

## FOREIGN AID ISSUES

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Let us begin by reminding ourselves that the United States government has two quite different programs, both of which are called "foreign aid." One of these is *military aid*, primarily in certain countries along the European and Asiatic rim of the bloc of Communist countries. The other is *developmental assistance* for many countries of Asia, Africa, and Latin America.

The Agency for International Development currently uses a fourfold classification of foreign aid: military assistance, support assistance, development loans, and development grants including technical cooperation. The first of these consists mostly of military "hardware." "Support assistance" consists of a combination of commodities and dollars to shore up the national economies of countries in which military assistance is substantial. "Development loans" comprise economic aid, usually earmarked for specific projects in the hope of helping the recipient country toward greater productivity and toward the day when economic growth will be "built into" the institutions and the economy of each country. "Technical cooperation" is aid primarily in the form of American technicians to work with the people of each country on projects to stimulate development and economic growth.

Of the total of 4.5 billion dollars available for U. S. foreign aid in fiscal year 1963, 2.2 billion was for military and support assistance. Of the remainder, 1.75 billion was for development loans, 500 million for development grants including technical cooperation, and 130 million for all international developmental agencies together.

My purpose, in this paper, is to outline what seem to me to be the major issues facing the American people with respect to *developmental assistance*. To understand the issues with respect to developmental assistance, I believe we must first examine the roots of foreign aid as a whole. Also, we must review the role of agriculture in the development of low-income countries.

### THE ROOTS OF FOREIGN AID

To my mind four facts are primarily responsible for the necessity for international exchanges of goods and services outside the mechanism of the market.

*First* is nationalism, the fact that the political arrangements for

the ordering of human life on this planet are dominated by nation states. Each nation has its own economic policies and programs. Over a period of at least the last two centuries the operation of the market has increasingly been abrogated by one country after another in the interest of one aspect or another of national welfare. We have placed restrictions on the free flow of labor between nations by restrictions on immigration. We have removed education from the operation of the market by instituting public education financed by taxation. We have used import duties, currency controls, and other devices to restrict international trade.

Each nation has tried to order its national life in a pragmatic pursuit of commonly held values with respect to what constitutes a good society by relying on the market where that is adequate, departing from it wherever that seems advantageous. The point here is that the mix of market and nonmarket exchanges of goods and services has been decided in each case by a nation state in line with what it considers to be its national interest. The time has now come when circumstances require an *international* nonmarket component, and we will call it foreign aid.

*Second*, peoples in different parts of the world have developed different sets of social values and personal attitudes that have resulted in vastly different rates of technological progress and economic growth. Technological and economic progress are not accidents. They are the results of prodigious amounts of human labor, imagination, discipline, and organization. These flow from psychological drives that are given form in each culture by the social values of the people, which differ due to many factors, including religion, social experience, regional pliability of natural resources, and climate as it affects human inclination to think, to dream, to plan, to work. Whatever the causative factors, technological advance and economic growth have been far more rapid over the last 400 years in Europe and in North America than elsewhere in the world.

*Third*, economic growth, along with other types of development, is cumulative. The first steps are difficult and may have to be taken against the current of prevailing social values and public opinion. The further development and economic growth progress, the more automatically they are built into the system and the more rapidly the economy advances. Consider, for instance, the fact that when a farmer in an Indian village buys a new wooden plow, all of the purchase price goes to meet the daily subsistence needs of the carpenter who makes the plow and his family. By contrast, when a farmer in the United States buys a plow, part of the purchase price

supports research by the implement company to develop a better plow, and part of it supports the selling and advertising efforts of the dealer in popularizing improvements. When a farmer in a technologically simple economy pays taxes, most of it is used to support government maintenance of law and order, whereas when a farmer in the Middle West pays taxes, a considerable portion of these flow to the support of schools, colleges, extension services, research institutes, and other activities which contribute to further technological advance. One of the stubborn and inherent problems of our day is that in the countries where the level of living is very low, economic growth is also very slow.

*Fourth*, with the end of the colonial era, in scores of new nation states, nearly all of them in early stages of economic development, the rapid spread of ideas through world-wide communication is raising aspirations more rapidly than productive capacity. Poverty is never palatable but it is less bearable if your neighbor is rich. We Americans are in a privileged position that will only be tolerated in the face of growing political pressures in developing countries if the people of those countries can consider us as partners in their own growth. Some sense of such partnership can be achieved through trade, but we can no more meet this problem without transfers of goods and services outside the mechanism of the market than we could have achieved the productivity and the measure of equity in income distribution within our own country without publicly supported and operated programs and services.

