

ED - Mr. Halenbaum

April 11, 1951

PSA - Mr. Shohan

Comments on Draft Position on Rockefeller Report

In general, I have few comments to make on the draft position you circulated on April 3. It seems very sound. I suffer, however, by reason of not having read the Rockefeller Report and by reason of no real knowledge of the problems in areas other than PSA. Neither of these grave deficiencies can be remedied at this point.

Therefore, the following comments have to do with degrees of emphasis from the point of view of the PSA area.

1. Throughout my experience of my present area of concentration, I find there has been much egregious nonsense uttered about the virtues and necessities of "coordinating" various U. S. programs or activities within the area. Not an organization man, I am nonetheless sure that there is no perfect form of organization for insuring mutual understanding and examination of the several points of view and problems and for reconciling various differences. (This is particularly true when the points of view represented are of men whose job it is to believe that if this Department is not actually dead, it ought to be.) I have a serious bias in thinking that I am not conscious of any serious losses in this field and I do not believe organizational arrangements will contribute substantially to the achievement of our objectives.

2. For the PSA area, there is much exaggerated emphasis on the need for a "unified" or "coordinated" approach. The PSA area is a very broad one, covering a wide range of activities. It is not possible to have a "unified" approach to all these activities. The PSA area should be able to handle all these activities in a way that is consistent with the overall objectives of the Department.

In addition, it is not clear that the PSA area is in a position to handle all these activities. The PSA area should be able to handle all these activities in a way that is consistent with the overall objectives of the Department.

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development objectives. In point of fact, I am afraid that unlimited expenditure of effort on our part will produce precious little result so far as the Southeast Asian area is concerned. For example, we have recently been unable to get American firms to risk moving their equipment and men for operation (not fixed investment) in Bangkok. The type of guarantee necessary to attract substantial quantities of American capital would be extremely unattractive to Congress, -- and I would guess unacceptable to the Executive Branch itself.

4. I wish, in connection with discussion of new international agencies, you had spoken of further exploitation of the possibilities inherent in existing international organizations, -- the FAO and the WHO, as well as the ILO. In fact, I do not believe we will in the immediate future face serious limitations on funds or operating power for U.S. Government agencies either to give or lend money in the Far Area. Practically, we do not need UN organizations at all. Policy-wise, I believe we should increasingly transfer responsibility for our proposed build-up technical assistance program to the present UN specialized agencies.

5. I am really not so much worried about the multiplicity of agencies operating in Washington as the Foreign Economic Front, as I am concerned with unified direction and control in the field. This is a very sore point with us.

6. I agree strongly with your remarks as to the unfortunate administrative policies and economic exploitation of the SEAN program with the UN program. I believe that you have presented a fundamental criticism which merits further expansion.

7. It has been pointed out to me that, particularly in the Far Area, the problem of coordinating in a single agency has been viewed by many as a problem of everyone else coordinating with or through the agency. I believe that the SEAN program is a case in point. It is a program in which value is added by a number of agencies, but which is administered through the State Department. It is a program in which the State Department is the central agency, and in which other agencies are required to coordinate with it. I believe that the SEAN program is a case in point. It is a program in which value is added by a number of agencies, but which is administered through the State Department. It is a program in which the State Department is the central agency, and in which other agencies are required to coordinate with it.