

155 Foreign Policy Clearing House, 1958-61

OK MC188

Foreign
Policy
Index

July 21, 1959

Mr. William C. Gibbons, Director
Foreign Policy Index
300 Independence Avenue, SE
Washington 3, D.C.

Dear Bill:

May I wipe my obligations off the slate at a single blow by acknowledging your letter of 11 June and that of 17 July which has just come in? And to compound the felony, this will have to serve as a response to your letters to Max Millikan of the same dates. Max, as you probably are aware, left for Africa early in June and is not expected back until the end of next month.

First, congratulations on your first summary of reports on U.S. foreign economic policy. It seems to be a first-rate job and should prove useful for a variety of purposes. I expect that all three reports will be extensively consulted here in the course of preparing the study which we are undertaking for the Foreign Relations Committee. By all means keep us on your mailing list for the third report. As people begin to make use of the summaries, I will try to gather together any comments or suggestions that may arise.

Best of luck in your negotiations with the foundations. You certainly should have no trouble, given the obvious need for such a service as you are performing. Of course, as has occasionally been our bitter experience, foundations do not invariably see the same merit in projects as those who propose them.

As you have probably heard, I am following in the footsteps of all the great and near great, the youth and near youth, who are making for Vienna. I am surprised that you don't seem to be going yourself. I hope we can get together either here or in Washington some time soon after I return.

Sincerely yours,

Donald L. M. Blackmer
Assistant to the Director

DLMB:pec

JUN 15 1959

11 June 1959

Mr. Donald L. M. Blackmer, Assistant to the Director
Center for International Studies
Massachusetts Institute of Technology
Cambridge 39, Massachusetts

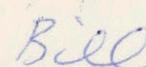
Dear Don:

I haven't retired, although I have often had the urge. My silence is due to the persistence of labyrinthitis, which disappeared only a couple of weeks ago. It came at a very inopportune time, and it has delayed the establishment of the Index, disrupted correspondence and generally has made life difficult. All that is in the past now, but I am nonetheless unhappy about the long delay in thanking those whom I consulted on the trip in March. In your case, it was very nice of you to lunch me, talk with me before my meeting with Millikan, and generally see to my arrangements. I was indeed grateful.

The Index is now getting slowly underway, and a first, trial report has been produced on American foreign economic policy. You will shortly receive a copy, under separate cover, and your comments and suggestions would be appreciated. We are now working on the second and third parts of the survey, of which this report is the first. After that we will produce a trend report on the proposal for an International Development Association. By Fall, we hope to have foundation support and our university connection, and to be in full swing.

I hope all is well with you, and that we will have the pleasure of seeing you in Washington soon again.

Cordially,



William C. Gibbons
Director

THE FOREIGN POLICY INDEX

JUN 15 1959

300 Independence Avenue, Southeast
Washington 3, D. C.

11 June 1959

Dr. Max F. Millikan, Director
Center for International Studies
Massachusetts Institute of Technology
Cambridge 38, Massachusetts

Dear Dr. Millikan:

I want to apologize for delaying so long in thanking you for your help with the Index. Your comments were very helpful. Unfortunately, it has taken me several months to recuperate from the inner ear disorder which was affecting me during my trip. Only in the last couple of weeks have I been able to devote full time to the project.

to know
You will be interested that an informal presentation of the Index has been made to the Carnegie Corporation. I hope we will get a favorable response from Carnegie, and can complete arrangements within the next several months for affiliation with a university. In the meanwhile, we are undertaking several initial projects. One of the first of these is a survey of reports on American foreign economic policy. The first part of the survey has now been reproduced, and I am sending a copy to you under separate cover.

We have been asked to prepare a trend report on the proposal for an International Development Association. This is now underway, together with the second and third parts of the survey of reports on American foreign economic policy.

We will be pleased to receive your comments and suggestions on the first report. I would also appreciate your sending along any memoranda and research papers which will help us keep better informed. If there are any which you are distributing to policy-makers and public opinion leaders, Jay Cerf and I will be happy to help with the distribution in Congress. I recently arranged for copies of the paper which Kindleberger gave at Williamsburg to be distributed to several key members of Congress and Congressional staffs, and Jay and I would be happy to make a similar arrangement for papers and articles which you might like to get into the hands of key people.

Thanks again for your help.

Cordially,

Bill Gibbons

William C. Gibbons
Director

JUL 20 1959

FOREIGN POLICY INDEX

300 Independence Avenue, S.E.
Washington 3, D.C.

17 July 1959

Dr. Max F. Millikan, Director
Center for International Studies
Massachusetts Institute of Technology
Cambridge 38, Massachusetts

Dear Dr. Millikan:

A copy of the second report of the Foreign Policy Index, consisting of summaries of reports of private research organizations on American foreign economic policy, is being sent to you under separate cover. The first report, which you should have received several weeks ago, covered reports of Executive agencies and departments. The third report, which will be issued in several weeks, will cover reports of congressional committees. Please let us know whether you wish to receive the third report. It will be sent only to those requesting a copy.

It is very important to have your suggestions and reactions, if you have not already voiced them, about the usefulness of this kind of activity. In seeking to obtain foundation support, which is necessary to continue operating the Index, it is essential to demonstrate the need for the project.

Cordially,

Bill Gibbons

William C. Gibbons
Director

JUL 20 1959

FOREIGN POLICY INDEX

300 Independence Avenue, S.E.
Washington 3, D.C.

17 July 1959

Mr. Donald L. M. Balckmer, Assistant to the Director
Center for International Studies
Massachusetts Institute of Technology
Cambridge 39, Massachusetts

Dear Don:

A copy of the second report of the Foreign Policy Index, consisting of summaries of reports of private research organizations on American foreign economic policy, is being sent to you under separate cover. The first report, which you should have received several weeks ago, covered reports of Executive agencies and departments. The third report, which will be issued in several weeks, will cover reports of congressional committees. Please let us know whether you wish to receive the third report. It will be sent only to those requesting a copy.

It is very important to have your suggestions and reactions, if you have not already voiced them, about the usefulness of this kind of activity. In seeking to obtain foundation support, which is necessary to continue operating the Index, it is essential to demonstrate the need for the project.

Cordially,

B. C. G.

William C. Gibbons
Director

Foreign Policy Clearing House

300 INDEPENDENCE AVENUE, S. E.

WASHINGTON 3, D. C.

Telephone: Lincoln 6-8900

December 30, 1960

JAN 3 1961

Professor Max Millikan
Director
Center for International Studies
Massachusetts Institute of Technology
Cambridge 39, Massachusetts

Max
Dear Professor Millikan:

As part of its internal program planning activities, the Foreign Policy Clearing House annually reviews the significant foreign policy events of the preceding legislative session. These "retrospects" provide background for an FPCH projection of future trends in the field of foreign economic, political and defense policy. Together, the documents assist the FPCH to determine which policy areas are most in need of effective support and also which areas possess or require research consensus necessary to backstop FPCH legislative activity.

Because a two-term President is about to leave office and a new Party - as well as incumbent - will take office, the FPCH enlarged this year on its usual annual round-ups. Thus we did a long-range review (Eisenhower retrospect) - and we projected farther ahead than usual (Kennedy projection). The latter is, of course, based partly on the insights of FPCH staff members and FPCH sources. It also reflects a study of Kennedy legislative history, and the 1960 campaign itself, and, inevitably, an assessment of Kennedy's personality.

We are making our Eisenhower retrospect available to FPCH members in the next issue of our periodical, Doorway to the 20th Century. But the Kennedy projection is being sent as a special item in our regular mailings to members. While neither you nor your company ~~are yet FPCH members~~, your own past interest in FPCH activities and your obvious concern with public policy prompts us to send you this complimentary copy of our Kennedy projection, enclosed herewith. We hope you find it useful.

With best wishes for the New Year, I am,

Yours sincerely,

Jay H. Cerf
Director

Enclosure

Foreign

Policy

Clearing

House

. . . a bridge between
policy research and
policy making.

300 Independence Ave., S.E.
Washington 3, D.C.
LI 6-8900

Foreign Policy Clearing House

300 INDEPENDENCE AVENUE, S. E.

WASHINGTON 3, D. C.

Telephone: Lincoln 6-8900

FPCH STAFF MEMORANDUM

January 1, 1961

Kennedy Projection

Number 8

The discussion that follows is an effort to forecast the direction U.S. foreign policy will take under the Kennedy Administration. The Kennedy policies are still a matter largely for speculation, for the simple reason that, as yet, they are only in the preliminary study stage. However, a number of task forces are now at work in detailed policy areas and at least some major policy decisions will be forthcoming within the next month or so.

In addition, the process of appointment is beginning to reach down to a level that will provide some clue to the direction of policy changes in prospect. It seems worthwhile, therefore, even on a speculative basis, to put together available evidence for a look ahead toward the shape of the Kennedy Administration's foreign policies.

The President-elect has repeatedly made it clear that he regards foreign affairs as the most pressing concern of his Administration. At the outset, however, drastic and dramatic changes in foreign policy are unlikely. These changes will emerge slowly. The major priorities in domestic legislation - school assistance, medical care for the aged, etc. - are clear and familiar; they can be undertaken in "the first ninety days" and therefore will occupy most of the Administration's legislative energies in its first months. By contrast, the problems of foreign policy are complex and relatively unfamiliar; it will take time and study to reach decisions, and the legislative program in this area will mature slowly.

Mr. Kennedy will face grave political problems in attempting major, controversial new foreign policy initiatives. Most of his proposals will not be ready in time to capitalize on the "honeymoon" period. In addition, the President-elect is concerned about the effects of the extremely close election on his political strength - not because he has philosophical doubts about his mandate, but because his power and influence with the Congress is diminished by his having run behind his ticket in most areas. Furthermore, Mr. Kennedy will face a strengthened conservative opposition in Congress - partly because of the shift of Congressional seats, partly also because conservative Republicans, no longer subject to Mr. Eisenhower's influence, are likely to backslide in their foreign policy sentiments.

For all of these reasons, of which the Kennedy forces are keenly aware, new departures in foreign policy will be a cautious, slow and sometimes painful matter. In spite of the fact that, for the first time in six years, one party controls both Congress and the Executive, the job of developing Congressional understanding and support on foreign policy issues will remain a problem of cardinal importance.

With these qualifications stated, however, it should be said that Mr. Kennedy remains determined to move with energy and resolution to deal with what he regards as critical issues of foreign policy. His approach will be significantly

different from that of the present Administration. President Eisenhower has relied heavily on an extensive staff organization in the White House and National Security Council apparatus. At the same time, there has been a substantial diffusion of foreign policy influence among Treasury, Defense and other agencies, as well as the State Department. For outside guidance, the President has turned primarily to business leaders.

By contrast, Mr. Kennedy plans to have a very small White House staff. The National Security Council will be downgraded, in foreign policy planning, in favor of a re-invigorated State Department policy planning staff, probably under MIT Professor W. W. Rostow. The State Department will again become the dominant and integrating agency in policy formulation, although Mr. Kennedy will draw informally and extensively on outside advisers, largely from academic rather than business circles.

The President-elect likewise plans to play the key role in foreign policy himself. This is indicated by his choice of Dean Rusk - a State Department professional and administrator - rather than Adlai Stevenson - a potentially competing policy spokesman - as Secretary of State. While the sources of policy advice will be as diverse as in the past, their pattern will be considerably changed, and the center of decision will be indisputably in the White House.

The key issue in the foreign policy area, with which Kennedy advisers are now wrestling, will be the balance-of-payments problem. Not only does it affect a broad range of military, economic and even political programs. It exercises a profound influence on Congressional attitudes and, consequently, affects the political prospects for the Kennedy programs.

Mr. Kennedy, following his liberal academic economic advisers, will differ sharply from present Administration leaders in his handling of the balance-of-payments problem. He will take the view that while continuation of present deficits and gold outflow is unacceptable, the long term outlook is for substantial improvement. Payments considerations, therefore, will not dominate policy.

Nevertheless, Mr. Kennedy will seek, like President Eisenhower, to persuade our allies to carry a larger share of the development aid and military cost burdens. Differences with the present Administration in this area largely concern means, not ends - the Kennedy forces believe they can do a better job of enlisting cooperation from the Europeans and are highly critical of the abortive Anderson-Dillon mission to Bonn.

The Kennedy Administration will emphasize an expansion of exports and growth of the domestic economy generally (with corresponding reductions in production costs) as further aids in reducing the deficit. It may explore some form of the Triffin plan or a similar means of establishing international reserves not dependent on gold as a means of easing the burden on the dollar. It will certainly not encourage a continuation of the present rate of capital exports to Europe. If the situation seems to require it, Mr. Kennedy will probably be less averse than the Eisenhower Administration to institution of capital export controls.

The application of tied-loan and Buy-American restrictions in foreign aid, recently instituted by the outgoing Administration, will almost certainly be greatly eased, if not eliminated. Very possibly they will be kept formally in force, as a polite warning to other industrial nations, while being quietly shelved in practice. Generally, the Kennedy forces feel that Administration actions in recent months have exhibited undue agitation over the long term soundness of the U.S.

payments position; have been psychologically damaging to confidence in the dollar abroad; and, in the foreign aid field, have been too high a price to pay for too little practical effect. While its judgment would obviously be revised in the event of a continuing heavy drain on U.S. reserves, the Kennedy Administration will, at least for the immediate future, subordinate the payments problem to other policy considerations.

The Underdeveloped Countries

High on the Kennedy agenda is a major expansion of U.S. efforts to meet the challenge of the underdeveloped countries. A key step will be reorganization of the entire aid program - a goal high on the timetable but likely to be unavoidably delayed by disagreements as to the best formula. Studies are being prepared by several outside groups, the government agencies affected are maneuvering for position, and the new officials of the Administration will, of course, have something to say about the ultimate decision.

Reorganization is not likely to be accomplished until well along in the coming year. The basic decision will be whether to appoint an independent foreign aid czar, coordinated with State but with direct access to the President, or whether to integrate foreign aid more closely into State, with oversight by the Under Secretary. In either case, the best prospect now is that Under Secretary Bowles will carry the major responsibility in State, with the Under Secretary for Economic Affairs either reporting to Bowles or responsible for a restricted area of subjects from which the aid program is excluded.

Also in prospect is an internal reorganization of the aid program, to achieve some functional clarification, e.g., to concentrate all development loan functions in the Development Loan Fund, confining Ex-Im Bank to exporter credits. The result may be a three-part operation under a Foreign Aid Administrator - a technical assistance agency, a capital loan agency, and an export credit agency - with military assistance much reduced and shifted entirely into the Defense Department.

Another important step - but one with possible political complications with domestic farm interests - will be the effort to establish a major new "Food for Peace" agency, which former South Dakota Congressman George McGovern has already been chosen to head. The plan calls for a large increase in surplus food disposal as a development asset utilizing "food bank" storage of surpluses abroad. The entire scheme, however, will rouse the opposition of some farm interests because of its avowed intention to subordinate farm interests to foreign policy interests in the disposal program.

Other elements of the Kennedy foreign aid policy will be:

1. Increased emphasis on regional programs, including revival of the Eisenhower proposal for a Middle East regional development organization.
2. Expansion of aid to Latin America, picking up and carrying through the new emphasis on social reform contained in the Act of Bogota - though not necessarily through the \$500 million authorization and the IADB mechanism with which the Eisenhower Administration has been working. (A key Kennedy task force is working on Latin America policy and may recommend a "Marshall Plan" for Latin America.)

There will probably be a continuing effort to upgrade the OAS and IA-Ecosoc in the administration of social reform assistance for housing, land reform, etc.; there will be expansion of DLF and Ex-Im Bank assistance to housing, small business credit, and land reform; and the new President has given at least nominal endorsement to the Brazilian "Operation Panamerica" proposal.

3. New emphasis on Africa, particularly in the areas of education, health, and technical assistance generally. However, an effort will undoubtedly be made to increase, insofar as feasible, capital assistance projects for Africa. Mr. Kennedy has already announced his readiness to work with the African nations themselves in a co-ordinated program to create adequate educational facilities and his determination to expand educational exchanges between the U.S. and Africa.

