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AGENCY FOR  
INTERNATIONAL DEVELOPMENT

Agency for International Development  
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*An Investment  
in the Future  
of Mankind*

Agency for International Development

## An Investment in the Future of Mankind

On September 15, 1970, President Nixon sent to the Congress a message calling for the most sweeping reorganization and redirection of United States foreign assistance programs since the inception of the Marshall Plan for the post-World War II reconstruction of western Europe.

The recommendations contained in the message, entitled "Foreign Assistance for the Seventies," are based on the findings of a distinguished task force on international development chaired by Mr. Rudolph Peterson, former President and Chief Executive Officer of the Bank of America. In formulating its proposals, the task force, composed of private citizens from many professions, drew upon the vast experience of its own members as well as the views of members of Congress, the executive branch, private organizations and individual citizens throughout the country.

President Nixon agreed with the finding of the task force that, while most Americans continue to accept the humanitarian objectives of foreign assistance, there is a widespread impression that U.S. policies and programs in this field have not kept pace with political, economic and social changes in the world of recent years. To remedy this, the President proposed a major transformation in the concept and administrative structure of foreign aid.

## The New Concept

The United States has a profound national interest in contributing to the international development effort. There can be little assurance that Americans will be able to live in peace in the years ahead unless the rest of the world is at peace. We cannot ask ourselves where the United States will be in the next few decades without asking where the world will be.

This interdependence among the peoples of different nations, in a world made smaller every day by the contributions of modern technology, takes "foreign aid" out of the category of "charity." Two-thirds of the globe's population now lives in the developing countries of Asia, Africa and Latin America.

As the President puts it in his message, "We must respond to the needs of these countries if our own country and its values are to remain secure. We are, of course, wholly responsible for solutions to our problems at home, and we can contribute only partially to solutions abroad. But foreign aid must be seen for what it is—not a burden, but an opportunity to help others to fulfill their aspirations for justice, dignity, and a better life. No more abroad than at home can peace be achieved and maintained without vigorous efforts to meet the needs of the less fortunate."

At the same time, there have been many changes in the world since the post-World War II days of the Marshall Plan, and the "Point IV" program launched by President Truman in his inaugural address of 1949. To mention only a few of these:

- Most of the poorer nations have now reached a point where they are in a better position to help themselves and to take leadership in their own development effort.
- There are now varieties of international institutions—the so-called "multilateral agencies" such as the World Bank group and the United Nations Development Program—which are in a position to draw on the resources of member countries to help coordinate the development effort and to share the costs.



- The industrialized countries of western Europe, having recovered from the effects of World War II, are now deeply involved in this important work themselves and in many cases are devoting to it annually a larger percentage of their national incomes than does the United States.

- It has become increasingly apparent over the years that there are several different types of "foreign assistance," each of which possesses its own rationale for existence, its own techniques, and its own administrative requirements.

### The Proposed Structure

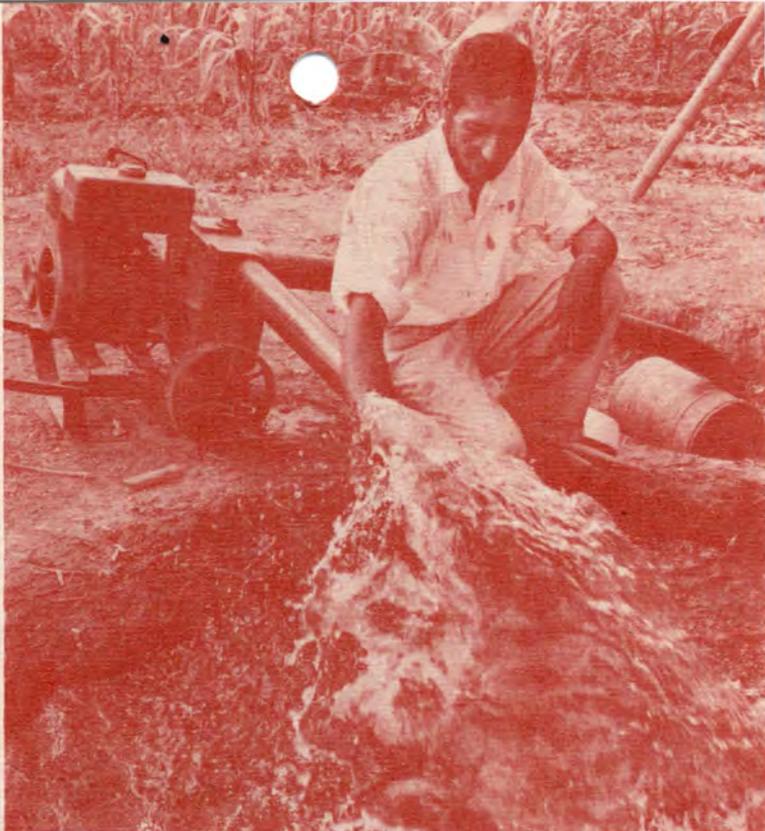
The President is asking the Congress to enact new legislation recognizing the changed conditions and implementing the new concepts outlined in his message. It is hoped that there will be the widest possible public discussion of his message and that the American people will make their views known.

