U.S. FOREIGN ASSISTANCE PRIORITIES IN AFRICA

Mrs. KASSEBAUM. Mr. President, I recently received a copy of a speech delivered by Brian Atwood, Director of the Agency for International Development. He outlines several thoughts on directions for U.S. assistance in Africa.

In light of the current debate over U.S. foreign assistance programs in general, and particularly in Africa, I thought my colleagues would find Mr. Atwood's comments useful. I ask that the text of Mr. Atwood's remarks be included in the RECORD at this point.

There were several observations, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS OF J. BRIAN ATWOOD, SUMMIT ON AFRICA AID

February 10, 1995

I am pleased to be with you today as President Clinton's representative. I understand that the President has issued a statement that was shared with you. As you heard, it underscores the abiding commitment of this Administration to Africa.

From time to time American ballot boxes produce what are called revolutions. We have often been marked now by the Voting Rights Act. Franklin Roosevelt's election created a revolution. So did Ronald Reagan's.

We are in the early stages of a revolution in Washington today. And, as in every other time in our history, good can emerge from the changes this revolution brings.

Congressional reform—the streamlining of the institution, the increased transparency, open rules—this is all long overdue. A Gore-Gingrich collaboration to reinvent government is something Americans welcome. This is not politics-as-usual, and it can produce positive change.

But in the fervor that accompanies the early stages of a revolution, incalculable positions are often stated. At the least, before such positions become the accepted wisdom, someone must challenge them, civilly, but forcefully. That is the only way we can keep revolution on a healthy course. Indeed, that is the way mandates for change are interpreted and given real meaning.

A case in point is the assertion that we have national interests in Africa. That we must reduce or eliminate development assistance to that continent. That Africa has neither the market potential nor the economic viability for the United States nor economic value.

With all the force we can muster, we say: That is just plain wrong.

Let's examine this question objectively. For just a moment, let's leave out America's humanitarian values. Let's put aside our historic ties to Africa. Let's forget sentimentalities. Instead, let's look at the economic facts and markets and sales. Let's ask ourselves: Is Africa worth the investment? Is it a continent of half a billion people worth one-half of one-tenth of one percent of the federal budget, which is what we now spend on it? Is the three dollars and change that each American family pays each year to help several dozen sub-Saharan nations a burden worth the price?

Of course it is. It is not welfare, nor is it charity. It is an investment we make in other people's future, in our own future. How do we build markets? The answer is simple: we do it by making investments for the future. That is what vision is all about.

This is what the CFTC is doing. And the economy teaches us, too. If we want to talk economic rationales, then we must look at Africa as the last great developing market. We must look at it the way we looked at Latin America and Asia a generation ago.

Consider Latin America; today it is the fastest growing market for American goods. This is a huge new middle class market of 350 million people. It got that way because of investment made during decades—$30.7 billion in economic assistance from the United States between 1949 and 1993. Yet our current investment in Latin America alone were more than two-and-a-half times that amount—$78 billion. Quite a payoff in jobs and income, and that was just one year. And the Latin American market is likely to grow three times larger in the next decade.

Where would we be if John F. Kennedy, Lyndon Johnson and Richard Nixon had not committed themselves to the Alliance for Progress and the education programs that helped create a generation of economists and technicians who now lead South America's impressive growth? What kind of customers is an educated workforce that can afford to buy our goods and services? What kind of stability would we have in this market if we had not supported democracy-building programs, military juntas and coups a thing of the past?

It is an interesting exercise to compare sub-Saharan Africa today to three of the most successful countries in Asia, Indonesia, and Thailand—as they were in 1960. African per capita income is today 80% of what it was in 1960, yet per capita income in Indonesia, and Thailand 35 years ago. But Africa is 10% of the number of people Malaysia, Indonesia, and Thailand had in 1960. Think of the potential of this African market, even at its current stage of development.

The bottom line is that African aid is not significantly behind where the “Asian Tigers” were in 1960. In the three decades since, Malaysia, Indonesia, and Thailand substantially reduced poverty, their rates of population growth, infant mortality, and illiteracy. These countries are now major players in the world economy. We believe Africa can be that way.