I have said nothing so far about the confrontation with Communism because the need for international transfers of goods and services outside of the market would have risen even in the absence of a Communist revolution. Communism did not create the basic conditions I have just outlined, which underlie the need for foreign aid. What the threat of Communism has done to foreign aid programs is fourfold:

*First*, it has added the military dimension. In the face of this threat, about 50 percent of what we American people have been willing to devote to foreign aid in each recent year has been allocated to military aid and to the related "support assistance."

*Second*, through the fear Communism has engendered here in the United States, and the bargaining point it has provided for the so-called "uncommitted" and the Communist "fringe" countries, the forms of developmental assistance have been influenced and distorted, frequently in ways contrary to the basic needs for development and economic growth.

*Third*, it has prevented more widespread genuine understanding among the American people of the need for effective developmental assistance by providing a basis for an emotional appeal to fear to obtain political support for the program.

*Fourth*, the importance in the Cold War of political alignments of all nations—old and new—in the United Nations has forced us to engage in developmental assistance whether we want to or not.

Providing developmental assistance is a right and logical step for our country at this stage in history, whether we are faced with any strong military threat to our security or not, because of the first three of the roots discussed above. In view of the Communist threat, we *have* to do what we *ought* to do anyway.

### THE ROLE OF AGRICULTURE IN LOW-INCOME COUNTRIES

Practically every country in early stages of economic growth needs to develop its own agriculture for several reasons.

#### 1. Productive resources are agricultural

Agriculture currently employs from 50 to 80 percent of the labor force and produces from 40 to 80 percent of national income in these countries. The major part of their presently productive capital is agricultural—land in cultivation, draft animals, farm implements, and skills of agricultural workers. While industrialization is essential in these countries if levels of living are to rise, they need to use all the currently productive resources they have, and most of the resources already in production are in agriculture.

#### 2. Agriculture is the basic means of livelihood

Two factors conspire to prevent the absolute number of people dependent on agriculture in these countries from declining in the near future. One of these is the rapid rate of population growth. The other is the capital cost of creating industrial employment. Most developing countries will have all they can do in the next twenty-five years to create industrial employment fast enough to absorb the net annual increase in the size of the labor force, without reducing the number of people in agriculture.

Look, for example, at Japan. During the fifty years of the early industrialization of Japan, from 1870 to 1920, the total labor force increased from 17,100,000 to 26,600,000 (55 percent). Yet the number of persons engaged in agriculture was the same at the end of the period as at the beginning: 14,000,000 [1]. During the subsequent twenty years of more rapid industrialization, 1920 to 1940, non-

agricultural employment rose by 5,500,000, yet agricultural employment fell by only 300,000 [2]. Total population growth during this latter period dropped from 1.8 to 1.2 percent per year.

When we consider the plight of those countries just now beginning to industrialize, or even at the point where Japan was in 1920, in the light of the above facts and consider also that population in these countries is increasing much more rapidly than it was at the similar stage of development in Japan, we can clearly see that the number of people dependent on agriculture for a living in the developing countries is not going to decline in the near future.<sup>1</sup>

We might argue that agriculture should not *have* to absorb and support the residual labor force after other industries have employed the numbers they want. However, in reality, agriculture almost has to do this in low-income countries because it produces *food*, and within a family setting. Unemployed urban workers can retreat to the village to live with farming members of their families even though their labor is not needed on the farm.

Agriculture is the major industry in most of these countries and, despite industrialization at the most rapid practical rate, it will remain the only means of livelihood for at least a generation to come.

### 3. Agriculture provides food for a rapidly growing population

Countries in early stages of economic development need the physical product of an expanding domestic agriculture to provide food to raise nutritional levels per capita and to feed a rapidly growing population.

You might ask why these countries do not increase exports and import the food they need. This is not done for three good reasons.

*First*, most of the people in these countries obviously do not have purchasing power over and above their own production with which to buy *more* food.

*Second*, poor internal transportation facilities and costly channels of commercial exchange add considerably to the cost of imported food delivered at remote villages, five to fifty miles from a highway or railway.

*Third*, developing countries need to conserve foreign exchange for use in paying for imported capital equipment to speed industrialization.

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<sup>1</sup>This topic has been examined in considerable detail by Professor F. Dovring [3].