4. Continuation and even increase in the U.S. commitment to assist India's five-year plans with foreign exchange resources. As a Senator, Mr. Kennedy demonstrated his belief in India's special importance and was a leader in pressing for expanded aid to India.

5. An increased use of multilateral aid facilities, as part of the effort to increase the contribution of other industrial countries. This will include pushing through the OECD plan (originated by Treasury Secretary-designate Dillon) and using this, as well as ad hoc arrangements, to expand the consortium technique in development aid; a new willingness to consider channeling multilateral aid through the United Nations; and, as noted above, encouragement to regional development groupings.

Cultural and Propaganda Programs

As mentioned earlier, Mr. Kennedy put major campaign emphasis on the need to increase U.S. educational and cultural exchange programs and U.S. assistance for education in the less-developed areas. He was highly critical of the U.S. propaganda program abroad. Among his early recommendations will be expansion of the exchange program, and increased budgets for USIA - particularly for the foreign language broadcasts of VOA. In addition, he regards the "Youth Peace Corps" plan as, at least in part, a propaganda and cultural exchange asset.

Commercial Policy

Although Mr. Kennedy, during the campaign, was critical of the performance of U.S. business in Latin America (particularly in Cuba), he has on many occasions stressed his appreciation of the valuable contribution of private business to economic development abroad, and its importance to the U.S. economy. A significant part of his business support in the campaign came from businessmen with primarily international interests.

He will give little encouragement to increased U.S. investment in Europe and other industrial areas. He may seek a change in the foreign income "grossup" provisions and other alleged loopholes in present tax law. On the other hand, Mr. Kennedy has expressed sympathy with some provisions of the Boggs Bill and is likely to endorse tax deferral and other measures to encourage investment in the less-developed countries. Particularly, he will try to step up U.S. efforts to negotiate tax-sparing agreements abroad.

The major test of Kennedy views regarding foreign trade will come in the 1962 battle over extension of the Trade Agreements Act. Mr. Kennedy, in his early years as a New England Congressman, sometimes voted for protectionist changes in the trade program, though he has consistently supported extension of the basic legislation. During the 1960 campaign, some of his expressions of sympathy for domestic industry (e.g., shoes, textiles) alarmed liberal trade advocates. However, in a campaign letter to the Committee for a National Trade Policy, Kennedy reaffirmed - in strong terms - his support for the trade program and his belief in the importance of an expanding international trade.

As President, Mr. Kennedy will seek enlarged negotiating authority in the 1962 Act for the all-important job of bargaining to remove restrictions abroad against U.S. goods. He will probably seek to enlarge the area of presidential discretion in the program; he will certainly seek to eliminate doubts raised by the recent Supreme Court decision regarding the President's ability to modify Tariff Commission escape clause recommendations. He will support such proposals as the trade adjustment program and subsidy-stabilization schemes for domestic mining as devices to ward off domestic pressures that threaten to impair or restrict the reciprocal trade program.

It seems almost certain now that the GATT negotiations scheduled for January will be postponed at least until March and, hence, will be conducted under Democratic auspices. There is a strong possibility that this may result in a more liberal U.S. concessions list and greater willingness to use concessions to enlarge trade opportunities, reflecting the importance Mr. Kennedy attaches to export expansion as an essential element in meeting the payments deficit. He believes that more can be done than has been done to date to prevent the Common Market and EFTA from injuring U.S. export trade and to eliminate restrictions on dollar trade abroad.

Political Issues

At the United Nations, the Kennedy Administration intends to shift from what it regards as a policy primarily concerned with cold war propaganda to a policy of closer relations with the new nations. Particularly, the Kennedy people are critical of the U.S. record of failure to support the aspirations of the emergent Afro-Asian forces. Mr. Kennedy has long argued that the U.S. must dissociate itself from the colonial policies of the European powers and must make its peace with the nationalism of the new nations. He is anxious that the U.S. in the United Nations accept the "neutralist" sentiment of countries which wish to dissociate their interests from the confining terms of the cold war.

The new Administration believes that the Red Chinese issue at the UN cannot much longer be postponed and that the U.S. must move toward resolution of the present impasse in the Far East, looking to the eventual necessity of "doing business" with the Chinese Communists regime. Specifically, it will seek disengagement from Quemoy and Matsu and will seriously consider steps toward a "two Chinas" policy, with Formosa's integrity perhaps guaranteed by the UN. It will attempt to bring the Chinese into nuclear test ban talks. It will step up aid programs in the Far East with the goal of discouraging Communist expansion there through greater political and economic stability in the free countries. These are long term goals, but at least the first steps to their achievement will be taken in the year ahead.

Other major political initiatives in prospect:

1. Liberalization of the Battle Act, and use of trade, aid and cultural exchanges to improve relations with the Eastern European satellites and to reduce their dependence on the Soviet Union.
2. Abandonment of the Eisenhower Doctrine and an effort to get a collective declaration of major powers, to be deposited with the UN, which would provide guarantees against aggression within the Middle East.
3. A renewed attempt, if the political climate seems promising, to repeal the Connally Reservation limiting U.S. acceptance of the jurisdiction of the World Court.

National Security

Mr. Kennedy is firmly on record for an increase in defense spending, with particular emphasis on speeding up the Polaris and Minuteman programs. In addition, he proposes to strengthen U.S. limited-war capabilities, including a modernization of airlift capacity. He views the alleged lag in U.S. defense capabilities as a critical weakness in U.S. foreign policy.

At the same time, he has been highly critical of the scale of U.S. disarmament efforts and will establish an "Arms Control Research Institute" or a "Peace Agency" to raise disarmament programs to a top policy level. The President-elect has likewise pledged renewed efforts to reach an enforceable agreement on suspension of nuclear tests.

F.P. Denny
House

February 1, 1961

Mr. Jay Cerf
Foreign Policy Clearing House
300 Independence Avenue
Washington, D.C.

Dear Jay:

Herewith Mal Rivkin's letter, with thanks.
I feel a bit ashamed when I compare my own output,
assisted b office and secretaries although maybe
not so much coffee, with his own monumental efforts.
Maybe I should simply put my typewriter on my knees
and go to work.

Hope to see you soon.

Yours,

Donald L.M. Blackmer
Executive Assistant
to the Director

DLMB:ews
Enclosure

Foreign
Policy
Clearing
House

File DEC 7 1960

Memorandum to: W.S. Barnes, L. Gordon, M.F. Millikan, P.N. Rosenstein-Rodan,
W.W. Rostow

From: E.E. Hagen

Subject: The United States and Latin America: notes on the discussion
on December 5 among the persons named above, other than
W.W. Rostow.

Date: December 7, 1960

I am most hastily drafting the notes below, as a basis for our discussion on Tuesday, December 13. (Jay Cerf has tentatively suggested that he send me letters and envelopes addressed to the prospective business participants in the December 19 meeting, so that the product of our December 13 meeting may be promptly sent to them as a background paper.)

1. Economic development of Latin America will be economically advantageous to the United States. We face a broader question than this, however: the existence in the minds of many Latin Americans--among both intellectuals and the middle and lower classes--of an image of the United States as reactionary, sympathetic to undemocratic governmental leaders and to wealthy economic groups in Latin America, interested in monetary and military advantage to an extent that subordinates interest in human welfare, and so on. This image is a product of frustration and mood on the part of Latin Americans, arising partly out of their domestic tensions and not fully susceptible to change by our actions. Our actions intended to change the image must involve political and social intangibles in United States policy toward Latin American countries. However, we believe that an important part of the remedy lies within the sphere of economic policies, and we center our attention below mainly on those policies.

2. We believe that in official and unofficial American relationships with Latin America, we should be much more responsive to Latin American initiative than we have been. This should be true of our diplomatic posture. Our diplomatic staffs in Latin American countries should be highly receptive to information and expression of attitudes from intelligentsia, "liberals," and leaders of peaceful oppositions in Latin American countries, and must learn also the sources of support for Communist movements. (We do not know to what extent they may have been deficient in these respects, but it seems clear that our intelligence has not been of the best.) Americans in their private capacities should make contact with many groups of many sorts; group meetings whose result is a better understanding of Latin American attitudes can be important.

Recommendation of formation of an official group to speak for Latin America more effectively than do present international groups should be considered. A sort of committee of wise men is contemplated. It might attempt to combine the attitudes of the O.A.S., ECLA, etc., and should be set up as a source of advice to guide the Inter-American Bank, IBRD, IMF, etc.

December 7, 1960

3. We believe that private American investment must continue to be a major source of American capital for Latin America. We do not here consider the specific United States measures, some of them rather complex, which may affect the flow of private capital to Latin America. Treaties of amity and commerce, guarantees of convertibility of profits and capital refunds, etc., are pertinent. Because of the broader considerations involved, we believe that the United States government should not use other measures designed to help Latin American countries, as means of pressure upon governments to lower their barriers to American private investment, if they are reluctant to do so. Their fears, augmented when United States capital becomes predominant in any field of production, have historical roots which we must allow for even though they are unreasonable. Methods of meeting their fears, such as various devices to facilitate joint ventures--should be explored. A fundamental remedy is economic progress by Latin American countries, so that they feel self-confident. Mexico is an example of such a development.

4. We believe that in American governmental aid to a Latin American country, that country's programming of its use of productive resources should be a basis. This does not imply any lessening of the need for well-analyzed projects as a basis for loans. It does imply, however, that project analysis alone is unsound. The United States should recognize that a government, as a basis for rational policies to provide a framework for development, should consider the relative roles of domestic and external resources, the relationship of agricultural to industrial development, regional balance, the development of the human resources needed to make productive projects function effectively; questions of the supply of and demands upon resources (inflation, full employment); and other such basic matters. Without conscious consideration of problems of the relationship between domestic saving and investment, and between supply of and demand for foreign exchange, and of the governmental tax measures, fiscal balance, and monetary measures to bring about the necessary relationships, a sound basis for economic aid to development does not exist.

5. We believe that programs of governmental expenditures by these countries for a number of purposes are a necessary basis for development, and that as a part of the programming which should be a basis for aid, such expenditure programs should be taken into account. Important relevant programs are: for the "infrastructure" for development: transportation, communication, power, urban facilities, etc.

For urban facilities. For education. The problem of arriving at a feasible program for aid to education in Latin American countries is a complex one. It should be possible to work a feasible program for aid to the construction of education facilities, to teacher training, and for technical assistance of various sorts.

To increase productivity in agriculture. Land reform, in any of its several senses, may be a necessary part of this. Change in the ownership of agricultural land may also be desirable to the end of

December 7, 1960

social stability, but we will do well to join in considering it as a part of a program to increase the incentives for economic growth, rather than seem to interfere in the country's social policies. Recognizing that if large land units are broken up, for many types of production there is apt to be a transitional period during which output will drop, we should be ready to advance agricultural surpluses via P.L. 480 to meet this problem.

6. United States measures to express our sympathy and support for movements for one or more Latin American Common Markets should be considered. The subject should be tied in with examination of development needs. Private investments must be coordinated with prospects for regional common markets, and prompt and forward-looking planning is needed. The reduction within an area of tariffs and other trade barriers on items not yet produced may be of more importance in practice than reduction of barriers on products in whose production there already are vested interests. Regional market planning should of course be related to planning for substitution of domestic production for imports.

7. We should be willing to consider the very sticky problem of price stabilization for a few basic commodities. It may be that a few short-term stop-gap measures may be important and feasible. For example, Brazil's production of coffee during the next season may be so great as to produce a crisis beyond any coffee crisis so far. The long-term remedy of course must be diversification and shift away from production in which large-scale comparative advantage has developed or is developing elsewhere; there is no substitute for this painful process. In principle, programs of cyclical price stabilization, related to a moving average of the price of the commodity, do not have the objectionable features of attempts to hold the price above the long-run equilibrium level. The practical difficulties are great, but we should at least be ready to discuss the matter more receptively than we have been.

8. Our import policies should be examined. The important commodities involved are copper, zinc, lead, and petroleum. Petroleum can hardly be handled except in the context of the world problem. The others can be discussed within a narrower framework. If continuation of rather sharp import restriction seems necessary, questions such as tariffs vs. quotas need consideration.

9. Technical assistance for a number of purposes is in point. Among them: productivity in agriculture, broadly considered; administrative efficiency in government; aid to small business, somehow defined. Any aid by way of short courses, advice on management, marketing, accounting, etc., which might increase even in small degree the effectiveness of entrepreneurship in small and medium sized business enterprises would be worth a considerable expenditure of money and energy. Under favorable circumstances private American investment, perhaps especially joint ventures of one kind and another, provides such aid very effectively, but we suggest that governmentally provided technical aid in this area should also be sponsored.

WARREN G. MAGNUSON, WASH., CHAIRMAN
JOHN O. PASTORE, R.I.
A. S. MIKE MONRONEY, OKLA.
GEORGE A. SMATHERS, FLA.
STROM THURMOND, S.C.
FRANK J. LAUSCHE, OHIO
RALPH YARBOROUGH, TEX.
CLAIR ENGLE, CALIF.
E. L. BARTLETT, ALASKA
VANCE HARTKE, IND.
GALE W. MC GEE, WYO.

ANDREW F. SCHOEPPEL, KANS.
JOHN MARSHALL BUTLER, MD.
NORRIS COTTON, N.H.
CLIFFORD P. CASE, N.J.
THRUSTON B. MORTON, KY.
HUGH SCOTT, PA.

EDWARD JARRETT, CHIEF CLERK

United States Senate

COMMITTEE ON
INTERSTATE AND FOREIGN COMMERCE

August 8, 1960

Dr. Jay H. Cerf
Director
Foreign Policy Clearing House
300 Independence Avenue, S. E.
Washington 3, D. C.

Dear Jay:

As you know we are now in the home stretch of our special staff study of U. S. Foreign Commerce for the Interstate and Foreign Commerce Committee of the Senate. We intend to have a report to submit to the Committee shortly after the opening of the next Session of Congress in January.

The recent addition of several consultants has strengthened our staff considerably and I feel that our internal resources are now excellent. Nevertheless, as we all recognize, the subject of trade and trade policy in relation to our own economy and international economic policy has received a great deal of attention from leading international economists in the universities, private research institutions such as Brookings and NPA, and in private industry. We should like to offer some of these people the opportunity to discuss our project and to make known their own views and attitudes regarding it. Needless to say, we should profit greatly by discussing it with them and I believe that the report would be greatly strengthened as a result.

Very frankly we are going to try to articulate an up-dated modern trade policy for the United States which will eliminate contradictions in our present policy and accommodate the radical changes in international economic relations which have taken place since the war.

Knowing of the distinguished record of the Foreign Policy Clearing House as a non-partisan organization which performs to bring academic experts together with policy makers, I thought you might be willing to assist. I would, therefore, ask you to consider the possibility of the FPCH's making arrangements by which our staff could meet with some of the leading experts in international economics to discuss the ideas which will take shape in our final report. Perhaps this could be done at a series of meetings this Fall which you might sponsor. I would very much appreciate your serious consideration in this matter.

Sincerely yours,

George A. Barnes

Director

Foreign Commerce Study

File
JH

Foreign Policy Clearing House

300 INDEPENDENCE AVENUE, S. E. WASHINGTON 3, D. C. Telephone: Lincoln 6-8900

December 31, 1960

JAN 3 1961

Prof. Max Millikan, Director
Center for International Studies
Massachusetts Institute of Technology
Cambridge 39, Massachusetts

Dear Max:

Enclosed is a copy of the final draft of the Alliance For Progress document which emerged from the Clearing House's meeting on December 19. We were truly sorry that you were unable to attend but we are especially grateful that you undertook to sign the statement. Clearly this will add to its value.

The statement is now in the arenas where it can do most good and we are persuaded that it is being put to good use.

With all good wishes, I am

Yours sincerely,


Jay H. Cerf

JHC:ed
Encls.

FOREIGN POLICY CLEARING HOUSE
300 Independence Avenue, S.E.
Washington 3, D.C.

