

PART I

This morning I want to report on the Wedge's work in terms of global framing and global funding. Relative to the projects funding this is the year of Europe. Therefore we have intensively been working with the European governments and funding agencies related to that.

In our pitch we say that we are the Institute of Cultural Affairs, an intra-global group with offices in 105 cities, working in some 25 different nations around the world; a not-for-profit organization supported by foundations, corporations and individuals; and our projects are funded by the governments of Holland, Belgium, Germany, United Kingdom, Australia, Canada, the United States and so on. If you can get that in, in one breath, we find that particularly when you name those governments, you reduce having to answer, "Who are you?" He says to himself, if Holland, Belgium, Germany, Italy, France, the European Common Market, Canada and the United States have all decided to fund your projects, then who am I to ask. I am trying to point out that although the money is extremely crucial, being able to say Holland, Belgium, Germany, United Kingdom is worth a lot more than the money.

We were talking in Shantumbu, laying out where, to our best judgment, we might do some extra-national funding, particularly with European donors and relative to CIDA (Canada AID) and U.S. AID. Farrar was great, and I am sure with living in those tents out in Shantumbu his greatness has even been enhanced. He was listening patiently; and you could see by this wry smile on his face that he was saying, "Well you son-of-a-gun you. If you guys produce that money, and we will certainly do what we can on this end, that would be tremendous; but we do not believe one thing you are saying. We are going to find the money here." So we did a wry smile back to him.

I would like to list a few things in terms of basic constituencies, particularly relative to Social Demonstration funding. First we now have projects going in 12 nations of the world. In each case we have at least one to three mentors, that is a person of high significance within that country who is our clout. There is no pat formula because God in his impartiality does not put those who care all in one country and those who do not care all in another. Now, sometimes those who care are a governor like the Governor of Jeju with the Kwangyung II project. Sometimes they are a prominent cabinet member like Mr. Ronyo, the head of the Social Welfare of the Philippines. Sometimes they are a prominent wife like Mrs. Adam Malik. Adam Malik, Foreign Minister of Indonesia, is now our public mentor. But it was Mrs. Adam Malik, you recall, who came to the opening, was so impressed and came (to our surprise) to the closing of the Kelapa Dua Consult. Sometimes it's a prominent cabinet member who people say is the hidden power in the whole structure; like in Kenya it is the Attorney General, Mr. Njajo. You never hear his name though he is the guy that President Kenyatta relies on. Sometimes it is not even in the government. In Zambia it has to do with the political party that runs it; for instance, Mr. Chitambala is the Central Committee member of the UNIP party in Zambia in charge of rural development, and we went to him first. He has just

absolutely paved the way. In each case we do not just go knocking on the door. Rev. Sikalumbi, the head of the AME Church there, who in the early days helped Kaunda and people get into power, took us in to see Chitambala. Now it is one thing for us to sit there with our personalities and pitch, and it is quite another thing to have this Rev. Sikalumbi sitting there. It is like any general knew that Chitambala was not only powerful, he cared. In some places it is people out of governments like Edward Heath in the United Kingdom, who are absolutely powerful. It varies.

Now that is 12 countries where that sort of unbelievable authorization from the formal and informal structures of power has been occasioned and before the year is out six more countries: Nigeria, Hong Kong, Canada, Malasia, Taiwan and Japan. Your colleagues in each one of those countries, now totaling 18, have done a remarkable job to date in terms of groundwork for initiation of those. That is crucial even after the project starts because invariably where a project has gone well, they have taken the initial framing and expanded it and deepened it. Their gimmick is asking for the government services in that host country that are available for the project. It is shocking how much money sits there appropriated, like Aurungabad money was there sitting for Maliwada, and all it took was taking the initial framing and going after those guys. The government monies are crucial because they represent unbounded monies. We are also demonstrating to a government how they indeed can create a new delivery system out to their villages. Invariably they are thankful.