#### **4. Agriculture is the major source of capital**

An important contribution of agriculture to capital formation in these countries is within agriculture itself, in forms contributing substantially to future production but frequently ignored in calculating agriculture's contribution: improved irrigation channels, clearing of new lands for cultivation; increases in soil fertility through appropriate fertilizing and other practices; improvements in farm dwellings and on-the-farm storage; and community improvements in roads, schools, and sanitation facilities through farm labor applied to community projects.

Much of this type of capital formation, while it takes place within agriculture, does not require agriculture's physical product. It represents primarily labor, invested by members of the agricultural labor force when they are not busy in the fields. Only the purchased fertilizers and building materials have to come from the income flow from the sale of agricultural products.

Beyond these forms of capital formation within agriculture and agricultural communities, practically every country that has achieved industrialization has financed it to a substantial extent by drawing capital out of agriculture for investment elsewhere in the economy. This will probably have to continue to be the dominant pattern.

#### **5. Agriculture contributes to the growth of people**

Economic growth and general development depend primarily upon persons. New technology requires innovation, and only persons innovate; capital does not; organization does not. Achievement of new forms of organization requires imagination and social skills. Only persons have these powers. Even ready-made techniques and forms of organization imported from abroad require substantial adaptations that can be made only by persons acquainted with the old and eager for the new. Going beyond this to sustain and spread growth and development depends on large numbers of hard-working people with widening knowledge, multiple skills, and confidence in their own creative capacity.

The human qualities essential to development cannot be acquired from abstract teaching but only from activity and experience. Hundreds of millions of people in developing countries must for some time to come find within agriculture and rural life the expanding self-discovery and the exhilarating experience of success in innovation that are essential if they are to become the kind of people who can contribute to economic growth and to general development.

Traditionally we think of this growth of persons as being the role of formal education. We also have a strong tendency, though we know the error therein, to equate education with schools and colleges. Certainly the schools and colleges have a major role to play, and one of the most hopeful signs in the developing countries today is the rapid increase of primary and secondary schools, colleges and universities.

But those of us who have taught in such schools and colleges in low-income countries have been disheartened, over the years, by seeing young men and women, full of ideas and energy, return to village settings and to government departments dominated by elders they have been taught to revere but who have not been touched by new ideas or new vision—who are, instead, bound by the old world of conformity and obsessed by fear of want.

The young cannot do the job alone. They can make their contribution only if the adults among whom they are cast also are learning, growing, reaching out for better ways. Fortunately, the very processes by which agricultural production can be increased and the quality of rural living improved in low-income countries are those best adapted to expanding the economic and innovative capacity of rural adults.

Agricultural research provides evidence that farmers need not farm in one traditional manner. Agricultural extension acquaints farmers with various alternatives, and through demonstration and encouragement, breaks the bonds of tradition. Each time a farmer succeeds with a new farm practice, he is encouraged to try additional changes, gaining confidence as he progresses. As certain farmers progress through increased skill and personal courage in trying new practices, they gain prestige within the village. This helps to change social values in directions leading to development.

The same happens to rural women as they experiment with new patterns of home and family living. Also, as new needs arise—to maintain roads, improve environmental sanitation, and control crop and animal pests and diseases, new types of village organization begin to emerge, devoted not to preserving a static past but to forging a progressive future.

But what we need to realize is that developing these human resources is not separate from developing the land, investing capital, forming new institutions; it is a “joint product” of the same activities.

#### ISSUES FOR FOREIGN AID AND DEVELOPMENTAL ASSISTANCE

Against this background of the roots of foreign aid and the essential role of agricultural development in most low-income

countries, the American people face five issues with respect to foreign aid.

### 1. Is developmental assistance necessary, and if so, why?

Developmental assistance (as distinguished from military aid and support assistance) is here to stay for a long time. It is necessary for the reasons given in the discussion of the roots of foreign aid. The only possible change in this within our lifetime, consistent with the economic and political standing of our country in the world, would be through further institutionalizing such assistance *internationally*.

In view of this, our developmental assistance to people in other countries could be substantially improved by giving it *longer-term stability of support*. The American people cannot expect professional competence from those responsible for administering its developmental assistance program so long as they are forced to conduct an essentially long-term activity with no assurance of reasonable stability of support. Nor can we expect a high quality program when so much time has to be spent in planning detailed year-by-year programs with 27 months of lead time, but dependent on one-year appropriations highly uncertain in amount. After all this forward planning, appropriations nearly always come late. This year is typical: Here it is—September 11—and the appropriation bill for the fiscal year beginning last July 1 has still not been passed. A piecemeal and hastily improvised developmental assistance program cannot be effective.