The doubters should not just look at Africa's potential; the market is already significant, and like other developing markets, it is growing faster than any in Europe. In 1992, sub-Saharan Africa imported $63 billion worth of merchandise from the world. African imports have risen by around 15% per year for the last decade. At this rate of growth, the African market would amount to $480 billion by the year 2025. That is approximately $267 billion in today's dollars.

The U.S. currently accounts for nearly 10% of the African market. Do the arithmetic. Each American family now spends about $3 annually on aid to Africa. At current growth rates, that will produce something like $50 billion worth of American exports to Africa each year in 2030. Yet our projections have a population of 530 million. Again, the arithmetic. $50 billion worth of exports would work out to about $600 worth of exports per family, annually, in 2025. And that is if Africa's growth remains at its current level; if we make the investments Africa needs, and if African nations implement the kind of policies that have benefited Asia and Latin America, the return for each American family in thirty years could be as much as $2000 per year.

These are not trivial amounts. They represent millions of jobs for our children's generation. Isn't Africa worth the investments now that we made in Asia and Latin America? Those who argue against such investments...
For every tragedy, there are a half dozen islands of hope. Progress is often fragile. Which is precisely why we must not hesitate now. But this continent is not write-off. It is a good investment.

We have made mistakes we made during the Cold War. We now are concentrating our aid in countries that are implementing sound economic policies, promoting peace, and investing their own resources in broad-based development. That is exactly what the Congress wanted to accomplish with the Development Assistance Act. That is why this Administration strongly supports the Development Fund for Africa. Under this fund, we have taken a longer-term approach to Africa's development by addressing the root causes—economic, social, and political—of underdevelopment.

In those countries stricken with disaster or famine, we are treating emergency relief as more than an end in itself. Rather, we are structuring it to help nations make the difficult transition from crisis to the path of sustainable development.

President Clinton's Initiative for the Greater Horn of Africa is designed to apply the lessons we learned in the Sahel and the Horn of Africa. A region that now consumes nearly half of all African relief. By emphasizing regional cooperation and planning, by helping nations acquire the ability to sustain themselves, and by helping to prevent droughts from becoming famines. This Initiative, we believe, will save lives and resources. The partnerships it builds will enable the donor community to save billions of dollars in relief assistance over the next fifteen years and focus resources instead on recovery efforts and long-term development.

To prevent more failed nations, the United States must strengthen our efforts to prevent crisis and to encourage others to do so as well. While we have made gains in several nations where the governments refuse to commit themselves to reform or to a development partnership with their own citizens. A necessary condition for African leaders is pursuing extensive economic restructuring programs, including privatization of state-owned enterprises, reducing government functions that stabilize the economy, and implementing policy changes that help the private sector expand.

New crops and market liberalization are expanding food production, raising farmer income and reducing food prices for consumers.

More children, especially girls, are attending school so that they can become productive members of society. And we know from our own experience that more than any other factor, improving the education of girls and women can transform the economy, the environment, and the prospects of democracy.

Programs to expand immunization and use of oral rehydration therapy are saving an estimated 800,000 African children each year.

Fertility is starting to fall as more and more parents use family planning services. I am proud that USAID has played a role in every one of these achievements.

For every Rwanda there is a Ghana—a nation that has begun revitalizing its economy and is not only being part of the worldwide economic expansion.

For every Somalia there is a South Africa or a Namibia—nations that have successfully implemented democracy and peaceful change.

For every Angola, there is a Mozambique, emerging now from civil conflict. Yet looted in the apocalyptic descriptions of an Africa seemingly falling apart is a genuine reason for encouragement. The headlines rarely mention the positive events and success stories in Africa. Yet in a number of African nations, democratically-elected, enlightened leaders, committed to broad-based participation, and democratic reforms necessary for development, are creating an environment for success. This, too, is the reality of Africa.

USAID is working in 35 African nations that, in our judgment, are in various phases of consolidating their democracies, creating free markets, and implementing serious economic reforms. Conversely, we have ended our involvement in several nations where the governments refuse to commit themselves to reform or to a development partnership with their own citizens. A necessary condition for African leaders is pursuing extensive economic restructuring programs, including privatization of state-owned enterprises, reducing government functions that stabilize the economy, and implementing policy changes that help the private sector expand.

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Mr. SIMPSON. Mr. President, I appreciate the opportunity to take a few brief moments of the Senate's time to acknowledge the recent retirement of