corporation shall train as many Liberian citizens to fill as many positions as may be practicable to the operation. Subject to the foregoing restriction, all persons deemed by the corporation to be required for the prosecution of its work, including executives, officers, and engineers, consultants, technicians, skilled, semi-skilled and unskilled labor, shall be granted permission to enter and reside in the Republic of Liberia and depart therefrom, subject to the laws and regulations appertaining to entry into and exit of foreigners from the Republic. The Government agrees that it will encourage and assist the efforts of the corporation to secure and maintain an adequate labor supply and will use its officers to prevent infiltration of radical elements that would cause interruption of the corporation's activities or stop production and be dangerous to the peace of the Republic. The corporation will inaugurate a training program for Liberians and will use its best efforts to train as many as possible in the various operations in which the corporation engages. It is understood that this section may be amplified to include private elementary and technical schools as the corporation sees fit. The corporation pledges a policy of friendly cooperation with the Government and people of the Republic of Liberia, and the Government accepts

such pledge and warrants its cooperation and assistance in promoting and furthering this relationship. The corporation further warrants that it will not sponsor, support, advocate or participate in any program or activity inimical to the best interest of the Government of the Republic of Liberia.

ARTICLE 35. Arbitration.

ARTICLE 36. Assignment.

ARTICLE 37. Renewal of Concession. At the expiration of the eighty (80) years hereby demised under the corporation, the contract may be renewed for an additional term of years on such terms and conditions as both parties may then agree upon. In case no agreement can be reached, then and in that case, the corporation shall hand over all mines, plantations, plants of every kind, installation and other equipment of every kind and nature used by them in the operation of all projects which have not been or cannot be removed from the Republic within ninety (90) days following the expiration or cancellation of the concession, except the Government shall pay to the corporation the fair value of such installations and equipment.

ARTICLE 38. Warranties.

ARTICLE 39. Identity of Incorporators.

ARTICLE 40. Applicability of Liberian Corporation Law of 1948.

ARTICLE 41. Separability.

ARTICLE 42. Lapse of Charter Rights.

ARTICLE 43. Amendment to Charter.

ARTICLE 44. This Act shall become effective immediately and be published in handbills.

ANY LAW TO THE CONTRARY NOTWITHSTANDING.

## APPENDIX B

### GENERAL PROJECT POLICIES

LeTourneau of Liberia, Ltd., was established to carry out the missionary vision of Mr. R. G. LeTourneau who has been immensely interested in missions for many years. It is, as it were a crowning achievement to a life devoted to the supporting of missionaries all over the world. It is, therefore, a project that is based on spreading the gospel by the means of a self-supporting organization. The development of the land agriculturally cannot be done on a short-term basis. Thus the project is intended to cover at least the 80 year terms of our present lease.

1. It is fully intended that all individuals should also be on a permanent basis. However, personalities and circumstances must be taken into consideration and therefore those individuals that would not seem to fit into the project would necessarily not be retained.
2. The terms of service are to be 24 months, with a two month vacation, plus travel time to and from the States. Vacation traveling expenses to and from the individuals home will be paid for by the company.
3. If, however, an individual insists on returning home before the scheduled vacation, he must provide for his own transportation, except in a case of extreme emergency.

## PREPARATION FOR SERVICE

The company shall provide for all expenses in connection with the necessary preparation for departure to Liberia. This includes such items as: inoculations, passports, freight on personal and household items, traveling expenses to port of embarkation, and ocean travel to Tournata, Liberia. It will be necessary to be pronounced physically fit by a competent medical doctor for service in the tropics. The expense of this examination will also be paid for by the company.

## INDIVIDUAL PROVISIONS REQUIRED

The following are listed as general items required for service on the project LeTourneau of Liberia, Ltd:

1. Household Items
  - a. Cooking utensils, dishes, silverware, glassware, etc.
  - b. Linens and towels
2. Personal Items
  - a. Clothing and shoes
  - b. Personal toiletries

## SPIRITUAL STATUS

The following spiritual qualifications must be met:

1. Missionary Basis. Born again, separated men and women with a definite missionary call.
2. Technical Basis - Permanent. Born again
3. Technical Basis - Temporary. The circumstances of the project may require special technical skill of men within or without our organization who are not Christians. It may be necessary to use these

men in order that the whole project can progress thus making the missionary program possible.

#### AGE OF ALL GROUPS

It seems as though it is difficult for most individuals to make drastic adjustments when along in years. It, therefore, seems that we should employ those who are under forty years of age wherever possible. This is especially true in the case of women. However, if individuals would seem to fit into our program particularly well, this age limit clause could be waived.

#### SALARY

1. Missionary Basis
  - a. \$50.00 per month per adult
2. Technical Basis
  - a. This would of necessity vary due to the circumstances in each case. The skill and type of work would determine the remuneration.

#### SUBSISTENCE

1. Missionary Basis
  - a. Housing provided
  - b. Furniture provided
  - c. Food provided
  - d. Medical services provided
2. Technical Basis - Permanent
  - a. Housing provided



- b. Furniture provided
  - c. Food made available
  - d. Medical services provided
3. Technical Basis - Temporary
- a. Housing provided
  - b. Furniture provided
  - c. Food provided
  - d. Medical services provided

#### INSURANCE

1. Missionary Basis
- a. A \$3,000 - \$5,000 policy provided by the company and paid for out of our Peoria office.
  - b. If, however, an individual already has a policy in force but cannot continue to pay the premiums on the missionary salary, he will then be paid an amount equal to the above policy calculated at a maximum age rate of 30 years.
2. Technical Basis
- a. No insurance provided

## APPENDIX C

### REPORT ON LIBERIA

#### INTRODUCTION

This report deals with the present status and future possible avenues of action concerning the development of the Liberia project. In February, 1966, Richard H. LeTourneau and Nels E. Stjernstrom visited the project for the purpose of evaluating the present status and gathering information on which future decisions could be based concerning the operation. At that time, no United States based management personnel had visited the project in approximately five years.

Nearly one week was spent at the base of operations in Tournata, three days were spent at a Bible conference in the village of Trah, deep in the interior of Liberia, and three days were spent at the project office in Monrovia. While in Monrovia, the party had an audience with the President. At various times during the two week period the project was discussed at great length with project manager, Walt Knowles, and other operating personnel of the project, as well as with several missionaries not connected with the project but who had been in a position to closely observe the operations for a number of years.

Although the time spent in Liberia was very brief considering the scope of the project and its potential, it was realized very forcibly by the visiting party that decisions cannot be made from stateside without firsthand detailed information and evaluations by operating

personnel. Every attempt was made to secure as much information as possible and it is believed that, through the cooperation of Walt Knowles and assistant manager, Max Lange, sufficient information was obtained for the evaluation and report herein presented.

This report will not attempt in any way to analyze what has transpired in the fourteen years of operation of the project. Much experience had been gained from this operation, even from mistakes that may have been made. On the other hand, a great deal of good has been accomplished as evidenced by the present facilities at Tournata, the twenty six national pastors and four evangelists which the project supports, and the schools and clinic which are in operation at Tournata.

This report will, however, outline the potential of the project in several different directions and point out some of the factors which must be considered in making decisions concerning future operations. It is obvious to all concerned that some decisions must be made. To limp along with currently available funds and attempt to continue the present level of work would be disastrous indeed. Therefore, this information is presented (with some alternative recommendations) to assist in making those vital decisions so that the best conclusions may be reached with reference to this work of the Lord in Liberia.

The narrative and outline presented is an attempt to both convey the heart-throb of the work and to bring items to mind that are important or that should be considered in the area identified. The cost figures used in the missionary work in Section V are documented in more detail in Section XII and are figured at a bare minimum required to maintain the work at approximately the present level. This was done so that whatever adjustments in income might be necessary could be indicated

so that a specific function could be reduced, discontinued or increased and everyone be aware of this adjustment.

## II. CURRENT FINANCIAL STATUS

Present financial status and costs of operations using the first eleven months of 1965 as a basis for the monthly operational costs are briefly outlined below.

### Assets - January 31, 1966

Cash and Receivables		\$ 20,000
Inventories (mostly equipment parts)		60,000
Land Improvements (mostly roads)		147,000

#### Depreciable Assets:

Buildings	\$120,000
Medical Center	25,000
Other Equipment & Assets (mostly heavy equipment and aircraft)	<u>342,000</u>
TOTAL	\$487,000
Less Depreciation Reserve	<u>331,000</u>

Book Value	156,000
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#### Assets and Inventories in USA:

Steel Bridge - Longview	10,000
Army Tanks - Longview	50,000
Sawmill - Vicksburg	<u>116,000</u>

	<u>176,000</u>
TOTAL ASSETS	<u>\$559,000</u>

### Liabilities - February 28, 1966 - projected

Accounts Payable - January 31	\$ 42,000
Notes Payable - January 31	14,000
Additional Payables, February	<u>14,000</u>

TOTAL LIABILITIES	<u>\$ 70,000</u>
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(\$10,000 note and \$4,000 more payables accrued in February).

Net Worth In Liberia

Assets	\$559,000
Less Liabilities	-70,000
Less Assets Still in USA	<u>-176,000</u>
NET WORTH	<u>\$313,000</u>

Monthly Operational Costs (11 Months, 1965)

Local Income	\$ 74,000
Total Expenses	\$191,200
Less Depreciation Charged	<u>-38,500</u>
Net Out-of-Pocket Expenses	<u>152,700</u>
NET OUT-OF-POCKET LOSS (11 months)	\$ 78,700
Monthly Cash Requirements (\$78,700/11)	<u>\$ 7,150</u>

## III. IMPRESSIONS AND PRESENT STATUS

(By Nels Stjernstrom)

We arrived in Tournata on Saturday, February 5, 1966. I stood at Baffu Bay and tried to imagine the feelings of Mr. R. G. LeTourneau when he first stood there as the founder of that work. I wondered to what extent what we would see would be a fulfillment of his vision.

Sunday morning, with camera in hand, I visited each Sunday School class. What a joy to see all those classes of black-skinned natives, over 250 that day, studying the word of God. They had forsaken their Gods for the true and living God.

At the morning service the church was nearly filled. They sang the hymns of faith, as well as their own dialect songs, all to the praise of God. Prayer was offered in English and in the native tongue, but God understood. He promised that where two or three are gathered in His name He is in the midst.

I brought the morning message with Chaplain Abraham Barclay as interpreter. When a point especially precious to him was made he'd add an "Amen, Praise the Lord." I was amazed at his knowledge of the scriptures. It was heart warming to worship with them. They were in no hurry to go home. They stood around with copies of the latest NOW in their hands. That issue carried pictures and a story about Tournata. Not only had the Gospel come to them, but for many, it had meant the opportunity to learn to read.

At the evening service Richard LeTourneau preached and his son, Gil, gave his testimony. Mr. R. G., Richard and Gil represent three generations, loving the Lord, serving Him and having a part in the Gospel work at Tournata.

The 14 days spent at Tournata and Liberia presented some "Strange Contrasts." Walter Knowles and his family left no doubt about their committment to the Lord. They told us about the satisfaction in seeing the natives come to faith in Christ and grow in Him. True joy was seen in this part of the work. Two native girls sat with us at the meals. One girl had been taken into their home. Was she a servant in the house? Yes, in a sense, she helped Mrs. Knowles. There was another reason for her being there, however. English troubled her so they invited her in to be exposed not only to the atmosphere of a Christian home but also exposure to English. The other girl was the daughter of a native woman and a Danish father. She had once lived with them. She had returned for a visit of appreciation. Steve and Mary, teen age children of Mr. and Mrs. Knowles, accepted these natives as part of the family. Mary and the visiting girl were bed partners. The visit with them was a blessing indeed.

