

A Friendly Letter

Issue Number Seventy-Four

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Fifth Month, 1987

Dear Friend,

Three items need to be mentioned here:

First, this month's issue is late getting to the printer and into the mail, because of the nature of the story it tells, which took an unusual amount of time to put together. Furthermore, it has been one of those issues which has been a burden to write. That's because it is an account of the sudden self-destruction of Partnership for Productivity, a Quaker-originated project that I thought very highly of, and for which I never expected to be writing an obituary.

The second item has to do with the topic of an upcoming issue. Since the first issue in 1981, I have appreciated the steady stream of feedback, both complimentary and critical, that has come in from readers. As *A Friendly Letter* passed the six year mark, I began to feel a need for another kind of feedback as well, what could be called a "peer review": A comprehensive analysis and evaluation of the first 72 issues by a disinterested person, but one with comparable experience with this type of publication.

To fill this need, I have engaged the services of Richard Cimino of Wantagh, New York. Cimino is Editor/Publisher of *Religion Watch*, a monthly publication that monitors trends and publications in a wide range of denominations and traditions. He is not a Friend, nor are we personally acquainted. But I respect the breadth of vision he has displayed in *Religion Watch*, and it seems likely to provide an appropriate background for such an evaluation--including familiarity with the task of meeting a monthly deadline. Richard Cimino has agreed to read and evaluate the first six years of *A Friendly Letter*, all 72 issues, in a report of my usual article length. This report will be published here, for your information and comment, as soon as it is ready, with no editorial revisions by me. I'm looking forward to receiving it as I once did report cards in school: with a mixture of anticipation and trepidation.

And finally, included in the subscription copies of this issue are sample postcards from the Quaker U.S.-U.S.S.R. Committee, a project whose director, Janet Riley, was tapped as a Quaker of the Year in our Issue #70. The Committee has undertaken to assemble and publish--both here and in the U.S.S.R.--a book of writings by topflight American and Soviet authors. It is an ambitious and difficult undertaking, which they may well bring off. The cards, which are sold for fundraising, are lovely and the project worth your attention.

Yours in the Light,

Chuck Fager

Chuck Fager

THE DESTRUCTION OF A QUAKER MASTERPIECE

A large crowd gathered in a ballroom of Washington's Shoreham Hotel on 12/12/1985, to celebrate the fifteenth anniversary of Partnership for Productivity (PfP). I was there, invited because of my book, *A Man Who Made a Difference*, about PfP's founder, David Scull. It had just been published by Langley Hill Meeting, to which both he and I belonged. The book portrayed David Scull as something of a model contemporary Quaker, and described PfP as a major achievement of applied Quakerism. This estimate involved little stretching of the facts: After all, David had conceived the idea for PfP at the 1966 Triennial of Friends United Meeting; he fleshed it out at the 1967 Friends World Conference; and PfP's first pilot project was conducted in western Kenya with the help of East Africa Yearly Meeting, financed mainly by Quaker money. PfP's board still included many prominent Friends.

PfP's original strategy was comparatively simple: It centered on offering management help to small businesspeople in poor countries; as these businesspeople thereby became successful, economic and social progress would be promoted. This may sound familiar, almost self-evident to many of us today. But that fact is in part a tribute to PfP's leadership, because it was a virtually unheard-of approach in development work in 1970 when PfP began. Others, like E.F. Schumacher, got the credit, but PfP was on the ground years before.

After the Gala, An Unexpected Collapse

At the Shoreham, dinner was followed by some short speeches, extolling PfP's remarkable past achievements and looking ahead to a seemingly unlimited future: From that pilot project in Kenya, helping set up a farm tractor repair shop, PfP had ballooned into an internationally respected, globe-girdling operation. It had, we were told, projects in fifteen countries on three continents, an annual budget of over five million dollars, a staff of more than 300. It was inspiring to think that so much had grown out of one Friend's vision and enterprise. I joined the enthusiastic applause when we were proudly told that PfP had been doubling its budget every two years, and that this trend was expected to continue.

Unfortunately, the self-satisfaction in those speeches and numbers turned out to be closer to hubris, the pride that goeth before a fall: Almost exactly a year later, on 12/19/1986, the PfP board met in Washington, voted to liquidate the organization, and Partnership for Productivity International abruptly shut its doors.

The possibility of PfP's going out of business was so close to unimaginable that, although I now realize I had heard something about it not long after it happened, the fact of PfP's demise did not sink in until a few weeks ago. That was when a Friend called to ask why some of his students, who had read my book and wanted more information about PfP, couldn't get through to it by telephone; the number had been disconnected. PfP was gone.

