

national agencies in larger programs of their regular type and as part of the expanded programs of the Second Development Decade throughout Southeast Asia.

We would hope that the United States would support the latter approach through increased contributions to appropriate existing agencies and through willingness to finance generously an autonomous war-damage fund that would also be supported by other governments.

This multi-institutional and incremental approach appears more likely than a crash program to attract the necessary support of other contributors, to fit the capacities of the multilateral agencies and to suit better the limits and needs of the countries themselves, for the following reasons:

(1) Crash program proposals appear to envisage the problem in terms that parallel the post-Second World War situation in Europe and Japan. The economic recovery of post-hostilities Indochina, however, will not be a question of reconstructing the shattered cities and the industrial infrastructure of previously developed economies but rather one of helping underdeveloped countries to restore economies that have been seriously distorted, where not destroyed, by years of warfare, and to promote the process of modernization that (except in North Vietnam) had hardly begun before the war.

(2) This multiple approach, which we see as requiring that smaller doses of multilateral aid be channelled through coordinated country-development programs and projects within a Southeast Asian regional framework, would leave each government free to select the combination of bilateral and multilateral projects best fitted to its national needs and its form of economic and political organization. The Lower Mekong Basin project provides one useful model for this type of rather loose, multilateral co-ordination of bilateral aid.

(3) The massive program approach on the other hand — whether intended to be carried out by existing agencies or through the creation of a new institution for an independent program — could only be implemented by directly or indirectly distorting the broader programs of the regular agencies (because of limited total human and material resources) in order especially to favour the Indochina area. This would arouse the antagonism of other developing peoples, particularly in the same region, who have equally legitimate claim to the aid resources of the international community.

(4) The more gradual approach would better adapt to the area's limited

capacity to absorb developmental inputs. It would also greatly diminish the need for bringing in large numbers of foreign experts to carry out the numerous individual projects that would make up any massive recovery and development program because of the lack, by definition, of implementation skills in developing countries. Such an influx under a crash program would give it a "neo-colonial" appearance locally.

(5) The multi-institutional approach would also facilitate the co-operation of both Communist and non-Communist governments, as both donor and recipient participants — after the pattern of the Development Program (UNDP) — in contrast to the overwhelmingly "Western" pattern of large-scale programs heretofore. It would, in addition, assist in developing co-operative relations among Indochina recipients that have been opponents in current war and have considerable historical enmity to overcome if the area is to have any hope of a more peaceful future.

(6) Finally, as a purely practical consideration, the dispersed, incremental approach would reduce the scale of short-run effort necessary to mobilize and equate international resources — which is not noted for broad generosity toward developing countries, and in particular among industrialized states generally reluctant to commit a larger proportion of their national incomes even to the Second Development Decade, let alone to multilateral aid for a few small countries in Southeast Asia. . . .

. . . There are two purely American factors that, especially in view of the prominent role the United States continues to play in multilateral programs, must have negative effects. One is our propensity for the large-scale, crash program approach. This seems to have a natural appeal to many Americans: in line with such experiences as that of the Marshall Plan in Europe; it is not beyond the capacity of the United States to finance, on its own if it so desires; it accords with the American penchant for grand engineering projects and for getting things done in a hurry. And, in the case of Vietnam, it would, in addition, in some ways help to restore the consciences of those who feel that the United States must do something to restore the war damage that American actions have caused. But if the preceding analysis of this report is correct, the crash program approach is the least likely to succeed, especially in terms of the particular proposals being advocated — to persuade other governments to give the necessary

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