December 23, 1960

To recipients of this document:

For the moment, only signers will receive copies. It is appropriate to re-emphasize the great importance of careful restriction of the audience, particularly in regard to news media.

We consider that internal company or university circulation is permissible, provided it is done on a limited and altogether discreet basis. The guiding principle governing the document for the moment is as follows: we should take all necessary measures to assure that disclosure comes only from the primary recipients of the statement. These principal recipients are President-elect Kennedy, Secretary of Commerce-designate Hodges, and Under Secretary of State-designate Bowles.

Jay H. Cerf
Director

Enclosure

#71

CONFIDENTIAL

ALLIANCE FOR PROGRESS:

A Program of Inter-American Partnership

Statement

Developed at the Foreign Policy Clearing House

Conference of Cambridge, Massachusetts

Faculty Club of Harvard University

December 19, 1960

(Participants and signers listed at end)

1. The Problem and Its Setting Today

The advent of the Kennedy Administration coincides with the moment in history when Latin Americans en masse are demanding nothing less than social revolution. The origins of this demand reach back fifty years. Today demands for radical, speedy solutions to social and economic inequities are urgent and have reached the streets. The signers of this document hold it evident that both United States and Latin American leaders must attach comparable urgency to new departures in policy and action.

Fortunately, the ferment throughout Latin America has brought to positions of leadership in many countries courageous men who are struggling to help their peoples realize these profound aspirations for dignity, justice and a fuller life. But without swift, imaginative assistance from the United States and other industrial countries, these democratic leaders cannot survive to channel this social ferment toward constructive ends. The Sino-Soviet alliance is actively working to topple these democratic leaders in the conviction that many nations of Latin America are ripe for a take-over. We believe that unless the United States adopts new postures, this Sino-Soviet goal is attainable.

In these circumstances, United States policy must be based on the recognition that Mr. Castro is not a cause, but a symptom. He is a symptom of legitimate demands for long overdue reforms which have been either ineptly met or ignored by many regimes in Latin America and have failed to evoke adequate support from United States policy makers. There exists at present in the minds of many Latin Americans an image of the United States as interested in monetary and military advantage far more than in human welfare. The United States is viewed as sympathetic to reactionary, undemocratic and repressive governments and leaders in Latin America. In the absence of tangible support for new effective programs, that image will sharpen. If it does, and if the frustrations of Latin

Americans are not relieved, they will turn increasingly to extremist political leaders who will ally themselves with the Communist powers, thus adding to the already-dangerous momentum of the Sino-Soviet drive to engulf the Americas.

The election of Senator Kennedy has excited expectations and hopes throughout Latin America. This creates a fresh opportunity and challenge for the United States and for democratic leaders in Latin America. This new opportunity may be the last. Without a prompt and drastic re-orientation of United States policy, the opportunity will be lost.

While undertaking the new initiatives we must be constantly mindful of the major responsibilities of Latin leaders themselves as well as of the vast reservoir of talent, will and potential they possess. The United States can encourage, advise and help. It cannot impose United States policies, however well intended. Programs and planning must be an adventure in partnership.

Embarking in partnership upon a social revolution will inevitably require actions and policies that will appear radical to some and undesirable to others. In Latin America, for example, there will undoubtedly be those who will fight to retain their special privileges. The United States will likewise have to abandon outmoded policies, such as restrictions against lending to government-owned mineral and other enterprises.

We believe the partnership we propose with Latin America will constitute a major turning point in the history of the Americas. A lively sense of history must govern its introduction. While primary responsibility for the program of the partnership must rest with our Latin friends, it is indispensable that the initiative come from the United States.

The initiative should be undertaken in a manner that will produce an impact comparable to General Marshall's historic offer. An analogy with the Marshall

Plan could be otherwise misleading but for two of its essential elements: (1) by generating new hope, the Marshall offer preserved orderly political processes at a similar moment of mass tendencies to resort to radical approaches, and (2) it provided an effective focus and rallying point for a united response by European leaders and people alike. In the present critical situation, a comparable Kennedy offer could, in itself, help transform the mood of "Yanqui, no" to "Yanqui, si." By the confidence it would create, it could strengthen the democratic leaders whose present position is precarious as well as help assure the indispensable backing of local military forces.

This group recognizes that recent trends in the United States balance of payments demand corrective action. It does not necessarily follow, however, that increased programs of developmental aid to Latin America will aggravate the problem. We believe U. S. Diplomacy must aim at broadened programs of financial participation in cooperation with our Canadian and European friends as well as those of other continents. Such cooperation will also reduce tendencies toward adverse effects on our balance of payments, since portions of such funds flow to the United States. But in no event should the obvious, immediate major steps which are imperative for embarking on the alliance for progress be subordinated to payments problems.

The United States Congress must be given an added sense of urgency with respect to these programs. In making available the increased funds required to implement them, it is imperative that the necessary amounts be appropriated for longer than single-year intervals. On its part, the Executive must press hard and promptly for effective implementation of the alliance for progress.

An official of the U.S. government, responsible for coordinating all foreign economic programs and agencies, must insure that the new U.S. roles in the

alliance are continuously and effectively focused on the key requirements of the Latin American social revolution.

Finally, we believe that a clear, candid public statement will now be needed to define the emergency, to outline the necessary steps for confronting it, and to state the sacrifices necessary if we are to stem the tide against freedom in the Hemisphere. As we proceed to implement the new alliance for progress, we believe it imperative to impart more accurate images of the United States. This requires careful informing of Latin American publics about our purposes, methods and goals, as well as informing the United States public.

A. Economic Growth and Social Reform: The Indispensable Requirements

A constructive course for the social revolution in Latin America, especially in the context of an exceptionally high rate of population growth, is feasible only through an infusion of outside capital of major proportions, both public and private. Capital must be extended under a long-run commitment to accelerate Latin American growth and support its reforms. Yet, a heavy burden of public investment, assumed by the people of the United States and other industrially advanced nations, presupposes that aid of this type will succeed within a reasonable period of time.

External capital is needed for the development and strengthening of the social goals as well as manufacturing enterprise and other elements of the economic foundations. Development of self-sustaining economies is the target. In many Latin American countries this is feasible within a decade. Through these and other means we must now address the pre-conditions of political stability, without which substantial progress toward social reform will not occur.

While economic growth is essential to the creation of tolerable conditions of living, social reform is no less essential in giving the broad majority of the people a greater participation in the benefits of growth. This is the meaning of the social infrastructure: The investment in people through education, health, housing and land of their own. The emphasis given these objectives in the Act of Bogota must be sustained.

The growth of industry must be accompanied by greater attention to the urgent requirements of the people who live on the land and who have been largely untouched by both our aid efforts and by progress toward an industrial society.

American policy cannot ignore the grave defects and dangers which exist in the basic structure of Latin American reforms. What we can do is to help create the conditions in which effective reform can take place and to give encouragement and support to those leaders who have the will to institute reforms. In particular, reliance upon multilateral action, as discussed later, can provide both a spur and an encouraging example to other Latin American governments.

B. The Role of Public Investment

Public investment supported by loans from U.S. Government and international agencies, such as the IDB and the IBRD, must play a major role...perhaps the predominant role in the immediate future. But there is need also for substantial capital on a "soft-loan" basis -- i.e., very long-term loans at low rates of interest -- and for grant funds. These non-"bankable" loans and grants are needed to support social programs and economic overhead projects in these countries. Such financing should provide long-run support to private lending. Indeed, an important measure of the success of the public investment will be the increased scope which it will ultimately open to private investment.

There is, however, no fixed relationship between the direction and allocation of the public and private components of the needed investment. As the Latin American nations move toward self-sustaining levels of capital formation, it may be anticipated that the ratio between public and private investment will shift in favor of the latter. It is not the responsibility of the United States to define the exact borderline between the public and private sectors in the recipient economies. Latin American countries will not only insist upon doing this themselves but would resent interference on our part. However,

it must be noted that a greater commitment of funds and a closer partnership in accelerating development will not encounter resistance as being interference by the United States.

The contribution of public capital should come from Western Europe, Canada and Japan as well as from the United States. The instrument of the Organization for Economic Cooperation and Development should be utilized to distribute the burden fairly.

C. The Role of Private Investment

As with public investment, these objectives will not be achieved unless private investment is accorded a major and expanding role. In U.S. society, the human and organizational resources at the command of private enterprise provide the crucial margin in our national capacity to assist Latin America achieve full economic and social modernization. The contribution of private investment is not merely monetary capital or the production of more goods at lower costs. However, it carries with it more than indispensable production know-how and improved methods of management and industrial relations. It can also impart broadened opportunities for closer human ties of sympathy and understanding which are basic elements in the new, joint adventure in partnership. A major effort must, therefore, be directed toward the creation of a better understanding of the capacity of private investment for crucial contributions on virtually all fronts of the new Alliance for Progress. While we recognize that there exists in Latin America some prejudice against private investment--particularly against foreign investment--we would be remiss if we did not support those elements of leadership which realize and seek these contributions.

Within the multilateral relationships discussed later, we must undertake to create a more receptive attitude to foreign investment by the governments

and people of Latin America. Nor should this undertaking be left to the U.S. Government; it is also an important function of American business, American universities and American labor. Latin Americans wish to share in the benefits of industrialization fomented by foreign capital. Where joint ownership of private ventures makes political and economic sense, it should be encouraged.

A better understanding of the contribution of private enterprise is needed within the Executive and Legislative branches of the U.S. Government as well as within the governments of Latin America. If U.S. private capital is to flow into Latin America in the needed amounts, more than exhortation is needed. The obstacles to private investment, some of them created by the U.S. Government, must be reduced.

There is need for a more realistic assessment of the effects of U.S. anti-trust legislation as applied to foreign operations. This effort should include practical tax incentives to investment in Latin America and other emergent nations.

Finally, support should be given to developing and implementing an international code of behavior to be applied equally to private investors and host countries.

D. Commercial Policy

1. Stabilization of Foreign Exchange Receipts

We can no longer ignore the disastrous consequences in Latin America, as elsewhere, of violently fluctuating foreign exchange receipts from the export of primary commodities. Such instability often threatens the financing of vital development programs, poses critical payments problems, and therefore threatens our essential foreign policy interests. The U.S. should join with Latin American and other affected nations in measures to mitigate such instability. Studies should aim to disclose whether or not there are commodities

for which price stabilization agreements will be the best interim course. Because there are many and often grave difficulties in framing and operating useful agreements, they are unlikely to be feasible for all commodities in which income instability exists.

The existing International Coffee Agreement, if it is to continue to be effective, must be strengthened. U.S. participation in such a revised agreement might be desirable if it promised materially to help achieve its primary objectives and if it included effective measures for reduction of excessive productive capacity. An extremely large coffee crop in Brazil in 1961 provides an example of the kind of crisis with which such agreements must cope. Whether or not commodity agreements are widely used, certain nations will continue to suffer sudden and harmful losses of foreign exchange because of commodity market instability. For this reason the U.S. and its allies should ensure the adequacy of machinery to compensate for such foreign exchange income fluctuation.

2. Trade Policy

An even graver problem for Latin America is the slow growth of its overall export earnings. Economic development cannot proceed rapidly unless exports develop correspondingly. Economic aid is no substitute for trade. It is clear that the U.S. and other nations should make their markets increasingly available to Latin America's export products.

We recommend courageous Executive and Congressional action to bring this about. We must enlist the cooperation of our allies to join in minimizing restrictions against imports of Latin American export commodities through such devices as tariffs, quotas, excise taxes, or preferential systems.

3. Regionalism

Latin American countries increasingly believe that they must group together to acquire the large-scale markets needed to support modern industry. The Central American bloc is moving towards a customs union. The South American bloc is moving towards a free trade area approach. Local production can be substituted for imported products and enlarged markets and production can bring about major increases in productivity and industrial diversification.

The U.S. should support these regional groups though we recognize that in the short run competitive forces within the areas may be limited by the need to ease the adjustments of existing industries into integrated markets.

E. Reducing the Burden of Military Requirements

We hope the Latin American people will recognize that the present level of expenditure on military establishments is incompatible with the limited financial resources available. This is particularly true if the lateness of the hour is kept in mind and if we are to act on time to meet the urgent and huge social and economic imperatives which confront the Alliance. In principle there must be agreement by the Latin American nations to reduce their military outlay to that needed for internal security. This could be achieved only if something like President Alessandri's proposed multilateral disarmament plan was adopted. The reduced military establishments and their resources might be converted into engineering and technical corps implementing programmed needs of an infrastructure character such as highways, schools, sanitation and water systems. A reduction of arms shipments from outside sources is probably indicated. Some existing capacities in Latin America might be retained to produce defense items to meet hemispheric needs in a broadening of the "arsenal of democracy" concept.

F. Organizing the Alliance for Progress

The program outlined above requires new multi-lateral organization approaches. The first imperative is to rid ourselves of the notion that we can underwrite Latin America's social and economic revolution solely through "bankable" projects administered by banking institutions. Instead, the burden of responsibility should be reversed so that Latin Americans decide first on lines of action for economic and social development appropriate to each country and recommend the forms and amounts of aid which should support them. Such targets as land and tax reform, broader educational opportunities and additional mobilization of domestic capital will become reflected in national programs if there is strong pressure for them from an international body. To succeed, this body must be equipped with a strong secretariat empowered to provide major technical assistance for national development programming. With appropriate adjustments for the varieties of Latin American conditions, this institution would do for the new program what the OEEC did for the Marshall Plan in Europe. Administered mainly by Latin Americans, this multi-lateral programming body would include among its objectives constructive development of action programs for regional economic integration. The source of the funds and the nature of the programs and projects to be aided will determine the character of the allocating procedure.

G. U.S. Personnel for the Alliance for Progress

The Alliance for Progress, by its very challenge, demands selection of U.S. personnel of high excellence for service in Latin America. In both public and private service, these objectives must be assisted by adequate recognition and compensation. In any event, humane dedication and a deep sense of the meaning of current history must become the permanent qualification.

It is imperative to upgrade U.S. diplomatic and consular representation in Latin America drastically. Professionally competent younger men, with a sympathetic understanding of the revolutionary ferment in Latin America, are needed in our overseas posts. Enhanced organizational recognition and stronger manning of Latin American desks in Washington are also needed. We must take advantage of cumulative experience through longer field assignments.

American businessmen also must appreciate the need for achieving similar standards in their actions and attitudes. Moreover, future U.S. personnel from all areas must be characterized by much greater sensitivity to the aspirations of groups of all levels and persuasions, as well as continuing personal contact with them.

We emphasize, however, that the quality of personnel adequate for success of the Alliance for Progress will not be obtained merely by offering reasonable rewards and recognition, or even by a sincere desire for public service. Central to success in recruiting appropriate people is the design and air of urgency of the program itself. The partnership approach, the adequacy of the program in direction, magnitude, concept and promptness of forward steps--these, in the last analysis, will be the sine qua non ingredients for attracting the best human elements of all the Americas to man the Alliance. Without adequate vision of heroic and historic purpose of the Alliance, the human imperative will not be forthcoming.

We, the undersigned conferees, believe that the above program for the Alliance for Progress, if implemented when and as suggested above, will equal the challenge presented in this last, final hour of Hemisphere opportunity.

At The Faculty Club of Harvard University; Cambridge, Massachusetts on
December 19, 1960, signed:

Jasper A. Baker, Assistant Vice President, United Fruit Company

William S. Barnes, Assistant Dean, Law School, Harvard University

Jack N. Behrman, Professor of International Economic Relations, University
of Delaware

Mario Capelli, Vice President, International Division, Rheem Manufacturing
Company

Dudley Colton, Vice President, International Operations, Johns Mansville Company

William B. Dale, Senior Economist, Stanford Research Institute

Charles S. Dennison, Vice President, Overseas Operations, International
Minerals and Chemical Corporation

Angier Biddle Duke, Member, Coordinating Committee, National Council for a
New Frontier Policy in the Americas

Frederico G. Gil, Director, Institute of Latin American Affairs, University
of North Carolina

Lincoln Gordon, Professor of International Economic Relations, Graduate School
of Business Administration, Harvard University

Everett E. Hagen, Professor of Economics, Center for International Studies,
Massachusetts Institute of Technology

Elliott Haynes, Editor, Business International

Albert O. Hirschman, Professor of International Economic Relations,
Department of Economics, Columbia University

Thomas A. Hiam, New York, New York (FPCH rapporteur)

Jerome Jacobson, President, International Economic Consultants, Inc.