It was fortunate that we had 14 days to spend with the Knowles and several days with German born, Max Lange and his wife. Max joined the LeTourneau organization when he worked on the road project at Cape Palmas. He was not a Christian then, but through the ministry at Tournata and Mr. Knowles, he came to faith in Christ. Today he is thankful for Tournata. It changed his life. When later we discussed the future of Tournata he said he wanted always to see the work of the Gospel continue. His interest is there.

I have already said that the 14 days were days of "Strange Contrasts" for though we found these expressed joys we also found discouragement and weariness.

Both Walt and Max have caught the spirit that "never" says, "It can't be done." If they have confused it with the exercise of judgment they still want to say, "It can be done." But, the long siege of financial, personnel and other problems has worn them down. Some attempts at lumbering, shipping, land clearing, chickens and cattle have been made but with discouraging results. They expected iron wood in abundance but actually they find the trees rather scattered thus increasing the cost of logging. Only about one in five will produce quality lumber. The rest is spoiled by the borers. The logs brought to the mill have so much "stress" built into them that it is difficult to produce straight lumber. Yet these men will not allow that alone to discourage them.

The equipment is now quite old. They have rebuilt, patched, combined and temporized so long that it is like another straw on the camels back. Again they say, "We won't let this alone discourage us but it is wearing us down." Since they have no machine suited to

removing the logs from the jungle they resort to using the tree crusher as a logging tractor and that becomes expensive. The Army tanks throw their tracks in such rough, tight places.

The roofs of the buildings are in need of repair. The rain now gets under the roofs and rots the wood. They consider repairing them but lack funds. Again, they brace up and say, "This alone shall not defeat us," but the discouragements are increasing. Then there is the heavy loss of ships which has marked the years and hampered the work. Just now they have gone through such trying times in attempting to restore the present ships to operation.

The chicken business was attempted, really against Walt's better judgment. It came to an unhappy end because the government ruled against the sale of eggs in Monrovia. A Liberian Cooperative was set up for buying chicken feed and a rule was made that all imported feed must be bought through them. This meant that there was no control of supply and, therefore, difficulty in obtaining enough feed on time that was not spoiled. This resulted in expensive transportation by plane lest they would be without feed. Finally, the chicken business had to be closed. Neither Walt nor Max feel that even this alone should be allowed to discourage them but it is the accumulation of discouragements that weakens them and pulls them down.

Add to this the pressure of constant supervision of native workers to obtain just a fair day's work out of them, or the present debt of between seven and eight thousand dollars for fuel that has been used, or the more than seven thousand owed for stock in the store, or the four years of back rent owed to the government. No one thing seems insurmountable to them but added together they take the heart out of Walt and Max.



One cause for much discontentment among the native workers is the recent forced practice of paying them in part with Tournata script. Since the store, due to lack of funds, is not well stocked, and since this script must be redeemed there, the workers are in a constant stew. This requires hours of Walt's and Max's time to pacify them. In fact, this, plus the hearing of other grievances, so upset Max that he moved to Monrovia on December 1, 1965. Now Walt must face this constantly.

Other problems are stated in the study which is presented but I have pointed out some of these to give some idea of what is causing Walt and Max to feel so frustrated.

Let me say it and say it loudly and clearly. "It is not one certain thing that almost defeats them but it is the accumulation of so many, and the ongoing lack of funds to meet them, that bothers them."

As we discussed various commercial projects that might produce revenue, Walt and Max entered the discussions with eagerness with ideas of what they would like to do and how it might be done, only to remember the frustrations of the past and feel that unless the funds needed could be assured it would result in another failure. They are tired and discouraged. The last day we were there, Walt went to the bank and borrowed ten thousand dollars to meet a part of the payroll and to pay a bit on the grocery bill and the fuel bill in order that they might be able to limp along again for a few days. But, he was discouraged because the only way he could get it was by promising it would be paid in sixty days with no request for an extension. He got it on his personal promise to see that it would be paid. Of course, he was uneasy about it since this raised indebtedness to over \$70,000 (\$60,000 of which is overdue).

They are asking if they are unrealistic in allowing the work to continue and if we should charge them with poor judgment or lack of ability to manage. They would be the first to agree to let some other person try it. They would, however, beg that the mission work should not fail.

Walt said with a sigh (and he sighs so often), "I was so glad to hear that Richard was coming. I had hoped it would be in November. When it was delayed until February I wondered how I could hold out. These decisions without money seem impossible. Someone must help in deciding what to do. This can't go on. I've thought about it so much that my mind now goes in circles. I can't bring myself to a solution."

Walt is also suffering from malaria attacks and physical weariness. This, in turn, works on his wife and finally involves all our stateside employees. They need help in a decision.

We would never have been able to learn of these heartaches had we just paid a short visit because they are not a complaining people. They want to be optimistic and it was only through many conversations at different times that we got the broader picture.

But as I said before, the fourteen days were days of "Strange Contrasts." We spent three days deep in the jungle in a conference with the pastors, evangelists and native Christians. Here we saw Walt, the man weary and worn with cares brighten up. His wife said it was these times that kept him going. He, together with us, stayed in a native house with mud floors, no glass or screen in the windows, no conveniences, outdoor cooking, cockroaches and spiders in abundance, and an invasion by the driver ants that absolutely covered the beds, the floor and the ground. None of these dismayed him. He saw only nineteen pastors and

evangelists and the natives whom he had come to love dearly. Think of it. On Sunday morning over six hundred men, women and children and a baptismal service with a whole church attending. They made the jungle echo and re-echo with praise to God. Some had walked several days to attend the hastily called conference. The first message was about thirty minutes in length. They begged that they might have an hour at least. As we heard Walt speak to them we realized that he was one of them. He knew their problems and temptations and counseled them from the word of God and his years of experience. Here, also, he had to listen to their problems. In fact, one day all the time from the afternoon meeting until the evening service he heard their problems. Richard and I feared he would be downcast when he finally returned to us, but not so. He rose above these problems for the joy of seeing the accumulation of fruit from the Gospel.

Richard and I look back upon the "rugged" living of those days with thanks to God for the privilege of that experience in the bush.

Walt's wife said, "That's what he loves. That keeps him going."

We now face the question, can we do anything further? What should it be? Our concern is that we are enabled by God to keep values in proper balance.

Quite a sight it was, to see Richard, son of R. G., teach the word of God in the deep of the jungle raising "Amens" from the people and to hear Gil, R. G's grandson, testify to those who had gathered in Trau in the jungle as a result of the work established on Baffu Bay.

What shall we do?

The decision is ours!

## IV. CONCERNS EXPRESSED IN DISCUSSIONS

Exercise care not to rush into a commercial venture without knowing by a comprehensive study the following:

1. Extent of resources
2. Cost of processing
3. Equipment required
4. Kind of personnel
5. Availability of such personnel
6. Market potential
7. Transportation facilities required
8. Reliability of transportation facilities (chicken feed)
9. Source of funds
10. Proportion of funds and timing of funds availability
11. Management
12. Attitude of government

For all or any area they would like to first see that a study would be made to determine what potentials exist in regard to the following:

1. Available Raw Materials - Extent of Resources:
  - a. Iron wood less abundant than may be thought.
  - b. Borers reduce materials for a-1 lumber.
  - c. Built-in stresses in trees make straight boards difficult.
  - d. Fertility of the land while average, lacks potash, requires much fertilizer, wears out rapidly.
  - e. Cattle may be impractical. Lack of disease immunity in imported cattle, can cross-breed with native cattle only once in five generations. Processing plant involvement and

high cost of investment (\$50,000) to build up herd. Might take five years to be profitable.

- f. Misconceptions may have prevailed in the past in forests, chickens and cattle.
2. Cost of Producing Marketable Products. These Can't Be Estimated:
    - a. Short, dry season
    - b. Isolation of Tournata
    - c. Slow moving people, cheap but expensive labor
    - d. High power cost
  3. Equipment Required. A Necessity For Economy:
    - a. May require other than our own
    - b. Represents an immediate investment that is large
    - c. All related pieces are required at one time
  4. Kind Of Personnel Required. Ours Is A Unique Situation. Liberia Is Different From Vicksburg and Longview:
    - a. Demands high technical and decision making capability
    - b. Requires "hard nosed" management
    - c. Requires committment to Christian principles - a la LeTourneau
    - d. Requires aggressiveness, persistence, faith in and committment to the program.
  5. Availability Of Such Personnel. Living Conditions And Limited Renumeration Create Problems:
    - a. Described personnel not very available in Liberia.
    - b. Foreign men, especially United States, find greater financial returns at home or with companies like Firestone, etc., in Liberia.

- c. Missionary minded persons find difficulty in relating such management to "missions" to an extent that gives "missionary" satisfaction.
6. A Market Study Must Precede Any Expensive Move:
    - a. Where are the markets?
    - b. Accessibility, cost of getting to them
    - c. Stability of market (chickens)
    - d. Effect of government control (eggs, feed)
  7. Transportation Facilities, Area Is Isolated:
    - a. Absence of roads or railroad demands water or air transportation.
    - b. Swiftess of transportation at reasonable rates seems necessary.
  8. Reliability Of Transportation Facilities:
    - a. Ownership of both ships and planes is necessary.
    - b. High toll of ships on Liberia coast (not our experience only).
    - c. Funds and parts availability for immediate repair when breakdown occur.
    - d. Fuel for equipment and generators, constant need in large volume.
  9. Sources of Funds, Expenses Are Regular, Usually Monthly, The Sources Of Funds Must Be As Regular And As Reliable:
    - a. Present source is inadequate and irregular.
    - b. Commercial income would have to be developed over a period of time, not available now.

- c. Inadequate funds create costly borrowing, inefficient and ineffective use and management frustration.
10. Proportion Of Funds, Capital And Operational Planning Of Finances Needed:
  - a. Adequate initial capital
  - b. Realistic subsequent needs forecasted and provided for on time.
  - c. Necessary to prevent waste of both capital and operational funds.
11. Management, Responsibility Designation:
  - a. Someone in Longview must be knowledgeable on almost a daily or weekly basis on operations in Liberia.
  - b. Someone in Longview must be able to get immediate action and make immediate decisions.
  - c. An alternative would be to give general direction to the manager in Liberia and then give him the autonomy and funds to make nearly all decisions there.
12. Attitude Of Government, The Best In West Africa But Still Has Some Difficulties:
  - a. Heavily in debt, constantly seeking for new revenues.
  - b. Strongly nationalistic oriented with much discrimination in this regard (eggs, ownership, etc.).
  - c. Constantly changing legislation with regard to business operations and procedures.

