

## Global and International History

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## The Development Century

### A Global History

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## Wealth and Nations

### *The Origins of International Development Assistance*

Amanda Kay McVety

In 1919, Sun Yat-sen, the Premier of the Chinese Nationalist Party, sent a “sketch project for the international development of China” to the US Secretary of Commerce, William C. Redfield. Sun sent the sketch to other people as well, including the head of the US Legation in Peking. He was particularly concerned in making sure that the US government received his plan. Redfield wrote back that he agreed “that the economic development of China would be of the greatest advantage, not only to China, but to the whole of mankind,” but the plan that Sun envisioned would “take billions of dollars” and China was already burdened with debts that it could not pay. No doubt disappointed by the response, Sun turned his sketch into a book, *The International Development of China*. His plan, he argued, was one for global peace. “Since President Wilson has proposed a League of Nations to end military war,” he wrote, “I propose to end the trade war by cooperation and mutual help in the development of China.” The nations who participated in this effort, he predicted, would not only benefit financially from a strong China, they would also help “strengthen the Brotherhood of Man,” creating the “keystone in the arch of the League of Nations.”<sup>1</sup>

Sun’s plan was innovative in its call for international assistance for development. China needed “foreign capital” above all, he wrote, but if that could not be obtained, then it would “at least have to use their experts

<sup>1</sup> Sun Yat-sen, *The International Development of China*, 2nd ed. (New York: G. P. Putnam’s Sons, 1929), xi, 8–9, 257–258; C. Martin Wilbur, *Sun Yat-sen: Frustrated Patriot* (New York: Columbia University Press, 1976), 96–111.

and inventors to make for us our own machinery."<sup>2</sup> He hoped to get it by tapping into the Western power's major concern of the day: repairing the war's economic and political damages via expanded international cooperation. In 1919, however, as Redfield's letter made clear, the world's wealthiest nations had no interest in expending significant funds for China's economic development. That would change, however, in the aftermath of the next global war.

A 1947 United Nations Relief and Rehabilitation Administration (UNRRA) report explained that its efforts in China were "different in character" from the European programs "because of the depressed state of the Chinese economy before the war." In consequence, "greater effort was therefore expended to provide rehabilitation through new economic development in the hope of alleviating the chronic need for relief." Initial UNRRA activities in China had – as they had in most places – revolved around securing "relief" and "rehabilitation" through the bringing in of supplies: food, medicine, tools, livestock, etc. But now in China UNRRA was directing its efforts toward establishing "projects" explicitly initiated in the name of meeting "the need for new economic development."<sup>3</sup> Concern reached beyond China. At a 1947 conference hosted by the Institute of Pacific Relations, participant H. Belshaw warned, "Reconstruction policies which express too great a nostalgia for the *status quo ante bellum* are likely to do damage to the prospect of an expanding world economy." It is now clear, he continued, that "the expansion of production, purchasing power and trade in other, poorer countries is conducive to their own welfare, and to the peace of the world." When we talk of "reconstruction" today, he insisted, we should understand it to mean "*the continuous process of economic progress and development, as it is with this long-run objective, covering at least several decades, that we shall mainly be concerned.*"<sup>4</sup>

Belshaw was correct. Economic development became one of the central concerns of the global community in the second half of the twentieth

<sup>2</sup> Ibid., 198. For more on Sun's modernization vision, see Marie-Claire Bergère, *Sun Yat-sen*, trans. Janet Lloyd (Stanford: Stanford University Press, 1998), 246–291 and Margharita Zanasi, *Saving the Nation: Economic Modernity in Republican China* (Chicago: University of Chicago Press, 2006).

<sup>3</sup> *12th Report to Congress on Operations of UNRRA*, as of June 30, 1947 (Washington, D. C.: U.S. Government Printing Office), 9–12.

<sup>4</sup> Emphasis original. H. Belshaw, "Agricultural Reconstruction in the Far East" (September 1947); Tenth Conference of the Institute of Pacific Relations; International Secretariat, Institute of Pacific Relations.

century, as subsequent chapters in this volume will show. This chapter is an attempt to explain, in part, why that happened. It focuses on the time span between Sun's failed 1919 call for international aid for China and the creation exactly thirty years later of the United Nations Expanded Program of Technical Assistance for Economic Development of Underdeveloped Countries and the United States Point Four Program. International assistance for development would take many more forms in the late 1940s and early 1950s, but those two were particularly widely celebrated and became potent symbols of the institutionalization of international assistance for development.

Sun Yat-sen had been ahead of his time when he constructed his plan for China's economic development. By 1949, the global community had caught up with him, agreeing that development was an international issue that warranted international action, but the members of that community were not in complete agreement on why that was the case. People rallied to development from a variety of places for a variety of reasons. This chapter looks primarily at three of them: the emergence of the idea of "the economy" and the rise of national income accounting during the interwar period; the massive devastations of World War II, which triggered international action for relief and reconstruction on a previously unimaginable level; and the outbreak of the Cold War. Together, these three factors helped make international assistance for development a standard part of post-World War II international relations. In the process, they popularized a specific narrative of development as a fundamentally economic process driven by capital investment and technological innovation – exactly what Sun had described back in 1919.