Too Much On the Uncle's Credit Card

What happened? Who killed Partnership for Productivity? How? And why? The story, as I have been able to piece it together so far, is not a pretty one. In its starkest terms, what happened is this: Most of PfP's funds came as grants from the U.S. Agency for International Development (AID). And on 11/10/1986, AID shut off PfP's grant money.

Why was the money cut off? AID's grant funds came to PfP through what is called a Letter of Credit (or LOC), which is like a checking account, on which PfP could draw as needed for purposes specified in the grants. But an AID summary of events states that late last fall AID's Inspector General found that PfP had made "unauthorized LOC overdrafts in excess of \$1.0 million", and that there was also "an insolvency condition within PfP itself." Furthermore, as a PfP board memo of 1/15/87 put it, PfP had not only overdrawn more than a million dollars, but had "expended the money on unauthorized overhead and programs." AID demanded that the excess funds be repaid; but PfP didn't have the money, and had little cash of its own; without AID funds, it was out of business. (Ironically enough, David Scull was once an enthusiastic staff member of the Point Four Program, which later became AID.)

How did this overdraft come about, and why was it spent in unauthorized ways? At this point, about the only thing various sources seem to agree on is that no one was actually

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Few if any Quaker publications have caused as much talk and controversy per page as **A Friendly Letter** since it first appeared in mid-1981. That's because every month since then it has brought a growing number of readers a unique series of solidly-researched, searching reports on the key issues, problems and prospects of American Quakerism in the 1980s. A great many of these reports have been the first, or the only accounts of major issues to appear in a Quaker publication. Maybe that's why, among the hundreds of letters to editor-publisher Chuck Fager from Quakers of all varieties, so many have praised it. Here are a few of the comments:

"This is a chance for me to say again how important A Friendly Letter is to so many of us and what a superlative job you are doing with it." --A liberal New York Friend.

"Thy objective of reaching out to Friends of all varieties is essential, if the Religious Society of Friends is to survive." --A conservative Friend, Ohio.

"You would have been pleased to hear the discussion about renewing A Friendly Letter at our last Monthly Meeting. We agreed firmly that we did not always agree with you-- but we agreed even more firmly that we appreciated your willingness to talk about and present information on subjects Quakers wish would just go away." --Des Moines, Iowa.

"I think you are doing the most important work among Quakers today and I have wanted you to know it for some time." --A California Friend.

To be fair, **A Friendly Letter** has also occasionally been called irresponsible, inaccurate, even "a gutter press." But if you are concerned about the present and future of Quakerism in America, perhaps you should form your own opinion about it. It's easy to subscribe; just use the coupon below.

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**GEORGE FOX & QUAKERISM:
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ON THE NEW BOOK, APOCALYPSE OF THE WORD

Douglas Gwyn's recently published book, *Apocalypse of the Word*, is a thought-provoking study of the religion of George Fox which is attracting a lot of attention. In this interview, Gwyn discusses some of his new insights into the witness of Quakerism's founding father: Fox's views of the Bible, of the universality of Christ, and how Fox's perspective challenges current major interpretations of Quakerism. Running time approximately 90 minutes.

JACK POWELSON ON FACING SOCIAL REVOLUTION

Quaker economist Jack Powelson's challenging new book, *Facing Social Revolution*, is the subject of this interview by Chuck Fager. In it Powelson outlines some of the book's ideas, and explains how they grew out of his professional experience and religious pilgrimage. Running time approx. 60 minutes.

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stealing the money. Beyond that, it appears that there is plenty of blame to go around. Certain top staff members, for instance, were the ones who actually drew the funds out and spent them. But most of these persons are reliably described as being more concerned with the concepts, and the travel, involved in their jobs than with the humdrum paperwork of home office management. Thus it's not clear how many of them actually were paying close enough attention to financial details to know just how far into the red PFP was sliding. PFP's financial records are a monumental mess; as this report went to press, six months after its collapse, government accountants still had not finished sorting them out.

Then there were the unauthorized programs. One was the Market Winners Project, based in New Jersey, designed to teach middle-sized Central American farmers how to export their produce to the U.S., at much higher prices. The project was also supposed to make money for PFP, by charging its farmer-students tuition, most of which would in turn be paid by scholarships from other donor groups. But was Market Winners a good idea--another daring example of PFP innovation, pressing beyond the pedestrian limits of conventional development thinking (and the confining specifics of grant contracts)? Or was it just one of a number of cockamamie boondoggles that helped to sink PFP? I've seen the project described respectfully by experts; but like many a promising business venture, it was slower to pay off than expected, and at the end accounted for a sizeable chunk of the money PFP owed AID.