## V. MAJOR AVENUES OF MISSIONARY WORK DISCUSSED

Most of the items listed below are now being accomplished:

	ANNUAL COST
1. Development of National Churches:	\$ 5,000.00
a. Support of evangelists	
b. Support of pastors	
c. Small help to churches	
d. Support and conduct conferences for pastors	
e. Teaching ministry among churches	
2. Operating Elementary and Junior High School:	10,000.00
a. Pastors daughters home	
b. Provide quarters and work for boys	
c. Expansion of coverage beyond immediate area (limited only by funds available).	
3. Operating Clinic:	12,000.00
a. Building, equipment, supplies, staff	
b. Expansion to in-patient hospital eventually	
4. Transportation:	18,500.00
a. Water transportation for supplies and nationals	
b. Air transportation for missionary service	
c. Air transportation for staff	
d. Air transportation, clinic and supply emergencies	
5. General Expense:	26,500.00
a. Electric Power (reduced basis)	
b. Director and one other missionary	
c. Legal and miscellaneous expenses (TOTAL)	\$72,000.00 per year



## VI. MAJOR AVENUES OF COMMERCIAL WORK DISCUSSED

The following possible avenues of commercial work were discussed to support missionary activity:

1. Operating Sawmill and Marketing Timber:
  - a. Survey of available marketable timber
  - b. Building access roads
  - c. Field crew and equipment
  - d. Sawmill crew and equipment
  - e. Water transportation for distribution
  - f. Handling of sales
2. Poultry and Egg Production:
  - a. Survey of present market supply and demand
  - b. Dressed and frozen chickens
  - c. Baby chicks
  - d. Eggs (legislation blocking this now)
  - e. Operating crew and facilities
  - f. Feed
  - g. Stable marketing operation
  - h. Air transportation for distribution
3. Beef Cattle:
  - a. Study of market supply and demand
  - b. Provision of suitable pasture
  - c. Building access roads
  - d. Equipment for pasture maintenance
  - e. Supplies and staff
  - f. Securing appropriate cattle or upgrading native cattle

- g. Slaughtering and processing beef (freezing?)
  - h. Transportation to market
  - i. Handling of sales and marketing
4. Commercial Coastal Shipping:
- a. Study of revenue possibilities
  - b. Adequate marine equipment and staff
  - c. Coastal freight
  - d. Coastal passenger service
5. General Farming:
- a. Study of soils and crop potentials
  - b. Clearing of suitable land
  - c. Building access roads
  - d. Soil conditioning
  - e. Proper equipment and staff
  - f. Marketing
6. General Merchandise Store At Tournata:
- a. Survey of sales potential
  - b. Buildings, equipment and staff
  - c. Incoming water transportation for merchandise
  - d. Sufficient local employment to maintain reasonable volume of sales
7. Monrovia Retail Business:
- a. Survey of types of business that have possibilities
  - b. Secure land, buildings, and staff
  - c. Sales outlet for R. G. LeTourneau, Inc.
  - d. Small construction equipment (Hanomag?)
  - e. Farm equipment (Farr?)

- f. Heavy hardware
  - g. General Motors diesel engine distributor
  - h. Supermarket
  - i. Use of Monrovia free port for trans-shipping to all of West Africa
8. Palm Oil Processing:
- a. Study feasibility surveys already made
  - b. Location not suitable for accumulating palm nuts (immediate future)
  - c. Location most suitable for plantation (long-range)
  - d. Cost of capital machinery and setting up
  - e. Technical personnel required
  - f. Raw material costs and market prices
  - g. Time element to get into production
  - h. Availability of capital
  - i. Marketing channels
9. Aluminum Utensil Manufacture (Spinning):
- a. Study feasibility surveys already made
  - b. Suitable location for obtaining raw material and for distribution
  - c. Cost of capital equipment
  - d. Technical personnel required
  - e. Availability of capital
  - f. Marketing channels
10. Rice Mill:
- a. Study feasibility surveys
  - b. Best location for handling bulk imported rice (immediate)

- c. Best location for handling Liberian rice (long-range)
  - d. Cost of capital equipment
  - e. Technical personnel required
  - f. Availability of capital
  - g. Source of raw materials, marketing channels
11. Small Steel Manufacturing Plant:
- a. Study feasibility of small rod and structural mill
  - b. Ten ton electric furnace and power source
  - c. Possible need for self-generation of power (4¢ per KWH)
  - d. Scrap availability
  - e. Feasibility of electric furnace direct reduction from ore
  - f. Technical study of rod and structural production
  - g. Cost of furnace and mill installation
  - h. Availability of capital
  - i. Loan possibilities
  - j. Availability of design and construction of furnace and mill  
in Longview
  - k. Time required for initial production
  - l. Time required for breakdown and profit
  - m. Market needs in Liberia and West Africa
  - n. Marketing channels

## VII. MAJOR AVENUES OF LARGE SCALE DEVELOPMENT DISCUSSED

The following avenues for large scale development were discussed:

- 1. Land Clearing:
  - a. Study potential use and disposition
  - b. Equipment, supplies and staff

- c. Access roads
- d. Sources of adequate capital funds and rate of availability
- e. Management of cleared lands
- f. Maintenance of cleared lands ("the jungle, she comes back")

2. Road Building:

- a. Determination of specific objective and use
- b. Equipment, supplies and staff
- c. Source of adequate capital and rate of availability
- d. Construction of major bridges or culverts
- e. Ownership of roads
- f. Maintenance of roads
- g. Possible partial or total remuneration for construction of roads

3. Iron Ore Exploitation and Steel Mill:

- a. Survey of available iron ore
- b. Location of and feasibility of removal
- c. Access Roads
- d. Equipment supplies and staff
- e. Availability and training of operating personnel
- f. Source of adequate funds and rate of availability
- g. Processing or disposition of ore
- h. Construction of community housing and facilities
- i. Land transportation of ore or finished steel
- j. Water transportation of ore or finished steel
- k. Electric furnace installation for reduction of ore
- l. Rolling mill installation
- m. Sales marketing and distribution

4. Heavy Manufacturing:
  - a. Economic feasibility study
  - b. Study of West African offshore oil possibilities
  - c. Plant, equipment, supplies and staff
  - d. Availability and training of operating personnel
  - e. Suitable location (free port area)
  - f. Source of power and utilities
  - g. Source of adequate capital funds and rate of availability
  - h. Product possibilities
  - i. Offshore platform construction needs
  - j. Small part manufacturer for R. G. LeTourneau, Inc.
  - k. Source of steel and other raw materials
  - l. Distribution channels
  - m. Sales and marketing

VII. FACTORS TO BE CONSIDERED IN THE CONTINUED MIXING OF THE  
COMMERCIAL WORK WITH THE MISSIONARY WORK

The following factors must be considered for the continuation of mixing of the commercial work with the missionary work:

1. Will require a person of unusual ability and stamina to head up both missions and a commercial enterprise of the proportions that are envisioned.
2. Separation and identification of financial information are required by the Liberian government.
3. Difficulty in obtaining the same level of productive work from missionary associate nationals as that which must be obtained in a commercial enterprise and the difficulty of operating

with two different work level requirements in the same organization.

4. Difficulty in obtaining technically capable personnel in the supervision of the commercial work whose personal life is consistent with the LeTourneau Christian emphasis. All non-Liberian personnel must fit this pattern regardless of job or position.
5. Constant facing of requests for favors, both direct and indirect (humbug) by minor government officials in any commercial operation would needlessly extend this practice over into the mission operation if they were associated. (Associating a "money" or "business" image with a mission operation will greatly increase the cost of the mission operation in Liberia).
6. Due to the cultural and development level of the people of Liberia, the influx of facilities and equipment necessary for a sound commercial operation causes a "money" image of the project among the nationals. With this image and the differences in living standards with American personnel it is extremely difficult to say, "We want to help you," without giving them so much (churches and pastors) that they could not possibly grow and support themselves over a period of years. A mission operation without the "money" image could dispense limited amounts of help with more wisdom, with more understanding from the people, and with less danger of destroying their spiritual foundations and initiative as well.

7. Lack of understanding among the nationals of the difference between wages that can be paid for productive work and wages that can be paid for mission service or school work.
8. The lack of ability of staff personnel who are engaged in both types of work to relate the rate of their pay and fringe benefits to the proportions of missionary and commercial work which they are required to do. It is also difficult for them to differentiate between their concept of mission work, commercial work, and that common type of work of which there is so much and which can be classified as either. If much commercial work is involved it is difficult to pay less than full commercial salaries without personnel problems and high turnover. This increases greatly the cost of the mission portion of their work.
9. Governmental employment control in commercial work is extremely restrictive whereas mission work is given much latitude. In mixing the two, we are subjecting mission work to commercial restrictions and making it more difficult to operate the mission work than would be otherwise so.
10. The two operations fall under control of two different areas of government. Neither the government nor we can say definitely under which we are to be controlled without facing each specific situation with uncertainty.

#### IX. PLUS FACTORS RELATED TO THE LIBERIAN WORK

The following are listed as plus factors related to the Liberian work:



1. Large land concession is available.
2. Small rental cost per acre of land (6¢ per acre per year on 50,000 acre minimum - \$3,000 per year).
3. Present contract is free from the 50% government ownership clause that is now applied to all new concessions.
4. Opportunity to test heavy equipment under the most difficult conditions for both operating and for service.
5. Opportunity to demonstrate the combination of successful business and effective Christian testimony.
6. Proximity of ocean for less expensive water transportation of heavy and bulky equipment and supplies.
7. Present apparently favorable attitude of President Tubman.
8. Excellent cooperation among all missionary groups in Liberia.
9. Presence of a limited number of already trained pastors and evangelists who have been associated with the work for a number of years and on which a larger work can be built.
10. A wealth of experience accumulated over fourteen years in dealing with Liberia and its people.

X. FACTORS TO BE CONSIDERED THAT ARE PECULIAR TO LIBERIA

1. General African governmental concept of right of authority without the associated necessity of responsibility.
2. Expanding government payrolls beyond the ability of national income and productivity to support them and the nuisances created by this multiplicity of minor government officials.
3. Lack of motivation among nationals which necessitates closer supervision for normal productivity.

4. Limited intelligence level of the mass of available labor.  
Present large commercial operations do not utilize local area nationals except for the very simplest of jobs.
5. Lack of maturity of government evidenced by arbitrary and incontestible changes in contractual responsibilities. These being justified by changing the laws to permit these deviations.
6. Nationalization of all new large concessions or businesses through a mandatory 50% governmental ownership without any capital participation by the government.
7. Reduction of the stamina of the average American staff member due to tropical conditions and diseases, especially malaria.
8. Traditional need for land rest between crops for which there may possibly be some justification.
9. Government requirement making it mandatory to provide free schooling for employees children.
10. Difficulty in securing capable foreign personnel that are sufficiently motivated to endure the hardships involved. The only motivation that is generally effective is high salaries.
11. Government will not permit the hiring of other non-Liberian personnel even though they are already residents of Liberia without special permits from the Attorney General.
12. Government will not permit land ownership by American firms or citizens and is restrictive in many cases concerning non-Liberian firms and individuals.
13. Socialism is pushing up hard in Liberia from the grass roots level. While Liberia is the most favorable of all African nations, there are still definite rumblings. (Nigeria was

considered one of the soundest too, until recently. Then overnight they exploded).

#### XI. FOUR ALTERNATIVES THAT SHOULD BE CONSIDERED

From the previous listings, the following four alternative solutions are given to be considered:

1. Close down completely giving up all interest in Liberia.
  - a. Turn mission work over to nationals or another mission board.
    - (1) Continue to support nationals on a minimal basis for a year or two.
    - (2) Assist new group in getting clearance from government to take over.
  - b. Turn Tournata over to Assembly of God, Southern Baptist or some other already operating mission organization.
    - (1) Reserve only portion of facilities for national church organization headquarters.
    - (2) Assist new group in getting clearance from government to take over.
  - c. Sell equipment and supplies at whatever price available.
    - (1) Try to move crusher, C-7, and tanks to contractors.
    - (2) Sell farm tractors and other small equipment in Monrovia.
    - (3) Will be necessary to retain both Walt Knowles and Max Lange for six month minimum to do this.
  - d. Cost of such a move
    - (1) Loss of investment in land and buildings

- (2) Equipment could be sold for book value or possibly slightly higher.
- (3) The \$70,000 debt would need to be paid immediately.
- (4) It would require an additional \$30,000 for tapering off operations before capital sales would carry the remaining closing costs.
- (5) Net costs of closing would be in the neighborhood of \$50,000 beyond receipts.

e. Negative factors to be considered

- (1) We would be giving up Liberia completely, admitting that with our investment and management our philosophy didn't work there.
- (2) We would leave a bad taste with the government by giving up commercial possibilities.
- (3) Loss of capital would be great.
- (4) It would cause churches to struggle for existence.

f. Positive factors to be considered

- (1) An annual drain of \$90,000 would be stopped.
- (2) It would put national churches on their own where those that survive would be stronger.

