

US AID TO COLD WAR CONTESTED COUNTRIES

File - personal
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1. Three Types of Aid:

- a. overt economic (by government to government agreement)
- b. overt military (by government to government agreement)
- c. covert economic and military (like the recent Ambassador's special village aid program in Laos or like support for Operation Brotherhood)

2. Use of Aid. Use of the three types of aid will vary according to the local situation. Type c. is particularly applicable to a cold war contested country with a "neutralist" foreign policy.

3. Local U.S. Agency Administration and Coordination. All and any aid given a country should be the subject of a well coordinated Country Team plan. The objectives of this plan must be primarily political and economic and military aid must be adjusted to the achievement of political ends while at the same time fitted into a long range scheme of development for the host country as a whole.

Overt Economic Aid.

4. Agency Responsibility and Execution Overt ~~economic~~ economic aid should be administered on a project basis. Moreover, wherever possible private U.S. firms should be contracted to handle specific projects, particularly where construction is involved (roads, dams, etc.). The U.S. Economic Mission should consist only of high level advisors to the host government and of a few high quality "point-four" type personnel who administer and advise specific aid projects.

5. Overt Military Aid. Military aid must be freed from the current budgetary restriction that such aid cannot be used to benefit the civilian population. It should be left largely to the discretion of the Country Team, to develop economic tasks and projects for the military within the overall country plan. Military and ~~civil~~ civil aid should be fully coordinated to make maximum use of available

local military resources - in manpower, technical skills and ~~personnel~~ materiel.

67. Covert Aid. Not being subject to any formal government to government agreements, covert or semi-covert aid can best be used to attain specific political objectives when a general assistance program to a particular government cannot be organized or when such assistance would aid the wrong people. Covert aid is the most flexible form of aid and often capable of the swiftest execution.

67. Local U.S. Agency Execution. The Country Team must decide which Agency is to pay for what aspect of the overall plan and which agency is to execute specific aspects of the plan. The Country Team must follow-up the execution of the plan by checking the various agencies involved on their accomplishments measured against the specific tasks assigned them. For this job the Ambassador needs a special small cold-war operations staff.

8. Host Government Organization. Host government should be persuaded to establish an operations committee in the ~~new~~ executive branch which develops its own plans and which obligest inter-ministerial/departamental cooperation and coordination. This committee should operate at the working level (Directors of departments and services).

9. Washington Level Support Organization. Proper support of Country Team aid plans necessitates the formation of a body in the U.S. Government executive branch to replace the OCB and which would be charged with ensuring the coordination of U.S. foreign/^{aid}operations. This body would also supervise the presentation of administrative aid plans to Congress.

10. Congressional Liaison and Organization. The foreign policy and military and economic aid committees should be combined on an ad hoc basis for the study of the coordinated aid ~~plan~~ plan. Aid passed on by this committee would support primarily the overt economic and military aid programs but covert aid would be buried in the appropriations for foreseeable projects. The Presidents ~~contingency~~ contingency fund could be used for unforeseeable covert aid projects.