Fingers Pointing In All Directions

Why was grant money diverted into such unauthorized and risky ventures? According to a board statement, one reason was that the staff was trying to meet a recently-established government "privateness test," a requirement that twenty percent of its budget had to come from non-government sources. This new standard, the PFP board insisted, has put many development groups in a serious financial bind. That's because, as one board member put it, it is easy to raise private money for disaster relief, but hard to raise it for less dramatic development programs like PFP's. So the staff was trying to meet the requirement through new, income-producing programs, and used grant money meant for existing projects as venture capital to launch them, apparently figuring to repay the AID overdraft from future earnings.

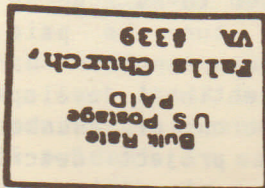
But AID staffers insist that these complaints about the "privateness test" are pure bunkum, an excuse for sheer management incompetence. Maybe so, but the AID staffers who dealt with PFP regularly don't come out looking too good either. It turns out that PFP had had management troubles before, and that the problem of overdrafts had been developing over several years. Yet PFP had apparently long been regarded by AID officials as something of a paragon of innovative approaches to development work. Based on this high regard, evidently no one at PFP, right up to the last minute, ever imagined that AID might actually cut off their money. Indeed, they were not in real trouble with the agency until last summer, when a computer signal alerted auditors from AID's Inspector General's office to the extent of PFP's overdrafts, and the watchdogs got in on the action. AID staffer Kathryn Cunningham, the contract officer who formally pulled the plug, told me that in twenty years with the agency, she had never seen anything like PFP's situation.

A Monument Demolished, An Idea Continues

Nor can the Quaker-dominated board of directors evade a share of responsibility for what happened. One member told me of coming to the 12/19/86 meeting and being shocked to discover that liquidating the organization was the issue before them; it was, he said, the first he knew of the problem. So where had they been? A post-mortem memo from the board asserts that the body frequently raised concerns about PFP's financial management, but it seems clear that if so, they did not insist on getting a clear picture of what was actually happening until it was too late. Yet there had been warning signs: a few years ago one board member resigned in protest against the trend of affairs, but to no effect.

About the only good news in this fiasco is that most of PFP's programs in the field, which have been highly regarded, are continuing. Many have been taken over by other groups such as CARE; several others are standing on their own. To this extent, David Scull's work in creating PFP has not been lost. The approach he pioneered will continue to have an impact. But the organization that should have been his monument has tragically been ruined.

INSIDE: PARTNERSHIP FOR PRODUCTIVITY
THE DESTRUCTION OF A
QUAKER MASTERPIECE



From: Chuck Fager, A Friendly Letter
P.O. Box 1361
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THIS MONTH IN QUAKER HISTORY

The year 1665 was a tough one for Friends. The Quaker Act and the Conventicle Act had outlawed their meetings for worship. Their peaceful, continuing defiance of this law had subjected thousands of Friends to prison terms and other penalties. One of the more severe punishments was "transportation" as it was called, or banishment from England. But while transportation was frequently sought by the authorities, it was often hard to find a sea captain to carry out the sentence. One reason for the seafarers' reluctance was that bad luck seemed to follow the prisoners. Then, too, the British were at war with the Dutch, which made even the calmest seas dangerous.

Nevertheless, in Fifth Month, 1665, the sheriffs of London decided to transport about forty of their Quaker prisoners. They found a captain named Fudge who was willing to carry them, on a ship named the Black Eagle. But hardly had they come aboard when the plague broke out, isolating the ship in the harbor and ultimately killing half the passengers. Then Fudge himself was arrested for debt, and much of the crew deserted. Soldiers came from the Tower to guard the vessel while the authorities sought another captain. Nine months later, the Black Eagle had travelled only as far as Plymouth, another English port. Finally, it left English waters--and was immediately captured by a Dutch privateer, which took on half the surviving prisoners. The ships were separated in a storm, but finally reached Holland. There the Quakers were freed, and Dutch Friends helped them get home, where Friends interpreted their return as proof of divine favor.

QUAKER CHUCKLE

From Delta Monthly Meeting in Stockton, California comes a report of an interesting mathematics lesson at a local public school. It seems that a teacher, trying to explain fractions to her fifth grade class, hit on the idea of asking the students how many of them were from various religious denominations: How many were Catholic, she asked? How many Methodists, Baptists, Serbian Orthodox, Nazarenes, etc. At the mention of each name, hands were raised.

Then she inquired, "How many of you are Friends?" To which the whole class raised their hands. The lesson in fractions was put on hold for a moment while she explained that though she was glad the whole class were friends, when it is spelled with a capital F there was in fact only one present, the son of Delta's clerk.