That development narrative had roots that stretched back to an eighteenth-century interpretation of human history as a story of social progress through material change. Baron de Montesquieu laid the groundwork by arguing that underlying structures drove the historical development of societies, but it was the Scottish philosophers – Adam Smith in particular – who gave it structure. Smith narrated a history of progress based on the improvement of land, manufacturing, and trade – through the expansion of economic relationships. That path was, he firmly believed, open to all nations, though success was dependent in part upon luck in terms of geography and resources. It was a compelling vision.<sup>5</sup>

<sup>5</sup> Emma Rothschild, *The Inner Lives of Empires* (Princeton: Princeton University Press, 2011), 132–133; Emma Rothschild, *Economic Sentiments* (Cambridge, MA: Harvard University Press, 2001), 40; Jonathan Israel, *Enlightenment Contested* (Oxford: Oxford



Smithian ideas about national improvement through economic expansion flourished in the nineteenth century and people began using the word “development” to describe the process he had narrated.<sup>6</sup> In 1828, the French historian François Guizot wrote that “the first fact comprised in the word civilization is the fact of progress, of development; it presents at once the idea of a people marching onward, not to change its place, but to change its condition.”<sup>7</sup> In Latin America, many governments created new departments dedicated to promoting national improvement, often including the word “*fomento* – translated as development, improvement, or promotion” – in their names. Mexico’s Ministry of Fomento, Colonization, Industry and Commerce, founded in 1853, was described by its secretary as directed toward “the happiness of those peoples who want to advance, marching forward with civilization and taking advantage of the triumphs of science and industry.”<sup>8</sup> This narrative that expressly tied progress in science and industry to “development” did not have to become racist and exclusionary, but a significant branch of it did during the nineteenth century as political leaders and influential academics in Europe and in the United States used it to justify imperialism and slavery as part of the West’s “civilizing mission.”<sup>9</sup> Japan’s rise to

University Press, 2006), 22–23; Anthony Brewer, “Adam Ferguson, Adam Smith, and the Concept of Economic Growth,” *History of Political Economy* 31:2 (1999): 237–254; Anthony Brewer, “The Concept of Growth in Eighteenth-Century Economics,” *History of Political Economy* 27:4 (1995): 609–638. For more on the universality of Smith’s thought, see Jennifer Pitts, *A Turn to Empire* (Princeton: Princeton University Press, 2005), 41–42.

<sup>6</sup> “By 1830, the works of the French and Scottish philosophers could be found in public libraries from Madras to Penang to Sydney, and in places where the concept of the public, the library, or even the book was entirely new” (C. A. Bayly, *The Birth of the Modern World 1780–1914* [Malden, MA: Blackwell Publishing, 2004], 119). David Armitage’s point about liberalism provides a helpful guide for thinking about the global spread of the idea of development during this period: “Liberalism in Britain was not the same as liberalism in India, each developed within its own ecological niche, yet they did not emerge in ignorance of each other, but rather in dialogues mediated by local conditions of the reception, circulation and hybridization of arguments” (David Armitage, *Foundations of Modern International Thought* [Cambridge: Cambridge University Press, 2013], 30).

<sup>7</sup> François Guizot, *The History of Civilization in Europe*, trans. William Hazlitt, ed. Larry Siedentop (London: Penguin, 1997), 16.

<sup>8</sup> Casey Marina Lurtz, “Developing the Mexican Countryside: The Department of Fomento’s Social Project of Modernization,” *Business History Review* 90:3 (Autumn 2016): 431–455. See also, Teresa Cribelli, “These Industrial Forests: Economic Nationalism and the Search for Agro-Industrial Commodities in Nineteenth-Century Brazil,” *Journal of Latin American Studies* 45:3 (August 2013): 545–579.

<sup>9</sup> Pitts, *A Turn to Empire*; Thomas McCarthy, *Race, Empire, and the Idea of Human Development* (Cambridge: Cambridge University Press, 2009); Michael Adas, *Machines*

power at the end of the nineteenth century dramatically challenged the racist aspects of the development narrative, but helped to solidify the idea that states needed to take “advantage of the triumphs of science and industry” if they wanted to become significant players on the global stage.<sup>10</sup>

This was the “development” that Sun would call for in 1919, and he was not alone. In 1923, Ras Tafari (later Haile Selassie) wrote to the League of Nations requesting membership so that Ethiopia could “govern its people in peace and tranquility” and “develop its country under prosperous conditions.” Tafari had no interest in a so-called civilizing mission for Ethiopia; he wanted capital and technology.<sup>11</sup> Sun and Tafari made their requests at a moment when what “international” itself meant was changing. They and others saw new possibilities in the creation of the League of Nations. And the League answered some of those hopes: it sent health “experts” abroad and funded a small number of “technical and humanitarian activities.” The initial emphasis of this work was to improve the international state system itself by curtailing the international drug trade, slavery, and trafficking in women and children, but the League’s involvement in the question of “international development” soon expanded in response to new ideas in economics that the League helped foster.<sup>12</sup>

*as the Measure of Men: Science, Technology, and Ideologies of Western Dominance* (Ithaca: Cornell University Press, 1990); Michael Adas, *Dominance by Design: Technological Imperatives and America’s Civilizing Mission* (Cambridge, MA: Harvard University Press, 2006); Paul A. Kramer, “Power and Connection: Imperial Histories of the United States in the World,” *The American Historical Review* 116:5 (December 2011): 1348–1391; Daniel R. Headrick, *Power over Peoples: Technology, Environments, and Western Imperialism, 1400 to the Present* (Princeton: Princeton University Press, 2010); Emily S. Rosenberg, *Spreading the American Dream: American Economic and Cultural Expansion, 1890–1945* (New York: Hill and Wang, 1982); Merle Curti and Kendall Birr, *Prelude to Point Four: American Technical Missions Overseas, 1838–1938* (Madison: University of Wisconsin Press, 1954).

<sup>10</sup> Cyrus Veeger, *Great Leaps Forward: Modernizers in Africa, Asia, and Latin America* (Boston: Prentice Hall, 2010).

<sup>11</sup> Harold G. Marcus, *Haile Selassie I* (Berkeley: University of California Press, 1987), 53–54. Notably, at that moment, the League itself was still arguing for the necessity of “civilization” to guide the “well-being and development” of some peoples via the mandate system (Marc Frey, Sönke Kunkel, and Corinna R. Unger, “Introduction: International Organizations, Global Development, and the Making of the Contemporary World,” in *International Organizations and Development, 1945–1990*, ed. Marc Frey, Sönke Kunkel, and Corinna R. Unger [New York: Palgrave Macmillan, 2014], 1–22).