2. Give up all commercial interests, try to hold Tournata as Missionary base.

a. Cease all commercial operations.

- (1) Tapering off would require two to three months.
- (2) At some time between three and six months the government would need to be notified of our intentions.
- (3) Sell all assets related to commercial venture including

large aircraft and diesel generators.

- (4) Sell all present ships.
- b. Request Tournata as mission base from government.
- (1) Fifty percent chance that government may not cooperate.
  - (2) Would have to be land grant for mission which requires Presidents approval.
- c. Restructure equipment and organization for Missions only.
- (1) Eliminate high maintenance buildings
  - (2) Reduce flying to Super Cub only.
  - (3) Eliminate electric power distribution system and generators, use four new separated small plants.
  - (4) Purchase thirty foot, ten ton boat for supplies.
  - (5) Negotiate cancellation of all present employment contracts and reissue on a missionary basis.
- d. Negative factors to be considered.
- (1) Will be difficult to change image and remain at Tournata.
  - (2) Most Tournata facilities and equipment are either badly deteriorated or high in maintenance cost.
  - (3) Cost of operation generally would be higher than with a change of location.
  - (4) Government would tend to be unfavorable to mission in future.
- e. Positive factors to be considered.
- (1) Facilities are presently in operation.
  - (2) Little capital expenditures will be required.
  - (3) Will continue in operation a very effective mission program.

3. Continue as is with some modifications.
  - a. Adequate financing required
    - (1) \$70,000 capital within 90 days.
    - (2) \$90,000 annual expenditures must be provided.
  - b. Ships would need to be put into operation.
    - (1) Necessary for supplies from Greenville and Monrovia.
    - (2) M/V Miami would provide passenger revenue (six month repair time).
    - (3) M/V Sangwin would haul freight, fuel and lumber (two to three months time to register).
  - c. Mission base should be reorganized and moved to new location.
    - (1) Select a location some distance from Tournata which would be a suitable location for a mission operation.
    - (2) Set up a new mission organization with Walt Knowles as Director and controlled by an independent board. The name should not include LeTourneau.
    - (3) This new mission could petition for and be granted sufficient land on which to conduct their operations from the government and would be controlled by the Minister of Education.
    - (4) LeTourneau of Liberia, Ltd., would make available to the mission any and all facilities and equipment presently at Tournata that might be useful in the mission operation.
    - (5) LeTourneau would agree to a support level for the new mission that would enable it to do most or all of the work now being accomplished.

- (6) Funds would also be made available through cash or financing to purchase the small ten ton boat and the small light planes identified in the cost breakdown for the mission work.
  - (7) LeTourneau could be represented on the board of the new mission work and the NOW could be utilized to gain support for the mission beyond that which LeTourneau might be able to give and to broaden the base of support.
- d. R. G. LeTourneau, Incorporated, would take over Tournata and commercial operations.
- (1) Tournata would revert to a strictly commercial operation with no mission work, medical work or school other than the chapel services, first aid, and schooling necessary for its commercial employees.
  - (2) A temporary manager for the commercial work should be put in charge of Tournata until further decisions are made regarding the work.
  - (3) R. G. LeTourneau, Inc., could then study the various commercial and long-term development possibilities that have been identified in this report and proceed in whatever direction that might seem feasible.
  - (4) If it appeared necessary from a commercial standpoint to move the base of operations to Monrovia or some other location, Tournata, as it now exists, could be allowed to die out without a great loss of money (see financial statement and photographs) and without a loss of the extensive missionary work that is being done.

- (5) If difficulties should arise in the future with the government of Liberia (and this is more than just possible) then also the mission work would be protected and the investment loss at Tournata would not be great.
- e. Commercial operations would mark time.
- (1) Some lumber could be produced.
  - (2) Some shipping revenue would come in.
  - (3) These could not be pushed heavily without more capable investment.
- f. Negative factors to be considered.
- (1) Nothing could be accomplished except buying time.
  - (2) Cost of buying time would be high (\$90,000 per year minimum).
  - (3) Government is getting itchy about no expansion of work at Tournata. They may step in.
  - (4) Some capital expenses would be necessary to move mission active ties.
  - (5) There would be some duplication of operation expenses although this would not be large.
  - (6) A manager for Tournata would need to be located.
- g. Positive factors to be considered.
- (1) Could hold present agreement with government for six months to a year longer while further decisions are made.
  - (2) Would allow more time for study of possible commercial ventures.



- (3) Finances may be more readily available in six to twelve months.
  - (4) Mission operation would be much more efficient than it is now.
4. Expand into commercial work.
- a. Select one or more avenues of commercial work.
    - (1) Study the revenue capabilities
    - (2) Study the costs involved
    - (3) Study the most favorable location
  - b. Locate adequate financing for avenues related.
    - (1) Capital equipment cost needs
    - (2) Capital financing required and available
    - (3) Operating deficits cash needs until break even
  - c. Provide for mission operations.
    - (1) Mission costs of \$6,000 plus per month needed until commercial work provides profits in that amount.
    - (2) Mission operation should be moved to new location as outlined in III (e) or possibly the commercial operation should be moved to a new location instead.
    - (3) Costs of moving either should be recognized.
  - d. Negative factors to be considered.
    - (1) Liberian economy very slow.
    - (2) Government is heavily in debt.
    - (3) Change in government due in next few years; this may not be a very smooth transition.
    - (4) If missions are to be separated anyway, will Liberia be a good location for a purely commercial operation?

e. Positive factors to be considered.

- (1) We have an unusually good agreement with the government.
- (2) We have much experience in Liberia.
- (3) Basic organization already set up.
- (4) Liberia seems to be fairly stable and the most free enterprise minded of all African nations.

## XII. DETAILED BREAKDOWN OF POTENTIAL MISSION WORK COSTS

## IF NO COMMERCIAL OPERATION WAS PRESENT

1. Maintain Baffu Bay Mission Work: (26 or more churches).
  - a. 4 evangelists @\$15.00 per month \$ 60.00
  - b. 26 pastors @\$6.00 per month 156.00
  - c. Aid to 26 churches (some help given but no regular assistance) @\$2.00 per month 52.00
  - d. Special conference expenses (\$200.00 per year) 17.00
  - e. Assistant Director (Abraham Barclay) 50.00
  - f. Housing for Assistant Director (\$400.00) 4.00
  - g. 4 village teachers - small help only (not LeTourneau schools) @\$10.00 per month 40.00
  - h. Books, supplies and vacation school expenses for village teachers (\$10.00 per month now, \$30.00 per month if mission work only). 30.00

TOTAL \$409.00
2. Pastors Daughters Home (15 girls plus house parents).
  - a. Groceries \$ 80.00
  - b. House parents (in addition to evangelist pay above) 10.00
  - c. Clothing (material only, more work than cost). 10.00
  - d. Two buildings - kitchen \$3,500, dorm \$4,500 (only half of this actually needed). 40.00
  - e. Schooling, \$15 x \$4. = \$60 (included with school)

TOTAL \$140.00
3. School, Elementary and Junior High: (85 pupils)
  - a. Cost can't be definite since it depends on how many will be allowed in the school. There are always more who want to come. Total cost averages \$3.75 per pupil per month, including school buildings, teachers house, supplies, books, teachers salaries (6 teachers) at present level \$320.00
  - b. Housing for 30 boys (not employees children) @50¢ per month per boy 15.00

TOTAL \$335.00
4. Employment For School Boys Around Community: (general work, clinic, etc.).
  - a. 30 boys (24 hours per week @10¢ per hour). \$330.00

## 5. Clinic (out-patient only):

a.	Building \$24,360.00 - thus far	
	3,000.00 - materials	
	<u>1,000.00</u> - labor	
	\$30,000.00 - Total	\$300.00
b.	Furnishings (\$1,000 - \$2,000) @ 2% per month	30.00
c.	Equipment (\$3,000 - \$5,000) @ 3% per month (microscope, flouriscope, centreforge, sterilizer, delivery table, examination table).	120.00
d.	Supplies (above the small fee that patients would pay).	100.00
e.	Staff, nurse \$300.00, housing \$20.00, trans- portation and miscellaneous benefits \$80.00	400.00
f.	Liberian mid-wife \$40.00 plus \$5.00 housing	<u>45.00</u>
	TOTAL	\$995.00

## 6. Air Transportation:

a.	Pilot-mechanic \$450.00 plus \$100.00 miscellaneous	\$550.00
b.	Insurance \$1,300.00 per year	110.00
c.	Depreciation - Cherokee \$325.00, Super Cub \$100.00	425.00
d.	Cherokee operating costs:	
	Engine overhaul and maintenance \$3.65 per hour	
	Gasoline - 16 gallons x 32¢ 5.10 per hour	
	Oil <u>.25</u> per hour	
	\$9.00 per hour	
	10-15 hours per month internal use (outside users charged operating cost).	100.00
e.	Super Cub operating costs	
	\$6.00 per hour x 20 hours per month	120.00
f.	Hangar, tools, and miscellaneous	<u>40.00</u>
	TOTAL	\$1,345.00

## 7. Water Transportation (Greenville only):

a.	German ten-ton, 30 foot boat @\$10,000.00 depreciation on 5 years	\$160.00
b.	Maintenance \$20.00 and operation \$20.00 (\$10.00 per trip to Greenville once each week).	<u>40.00</u>
	TOTAL	\$190.00

## 8. Electric Power:

a.	Current operation is 16½ hours per day, 3,000 gallons per month @ 23¢ = \$700.00 per month for fuel or \$1,000 per month total costs.	
b.	This is necessary because all appliances are now electric. These would need to be replaced with kerosene appliances and reduce power costs.	\$100.00
c.	Reduced operation, ideally 4-12 KW Lister diesel light plants \$1500 each = \$6,000 total (these are extremely dependable and practically maintenance free. They are the ultimate as far as missionaries are concerned). 1 each for staff houses (office & radio), clinic, aircraft, school. Average operation 6 hours per day, 50 gallons per month x 4 x 23¢	45.00
	Maintenance costs all 4 units	<u>10.00</u>
	TOTAL (reduced basis)	\$155.00

## 9. General Salaries And Other Costs:

a.	Salaries for director and 1 other missionary	\$1,150.00
b.	Transportation and miscellaneous benefits	600.00
c.	Legal retainer (Senator Green)	100.00
d.	Licenses, vehicles, taxes, miscellaneous items	<u>100.00</u>
	TOTAL	\$1,950.00
	GRAND TOTAL	<u>\$5,849.00</u>

Note: This cost analysis is based on two major changes from present operations.

1. Purchase of a thirty foot German ten ton boat and disposal of all other boats.
2. Purchase of four small Lister diesel light plants for dispersed shorter period operation and dispense with the general lighting operation currently used and sell the present diesel light plants. This would also necessitate the purchase of some kerosene appliances.