Antoinie T. Knoppers, President, Merck, Sharp and Dohme International

Max Millikan, Director, Center for International Studies, Massachusetts
Institute of Technology

Robert Mitchell, Vice President, International Division, Whirlpool Corporation

Hans Morgenthau, Professor of Political Science, Department of Government,
Harvard University

Peter R. Nehemkis, Jr., Washington Counsel, Whirlpool Corporation

John Nuveen, John Nuveen and Company

Paul Porter, Porter International Company

Paul N. Rosenstein-Rodan, Professor of Economics, Center for International Studies, Massachusetts Institute of Technology

Walt W. Rostow, Professor of Economic History, Center for International Studies, Massachusetts Institute of Technology

J. Wilner Sundelson, Ford International Group, Ford Motor Company
(Meeting Chairman)

Frank X. White, Vice President, American Machine and Foundry Company

Foreign

Policy

Clearing

House

. . . a bridge between
policy research and
policy making.

300 Independence Ave., S.E.
Washington 3, D.C.
LI 6-8900

DOMESTIC SERVICE	
Check the class of service desired; otherwise this message will be sent as a full rate telegram	
	\$
	S
FULL RATE TELEGRAM	E
DAY LETTER	
NIGHT LETTER	

WESTERN UNION

W. P. MARSHALL, PRESIDENT

1206 10-51

INTERNATIONAL SERVICE	
Check the class of service desired; otherwise the message will be sent at the full rate	
FULL RATE	
LETTER TELEGRAM	
SHIP RADIOGRAM	

NO. WDS.-CL. OF SVC.	PD. OR COLL.	CASH NO.	CHARGE TO THE ACCOUNT OF	TIME FILED

Send the following message, subject to the terms on back hereof, which are hereby agreed to

DECEMBER 9, 1960

3³⁰ pec.

JAY CERF
FOREIGN POLICY CLEARING HOUSE
WASHINGTON D.C., DC

HOPE ATTEND AT LEAST PART OF CONFERENCE 19th BUT CANNOT YET BE SURE.

WILL WIRE AGAIN WHEN DEFINITE.

MAX MILLIKAN, MIT

ALL MESSAGES TAKEN BY THIS COMPANY ARE SUBJECT TO THE FOLLOWING TERMS:

To guard against mistakes or delays, the sender of a message should order it repeated, that is, telegraphed back to the originating office for comparison. For this, one-half the unpeated message rate is charged in addition. Unless otherwise indicated on its face, this is an unpeated message and paid for as such, in consideration whereof it is agreed between the sender of the message and the Telegraph Company as follows:

1. The Telegraph Company shall not be liable for mistakes or delays in the transmission or delivery, or for non-delivery, of any message received for transmission at the unpeated-message rate beyond the sum of five hundred dollars; nor for mistakes or delays in the transmission or delivery, or for non-delivery, of any message received for transmission at the repeated-message rate beyond the sum of five thousand dollars, unless specially valued; nor in any case for delays arising from unavoidable interruption in the working of its lines.

2. In any event the Telegraph Company shall not be liable for damages for mistakes or delays in the transmission or delivery, or for the non-delivery, of any message, whether caused by the negligence of its servants or otherwise, beyond the actual loss, not exceeding in any event the sum of five thousand dollars, at which amount the sender of each message represents that the message is valued, unless a greater value is stated in writing by the sender thereof at the time the message is tendered for transmission, and unless the repeated-message rate is paid or agreed to be paid and an additional charge equal to one-tenth of one per cent of the amount by which such valuation shall exceed five thousand dollars.

3. The Telegraph Company is hereby made the agent of the sender, without liability, to forward this message over the lines of any other company when necessary to reach its destination.

4. The applicable tariff charges on a message destined to any point in the continental United States listed in the Telegraph Company's Directory of Stations cover its delivery within the established city or community limits of the destination point. Beyond such limits and to points not listed in the Telegraph Company's Directory of Stations, the Telegraph Company does not undertake to make delivery but will endeavor to arrange for delivery by any available means as the agent of the sender, with the understanding that the sender authorizes the collection of any additional charge from the addressee and agrees to pay such additional charge if it is not collected from the addressee.

5. No responsibility attaches to the Telegraph Company concerning messages until the same are accepted at one of its transmitting offices; and if a message is sent to such office by one of the Telegraph Company's messengers, he acts for that purpose as the agent of the sender; except that when the Telegraph Company sends a messenger to pick up a message, the messenger in that instance acts as the agent of the Telegraph Company in accepting the message, the Telegraph Company assuming responsibility from the time of such acceptance.

6. The Telegraph Company will not be liable for damages or statutory penalties when the claim is not presented in writing to the Telegraph Company, (a) within ninety days after the message is filed with the Telegraph Company for transmission in the case of a message between points within the United States (except in the case of an intrastate message in Texas) or between a point in the United States on the one hand and a point in Alaska, Canada, Mexico, or St. Pierre-Miquelon Islands on the other hand, or between a point in the United States and a ship at sea or in the air, (b) within 95 days after the cause of action, if any, shall have accrued in the case of an intrastate message in Texas, and (c) within 180 days after the message is filed with the Telegraph Company for transmission in the case of a message between a point in the United States and a foreign or overseas point other than the points specified above in this paragraph; provided, however, that this condition shall not apply to claims for damages or overcharges within the purview of Section 415 of the Communications Act of 1934, as amended.

7. It is agreed that in any action by the Telegraph Company to recover the tolls for any message or messages the prompt and correct transmission and delivery thereof shall be presumed, subject to rebuttal by competent evidence.

8. Special terms governing the transmission of messages according to their classes, as enumerated below, shall apply to messages in each of such respective classes in addition to all the foregoing terms.

9. No employee of the Telegraph Company is authorized to vary the foregoing.

4-54

CLASSES OF SERVICE

DOMESTIC SERVICES

TELEGRAM

The fastest domestic service.

DAY LETTER (DL)

A deferred same-day service, at low rates.

NIGHT LETTER (NL)

Economical overnight service. Accepted up to 2 A. M. for delivery the following morning, at rates lower than the Telegram or Day Letter rates.

INTERNATIONAL SERVICES

FULL RATE (FR)

The fastest overseas service. May be written in code, cipher, or in any language expressed in Roman letters.

LETTER TELEGRAM (LT)

For overnight plain language messages, at half-rate. Minimum charge for 22 words applies.

SHIP RADIOPRGRAM

For messages to and from ships at sea.

DOMESTIC SERVICE	
Check the class of service desired; otherwise this message will be sent as a fullrate telegram	
\$	
S	
E	
FULL RATE TELEGRAM	
DAY LETTER	
NIGHT LETTER	

WESTERN UNION

W. P. MARSHALL, PRESIDENT

1206 10-51

INTERNATIONAL SERVICE	
Check the class of service desired; otherwise the message will be sent at the full rate	
FULL RATE	
LETTER TELEGRAM	
SHIP RADIogram	

NO. WDS.-CL. OF SVC.	PD. OR COLL.	CASH NO.	CHARGE TO THE ACCOUNT OF	TIME FILED

Send the following message, subject to the terms on back hereof, which are hereby agreed to

WASHINGTON, FOREIGN POLICY CLEARING HOUSE
 URGENTLY HOPES YOU ACCEPT THIS INVITATION TO JOIN TWENTY FIVE
 LEADERS OF BUSINESS, ACADEMIC, AND FOUNDATION COMMUNITIES IN
 SPECIAL MEETING AT HARVARD UNIVERSITY FACULTY CLUB FROM 9:30
 MORNING INTO EVENING OF DECEMBER 19. MEETING IN RESPONSE TO THIS
 GROUPS VIEW OF IMMEDIATE NEED TO HELP PRIMARY MAJOR AND MEANINGFUL
 APPROACHES TO LATIN AMERICAN POLICY AND TO MOBILIZE JOINT EXPERTISE
 OF THOSE ATTENDING IN THE INTERESTS OF SUCH PROGRAMS.
 REQUEST PROMPT REPLY TO JAY J. CERF, DIRECTOR FOREIGN POLICY
 CLEARING HOUSE. 300 INDEPENDENCE AVENUE, S.E., WASHINGTON 3, D.C.
 LI 6-8900

ALL MESSAGES TAKEN BY THIS COMPANY ARE SUBJECT TO THE FOLLOWING TERMS:

To guard against mistakes or delays, the sender of a message should order it repeated, that is, telegraphed back to the originating office for comparison. For this, one-half the unpeated message rate is charged in addition. Unless otherwise indicated on its face, this is an unpeated message and paid for as such, in consideration whereof it is agreed between the sender of the message and the Telegraph Company as follows:

1. The Telegraph Company shall not be liable for mistakes or delays in the transmission or delivery, or for non-delivery, of any message received for transmission at the unpeated-message rate beyond the sum of five hundred dollars; nor for mistakes or delays in the transmission or delivery, or for non-delivery, of any message received for transmission at the repeated-message rate beyond the sum of five thousand dollars, unless specially valued; nor in any case for delays arising from unavoidable interruption in the working of its lines.

2. In any event the Telegraph Company shall not be liable for damages for mistakes or delays in the transmission or delivery, or for the non-delivery, of any message, whether caused by the negligence of its servants or otherwise, beyond the actual loss, not exceeding in any event the sum of five thousand dollars, at which amount the sender of each message represents that the message is valued, unless a greater value is stated in writing by the sender thereof at the time the message is tendered for transmission, and unless the repeated-message rate is paid or agreed to be paid and an additional charge equal to one-tenth of one per cent of the amount by which such valuation shall exceed five thousand dollars.

3. The Telegraph Company is hereby made the agent of the sender, without liability, to forward this message over the lines of any other company when necessary to reach its destination.

4. The applicable tariff charges on a message destined to any point in the continental United States listed in the Telegraph Company's Directory of Stations cover its delivery within the established city or community limits of the destination point. Beyond such limits and to points not listed in the Telegraph Company's Directory of Stations, the Telegraph Company does not undertake to make delivery but will endeavor to arrange for delivery by any available means as the agent of the sender, with the understanding that the sender authorizes the collection of any additional charge from the addressee and agrees to pay such additional charge if it is not collected from the addressee.

5. No responsibility attaches to the Telegraph Company concerning messages until the same are accepted at one of its transmitting offices; and if a message is sent to such office by one of the Telegraph Company's messengers, he acts for that purpose as the agent of the sender; except that when the Telegraph Company sends a messenger to pick up a message, the messenger in that instance acts as the agent of the Telegraph Company in accepting the message, the Telegraph Company assuming responsibility from the time of such acceptance.

6. The Telegraph Company will not be liable for damages or statutory penalties when the claim is not presented in writing to the Telegraph Company, (a) within ninety days after the message is filed with the Telegraph Company for transmission in the case of a message between points within the United States (except in the case of an intrastate message in Texas) or between a point in the United States on the one hand and a point in Alaska, Canada, Mexico, or St. Pierre-Miquelon Islands on the other hand, or between a point in the United States and a ship at sea or in the air, (b) within 95 days after the cause of action, if any, shall have accrued in the case of an intrastate message in Texas, and (c) within 180 days after the message is filed with the Telegraph Company for transmission in the case of a message between a point in the United States and a foreign or overseas point other than the points specified above in this paragraph; provided, however, that this condition shall not apply to claims for damages or overcharges within the purview of Section 415 of the Communications Act of 1934, as amended.

7. It is agreed that in any action by the Telegraph Company to recover the tolls for any message or messages the prompt and correct transmission and delivery thereof shall be presumed, subject to rebuttal by competent evidence.

8. Special terms governing the transmission of messages according to their classes, as enumerated below, shall apply to messages in each of such respective classes in addition to all the foregoing terms.

9. No employee of the Telegraph Company is authorized to vary the foregoing.

4-54

CLASSES OF SERVICE

DOMESTIC SERVICES

TELEGRAM

The fastest domestic service.

DAY LETTER (DL)

A deferred same-day service, at low rates.

NIGHT LETTER (NL)

Economical overnight service. Accepted up to 2 A. M. for delivery the following morning, at rates lower than the Telegram or Day Letter rates.

INTERNATIONAL SERVICES

FULL RATE (FR)

The fastest overseas service. May be written in code, cipher, or in any language expressed in Roman letters.

LETTER TELEGRAM (LT)

For overnight plain language messages, at half-rate. Minimum charge for 22 words applies.

SHIP RADIogram

For messages to and from ships at sea.

organizations

AA

Foreign Policy Clearing House

OCT 17 1960

300 INDEPENDENCE AVENUE, S. E. WASHINGTON 3, D. C. Telephone: Lincoln 6-8900
October 14, 1960

file

Professor Max Millikan
Center for International Studies
Massachusetts Institute of Technology
Cambridge, Massachusetts

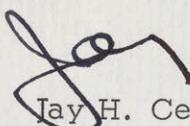
Dear Max:

Except for the first paragraph of the enclosed letter to Linc Gordon, this letter is for you as well. Excuse the lazy way of writing, but a letter to you would have said the same thing. It would have asked you, as I now do, to kindly give me any reaction you might have to the projected conference.

We may want to call on you for further consultation, but your preliminary view here would be most valuable. May I hear from you?

Best wishes,

Sincerely,


Jay H. Cerf
Director

Enclosures (2)
JHC/lst

file

Foreign Policy Clearing House

300 INDEPENDENCE AVENUE, S. E.

WASHINGTON 3, D. C.

SEP 29 1960

Telephone: Lincoln 6-8900

[Signature]

September 27, 1960

Professor Max F. Millikan, Director
Center for International Studies
Massachusetts Institute of Technology
Cambridge 39, Massachusetts

Dear Max:

Inasmuch as we have not heard from you in response to our invitation to the Kresge Hall meeting on October 3, we are assuming you are not able to be present. We have had to notify the Hall how many to prepare for, and we did so in accordance with replies received to date.

We regret that you will not be with us.

Sincerely,

Jay jd
Jay H. Cerf
Director

JHC/jd

organ.
JH

Foreign Policy Clearing House

300 INDEPENDENCE AVENUE, S. E.

WASHINGTON 3, D. C.

Telephone: LIncoln 6-8900

September 23, 1960

Professor Max F. Millikan, Director
Center for International Studies
Massachusetts Institute of Technology
Cambridge 39, Massachusetts

Dear Max:

Re an invitation we sent you on 9 September, a copy of which is herewith enclosed, could you let us know by return mail whether you plan to accept? If we have not heard by Tuesday, 27 September, we shall assume you will not be present. We must advise Kresge Hall as soon as possible how many to prepare for.

We made the deadline!

Best wishes.

Sincerely,

JHC
Jay H. Cerf
Director

JHC/jd
Enclosure

September 9, 1960

Professor Max F. Millikan, Director
Center for International Studies
Massachusetts Institute of Technology
Cambridge 39, Massachusetts

Dear Max:

A special staff of the Senate Interstate and Foreign Commerce Committee is now completing a particularly significant study of the foreign trade policy of the United States, and hopes to present a report to the Congress early in the next session which begins in January. The study has been under way for some months and the staff hopes that its final report will set forth a basis for a forward-looking national trade policy which recognizes and adapts to present world economic conditions.

The Chairman of the Committee, Senator Warren G. Magnuson, and the Director of the Foreign Commerce study, Mr. George Barnes, are most anxious to bring the thinking of outstanding economists in the universities, research institutions and international corporations to bear on the final product of the study. With this in mind, Mr. Barnes has asked the Foreign Policy Clearing House to organize several dinner discussions where members of the staff can hear the comments of a number of economists whose interest in this subject is well known.