<sup>12</sup> For information about League development initiatives, see Secretariat of the League of Nations, *The Aims, Methods and Activities of the League of Nations* (Geneva: Secretariat

In 1926, the president of the League's Economic Committee announced that the League's future lay in the "new paths . . . opening out before it" in the field of economics. A few years later, a report to the Economic Committee described a "world-wide movement of economic thought destined to substitute for the 'hit or miss' of laissez-faire economics a planned and scientifically ordered progress towards higher levels of material prosperity."<sup>13</sup> This movement in thought was partially the outcome of what Timothy Mitchell has dubbed "the realization of the economy." The concept that had remained vague since Smith was gradually becoming understood to be "a self-contained structure or mechanism whose internal parts are imagined to move in a dynamic and regular interaction," which could, therefore, be manipulated into growth with beneficial consequences for the nation.<sup>14</sup> What was at first an interesting idea quickly became perceived to be a vital one. The Great Depression, which put a quarter of the working population in the United States,

of the League of Nations, 1935); Thorvald Madsen, "The Scientific Work of the Health Organization of the League of Nations," *Bulletin of the New York Academy of Medicine* 13:8 (August 1937): 439-465; Tomoko Akami, "A Quest to Be Global: The League of Nations Health Organization and Inter-Colonial Regional Governing Agendas of the Far Eastern Association of Tropical Medicine 1910-25," *The International History Review* 38:1 (2016): 1-23; Sunil Amrith and Patricia Clavin, "Feeding the World: Connecting Europe and Asia, 1930-1945," *Past and Present*, Supplement 8 (2013): 29-50; Sunil Amrith, *Decolonizing International Health: India and Southeast Asia, 1930-1965* (London: Palgrave Macmillan, 2006); Stefan Hell, "The Role of European Technology, Expertise and Early Development Aid in the Modernization of Thailand before the Second World War," *Journal of the Asia Pacific Economy* 6:2 (2001): 158-178; Daniel Gorman, *The Emergence of International Society in the 1920s* (Cambridge: Cambridge University Press, 2012), 52-108; Margherita Zanasi, "Exporting Development: The League of Nations and Republican China," *Comparative Studies in Society and History* 49:1 (2007): 149; Jürgen Osterhammel, "'Technical Co-Operation' between the League of Nations and China," *Modern Asian Studies* 13:4 (1979): 661-680; John Farley, *To Cast Out Disease: A History of the International Health Division of the Rockefeller Foundation (1913-1951)* (Oxford: Oxford University Press, 2002); Paul Weindling, "Philanthropy and World Health: The Rockefeller Foundation and the League of Nations Health Organization," *Minerva* 35 (1997): 269-281.

<sup>13</sup> Quoted in JoAnne Pemberton, "New Worlds for Old: The League of Nations in the Age of Electricity," *Review of International Studies* 28 (2002): 317-318.

<sup>14</sup> Timothy Mitchell, *Rule of Experts* (Berkeley: University of California Press, 2002), 82-83; Matthias Schmelzer, *The Hegemony of Growth: The OECD and the Making of the Economic Growth Paradigm* (Cambridge: Cambridge University Press, 2016); H. W. Arndt, *Economic Development* (Chicago: University of Chicago Press, 1987). For examples of key works in this transformation, see Allyn A. Young, "Increasing Returns and Economic Progress," *The Economic Journal* 38:152 (December 1928): 527-542 and Charles Frederick Roos, *Dynamic Economics* (Bloomington, IN: Principia Press, 1934).

Germany, Britain, and France out of work, made economic growth the central political preoccupation of the 1930s.<sup>15</sup>

The Depression gave the League a new agenda that was most evident in the creation in 1935 of the "Mixed Committee on the Problem of Nutrition," which brought together people from several new organizations associated with the League to analyze the global food situation.<sup>16</sup> The resulting report highlighted global inequality in access to food and "in the process created a new language for discussing poverty and consumption on a global scale."<sup>17</sup> That work complemented the LNHO's *International Health Yearbook*, which provided "a survey of the progress made by the various countries in the domain of public health."<sup>18</sup> The League also supported efforts to collect and publish comparative data on standards of living – a concept "that became a lens through which to see the world as an object to be improved by liberal capitalism, western science, and international organization."<sup>19</sup> These efforts were aided by the concurrent efforts of individual economists to compile and publish national income estimates.<sup>20</sup> A 1939 League report explained that the work was "making men and women all over the world more keenly aware of the wide gap between the actual and potential conditions of their lives," which, in turn, was making them "impatient to hear that some real and concerted effort is being made to raise the standard of their lives nearer to what it might become."<sup>21</sup>

The new data about global inequality changed what people demanded from their governments, be they national or imperial. In the British

<sup>15</sup> Thomas Piketty, *Capital in the Twenty-First Century*, trans. Arthur Goldhammer (Cambridge, MA: Harvard University Press, 2014), 136.

<sup>16</sup> Patricia Clavin, *Securing the World Economy: The Reinvention of the League of Nations, 1920-1946* (Oxford: Oxford University Press, 2013), 8-9, 161.

<sup>17</sup> Amrith and Clavin, "Feeding the World," 42; Iris Boroway, *Coming to Terms with World Health: The League of Nations Health Organization* (Frankfurt am Main: Peter Lang, 2009), 379-394; Nick Cullather, *The Hungry World: America's Cold War Battle against Poverty in Asia* (Cambridge, MA: Harvard University Press, 2010), 32-33, 38.

<sup>18</sup> A.G.N., "The International Health Year-Book of the League of Nations, 1928," *Canadian Medical Association Journal* 22:1 (January 1930): 93; Boroway, *Coming to Terms with World Health*, 177-183.

<sup>19</sup> Clavin, *Securing the World Economy*, 172-179.

<sup>20</sup> Colin Clark, *The Conditions of Economic Progress* (London: Macmillan, 1940); Arndt, *The Rise and Fall of Economic Growth*, 5-23; Daniel Speich, "The Use of Global Abstractions: National Income Accounting in the Period of Imperial Decline," *Journal of Global History* 6:1 (March 2011): 7-28.

<sup>21</sup> Quoted in Amrith and Clavin, "Feeding the World," 35.