## APPENDIX D

### LeTOURNEAU COLONIZATION CONTRACT

FIRST. LeTourneau shall construct with its funds, and for its own account and risk, a highway fifty kilometers long (50 kms.) with a traffic surface 30 feet wide (9.84 mts.), of which 20 feet (6.56 mts.) shall be primed in the center, with the respective culverts and drainage ditches. This highway shall connect with a point between kilometers 25 and 35 from Pucallpa, of the "Federico Basadre" (Pucallpa - Tingo Maria) highway, the said point to be established by the General Bureau of Railways of the Ministry of Development and Public Works. The highway referred to shall have curves and gradients suitable for railway use and shall follow the route fixed by the Bureau of the Tambo del Sol-Pucallpa Railway in cooperation with LeTourneau. The Bureau of the Tambo del Sol-Pucallpa Railway shall carry out the survey of this route placing stakes to show cuts and fills, with sufficient anticipation so as not to interfere with the work and operations of LeTourneau.

SECOND. The surface of the terreplein (right of way) and the masonry works on the highway - culverts and bridges up to 50 feet (15.25 mts.) span - shall be designed to permit traffic of trackless electric-diesel trains, passenger cars and other vehicles, all on tires having no more than 35 pounds of air pressure in each tire, that is, the equivalent of 35 pounds of air pressure per square inch over the surface of the road. The Government shall resolve as to the

advisability of laying rails on the terreplein. In the event it should be necessary to build bridges with a span of over 50 feet (15.25 mts.), LeTourneau, in order to avoid interrupting operations, shall be entrusted with this work with the intervention of officials of the Government, payment in cash for the value of such work being for account of the Government.

THIRD. The Government shall place at the disposition of LeTourneau the lands to be occupied by this highway; it being understood that any claim that may develop with regard to the use of ownership of such lands shall be resolved directly by the Government in conformity with existing dispositions.

FOURTH. LeTourneau is obligated to start construction on the highway, referred to in the first clause, within the period of one year from the date of the signing of the present contract and to deliver it completely finished and in proper condition for traffic within 3 years after initiation of the work.

FIFTH. The Government, in compensation for the work referred to, shall grant LeTourneau ownership of 400,000 hectares of Montana lands, in accordance with the provisions of Article 10 of Law 1220.

SIXTH. The granting of the 400,000 hectares to LeTourneau shall be subject to the following procedure:

- (a) In order to facilitate the installation and initiation of construction work on the highway, as well as the works and plans of colonization, the Government shall allot with full legal Title of ownership a first parcel of 60,000 hectares as soon as machinery and equipment with an inventory value amounting to 3,000,000 Soles arrive in Peru and is unloaded

in the Pucallpa area, which will be subject to mercantile mortgage in favor of the Government until the first ten kilometers of the highway are completed. Upon receipt of this section of the highway to the satisfaction of the Government, the mercantile mortgage shall be terminated.

- (b) A section of the first 60,000 hectares shall consist of a lot of 25,000 hectares measuring 10 kilometers wide by 25 kilometers long, which shall be run through in its 25 kilometer length by the highway. This lot shall be located on the southern end of the said highway and adjacent to another lot of equal area corresponding to the Government. The balance of 35,000 hectares shall be allocated in one or more lots located within the zone reserved by Supreme Resolution No. 154 of May 6, 1953, at the election of LeTourneau; or its defect, in other properties of the State acting by mutual agreement in the latter case.
- (c) A second area of 240,000 hectares shall be allocated in 4 lots of 60,000 hectares each, a parcel for every 10 kilometers of highway constructed and delivered by LeTourneau, and received by the Government in the manner established in the seventh clause. It is hereby understood that these 4 lots shall be located in the zone reserved by the aforementioned Supreme Resolution No. 154, at the election of LeTourneau, or in other properties of the State which shall be determined by mutual agreement.
- (d) On completion of the total of 50 kilometers of highway, the Government shall award LeTourneau the balance of 100,000



hectares in one or more lots within the zone established by Supreme Resolution No. 154 at the election of LeTourneau, or in other zones determined by mutual agreement, thus, completing the total of 400,000 hectares stipulated in the fifth clause.

SEVENTH. The Government shall designate the official or officials of the Ministry of Development and Public Works who shall be in charge of checking the construction of the highway, and LeTourneau undertakes to receive them and provide technical cooperation for the fulfillment of their mission. The Government shall designate the officials who will represent it to receive the sections of highway constructed by LeTourneau.

EIGHTH. The mensuration, establishment of boundaries, demarcation and possession of the lots which are allocated to LeTourneau, shall be carried out in accordance with administrative procedures of the Regulations of Law No. 1220, with the intervention of a technical official appointed by the Government.

NINTH. LeTourneau assumes the obligation to divide into lots for colonization purposes a part of the lands allocated for agricultural, cattle raising or forest exploitation by colonists, under the conditions established as follows:

- (a) Preference shall be given to national colonists in the allocation of lands, in the first place, and secondly to foreign colonists that are accepted by the Government.
- (b) In transferring the lots for agricultural purposes, LeTourneau shall allocate a minimum area of 10 hectares, duly provided with access roads. The Ministry of Agriculture

shall be informed regarding this colonization plan.

- (c) LeTourneau is obliged to maintain and supply for rental or sale in the colonization zone allocated, modern machinery, repair shops and stocks of spare parts, at least until the time when other private capital may supply such facilities.
- (d) LeTourneau shall provide gratuitously, technical instruction to colonists for the proper use and operation of such machinery.
- (e) LeTourneau shall carry out in the zone a program of agricultural, cattle raising and forest experimentation in coordination with the Ministry of Agriculture. The information obtained from the results shall be made available without charge for the benefit of the colonists.
- (f) Within the limits of the lands which are allocated to LeTourneau, there shall be reserved suitable areas for the establishment of urban centers and installation of schools, hospitals, sport fields, airports and public buildings, as well as other public services necessary for the requirements and welfare of the colonists.
- (g) Upon initiation of the work of colonization and construction of the highway, LeTourneau shall establish a health center to take care of its workmen.
- (h) LeTourneau shall construct, with authorization from the proper aeronautical authorities, a permanent landing field, which may be utilized without charge by airplanes of the State and also by aviation companies operating in the

country, in accordance with existing regulations. LeTourneau may also construct landing fields to meet its operating requirements, the aeronautical authorities being duly informed.

TENTH. The Government shall grant to LeTourneau, for a period of 10 years as from the date of signing of the present contract, exoneration from import duties, additional and other taxes, including consular duties on all machinery, spare parts, implements, supplies and other articles and materials which are imported for the fulfillment of the present contract for the construction of the highway and the development of the colonization program. Such exoneration may be extended in accordance with the requirements of the colonization plan.

ELEVENTH. All machinery, tools, articles and materials that LeTourneau may sell within the national territory, shall be subject to the payment of customs duties and additional taxes existing on the date of sale, computed in accordance with the liquidation which shall be effected for this purpose by the respective customs office. Also, all machinery or parts whose continued use is not necessary and which require reconstruction in the United States of North America, may be re-exported without any charge to LeTourneau.

TWELTH. In accordance with existing regulations, and by the corresponding governmental offices, LeTourneau shall be granted the licenses and authorization requested for establishing, installing and operating radio communication stations and for operation within the national territory of airplanes which LeTourneau may have for use pertaining to the works it proposes to carry out.

THIRTEENTH. LeTourneau is hereby authorized to land its machinery, implements, merchandise and other supplies at any point on the banks of the Ucayali and Pachitea rivers, for which purpose application shall be made in each case to the Ministry of Finance for the respective permit. No charge shall be imposed on LeTourneau in connection with landings on these rivers. Exoneration is also granted for the corresponding tax on freight. The Government shall grant authorization to LeTourneau to designate the person who is to act as Customs House agent for its landing operations.

FOURTEENTH. In the event LeTourneau fails to fulfill the obligations it has assumed under the present contract, the Government may rescind the same, it being understood that fortuitous cases or "acts of God" shall be excluded, the ownership of the lands that may have been allocated to LeTourneau reverting to the Government the value of the works carried out being taken into account for just compensation. LeTourneau expressly renounces all diplomatic intervention subjecting itself to the decisions and dispositions of the authorities of the Republic, in conformance with the provisions of Article 22 of Law No. 1220.

FIFTEENTH. The lands that may have been allocated to LeTourneau in conformity with the present contract, shall be given in absolute ownership, but with the obligation to work them for its own account or transfer them to third parties in order to make them productive, under penalty of being declared abandoned through application of Clause 4 of Article 822 of the Civil Code and in accordance with the prescriptive regulations of this Code.

SIXTEENTH. LeTourneau shall not transfer wholly or in part the rights and obligations embodied in the present contract; but it shall have the right to transfer ownership of the lands to third parties.

SEVENTEENTH. LeTourneau shall be subject to the laws and dispositions in force and those that may be issued in the future in this connection, for the exploitation of natural resources, such as timber and other products within the zones granted.

EIGHTEENTH. The concession of lands referred to in the present contract shall be granted without detriment to pre-existing rights and previous concessionaires or for third parties, nor shall they affect mining and petroleum denouncements, which are regulated by special laws.

NINETEENTH. The present contract shall be submitted to the Congress of the Republic in accordance with the provision of Law No. 7609 in its only article.

TWENTIETH. The expenses incurred in registering this document as a public deed shall be for account of LeTourneau as well as the cost of a sworn copy of the same for the Supreme Government.

You, Mr. Notary, shall add the necessary addenda in accordance with legal requirements.

(Signed by the Director of Colonization and Forests of the Peruvian Ministry of Agriculture and the Manager of LeTourneau del Peru, Inc., December 4, 1953.)

## APPENDIX E

### CONTRACT OF EMPLOYMENT WITH LeTOURNEAU OF PERU

#### PROJECT PURPOSE

The purpose of LeTourneau of Peru, an American corporation, is to engage in various business enterprises within the said Country of Peru and, in general, to carry on development projects that would further add to the rapidly improving economy of the nation; and also to engage in various religious and philanthropic activities as are appropriate and proper under the constitution and laws of the Country of Peru. LeTourneau of Peru is founded upon the basis that by operating on sound business principles we may effectively witness the power of the Gospel in the hearts and lives of the individual. We believe it is therefore impractical to compare LeTourneau of Peru with other missionary organizations or with corporations that operate solely for profit.

#### TERMS OF CONTRACT

The term of Peru shall be one year for a single person and two years for married individuals unless otherwise agreed to in writing by the General Manager. LeTourneau of Peru is responsible for traveling expenses from each employee's home to Tournavista and also from Tournavista back to their home when the terms of contract are fulfilled. LeTourneau of Peru may terminate this contract without notice in the

event of any breach of this agreement by the employee. If an employee chooses to resign before the end of the contract time, he will be required to give one month's notice and he is also responsible for return passage for himself, his family and his belongings. If such resignation takes place within the first six months after arriving in Peru, he will be required to repay to LeTourneau of Peru three-fourths of the outgoing passage for himself and his family; if between six and twelve months, he will be required to repay one-half of the outgoing passage; if between twelve and eighteen months, he will be required to repay one-fourth the outgoing passage.

#### TRANSPORTATION OF EMPLOYEES

Transportation of employees and their families to Peru will be either by ship or commercial or company aircraft. If transportation is arranged by air, the Company will provide passage by economy fare or, if not available, by tourist fare. At the conclusion of the contract LeTourneau of Peru will provide transportation back to the point of departure either by ship or air. If by air, passage at economy rate or, if not available, by tourist rate. Should the employee wish to return by some other means or route, LeTourneau of Peru will pay to the employee an amount equal to air transportation at economy fare. Under the above arrangement the termination date of the contract would be three days after departure from Tournavista unless there were other special considerations. When LeTourneau employees are traveling by commercial aircraft they will endeavor to keep their baggage weight within the ticket allowance. LeTourneau of Peru will not be responsible for the payment for the excess baggage weight over ten pounds.

