tions designed to safeguard and promote the interests of both competing exporters and recipients of agricultural commodities.

F. EXTERNAL ECONOMIC AID TO DEVELOPING COUNTRIES

Various types of financial and technical assistance have been made available to developing countries, including stabilization assistance, loans, and grants for economic and social projects, surplus agricultural commodities, and the provision of professional and technical personnel for education, industrial and agricultural training, resource surveys, etc. Each type may have its place in the context of a long-range program in which there is a continuous relationship between the donors and the recipient countries, and a continuous review of the economic and social progress of the recipient countries. However, the several types of external assistance currently made available by various agencies should be integrated and directed toward the achievement of long-range economic, social, and political objectives for these countries. There has been far too much piecemeal and discontinuous assistance provided by a multitude of agencies without coordination at the country level and without any clear idea of what the overall impact of their activities may be.

Although there may be times when stabilization assistance in the form of external debt refinancing or general purpose loans may be necessary in order to assist a country in building a foundation of financial stability for sound development planning, this type of assistance should be used sparingly and with adequate safeguards. The most desirable type of development assistance is financial and technical help in the formulation and implementation of specific projects for economic and social development. Ordinarily such projects should be undertaken within the framework of long-range plans formulated by the developing country in consultation with, and perhaps with the help of, external assistance agencies. Although funds should ordinarily be allocated only as required for use in specific projects, there can and should be commitments of funds for financing a portion of a country's long-run development program over a period of several years, subject, of course, to the preparation of sound projects and the carrying out of agreed self-help measures. This approach to development assistance requires not only a continuous relationship and involvement in the development programs and policies of the recipient countries, but the closest coordination of the activities of various national and multilateral agencies operating in the country. Failure to establish a system of coordination of assistance activities at the country level constitutes perhaps the greatest weakness in our foreign-aid programs at the present time.

We have rejected any mechanical relationship between the volume of economic assistance and the rate of economic growth of developing countries. Foreign aid is basically a means of helping countries to help themselves, but in saying this we recognize that external agencies can have an important influence on the policies and programs of the host countries. In a sense, therefore, foreign aid, both financial and technical, should be regarded as a mechanism for influencing the policies of developing countries for achieving economic and social progress as well as a supplement to their resources.