Empire, “the impetus for a dramatic reworking of earlier assumptions about imperial development” would manifest itself in the Colonial Development and Welfare Acts of the 1940s. For the French, too, the old “civilizing mission” gave way to “an imperialism of knowledge and planning as well as of capital.”<sup>22</sup> The data also changed ideas about the purpose of international cooperation. By the end of the 1930s, the League was insisting that the “really vital problems” facing the world did “not lend themselves to settlement by formal conferences and treaties” and, therefore, “the primary object of international co-operation should be rather mutual help than reciprocal contract – above all, the exchange of knowledge and the fruits of experience.”<sup>23</sup> There was a bit of self-interest in the argument: the League had clearly failed in its original purpose of preventing another global war and it was looking for a way to remain relevant. But the decision to emphasize the exchange of knowledge and technical skill was more than just a defensive maneuver; it was the outcome of a decade-long shift in priorities at Geneva toward “positive security” that sought peace through higher living standards, and higher living standards through technical and scientific cooperation for the expansion of human welfare.<sup>24</sup>

By 1939, interest in global security through economic development had spread beyond the League of Nations. That year, Eugene Staley, an economist at Tufts, wrote that we are “well into the era of planetary economy,” and we can achieve much more growth together than we can apart. We must, he insisted, launch “a development program designed to carry modern capital equipment and technical knowledge into parts of Asia, South America, and Africa.” Nationalism, Staley worried, was currently threatening the “disintegration of the world economy”; it must

<sup>22</sup> Joseph Hodge, “Writing the History of Development (Part 2: Longer, Deeper, Wider),” *Humanity* 7:1 (Spring 2016): 131; Frederick Cooper, “Development, Modernization, and the Social Sciences in the Era of Decolonization: The Examples of British and French Africa,” *Revue d’Histoire des Sciences Humaines* 10 (2004): 9–38. See also, Suke Wolton, *Lord Hailey, the Colonial Office and the Politics of Race and Empire in the Second World War* (New York: St. Martin’s Press, 2000); Joanna Lewis, *Empire State-Building: War & Welfare in Kenya, 1925–52* (Oxford: James Currey, 2000); Michael Havinden and David Meredith, *Colonialism and Development: Britain and Its Tropical Colonies, 1850–1960* (London: Routledge, 1993); Joseph Morgan Hodge, *Triumph of the Expert: Agrarian Doctrines of Development and the Legacies of British Colonialism* (Athens: Ohio University Press, 2007).

<sup>23</sup> Quoted in Clavin, *Securing the World Economy*, 231.

<sup>24</sup> *Ibid.*, 231–240. See also, Randall M. Packard, *A History of Global Health: Interventions in the Lives of Other Peoples* (Baltimore, MD: Johns Hopkins University Press, 2016), 51–90.

not be allowed to do so.<sup>25</sup> Notably, as David Ekbladh has shown, Staley “acknowledged that modernization was a political and social process as much as an economic and technological one,” but he believed “technical assistance was foundational” and even “pointed to Sun Yat-sen’s *The International Development of China* as a template.”<sup>26</sup> Staley helped to popularize the idea that development was something that could and should be shared through capital investment and technical assistance.

The US government embraced the idea on a limited scale, looking not at the entire world, but at the entirety of the Americas. In 1939, Harry Dexter White, who worked in the Treasury Department, sent a memo to Treasury Secretary Henry Morgenthau warning that without US action, the arm of Axis power would reach Latin America. To stop it, he argued for a “bold program” of financial aid. “Only capital and technical skill are needed to develop the area,” he insisted, “so that it could provide for a much larger population, for a higher standard of living and a greatly expanded foreign trade.” The following year, Nelson Rockefeller sent President Franklin D. Roosevelt a proposal for “Hemispheric Economic Defense” that called for economic development in Latin America via capital investments and technical assistance. Roosevelt seized on the idea and made economic development part of his regional diplomacy. In July of 1941, a Treasury official reported that “if one goes around Washington now I think he will hear more often than any other one word in the vocabulary of the Good Neighbor enthusiasts with which that city abounds the word ‘developmental’ or ‘development.’”<sup>27</sup> It was a short conceptual leap from that hemispheric concern to a global one. “Development” was soon on the lips of more people in Washington than just those working in Latin America. Roosevelt himself led the way.

In his 1941 Annual Message to Congress, Roosevelt famously announced that he wanted to secure “four essential human freedoms” worldwide, including “freedom from want.” Roosevelt had added the “everywhere in the world” part to the speech himself, responding to the concern of one of his speechwriters that worldwide “covers an awful lot of territory,” with the quip that “the world is getting so small that even the

<sup>25</sup> Eugene Staley, *World Economy in Transition*, reissue (Port Washington, NY: Kennikat Press, 1971), 19, 283, 332–333.

<sup>26</sup> David Ekbladh, *The Great American Mission: Modernization and the Construction of an American World Order* (Princeton: Princeton University Press, 2010), 74–75.

<sup>27</sup> Eric Helleiner, *Forgotten Foundations of Bretton Woods* (Ithaca: Cornell University Press, 2014), 40–51.



people in Java are getting to be our neighbors now."<sup>28</sup> When he met with Prime Minister Winston Churchill that August to discuss war aims, the two agreed that they hoped to secure a peace that would "afford assurance that all the men in all the lands may live out their lives in freedom from fear and want" and ensure the "fullest collaboration between all nations in the economic field with the object of securing, for all . . . economic advancement and social security."<sup>29</sup> What achieving all that would require was not completely clear at the time, but the words themselves unleashed calls for action all over the world.<sup>30</sup> People already wanted development assistance; the Atlantic Charter gave them hope that the Allied powers would give it to them.