LeTourneau of Peru will pay ocean freight and handling charges on personal effects to or from Peru in an amount of fifty cubic feet per adult person. Children under twelve years of age will be allowed one-half the adult allowance. All personal effects in excess of the above shipped by the Company either to or from Peru will be at the individual's own expense. Personnel are allowed to have firearms, however, they must be shipped broken down and the serial number, make and model must be sent in advance to Roy LeTourneau, Director of the Project.

In shipping, all items should be itemized and their value stated. Each container should be marked Number 1 of the total amount, such as "Number 1 of 6," "Number 2 of 6," etc.

#### VACATION POLICY

One week of vacation with pay will be allowed at the end of the first year to each employee who stays the full term of the contract. Each employee is responsible for expenses incurred during that time, including transportation. At the end of the two-year period, those returning for another term of employment will be allowed two months of vacation with pay plus travel time to home port of entry.

#### RESIGNATION

If an employee resigns in Peru for other work abroad or if his basic doctrinal views are such as not to be in harmony with those held by LeTourneau of Peru, the provisions of Terms of Contract will apply. The attached Statement of Faith defines the basic doctrinal view of LeTourneau of Peru.



### CONTEMPLATED MARRIAGES

In the case of a single employee, it is understood that a contemplated marriage will be made known to the General Manager and that the other party must be acceptable. It will be considered as a resignation if this procedure is not followed and the paragraph on Transportation of Employees will apply.

### BASIC FACILITIES

Basic facilities will be provided in Peru such as housing, utilities, necessary furniture, and access to store for food.

### MEDICAL FACILITIES

An infirmary will be provided for first aid treatment or minor illnesses. Personnel will not be charged for clinic services but will be asked to pay for the cost of medicines. Occupational accidents or illnesses which require further treatment will be at the expense of LeTourneau of Peru. Medical expenses incurred in cases of childbirth, dentistry, and after effects of illnesses or accidents prior to employment with LeTourneau of Peru will be the employee's responsibility. Non-occupational accidents or illnesses that require treatment away from Tournavista will be at the employee's expense.

### PENSION PLAN

The benefits of the Equitable Life Assurance Society Annuity Plan are also available to employees of LeTourneau of Peru as they are

to employees of R. G. LeTourneau, Inc. This is an employee participation plan in which the employee contributes 2½% of his earnings up to \$4,800.00 annually and 5% for that amount over \$4,800.00 annually. LeTourneau of Peru purchases an equal amount of annuity for each employee.

#### INSURANCE

Travelers Group Insurance Policies as in force at R. G. LeTourneau, Inc., are available to full-time employees of LeTourneau of Peru who are national of the United States of America. This would embrace both Life Insurance and Death and Dismemberment benefits. This is an employee participation plan in which the premiums are shared on an equal basis by the employee and LeTourneau of Peru.

The Hospitalization Group Insurance Plan now in effect at R. G. LeTourneau, Inc., will be available to full-time employees, their wives (husbands) and children. The project will pay one-half of the premium. In the event hospitalization or surgery is required, the employee is to secure a description of the services rendered and a receipted itemized bill. Claims are to be filed through the Project Manager and he will route it to the Longview, Texas, Personnel Office who will file the claim with the Carrier. Claim checks will be made payable to the employees.

#### DUTIES OF EMPLOYEES

The duties of each employee shall be defined by the General Manager and may be changed or enlarged because of conditions on the project. Direct responsibility and loyalty to the General Manager of

the project. It is further understood that aside from the regular duties, it will be necessary to help out in any emergency so designated by the General Manager or the one in charge during his absence.

#### REMUNERATION

The employee will be paid \$\_\_\_\_\_ per month for services rendered. Remuneration is to start when the employee begins traveling to his LeTourneau of Peru assignment.

#### RESOLUTION

Upon the signing of this contract each employee and his family agrees to be completely in accord with the principles of LeTourneau of Peru, its basic policies and its doctrinal statement; to work in complete harmony of spirit with the administration and fellow workers in the project; to endure joyfully whatever hardships and self-denial may be required; willingly submit to the oversight and direction of the administration both at home and in Peru; to work diligently serving the Lord with each task that needs to be done.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 19 \_\_\_\_

Signed \_\_\_\_\_

Accepted for LeTourneau of Peru

By \_\_\_\_\_

## INFORMATION SHEET

To assist those going to Tournavista, we suggest the following items be considered:

## Clothing:

1. Two years supply of clothing items for men and women, plus comfortable work shoes. A portable Singer sewing machine would be helpful as an excellent supply of material is available.
2. Summer type clothes (washable) light sweaters and rain coat for the wet season. An adequate supply of men's socks, slacks and one light summer suit (summer weight work clothes preferred). All clothing and cloth should be free of purchase tags and washed at least once. Bear in mind there is a limited need for fancy dress clothes.
3. A limited amount of medium heavy garments to be used in Lima trips.

## Linens:

1. Two year's supply of sheets, pillow cases, bed spreads, light blankets (during wet season the temperature reaches a cool 65).
2. Towels, wash clothes, dish towels, table clothes and napkins if desired.

## Utinsels:

1. Cooking utinsels (preferrably used items)
2. Inexpensive set of plastic dishes
3. Stainless Steel service of flatware
4. Plastic refrigerator dishes and two-quart water and milk container, plus a cannister set

5. Small appliances, if desired, such as toaster, mixer, iron, etc.
6. Two extra good quality can openers
7. Extra furnishings such as table lamps and nicknacks can be taken but many items can be purchased in Lima at higher cost.

Power:

Tournavista uses 110 volt, 60 cycle, electrical power.

It is suggested that you try to secure steel barrells with a top that clamps down such as a paint barrell.

Our office would be very happy to answer any additional questions.

## LETOURNEAU OF PERU STATEMENT OF FAITH

1. We believe in the Scripture of the Old and New Testaments as verbally inspired by God and inerrant in the original writings and that they are of supreme and final authority in faith and life.
2. We believe in one God eternally existing in three persons: Father, Son and Holy Spirit.
3. We believe that Jesus Christ was begotten by the Holy Spirit, born of Virgin Mary and is true God and true man.
4. We believe that man was created in the image of God; that he sinned, and thereby incurred not only physical death but also that spiritual death, which is separation from God, and that all human beings are born with a sinful nature, thought, word and deed.
5. We believe that the Lord Jesus Christ died for our sins, according to the scriptures, as a representative and substitutionary sacrifice; and that all who believe in Him are justified on the ground of His shed blood.
6. We believe in the resurrection of the crucified body of our Lord, in His ascension into Heaven, and in His present life there for us as our only High Priest and Advocate.
7. We believe in "that blessed hope" that personal and imminent return of our Lord and Saviour, Jesus Christ.
8. We believe that all who receive by faith the Lord Jesus Christ are born again of the Holy Spirit and thereby become the children of God.

9. We believe in the bodily resurrection of the just and unjust, the everlasting blessedness of the saved, and the everlasting punishment of the lost.
10. We believe in the personal indwelling of the Holy Spirit in each believer empowering them to life, a life of separation.
11. We believe in observing the ordinances of the Lord's Supper and Baptism by immersion.

I, the undersigned, do hereby agree that I can work in harmony with the above Statement of Faith.

Signed \_\_\_\_\_

Date \_\_\_\_\_

APPENDIX F

REPORT ON JULY, 1966, VISIT TO PERU

INTRODUCTORY COST AND INVESTMENT INFORMATION

The trip covered by this report was between Saturday, July 9, 1966, and Saturday, July 16, 1966. Upon arrival in Peru a considerable amount of time was spent reviewing a comprehensive report and evaluation of Tournavista development prepared by Russell Doonan, construction superintendent of the project, giving figures and information which had been requested by Richard LeTourneau prior to the visit.

Summing up the original investment in Peru and trying to relate the investment that we have made there that is not represented by tangible assets in Tournavista, other than the road, we came up with the following figures.

Advances to date by parent		\$4,001,000
R. G. LeTourneau, Inc. advances to date		173,000
Capital Stock		<u>50,000</u>
TOTAL INVESTED		\$4,224,000
Estimated value in Tournavista, facilities, ranch and cattle (other than the 60 KM road)		1,576,000 *
Net out-of-pocket investment represented only by the road and intangible assets		2,648,000
Other funds invested:		
Profit on Mobil Oil Job	\$400,000	
Profit on Zachary Job	<u>23,000</u>	<u>423,000</u>
Total investment represented by the road and intangible assets		\$3,071,000 **



\* Original cost of these assets is estimated at \$2,073,000 so that in actuality the investment in the road could be reduced by the \$497,000 depreciation of these assets, but since this also represents investment in Peru for which no compensation has been received it was left in this figure.

\*\* Current book value of the road is shown as \$3,163,000. Therefore, for further computations a mean approximate figure of \$3,100,000 was used.

Then using the cost developed by Russell Doonan that would be involved in completing the road, and in the amount of depreciation that had taken place on the road in recent years, the following calculations were made to determine both what the road would have cost had it been completed in 1954 (according to these cost estimates) and the percentage of the road which we had actually completed, these calculations are shown below:

Estimated cost to finish the road to original specifications at 1966 prices	\$3,578,000
Estimated portion of the above that would be re-do or bringing road back to the condition it was at its most completed state	<u>698,000</u>
Net cost of finishing road if it was now at its most completed state	2,880,000
Adjustment from 1966 costs to 1954 costs (the time at which we originally contracted the work)	75%
Net estimated additional funds that would have been needed in 1954 to complete the road	2,150,000
Add the approximate amount that we spent to bring the road to its most advanced state	<u>3,100,000</u>
Approximately the total cost of the road (1954 prices) that we originally contracted for	5,250,000
Percent of road actually completed (\$3,100,000 / \$5,250,000) =	60%

To arrive at some figures to present to Sixto Guiterrez, Minister of Public Works, we then calculated the value of the land received based on

what the road would have cost us, and comparing this against our investment in the road and intangible assets and expenses, arrived at a figure which we concluded would be due to LeTourneau of Peru, if our contract was terminated. These calculations are shown as follows:

Hind-sight estimate on what the road would have cost had we finished it in 1954	\$5,250,000
Payment to have been received for this work - 1,000,000 acres	
Thus our cost per acre of land would have been \$5.25.	
Total amount of land received to date - 150,000 acres	
On above basis, value of land already received	787,000
Our investment in Peru represented by the road and other expenses not presently tangible	\$3,100,000
Thus, net value due to us in addition to the 150,000 acres	\$2,313,000

#### DISCUSSIONS AND RECOMMENDATIONS

After considerable brainstorming and discussions in which were included Russ Doonan and Bob Moore, as well as Walt Knowles and the other parties making the visit, an outline of alternatives, purposes, recommendations, etc., were written out by Richard LeTourneau in note form and are presented herein as a part of the report of the visit. Barring complete acceptance of either the proposal for notes or for land (which is highly doubtful) the various alternatives opened to us in Peru were set forth and analyzed with a proposed means of accomplishing them. The alternatives of which we should consider one or more are as follows:

1. A limited cattle ranch operation
2. Construction work under contract with the government
3. Experimental land clearing to develop tree crushers

4. Limited land development and colonization
5. Service to missionaries (air transportation, radio, school, etc.)
6. Missionary work among the Peruvians

After discussing these various alternatives or combinations of them, the question was asked, "Why be involved in non-mission work in Peru?"