Then another thrust of course is the western countries who have assistance programs or donor countries available to the 85%. To date we now have received or are eminently receiving from eight donor countries and have permeated another seven in terms of immediate proposal submission. First, in the United States we have been awarded to date \$568,000 from U.S. AID: \$480,000 for seed money in terms of the Social Demonstration Research and \$88,000 to Kwangyung II. Another \$280,000 is committed for Indonesia and the Philippines, and by committed I mean approved. Another \$468,000 is now working for Kawangware and Maliwada. We need to submit rather immediately another \$360,000 proposal for Shantumbu, Ijede, El Bayad and Caño Negro. Add to that the \$400,000 proposal that is the second half of the LEAA grant for CIF's. With that 5th City movie for the four project funding in this country, with the new administration and with unbelievable things like Mississippi and Oklahoma 100, I am so anticipating that LEAA grant that I cannot stand it. What this can do relative to our calls on the government these days is unfathomable. Then relative to Canada, we have been awarded some \$15,000 already and another \$188,000 committed for Maliwada, Vaviharsh, Kendur, Sevagram and Ijede.

In Germany we have a total of \$200,000 committed from that government. This includes a co-financing of the Church matched by government monies: the Protestant agency, Bread for the World, for Vaviharsh; and the Catholic agency, Misereor, for the Shantumbu Housing Construction which should be relatively immediate, where they are going to rebuild the village.

Then, from the European Economic Community (the Common Market) they have just started a funding program which is extremely exciting because it includes

every government in Europe as a participant in it. One of their men, who is the Aid to the British Representative of the Common Market, went to the El Bayad consult, was a participant in it, subsequently has been writing a proposal and taking it around to everybody there. He was somewhat shy when he came over to show us what he had written, and said, "Would you mind typing up this cover letter that I wrote for you on your own stationary." So we were more than happy to oblige him with that little amount of work. That is for \$75,000.

Then, in Belgium you remember Mr. Van Istandael, the prominent Catholic layman of trade union background, who was here. He has been very helpful with the Belgian government, which is starting a co-financing agency. In March we will be the first grant by this agency for \$480,000 for the replication training effort. Actually Mr. Van Istandael has informally committed the whole amount which is \$1,400,000; plus there is another government agency for \$40,000 to Maliwada.

In Holland we are scheduled to see a man named Mr. Pvonk, in February, who is perhaps one of the most enlightened men in government in Europe in terms of donor agencies. In other words he talks about the local approach. We have \$32,000 committed for the village of Sevagram and \$300,000 in terms of the Kawangware project.

In England it is amazing how many of these things we are getting on the first grant. The Overseas Development Ministry of the United Kingdom is now matching pound-for-pound every grant made by an English charity. Barclays Bank is giving \$60,000. It is a fantastic invention that Rupert Barnes came up with of a loan, turning into grant, revolving into further development. The British government will match that with another \$60,000.

Then, Australia is the eighth government. They have committed \$55,000 for Kelapa Dua. Garnet Banks has worked an arrangement: where they are only supposed to give to Australian agencies, somehow they are bending the rules intentionally in terms of this.

In ten other governments we have been invited or have had previous establishment of permeating contacts including the three governments of Scandinavia: Norway, Sweden and Denmark. Charles Morrissey is always in Austria, saying all the money in Europe has moved over there.

Then Iceland; that is a surprising one isn't it? You remember the World Bank Executive Director who visited Maliwada was from Iceland. He has now gone back to be head of the Economic Ministry of the government of Iceland. So we have to go to Reykeavik to see that man.

Then with the changes in Spain and Portugal, they have aid programs and are beginning them. This would be an ideal time to go there. In France it used to be there was no money there. But they have recently turned up various things, as well as Italy.

I make a rough guess of \$600,000 already in the bank relative to the projects. Another \$1,700,000 is firmly committed, another \$1,500,000 - this is just from governments - actively working, and then another \$1,500,000 with invitations to submit, giving a total of some \$5,300,000.

