

necessitate particular tact and discretion in working with local officials. Just obtaining the facts in some situations may be a challenge because of these and other differences.

Our reviews of the MAP in recent years have ranged from a broad review of a program at the country level to segmented reviews of various related activities, such as supply support, maintenance, and utilization of MAP-supported units in strategic locations like Korea and Taiwan, construction activities in Vietnam, vehicle utilization at various locations, and the utilization of schools in the Panama Canal Zone for providing training to foreign military personnel.

Participation of the United States in international organizations and multicountry defense efforts have involved us, and will further involve us in the future, in the analysis and workings of international finance, multilateral agreements, and cooperative undertakings for the provision of assistance on a reimbursable basis.

Our reviews of the MAP have aided both directly and indirectly in improving operations relating to this program and in concrete legislative efforts to attain this objective. For example, we found that military assistance material had sometimes been delivered to countries that did not have the capability to effectively absorb, maintain, or utilize such material. We suggested to the Congress

that it might wish to enact legislation establishing adequate safeguards. Subsequently, the Foreign Assistance Act of 1961 was amended to require U.S. officials to certify as to a recipient country's capability, before the delivery of defense materials having a value in excess of \$100,000.

Another significant area of accomplishment has been the recoupment from recipient countries by the Department of Defense of ammunition, supplies, and equipment no longer needed by them and the use of such material to fill current needs, particularly in Vietnam.

The satisfactions and the challenges of auditing defense activities of an international character, which may require traveling to various parts of the world and meeting and working with people of other countries as well as the many U.S. organizations participating in these activities, have benefited the participating GAO staff members both professionally and personally. These reviews have been a challenge in the past, but I believe that they will be even more so in the future. The provision of more sophisticated equipment and defense systems and the changing complexion of programs to meet changing needs in various parts of the world are going to present a constant challenge to find new approaches or ways to more effectively fulfill our responsibilities and make meaningful observations.

## New Directions in Agricultural Aid to India

By Jon Given and Gilbert F. Stromvall

In this article the authors describe the magnitude of problems and special circumstances to be recognized in approaching our audits in this highly significant area of foreign assistance.

The United States provided India with more than \$900 million in various forms of assistance during 1966 and it is unlikely that this amount will be greatly reduced in 1967. This is a higher level of assistance than had been provided in past years, with the increase primarily taking the form of additional food aid in recognition of near famine conditions that existed. India has experienced crop failures due to drought for the past 2 years. These crop failures, rather than being isolated or one-shot crises, spotlighted a situation that had to be dealt with in any event; that is, there was urgent need to bring world food production and population into balance.

About 160 years ago an English economist, Thomas Malthus, set forth a theory that population tends to increase at a faster rate than the means of subsistence unless checked by some means of birth control or disaster, such as epidemics, famine, or

war—and that widespread poverty and degradation is an inevitable result. Recently, as evidence of this phenomenon mounts, the fulfillment of his prophecy is a specter haunting mankind.

In 1966 the President of the United States, in presenting a measure for "A War on Hunger" stated in part that:

"Populations are exploding under the impact of sharp cuts in the death rate. Successful public health measures have saved millions of lives. But these lives are now threatened by hunger because food production has not kept pace.

"A balance between agricultural productivity and population is necessary to prevent the shadow of hunger from becoming a nightmare of famine.

"We know what would happen if increased aid were dispensed without regard to measures of self-help. Economic incentives for higher production would disappear. Local agriculture would decline as dependence upon U.S. food increased.

"Such a course would lead to disaster. Disaster could be postponed for a decade

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or even two—but it could not be avoided.

"But ultimately these nations would pay an exorbitant cost.

"But candor requires that I warn you the time is not far off when all the combined production, on all of the acres, of all of the agriculturally productive nations, will not meet the food needs of the developing nations—unless present trends are changed."

In 1967 the President, in his message to the Congress on food assistance for India, restated his concern:

"India is not alone in facing the specter of near famine. One-half of the world's people confront this same problem.

"India's plight reminds us that our generation can no longer evade the growing imbalance between food production and population growth. India's experience teaches that something more must be done about it.

"From our own experience and that of other countries, we know that something can be done.

"We know that land can be made to produce much more food—enough food for the world's population, if reasonable population policies are pursued. Without some type of voluntary population program, however, the nations of the world—no matter how generous—will not be able to keep up with the food problem."

The increase of the world's population is so awesome as to seem unreal.

For example, in 1960, Dr. Irene B. Tauber, senior research demographer, Office of Population Research, Princeton University, stated before the Committee on Agriculture, House of Representatives, that in 1900 there were 1.5 billion people; in 1960 there were 3 billion; and in the year 2000, if present trends continue, there will be 7.5 billion.

Continuation of present trends in India alone will mean a population increase from 133 million in 1960 to 1,233 million by the year 2000 (in other words, nearly triple). Even if

India's birth rate were to be halved in the next 30 years, her population by the year 2000 would more than double.

