

Foreign Assistance, Large or Small?

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The most important thing that has happened in the world during the lifetime of anyone in this room is the sudden opening-up, to most of the three billion people on our planet, of the possibilities of life in the industrialized 20th century. When Commodore Peary was a student here [at Bowdoin], a wide gap existed between the countries of Europe and North America on the one hand, where most of the citizens could read and write, vote and hope to share in the amenities of modern living, and on the other hand the countries where none of these possibilities existed. Many of these were governed from London or Paris; but they were as distant culturally from those centers as from one another. Neither group of peoples knew or cared much about the other. Today, the barrier of complete ignorance is down; colonial domination is a thing of the past; and there is an exciting world-wide scramble for a share in the good things of life.

Because some of us are rich in these things, and our principles are what they are, and because the mere fact of hunger and want among the world's majority appears to us all of a sudden so enormous and menacing, a completely new historical phenomenon called foreign aid or economic assistance has come into being. What the young Commodore Peary would almost certainly have considered a fantastic proposition – that it is our responsibility to see to the rapid improvement of living standards for billions of foreigners – is now a commonplace. Because relations among the rich countries are what they are, there is even competition among us for bigger and better and more influential assistance projects. No industrial country, Communist or capitalist, today can ignore the call to assist.

This is a subject about which a lot is written and said nowadays, about which great plans are made, for which billions of dollars are spent, on which great hopes for the future are

based. Thousands of people work full-time in economic assistance organizations; probably some Bowdoin students hope to do so themselves some day. American aid has been provided in the last twenty years to virtually every country in the world. It is solicited by most of them. Its availability and administration are crucial elements in our relations with many countries, and in domestic politics here. Nevertheless, foreign aid is something most of us haven't thought about very seriously or objectively. It is something which flows from the higher reaches of our society, and in which ordinary people play very little part. Liberals approve of it, and expect miracles of it; conservatives reject it out of hand and speak of its advocates as woolly-minded or worse. For most people it looms in the subconscious with awful insistence like price-fixing or thermonuclear war or agricultural surplus disposal or space-probing – a phrase and an imperative, but not something a person can think about really. Helpful in the fight against Communism, perhaps, but probably nothing more than a big giveaway.

In the face of the enormous and complex facts of national and international life, we sometimes forget perhaps that we are citizens of a democratic country, responsible in the last analysis for her national acts – that it is both our privilege and our responsibility to think through and come to conclusions about such questions as how to conceive of our foreign aid programs, and why we should attempt to provide economic assistance in the first place. The answer that we're keeping the free world free of Russian or Chinese incursion is only partly satisfactory, since it's a negative aim and not in itself probably enough to ensure any real improvement in the state of world affairs.

It's in the long-term interest of the United States, a thoughtful American might be expected to say, that the hungry countries of the world develop in such a way as to eliminate differences in standard of living as a source of tension, and increase the market for our products. Also, that this development should give rise to free institutions, to the atmosphere of personal freedom and interplay of ideas which we consider to be essential to a healthy national life. If that, and not merely deterrence or containment is our objective, then aid programs ought to be judged accordingly.

The success record of U.S. aid, both public and private, would seem so far to be only fair. After World War II we pumped a great deal of money into European reconstruction and succeeded in helping people to help themselves with astonishing success. In occupied Japan we did the same, and in addition carried out land reform and political revolution as radical as that of the Bolsheviks in 1917. The result is that we are now hard put to keep up with Japanese competition in many fields. In the buffer countries of the Communist frontier we've spent multi-millions to defend and millions to develop countries where there is little freedom and much political corruption today, and where the distributions of the benefits of civilization is very spotty indeed.

In most of Africa, Asia and Latin America we have given aid in a variety of ways and with varying success, usually through ambitious massive programs negotiated with government officials by American exoerts at a great distance from the scene of actual day-to-day development. In the decision-making behind these great assistance projects, considerations quite extraneous to economic development customarily palay a pat – the prejudices of ill-informed Senators or of the daily press, or the antics of an African demagogue, or the rumor of a Russian counter-effort. And in most cases the aid funds must filter through a sticky and inefficient bureaucratic structure before reaching the level of production. The dam may get built or the wheat may get distributed, but there is little guarantee that the donors get the most possible development for the aid dollar.

I work as field representative in Mexico for an American foundation which has a truly radical proposal for administering economic assistance funds. The foundation is Rural Development Associates; and its headquarters are over in Lewiston. I'd like to describe to you what we are doing.

In the interest of preserving the "free world" from contamination, we Americans have sometimes kept curious company. Among our "friends" we can number some of the most rambunctious demagogues and some of the cruelest tyrants in the world today. It is RDA's proposal that the American people would prefer to do business with individuals hard at work on down-to-earth projects of benefit to their communities. The economic

and social development of a country consists, not in imposing nation-wide programs or in great public works, but in thousands of instances of individual awakening and getting into operation. It consists in the development of work – the kind of hard and creative work in which pride can be taken – and of cooperation.

Underdeveloped countries are countries in which people work only to get by, fatalistically, like slaves – and where they lack the kind of confidence in each other which would lead them to cooperate when presented by difficulties too great for individuals to meet. In a stagnant peasant society development begins with fundamental education, something which can be provided only by native extension workers, and which is being provided increasingly in every underdeveloped country today. But as a second step it requires small-scale credit at a reasonable rate of interest -- something with which we're very familiar in this country, but which is at least very scarce and usually non-existent for poor farmers in the countries we're talking about. With credit, farmers can put what they've learned to work and proceed under their own steam to become self-respecting, productive and responsible citizens of growing countries. Without it, they may remain peasants indefinitely – frustrated and resentful peasants conscious of injustice.

RDA believes that if American economic assistance is to be made available to poor countries, it is at that level and to those individuals that it should be extended, to ensure maximum results. A million dollars given to a government may build a half-million dollar dam. It'll provide a thousand farmers a year with enough help to rise from peasants into small producers capable of eventually of paying taxes and building their own dams, and self-confident in a way that the grateful receivers of manna from a U.S. heaven can never be.

RDA's technique for assuring that available funds are carefully loaned and with a reasonable guarantee of recuperation is to work exclusively through an on-the-spot representative who speaks the language and is at home in the country. The representative reaches farmers through extension agents or missionaries or others who work at the village level, and makes small loans available at the lowest interest rate and

on the longest possible term to to farmers who have already begun to work on specific development projects. RDA doesn't receive applications for assistance; it applies itself to those who really need and will make use of its help. Supervision of the use made of the money loaned is the joint responsibility of the representative and the recommending extension agent. An effort is made to enlist the help of the first recipient in a village in selecting others, so that the money available can be used indefinitely in the same place as a revolving fund.

At present, RDA works only in Mexico and on a very small scale. Its expansion will depend entirely on its ability to raise funds in this country.

Webster's definition of "radical" returns us to the original Greek sense of having to do with roots. FDA's radical proposal for the administration of economic aid funds goes to the roots both of the problems we face, and of the societies we would like to help develop.

In most of the countries with which we're concerned, Communism is practically synonymous with demagoguery. With the exceptions of China and Indonesia, there is not a single underdeveloped country in which the Communist Party stands out as the party of disciplined work for national development. Elsewhere it is the party of slogans and empty promises. If we can resist the temptation to fight demagoguery with hyperdemagoguery, and will apply to the solution of the world's most pressing problems the great old American virtues of reliance on hard work and common sense, they should represent no threat to us.