The answer to this question was two-fold:

1. To develop tree crushers and associated equipment for the company.
2. To earn profits that could be used in missionary work.

It was then suggested that we consider the possibility of dividing our operation in Peru into three different categories or functions as follows:

1. R. G. LeTourneau, Inc.: Operate and test tree crushers and other heavy equipment with absolutely no cost of heavy equipment (capital or operations costs) being incurred to either of the other two entities.
2. LeTourneau del Peru: Operate cattle ranch which would be charged with none of the costs of LeTourneau heavy equipment and which would purchase appropriate equipment needed, would utilize land cleared by R. G. LeTourneau, Inc., and which would run the cattle ranch on a commercial, profitable basis. This entity would make the raw jungle land available to R. G. LeTourneau, Inc., for testing crushers and other associated equipment, and would pay R. G. LeTourneau, Inc., a set price per acre for the clearing of land, regardless of the cost of clearing to R. G. LeTourneau, Inc.
3. LeTourneau Foundation: Operate schools, clinics, churches, missionary service such as aircraft, radio, etc., and colonization work.

Classifying the functions in a little different manner as to how they would be delegated between the three organizations, the following divisions of functions would take place:

R. G. LeTourneau, Inc: No philanthropic work, all of the heavy machinery, all activities must be beneficial to testing and development program, all of the contracting work, no equipment sales (this left to export sales division), would start clearing at K-34 on Pucallpa road or on other contract clearing jobs, would have mobile camp only, no auxiliary buildings or auxiliary services.

LeTourneau del Peru: No philanthropic work, no ownership or cost involved in heavy machinery, all activities must be profitable and related to the cattle ranch. Would stay at Tournavista at present, would eventually divide operations between Tournavista and K-34 following clearing program of R. G. LeTourneau, Inc.

LeTourneau Foundation: All of the philanthropic work, no heavy machinery, all other activities not specifically identifiable with the other two organizations, such as colonization, schools, churches, missions, etc., would be nearby, but physically separated from LeTourneau del Peru or R. G. LeTourneau, Inc.

In discussing this type of breakdown into the organization, several things were pointed out that would be important to implement this type of set-up. These are as follows:

1. A responsible LeTourneau oriented person in charge of each of the three functions.
2. Although one person might supervise bookkeeping or audit all

- three functions, three separate sets of books would need to be kept with strict accounting of interchanges between the groups.
3. A single director (Walt Knowles) would coordinate the activities of all three areas.
  4. No Lima office would be required. Shipments could come through Iquitos and purchases could be made through Roger Mori in Pucallpa or Alvin Rummel in Lima on a retainer or commission basis.
  5. An annual budget would be set for the Foundation work which would be rigidly followed.
  6. LeTourneau del Peru would strive to earn profits that could be applied to the LeTourneau Foundation work.
  7. R. G. LeTourneau, Inc., would operate its experimental test farm on a budget or allowance basis determined by the company management.
  8. It would probably be necessary to register R. G. LeTourneau, Inc., and The LeTourneau Foundation in Peru (check with Dr. Money in Lima and John Caldwell in Los Angeles before anything is done on this). It may be wise to set up a United States organized mission as a Foundation subsidiary to do the Foundation work in Peru.

At this point the purposes and objectives of the three entities were set forth (subject to revision, of course), so that they might be examined by everyone and discussed further as decisions are made regarding operations in Peru. These purposes and objectives are as follows:

R. G. LeTourneau, Inc. - Jungle Experimental Farm Division

1. Test and develop jungle clearing and development equipment for R. G. LeTourneau, Inc. (This cannot be done anywhere in the United States).
2. Create productive ability in jungle land through use of heavy equipment, turning land over to other entities after preparation.
3. Contract with government or private concerns to clear land, or perform heavy construction work as equipment might be available, and as this activity might reduce overhead involved in 1 and 2 above. This would not be a primary activity.

LeTourneau del Peru, Inc. - Cattle Ranch

1. Utilize jungle land prepared by R. G. LeTourneau, Inc.
2. Supply breeding cattle stock to other persons for colonization and development of cattle production in Peru, at a profit to LeTourneau del Peru, not philanthropic.
3. Additional capital would be available to LeTourneau del Peru for expansion only as Foundation cash is available through dividends from R. G. LeTourneau, Inc., or as it can plow back in its own profits.
4. Profits from this operation to supply the major part of funds required for the LeTourneau Foundation operation in Peru.

LeTourneau Foundation - Peruvian Work

1. To present the Gospel of Christ to the people of Peru through various activities direct and indirect.
2. To establish churches pastored by Peruvian nationals and

organize a conference of such churches.

3. Establish schools, clinics and other philanthropic activities as it might relate to or assist in objectives 1 and 2.

4. To handle the development of colonization activities utilizing land prepared by R. G. LeTourneau JEF Division and LeTourneau del Peru, and other arrangements to promote such colonization.

#### TEMPORARY DELAY IN GOVERNMENT NEGOTIATIONS

On Saturday, July 16, after the Lear Jet had returned to Longview, a second meeting was finally obtained with Sixto Guiterrez, with Bob Moore, Walter Knowles and Richard LeTourneau present at the meeting at the Ministry of Public Works. Richard LeTourneau's notes on this meeting are as follows:

Bob Moore called Sixto at 9:00 a.m. to make appointment. Sixto told Bob then that he had not been able to see anyone on our situation yet and that we should go back to the United States and return later. At Bob's insistence however, he granted us an 11:30 appointment.

We arrived at 11:25 and were ushered into his office with less than 5 minutes wait even though many others were waiting to see him.

He was extremely cordial and in a good humor. He explained that because of the impending 28 of July celebration (Peruvian Independence Day) and cabinet changes, the President was very busy, that he was doing 32 hours of work in 16 hours a day, that if he tried to load any more problems on the President he would be stupid - and he wasn't stupid!

He said the President was writing and memorizing his speech for 28 July. He also said that there was no point in discussing this with the Minister of Agriculture since he would be going out! That it would

be smart to wait and talk to the new Minister of Agriculture, that the new man was his man as well.

We explained that we wanted to be available, that this was why we sent the plane home without us, but that if he recommended that we do so, we would go on back to the United States and await his word for further action.

He will wire or call us when he is able to work something out so that we can return to Lima at that time.

We told him Walt would not be back from Liberia until about August 17, and he said that would be fine, that by that time he should have something worked out.

#### TEMPORARY DECISIONS MADE

Since it was apparent that no satisfactory solution of the contract dilemma would be forthcoming for at least a month or longer, it was necessary to make several decisions concerning present operations that had been brought up in various discussions during the week. These decisions agreed to by Walter Knowles and Richard LeTourneau are as follows:

1. On the use of the L-90 - It should be parked at Tournavista operated once each week by a staff member running all engines and motors on the machine.
2. Barbara Winget - We will not need her services this year but may be interested in discussing her services next year for the Peruvian school, but can make no promises. Roy will call and explain this to her.
3. U. S. Payroll. Walt will check on the 80-20 figures and we will



hold up any decisions on this until the organization pattern is settled.

4. High School Students - We will contribute \$600.00 per year toward tuition, room and board of high school students of Tournavista staff members who attend boarding school in the United States. Or, as an alternative, we will provide Calvert Correspondence Courses for them. Richard LeTourneau will contact Toccoa Falls Institute regarding two students, Steve Doonan and Butch Sturgill.
5. Peruvian School and Director - An article is to be placed in NOW in search for a director. Other changes will be held up until the contract is settled.
6. Housing for Forestry Personnel - Hold up until Walt's return.
7. School for Forestry Personnel - Hold up until Walt's return.
8. Clearing at New Location - K-34. Hold up until Walt's return and contract settlement.
9. Emergency Repairs for LeTourneau Road - Go ahead with three new log bridges and culvert repair work.
10. Jet Air Strip at Tournavista - Walt will check on asphalt cost and discuss alternatives with Russ Doonan.
11. Purchase of Import Livestock - Hold up until contract settlement.
12. Lima Office - Hold up until Walt's return.
13. Accounting Procedure - Okay for 90 days.
14. Aztec and Cessna Aircraft - Go ahead with Aztec major overhaul on one engine and top overhaul on the other. Fly down and bring Cessna back and then make decision regarding a second exchange after the Cessna has been overhauled and is ready to

return to Peru.

15. Missionary School Buildings - Possible use of two classrooms for Tournavista children, do not put other activities in the building, pending decisions on mission operations, possibility of actually deeding this land to The LeTourneau Foundation mission operations.
16. Overall Objectives for the Project - These were covered earlier in this report.
17. Teacher for First Grade - Have Roy contact the Mennonites with an offer to pay full support of the teacher they have available if they care to send her to us, but with no pressure to do so.
18. Moving Tournavista Headquarters - Wait on contract settlement.
19. Taking Other Clearing Contracts or Other Work on our Own - Wait until contract settlement.
20. 40 x 40 Crusher - Can wait on contract settlement.
21. Need for Single Side Band Radio Equipment by November 30 Deadline - Walt and Richard LeTourneau to check out in Longview in September or October.
22. Possibility of Making the Cattle Ranch a Peruvian Company - This can be decided later after discussions with Dr. Money and John Caldwell.
23. Final Contract Agreement with the Forestry Department - Walt will discuss with Russ.
24. Moving Office Building At Tournavista - Hold up until contract is settled.

A considerable amount of other discussions took place during the visit to Peru, however, the foregoing covers the essential items recorded in the notes of Richard LeTourneau and should be the basis from which other discussions, plans and decisions can take place in the weeks and months ahead.

APPENDIX G

DATA AND REPORT ON LeTOURNEAU DEL PERU DURING AND AFTER

TRIP TO PERU OCTOBER 20-23, 1968

NOTES AND COMMENTS PRIOR TO OCTOBER TRIP

Looking at our financial statements of August 31, 1968, we would notice several things. We show a loss in the cattle division to date of \$16,000. Even though this is August and more calf crop would come in and be credited in the September statement, this is not going to change this figure a whole lot. Perhaps our loss to date, October 31, would be about \$6,000. For the year 1967, our profit was \$22,000.

Let us consider our investment in the cattle divisions:

We have per inventory and evaluation study 5,480 acres of

cleared pasture at \$52.00 per acre clearing cost	\$284,960
Value of pasture per study inventory	324,607
Value of fences per study	30,420
Value of access roads, 22.4 miles, per study	108,057
Value of cattle to date	222,082
Value of horses	2,737
Value of equipment and buildings	<u>15,000</u>
Total	<u>\$987,863</u>

For investment approaching \$1,000,000 we do have disappointing returns. In the heavy equipment division, we have an investment of:

Machinery	\$536,326
Parts	<u>183,626</u>
Total	\$719,952
Less credit from Longview in 1969	<u>250,000</u>
Making a real investment of the total	\$469,952

Last year we had a return on this investment of \$27,000. We have to consider in this return though that \$85,000 income from San Marcos University was at a reduced price of about one-third the normal rate.

#### QUESTIONS AND DECISIONS NEEDED

Should we reduce cattle herd to zero? Give 100 or whatever amount of cattle to school only if we can prove to ourselves that this can be made profitable. Remember this gift has to be paid by someone. Trust the operation of the dairy to the Colegio only if and when the school and dairy is near Pucallpa, and we have worked out a plan which shows this can be profitable? Work out planned reduction in herd considering cost and anticipated income? What do we use this cash for? Do we use it or part of it for the move of our operation to a place near the other end of the road? What happens with Tournavista? Can we leave some of it there, and how much, and how much is that going to cost us?