We have had unbelievable support from the church, particularly the Catholic Church around the world. The Maryknolls with Ralph Davila down there in Caracas have a great amount of money that they have to get rid of before the end of this year in terms of their tax situation. Because Ralph is well thought of there, they want to do at least \$50,000 for Caño Negro, and referred us to Maryknoll Order Houses in Kenya, Japan and Hong Kong also. The United Methodists have given money to Maliwada. The Roman Catholic Campaign for Human Development in the United States has given money for Majuro as well as the Canadian Catholics for Maliwada. And then there are Catholic foundations in Holland like "Across the Bridge" and "Solidaridat" who want to fund the replication school in Caño Negro. "Missio," which funds just evangelical work of the Catholic Church in Germany, is interested in funding. This money does not go to us directly, but for building churches in Shantumbu. The Watchtower people have moved out to Shantumbu also. So the Archbishop there (who is out of this world, named Malingo) when we broached the subject that we would go to Europe to help him get money to build a church, said, "A church? The Watchtower people are there. A church?" The funding is also for Father Hacker's Church in the Marshalls as well as Jude Sampson's church. These are old conservative Protestant funding guys, yet they heard the message relative to a church being located in one of these projects. As well as the commitment relative to the Lutherans here in this country in Ivy City and the Maryknolls, Oxfam and so on. We now have to move more directly in terms of Protestant support. In Africa the church is unbelievably important - as in Europe. We have got to see in Europe every cardinal and every bishop of both the Protestant and Catholic Church. There is a new mood relative to the church sensing its new, yet very old condition relative to actively serving.

Then there is corporation funding. For a while we were persuaded that the most a corporation could give in a place like Japan, Hong Kong or Lagos was \$1,000. But recently there was \$10,000 from a corporation in Korea. I think Hong Kong has broken that imagery, also, with two \$10,000 gifts from corporations. The problem is not with them in terms of giving \$10,000; it is with us. In this country you can start to smell the higher gifts, like those two Exxon grants, for instance.

In India, they went out and got some of the top corporations like Khatau, Moffetlal, some of Tata's industries as well as BP. There is a gold mine in a place like Indonesia. You think this is a poor country, and yet what you know is the gap between the 85% and 15% in those countries is more pronounced. Money is sitting there in terms of corporations and benevolent individuals. I would make at a low estimate some \$200,000 this last year overseas in terms of corporation gifts.

The same with foundations. That means the Philippine foundations - Aboitiz's \$10,000 they seem to give every year. They have done well with foundations in Australia in terms of "Freedom from Hunger." And in El Bayad the Ford Foundation discovered they had a little pot sitting there where they could give \$5,000 and they did not have to run through New York.

Then another constituency that is proving extremely valuable is the international organizations. You recall Joe met with MacNamara once. We get these telexes from Venezuela, Zambia, the Philippines, Australia, to name a few. There are about seven of them where World Bank teams have been there on their own projects. In Maliwada they have discovered the projects, and they say, "Good God, they are doing everything. We must have some twenty names." This obviously has gotten back to MacNamara because Joe has another appointment with him this Thursday night. What we have got to peddle in terms of the local approach and the World Bank approach in complementary dynamics could be out of this world. Invariably the UN development program has an office there. The problem with the UN is they have 85% of their budget going to salaries for Westerners to go over there and moan that they do not know what to do. They have money, goods and unbelievable services. They have more automobiles per person, where you can borrow them for consults. They have machinery just sitting there; and they are receptive far more than you would imagine, even tho they are sitting there in absolute paralysis. One guy in Zambia told us, "We were going to do a village project like this, but somebody told us the village people would not want us to, so we did not."

Then in terms of individuals, you could go on and on about the highly prominent individuals around the world giving gifts. It is a remarkable thing. This luncheon they had here yesterday with Mrs. Lloyd, who is one of the matrons of Chicago society - she had some 27 of her peers here watching the slide show and the 5th City film. You can smell it around the world where the patrons are coming into their own.

In summary, from the governments where projects are supported, either awarded or committed is about \$3,000,000. From the government assistance aid programs of those eight nations some \$2,200,000. A low estimate of \$400,000 from corporations, \$300,000 from foundations and \$300,000 relative to church support. Then an extremely low estimate of a \$1,000,000 in terms of in-kind. In Kawangware they have almost got carried away with it. Anything that is not nailed down they ask for it, even if they do not need it. There is unbelievable support, not just in little things, but like the tractor they got for Maliwada, that would be hard to estimate around the world.