In 1943, Yilma Deressa, Ethiopia's finance minister, told US officials that foreign assistance for development was "implied in the Atlantic Charter."<sup>31</sup> Harry White, who had been asked by the White House to create a plan for a "United Nations Stabilization Fund and a United Nations Bank," reported in his first draft that the fund was designed to assist with "the attainment of the economic objectives of the Atlantic charter." White told Roosevelt that one of the main purposes of the bank would be "to supply the huge volume of capital that will be needed abroad for relief, for reconstruction, and economic development essential for the attainment of world prosperity and higher standards of living."<sup>32</sup> He got support for his argument from the League (still "soldier[ing] on in a variety of guises and locations"), which, in 1942, circulated among Allied officials a "manifesto" whose principal purpose, Patricia Clavin has argued, was "to shape policy, notably American, on reconstruction and international relations."<sup>33</sup> *The Transition from War to Peace Economy*, which was officially published in 1943, argued that "Relief, to be effective, must not simply fill the human belly for a short period of time, but must enable the individuals who require it to continue that process themselves in the future." Avoiding a repeat of the economic anarchy of the 1930s required a commitment "to ensure that the fullest possible use was made of the resources of production, human and material, of the skill and enterprise of the individual, of available scientific

<sup>28</sup> Quoted in Elizabeth Borgwardt, *A New Deal for the World: America's Vision for Human Rights* (Cambridge, MA: Harvard University Press, 2005), 20–21.

<sup>29</sup> The Atlantic Charter (August 14, 1941), available at <http://avalon.law.yale.edu/wwii/atlantic.asp>.

<sup>30</sup> Borgwardt, *A New Deal for the World*, 46–86.

<sup>31</sup> Helleiner, *Forgotten Foundations*, 228. <sup>32</sup> White quoted in *ibid.*, 109, 121.

<sup>33</sup> Clavin, *Securing the World Economy*, 251, 285–294.

discoveries and inventions so as to attain and maintain in all countries a stable economy and rising standards of living."<sup>34</sup> Peace, in other words, required economic growth.

The idea of a global economy changed the stakes of war "relief." It was readily apparent that the humanitarian operations that had followed World War I were not going to be enough, though they would, as Julia Irwin demonstrates in Chapter 3, provide a critical foundation for the way the Allies approached "relief and rehabilitation" during World War II. The US government had created the Office of Foreign Relief and Rehabilitation Operations (OFRRA) back in 1941. OFRRA soon gave way to the UNRRA, which would be headed by the same man who had led OFRRA and dedicated to a similar mission: provide immediate aid in the form of "food, clothing and shelter, aid in the prevention of pestilence and in the recovery of the health of the people," followed by assistance for "the return of prisoners and exiles to their homes" and for "the resumption of urgently needed agricultural and industrial production and the restoration of essential services."<sup>35</sup> UNRRA, Roosevelt explained, was designed to help people "so that they can help themselves; they will be helped to gain the strength to repair the destruction and devastation of the war and to meet the tremendous task of reconstruction which lies ahead." Their own governments, a UNRRA report to Congress explained, will have the "major responsibility for seeing to it that the peoples liberated from the enemy will be able to liberate themselves also from the hunger and disease that the enemy left behind among them."<sup>36</sup> Assistance for relief and rehabilitation had been internationalized, but the United States and Great Britain remained leery about internationalizing assistance for reconstruction, let alone development. But the demand was growing louder from a number of quarters.<sup>37</sup>

<sup>34</sup> League of Nations, Report of the Delegation on Economic Depressions, Part I, *The Transition from War to Peace Economy* (Geneva: League of Nations, 1943), 14, 75–76.

<sup>35</sup> Agreement for the United Nations Relief and Rehabilitation Administration (November 9, 1943); available online at [www.loc.gov/law/help/us-treaties/bevans/m-us-t000003-0845.pdf](http://www.loc.gov/law/help/us-treaties/bevans/m-us-t000003-0845.pdf)

<sup>36</sup> *First Report to Congress on United States Participation in Operations of UNRRA*, as of September 30, 1944 (Washington, D. C.: U.S. Government Printing Office), 5, 8.

<sup>37</sup> For more discussion of the terminology, see Ben Shephard, "Becoming Planning Minded: The Theory and Practice of Relief 1940–1945," *Journal of Contemporary History* 43:3 (July 2008): 405–419; Jessica Reinisch, "'We Shall Rebuild Anew a Powerful Nation': UNRRA, Internationalism and National Reconstruction in Poland," *Journal of Contemporary History* 43:3 (July 2008): 451–476; Jessica Reinisch, "Internationalism in Relief: The Birth (and Death) of UNRRA," *Past*

In 1943, when in preparation for the conference at Bretton Woods Chinese officials received American and British proposed plans for what would eventually become the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (IBRD), some immediately noted that “neither plan gives sufficient consideration to the development of industrially weak nations.” To help ensure that the final plans did so, they constructed their own draft to take to the conference. In addition, the head of the delegation, Hsiang-Hsi Kung, told the press, “America and others of the United Nations, I hope, will take an active part in aiding the post-war development of China.” We want development, he told fellow delegates, not in order “to compete,” but “for the purpose of raising the standard of living of our people.” China’s efforts, combined with the concomitant efforts of several other countries, helped ensure that “the encouragement of the development of productive facilities and resources in less developed countries” became one of the official purposes of the IBRD.<sup>38</sup>

In 1943, reflecting on the forthcoming Bretton Woods Conference, the Hot Springs conference that created the Food and Agriculture Organization (FAO), and UNRRA, the Commission to Study the Organization of Peace declared that the world was creating “the international mechanisms that will be needed to achieve what the great Chinese leader Sun Yat-sen once described as ‘the principle of livelihood’ – what we now call ‘freedom from want.’”<sup>39</sup> It got those mechanisms, US Treasury Secretary Henry Morgenthau later explained, speaking specifically about Bretton Woods, because of the “realization that it is to the economic and political advantage of countries such as India and China, and also of countries such as England and the United States, that the industrialization and betterment of living conditions in the former be achieved with the aid and encouragement of the latter.”<sup>40</sup> That realization

*and Present*, Supplement 6 (2011): 258–289; Jessica Reinisch, “‘Auntie UNRRA’ at the Crossroads,” *Past and Present*, Supplement 8 (2013): 70–97; Andrew J. Williams, “‘Reconstruction’ before the Marshall Plan,” *Review of International Studies* 31:3 (July 2005): 541–558.

