

free world has been declining steadily, as has also our proportion of world markets. While we should not in any way relax our position as a world leader, our leadership must be based more and more on our ability to mobilize and coordinate the resources of the free world and less upon a position of relative economic power which will continue to decline in the future. But before we can convince our allies that they must assume a much larger share of the financial burden and responsibility for development assistance, we must give up the idea of formulating large bilateral development aid programs designed to carry the lion's share of achieving free world goals with perhaps only peripheral assistance from other sources. Regardless of whether or not our administration has adopted this philosophy, a foreigner reading the administration's presentation to Congress entitled "An Act for International Development, a Summary Presentation" (June 1961) might well get the impression that the United States has the major responsibility for guiding economic progress in the less developed countries.

Our third reason for favoring a shift to multilateral assistance relates to the problem of coordination of development assistance activities. Should the responsibility for such coordination at both the country and the agency level lie with the U.S. Government and its country mission chiefs, or with a multilateral organization, either regional or international? As we shall indicate in the paragraphs below, there are good reasons to believe that in the long run this responsibility should lie with multilateral institutions.

2. Coordination of foreign aid policies and operations

For many years specialists in the field of foreign aid have been pointing to the difficulties in promoting economic development within the framework of a rational plan for achieving economic and social goals, given the existence of nearly a score of external financing and technical assistance agencies, all operating within the same country and with little or no coordination at the country level.⁸ This is a problem which has involved not only the relationship between U.S. agencies on the one hand, and multilateral and other national and private agencies on the other, but there has been a problem of coordination among the U.S. agencies themselves. There are three levels at which coordination is needed: (1) policy and operational coordination among the officials in the central offices of the development assistance agencies in Washington, the United Nations, and the European centers; (2) coordination of policies and operations at the country level, both with respect to the functions of the agencies themselves and in their dealings with the officials of the host country; and (3) coordination, such as that carried on by the Development Assistance Group (DAG), among the governments of the major capital exporting countries, or among government officials in organizations such as the Organization for American States which includes both donor and recipient countries. The latter organizations must be concerned with broad policy problems relating to long-range goals for groups of countries, with the sharing of the aid burden, and with the extent to which assistance should be provided through multilateral or bilateral agencies.

⁸ See statement of Harlan Cleveland, "The American Overseas," hearings before the Committee on Foreign Relations, U.S. Senate, 86th Cong., 1st sess., Feb. 18, 1959, Washington, D.C.