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Underdeveloped areas
(Jan. 1956)

A STATEMENT BY THE PRESIDENT

At the December meeting of the Trustees, two major decisions about the future policies of the Foundation were made which will influence our work during the next five years and even longer. From the two major decisions flow several collateral results which will affect the day-to-day work of every member of the staff. A report on these decisions is appropriate at the beginning of the year which will begin to see them carried into operation.

The first decision is that the Foundation will increase its work in the so-called underdeveloped countries of the world. The second is that the increased work, which means increased spending, will be financed by grants from capital, to the amount of perhaps \$5,000,000 a year for five years. By using capital to finance the stepped-up work in underdeveloped countries, the research and training now being supported in the United States, England, Europe, and the other so-called advanced countries will not be reduced.

The Foundation's appropriations from income for work in the underdeveloped countries are already substantial: in 1953 they were roughly \$3.5 million, in 1954 about \$4.5 million, and in 1955 about \$6.5 million. The new schedule calls for increasing the total annual amount to between \$10 and \$11 million, by adding \$5 million for capital to the 1955 figure.

The decision to dip into capital was a response to great opportunities in the areas in question; the ability to do so stems from the impressive increase in the market value of the Foundation's holdings. In 1940 the market value of our securities was about \$141 million. In 1950 their valuation grew to \$270 million, and in the five years since 1950 their value more than doubled, being about \$557 million at the end of 1955.

The "welfare of mankind" in the future will be profoundly influenced by what happens now in the countries of Asia, Africa, the Middle East, and Latin America. Many of them are "new" countries, their independence dating only since the second World War. Will they become "open" societies, in the democratic and humanistic tradition of the West, or will they be closed by dogma or ideology? Can they build a structure of government and public order

under which peaceful development may proceed? Can they find a balance between their growing populations and the resources of their agricultural and industrial systems? Upon the answers to questions like these the future welfare of mankind depends perhaps even more importantly than it does on what happens in the countries like ours which share the Western tradition.

Is it presumptuous to think that a single foundation, with resources that are but a pittance compared to the amounts being spent, can influence such great issues?

The reply of the Trustees was that what The Rockefeller Foundation does will be part of a vast effort, and that the Foundation has special assets which, applied at strategic leverage points, can perhaps play a significant part in determining the result.

The nonfinancial assets of The Rockefeller Foundation may prove more important than financial ones in the contribution it can make. These can be spoken of within the Foundation family and were a factor in the decision of the Trustees.

We have officers and staff with long experience in underdeveloped areas. We can recruit new members to the staff somewhat more readily than can many other organizations.

In many underdeveloped countries we have earned a reputation for political disinterestedness. We are not widely regarded as the tool of any particular foreign policy. We are usually welcomed in politically sensitive situations. We have cooperated intimately with foreign governments without becoming involved in partisan rivalries or changing regimes.

The Foundation can act promptly, with flexible and simple procedures. We can commit ourselves to a long period of effort when time is required. We can easily transport advances in knowledge from one part of the world to another and bring them to bear on practical problems, and when research on the spot is needed, we can supply it.

We have gained considerable experience in training leadership, both for science and scholarship and for various types of public service.

These nonfinancial assets are a legacy from our own past, an extra-dividend from the many years of our public health work in every part of the globe and from our agricultural operation in Latin America.

From this heritage grows our present opportunity. The new program evolved from discussions among Trustees and principal officers as well as from requests and suggestions we have received from the responsible leaders of the principal underdeveloped countries. They have asked us for kinds of help which are of special importance to them and which supplement their own efforts at key points. The assistance they want will use the special assets and experience of the Foundation and can be handled within the range of our financial capabilities. These requests are of the sort which at any time would be seriously considered as opportunities for the Foundation to help. Coming as they do at the present moment of world tension, we would bear indeed a heavy responsibility should we turn them down.

During the past months the officers have been encouraged by the Trustees and instructed by the President to think more intensively about opportunities in underdeveloped areas. The travel of officers and staff into these areas has been increased and much help has been obtained from our representatives in such countries as Mexico, Colombia, Brazil, Chile, Japan, and India. A special mission was undertaken by Dr. Richard Bradfield in connection with the food problems of Asia. Within the United States advantage has been taken of visits to this country by foreign leaders and of Americans returning from studies of underdeveloped areas.

Last spring the former organization of the Foundation into divisions was changed to one of less rigidly defined centers of interest, with deliberate overlappings among the various groupings of fields. The greater flexibility of action thus made possible will be an advantage in the expanded work in the underdeveloped countries.