### 2. How should we organize to conduct developmental assistance?

Ironically the United States of America, that saw in its genius for invention and innovation a contribution it could make to raising levels of living in other countries, has so far not shown the ability to create effective organizational machinery for administering such programs.

The task is not easy. Because these programs operate abroad, they are rightly viewed as intimately related to U. S. foreign policy and, therefore, more “at home” in our Department of State than elsewhere in our governmental structure. But we have considerable confusion about whether they are simply a new *instrument* to use in implementing a pre-existing foreign policy, or are themselves a new *dimension* of foreign policy. I would argue that they are essentially the latter. We are entering a new era in which the relations between sovereign nation states must be more those of mutually advantageous activities among peoples living within an order of



universal rights and responsibilities and of international law, rather than exclusively a diplomacy among traders and potential enemies. But we are only halfway into that era. Our military aid and support assistance are necessities of the old era. Developmental assistance is an activity of the new. The budget for all three is lumped together and called "foreign aid." Military aid is administered by the Department of Defense. Support assistance, along with developmental assistance, is administered by the Agency for International Development within the Department of State.

The problem is compounded by the fact that several of the subject matter fields with which developmental assistance must deal are represented in our federal government by executive departments—Agriculture, Interior, and Commerce. Each of these tends to feel that it should be responsible for administering abroad activities in whatever fields it is responsible for domestically. Each has pertinent capabilities but none has the capacity to take adequate cognizance of the many effects of its own activity in the intimately interacting web of activities and influences that affect economic growth.

Moreover, AID faces unique problems in recruiting competent personnel for work abroad, but because these personnel are employees of the U. S. government, the assumption is that they should be subject to the normal salary and recruitment policies of domestic U. S. agencies.

Finally, the field requirements of programs of developmental assistance are in distant countries, whereas the headquarters organization and the insistent pressures for alternative forms of organization are in Washington. The nature of the tasks of developmental assistance in Ecuador, Jordan, Indonesia, Pakistan, etc., ought to influence the form of headquarters organization and administration; however, the effective voices that do dictate them are those of the Department of State, the Budget Bureau, the USDA, the Civil Service Commission, and public opinion in congressional districts throughout the country.

Surely a first step in solving this problem of appropriate U. S. organization for administering developmental assistance is more widespread public, congressional, and professional recognition of its importance.

### **3. What forms should developmental assistance take?**

Only when we as citizens are willing to give the Agency for International Development a workable pattern and organization

within which to do its work will we be justified in urging more realistic principles of program selection and resource allocation within the agency. Possibly when that time comes, we as citizens should make it clear that the objective of developmental assistance should be to foster economic growth in independent nation states, preferably through free institutions, then lay off and let AID do its job, for the task is highly complex, infinitely varied, and requires professional competence and consummate tact.

However, since we are not very likely to be willing thus to define the tasks of AID and then leave it alone, I suggest certain principles that we might apply in judging what forms developmental assistance should take.

*First*, the primary objective to be sought through developmental assistance is to influence social values and expand human abilities so that the personal capacities of the millions of people in each developing country shall be set free and that public prestige and reward shall accrue to those persons who produce, who innovate, who create in manners conducive to economic growth and political maturity.

Actually, we were closer to this in the Latin American programs of ten to fifteen years ago than we have been recently. In those days, the major emphasis was on technical cooperation personnel, working together on selected problems with technicians of each country, rather than on capital transfers, "institutionalization," and broad economic planning.

Beginning in 1954, the success of the Marshall Plan in Europe was assumed to indicate that the primary need world-wide was transfers of capital. Our mistake here was failure to realize that the capital supplied by the Marshall Plan was so quickly and so spectacularly productive only because Europeans already had highly developed technical and managerial skills, and long experience. The Europeans lacked only capital.

We began to come back to a sounder position through the experience summed up in Galbraith's *Foreign Affairs* article in 1962, pointing out that large-scale capital transfers are fruitful only under four conditions:

1. A reasonable amount of widespread literacy and basic skills.
2. A degree of equity in income distribution adequate to supply widespread incentives to many, many individuals to innovate and produce.
3. A governmental organization competent to carry out developmental activities with reasonable efficiency.

4. A clear comprehension of what development requires.

These are important insights and their application has improved the command AID has of its job. What we need now, without losing sight of the importance of capital, and of adequate governmental organization and planning, is to recognize the central importance of increasing the productivity of *persons*. After all, this is the source of economic growth. This is what gave rise to economic growth in Europe and North America. This is what is bringing it about today in Israel, Japan, and Mexico.