Now, I would like to illustrate a bit the kind of impact our projects are having on the 15%. They had to do an audit in Maliwada for the government of Maharashtra. We are not being co-opted for we are leading the way with that government, and they have got their planning department in there learning from us. They have set up an inter-disciplinary committee of prominent Indian citizens in order to have the plan ready for replication when the next five-year plan begins in 1979. Maliwada was forced to estimate just how much they had spent, so they did their six-month report. Mind you that after three months they had everything going except stakes (and that was because no one was assigned there who knew what a stake was). Their cash outlay was some \$26,000 with the actual amount they had spent in Maliwada. Now, obviously those budgets in the books are funding gimmicks, and they are getting too high here and there; we will look ridiculous on per capita expenditures. But those budgets in the back are not how you do it. It is \$26,000 because they also did their ITI's and their houses off of it and they raised in six months time some \$70,000. But the government services - like all the dams were done through a government program that was sitting there in Aurangabad for building eleven dams by hiring some 50-60 people. It was not a new outlay or a donation by the government. It was sitting there and all they had to do was to take the established clout they had with the chief minister and then go see the beaurocrats in Aurangabad who, with that letter from Chief Minister Chavan, were amazingly cordial. In-kind like that tractor, I do not know what they guessed that at; but they estimated that and just anything and everything that a person had sitting there. Patterson and Vinod on a plane seem to trap people. They know everybody who flies Indian Airlines and they go down the aisle asking for things. Patterson does not even know the word 'timidity.' They just go up and down the aisle of a plane making their contacts and they ask. It is hard to judge how much they got in-kind.

Loans are the local input because they are going to pay that money back. We had a shocking realization on the loan business. In Zambia, U.S. AID has this program where they are guaranteeing loans to the Zambian government for construction of low income housing. The lender will be Chase-Manhattan Bank. The U.S. Government guarantees Chase at two over prime, which is a market loan. All they have to worry about if it goes bad is the cost of collection (which could not be more than 1%, so they are still 1% over prime ahead) to the Zambian government. Now, the problem is that they do it like 15-20 years at 8½ or 9%. That's how we in the 15% treat each other. They guy in the 85% - he cannot afford it. You make a 20 year loan at 6%, after 20 years you end up paying exactly twice what you paid, anyway. Well, that's our line to the World Bank. They have got to give no-interest loans. What happens when they lend this money where the guy pays 30% of his income to pay the loan back for his house and then he defaults, they say, "We knew it! Local man wouldn't pay it back." But that's not our experience in Maliwada. They have good loans and the people are paying it back and they are paying it back on time.

Then, these guys in Maliwada, they have yet not to receive an extra-national grant. They have about ten submitted: the U.S. AID proposal; a proposal in to CIDA (the Canadian AID); a replication proposal; several church proposals in;

and then one for the Canadian Freedom from Hunger grant. If they all came through, they couldn't use that money. We are over-selling and one of the things we want to do is turn one of these grants back.

Anyway, secondly, one of the keys in terms of the in-kind, the government sources, raising money like mad locally, assaulting every corporation and prominent individual they run into - has been spending. If you don't know the value of a buffalo nickel you can raise all the money in the world and it won't help. And I think they've done well at spending only when they had to. And, it seems to me that the decision is to whip the economic. Now, the general says you have your finances ordered before you go to war. I'm sure Sun Tzu doesn't mean by that you have all the money in the bank. You know how you're going to make it, in other words. The greatest point of discernable slowness on a project probably comes in the economic and that's in our head. That doesn't have to do with our situation.

Now, there are other indices of the decision to fail that we've noticed around the world, and I'd just like to outline some of these. One has to do with routine. God, it's killing. Is it not the great thing about our corporateness that it is far easier when you come in from the outside to spot these things. The routine - and a great trap - is doing those programs and not tactics. Tactics, tactics - that is what we're doing, not programs. Programs are important for estimating amounts and forces, making sense to the establishment, and a fine imaginal, comprehensive picture of what you're doing; but you do your tactics.

You can see a meeting where you have 15 programs and you say, we've got to, therefore, have at least 15 staff and you sit around in a morning meeting and all 15 sing a song and they break and go their 15 different ways. Four working together more as a team doing 15 arenas would be far more effective than the 15 divided. That has to do with the cobra strike where a place has decided to reel back, get ready and then boom, strike; then they reel back, get ready and then boom strike again with this and that tactic as opposed to, "You're assigned to the preschool, you are assigned to commerce, and good luck."