The second of these meetings will be held in Cambridge at the Harvard Business School Faculty Club in Kresge Hall on October 3 at 5:30 p.m. Professor Lincoln Gordon will act as Chairman.

On behalf of the Clearing House and the Committee staff I should like to invite you most cordially to attend, and assure you that your presence would be a significant contribution to the meeting.

I am enclosing for your information a working outline of the staff study; and if you are able to attend the dinner we will send you a brief paper prepared by the study staff indicating the specific points to which they would like to direct particular attention.

Since the time is short I would appreciate your earliest possible reply.

Very truly yours,

JHC:ls
Enclosure

Jay H. Cerf
Director

September 23, 1960

P.P.
For Policy
Clearing House
organ.

Mr. Jay H. Gerf, Director
Foreign Policy Clearing House
300 Independence Avenue, S.E.
Washington 3, D. C.

Dear Jay:

I am sorry to be so slow in answering your letter of September 9 inviting me to attend the October 3 meeting at the Harvard Business School. I had a prior commitment for this date which there seemed to be a possibility of shifting, and it was only today that I learned that it could not be moved.

Accordingly, unhappily I must beg off this time. I hope I can be more cooperative on another occasion.

Sincerely yours,

Max F. Millikan
Director

MFM:pec

SEP 12 1960 ✓

Foreign Policy Clearing House

300 INDEPENDENCE AVENUE, S. E. WASHINGTON 3, D. C. Telephone: Lincoln 6-8900
September 9, 1960

Professor Max F. Millikan, Director
Center for International Studies
Massachusetts Institute of Technology
Cambridge 39, Massachusetts

Dear Max:

A special staff of the Senate Interstate and Foreign Commerce Committee is now completing a particularly significant study of the foreign trade policy of the United States, and hopes to present a report to the Congress early in the next session which begins in January. The study has been under way for some months and the staff hopes that its final report will set forth a basis for a forward-looking national trade policy which recognizes and adapts to present world economic conditions.

The Chairman of the Committee, Senator Warren G. Magnuson, and the Director of the Foreign Commerce study, Mr. George Barnes, are most anxious to bring the thinking of outstanding economists in the universities, research institutions and international corporations to bear on the final product of the study. With this in mind, Mr. Barnes has asked the Foreign Policy Clearing House to organize several dinner discussions where members of the staff can hear the comments of a number of economists whose interest in this subject is well known.

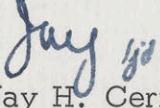
The second of these meetings will be held in Cambridge at the Harvard Business School Faculty Club in Kresge Hall on October 3 at 5:30 p.m. Professor Lincoln Gordon will act as Chairman.

On behalf of the Clearing House and the Committee staff I should like to invite you most cordially to attend, and assure you that your presence would be a significant contribution to the meeting.

I am enclosing for your information a working outline of the staff study; and if you are able to attend the dinner we will send you a brief paper prepared by the study staff indicating the specific points to which they would like to direct particular attention.

Since the time is short I would appreciate your earliest possible reply.

Very truly yours,


Jay H. Cerf
Director

JHC:lsl
Enclosure

REPORT OUTLINE

FOREIGN COMMERCE STUDY

Senate Interstate and Foreign Commerce Committee

FOREWORD

Formation of the study, committee activities, interim report, hearings, Advisory Committee, etc.

PART I. INTRODUCTION AND BACKGROUND

- A. A brief incisive statement of the importance of trade to the U.S.
 - 1. Foreign trade defined; the inter-dependence of exports and imports in general terms.
 - 2. Trade and the national economy; historical changes; dependence of various sectors of the economy and various regions of the country on foreign trade; function of trade as a stabilizer of domestic economy.
 - 3. Relationship of trade to international economic-political objectives; its function as an instrument of foreign policy; examples such as Japan.
- B. The present trade picture.
 - 1. The trade balance; statement and brief analysis of the position as near the end of 1960 as possible.
 - 2. Balance of payments; statement and analysis of trade factor in the balance of payments position.
 - 3. Trends beyond 1960; a projection of import and export potentials, in general terms.
 - 4. Significant changes in composition of trade and status of trading partners; a brief projection of problems likely to arise from these changes.
 - 5. Factors affecting U.S. export and import trade; general economic conditions; quotas.

PART II. FORCES RE-SHAPING WORLD TRADE

A. The industrial world.

1. Background of European-Japanese recovery; emergence of other industrialized trading areas, as Hong Kong.
2. Effect of U.S. exports; the new competition for world markets -
 - (a) results in terms of U.S. export volume and earnings; market shares, etc.
 - (b) description of competitive factors with illustrations from industry experience:
 - i) technological advance
 - ii) rising productivity
 - iii) price advantages
 - iv) credit facilities
 - v) aggressive selling, styling, etc.
 - (c) conclusion: the challenge to exports calls for measures to meet new competitive conditions and to remove restrictions against dollar goods.
3. Effect on U.S. imports; the new competition for the domestic market.
 - (a) the rise in imports from Europe and Japan.
 - (b) illustrations from commodity experience.
 - (c) conclusion: imports from the other industrial sections are more likely to increase than decrease; U.S. trade policy must accommodate this fact.
4. European regional integration.
 - (a) ECM - EFTA - origins, motivations, present status - trends and outlook.
 - (b) analysis of implications for U.S. trade:
 - i) with Europe
 - ii) with third countries
 - (c) implications for U.S. trade policy.

5. U.S. investment in industrial production abroad. Emphasis on Europe but including Japan, Australia, Canada, etc.

- (a) dimensions and methods.
- (b) changing motivations and evolution of the world corporation.
- (c) illustrations from industry experience.
- (d) analysis of implications for U.S. trade and balance of payments.

B. The underdeveloped world.

1. Brief review of the political and economic importance of the underdeveloped nations to the United States.

- (a) suppliers of raw material
- (b) new markets for U.S. products
- (c) political allies in cold war

2. Analysis of problems peculiar to trade with the underdeveloped world.

- (a) dependence of underdeveloped world on raw material exports and industrial-world markets, including U.S., in order to finance purchases of imports.

- (b) trade in relation to economic growth of underdeveloped countries; relation of trade to aid and investment; importance of foreign exchange earnings to revise aid loans, investment remittances, etc. (anomaly of granting aid with one hand and restricting imports with the other, etc.)

3. Terms of trade - relationship of prices of raw material exports and prices of manufactured goods imports.

4. Prerequisites of expanded trade with underdeveloped areas.

- (a) expanded purchases of exports by industrial countries.
- (b) diversification of underdeveloped economies.
- (c) price stabilization for primary commodities.

5. Trends toward regional groupings--Latin America, Central America, etc.

C. The Sino-Soviet Bloc.

1. Character of communist economic offensive--ultimate purpose, short term objectives, techniques.
2. Analysis of Communist bloc capacity for economic welfare.
3. Comparison of U.S. free enterprise trading system with Communist bloc state trading operations.
4. Realities of present U.S. trade policy vis-a-vis the bloc.
5. Measures to meet Communist trade offensive.

D. Other factors impeding the flow of world commerce.

(Having examined major forces influencing trade, this section defines certain governmental and administrative measures either designed to restrict trade or having that effect.)

1. Contrived import restrictions.
2. Customs regulations.
3. Shipping red tape.
4. Special taxes, etc.

PART III. THE CHALLENGE TO THE U.S. ECONOMY

A. The effect of world economic forces and changes on the U.S. economy, and the challenges they pose.

1. Effect and challenge for the economy as a whole--relate to U.S. prosperity.
2. Effect and challenge for different sectors of the economy--relate to health of those sectors. ("Sectors" mean manufacturing, mining, and agriculture, and sub-sectors of each.)
3. Relationship to the U.S. growth issue.

B. Analysis of the comparative advantages and disadvantages of the U.S. economy in world trade.

1. The areas of challenge -
 - (a) the wage gap in perspective

- (b) progress in productivity
- (c) patterns of change in the U.S. economy, and their implications for the U.S. foreign trade position.
- 2. Patterns of response to export opportunity and import challenge.
 - (a) the nature of the adjustment process
 - (b) merits of proposed solutions to situations of intense competition
 - (c) challenge to U.S. domestic policy and foreign economic policy, and to policies and practices of management and labor.

PART IV. CRITICAL EVALUATION OF PRESENT TRADE POLICY.

- A. A brief review of the evolution of U.S. trade policy.
- B. Critical analysis of the substantive adequacy of principal pertinent instruments in light of present conditions of world trade.
 - 1. The Tariff Act of 1930 as modified by the Reciprocal Trade Agreement Program.
 - 2. The GATT.
 - 3. Public Law 480.
 - 4. Mutual Security Act.
 - 5. The Export Control Act.
 - 6. The Export-Import Bank.
- C. Critical analysis of the administration of trade policy.
 - 1. Proliferation of agencies.
 - 2. Diminution of State Department role; uncertain authority.
- D. The role of Congress, jurisdictional divisions, necessity for continuing review, etc.

PART V. ESSENTIALS OF A MODERN TRADE POLICY.

- A. Foreign trade in relation to U.S. economic and political objectives in the 1960s.
 - 1. The need for expansion.
 - 2. The price of restriction.
 - 3. The domestic implications of increased imports.
- B. A foreign trade policy to advance these objectives.
 - 1. The characteristics of appropriate international trade agreements.
 - (a) the merits of multilateralism
 - (b) techniques of negotiation
 - i) the future of the most-favored-nation clause
 - ii) the scope of the negotiations
 - (c) the U.S. response to economic regionalism (including the merits of U.S. participation in such groupings.)
 - (d) the role of voluntary export restrictions.
 - 2. Characteristics of other kinds of international agreement (e.g., commitments by participating nations to raise labor standards, remove impediments to trade, and--in the case of industrial nations--exert the greatest possible effort to help the less developed countries.)
 - 3. The U.S. response to the Soviet economic offensive.
 - (a) outlines of policy and of the techniques of effective execution.
 - 4. The instrumentalities of effective trade policy.
 - (a) international (i.e., inter-governmental).
 - (b) domestic.
 - i) U.S. Government (executive, legislative)
 - ii) Other

5. Demands of a modern trade policy on other sectors of U.S. public policy.

- (a) Government programs to facilitate domestic adjustments to injurious import competition.
- (b) action in other areas of public policy.

PART V. CONCLUSIONS AND RECOMMENDATIONS

A compact formulation of specific conclusions and recommendations for action, drawn from the foregoing.

-oOo-

(8/1/60)
#21-60

F.P.C.H.

June 17, 1960

Mr. Jay H. Cerf, Director
Foreign Policy Clearing House
300 Independence Avenue, S.E.
Washington 3, D.C.

Dear Jay, Janet, et al.:

I must confess to some disappointment concerning the outline of our study for the Foreign Relations Committee. Having in mind my earlier rather sceptical remarks about the proposal to make an outline, I was awaiting its arrival with some interest. When it appeared I rushed to sharpen my red pencil, blue pencil, and black pencil in eager anticipation of a fit of destructive criticism. Alas, the tools of my trade lie undulled upon my desk. Unhappily I can find very little to carp about.

One or two minor points might be mentioned. First, a small matter of substance on page two of the outline. Item I.C.4.a. I think distorts somewhat the emphasis we wanted to give to the interrelationships between economic development and the other aspects of change. We tried to emphasize throughout that all these factors are mutually interdependent. Economic development is just as dependent on psychological, political, and social adjustments as they are on economic change. Perhaps you could somehow indicate that we feel the converse of your statement is equally true. You might refer to pages 23 and 52 of the G.P.O. document where the point is made.

Another small matter of emphasis concerns the last item in the outline, military policy for Africa. Our report refers to this in passing in two brief paragraphs on page 92 whereas its elevation to a major recommendation of policy distorts somewhat the emphasis. I can readily see why you decided to give strong emphasis to this point, since it was, after all, one of the few quite specific measures we recommended. Perhaps you are right in treating it as you have. On the other hand it could equally well be included under Section III as one of the recommendations for Category A countries (i.e., III.A.4.). It could also simply be made point 5 under military policy (i.e., IV.E.5.).

My third comment is merely to note for the record that the outline does in fact considerably shift the balance of our report away from the analytical section and toward the policy recommendations.

Mr. Jay H. Cerf

2

June 17, 1960

Our Part I, which took up 45 pages of the report, has been condensed into a page and a half in the outline, while Part II, which was originally only 37 pages, takes up 5 pages in the outline. This is, I assume, as it should be for a congressional audience although I continue to feel that the report is more interesting and valuable for its analytical contribution than for the policy recommendations.

I have said all these things mostly so as to have something to say. In all seriousness, I think the outline is a first-rate job. My congratulations to all involved.

Have a good summer. Hope I see you soon.

Yours,

Donald L. M. Blackmer
Executive Assistant
to the Director

DLMB:hsl

Dictated but not read

Foreign Policy Clearing House

300 INDEPENDENCE AVENUE, S. E.

WASHINGTON 3, D. C.

Telephone: Lincoln 6-8900

Gentlemen:

You may recall that we wrote in February to tell you that the Foreign Policy Clearing House was preparing a digest and analysis of the foreign policy studies recently completed for the Senate Committee on Foreign Relations. These will be printed in July in two parts. Part I is a summary outline of each of the respective reports. Each outline will attempt to communicate the major goals, premises, recommendations and supporting arguments of the respective reports. Part II will be a written text, divided by headings, each one denoting a main theme transcending the 13 reports as a whole and followed by a relatively brief statement of the consensuses and divergencies on the topics discussed throughout the reports. We are enclosing herewith a draft of the FPCH summary outline of your report as it will appear in Part I.

We invite your attention to this outline. Should you desire to comment on any part of it, we urge you to do so promptly in order that we may consider your suggestions before we send it to press.

As background for your own assessment of the enclosed, it may be useful to state a few of the aims and guidelines which we applied in preparing these outlines. First: whereas we laid our principal stress on fidelity to original meaning and intent, we did not demand that subjects in the outline be of identical sequence to those presented in the source. At times we found that requirements of logical presentation called for departure from the sequence in the text. At times, not.

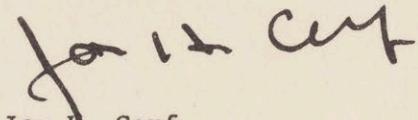
A difficult and obvious problem of the rather mechanical outline technique is to retain brevity without doing violence to often-important nuances. In this respect, we have endeavored to be faithful and in no case are we conscious of departures from intended meanings. The same limitation sometimes made balance-of-emphasis difficult, i.e., the tendency of an outline to imply a greater or less concern about particular points than that intended by the authors.

We defined our audience as one Member of Congress with no specialized background but some interest in foreign affairs. From this definition flowed certain conclusions about method. First, for easy perusal and for clarification, we tried to keep the number of super-categories at a minimum, usually no more than four Roman numerals per outline. The idea here was to enable a harassed, perhaps skeptical recipient of mountains of daily mail to get some meaning from quick perusal and to determine to make a more thorough examination. We have also aimed at complete, independent sentences where possible and to eliminate esoteric or specialized vocabulary, substituting conventional language even when this added to the length.

Finally, these summary outlines do not purport to be anything more than summary-outlines. While they clearly aim to "teach", they are likewise invitations to return to primary sources and it is hoped there will be instances in which the policy makers will go directly to authors of the original reports for counsel.

Please note again, because of our printing deadline, your comments will be helpful only if we have a chance to review them by 25 June. Many thanks for your cooperation.

Yours sincerely,



Jay H. Cerf
Director

JHC/jd

Enclosure

FPCH OUTLINE

of

ECONOMIC, SOCIAL, AND POLITICAL CHANGE IN THE UNDERDEVELOPED COUNTRIES
AND ITS IMPLICATIONS FOR UNITED STATES POLICY

A Study Prepared for the Senate Committee on Foreign Relations

by

M.I.T. Center for International Studies

MAJOR GOALS OF THE REPORT

1. To outline the transition toward modernization taking place in the underdeveloped countries.
2. To define the American interest in the course and outcome of this modernization.
3. To offer recommendations for U.S. policy toward these countries.