In summary, it is proposed to create separate organizational arrangements for the three quite different types of assistance which the United States is at present providing to the developing countries. With the exception of purely military assistance, most of these programs are now administered by the Agency for International Development. They are:

- Security assistance.
- Humanitarian assistance.
- Development assistance.

Our *security* assistance program will continue to have the primary objective of helping other countries assume responsibility for their own defense and so permit the United States to reduce its presence abroad.

In the field of *humanitarian* assistance, the American people have traditionally been generous in responding to the emergency needs of their fellow human beings. An example is the prompt and massive relief effort mounted in Peru following the tragic earthquake of May 1970. Projects in this field include assistance in time of natural disasters, child and maternal welfare projects, as well as aid to international refugees and migrants.



The responsibility for *development* assistance will be shared by several organizations, each operating in its own field. These are:

- A U.S. International Development Corporation, headed by a board of directors including representatives of both the private sector and government. The corporation will administer our bilateral development loans, relying increasingly on international institutions for a framework in which loans can be made with the participation of other donor countries and groups of countries. The corporation will also administer loan-related technical assistance.
- A U.S. International Development Institute, to be responsible for the transfer of technology and research and training programs designed to increase the scientific and technical competence of the lower-income countries themselves, and to offer cooperation in international efforts dealing with such critical problems as population and employment.

- The Overseas Private Investment Corporation, which has already been approved by the Congress. The Corporation, operating under a combination of business and government auspices, will carry on the work of insuring and guaranteeing U.S. investors against certain political and business risks abroad. These are risks, such as loss through expropriation and riots, against which they cannot be expected to protect themselves.

- An Inter-American Social Development Institute, also already signed into law, which will provide support for important and up to now unattempted social development research programs in Latin America—our near neighbors, whose future security and freedom are so closely tied to our own.

### The Long View

Historically, foreign assistance has been supported by both major political parties, and by every administration since World War II. Each President since the days of the Marshall Plan and "Point IV" has recognized the obligation, the opportunity and the challenge of American participation with other nations to help build a better world in which all peoples will be safer, healthier and happier.

Fundamentally, this hasn't changed. The United States remains the largest contributor in the effort to help the poorer nations. As President Nixon has said, America has not lost her humanitarian zeal; nor have we turned inward and abandoned our pursuit of peace and freedom. In his message, the President summarized this view in these words:

"The U.S. role in international development assistance reflects the vision we have of ourselves as a society and our hope for a peaceful world. Our interest in long-term development must be viewed in the context of its contribution to our own security. Economic development will not by itself guarantee the political stability which all countries seek, certainly not in the short run, but political stability is unlikely to occur without sound economic development."

The reorganization and reforms which have been proposed would broaden the involvement of U.S. private organizations, the low-income nations themselves, and the international agencies and as a consequence, would make foreign aid more effective in doing the job which needs to be done.

They would, in the President's words, "turn our assistance programs into a far more successful investment in the future of mankind—an investment made with the combination of realism and idealism that marks the character of the American people."



*Individuals or organizations desiring further information concerning U.S. foreign assistance programs are invited to write to the Information Staff, Agency for International Development, Washington, D. C. 20523.*

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