Secondly, organization by programs is a killer. Whether it's by a prior's decision or a group's decision, where they say to the first among equals, "Well, you're the administrator. Therefore you're not to do anything, but you are to administrate us." You know any guy who wants to be in charge of something is not only a sinner, he's stupid. You get in charge of all that and you go nuts inside. It's a subtle form of beaurocracy that's built up that again has a retarding effect on a project.

Third, and I'm sure Sun Tzu would say, in many ways most important, is the failure mentality. It's easy to spot if people don't wear blue, or if they are making all sorts of qualified statements is a good clue... "Well, we hoped to do this," or, "If we could." What the guy on the other end of the table hears is that these guys don't intend. Walking slow where fate decides to seize you rather than deciding to go out and just do it.

And then, paranoia, and the funny thing on paranoia is that the people in the places where I think they have the best reasons to have paranoia aren't the most paranoid. But again, to be paranoid about a government is more in our head than it is the situation. Some assume when you broaden and deepen your clout, your framing, that for some reason, God placed most of the shit-asses in the world where you are. He didn't. The clout is there and it's a matter of finding them. Then they stand before you, be they churchmen or just people who care, as your defenders.

And then a killing one has to be time. Those of us who worked in 5th City, I believe, are most susceptible to this. I think I would take a bat to my head every morning and say, "Forget how long it took in 5th City," at least before Walters came. I think I'd say three months first, then I'd say six months, then I'd say nine months, then I'd say a year. Then I'd get worried and I'd say this whole maneuver is to get out in a year and three months. And, after two years, obviously your colleagues would pull you. But it presumes that we have a long time there. Why we all go so fast is, we have a little secret about foreshortening the future. We realize we have only one great life to live and one great, glorious death to die. That helps us foreshorten the future. Every day we have all of, not just the future coming before us, but the past compressed into the moment of the internal present. That's why we have no luxury of even two years in a project. People say, "Where do you get your understanding? Why do you guys move so fast?" It's obvious you couldn't explain it to some donkeys because it's theological.

Sixth, an amazing amnesia happens, I think, relative to what we know about our methods. And, you know we described the Marshallese as having social amnesia, forgetting their name.

Seventh, the propensity to be somebody is in us all; the question is: are we going to live out of it or not. I'm always surprised when I catch myself or notice my colleagues saying, "Let's go to this or that cocktail party so we can rub shoulders with them and not ask for something." That's assuming that we, as failures are on the peer of the guy who's made it in society, and somehow through osmosis we could vicariously make it. Why in the world would we want acknowledgement from the very thing that we are out to change? But, the interesting thing (and this is where clout comes in) is we go in our little nobody blue, and boy, there's power with that. We sit there with Mr. Clout - why, we can look MacNamara or Mrs. Ghandi straight in the eye, and yet she smells, "Why, these buggers are nobody."

And then, lastly and most importantly, and I believe this does have to do with development, is care for ourselves. We just came from Lagos and Pierce has the great one liner on that. One night the mosquitos got to us. Murray said that when we opened the windows because we were so hot, he heard the mosquitos fly in and say, "Let us Feast!" It makes being in India look like a cake walk, I'm kidding you not. We were in one 7-hour traffic jam going maybe 20 miles. Everybody saying let's go slow in life. It could brutalize your psyche more than any place I can ever dream of. Anyway, one night when the mosquitos were eating

us alive and we had gotten back late from this traffic jam, Pierce says, "Oh, I've died and gone to hell and it's Lagos!" Well, you can see, can you not, that these projects are rough physically. If you did not absolutely take care of yourself you could immediately and quickly succumb to the hard physicality of that situation. Of course, it's possible to do that in relatively easy physical situations, too. Anyway, Pierce kept making the point that we now had the opportunity to act out RS-I in a way that we never quite did before. It's been said the greatest failure that any of us could have is the failure to go to heaven. It's becoming more and more clear to me that what we said about deciding with our lives had to do with the decision of whether or not we were going to go to heaven.