MAJOR PREMISES OF THE REPORT

1. That the transition into new economic, political and social forms taking place in underdeveloped countries will inevitably assume varying patterns and take varying lengths of time.
2. That in each case the transition from a traditional to a modern society can be significantly affected by what the U.S. does or does not do.
3. That this growth of new nations will significantly alter the economic, political and social environment in which American society must operate, making it distinctly in the U.S. interest to encourage and aid development of independent, peaceful, responsible and non-totalitarian governments.
4. That the principal instruments available to the U.S. for influencing the modernization process are economic.

I. BACKGROUND OF MODERNIZATION PROCESS

A. SOME CHARACTERISTICS COMMON TO TRADITIONAL SOCIETIES NOW UNDERGOING MODERNIZATION:

1. Primacy of agriculture.
2. Social prestige and political influence based on land control.
3. Limited technology.
4. Lack of adaptability to new circumstances.

B. THE PRINCIPAL FORCE IN BREAKUP OF TRADITIONAL SOCIETIES has been contact with more advanced Western societies. This contact has taken three main forms:

1. Physical intrusion. Whether by colonial rule or military conquest, a drive for independence has inevitably resulted.
2. Economic example. The employment by Westerners of new systems of administration, agriculture, etc. has brought increasing awareness to less developed nations of what modernization could do for human welfare.
3. Communication of skills and ideas. Transference of Western tradition of law and justice, offering equal opportunity and protection to all, has been particularly important. Western education has spread Marxist and socialist doctrines, as well as those of democracy.

C. CHANGES IN ADMINISTRATION AND ATTITUDES NECESSARY IN TRADITIONAL SOCIETIES to insure their development into modern, peaceful, non-totalitarian societies:

1. Psychological: In a transitional society, there tends to be a "psychological gap" between overcommitment of leaders to modernization and lack of popular attitudes required to achieve it.
 - a. Leaders must foster popular acceptance of impersonal, functional systems of government, land policy, etc., in place of systems dependent upon family and inheritance ties.
2. Political: Requires general social acceptance of shift of power from village to city, from agriculture to industry.
 - a. Need to expand public participation in political life and thus develop diverse political groups, representing democratic opposition to party in power.
 - b. Need to promote peaceful transference of power to maintain national unity on death or resignation of strong leader.
3. Social: Need for trained elite (military, intelligentsia) to understand "revolution of rising expectations" occurring in majority of poorer classes, as a result of their exposure to higher standards of living through mass media.
 - a. Need for community level organizations to give all citizens real sense of participation in government.
4. Economic: Need to insure "takeoff" into stable, growing economy through development of public utilities, expanded agricultural output and additional trained government and business executives.
 - a. Psychological, political and social adjustments are all dependent on economic development. *[and converse]*
 - b. Impossible without external capital investment by governments and private enterprise.

II. UNITED STATES INTERESTS IN MODERNIZATION PROCESS.

A. LEADERS IN TRANSITIONAL SOCIETIES THEORETICALLY HAVE THREE CHOICES:

1. To preserve the traditional society by resisting modernization.
2. To destroy the traditional society through extremist measures.
3. To modernize the traditional society through gradual modifications.

B. IN ORDER TO PROMOTE #3 ABOVE, THE U.S. SHOULD:

1. Encourage emergence of states which are effectively independent, peaceful, non-totalitarian, capable of progressively meeting aspirations of their people, and willing to cooperate in international control measures and accept principles of an open society.

III. RECOMMENDATIONS FOR FUTURE U.S. POLICY FOR THREE CATEGORIES OF UNDERDEVELOPED AREAS.

- A. CATEGORY A: Includes most of Africa south of Sahara, more backward parts of Middle East and certain Latin American countries.
1. This group is characterized by proximity to traditional stage, with only small numbers of the elite aware of requirements for modernization.

2. Basic needs of "Category A" societies are to develop:
 - a. Literacy and popular participation in national life.
 - b. Modern economic and political institutions and creation of entrepreneurs and civil servants to man them.
 - c. Agricultural planning to increase productivity.
 - d. Modern systems of transport, power, public utilities.
 - e. Accelerated application of modern technology to development of a few natural resources in order to increase exports and earn foreign exchange necessary for modernization.
 3. Main tasks of U.S. policy should be:
 - a. To communicate U.S. desire to promote modernization.
 - b. To survey priority tasks and resources available for performing them.
 - c. To provide for build-up of human resources by offering educational and administrative training to individuals from all groups of the society.
 - d. To assist in building schools, technical, financial and agricultural institutions.
 - e. To provide capital for such basic projects as transport, power, etc.
- B. CATEGORY B: Typified by Egypt, Iran, Pakistan, Indonesia.
1. This group is characterized by centralized governments, commitment by leaders to modernization and lack of effective programs for economic, political and social development.
 2. Basic needs of Category B societies are those of Category A nations, plus:
 - a. Detailed projection of nations' goals in order to focus energy and leadership talent on sustained modernization efforts and to provide constructive opportunities for newly trained citizens to participate in development programs.
 3. Main tasks of U.S. policy should be:
 - a. To help leadership groups reach a consensus of nation's aims.
 - b. To induce central governments increasingly to move into roles now played by foreign experts who advise and guide state and provincial governments.
 - c. To make more U.S. aid available on long-term basis and encourage land reform as part of overall development efforts.
 - d. To encourage local military establishments to undertake constructive development tasks such as road building.

C. CATEGORY C: Typified by India, Turkey, Argentina.

1. This group is already committed to take-off into sustained growth, possessing detailed development programs and sufficient human and social overhead resources to carry them out, provided substantial foreign capital is made available.
2. Basic needs of these societies are those of Category A and B nations, plus:

- a. Mobilization of enough foreign capital and technical assistance to permit simultaneous advance in multiple areas of the economy.
 - b. Assurance of foreign assistance if catastrophe strikes such crucial areas as food production, etc.
 - c. Maintenance of unified national development plan and decentralized economic development to encourage growth of private enterprise.
3. Main tasks of U.S. policy and of entire free world should be:
- a. To insure sufficient supply of foreign exchange during the take-off period.
 - move to III-C-1-e* b. ~~To make clear~~ ^{Recommend:} ~~American~~ determination to oppose any attempts ~~at aggression~~ by these nations ~~at aggression~~.
- D. SPECIFIC RECOMMENDATIONS FOR U.S. POLICY TOWARD INDIA (which contains 40% of the population of all underdeveloped areas):
1. Organize free world aid to India to provide over \$1 billion per year from all sources during period of third five-year plan.
 2. Guarantee large scale U.S. food and fiber surplus grants to allow increased employment in public projects and to relieve possibilities of inflation due to local crop failures.
 3. Promote spread of high-productivity agricultural techniques among peasantry.
 4. Support public sector of economy to insure adequate production of materials and supply the demand necessary to encourage growth of private enterprise.
 5. Search for ways to meet relatively small foreign exchange needs of private business ventures which are essential for continuing growth after the take-off.

IV. RECOMMENDATIONS FOR U.S. ECONOMIC, DIPLOMATIC, INFORMATION AND MILITARY POLICY.

- A. IMPLICATIONS FOR OVERALL POLICY which arise from this analysis of economic growth. U.S. policy should:
1. Adapt its basic programs and policies for underdeveloped areas to unique problems of each nation.
 2. Improve coordination in Washington and abroad of diplomatic, economic, military and informational policies toward each country.
 3. Take into account indirect as well as immediate consequences of action in any one field (economic, political, social effects of military assistance).
 4. Recognize long-term nature of modernization process by guaranteeing economic assistance for considerably longer period than at present.

B. ECONOMIC POLICY.

1. Technical assistance: Selection of project and personnel more important than number of dollars allocated.

- a. Goal of U.S. technical assistants should not be confined to imparting specialized knowledge. They should also build up core of dedicated indigenous professionals in order to promote growth of permanent, financially independent public institutions able to cooperate with U.S.
 - b. Insure better adaptation of modern techniques to particular needs of country involved by lengthening present tours of duty.
 - c. Following an analysis of educational requirements, all programs should aim toward transmitting skills to local population.
 - d. Great care should be taken to sponsor agriculture and small-scale business programs so as to include population outside urban areas in modernization process.
2. Amount and means of U.S. aid: Main goal to encourage underdeveloped countries to promote their own development.
- a. Underdeveloped countries will tend to request aid to meet crisis situations and ignore necessity for long-term internal development programs unless U.S. financial aid is consistently offered only in return for evidence of long-range carefully planned economic programs.
 - b. In order to effect any rise in the growth rate of per capita income in underdeveloped countries, the U.S. must invest in aid \$1.5 billion to \$2 billion more per year than at present.
 - (1) This amount can be effectively utilized immediately, particularly in Category C countries.
 - (2) Some local currency repayment must be accepted.
 - c. Larger, long-term Development Loan Fund project grants must be offered, particularly to Category A and B countries - in return for their promise to devote 5 to 10 years to such investments as public utilities, irrigation, etc.
 - (1) U.S. assurance of available surplus food and fiber shipments will encourage these countries to shift manpower from agriculture to work on project development.
 - d. Vital small business activity should be encouraged by making a sufficient supply of foreign currency available to development institutions within the recipient country to finance relatively low needs of small-scale private investors.
 - e. In the interest of promoting international trade, U.S. should endorse liberal trade policies and discontinue the Development Loan Fund lending policy which requires the borrower to purchase U.S. goods.
3. Assistance to land reform: American influence can be only marginal in this critical area but U.S. should not neglect any opportunity to promote reform.
- a. Where a government takes the lead in land reform, U.S. should strongly back the effort with technical and capital assistance.
 - b. U.S. should use its influence to interest large landowners in modernization process and consider giving financial assistance to governments wishing to buy out large landowning interests for purposes of land reform.

4. International organization of aid: It is essential to coordinate potential sources of assistance, but neither feasible nor desirable to pool sources of capital into an international agency because:

- a. It is doubtful parliamentary bodies of lending nations would make sufficient aid available to attack the problem.
- b. Donor countries may not have the same objectives in giving aid.
- c. New international institutions tend to be created without the old being abolished.

5. Coordination of aid: It is more appropriate to establish machinery for coordinating economic assistance among agencies now in operation.

- a. Coordinate national programs by joint meetings between representatives of donor nation and recipient country.
- b. Coordinate area programs by regional investment and trade groupings such as that of Colombo Plan countries.
- c. Coordinate donor countries through possible revision of OEEC, with addition of U.S., Canada and perhaps Japan to plan combined underdeveloped area investment. Soviet bloc could be invited to join only after successful organization has been established.
- d. Lender countries should also plan forum for exchange of views between all donor and all recipient nations.

C. DIPLOMATIC POLICY.

1. Role of Ambassador:

- a. Should be strengthened by giving him responsibility for entire range of American activities in the field.
- b. Should also have wide discretion to interpret policy directives.
- c. Must be aware of heritage and customs of country to which he is assigned and be prepared to offer U.S. help in developing country's own version of responsible government.

D. INFORMATION POLICY.

1. Major objective should not be spread of propaganda about life in the U.S., but information about technical, political, other aspects of modernization process.
2. U.S. should encourage development of local communication, educational facilities and exchange of persons.

E. MILITARY POLICY. Report deals with the military only to suggest some ways in which military measures may contribute to constructive modernization. U.S. military assistance should:

1. Contribute to preserving independence and political stability and should not be given to repressive regimes, thus causing American government to be labelled as supporter of a regime which will ultimately be overthrown.
2. Employ financial and human resources in economic and social development abroad and at the same time encourage underdeveloped nations to utilize their military resources to assist in such major development tasks as road construction, irrigation, surveying.

3. Help design and assist training of local armed forces.
4. Provide wider opportunities for foreign officers to travel and study in the U.S. and broaden our officer programs for foreigners to include civilian-military relations, potential uses of army in economic and social development, etc.

F. MILITARY POLICY FOR AFRICA.

1. Unique opportunity for bypassing large financial burden of military establishment exists in Africa.
2. U.S. could take initiative for international convention-- possibly under the U.N.--to guarantee African states against aggression and to prohibit deliveries to them of any arms except those needed to maintain internal order.
 - a. This would free limited funds within these countries for full scale economic development.

Foreign

Policy

Clearing

House

. . . a bridge between
policy research and
policy making.

300 Independence Ave., S.E.
Washington 3, D.C.
LI 6-8900

F.P.C.H
FEB 5 ✓
A
file

Foreign Policy Clearing House

300 INDEPENDENCE AVENUE, S. E.

WASHINGTON 3, D. C.

Telephone: Lincoln 6-8900

February 3, 1960

Professor Max Millikan
Center for International Studies
Massachusetts Institute of Technology
Cambridge 39, Massachusetts

Dear Max:

I wish I had a copy of the notes you were so furiously penning for three hours at the Metropolitan Club. If you do have them typed, I would be glad to have a copy.

I am pleased that you were able to attend the meeting and I know all others who were there felt the same. I knew that you and Ray Vernon were in a hurry to catch a plane. Otherwise, I would have attempted to button-hole you in order to get your views of the meeting and to get your ideas on what the next meeting ought to look like.

Max, I should like to ask you two favors. First, could you get your secretary to write up as best she can at this time the dates this coming Spring and early Summer you plan in any event to be in this city? And it would be equally useful to know during what intervals it will be absolutely impossible for you to be here. Second, will you take a few minutes to write me a letter telling what you think the format of the next meeting ought to look like. I should like to know which of the subjects raised at the Friday meeting ought, in your opinion, to take priority for the next meeting, which people it would be most logical to have attend and what the agenda should be.

It now looks as though there may be no money problem as far as transportation is concerned. Let me say that if you are a fraction as pleased - and I hope you are at least that - as Foster, Leddy, Grant and Co., this trial run might indeed be considered quite a success. But the question now is where to from here? I shall hope that you will find time to give a thoughtful answer to this as each seems to have his own ideas. Your comments would be an enormous help.

Sincerely,

Jay
Jay A. Cerf
Director

JHC/jd

P.S. Do you have any particular views about the notion of having Grady Upton attend the next meeting?

May

Since I may run into Carl
soon — and am promised
to keep track of your doings —
perhaps you could fill me
in on all this some day.

Don.

Foreign Policy Clearing House

300 INDEPENDENCE AVENUE, S. E. WASHINGTON 3, D. C. Telephone: Lincoln 6-8900

April 21, 1960

Professor Max Millikan
Center for International Studies
Massachusetts Institute of Technology
Cambridge 39, Massachusetts

Dear Max:

Since last summer the Foreign Policy Clearing House has found itself called upon to act rather extensively as an information resource on questions relating to the deficit in the U.S. balance of payments. It was in response to this concern that we cosponsored the "Princeton Conference on the Balance of Payments of the United States" last November. Following the Princeton Conference, we sent you a copy of the conference statement as well as a list of the international economists who signed it.

Because many individuals in Congress and elsewhere have recently looked to us as a clearinghouse of research and information on the subject, we have endeavored to keep abreast of major studies and writings relating to it. Of the competent research and writings which have now emerged and which are oriented to specific policy action, the Clearing House cites for your information the following:

Research and Policy Committee, Committee for Economic Development,
National Objectives and the Balance of Payments Problem,
New York, February 1960, 48pp.

Howard S. Piquet, Exports, Imports and the U.S. Balance of International Payments, Washington, Library of Congress, Legislative Reference Service, March 1960, 88pp.

Richard N. Gardner, "Strategy for the Dollar," Foreign Affairs, 38, 3, April 1960, 433-445.

William B. Dale, The Foreign Deficit of the United States: Causes and Issues, Menlo Park, California, Stanford Research Institute, April 1960, 62pp.

The Foreign Policy Clearing House has been able to obtain a limited number of copies of the Stanford Research Institute's document by William B. Dale. Released only last week, it is the most recent of these studies. It is our view that none of the cited documents is more lucid or more complete in scope than the SRI treatise. We are enclosing it and are happy to make it available to you.

We hope this research coverage by the FPCH will be informative and useful.