<sup>38</sup> Helleiner, *Forgotten Foundations*, 9, 191–200. Also see Daniel Speich Chassé, “Technical Internationalism and Economic Development at the Founding Moment of the UN System,” in *International Organizations and Development, 1945–1990*, 23–45.

<sup>39</sup> Commission to Study the Organization of Peace, Fourth Report, Part II: The Economic Organization of Welfare (November 1943) in *Building Peace: Reports of the Commission to Study the Organization of Peace 1939–1972* (Metuchen, NJ: The Scarecrow Press, Inc., 1973), 127.

<sup>40</sup> Quoted in Helleiner, *Forgotten Foundations*, 132.

had been a long time coming, but it had arrived, aided by the new hard data about global standards of living, the idea of the economy, and the global devastations of the war, which made efforts to relieve and rehabilitate Europe far from enough to fulfill the promises of the Atlantic Charter. People asked the dominant Allied powers for development and, convinced that it was in their economic and political interest to do so, the Allies created the “international machinery for the promotion of the economic and social advancement of all people” that the United Nations would promise to employ in its 1945 charter.<sup>41</sup>

That machinery marked a revolution in international affairs, but it was, nevertheless, far more modest in scope and action than its supporters had hoped it would be. It was designed (and funded) to enable a vision of development via primarily the transfer of “expertise” as opposed to development via the transfer of significant amounts of capital and technology. FAO, for example, began with a \$5 million budget.<sup>42</sup> In a 1945 message to President Truman about the new agency, the Department of Agriculture explained that “FAO will be an expert consulting agency operating on a modest budget, with nothing to give away free except advice.” But that advice would be “the kind that gets results. It will stimulate research and development and the rapid spread of use of knowledge in all its various fields of work.”<sup>43</sup> The argument was not disingenuous. People had faith in technological expertise, but political leaders in the world’s wealthiest nations – notably the United States – also particularly wanted to have that faith, in the hope that it meant that they would not have to spend too much money on the effort to raise standards of living and strengthen the global economy. The hopes of 1945, however, would give way by 1947. Europe’s stalled recovery from the war crushed

<sup>41</sup> Charter of the United Nations (June 26, 1945), available at [www.un.org/en/sections/un-charter/preamble/](http://www.un.org/en/sections/un-charter/preamble/). See also, Daniel Maul, “‘Help Them Move the ILO Way’: The International Labor Organization and the Modernization Discourse in the Era of Decolonization and the Cold War,” *Diplomatic History* 33:3 (June 2009): 387–404 and Amy L. S. Staples, *The Birth of Development: How the World Bank, Food and Agriculture Organization, and World Health Organization Changed the World, 1945–1965* (Kent, OH: Kent State University Press, 2006).

<sup>42</sup> United Nations Interim Commission on Food and Agriculture, Facts about FAO (September 11, 1945); United Nations Food and Agriculture Organization, 121–128; President’s Secretary’s Files; Papers of Harry S. Truman; Harry S. Truman Presidential Library.

<sup>43</sup> Suggested Remarks, G. H. (September 24, 1945); United Nations Food and Agriculture Organization, 121–128; President’s Secretary’s Files; Papers of Harry S. Truman; Harry S. Truman Presidential Library.



American dreams that the global economy would expand without significant additional effort on its part.

In a June 1947 commencement address, Secretary of State George Marshall warned his audience that Americans, “distant from the troubled areas of the earth,” did not comprehend how much people were still suffering and could not, therefore, comprehend the gravity of the threat it posed to peace. The Allied powers had not been prepared for the extent of the damage. “In considering the requirements for the rehabilitation of Europe,” Marshall explained, “the physical loss of life, the visible destruction of cities, factories, mines and railroads was correctly estimated, but it has become obvious during recent months that this visible destruction was probably less serious than the dislocation of the entire fabric of European economy.” This rehabilitation will take more time and more effort than we ever imagined, he admitted, and “any assistance that this Government may render in the future should provide a cure rather than a mere palliative.” And it needed to provide it. The “consequences to the economy of the United States” of not doing so, Marshall warned, “should be apparent to all.”<sup>44</sup>

Marshall insisted that this new assistance would be “directed not against any country or doctrine but against hunger, poverty, desperation and chaos,” but that was not true. The United States shut UNRRA down (with a bit of a delay for the China program) and created the Marshall Plan to fight the spread of communism.<sup>45</sup> That was a war that it was willing to put a great deal of effort and money into. Congress brought the Marshall Plan to life with the creation of the Economic Cooperation Administration (ECA) in April of 1948 with a budget of about \$4 billion a year. Its creation helped the “development” cause in several ways. In November of 1947, the president of the IBRD, which, despite its name, had that year only given out loans to European nations for reconstruction purposes, told the board of executive directors that they “were going to be driven into a very different field sooner than [he] thought, into the development field.” Forced “to reinvent itself in order to survive,” development “abruptly became [the bank’s] *raison d’être*.” It sent its first

<sup>44</sup> George C. Marshall, Address at Harvard (June 5, 1947), available at [www.marshallfoundation.org/library/MarshallPlanSpeechfromRecordedAddress\\_000.html](http://www.marshallfoundation.org/library/MarshallPlanSpeechfromRecordedAddress_000.html)

<sup>45</sup> On the politics of the decision to terminate UNRRA, see Reinisch, “Internationalism in Relief.” The United States, Melvyn Leffler has shown, “launched the Marshall Plan to arrest an impending shift in the correlation of power between the United States and the Soviet Union.” Melvyn P. Leffler, *A Preponderance of Power* (Stanford, CA: Stanford University Press, 1992), 163.

