

Economic Cooperation Administration

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Relations between Washington and Overseas ECA Offices

PROBLEM:

The general allocations of functions that we made as a basis for starting operations here in Washington have been greatly refined in the process of day to day working relationships. Division of function between Washington, Paris and the Missions must be made equally concrete. As you know, Mr. Bruce discussed this problem with Mr. Harriman.

RECOMMENDATION:

Therefore, I recommend that a survey team made up of persons having a wide yet intimate knowledge of ECA-Washington organization and operations be sent to Paris to investigate areas of conflict, duplication and uncertainty about relationships. It should be supplemented there by persons with a similar knowledge of our overseas operations drawn from the Paris Headquarters and from particular country missions. Such a study has been suggested by several persons here. I was assured that it would be welcomed abroad.

DISCUSSION:

1. General Scope of Proposed Survey

The team thus constituted should direct itself to identifying gray areas and proposing in concrete terms just which phases of any given function or operation should be performed in the Missions, the Office of the Special Representative and ECA-Washington respectively in order to improve relationships, strengthen coverage of particular functions, or eliminate duplication. Instances in which ECA may be assuming responsibilities better left to the OEEC or the participating countries would also be a proper target for this group.

Naturally, a survey covering such subject matter would lead to the need for some revamping of the organization and practices of the missions and the Paris office. Our overseas people would therefore want the study group to make some suggestions as the nature of such changes. Also, this group would be in a position to identify ECA-Washington actions which create problems overseas and recommend appropriate corrective measures.

## 2. Specific Subjects for Study

While this is by no means an exhaustive list some subjects which it seems particularly desirable to explore are:

a. Programming Practices - The existing division of labor between Washington, Paris, and the Missions and the OEEC with respect to the formulation and review of both annual and quarterly programs should be investigated thoroughly.

Clearly, program decisions must be taken in the light of background with respect to traditional U. S. policy and historical economic patterns as well as foreground of current conditions. Bringing to bear the former considerations would seem to be a role that Washington could play most effectively. Working out a pattern of action whereby these viewpoints can be smoothly merged in the decision making process represents the big organizing job yet to be done on the programming front.

Furthermore, the organizational and procedural implications at all levels of our recent changes in quarterly programming practices need to be thought through. In view of the minimum of instruction that it has been possible to provide it is unlikely that these changes have been well assimilated. Even such a matter as the reproduction of program documents in a manner more suitable to all parties could be explored with great profit.

b. Recovery Program Reporting - In attempting to measure recovery progress serious technical problems arise which are further aggravated by the shortcomings of European statistics. In addition, organizational responsibilities for this activity appear to be particularly confused. Division of labor between Washington, Paris and the Missions is not clear. A part of the problem is to determine how information available through established U. S. governmental channels can be merged with our own flow.

c. Functional or Technical Supervision - The line responsibility of the various types of specialists - industry, agriculture, information, labor, etc. - in Paris and the Missions to the Special Representative and the various mission chiefs respectively, is an accepted tenet of ECA Organization. Nevertheless, in ECA, as in other organizations, a certain amount of oversight and service by a specialist group in headquarters of similar specialists in the field is sound and necessary. There are aspects of information policy and program administration, for example, which should be handled uniformly within ECA. These should live up to a commonly high standard of performance which top line management is not qualified to set. Nor does it care to. The top man wants to be assured however that the performance of a given group of specialists measures up to accepted standards for that field. Neither the exact nature nor degree of such relationships have been pinned down in most areas of ECA. Industry, Agriculture, Information, and Labor, to mention a few, present real problems of this sort as is indicated by recent observations made and communications received by a number of us.

d. Technical Assistance - There is need to work out clearly where responsibility for making policy relative to the expenditure of technical assistance funds and for planning specific programs of technical assistance

should be placed. How, for example, do you divide up the job as between the Industry and Program Coordination and Review groups of determining that technicians should come before commodities or vice versa in the economic recovery of a given country? Moreover, there is some indication that we have not located the initiative on technical assistance programming clearly on one or the other sides of the Atlantic Ocean, or clearly defined what purposes we hope to serve through the use of this device.

e. General Administration - As you know, there are still some loose ends with respect to a variety of administrative arrangements. For example, the relative roles of the Paris Controller and the Executive Assistant in maintaining contacts with Washington may warrant further examination. Some open end questions on budget and personnel administration will inevitably be worthy of further study. Then there is our perennial communication difficulty which might well be improved by systematic study on that side of the water. Further check could be made on the adequacy of the provision for the flow of information between Paris and the missions and Paris and Washington on an organized basis. In all these areas Paris-Mission relationships are still going through a shaking-down process which could be expedited by a group with the time and skill to investigate them thoroughly.

### 3. Timing

This study should be started as soon as possible. To do the job on a sufficiently thorough and comprehensive basis to make it a profitable undertaking would no doubt take well over a month. Since a number of the questions to be explored should be settled before we have to appear on the Hill an early start is highly desirable.

### 4. Staff

a. My thought is that Harry Fite should supervise this project. His position in the organization naturally provides him with the necessary over-all knowledge of ECA organization and operations. As you remember he participated very actively in hammering out the assumptions about division of function on which we've been operating since last summer. More recently he has personally participated in the work leading to the over-haul of our programming procedures and is familiar with them in detail and the problems to be encountered in this area.

b. Certainly some member of Bissell's immediate staff or some one who understands his activities and the underlying economic problems and basic purposes of ECA should participate. Possibly someone from the Program Review activity in the Paris Office might supply this viewpoint if Bissell can't spare anyone. Another possibility is Harold Stein, who served as a consultant to us during this same period. He not only has the background of this experience to draw on but he participated actively in the Congressional Committee and inter-departmental planning which was done prior to the passage of the Act.

c. I would like to see Arthur Mosler who has been working in the Organization and Management Division as a consultant since July become a member of this group. He has had excellent experience in industry as Industrial Engineer of the Celanese Corporation of America, in WFB and in ECA representing the Organization and Management Division as a working member of the Task Committee last summer. Mosler has done some exceedingly able and imaginative work for us and is a skillful technician with a lot of practical know-how.

d. In addition, Kelly from the Program Methods Control Staff which took over this job of implementing the recommendations of the Task Committee should participate in this work for a short time in connection with shaking down the quarterly programming procedures. If this can't be arranged an effort might be made to get Sears who was chairman of the Task Committee back for a time. This device, of course, would not have the advantage of providing education to a permanent ECA staff member that sending Kelly would have.

e. In order to provide the group with the objectivity and perspective of a completely independent viewpoint as well as a rather unique flair for dealing with organization problems of this complexity, I suggest adding Ralph Burton of the Division of Administrative Management of the Budget Bureau. Burton has an outstanding knowledge of governmental relationships and has been used as trouble shooter on the most complex organization problems that have existed in the government. He's not wholly cold on ECA's problems as he worked in the Organization and Management Division on some inter-agency relationship questions for several weeks during the summer.