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Bureau of
FAR EASTERN AFFAIRS
MAY 22 1951
ASSISTANT SECRETARY
Department of State

THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA
AND PHILIPPINE
AND SOUTHEASTERN
AFFAIRS
MAY 24 1951
AMERICAN EMBASSY, ROME, ITALY
BUREAU OF FAR EASTERN
AFFAIRS May 15, 1951
DEPARTMENT OF STATE

Dear Mr. Harrington:

During Ambassador Cowen's recent visit to Rome, I had the pleasure of talking with him a little about the organizational and working arrangements in effect here between the Embassy and the ECA Mission. He seemed to be interested in the experiments which we are trying here, and asked me to write you a letter outlining the main points. I happen to be concerned in these things as the Embassy's Deputy Chief, Economic Affairs.

Apparently we in Rome have advanced further than others toward full integration of the Economic Section of the Embassy with the ECA Mission. We not only have a number of two-hat officers serving both as Embassy officers and as ECA officials, as I understand that you in Manila have, and others also; but in addition we have certain other arrangements by which the process of integration, or even amalgamation, is carried somewhat further. Ambassador Cowen asked me to put this on paper for you briefly.

The following are the positions held by the principal two-hat officers:

| <u>Embassy</u> | <u>ECA Mission</u> |
|---|------------------------------------|
| Chief, Economic Affairs (Economic Counselor) | Assistant Chief of Mission |
| Counselor, Agricultural Affairs | Chief, Food & Agriculture Division |
| Labor Attache | Chief, Labor Division |
| Treasury Attache | Chief, Finance Division |
| Second Secretary; East-West Trade Officer | Chief, Trade Division |

Mr. Julian F. Harrington,
Minister Counselor,
American Embassy,
Manila, P.I.

In addition, we have a number of officers in various other stages of ambivalence. We have several FSO's (or FSR's) who are officially detailed to the ECA Mission on a full-time basis; we have one or more FSO's who are full-time Embassy officers but are paid by ECA; we have an FSR Embassy officer whom we have assigned locally to work most of his time for the ECA Mission; we hope to work out an arrangement whereby some ECA employees will give at least part of their time to work for the Economic Section of the Embassy. With all these complicated arrangements, you can readily imagine that the demarcation line between the ECA Mission and the Economic Section of the Embassy is fairly indistinct. And this is the general direction in which all of us, from the Ambassador down, feel that we should continue to develop. We hope to arrive at a point where in either organization an officer will be assigned to the work for which he is best fitted, regardless of which organization the work may be in.

Another arrangement which we make use of here is that of committees concerned with certain important activities or policies of the ECA Mission, with Embassy officers participating in these committees less as representatives of the Embassy than as competent staff members concerned with the work of the committees. One of these is called the Projects Advisory Committee, and is a group of ten or fifteen men who consider jointly each of the major projects for ECA dollar financing, or for the use of counterpart lire. Several Embassy officers always take part, but on the basis indicated above. The other committee is called the Economic Policy Committee, and is a smaller group, again with certain Embassy officers taking part, having as its purpose the formulation of general policies in the economic field. In addition, several members of the Embassy Economic Section take part regularly in the weekly staff meetings of the ECA Mission, and the ECA Mission Chief or his Deputy always attends the Ambassador's weekly staff meetings.

Given the peculiar organizational problems which we have been presented with as a result of the evolution of the programs and agencies in Washington, we here believe that these are the lines along which we should try to develop. The primary objectives of course are close coordination and harmonious working relationships, which are easier to attain if the two organizations draw more closely together and become tangled up with each other. I think there are also some secondary results which are desirable. On the one hand it is probably true by and large (or I hope it is; it certainly should be), that the Foreign Service establishment, which has been built up gradually under a fairly exacting recruitment and training system, has a somewhat higher average standard of ability or proficiency in foreign affairs work than an emergency agency organized in a short period of time. In other words, by bringing appropriate Foreign Service people into the operating work of the ECA organization it should be possible to improve at least in certain ways the quality of the work done.

On the other hand, considering the conventional responsibilities

of the Foreign Service for observation and reporting, these Embassy functions can be performed better if the officers responsible, or some of them, also perform operating functions which bring them into direct contact with the major economic problems to be reported on. Reporting officers of the Embassy also gain certain advantages sometimes in their relations with Italian officials as a result of being connected with the dollar-aid program of the ECA.

Anyone would agree that the organizational pattern which we are working out here is a crazy one on paper. We believe it is the best one possible under the circumstances, but it is obviously far from ideal. There are certain important conditions which must be met if it is to function reasonably well. The first of these is that the Ambassador must be recognized by everyone at the post as being the overall Commander in Chief. We are very happy in that respect here, and I think it is essential to the success of our operation. Another condition is that the key officers in both organizations, but perhaps especially those in the Economic Section of the Embassy, should have enough confidence in their own ability and versatility so that they are not afraid of what may happen to them personally as the process of merging the two organizations continues.

I hope all this may be of some help to you and your associates in Manila. If you should have any questions, I would be glad to try to answer them. I would also be interested in hearing how you succeed in working out these problems out there.

Please give my kindest regards to Ambassador Cowen when he returns.

Yours very truly,

S.L.W. Mellen
First Secretary of Embassy

SLW/ve

cc: Mr. William S. B. Lacy,
Director,
Office of Southeast Asian Affairs.

P.S. I may have used the wrong expression above in referring to the Ambassador as the overall "Commander in Chief", since this would imply power to issue affirmative orders to the ECA Mission Chief. You will remember that the language of the President's letter of April 5 did not go quite that far. "The United States Ambassador is the representative of the President of the United States to the country and is responsible for assuring a coordinated U.S. position".

The practical situation which we have in Rome, I should say, is that the Ambassador's personal qualities and his sureness of judgment, combined with the ECA Mission Chief's loyalty and wisdom, have established the Ambassador's primacy to the extent necessary to enable him to maintain a coordinated U.S. position here.

SLWMellen