General Survey Mission to Colombia in July of 1949 to formulate a “development program designed to raise the standard of living of the Colombian people.”<sup>46</sup> In January of 1949, *Pravda* announced the creation of a new Council for Mutual Economic Assistance to help participants in “speeding up the reconstruction and development of their national economies.” Comecon would become the foundation of the Soviet Union’s international development outreach.<sup>47</sup>

The Marshall Plan also paved the way for the establishment of a new American development program. In his memoirs, Truman wrote that the Marshall Plan and the Greek-Turkish aid program “hinted a new concept which was to be enunciated two years later – the idea of a continuing and self-perpetuating program of technical assistance to the underdeveloped nations of the world which would enable them to help themselves to become growing, strong allies of freedom.”<sup>48</sup> In his 1949 inaugural address, Truman announced that the United States was going to “embark on a bold new program for making the benefits of our scientific advances and industrial progress available for the improvement and growth of underdeveloped areas.”<sup>49</sup> The Truman administration sold the subsequent program, known as Point Four, as “bold” and “new.” As a State Department official readily admitted at the time, the “idea of exchanging knowledge and skills is not new.” What was “new and essential,” he argued, was the “emphasis on the great importance of economic development in underdeveloped areas and on the concept of an expanded and coordinated approach to the stimulating of technological exchange and capital investment.”<sup>50</sup> With Point Four, the United States dedicated itself to strengthening the economies of countries around the world both to

<sup>46</sup> Michele Alacevich, “The World Bank and the Politics of Productivity: The Debate on Economic Growth, Poverty, and Living Standards in the 1950s,” *Journal of Global History* 6:1 (March 2011): 55–56; Michele Alacevich, *The Political Economy of the World Bank* (Stanford: Stanford Economics and Finance, 2009), 1–15.

<sup>47</sup> Elena Dragomir, “The Formation of the Soviet Bloc’s Council for Mutual Economic Assistance,” *Journal of Cold War Studies* 14:1 (Winter 2012): 34–36. For a US government perspective of the Council, see CIA, Soviet Economic Assistance to the Sino-Soviet Bloc Countries (June 13, 1955), CIA/SC/RR 103, available at [www.cia.gov/library/readingroom/docs/DOC\\_0000496610.pdf](http://www.cia.gov/library/readingroom/docs/DOC_0000496610.pdf)

<sup>48</sup> Harry S. Truman, *Memoirs by Harry S. Truman*, vol. 2 (Garden City, NY: Doubleday & Company, Inc., 1956), 230.

<sup>49</sup> Harry S. Truman, Inaugural Address (January 20, 1949), available at [www.trumanlibrary.org/whistlestop/50yr\\_archive/inagural20jan1949.htm](http://www.trumanlibrary.org/whistlestop/50yr_archive/inagural20jan1949.htm)

<sup>50</sup> State Department, “Building the Peace,” *Foreign Affairs Outline* 21 (Spring 1949); Near Eastern and African Staff subject files 1951–1953; Technical Cooperation Administration; RG 469; National Archives College Park.

fight the spread of communism and to expand the global economy. It is, Secretary of State Dean Acheson explained to Congress, "a security measure . . . for our military and economic security is vitally dependent on the economic security of other peoples." Point Four's aid, he continued, will help "the people of the underdeveloped areas" not only to develop but to "associate economic progress with an approach to the problems of daily life that preserves and enlarges the initiative, dignity, and freedom of the individual." It would, in other words, convince them not to turn to communism for help.<sup>51</sup>

Point Four was both proactive and reactive. Many of the world's "underdeveloped countries" had expressed "dissatisfaction . . . with the American thesis that priority for reconstruction and recovery in Europe was justified because the rest of the world would benefit from the revival of world trade and by the provision of European capital for economic development." They wanted direct, not indirect, aid.<sup>52</sup> They had made their voices heard in several ways, including at the UN General Assembly, which had, in December 1948, passed a resolution calling for the allocation of funds to provide "technical assistance for economic development" all over the world.<sup>53</sup> In the aftermath of its Point Four promise, the US government encouraged this call. In March of 1949, the US delegate to the United Nations proposed the creation of "a comprehensive plan for an expanded cooperative programme of technical assistance for economic development through the United Nations and its specialized agencies."<sup>54</sup>

<sup>51</sup> Hearings before the Committee on Foreign Relations on an Act for International Development, United States Senate, 81st Congress, Second Session, March 30 and April 3, 1950 (Washington, D. C.: U.S. Government Printing Office, 1950), 5. For more on Point Four, see Amanda McVety, *Enlightened Aid: U.S. Development as Foreign Policy in Ethiopia* (New York: Oxford University Press, 2012), 83–120; Amanda McVety, "Pursuing Progress: Point Four in Ethiopia," *Diplomatic History* 32:3 (June 2008): 371–403; Stephen Macekura, "The Point Four Program and U.S. International Development Policy," *Political Science Quarterly* 128:1 (Spring 2013): 127–160.

<sup>52</sup> William Adams Brown, Jr. and Redvers Opie, *American Foreign Assistance* (Washington, D. C.: The Brookings Institution, 1953), 389.

<sup>53</sup> UN General Assembly, 3rd session, Resolution 200 (III). Technical assistance for economic development (December 4, 1948); available at [www.un.org/documents/ga/res/3/ares3.html](http://www.un.org/documents/ga/res/3/ares3.html)

<sup>54</sup> Samuel P. Hayes, Jr., "Truman's 'Bold New Program,'" draft attached to letter from Hayes to Carter (August 26, 1949); Point 4 Memoranda – Miscellaneous; Box 109, NEA-Memoranda, Notes, etc. to UNESCO, 1946–1950; Subject Files of the Chief, 1945–1951; Bureau of Public Affairs, Office of Public Affairs, Division of Public Liaison, Lot File 53D387; RG 59; National Archives and Records Administration, College Park.