Dr. Roger Renelle, professor of population policy and director, Center for Population Studies, Harvard University, warned before the House Agriculture Committee that a livable world cannot long exist where two-thirds don't get enough to eat and one-third are overfed. He said that the future of mankind is now being ground out in India and that if no solution is found for their problems, all the world will live like India does now.

The Administration and the Congress have recognized the urgent need to cope with mounting world food problems. The Food for Peace Act of 1960 places major emphasis on efforts made by recipients to increase their own food production and, in fact, requires that such measures be considered before the United States agrees to supply these countries with food assistance.

Our initial inquiry into this new aspect of the Food for Peace Program was made recently in India with the following objectives:

- Identify the underlying factors inhibiting increased agricultural output.
- Determine whether a coordinated plan had been developed to deal with these problems.
- Determine what resources were being or had been made available to deal with the problems (whether by India, the United States, or other aid-providing nations or institutions).

- Measure the rate of progress toward achievement of the goals, to the extent possible.
- Examine into the reasons for any difficulties being experienced.

The overall objective of our survey was to develop information on the progress being realized by India toward attaining food self-sufficiency and on U.S. efforts to assist India in its endeavors.

Before our survey got underway, officials of the State and Agriculture Departments and the Agency for International Development asked that we give appropriate recognition to efforts made over the past 10 or 15 years, so as to place the current agricultural situation in its proper perspective. This required not only looking at the current stage of India's agricultural development and future plans but also, attempting to identify historically how matters had reached their present stage.

Some analysis was required of India's total development efforts, which entailed research into the major factors having a bearing on the food imbalance. Consideration was given to such factors as population control, pesticides, irrigation, fertilizers, the effects of price on agricultural production, and food conservation measures.

We found in India that several institutions, in addition to the Agency for International Development, were quite active in the agricultural field. For research material we were fortunate to be able to draw on studies made by such organizations as the Food Foundation, the Rockefeller Foundation, the Food and Agriculture Organization of the United Nations,

the International Bank for Reconstruction and Development, and the Brookings Institution.

We met and discussed various agricultural problems with agricultural experts and administrative representatives of the Agency for International Development, the Department of Agriculture, the Ford Foundation, and the Food and Agriculture Organization. These officials were most helpful in assisting us to gain insight into these highly technical areas.

Notwithstanding the great amount of material available, firm conclusions could not be drawn in many key areas because of a lack of accurate data. This problem which affects informed judgments as to the best courses of action to be pursued is a major focus of U.S. efforts to assist India.

In the course of our survey, we gained considerable insight into the dilemma confronting developing nations in attempting to expand their agricultural productivity. Many factors come to bear on the food balance situation and they are so interrelated as to defy individual analysis. There are many potential approaches, but each has to be evaluated in relation to available human and capital resources. There is a real challenge to be met in prescribing the measure, or measures most likely to produce the greatest results at the least cost in the quickest period of time.

U.S. aid to India has taken on an ever-increasing multilateral approach. At the request of the World Bank, the developed countries met in 1958 to consider ways to assist India in meeting foreign exchange costs of carrying out development plans. Subsequently these participants formed a

consortium, known as the Aid India Club,<sup>1</sup> which meets annually to consider and make contributions toward India's foreign exchange needs. More recently (in February 1967) the President, with particular regard to India, called for an international multilateral effort not only to meet India's current food crisis but also, to work together in attempting to solve food balance problems existing in many countries of the world.

While the United States still retains control over both its dollar and its food aid, evidence indicates that the

United States favors a heavier international participation in all forms of assistance to India.

Our inquiry in India was the first of its type attempted by the General Accounting Office. A report to the Congress is being developed. The knowledge gained should also serve in good stead in planning further inquiries into this topic of vital concern today.

<sup>1</sup>The Aid India Club is made up of the World Bank, the International Development Association, Austria, Belgium, Canada, West Germany, France, Italy, Japan, the Netherlands, the United Kingdom, and the United States.

## GAO Takes a Look at United States Contributions to International Organizations

By Frank C. Conahan

The author portrays some of the unique relationships and new frontiers of auditing, in relation to U.S. participation in financing international organizations.

International organizations are defined as intergovernmental bodies having three or more members. Their activities are as diverse as are those who run and support them and those who obtain their benefits.

In introducing a work entitled, "Geneva and the International World," Mr. P. P. Spinelli, Under Secretary, and Director of the European Office, of the United Nations asserted:

"The visitor to Geneva is sometimes baffled by the number and complexity of the international organs he finds established there. He usually remains too short a time to obtain an overall picture of their activities or to appreciate how they dovetail with one another to form a great network of cooperation in the economic and social fields. \* \* \*"

Geneva is one of some 30 cities in almost as many countries in which are located the headquarters of over 75 international organizations currently being supported by the United States. If the number and complexity of the organizations one finds in Geneva are baffling, it is too much to hope in an article such as this to even impart a general understanding of the charters and aspirations of the myriad international organizations and programs which the United States has supported in recent years. Accordingly, comments here will be confined to some of the factors relating to U.S. support of multilateral programs and to some of the unusual circumstances GAO will be confronted with in carrying out its

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