Also, what does it cost to move and maintain an operation near the other end of the road? Can this not be reduced to merely a heavy equipment operation and school? This would reduce foreign staff to Walt and Steve. Do we need Royce Yoder? What about Maximo?

In order to have a minimum cost of operation we should perhaps write off all assets left at Tournavista, but still keep them on our books. Make a new start! Is this something that we might even want to discuss with The World Bank and Inter-American Development Bank at the end of this month? Perhaps they could be interested in financing small cattle ranches in Tournavista using our cattle stock and our land and our pasture. This would, perhaps, even look good politically.

For all future operations we should remember that our, that is LeTourneau's, strength is with machinery. This would hold true even for the case of a possible joint venture in the lumber industry. We should only actively be involved as far as logging with machinery is concerned.

Can we give up the Lima office? Reduce it to Don Arturo only? Can we hold down the number of students in the Colegio to 25? In a new set-up, perhaps certain expenses could be paid by R. G. LeTourneau, Inc., like a portion of Steve's and Walt's salaries. Or is this the time for R. G. LeTourneau, Inc., to take over the heavy equipment division? Who, then, will finance the school and the mission?

TABLE IV

## LeTOURNEAU DEL PERU CASH REQUIREMENTS 1967, 1968

(THOUSANDS OF DOLLARS)

	<u>1967</u>	8 MONTH ESTIMATE <u>1968</u>	12 MONTH ESTIMATE <u>1968</u>
Income, Total	\$ 200	\$ 82	\$ 123
Expenses, Total	<u>262</u>	<u>168</u>	<u>252</u>
Operating Deficit	(62)	(86)	(129)
Non-Cash Items			
Depreciation (expense but not spent)	72	48	72
Cattle losses (expense but not spent)	11	4	6
Cattle increment (income but no cash)	(46)	(16)	(24)
Foundation contract (income but no internally generated cash)	<u>(26)</u>	<u>(35)</u>	<u>(52)</u>
Net of non-cash items	11	1	2
Cash Required	(51)	(85)	(127)
Monthly Requirement	\$4,250		\$10,600

TABLE V

## LeTOURNEAU DEL PERU, INC., EVALUATION SUMMARY FROM GOMEZ REPORT

DECEMBER 31, 1966

	<u>THOUSANDS OF SOLES</u>	<u>THOUSANDS OF DOLLARS (25% INFLATION /43.00)</u>
Equipment and Machinery	S/ .20,767.	\$ 605.00
Production Costs	11,387.	331.00
Cattle	19,977.	582.00
Fences	816.	24.00
Pasture	8,699.	253.00
Cleaned Areas	1,410.	41.00
Tournavista Influence Land (4,000 ha.)	2,680.	78.00
Road Influence Land (42,000 ha.)	15,960.	464.00
Uninfluenced Land (10,000 ha.)	<u>2,300.</u>	<u>67.00</u>
	S/ .83,966.	\$2,455.00

(From pages 102-110 of Gomez Report, summarized on page 111)

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(At present 43.00 rate, S/.84 million = \$1,950,000.00)

If last two items are not included leaving Tournavista with all developments, including machinery, the values would be: S/ .65,736 - \$1,910.00 or at full 43.00 rate \$1,530.00.

Any asking price should be at full evaluation level considering inflation -- or \$1,910,000.00. Negotiation from that figure should be on basis of:

1. Items removed
2. If lowered without removing items then items removed later should be at proportionately lower rate.



## LETOURNEAU DEL PERU, INC., CATTLE HERD ANALYSIS

OCTOBER 21, 1968

## Balance Factors and Herd Analysis

1. One hectare of pasture can support only 1.5 animals.
2. Two breeding bulls are required for every 25 brood cows.
3. A cow's breeding life is approximately 8 years beginning in her third year.
4. One-eighth of brood cows would then be culled each year.
5. To replace those brood cows an equal number of heifers would begin breeding each year.
6. Since heifers require three years to breed, three times this number of heifers would need to be retained.
7. After heifer retention, approximately seven calves would be retained each year from every 25 brood cows and kept for two years.
8. The balance thus becomes: 33 hectares of pasture will support 25 brood cows which require 14 calves (marketable), 9 heifers, and 2 bulls to keep the entire package in an annual rotating balance.
9. Broken down more specifically, a 50 animal balanced group would be: 25 brood cows; 3 - 3 year olds, 3 - 4 year olds, 3 - 5 year olds, 3 - 6 year olds, 3 - 7 year olds, 3 - 8 year olds, 3 - 9 year olds, and 3 - 10 year olds; 14 calves; 7 - newborn and 7 - one year olds; 9 heifers; 3 - newborn, 3 - one year olds and 3 - two year olds; 2 bulls.

10. Current inventory and adjustments required to balance to pasture available are:

	<u>OCTOBER 21, 1968</u>	<u>ADJUST</u>	<u>BALANCE</u>
Pasture	1670 ha.	-0-	1670 ha.
Brood Cows	2350	-1100	1250
Calves	880	- 180	700
Heifers	1000	- 550	450
Breeding Bulls	<u>240</u>	<u>- 140</u>	<u>100</u>
	4470	-1970	2500

11. Current value of the herd is approximately \$600,000 or (600,000/4470) \$134. / head. If 1,970 head are disposed of to bring the herd into balance, revenue would be approximately \$265,000.

TABLE VI

## LeTOURNEAU DEL PERU, INC., GENERAL EXPENSE BREAKDOWN

	AUGUST 1968	ANTICIPATED 1968 TOTAL (12:8 RATIO)
Contracting	52,000.00	78,000.00
Cattle	21,300.00	31,950.00 (2)
Colonization	4,000.00	6,000.00
Collegio (includes elementary school)	15,000.00	22,500.00 (3)
Clinic	3,400.00	5,100.00
Church	780.00	1,070.00
Lima Office	7,300.00	10,950.00
Road Maintenance	34,000.00	51,000.00 (1)
Tournavista (office, shop, utilities, etc.)	29,000.00	43,500.00

## Notes:

1. Normal road maintenance should be \$20,000.00 per year. 1968 total includes several new bridges.
2. Cattle expense includes labor and supplies only, no cost of sales for animals themselves.
3. Estimates of school operation for next five years were: \$20,000.00; \$30,000.00; \$40,000.00; \$50,000.00; \$40,000.00 and continuing thereafter at \$40,000.00 level.

## LeTOURNEAU DEL PERU BASIC DIRECTIONS INDICATED BY DISCUSSIONS

OCTOBER 21 AND OCTOBER 22 IN LIMA

1. Move immediately toward reducing the cattle herd to a balanced package as indicated in "Cattle Herd Analysis," October 21, 1968. This means selling 1,970 head and will produce revenue of approximately \$265,000.00. This should be consummated completely by April 30, 1969 (6 months).
2. Beginning now, any decisions or moves made in relation to the Collegio should be aimed toward making it self-supporting and self-contained (not reliant on LeTourneau Foundation or LeTourneau del Peru for funds nor reliant on Tournavista for logistical support). This should be in the form of confidential discussions and decisions involving Hector Pina only and should not result in any overt actions not already being planned that would create a necessity for explanations that might not be understood or that might be changed later as a greater indepth study and evaluation of direction is made.
3. For the present, let stand the decision to engage Maximo Rniz since this cannot be reversed at this point without first making and disclosing broader decisions.
4. Postpone for an indefinite period a decision on Royce Yoder. A broader decision on direction is necessary before action, yes or no, can be taken here.
5. Continue to obtain profitable clearing contracts since this facet of our operation has already been separated from Tournavista to the extent that, in the event of a decision in the

- future to deinvest from Tournavista, any final separation that might be necessary would not be difficult to accomplish.
6. Press with all deliberate speed the settling of our contract by the military government (through Arturo Chavez's contracts) according to the terms reached by the former Congressional committee but never acted on.
  7. Follow up on Sixto Guiterrez contact with the Rockefeller people as to their possible interest in Tournavista and the cattle operation with the concept that if a reasonable offer can be obtained from them, it would probably be to our best interest to sell Tournavista and the cattle operations and either retain independent acreage from the Collegio and clinic or move both to a new site.
  8. Specifics to consider (but not discuss widely or take action on) with regard to the Collegio are:
    - a. Can it be held to a two year program instead of five?
    - b. Can it be turned over to a local national church group with a stipulated support level from the Foundation?
    - c. Could this be done with a one-shot grant rather than a continuing support level?
    - d. Could it be moved to K34 or other nearby location?
    - e. Could it be moved only 5 or 6 kilometers from Tournavista?
    - f. Can we help them become self-supporting by providing one hundred head of cattle for a beef herd as well as dairy herd?

9. Insofar as possible, all funds generated by the reduction of cattle herd should be used to purchase dollars with which to handle all salary and dollars expenses out of Longview with any surplus being used to reduce advances from the company prior to the end of the year.

VITA

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Richard Howard LeTourneau

Candidate for the Degree of

Doctor of Philosophy

Thesis: A STUDY OF THE BASIC REQUIREMENTS FOR SUCCESS IN AN INTERNATIONAL  
BUSINESS-CHRISTIAN MISSIONARY VENTURE

Major Field: Industrial Engineering

Biographical:

Personal Data: Born in Stockton, California, January 3, 1925, the  
son of Mr. and Mrs. Robert G. LeTourneau

Education: Graduated from High School at Toccoa Falls Institute,  
Toccoa Falls, Georgia, in May 1941; attended Wheaton College,  
Wheaton, Illinois, in 1946 and 1947; attended LeTourneau  
College in Longview, Texas, in 1947, 1948 and 1956; received  
Bachelor of Science degree from Texas A & M University in  
1958, with a major in Industrial Engineering; received the  
Master of Science degree from Texas A & M University in 1961,  
with a major in Industrial Engineering; completed requirements  
for the Doctor of Philosophy degree at Oklahoma State University  
in May, 1970.

Professional Experience: Machinist, Draftsman and Heavy Equipment  
Operator, R. G. LeTourneau, Inc., Toccoa, Georgia and Vicks-  
burg, Mississippi, 1939-1944; Machinist, Technician 3rd Grade,  
U. S. Army 1945, 1946; Tool Engineer, R. G. LeTourneau, Inc.,  
Longview, Texas, 1947-49; General Manager, Mississippi Division,  
R. G. LeTourneau, Inc., Vicksburg, Mississippi, 1949-1952;  
Vice President in charge of Production, R. G. LeTourneau, Inc.,  
Longview, Texas, 1952-1957; Instructor and Vice President  
Administration, LeTourneau College, Longview, Texas, 1958-1962;  
President, LeTourneau College, Longview, Texas, 1962-1968;  
President, R. G. LeTourneau, Inc., Longview, Texas, 1966 to  
date.

Professional Organizations and Honor Societies: Member, Society of Automotive Engineers, 1949; Member, American Institute of Industrial Engineers, 1958; Phi Kappa Phi, 1958; Tau Beta Pi, 1958; Alpha Pi Mu, 1958; Sigma Xi, 1961; Member, Texas Industrial Commission, 1959-1966; Member, Board of Managers, Christian and Missionary Alliance, 1968-71; Vice Chairman, Board of Trustees, Toccoa Falls Institute, 1954 to date; Member, Board of Trustees, LeTourneau College, 1952 to date; Chairman, Board of Trustees, LeTourneau College, 1967 to date.