The General Assembly, "impressed with the significant contribution to economic development that can be made by an expansion of the international exchange of technical knowledge through international cooperation among countries," adopted resolution 222 that fall, establishing the United Nations Expanded Program of Technical Assistance for Economic Development of Underdeveloped Countries.<sup>55</sup>

In 1950, the United Nations held a Technical Assistance Conference in which fifty countries pledged \$20 million for the effort. The United States provided 60 percent of the total.<sup>56</sup> The United Nations FAO was delegated 29 percent of the first \$20 million to expand its technical assistance programs. The year before, it had had \$1.2 million for that work. In 1952, it received \$6.2 million.<sup>57</sup> At the end of that year, its director general reported that "he believed that during the past year FAO had made more progress in its work than in the previous five years of its existence, adding that this was mainly because nations were 'moving ahead more rapidly in the program of technical assistance for economic development.'"<sup>58</sup> And FAO was just one of many organizations that benefited from the shift to technical assistance. Looking back, UN Secretary General Trygve Lie wrote that the American commitment to funding technical assistance gave the UN specialized agencies "new life."<sup>59</sup>

<sup>55</sup> Committee on Expenditures in the Executive Departments, *Research Summary on Technical Assistance Proposals of the Food and Agriculture Organization of the United Nations*, House Report no. 670, 82nd Congress, 1st session (Washington, D. C.: U.S. Government Printing Office, 1951), 1–2, 13. On changes in economic thinking at the United Nations during this period, see John Toye and Richard Toye, "How the UN Moved from Full Employment to Economic Development," *Commonwealth and Comparative Politics* 44:1 (March 2006): 16–40.

<sup>56</sup> David Owen, "The United Nations Expanded Program of Technical Assistance – A Multilateral Approach," *Annals of the American Academy of Political and Social Science* 323 (May 1959): 28.

<sup>57</sup> Gove Hambidge, *The Story of FAO* (Toronto: D. Van Nostrand Company, Inc., 1955), 83–84; Richard Jolly, Louis Emmerij, Dharam Ghai, and Frédéric Lapeyre, *UN Contributions to Development Thinking and Practice* (Bloomington, IN: Indiana University Press, 2004), 68–73; P. Lamartine Yates, *So Bold an Aim: Ten Years of International Co-operation Toward Freedom from Want* (Rome: FAO, 1955), 119–121; Francis O. Wilcox, "The United Nations Program for Technical Assistance," *Annals of the American Academy of Political and Social Science* 268 (March 1950): 45–53.

<sup>58</sup> "Food and Agriculture Organization," *International Organization* 7:1 (February 1953): 131.

<sup>59</sup> Trygve Lie, *In the Cause of Peace: Seven Years with the United Nations* (New York: 1954), 146.

That commitment also inspired new forms of organization for development assistance, both to bolster the UN effort and to counter it. Participants at the 1950 Commonwealth Conference on Foreign Affairs in Colombo, Sri Lanka, agreed to create the Colombo Plan for Cooperative Economic Development in South and Southeast Asia. That same year, Britain, France, Belgium, South Africa, Portugal, and Southern Rhodesia launched the Combined Commission for Technical Co-operation in Africa South of the Sahara “to secure,” British officials privately explained, “effective arrangements for the co-ordination of action in the technical field between countries having responsibilities in the area, as a substitute for the setting up of bodies for this purpose by the United Nations.”<sup>60</sup>

Influenced by the onset of the Cold War and decolonization, postwar international development assistance would not look exactly like interwar international development assistance. It would be far more expansive and far more politically charged.<sup>61</sup> It would also come in a multitude of forms, as later chapters in this volume will show, as people hotly contested what “development” meant and what assistance for it should look like. Despite the differences, however, postwar international development assistance retained much of its prewar origins. The idea that development was essentially about national economic growth and that it could be measured through increased standards of living remained the dominant paradigm.<sup>62</sup> Even initiatives to improve health internationally were often justified as efforts to increase national economic growth.<sup>63</sup> Development remained strongly linked to the wealth of nations, whether people embraced it in the

<sup>60</sup> John Kent, *The Internationalization of Colonialism* (Oxford: Clarendon Press, 1992), 264–267. See also, Isebill V. Gruhn, “The Commission for Technical Co-Operation in Africa,” *The Journal of Modern African Studies* 9:3 (October 1971): 459–469.

<sup>61</sup> For recent thoughts on this, see David C. Engerman, “Development Politics and the Cold War,” *Diplomatic History* 41:1 (January 2017): 1–19. For the classic work on this, see Odd Arne Westad, *The Global Cold War: Third World Interventions and the Making of Our Times* (Cambridge: Cambridge University Press, 2005).

<sup>62</sup> For more on this, see Schmelzer, *The Hegemony of Growth*; Alacevich, “The World Bank and the Politics of Productivity”; Alexander Nützenadel and Daniel Speich, “Editorial – Global Inequality and Development after 1945,” *Journal of Global History* 6:1 (2011): 1–5.

<sup>63</sup> See Erez Manela’s essay in this volume; Thomas Zimmer, “In the Name of World Health and Development: The World Health Organization and Malaria Eradication in India, 1949–1970,” in *International Organizations and Development*, 126–149; Sunil S. Amrith, “Internationalizing Health in the Twentieth Century,” in *Internationalisms: A Twentieth-Century History*, ed. Glenda Sluga and Patricia Clavin (Cambridge: Cambridge University Press, 2017), 245–264; Randall M. Packard, “Roll Back Malaria, Roll in Development’: Reassessing the Economic Burden of Malaria,” *Population and Development Review* 35:1

hope of bolstering national security, holding together a crumbling empire, improving international welfare, or, indeed, as Sun Yat-sen had argued in 1919, improving the world itself. The extent to which the post-World War II expansion of development assistance actually did improve the world is open to debate, but it is impossible to deny that that assistance has played and continues to play a vital role in international relations. There is no better example of this than China. The nation that in the first half of the twentieth century played a leading role in the effort to convince the international community of the necessity of embracing development in the hope of getting aid became in the twenty-first century one of the world’s most influential aid donors.<sup>64</sup>

(March 2009): 53–87; Sanjoy Bhattacharya, *Expunging Variola: The Control and Eradication of Smallpox in India 1947–1977* (New Delhi: Orient Longman, 2006).

<sup>64</sup> Gregg A. Brazinsky, *Winning the Third World: Sino-American Rivalry during the Cold War* (Chapel Hill: University of North Carolina Press, 2017); Giovanni Arrighi, *Adam Smith in Beijing: Lineages of the Twenty-First Century* (London: Verso, 2007); John F. Copper, *China’s Foreign Aid and Investment Diplomacy*, vols. 1–3 (New York: Palgrave Macmillan, 2016).