Very truly yours,

Jay H. Cerf
Director

Enclosure MAY: Let you think it weird that I "inform" you on all this
please this is a rototyped letter made primarily for distribution
to Congress. It is mostly FYI. JHC

John Nuveen & Co.

Established 1898 • Incorporated 1953

60TH
ANNIVERSARY

JUN 5 1958

135 SOUTH LA SALLE STREET, CHICAGO 3, ILLINOIS

TELEPHONE FINANCIAL 6-2500

F.P.C.H.

May 29, 1958

Mr. Max F. Millikan, Director
The Center for International Studies
Massachusetts Institute of Technology
Cambridge, Massachusetts

Dear Max:

If you are concerned with the conclusion of the Gaither report that the United States finds itself in the greatest danger in its history and that subsequently the Rockefeller report stated "all is not well with present U.S. security policies and operations," I can offer you an opportunity to do something about it.

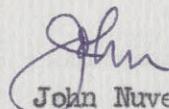
Almost every day the newspapers carry stories of the deterioration of America's position in the world situation, confirming not only the observations of the Gaither and Rockefeller committees but numerous other committees, organizations, institutes and centers devoted to foreign policy.

Of more concern to you should be the fact that none of these committees or organizations are able to do anything about it by working with Congress where lies the greatest hope of developing constructive strategy. For them to do so is to risk the charge of lobbying and the loss of the tax-deductible contributions by which they are supported.

The Foreign Policy Clearing House has been organized to bridge the gap that has existed between the research organizations and Congress, to utilize the helpful conclusions of the former and assist the latter in translating them into constructive action. Only a private organization can do this and a private organization can only exist on private contributions.

I would like to invite you to become a member of the "Foreign Policy Clearing House." Checks may be made to its order and either sent to me or to the FPCH, 300 Independence Avenue, S.E., Washington, D.C.

Yours sincerely,


John Nuveen

JN:mr
Enclosures

Municipal Bonds . . . EXCLUSIVELY SINCE 1898

Foreign Policy Clearing House

300 INDEPENDENCE AVENUE, S. E. WASHINGTON 3, D. C. Telephone: Lincoln 6-8900

The Story of

T C F T T D S A F P T C

(The Committee For Trying To Do Something About Foreign Policy Through Congress) otherwise known as the FOREIGN POLICY CLEARING HOUSE

In July, 1948, I was called to Washington on a few hours notice by Paul Hoffman and enrolled in the Economic Cooperation Administration. After two week ends to put my affairs in shape for a two-year absence, I flew to Greece to be the first chief of the Marshall Plan mission to that country. Greece was the first country in which we had both military and economic aid programs.

Shortly after the successful conclusion of the guerrilla war in the fall of 1949 I was transferred to be chief of the Marshall Plan mission to Belgium and Luxemburg, where I was concerned more with the general problems of Europe than of a single country. After a year there I resigned and returned home.

I was disturbed by several things. Although the Marshall Plan had been successful beyond the most optimistic hopes in reviving European economy, it had become obvious to me that this was not enough.

I was disturbed by the fact that the State Department had no adequate program, mettle, or apparent capacity for dealing with political problems. These shortcomings of our foreign policy or lack of policy which were recognizable then, have become more apparent as our cold war fortunes continue to deteriorate and we default as leader of the Free World.

On my return to the States I devoted myself to educating public opinion on our foreign affairs, mostly through speeches (the total now approaching 700). After working for four years within the new Administration in a consultative capacity, I was forced to admit the futility of affecting changes from the inside. I had to face some sharp conclusions:

1. Unless there was some change in both the character and administration of our foreign policy we would continue to face setbacks in the cold war and mounting defense budgets.
2. The initiative for needed change in the content and administration of foreign policy is not likely to develop from either the White House or the State Department during this Administration.
3. Change in our foreign policy prior to 1961 can only come, therefore, from the Congress which is given a participating role in foreign affairs by the Constitution.
4. The limitations of time and staff are such that the members of Congress will find it difficult to move into the foreign policy vacuum without outside help.

5. The private organizations concerned with foreign policy that are most competent to give this help cannot take the initiative to do so without risking involvement in lobbying and consequent loss of tax-deductible contributions on which they are dependent for support.
6. The most urgent need in the area of foreign affairs, therefore, is an organization dedicated frankly to working with the members of Congress to bring about, through hearings, reports, resolutions, legislation and other political action, a more effective foreign policy.

When I started to discuss these ideas with members of Congress and of private organizations concerned with foreign policy, I discovered not only enthusiastic agreement but that others had come to the same conclusions. Everything from peanuts to jewelled watches has an active and vocal constituency except America's foreign policy. One could safely fire a cannon in any direction without hitting a single contact man or public interest lobbyist concerned with overall foreign policy on Capitol Hill.

Two men, with deep concern and dedication, tried to attack this problem in different ways. One, Hugh Calkins of Cleveland, Ohio, gave leadership to the "Bipartisan Council on American Foreign Policy," which aimed at creating a Washington lobby supported at the grass roots level. The other, Marshall Knappen, a political science professor at the University of Michigan, conceived of a broadly based group, serviced by a "Committee on Foreign Policy Legislation." While both these efforts were confronted with problems for which they were unable to find solutions, it is to be hoped that some formula can still be found for an organization concerned with foreign policy legislation, having wide support at the voter level. While they did not succeed, these efforts did, in a sense, help to point a road which could achieve results.

Experience to date seems to indicate that a mass membership organization can only be built around a single, simply stated issue. Since the need in this case is more complex it pointed to another alternative, a small substantial and sophisticated group supporting a Washington office with a minimum overhead. Thus the Foreign Policy Clearing House came into existence last September, 1957. On the personal recommendation of Dr. Roger Hillsman, then Chief of the Foreign Affairs Division of the Legislative Reference Service of the Library of Congress, I engaged Jay H. Cerf to be the Director. Mr. Cerf, who is thirty-five years old, has a distinguished academic record, including a doctor's degree from Yale University, and was the recipient of a Congressional Fellowship awarded by the American Political Science Association, under which he worked as a staff assistant to a senator and congressman. He later served as a public relations consultant with Newmyer Associates in Washington. He served for two years in C.I.A. and has travelled in fifteen foreign countries. His experience has given him grasp of both the substance of foreign policy and familiarity with the practical workings of Congress.

Although the Clearing House concept of using the consensus of private organizations as a basis for policy does not require a working policy or executive committee, it became apparent that the stability provided by a representative advisory board was desirable. This board, which is in process of formation, at present includes the following:

Laird Bell, attorney, Chicago; formerly Chairman of the Board of Trustees of the University of Chicago and member of the Board of Overseers of Harvard University; formerly with Military Government in Germany.

Melvin Brorby, advertising, Chicago; formerly President of the Chicago Council on Foreign Relations; just completed term as chairman of the Four "A's" (Associated Advertising Agencies of America).

Edmund Coffin, International Staff, Yale & Towne Manufacturing Company, New York City; formerly with E.C.A.; served as secretary of the Committee on the Bipartisan Council on American Foreign Policy.

Myron M. Cowen, attorney, Washington, D.C.; succeeded Robert Murphy as Ambassador to Belgium and previously held similar posts in the Philippines and Australia.

Eric L. Kohler, accountant, Chicago; served with T.V.A., O.E.M., W.P.B. and Petroleum Administration for War; selected by Paul Hoffman to be comptroller of E.C.A.

Francis T.P. Plimpton, lawyer, New York City; trustee, Amherst College, Barnard College, Union Theological Seminary, Athens College (Greece), Lingnan University (China).

Maurice Rosenblatt, public relations counselor, Washington, D.C.; instrumental in organizing a clearing house which planned the censure of Senator McCarthy.

Harold E. Wood, investments, St. Paul, Minnesota; formerly Chairman, Twin Cities Committee on Foreign Relations.

Hamilton Wright, management consultant, Cleveland; was head of the task force from Robert Heller & Associates, which made the survey of the State Department in 1953-4, and has done considerable other work with federal agencies.

During more than six months of operation, the Clearing House has

---personally contacted and discussed foreign policy issues with 70 to 80 members of Congress, their legislative assistants and committee staffs.

---consulted with key men in I.C.A., U.S.I.A. and State Department on their legislative problems and undertook some political errands that could not be handled by their own liaison officers.

---organized meetings, luncheons and dinners for small groups of members of Congress to discuss legislative strategy and content of foreign economic and policy measures, frequently including representatives of private organizations who could not actively seek such an occasion themselves.

---brought to light 30 or 40 pertinent reports on foreign policy in congressional files and drew upon a like number of reports from universities, foundations and other private organizations in preparing summary statements related to matters under consideration.

---helped members prepare addresses, committee questions, press and radio statements, in support of long-range foreign policy objectives.

---helped to organize and carry through the fight to separate the economic from the military funds in foreign aid and laid the foundation to accomplish this in the next session.

---provided an authoritative source to journalists and groups working in the foreign affairs field on the Congressional attitudes and trends.

---acted as Congressional liaison for those experts and groups who are influential with public opinion, arranging for their appearance at committee hearings, and otherwise assisting them.

Everything has been done on a bipartisan basis working with and assisting Democrats and Republicans, depending on the situation. The effectiveness of this operation is determined by the number of man-hours available to work with and assist the members of Congress. Its only limitations are limitations of staff, which it is hoped can be overcome when adequate financial support is available.

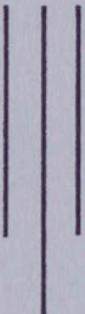
The impracticability of financing such an operation by a mass fund-raising solicitation has been demonstrated. What is needed is a small group of concerned citizens who will provide not only substantial contributions but will give moral support and on occasion will use their influence where it will most count.

For obvious political reasons it is better that no gift exceed \$1,000, but it will require a number of such gifts as well as a larger number of \$500 and \$100 if an annual budget of \$50,000 is to be covered. We do not want to deny participation to anyone, however, who is truly concerned but less able to contribute financially.

The measure of the effectiveness of an organization is not its eligibility for tax-deductible contributions but what it can accomplish. Foreign policy has been the cause of our greatest tax increases and is the only means to an ultimate tax cut of any importance; and will determine our ultimate fate in the present struggle. Nowhere is the vacuum so great nor the need so compelling and the possible results as important.

John Nuveen

FOREIGN POLICY



83% of the net budget expenditures of the federal government, mostly for past wars and present defense, concerns foreign policy, thus dwarfing all other items and issues.

The avoidance of war and a reduction in military expenditures are directly related to our success in the Cold War, which is the immediate concern of foreign policy.

But there has been no objective lobby in Washington concerned with overall foreign policy. To fill this obvious and urgent need the **Foreign Policy Clearing House** has been established.

The Foreign Policy Clearing House

What is the Foreign Policy Clearing House?

The Foreign Policy Clearing House is a non-partisan, private, non-profit organization designed to assist the Members of Congress in the formulation and support of international policies and programs that will insure the survival, security and solvency of the United States.

In selecting the programs which it fosters, the Foreign Policy Clearing House shall continuously survey and be guided by the research findings and recommendations of this country's major foreign policy research centers.

Why a Foreign Policy Clearing House?

Congress is now called upon to play an increasingly important supporting role in the development and conduct of U. S. foreign policy. To discharge this responsibility it must have ready access to the independent foreign policy resources available from private organizations.

What Resources Are Available?

Objective and critical analyses of foreign policy are available from literally hundreds of private sources. Millions of dollars have been devoted to research in this area by:

- 1. Private foundations:** The Ford Foundation alone has spent \$3,488,332 in its Overseas Development Program from October 1951 through September 1956 in support of projects for economic and social research.
- 2. Universities:** Alongside our vast number of domestically located foreign policy projects, a recent incomplete survey lists 195 universities involved in 385 overseas projects, most of which provide grist for research conclusions of vital importance to Congress.
- 3. Non-profit private organizations** either devoted exclusively to foreign policy or making it the concern of one of their major divisions.
- 4. Editorial sources:** One university is now publishing a quarterly digest of articles forming a "Background on World Politics" gleaned from 216 technical publications which do not include "conventional political science journals," "magazines of national mass readership" nor newspaper reports or editorials.

Operational Principles of the Foreign Policy Clearing House

1. It shall maintain direct and continuing liaison with the members of the House of Representatives, the Senate, their staffs and their committees, especially with those most intimately involved with Congressional consideration of foreign policy.
2. It shall provide Congressional personnel with the most salient conclusions and recommendations which emerge from the research facilities of our major foreign policy research institutions. The source material which it transmits to Congress shall be translated by the Foreign Policy Clearing House into practical, usable form and timed to the legislative needs and requirements of its Congressional clientele.
3. It shall communicate to the appropriate foreign policy research centers Congressional needs for new research emphasis whenever such gaps are brought to the attention of the Foreign Policy Clearing House and in other ways provide for closer liaison than is now possible.

Membership and Support

1. Membership in the Foreign Policy Clearing House shall be by invitation, and

financial support shall come from the members. An Advisory Committee will be elected annually from among the members and it will, in turn, appoint the officers. Changes in organization or operational principles shall not be made without consultation with and approval of the Advisory Committee.

2. Because the preponderance of leading foreign policy research institutes are supported by tax-deductible contributions, they are precluded from assuming legislative initiative. The Clearing House will consequently devote itself to political action, beginning where the above-mentioned organizations are compelled to leave off. Contributions to it are therefore not tax-deductible.

Foreign Policy Clearing House

300 INDEPENDENCE AVENUE, S. E.
WASHINGTON 3, D. C.

LIncoln 6-8900

A partial list of organizations devoted to Foreign Policy Research:

Universities

- Center of International Affairs of Harvard University,
Center for International Studies of M.I.T.,
Center of International Studies of Princeton University,
Center for the Study of American Foreign and Military Policy of the University of Chicago,
Foreign Policy Research Institute of the University of Pennsylvania,
The Hoover Institution of Stanford University,
Institute of War and Peace Studies and the Center of Foreign Policy Research, both of Columbia University,
School of Advanced International Studies of Johns Hopkins.

Private organizations

- The American Assembly,
American Universities Field Staff,
The Brookings Institution,
Carnegie Endowment for International Peace,
Committee for Economic Development,
Council on Foreign Relations,
Foreign Policy Association,
National Planning Association,
Rand Corporation,
Twentieth Century Fund,
World Peace Foundation.
-
-

Foreign Policy Clearing House

300 INDEPENDENCE AVENUE, S. E.

WASHINGTON 3, D. C.

Telephone: Lincoln 6-8900

FEB 12 1960
JHC

February 10, 1960

Professor Max Millikan
Center for International Studies
Massachusetts Institute of Technology
Cambridge 39, Massachusetts

Dear Max:

This letter is an addendum to my letter of last week.

At the recent Metropolitan Club meeting, I believe you said that you have been doing some thinking about the form and substance of a new "between-agency" mechanism for coordinating aid packages. As it is not unlikely that "multilateralism" will be a topic for discussion at the next session, I think it would be exceptionally good if your thoughts might be put on paper. One possibility would be for us to circulate your views among the group beforehand as a catalyst for others to commit to paper their own thoughts on this subject preparatory to the next conference.

On another subject altogether, I was intrigued with the passing remark you made about your feeling that there is an immediate need to develop some sophisticated bipartisan discussions on some of these matters prior to the beginning of the next Administration. We, too, are thinking seriously along these lines and I know that Bill Foster, John Nuveen and other members of the Clearing House join me in welcoming any ideas you might have on how we might best proceed in this respect. The Clearing House is now working with a couple of Members of the Senate with the possibility in mind of some sessions among Senators but I think it is clear that there are other arenas of equal or greater relevance in which these matters might well be considered.

I hope you will find time when next you are in Washington to give me a call so that we might have lunch to discuss these things. I also look forward to receiving an early letter from you in regard to these questions as well as those posed in my letter of last week.

With best wishes, I am,

Sincerely,



Jay H. Cerf
Director

JHC/jd

cc: John Nuveen
William C. Foster

APR
MAR 1 1960 ✓

Foreign Policy Clearing House

300 INDEPENDENCE AVENUE, S. E.

WASHINGTON 3, D. C.