We need to recognize that the efforts of persons spring from *psychological drives* that are channeled by *social sanctions*, and that social values must, therefore, be conducive to innovation and personal achievement. Developmental assistance must be directed to technical problems, but we should be mindful of the central importance of personal skills and of social values.

*Second*, the cardinal principle of AID administration should be to give major attention to the *joint products* of specific developmental assistance activities, and to design future programs with these more consciously in mind. For example, highways to connect major cities are too frequently located without due regard to their usefulness in serving the regions in which agricultural and other economic growth could be most rapid. Agricultural research programs frequently are set up without adequately capitalizing on the training opportunities they provide. School curricula are not sufficiently influenced by the specific developmental needs of each region in this particular generation.

*Third*, developmental assistance for agriculture needs to be much more concerned with all requirements for agricultural development *at the local level*. Far too frequently, our overseas technicians are concentrated in capital cities, or in teaching and research organizations, without adequate opportunity for involvement with local officials, leaders, and farmers. We help set up national plans, and pride ourselves on trying to "train key national personnel," without enough familiarity with specific rural communities and agricultural regions to know where many of the critical problems lie.

*Fourth*, in assistance to spur agricultural development, we tend to slight the commercial aspects. We tend to assume that agricultural research, teaching, and extension will produce agricultural development. But agricultural development in the United States did not wait for the land-grant college system. In addition to the prodigious toil, and pioneer spirit and courage of farmers, it rested on the rectilinear survey of the Northwest Territory with a road every mile, and on the one-room country school. Beyond these, it rested on the

Erie Canal and the railways; on Eli Whitney, Cyrus McCormick, and John Deere; on hundreds of manufacturers of implements, fertilizers, and pesticides; on tens of thousands of small-town hardware stores, implement dealers, traveling salesmen, and commercial advertising.

We ought to give much more attention to helping establish the commercial activities of manufacturing and distributing the new inputs necessary to agricultural growth: fertilizers, pesticides, implements, and improved seed stock.

*Fifth*, we need to remove all restrictions against our technicians helping increase the production of crops of which the United States may have a marketable surplus. We need, instead, to spur agricultural development in each region, along whatever lines seem to offer the most promise of agricultural growth.

*Sixth*, we need to give much more thought to the respective roles of multilateral and bilateral developmental assistance: of that conducted under the U. N. and other international agencies on the one hand, and that conducted by our own government bilaterally with each of many countries on the other hand. Each of these has its advantages and disadvantages. For the long pull, the former should increase. The United States cannot increase its support of U. N. agencies substantially at the present time without jeopardizing their international character, since we already contribute 30 percent or more of the resources of FAO and other pertinent specialized agencies. We should increase our contributions to international agencies as rapidly as we can without increasing the proportion our contributions are of the total. Meanwhile bilateral developmental assistance must continue for some years to come, and we should do all we can to make it more effective.

#### **4. How can the success or failure of developmental assistance be judged?**

About the best that can be done toward measuring the success or failure of developmental assistance is to deepen our understanding of the specific and varied forms it needs to take under different circumstances, and then to assay whether those are the forms it has, in fact, been given. Three criteria are probably most important in this assessment of whether developmental assistance is doing the right thing in a particular country at a particular time.

*First*, is it working at a task that, given the present stage of development and "mix" of domestic programs, is conducive to human enthusiasm, innovation, and effort? At early stages the emphasis may need to be on formal education, including vocational training and "extension" adult education, and improved roads and

railways to increase human and material mobility. At a little later stage, major emphasis may need to be placed on professional training and the development of institutions within which this increasing professional skill can operate in freedom and creativity. This stage leads into one where additional capital may be the major need in order to give skilled people the necessary materials and equipment. These are not entirely separate "stages"; they merge into each other, and a sound program of developmental assistance should probably represent a blend of efforts related to all three. The critical question is where the "center of gravity" of the program is at any one time.

*Second*, is developmental assistance helping particularly at the weak points, or the "blind spots" of domestic programs? Domestic programs of different countries have varying emphases, reflecting differences in internal public pressures, in what leaders consider is most important, and in historic philosophies and former colonial policies. Developmental assistance should be used to correct some of this imbalance, without failing to capitalize on current enthusiasms. The temptation usually is to help with going programs in order to get the greatest return from our efforts, the most "bang for a buck." But the more critical need, from the standpoint of the country's growth and development, may be programs on neglected factors where the initial progress may be very slow.