Whereas in the past our work in the non-Western countries was confined to one or at the most two divisions, in the new plan all five groups will work together in certain selected countries. In India, Japan, Mexico, and Brazil we expect there will be opportunities for bringing into play the entire range of Foundation program, and all five Directors will be active in them, working together in coordinated programs in so far as circumstances permit.

In certain other areas -- Indonesia, the Philippines, Colombia, and key regions in the Near East and Africa -- it will probably not be possible for all five Directors to find opportunities on a substantial scale, but intensive work will be done in certain fields.

To concentrate our efforts in the countries and regions enumerated above takes advantage of our historical experience, a large part of which was in those areas. To concentrate is also necessary if the comparatively modest \$5 million annually of new expenditure is to be used wisely. This amount is too small to be effective if scattered over a large area; focussed on strategic points, it may prove to have great leverage power.

Just as we cannot work in all geographical regions but must select a few for concentrated attention, so in regard to fields we must be equally selective. The selection of the special fields for emphasis determines the Foundation's program areas. The expansion of our work in the non-Western countries does not involve any drastic changes in the program fields.

The President's Reviews for 1953 and 1954 comment at some length on the evolution of the relative emphasis given to different program fields and describes their present grouping.

Our work in the improvement of medical and public health education is already world-wide, concentrated in the countries which need it the most. We have resident representatives in New Delhi, Rio de Janeiro, Mexico City, and Tokyo, and staff members on cooperative projects in a number of other places. The new program will expand and intensify the efforts we are making to improve the quality of medical and public health care by improving the competence and training of people for the professional staffs in the various countries concerned.

Our virus research program is likewise on a global scale, with laboratories in New York and field stations in India, South Africa, Trinidad, Brazil, and California. This program will be an important part of the expanded work.

A crucial problem in all the underdeveloped countries is how to feed their growing populations. To the solution of this problem we will try to contribute in a number of ways. Our operating programs in agriculture in Mexico and Colombia have already trained many agricultural scientists for these and

other Latin American countries, and have conducted important research on basic food crops such as corn and wheat. The new one in Chile will be devoted to like objectives. We will intensify our training work. The experience and skill of our own agricultural staff will be extended through projects in other countries, for which the Central American Corn Improvement Project may prove to be a pattern. We are beginning a new research program on the world's third great cereal food, rice, and will probably follow this by more work in the Orient.

We will also intensify our support of the research and work of other agencies in the methods of increasing food production. This aid to research is not confined to the regular food crops but is also given in fields like food from the sea, better use of solar energy, and new sources of proteins like the microscopic algae, some of which may not have practical results for many years.

Our work in the humanities has long been on a world-wide scale, conducted not by resident representatives but through frequent and thorough visits by staff members. We have active grants and fellowship programs in every important region in a wide band around the world, from Japan through Indonesia, India and Pakistan, the Middle East, and Mexico as well as in the advanced countries. The work in humanities will be intensified in the underdeveloped countries, and resident representatives, perhaps in cooperation with the social science program, may be sent to the more important spots.

In the social sciences our work has in the past been confined to the United States, Canada, and Europe. In the new program it will be expanded to the underdeveloped countries. This type of aid will naturally be adapted to different circumstances, and will emphasize training through scholarships and fellowships. It will also use numerous small grants to aid the development of departments and institutions in the social science fields. The social sciences are of fundamental importance in the underdeveloped countries. In many countries the obstacles to increased food production and better health are not in nature or biology, but in the political, economic, and fiscal realms. Changes in the system of production and consumption encounter problems of national economy and international trade. To aid the underdeveloped countries to study these aspects of their problems will be a significant contribution.

A central theme which emerges from the Foundation's 42-year experience is that the bottleneck to progress -- in any field -- is usually people. The frontiers of knowledge are advanced by trained minds; practical improvement turns upon men and women who can apply existing knowledge to human needs with skill and imagination. Without attempting to be too specific about details of the expanded program at this stage, it can be safely predicted that the training of leadership must play a major role.

Methods will remain flexible. A few large grants may be required, but the prospect is that, initially, smaller training and developmental grants will be widely used. Some additional staff will be needed, both in the field and in New York. It is to be expected that all of us will feel the impact of the enlarged program -- among the officers, in the mail room, the Comptroller's office, the travel and purchasing departments and, indeed, at the reception desk. All members of the staff are invited to follow and take an interest in this significant move in our work and to pass suggestions along as to how it can be made more effective.

DEAN RUSK