Telephone: Lincoln 6-8900

March 29, 1960

Professor Max Millikan
Center for International Studies
Massachusetts Institute of Technology
Cambridge 39, Massachusetts

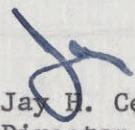
Dear Max:

After your call today it occurred to me that I need to know two things. First: what is the precise date on which the Policy Planning Staff meeting will occur? And second: who (if anyone) may I contact in order to learn the identity of the academic types who will attend? I wish to know the latter because it occurs to us that it might be a prudent move to set a target date for our balance-of-payments meeting to coincide with the Policy Planning Staff meeting or, perhaps, to fall either on the day before or the day after. Obviously, this would be a good idea only if there was a significant overlap of personnel for the two meetings. It would also solve the problem of raising money to get a lot of these people down here for the balance-of-payments meeting.

Bill Foster seems to agree, incidentally, that a meeting on international organization of aid following that of the Policy Planning Staff could be especially valuable if it would lead to a competent public paper on the subject.

I hope that I might hear from you on these two questions rather quickly.

Sincerely yours,


Jay H. Cerf

Director

JHC/jd

DB called in
response April 4.
No overlap of academic
people.

*Ed Grand
Ed Martin
Barrie M. M. (Morgan)*

March 10, 1960

Mr. Jay Cerf
Foreign Policy Clearing House
300 Independence Avenue, S.E.
Washington 3, D. C.

Dear Jay:

I am sending under separate cover two copies of our Senate study. I would appreciate it if you would keep the document reasonably confidential at this stage. We are not supposed to be sending it around until it has been accepted by the Senate.

By all means go ahead and make whatever summary you think appropriate. I think we would appreciate having a look at your version before you circulate it. We have not yet heard when Max will be asked to appear before the Committee. I will keep you posted on this and will try to send you a copy of his remarks as soon as they are prepared. If things go true to form, however, there probably will not be more than a few hours lead time.

Thanks ever so much for your courtesies to a country cousin the other day. It was great fun to see you.

Sincerely yours,

Donald L. M. Blackmer
Executive Assistant
to the Director

DLMB:hsu

P.S. I suppose you may regard this letter as a response to Janet's letter to Max. On principle, assistants to directors should always write to directors.

*both talk
about this*

MAR 3 1960 ✓

Foreign Policy Clearing House

300 INDEPENDENCE AVENUE, S. E.

WASHINGTON 3, D. C.

Telephone: LINCOLN 6-8900

February 29, 1960

Professor Max Millikan, Director
Center for International Studies
Massachusetts Institute of Technology
Cambridge 39, Massachusetts

Dear Dr. Millikan:

During the past several months the Foreign Policy Clearing House has been closely examining the U.S. foreign policy studies which were subcontracted by the Senate Committee on Foreign Relations. We have discerned that a number of these studies are of great interest and potential value to large numbers of policy makers. We believe that many of the reports can be extremely valuable for some time to come, both in terms of their contribution to legislative deliberation as well as in longer-range considerations by policy researchers, planners and administrators.

The Foreign Policy Clearing House is sending a letter similar to this one to the directors of each of 12 Senate studies. We should be most grateful if you would cooperate with us in two specific areas of current activity.

In accordance with one of its principal functions, which is to make "independent research readily available to Congress," the Clearing House will undertake to summarize, print and distribute the findings of the Senate foreign policy reviews to key policy makers. We believe this will be the only publically available, systematic digest and analysis of these studies. We currently estimate our printing will be under way by late March. Our first question, therefore, is whether you have any summary material or specific suggestions with regard to your own study which you would like to send us at this time. We would be glad to receive any material which you think might enhance the quality and usefulness of our summary text.

Second: would you advise us which members of your organization will appear before the Committee when it holds its hearings on your study and, if possible at this time, when they expect to be in Washington. The Foreign Policy Clearing House, as part of its annual program of briefing-by-experts, is planning during this session another series of discussions for Members of Congress and their assistants. We recognize that many of those who contributed to the Senate studies have a potential contribution to make in this series. We would like, therefore, to have an opportunity to invite those specialists to participate in some of these Clearing House briefings.

We would be most grateful for a prompt reply to both of the above questions.

Sincerely yours,

Janet K. Dorsch

Janet K. Dorsch
Assistant to the Director

file
DEC 11 1959

JHC

Foreign Policy Clearing House

300 INDEPENDENCE AVENUE, S. E. WASHINGTON 3, D. C. Telephone: Lincoln 6-8900

December 9, 1959

Professor Max Millikan, Director
Center for International Studies
Massachusetts Institute of Technology
Cambridge 39, Massachusetts

Dear Max:

This is my day to write to thank lots of nice people for their kind reception of me on my recent trip to various foreign policy research centers in the East. Though I know you are in India while I write this, in the interest of your having something to look at when you return to your desk, I submit this letter.

I suppose you realize that the lunch you, Don Blackmer and I had together resulted in quite a stir before November had finished. I will rely on Don or Charlie Kindleberger to inform you about the Princeton Conference and I will keep you advised when some of the other returns have come in, which I expect to be late this month and in January. I suppose, too, that you have a copy of the statement that came out of the conference, along with the list of signatures.

We are in the planning stage for some Congressional activities this coming session which we believe may be quite important. While you may be disappointed, I hope you will not be surprised if I get in touch with you early in the year for advice.

I am, with kind good wishes,

Sincerely yours,



Jay H. Cerf
Director

JHC/jd

FEB 2 1960

THE FORD FOUNDATION
477 MADISON AVENUE
NEW YORK 22, N. Y.

AS

OFFICE OF THE
DIRECTOR OF ADMINISTRATION

January 29, 1960

Dr. Max F. Millikan, Director
Center for International Studies
Massachusetts Institute of
Technology
Cambridge 39, Massachusetts

Dear Dr. Millikan:

We thought you would be interested in the attached information concerning a new Indonesian visa regulation which has been brought to our attention by Michael S. Harris, our Representative in Indonesia.

Sincerely yours,

Verne S. Atwater
Verne S. Atwater
Director of Administration

Enclosure

I've given copy to
adm. office.

THE FORD FOUNDATION

TRAVEL BULLETIN

INDONESIA -- NEW VISA REGULATION

January 1960

A recent ruling by the Military Administrator for Djakarta requires that all foreign visitors to Indonesia, even those on very brief stopovers, obtain a fiscal certificate showing that they have complied with all the provisions of the Indonesian tax laws before an exit permit is issued to leave the country.

Exceptions: Visitors who have dinas (service), diplomatic, or tourist visas.

Therefore, visitors to Indonesia should request a visa that states: (Indonesian)

- a) exit dinas/diplomatik/kehormatan; or
- b) visa bebas bea/touris/transit

Do not accept a tourist visa that reads: visa kundjungan (Indonesian).

In addition, each person traveling to Indonesia should have 12 passport-size photographs.

All foreigners will be required to register with the police upon arrival, and, unless in possession of the visa suggested above, are required to obtain police approval before traveling within Indonesia.

Jay Leib
or seminar

Foreign Press Clearing
House

Dear Don:

I hope and trust your "Notes on the Seventh World Youth Festival" got some circulation among interested USIA people as well as the top echelons of the Independent Service (esp. Paul Zigmund (?))

I am returning my copy which I expect to ~~share~~ exchange for a clean one when I see you. Did you send one to the Beattys?

I read the document with a pencil. From my marginal comments you can see that I had little to add that can ~~be~~ possibly be helpful. I was terribly much impressed and I was particularly impressed with your insightful comments regarding proper strategy and expectations about the ~~risky~~ tactics in the delegation on the opening day....i.e. making minimum goals what should have been our maximum. I missed these performances, not being a delegate and that made it doubly interesting.

Could you send a copy to Prof. Hsi Huey Liang
Dept. of History
Bard College
Annandale-on-Hudson,
N.Y.

Did you meet Isaac Omolo, the Kenyan who occupied your bed at the Hotel de France before you took over? He is a close acquaintance of Tom Mboya; he knows Gikonyo Kiano well and I got off to a good start on knowing Omolo well. He is studying Law in London. I have him tabbed as a comer in Kenya. He is refreshingly unfanatical about his nationalism and about Britain. I have enclosed a copy of a letter from him I got a couple of ~~days~~ ago. You can see why I am so disturbed. What can I do? As a strong devotee to the Commonwealth, I hate to see this sort of thing and I hate to see someone like Omolo defecting to the Kianos and Mboyas. Do you know anybody in London who can woo Omolo? I have a friend who is Asst. to the Foreign Secretary and I am sending him a copy. The enclosed letter is tragic - a microcosmic illustration of the reason I'd like to get that cabin on the Columbia River and jump the traces.

Best,

file

JH

OCT 21 1959

fl

Foreign Policy Clearing House

300 INDEPENDENCE AVENUE, S. E.

WASHINGTON 3, D. C.

Telephone: LIncoln 6-8900

October 19, 1959

Professor Max Millikan, Director
Center for International Studies
Massachusetts Institute of Technology
Cambridge 39, Massachusetts

Dear Max:

I plan to be in Cambridge on the 29th and 30th of this month and hope to spend most of Thursday, the 29th, at the Center. I am visiting several foreign policy research institutions on this trip with the intention of emerging with a more precise idea about who is involved in what research areas and what particular output is projected for the coming year. Naturally, I hope also to convey some clear notions of what we ourselves are doing and what we project for the coming year.

I just talked with Don Blackmer this morning on the phone regarding this trip and I swear I don't remember whether he mentioned if you were going to be around at that time, but if you are, I hope very much to have a chance to visit with you for a short while. I would like to talk with you with an eye to the question of how the Clearing House might plan to apply your own expertise to policy considerations in Washington during the coming year.

With kindest personal regards, I am,

Sincerely yours,

Jay
Jay H. Cerf
Director

JHC; jd

FPCH

August 11, 1959

Miss Pamela Staley
Staff Assistant
Foreign Policy Clearing House
300 Independence Avenue, S. E.
Washington 3, D. C.

Dear Miss Staley:

Thank you for your letter requesting a copy of our latest annual report and publications list. I have enclosed our report for 1957-58 and a copy of the latest addenda to the publications list. We have put the Foreign Policy Clearing House on our mailing list for the 1958-59 report and shall be glad to send you any studies you may wish to order through our publications office.

Sincerely yours,

Mina Parks
Secretary, Office of the Director

Check for publication - return later

Under consideration

Foreign Policy Clearing House

300 INDEPENDENCE AVENUE, S. E.

WASHINGTON 3, D. C.

Telephone: LINCOLN 6-8900

AUG 10 1959

August 7, 1959

Office of the Director
Center for International Studies
Massachusetts Institute of Technology
50 Memorial Drive
Cambridge 39, Massachusetts

Dear Sirs:

The Foreign Policy Clearing House would like very much to have on file a copy of your latest Annual Report. If your publications include other listings of projects undertaken by the Center, we would be most grateful to have copies of them as well.

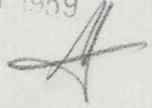
We are currently engaged in a survey of materials on the subject of foreign policy planning and administration. This would include topics such as personnel recruitment, training, and retention, and also administrative methods of policy planning. If the Center has done any studies on this general range of topics, we would appreciate receiving copies, or information as to how copies may be obtained.

Thank you very much for your consideration.

Sincerely yours

Pamela Staley

Pamela Staley
Staff Assistant

FEB 13 1959

A

Foreign Policy Clearing House

300 INDEPENDENCE AVENUE, S. E.

WASHINGTON 3, D. C.

Telephone: Lincoln 6-8900

February 11, 1959

Dr. Max F. Millikan, Director
Center for International Studies
Massachusetts Institute of Technology
Cambridge 39, Massachusetts

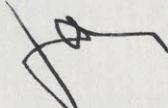
Dear Max:

Please accept our sincere, albeit belated, thanks for your exceedingly valuable contribution to the activities of the Foreign Policy Clearing House when you were recently in Washington.

We find the effectiveness of such activities often has subtle ways of showing itself. Several of us, stimulated by your observations at dinner at the Press Club, met in my house two nights after our discussion in order to give serious consideration to means by which the immediate and long range assistance-to underdeveloped-areas crisis might be met by Congress. And as a result of this, we are now working seriously and hastily to get some added expert personnel whose exclusive job it will be to work for a politically realistic reformulation of the mutual security concept. When these notions reach some material form we will certainly inform you. Again, sincere thanks for your tremendous assistance both at dinner and in the private session in Congressman Coffin's office.

With best regards, I am

Very truly yours,


Jay H. Cerf
Director

May 12, 1958

Mr. Jay H. Cerf
Foreign Policy Clearing House
300 Independence Avenue, S.E.
Washington 3, D. C.

Dear Jay:

I'm glad you think the Higgins paper may be useful. It was actually written not for the Center but for a conference organized last fall by the World Peace Foundation on "Economic Assistance as an Instrument of U.S. Foreign Policy." The conference concentrated on three countries, Ghana, Indonesia, and Iran.

Higgins' paper has not been widely circulated, largely because it will appear as a chapter in a forthcoming book based on the conference background papers. There is no real reason for limiting the distribution, however, so long as it is understood that this is a preliminary version of a piece to be published later. I had intended this to be noted on the papers before they were sent down to you but our efficiency was greater than I had supposed and they had already gone out. I am enclosing copies of a brief note with appropriate explanations and would appreciate it if your excellent girl Christmas would append one to each copy of the paper before sending it around. I hope we've sent you sufficient copies, especially since we have no more.

In general we agree with you that distribution in Congressional quarters of such pieces is all to the good. This is not a function that gets taken care of automatically by us or by anyone. The studies we do under government contract do not get wide circulation, at least outside the executive branch, unless they are prepared for the Congress itself. Almost all our work on foreign economic policy, moreover, is supported by foundations, not by the government. As a general rule anything you see in our publications list, which I assume you have, is fair game for distribution wherever you think it would be useful. We would appreciate only being kept informed about what you are doing with our papers and what reactions, if any, you are getting.

Mr. Jay H. Cerf

-2-

May 12, 1958

Please do come see us this summer and we can talk about it at length. People here would enjoy meeting you and learning what luck you are having with your endeavors.

Yours,

Donald L. M. Blackmer
Assistant to the Director

DLMB:pec

P.S. Please inform Schwestelein that we have not forgotten her at all and that she can expect to hear from us soon.

D. L. M. B.

Foreign Policy Clearing House

300 INDEPENDENCE AVENUE, S. E.

WASHINGTON 3, D. C.

Telephone: Lincoln 6-8900

MAY 6 1958

May 1, 1958

Mr. Donald L. M. Blackmer
Center for International Studies
Massachusetts Institute of Technology
Cambridge 39, Massachusetts

(10)

Dear Don:

I am addressing these questions to you (a) because you are obviously a genius and (b) because I don't know to whom else to write.

We received a 60 page mimeographed document by Benjamin Higgins, called "World Peace; the Indonesian Case." Attached to the document was a tag which said, "With the compliments of the Center for International Studies." We have read the document and from all I can tell it is the best short study on Indonesian economic development problems.

Sometime this summer I hope to get up to MIT to learn more about the kind of work you are doing, for whom you do it and to whom you distribute it. I would assume that the above document was probably done under government contract. But my chief question is who, if anyone, in the legislative branch will get to see it? I can think off hand of at least three Committees and two Subcommittees of Congress as well as at least a half dozen Congressmen and several Senators who should have the opportunity of reviewing the Higgins study. To perform this type of communication is, as you know, one of our functions. But in the absence of information on your distribution I would hesitate to cross a bridge which has already been crossed.

Therefore, won't you please let me know whether you think our distribution to foreign policy quarters in Congress of the Higgin's document or of similar documents in the future is a fruitful exercise or if this function is somehow being accomplished in other ways.

Your little sister is pouting just terribly and it seems that you should come down to keep her company soon. We can provide the quarters for any and all Blackmers who appear.

Sincerely,

Jay H. Gerf

P.S. You could at least ^{answer} write her a letter!

NBB