*Third*, are projects that are receiving developmental assistance so organized as to maximize the side effects and by-products of each? Does every research project have a built-in training component? Are the methods of constructing an irrigation canal chosen so that the technological training and pattern of income distribution that automatically are involved will be of maximum benefit, or does the choice depend on immediate cash costs? (Ten thousand men working with shovels and baskets will learn no new tricks; they will receive additional income, most of which will be consumed in subsistence with little, if any, secondary capital formation. Fifty men operating three or four huge pieces of imported equipment will learn specialized new skills of only limited applicability elsewhere in the economy; they will receive much higher wages, some of which may go into savings. Five hundred men operating motor trucks and scoops mounted on tractors will receive intermediate wages and will learn diverse new skills more transferable to other tasks. This example is given not to argue that one of these choices is the right one, but to illustrate what I mean by side effects and by-products.)

Clearly, then, judging the success or failure of developmental

assistance activities is difficult and complicated. Such “indicators” as growth of the GNP in the short run is no indicator at all. We might argue that this measurement should be left to experts within agencies like AID. But obviously Congress is going to judge it, acting under the pressure of how private citizens, with varying and conflicting personal and business interests, judge it. Consequently, only as the American public becomes more sophisticated and realistic about how developmental assistance should be assessed can we expect our joint performance to improve.

### **5. How large should our annual appropriations for foreign aid be?**

This is where we must take into account the fact that about one-half of what is normally called foreign aid is military assistance. How important military assistance may be rests on considerations quite different from those I am discussing in this paper. To my mind it would be more logical for military assistance appropriations to be part of the budget of the Department of Defense, and not identified in any way with developmental assistance. As it is even now, AID has no responsibility for, or control over, the administration of military assistance; that is handled by the Department of Defense. The present practice makes our defense expenditures look smaller than they really are, and our developmental expenditures look about twice what they really are. To be sure, military assistance has some developmental effects. But the criteria of allocation among countries are quite different, and the administration of these programs in recipient countries has quite different objectives.

We must also recognize that, as presently administered, part of the allocation of legitimate developmental assistance activities among countries is influenced by motives that can be described fairly as international bribery. An established tradition in international affairs is paying friendly powers to remain “allies,” or paying potential enemies to keep the peace, to induce them to stay neutral, or to lure them into becoming allies. Grants made with this motive may or may not be truly developmental, but insistence on domestic measures to facilitate development in recipient countries is certainly more difficult when this consideration of international allegiance is present. The Cold War not only makes military assistance necessary in this respect, but tends to distort programs aimed at genuine economic growth and development in recipient countries.

So we have really three almost separate questions instead of one about how large our annual expenditures for foreign aid should be:

1. How much should we spend on military assistance to foreign governments?

2. How much should we spend on developmental activities to influence the international political and military allegiance of foreign governments?
3. How much should we allocate annually to spur economic growth and general development in the interest of the low-income countries themselves and in the long-term interest of the United States in being part of a community of nations in which free institutions can flourish?

I say "almost separate" questions for two reasons. One is that military activities and economic growth have some reciprocal effects. The other is that the balance-of-payments problem involves the totality of international exchanges of goods and services outside of the market mechanism. At that point, expenditures for military strength, political allegiance, and economic growth must all be considered together.

How big our annual contribution for developmental assistance should be depends in large measure on how we organize to conduct the program, what forms it takes, and how we are going to judge its performance. So long as AID is forced to conduct its activities under as much public and congressional surveillance as it is now, it can only operate effectively if a much larger number of citizens understand its problems and objectives, and learn increasingly to ask the right questions.

For my part, I would like to see AID assured of support for the next five years at about the present level of 2 billion dollars per year, apart from whatever we may decide to spend on military and "support" assistance, and apart from any considerations of international political alignment in the Cold War. I would like to see AID assured that its performance within this amount will be measured, not by short-run changes in gross national product of each recipient country, but by: (1) what is happening to personal skills and aptitudes and to social values; (2) what the country is itself doing in the interests of development, and (3) the overtones, by-products, and concomitant effects of its projects.

I would like to see AID empowered to develop its own personnel policies and contracting procedures independent of what the established practices may be in other U. S. governmental agencies. I would like to see its annual appropriation be in the nature of a block grant rather than tied to specific projects selected up to two years in advance, which are frequently no longer appropriate when the funds become available. I would like to see the size of the annual block grant subject to annual revision after the first three

years of operation, with any upward or downward revision limited to not more than 15 percent in any one year, and with a one-year lead time on any such revision.

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PART III

*Evaluation of Agricultural  
Programs*

